Gordon Institute of Business Science
University of Pretoria

Banking on sustainability: Exploring the antecedents, barriers and enablers to action

Jennifer Clair Moore

A research report submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Philosophy (Corporate Strategy)

1 February 2021

ABSTRACT

Taking action on sustainability is key if the ideals of the South African national development plan, the African Union's Agenda 2063 and the global sustainable development goals are to be achieved. However, evidence suggests that despite global buy-in from the private and public sector, limited progress has been made to date. The literature revealed that little has been done to understand why organisations adopt a weak position on sustainability and maintain low levels of action.

The financial services sector has been identified as a critical enabler of sustainability action. The research set out to develop insight and understanding into the antecedents, barriers and enablers of sustainability action within the South African banking sector. The aim was to develop a conceptual model of the key constructs that may accelerate sustainability action in the sector, as well as the barriers that may impede action.

A qualitative research methodology was used to gather data through in-depth interviews with 13 participants knowledgeable about sustainability action in the South African banking sector. Participants included banking sector professionals as well as experts working in the field of business strategy and sustainability consulting in the sector.

The study identified five constructs that explain how sustainability action is affected in the banking sector and where the potential barriers and enablers of accelerated action may be located. The constructs are: management orientation; organisation characteristics; sustainability embedment; influential stakeholders; and sustainability action.

The key outcome of the research is a conceptual model for sustainability action in the banking sector. This model incorporates both expected constructs found in the literature, as well as potentially new constructs that contribute to the strategy and management literature.

Keywords

Sustainability, action, banking, sector

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Philosophy (Corporate Strategy) at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Signed: Date

CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

LIST OF ABBREVIATIONS

CEOs	chief executive officers
CS	corporate sustainability
CSI	corporate social investment
CSR	corporate social responsibility
ESG	environmental, social and corporate governance
GCNSA	Global Compact Network South Africa
SDG	Sustainable Development Goals
TCFD	Task-Force on Climate-related Financial Disclosures
UN	United Nations

CHAPTER 1 PROBLEM DEFINITION AND PURPOSE

1.1 BACKGROUND TO THE PROBLEM

"We have to build a better world, a better society and better instruments to ensure that a girl born in Abidjan and a boy born in Austin have the exact same chance of success, the same opportunities to fulfil their potential. And we cannot accept that it is a far-off dream, a possibility of some distant time and place. It is this moment and the people we are now that must propel us there" (Patel, 2020).

The year 2020 was heralded as the start of the decade for action on sustainability, five years since the introduction of the United Nations Sustainable Development Goals for 2030 (SDG) and significant global engagement with the principles of building a more equitable, just and sustainable future for all (United Nations [UN], 2020). While some global progress has been noted towards achieving the SDGs, the rate of change is slow and the global COVID-19 pandemic has redirected resources to the immediate challenges in protecting lives while further exacerbating inequality in vulnerable communities (Lee, 2019; UN, 2020).

Underpinning this slow pace of action on sustainability is the disconnect between what business knows is needed versus the action they are taking to achieve this. International research indicates that while 99% of global chief executive officers (CEOs) believe sustainability is key to their future business success, only 48% of them are actively implementing sustainability in their businesses. They point largely to macro factors and systemic challenges as impacting their ability to embed sustainability. They also expect the change to be driven at a sector level, rather than individual businesses taking the lead (Thomas, Cruse, Long, Trescott, Gupta & Raghunath, 2019).

The South African context is no different. South Africa's national development plan was established in 2012 and although it predates many of the newer frameworks, it shows strong alignment with the UN SDGs and the African Union's Agenda 2063 – thus creating a plan that recognises global, regional and local need for sustainable development (Global Compact Network South Africa (GCNSA), 2019a). The 2019 assessment of progress indicated substantive progress, but also substantive gaps in meeting the 2030 development goals for South Africa. A strong call for greater action on sustainability was made (GCNSA, 2019b). As part of this assessment, the role of the financial services sector as a critical enabler of success was identified. However, many questions remain as to exactly what the sector is expected to do – especially in relation to deriving value from the 2030 agenda; clear target setting; measures of success; and alignment across sectors and stakeholders (GCNSA, 2019a).

This mirrors the global trends towards high awareness and buy-in, but slow adoption and action due to the need for sector-level alignment and leadership on action.

Maimbo and Zadek (2017) highlight the importance of shifting the financial sector's sustainability paradigm from a secondary and often niche activity set, to making sustainability a core focus of business strategy. Multiple factors contribute to the peripheral treatment of sustainability-related activities in the financial services sector (UN Inter-agency Task Force, 2019). Four common factors that act as barriers to deepening sustainability within the corporate agenda include: lack of a common standard for sustainability reporting; voluntary nature of sustainability reporting; difficulty in providing a monetary value for sustainability-led activities; and rating methodologies that are irreconcilable with each other (UN Inter-agency Task Force, 2019).

For South Africa to meet its 2030 sustainable development objectives, in line with the global SDGs and African agenda, substantive shifts in action are needed. The systemic role of the financial services sector as an enabler of sustainable development is clear, yet the sector is lethargic in its response to the call to action. Thus, further work is needed in identifying the levers that will shift the financial sector to greater levels of action on sustainability.

1.2 THE RESEARCH PROBLEM

The research problem considers the complex nature of the sustainability agenda and the drives of action and inaction, towards achieving a more sustainable future. Despite the global focus on sustainability and broad-based agreement that it is a critical aspect of business for the future, there is little evidence to suggest that this buy-in has led to substantive changes in action. Scientific evidence shows that environmental degradation continues to grow, while social inequality and poverty persist (Hahn, Figge, Aragon-Correa, & Sharma, 2017; Slawinski, Pinkse, Busch, & Banerjee, 2017; Dyllick & Muff, 2016). The business problem intersects with strategic management and business ethics literature in seeking to understand how to move organisations towards a stronger position on sustainability and sustainability action.

One of the foundational issues in understanding sustainability action, is the lack of consistent definitions that drive particular action agendas. Business ethics and strategic management literature provide multiple terms and definitions linked to sustainability –

two of the more prominent concepts being corporate social responsibility (CSR) and corporate sustainability (CS). Each concept brings with it a particular orientation on action that can impact progress on sustainable development goals.

CSR definitions from the selected literature converge on the idea that it is based on a weak position on sustainability which often leads to action that is intended to protect the image of financial well-being of a firm (Schalteger & Burritt, 2018; Porter & Kramer, 2019; Jamali & Karam, 2018). On the other hand, CS adopts a multifaceted approach that seeks to find balance and mutual benefit where business, social, environmental and economic needs meet (Hahn, Pinkse, Preuss, & Figge, 2015; Engert, Rauter & Baumgartner, 2016; Dyllick & Muff, 2016; Hahn et al., 2017).

The varying action orientations and sustainability outcomes have been explained by authors in the context of a continuum or spectrum of action. Firms can be located on the spectrum based on their sustainability orientation and the associated actions that flow from this orientation. Such spectrums span from a weak sustainability approach, with limited or forced action (typically through compliance or regulation) to a strong position on sustainability, where action seeks to create harmony between economic, social, environmental and business needs (Van Marrewijk & Werre, 2003; Evans, Vladimirova, Holgado, Van Fossen, Yang, Silva & Barlow, 2017; Landrum & Ohsowski, 2018).

While much of the extant literature focuses on the strong position of sustainability, there has been little work done in understanding the weak sustainability position and associated limited action or inaction (Hahn et al., 2017). The literature indicates a need for research that considers a weak sustainability starting point and identifies the opportunities to shift this to a stronger position of sustainability and sustainability action (Hahn et al., 2017; Slawinski et al., 2017). Furthermore, Slawinski et al. (2017) posit that organisations become trapped in a cycle of inaction (or weak sustainability action). They provide direction for further explorative research into the dynamics of inaction (or weak action) and suggest that there is a need to understand how to move organisations into a position of strong sustainability action.

1.3 THE RESEARCH QUESTIONS

Slawinski et al. (2017) acknowledge that many dimensions may have an influence on the level of sustainability action and suggest that exploring them may help expand the understanding of the action – inaction spectrum. Furthermore, they state: “future research could seek to identify ways to escape the vicious circle [of inaction]” (p. 273).

Combining these two points, the overarching research question of this study was defined as: What is needed to shift the South African banking sector to a stronger position of sustainability and action?

Four sub-questions were defined:

1. What are the antecedents to the sustainability position and level of action in the sector?
2. What are the barriers to adopting a more active approach to sustainability action?
3. What are potential enablers to shifting the sector paradigm and adopting an active approach?
4. What opportunities would a stronger position on sustainability action present for the sector?

1.4 THE RESEARCH AIMS

The research aimed to garner insight and understanding into the antecedents for sustainability action in the SA banking sector – as well as the barriers, enablers and opportunities of shifting towards a stronger position of sustainability and enhanced action. From this insight and understanding, the research developed a conceptual framework for shifting the banking sector to a stronger position of sustainability and action. The research may also be of benefit to role players who are responsible for, or contribute to, the sustainability agenda of the banking sector.

1.5 THE RESEARCH CONTRIBUTION

The research makes a small contribution to the extant literature on corporate sustainability action by proposing an extension to the strategy management literature focus on the organisation, to consider broader sector-based factors that may have a direct impact on how organisations take action on sustainability.

Furthermore, the research builds on the existing management literature by proposing possible nuances to key constructs that may impact sustainability action in the South African banking sector. This may contribute towards developing specific initiatives in this sector that could foster greater sustainability action.

1.6 ROADMAP OF THE RESEARCH

The research is structured into seven chapters. Chapter 1 sets the context for the research by providing an overview of the business need for the research as well as a high-level summary of the research problem and associated research questions. Chapter 2, which is divided into five sections, provides a review of the extant literature from the strategic management and business ethics field on sustainability action. It starts with an overview of the most common concepts linked to sustainability action used in the literature and identifies those that are most relevant for use in this research. This is followed by a review of the factors that impact sustainability action and drive corporate resistance to change. Lastly, it considers the literature on sustainability and sustainability in the banking sector specifically and concludes with a conceptual framework drawn from the various authors and academic theories.

Chapter 3 provides a short summary of the primary research question and the sub-questions that were defined for this research. Chapter 4 follows on with a detailed research methodology discussion, including the rationale for the choices made. Chapter 5 provides a detailed set of research findings, followed by a discussion of the findings in context of the literature in Chapter 6. Chapter 7 concludes the research with consolidated findings, research contribution and limitations, implications for management and potential areas for further research.

CHAPTER 2 LITERATURE REVIEW

2.1 INTRODUCTION

A literature review was undertaken to understand the dynamics of sustainability action and factors that contribute to low (or no) action. Although the focus of the research was on the banking sector, the review of literature was to consider the topic of sustainability action/inaction in a sector-neutral context first, and then drill down into the banking sector as a second part of the analysis.

For the purposes of this research, sustainability in relation to its scientific definitions and applications is excluded from the literature review. Rather, the focus of the literature review is on sustainability within a business management and strategy context, with the outcome of addressing the research question: What is needed to shift the South African banking sector, to a stronger position of sustainability and action?

For the purposes of this research, the WECD (1987) definition of sustainable development has been applied: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (p41). This definition of sustainability requires organisations to consider the holistic stakeholder context within which they operate – not just shareholders, but also the social, environmental and broader economic context (Wannags & Gold, 2020). This requires a set of business choices and concerted effort in the form of action that addresses the needs of multiple stakeholders, with a sustainable outcome in mind. While the UN Sustainable Development Goals were meant to accelerate the pace of action towards the 2030 ambition, there is growing evidence of the divide between intent and action (Lee, 2019; UN, 2020; Hahn et al., 2017; Slawinski et al., 2017; Dyllick & Muff, 2016; Landrum, 2018).

The strategy and management literature has tended to focus on the strong sustainability position, to help build the case for sustainability through evidence of success and positive business outcomes (Hahn et al., 2017; Slawinski et al., 2017). However, the reality as stated above is that this focus on the good story of sustainability has not had the desired effect of accelerating action. Thus there is a growing need for research that seeks to understand how to shift organisations from low or no action, to higher levels of sustainability action (Hahn et al., 2017; Slawinski et al., 2017). Based on this need, this research was situated within the strategy and management literature on sustainability – specifically considering the factors that impact action or inaction on sustainability.

Figure 1 provides a roadmap for the approach taken to review the literature and the structure of Chapter 2, which is structured into five parts. The first section provides a comparative analysis of the various definitions relating to sustainability in the management literature. From this, the most applicable definition is identified for the purposes of this research. The second, third and fourth sections considered the key constructs of management orientation, organisation characteristics. These three constructs appear consistently within the strategy and management literature as key influencers of sustainability action.

The fifth section looks at sustainability from a sector perspective, with a particular exploration of sustainability action literature in the banking sector. In each of these five sections of the literature review, the evidence from current literature is presented, followed by a comparison of key themes and conclusions.

The final section of Chapter 2 consolidates the findings from each section of the literature review into a conceptual framework of factors that may impact sustainability action.

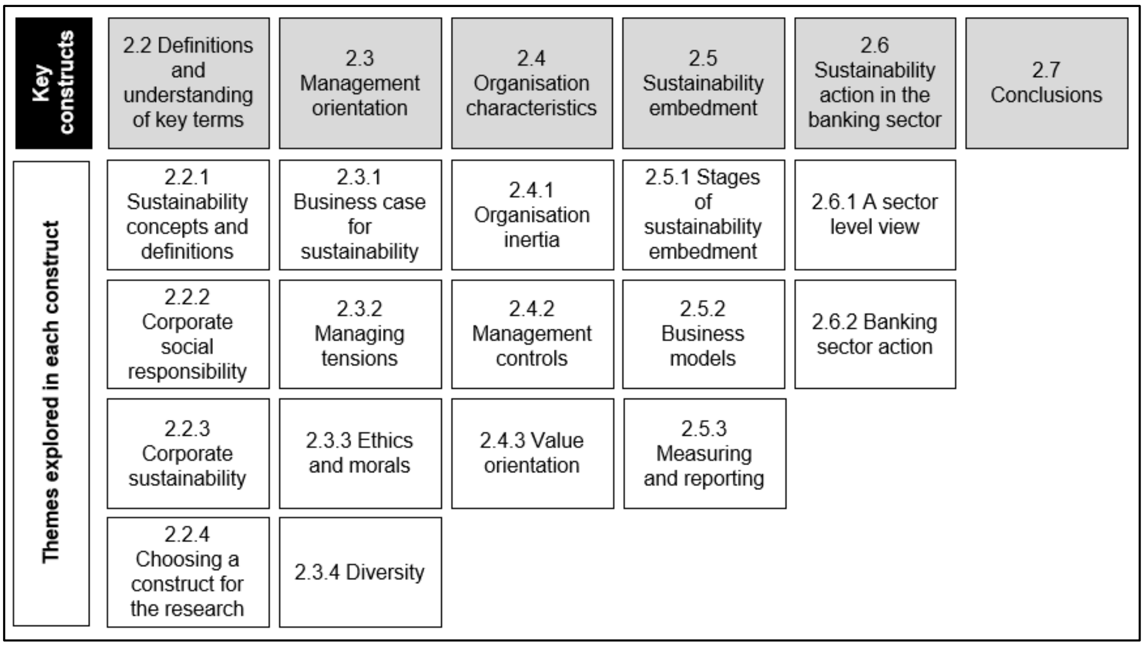


Figure 1: Literature review roadmap

Source: Author's own

For the purposes of this research, sustainability in relation to its scientific contexts and applications was excluded from the literature review. Rather, the literature review focused on sustainability within a business management and strategy context, with the outcome of addressing the research question: What is needed to shift the South African banking sector, to a stronger position of sustainability and action?

2.2 DEFINITIONS AND UNDERSTANDING OF KEY TERMS

2.2.1 Sustainability concepts and definitions

The academic literature provides a wide-ranging view of sustainability-related terms and definitions. An initial review of common sustainability terms used in the business strategy and management literature identified three constructs that place emphasis on the action associated with sustainability. These include: corporate sustainability, corporate social responsibility and sustainable management.

Table 1 provides a selection of the definitions used by authors noted in the literature review. The intent of this table is two-fold: to illustrate the varying articulations and definitions of key sustainability concepts; and at the same time, provide context for the use of these key terms in the literature review.

Table 1: Key sustainability concepts and definitions

Concept: Corporate social responsibility (CSR)		
Authors	**Definitions**	**Literature orientation**
Schaltegger & Burritt (2018)	• Voluntary action • Social and environmental • Impacted by the ethical orientation of the firm • A spectrum from externally-driven to internally-driven	Business ethics
Jamali & Karam (2018)	• Focus on CSR definitions in developing markets • No single definition, but rather shared characteristics • A complex phenomenon • Contextual and multimodal • Initiated in collaboration with others, both inside and outside a business • Part of the social and cultural construct within which business operates	Business management
Porter & Kramer (2019)	• Programme-based • A reaction to external pressures • Designed to improve firms' reputation • A necessary cost	Business management
Concept: Corporate sustainability (CS)		
Authors	**Definitions**	**Literature orientation**
Van Marrewijk & Werre (2003)	• Use the terms corporate sustainability and corporate social responsibility interchangeably • Social and environmental concerns are integrated in business activity • Influences interactions with stakeholders	Business ethics
Hahn, Pinkse, Preuss & Figge (2015)	• Integrated view of sustainability • Captures the tensions and contradictions of various facets of sustainability in a unified concept	Business ethics
Engert, Rauter & Baumgartner (2016)	• Intersection of three constructs • Economic development • Environmental protection • Social responsibility	Business management
Dyllick & Muff (2016)	• A shift in company priorities that considers society and environment first • Uses societal or environmental challenges as a way to direct resources to solve challenges, while still making economic returns	Business management
Hahn, Figge, Aragon-Correa & Sharma (2017)	• More than a firm's growth and profitability • Includes the firm's contribution to social justice and equity, economic development and environmental protection	Business management
Ciasullo, Montera, Cucari & Polese (2020)	• Strategic choice • Drives innovation that enables social, environmental and economic sustainability goals to be met	Business management
Concept: Sustainability management (SM)		
Authors	**Definitions**	**Literature orientation**
Engert, Rauter & Baumgartner (2016)	• How companies manage and integrate sustainability into the core business.	Business management
Dyllick & Muff (2016)	• Creating business value through sustainably managing the firm, with limited direct connection to achieving sustainable development goals	Business management

Source: Author's own

In considering the context for this research being at a sector level, the constructs of corporate sustainability (CS) and corporate social investment (CSI) are more easily translated to collective action. Both constructs refer to orientation on sustainability – such as how choices are made; how strategy is defined; the extent to which the constructs of social, environmental and economic sustainability are integrated; and the action that then flows from this. Sustainability management (SM) on the other hand focuses more on the way in which the chosen orientation is then implemented within a business management construct. As the research is focused on sector-level action, sustainability management at an organisation level is therefore not the focus for this literature review.

2.2.2 Corporate social responsibility

CSR is most commonly associated with a retrospective response by organisations to societal pressures, particularly linked to managing the corporate's reputation or financial well-being (Slawinksi et al., 2017; Jamali & Karam, 2018; Schalteger & Burritt, 2018; Porter & Kramer, 2019). In developing markets, external pressures such as social or cultural norms may place additional expectations on firms to respond with CSR initiatives (Jamali & Karam, 2018).

Increasingly the effectiveness of CSR in delivering a sustainable outcome is being questioned. There is a growing concern about the link between action and promise, which stems from the underlying intent of CSR action (Halme, Rintamäki, Knudsen, Lankoski & Kuisma, 2020). Thus CSR may be associated with a weak position on sustainability, due to the reactive and often retrospective approach to action (Schalteger & Burritt, 2018).

2.2.3 Corporate sustainability

Where CSR seeks to address issues in a linear manner, CS acknowledges the integrated and complex nature of sustainability issues and seeks to address them collectively (Hahn et al., 2015; Engert et al., 2016; and Hahn et al., 2017). CS depends on a purpose beyond pure profit and growth, which plays out at the intersection of multiple – and often conflicting – needs of the business, society, the environment and the economy.

CS also requires a contextual understanding of issues (Van Marrewijk & Were, 2003; Jamali & Karam, 2018). This allows sustainability to be framed within the unique context that it is being applied, aligning action to relevant internal and external business settings. This also explains why there might be differences in understanding or application of sustainability across different markets, such as the differences in approach seen across emerging versus developed markets (Jamali & Karam, 2018).

2.2.4 Conclusions: Choosing a construct for the research

For the purposes of this research, the term "corporate sustainability" (CS) has been used. This is based on the more complex construct captured in the CS definitions, which consider the interrelated and potentially conflicting nature of the dynamics that firms must deal with as they try to balance multiple stakeholder needs. This dynamic is central to the main research question in two ways. Firstly, it provides a rich context for the complex and multifaceted antecedents of sustainability action; and secondly, points to the inherent tensions and spectrum of positions that could be adopted on sustainability action.

2.3 MANAGEMENT ORIENTATION

Sustainability action does not happen in isolation of the broader business context and forms part of a complex and sometimes paradoxical set of trade-offs that managers have to make between competing business interests (Hahn et al., 2015; Hahn et al., 2017; Hahn, Figge, Pinkse & Preuss, 2018; Sasse-Werhahn, Bachmann & Habisch, 2020).

The academic literature presents multiple constructs that attempt to capture the tensions, dynamics and trade-offs that result in different levels of sustainability action being taken. Table 2 provides a summary of prominent constructs in the strategy literature relating to management orientation as having an impact on how organisations take action on sustainability. This includes: the business case for sustainability; how managers deal with uncertainty; management ethics and morals; and the impact of management diversity on sustainability action. Following on from the summary table, the constructs will be discussed and compared, ending with conclusions as to their role and relevance in the research.

Table 2: Management orientation that impacts sustainability action

Authors	Constructs	Key themes
Du, Yu, Bhattacharya & Sen (2017); Haffar & Searcy (2017); Schaltegger & Burritt (2018); De los Reyes & Scholtz (2019); Schaltegger, Hörisch & Freeman (2019)	Business case for sustainability	The literature presents multiple views on the business case for sustainability, with differing arguments and perspectives on the business case for sustainability.
Hahn, Preuss, Pinkse, & Figge (2014); Hahn, Pinkse, Preuss & Figge (2015); Haffar & Searcy (2017); Slawinski, Pinkse, Busch & Banerjee (2017); Wannags & Gold (2020)	Managing tensions	Managers are faced with an array of tensions and trade-offs that they must navigate in making decisions on sustainability action.
Mazutis & Eckardt (2017); Hafenbrädl, S., & Waeger (2017); Schaltegger & Burritt (2018); Hoppmann, Naegele & Girod (2019)	Ethics and morals	Ethics/morals impact sustainability action at an organisation and individual level.
Byron & Post (2016); Nadeem, Zaman & Saleem (2017); Slawinski, Pinkse, Busch & Banerjee (2017); Zaid, Wang, Adib, Sahyouni & Abuhijleh (2020)	Diversity	Diversity of management and Board teams can impact an organisation's stance on sustainability action.

Source: Author's own

2.3.1 Business case for sustainability

The business case seeks to explain how managers perceive the relationship between financial, environmental and social factors in how the organisation creates value. This can range from the narrowest of business cases which seek to focus on financial performance, with sustainability as a peripheral action that may or may not contribute to the pursuit for economic benefit – through to a fully integrated business case with sustainability action that forms part of how the organisation achieves its financial goals (Schaltegger & Burritt, 2018). There is much in the extant literature that debates the nature and validity of the integrated business case for sustainability (Schaltegger & Burritt, 2018; Haffar & Searcy, 2017).

One of the foundations of the business case argument for sustainability is borne out of the literature that suggests there is potential for a win-win situation where companies thrive by addressing social and/or environmental needs – put forward by authors as far back as Drucker (1984) or more recently, Porter & Kramer (2011) through their construct of shared value creation. While the concept of shared value creation has become popular in contemporary management thinking, there are mixed views on its ability to transforms legacy businesses beyond harm reduction (De Los Reyes & Scholtz, 2019).

Irrespective of whether organisations see sustainability action as integral or secondary to the business case of how they create value, the literature is clear that there is an increasingly complex set of trade-offs that have to be made in balancing sustainability and business performance (Haffar & Searcy, 2017; Schaltegger, Hörisch, & Freeman, 2019). One of the trade-offs in building the business case is defining who the priority stakeholder is: from the narrowest view of shareholder, where the business case focuses on financial performance; to the broadest view of balancing multiple stakeholder needs in business cases that seek an integrated view of sustainability (Schaltegger et al., 2019). While substantive sustainability action is typically associated with the latter stakeholder view, there is evidence in the literature that sustainability action is increasingly important even using the narrowest definition of shareholder. Influencing investor perceptions through effective sustainability reporting has been shown to have a positive effect on share price and associated business performance (Du et al., 2017).

In summary, the business case for sustainability remains a debated construct in the literature. There are arguments for an integrated business case that considers financial, social and environmental outcomes as part of how an organisation creates value. And there are equally arguments that favour a financially focused business case, with sustainability action as a secondary consideration geared at giving back or reducing harm. The process of building the business case involves many trade-offs, including which stakeholder group needs are prioritised. Even when the business case adopts a narrow lens of financial performance only, there is growing evidence that sustainability action can impact share prices and consequently business performance. Therefore there is a need to enhance sustainability action, irrespective of the business case adopted.

2.3.2 Managing tensions

The sustainability literature initially posited that it is possible for the profit-orientation of business to live equitably alongside the need for social and environmental concerns. More recently, the literature acknowledges the underlying tensions that arise when trying to reconcile sustainability and business profits (Hahn et al., 2015; Wannags & Gold, 2020). Tensions, although uncomfortable for managers, can present an opportunity for solving problems in new ways (Wannags & Gold, 2020). Thus the way in which managers respond to tensions and the choices they make in balancing the different facets that are causing the tension, can have a direct impact on sustainability action (Hahn et al., 2015).

The literature points to multiple factors at the individual and organisational level that have an impact on how managers resolve tensions when trying to integrate business and societal outcomes. A non-exhaustive list of factors have been considered for the purposes of this literature review. The intent is not to provide an exhaustive investigation of the different management tensions that exist, but rather to demonstrate the breadth of factors that can and do impact sustainability action.

Firstly, the focus on short-term thinking and short-term outcomes can impact the extent to which sustainability action is taken. The time horizon for financial outcomes is typically much shorter than the time horizon for social or environmental impact to be felt. This places managers in the difficult position of balancing the immediate business needs, with the long term need for sustainable growth (Slawinski et al., 2017; Hahn et al., 2015).

Secondly, how managers deal with ambiguity, uncertainty and the possibility of unintended consequences as they try to reconcile business and societal needs, can impact the action they are willing to take. The more managers seek to eliminate ambiguity, the more linear, narrow and controlled the response is to sustainability (Hahn et al., 2014; Slawinski et al., 2017). Thirdly, the level of comfort that managers have in dealing with complexity can impact sustainability action. Where there is greater comfort with more complex constructs and conflicting needs, managers are more likely to engage in higher levels of action. The converse is also true – where managers have low levels of comfort with complexity and adopt a more focused and narrow view of issues, the resultant action tends to be narrower and more limited in scope (Hahn et al., 2014).

A fourth tension that managers need to deal with happens at the interface between personal and organisation values (Wannags & Gold, 2020). Where a manager has a stronger position on sustainability versus the agenda of the organisation, tension arises when progressive action may be hampered by organisation process, policy or buy-in.

The last tension considered in this review is that of the financial versus non-financial performance, especially where there is a tenuous link between the two (Haffar & Searcy, 2017). This tension links back to the business case for sustainability argument and the business' orientation on sustainability – either one of an integrated, win-win business case; or the separated view on sustainability and business performance (refer to paragraph 2.3.1). Managers have to decide where to place their resources in line with this, which can impact the extent to which resources are allocated to sustainability action.

In summary, managers face an array of tensions and trade-offs that directly impact the extent to which sustainability action is taken. As further research starts to bring into question the ability to align financial, social and environmental outcomes, so managers face increasing pressure to resolve the resultant tensions. The literature review considered a non-exhaustive list of tensions, including: time horizons, ambiguity, complexity, values alignment and performance. These shed some light onto the challenges that contemporary managers face in making decisions on sustainability action, and may explain why managers may default to low/no action to maintain a status quo that offers less ambiguity, more certainty and lower risk in the short term.

2.3.3 Ethics and morals

Ethics and morals are used as interchangeable terms in the literature (Pohling, Bzdok, Eigenstetter, Stumpf & Strobel, 2016). Ethical behaviour is considered an important factor in pursuing sustainable development and helps build accountability for behaviour and the outcomes of business choices (Dyllick & Muff, 2016; Slawinski et al., 2017).

As organisations tend to adopt the values of top-level management, this becomes an important factor in understanding how decisions on sustainability are taken within a company (Dyllick & Muff, 2016; Slawinski et al., 2017). At the most senior level, Board members' self-interest in protecting against risk, reputation or short-term financial impacts may hamper initiatives aimed at evaluating and reconfiguring businesses to respond to changing environments (Hoppmann et al., 2019).

At an individual level, ethics/morals are recognised as having an impact on how sensitive a manager may be to issues that require judgement based on empathy, values or norms and helps to moderate for selfishness (Schaltegger & Burnitt, 2018; Pohling et al., 2016).

The way in which sustainability is positioned, understood and internalised by managers leads to how they will respond with action. On the one hand, action may be limited to cost containment, business-as-usual activity or protecting reputation if there is a low ethical/moral obligation for action. On the other hand, moral obligation (or moral outrage in its more extreme form) to reduce harm and creative a positive impact, with the potential for business value creation in the longer term, may drive substantively more action (Mazutis & Eckardt, 2017; Schaltegger & Burnitt, 2018; Hafenbrädl & Waeger, 2017; Slawinski et al., 2017).

In summary, ethics/morals play a role in how sustainability action is undertaken by organisations. As organisations adopt the ethical/moral orientation of leadership, understanding the ethical/moral orientation at Board level can explain how action evolves throughout the organisation. At an individual level, managers' personal ethical/moral orientation also has an impact on how sensitive they are to sustainability issues and their ability to understand and internalise this. This then affects the type of decisions they make and the level of sustainability action undertaken.

2.3.4 Diversity

Diversity is a complex and multifaceted construct and can mean different things, in different contexts. The literature on diversity in relation to sustainability high lights two particular areas of interest, namely: gender diversity and professional diversity (Byron & Post, 2016; Slawinski et al., 2017; Nadeem et al., 2017; Zaid et al., 2020).

Diversity in professional experience and exposure may help counter some of the management decision-making obstacles to sustainability action such as perspectives on time horizons for impact, dealing with ambiguity or complexity, and the level of sustainability understanding (Slawinski et al., 2017). Gender diversity at Board director level, on the other hand, has been linked to enhanced sustainability action due to improvements in overall corporate governance, innovation, creativity and better sustainability decision making (Byron & Post, 2016; Nadeem et al., 2017; Zaid et al., 2020).

In summary, general and professional diversity at Board and management level in an organisation may have a positive impact on sustainability action. The literature does not seem to provide substantive commentary on other forms of demographic diversity in relation to sustainability action at present.

2.3.5 Construct conclusions: Management orientation

Figure 2 provides a summary of the key concepts that impact management orientation on sustainability action, as identified in the literature review.

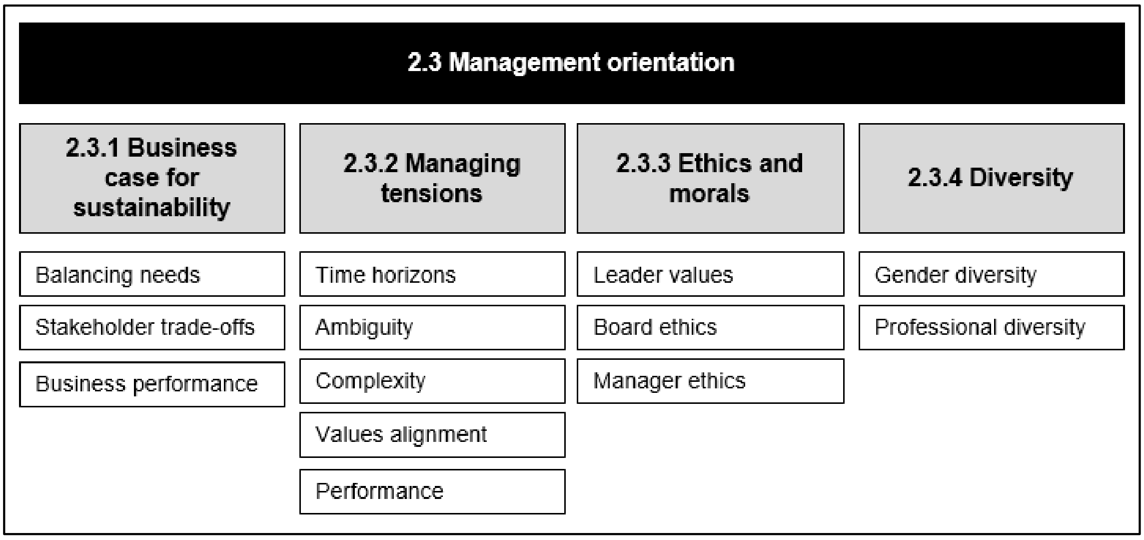


Figure 2: Management orientation

Source: Author's own

2.4 ORGANISATION CHARACTERISTICS

The second construct that is considered is the characteristics of organisations and how this impacts on sustainability action. Table 3 provides a summary of prominent constructs in the strategy and management literature which includes: inertia within the organisation; the choice and impact of management controls on taking action; and the organisation's perspective on how value is captured. Following on from the summary table, the constructs will be discussed and compared, ending with conclusions as to their role and relevance in the research.

Table 3: Organisation characteristics that impacts sustainability action

Authors	Constructs	Overview
Wickert, Sherer & Spence (2016); Dooley (2018); Hoppmann, Naegele & Girod (2019)	Organisation inertia	Organisations may face resistance to change due to multiple factors such as size, sector or Board dynamics.
Ghosh, Herzig & Mangena (2019)	Management controls	Formal and informal controls within an organisation impact how strategy is implemented and sustainability action is taken.
Porter, M., & Kramer, M. (2011); Santos (2012); Cavaleri & Shabana (2018); Ghosh, Herzig & Mangena (2019)	Value orientation	How organisations define value and how that value is produced, has an impact on the role, nature and extent of sustainability action undertaken.

Source: Author's own

2.4.1 Organisation inertia

The ability for organisations to adapt and realign capabilities in response to changing environmental factors is key to retaining competitiveness in the market place (Teece, Pisano & Shuen, 1997). In order for organisations to respond to changing environmental, social and economic sustainability issues – and remain competitive in the future – therefore requires a level of adaptability and reconfiguration. The literature identifies a number of factors that may produce resistance to change and thereby impede adaptation to and action on, sustainability issues.

Firstly, the size of an organisation can play a role in adequately addressing sustainability by limiting it to superficial and insignificant action. Large multinationals are particularly vulnerable to the trade-off between cost, business return, complexity in managing multi-geography programmes and achieving impactful sustainability action - which leads to low levels of action and high levels of resistance to adapting activities in changing business environments (Wickert et al., 2016). Wickert et al. (2016) identify a paradox between what is communicated and what is actually done by firms – which is exacerbated by the size of the firm. The larger the firm, the greater the emphasis on positioning and communication of sustainability versus implementation and action.

Secondly, the maturity and position of organisations within a sector can reinforce well-entrenched practices and beliefs that create inertia and low levels of action. Mature firms with central positions in mature sectors tend to prefer established management practices and tend to resist change, thus contributing to the overall inertia of a sector. This then forces the existing sector logic to prevail, which impacts the degree of sustainability action taken (Slawinski et al., 2017). The potential for changing a highly institutionalised system from within is limited and external actors are more likely to drive the changes needed. Added to this, where managers tend to stay within a specific organisation or industry for extended periods of time, existing management practices are unlikely to change (Hafenbrädl & Waeger, 2017; Slawinski et al., 2017).

The third factor highlighted in the literature refers to the role of Boards in resisting change. When their actions are guided by personal motivations during difficult times of change, they are more likely to adopt self-preservation actions than address the real needs of transforming the organisation in line with longer-term sustainable outcomes. Given the Board's relative position of power in initiating change in an organisation, their motivations and orientations can have a profound impact on organisation inertia (Hoppmann et al., 2019).

In summary, three factors were highlighted in the literature that may impact on an organisation's resistance to change and adopt greater levels of sustainability action. Organisation size can increases the complexity of trade-offs required and may lead to relatively superficial levels of action, in an attempt to maintain financial performance. Sector dynamics can play a role in the entrenchment of existing management practices that favour the status quo over adaptation and innovation towards sustainability action. And Boards, as powerful agents of change, have to balance personal motivations with the need for organisation transformation, if sustainability action is to be increased.

2.4.2 Management controls

Management controls create a link between strategy formulation and implementation (Ghosh et al., 2019). As such, they can play a vital role connecting sustainability action to the organisation strategy and ensuring that action is taken, as part of strategy implementation. Research into the relationship between management controls and sustainability is growing field, but not the primary concern of this research. The purpose of including this in the literature review is to acknowledge the role that management controls can play in driving increased levels of action on sustainability, rather than an exhaustive review of what those controls may be.

Ghosh et al. (2019) identify a number of informal and formal management controls that may impact sustainability action taken within a firm. Formal factors such as "structure, governance and leadership, planning, rewards, risk management, information technology/system and performance measurement system" (Ghosh et al., 2019) provide robust frameworks that inform employee behaviours, outcomes measurement and focused action. In parallel with this, informal controls such as culture, beliefs and unwritten rules equally impact how employees act on sustainability. There is some evidence to suggest that informal and formal controls need to work in harmony, to achieve optimal sustainability outcomes (Ghosh et al., 2017).

In summary, there are formal and information management controls within organisations that impact the extent to which sustainability action is taken. These controls need to work in harmony to optimise the sustainability outcomes.

2.4.3 Value orientation

How an organisation seeks to derive value through its business operations can have an impact on the nature and extent of sustainability action undertaken. While there are still gaps in directly linking financial performance with sustainability action, value for the firm can be derived through ancillary benefits such as the impact that a positive reputation can have on share prices or access to resources (Du et al., 2017; Cavaleri & Shabana, 2018).

Organisations have to make trade-offs between capturing value, where the firm is the primary beneficiary, and creating value at a more systemic level (Santos, 2012). Companies that seek out ways to create value that meets the needs of both commercial stakeholders and society at large, tend to adopt sustainability action at multiple levels of the organisation - product innovation, resource allocation, supply chain innovation and industry collaboration in line with sustainable goals (Santos, 2012; Ghosh et al., 2017; Porter & Kramer, 2011). Conversely, organisations that pursue a value capture orientation, with limited concern for the broader systemic impact they may have, may only pay cursory attention to sustainability action through incremental innovation and non-core actions in the realm of CSR (Cavaleri & Shabana, 2018).

In summary, how an organisation choses to derive value – and whether or not they incorporate a broader systemic view of value – may have an impact on the type and scale of sustainability action taken. Those organisations who seek to find the balance between creating commercial value for the company and societal value, are more likely to adopt sustainability action at multiple layers of the organisation in a co-ordinated manner.

2.4.4 Construct conclusions: Organisation characteristics

Figure 3 provides a summary of the key concepts of organisation characteristics that may impact sustainability action, as identified in the literature review.

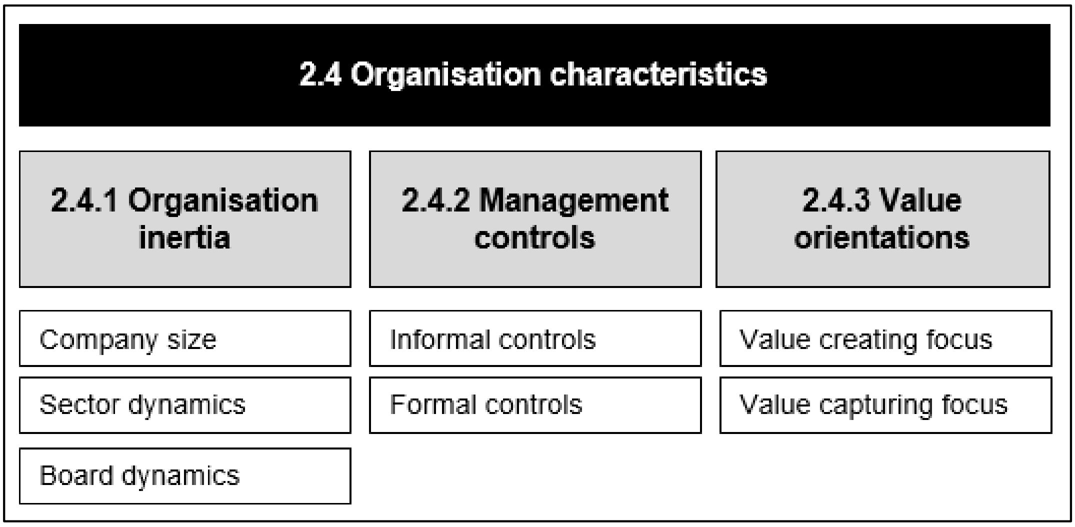


Figure 3: Organisation characteristics

Source: Author's own

2.5 SUSTAINABILITY EMBEDMENT

The third construct looks at the degree to which sustainability is embedded within an organisation and how this impacts on sustainability action. Cavaleri & Shabana (2018) go as far as to say "The notion that firms can effectively "do" sustainability without integrating into their core is at least misguided, and at worst, intellectually fraudulent." Thus understanding how companies interpret and embed sustainability may provide a key to understanding how to improve sustainability action. Table 4 provides a summary of prominent constructs in the strategy and management literature which includes: at which stage of corporate sustainability an organisation is; the impact of the business model on sustainability action; and the role of measurement in promoting action. Following on from the summary table, the constructs will be discussed and compared, ending with conclusions as to their role and relevance in the research.

Table 4: Sustainability embedment

Authors	Framework	Overview
Van Marrewijk & Were (2003); Landrum (2018); Landrum & Ohsowski (2018)	Stages of corporate sustainability	Sustainability adoption happens at different levels, each with its own set of associated actions.
Evans, Vladimirova, Holgado, Van Fossen, Yang, Silva & Barlow (2017); Schaltegger & Burritt (2018)	Business models	Shifting sustainability from a peripheral business activity, to being embedded in a sustainability-orientated business model, may lead to greater action.
Maas, Schaltegger & Crutzen (2016); Melloni & Lai (2016); Haffar & Searcy (2017); Stacchezzini, Du, Yu, Bhattacharya & Sen (2017)	Measuring and reporting	The current measurement and reporting constructs may not be sufficiently effective in promoting greater sustainability embedment and action.

Source: Author's own

2.5.1 Stages of corporate sustainability

The literature points to the fact that there is no uniform state of sustainability adoption, but rather that organisations can start and end at various positions along a spectrum of sustainability embedment (Van Marrewijk & Werre, 2003; Landrum & Ohsowski, 2018). As such, one of the factors that may help explain the level of action organisations take, is the stage of sustainability adoption they are at.

A number of spectrums are presented in the literature which seek to explain the evolutionary process of sustainability adoption in organisations. Not only do they provide a framework for understanding where an organisation may find itself currently, but also provides a view on how sustainability action may change as the organisation matures (or remains stagnant) through the spectrum depending on their ambition (Van Marrewijk & Werre, 2003; Landrum, 2018; Landrum & Ohsowski, 2018). In reviewing some of the spectrums put forward in the literature, three common constructs are evident including: worldviews, values and weak/strong sustainability.

Weak versus strong sustainability is associated with the degree of sustainability embedment, the organisation ambition, the nature of innovation undertaken, and the degree of collaboration between company and external stakeholders. Worldviews are the lens through which an organisation interprets sustainability. Values relate to what the organisation prioritises and is reflective of the trade-offs they are willing to make between business, social and environmental needs (Van Marrewijk & Were, 2003; Landrum, 2018; Landrum & Ohsowski, 2018)

What an organisation values and how they see the world, plays an important part in where the organisation is located on the sustainability spectrum. A challenge that continues to beset progress on sustainability, is the persistence of a business case orientation on sustainability that focuses on mitigating harm rather than actively addressing progress. This is congruent with a weaker position on sustainability, supported by values that prioritise business outcomes ahead of societal needs. Such perspectives tend towards weaker levels of sustainability embedment and limit the types of action that are taken (Dyllick & Muff, Landrum 2018; Landrum & Ohsowski, 2018).

In summary, organisations can be located along a spectrum of sustainability adoption and may or may not move along that spectrum over time, as their perspectives and actions on sustainability evolve. Some of the common constructs used to define the sustainability spectrums include worldviews, values and weak/strong sustainability. The level of sustainability action that an organisation takes, is impacted by where they are located on the sustainability adoption spectrum.

2.5.2 Business models

Business models for sustainability are a well-established field within the strategy and management literature. Although business models are not a primary focus of this research, it is an important construct in understanding how organisations embed sustainability and the consequences this has on sustainability action. Thus a brief review of the literature on business models has been included, to provide some context and understanding of the key principles as a pathway to sustainability action. Understanding the role of the business model as a barrier or enabler of sustainability action may provide some insight into “escaping the circle of inaction” (Slawinski et al., 2017).

Teece (2010) defines a business model as something that enables a firm to reconfigure its capabilities to adapt to the changing business environment. A business model therefore may be an enabler of sustainability embedment and increased action by supporting the reconfiguration of capabilities in support of economic, environmental and social value. Equally, the business model may be a barrier to action (Schaltegger & Burritt, 2018).

To shift from a peripheral to embedded approach to sustainability requires a commensurate change or innovation in business model. Reconceptualising how value is created and how value flows to all stakeholder groups may result in a sustainability-orientated business model (Evans et al., 2017). However, organisations face many challenges in shifting from traditional, commercial business models to ones that embrace and embed sustainability. The business case for sustainability; allocation of resources; the dependence on technology and innovation; limited tools and knowledge; organisation structures; and stakeholder engagement all present potential barriers and challenges in organisations shifting to sustainable business models (Evans et al., 2017; Schaltegger & Burritt, 2018).

In summary, sustainability embedment and stronger levels of sustainability action are impacted by the business model construct. Where sustainability is embedded within the business model, business action inculcates sustainability action as part of everyday activities. However, where business models favour traditional commercial constructs, sustainability action is more likely to remain a peripheral action and thus lower levels of action may be observed.

2.5.3 Measuring and reporting

Integrated reporting has been put forward as one of the mechanisms that could encourage integrated sustainability action. However, research indicates that integrated reporting favours positive narratives that tend to be more retrospective than forward-looking in nature. Furthermore, such incomplete reporting may rely on relaying information that is relative, rather than measuring the true impact of the action take. And where organisations have limited or failed sustainability outcomes, they may tend to shy away from transparently reporting on this (Stacchezzini, Melloni & Lai, 2016; Haffar & Searcy, 2017).

In considering the role that measurement and reporting can play in enabling sustainability action, there is a need to overcome some of the inherent challenges in the approach to date. These challenges include: quantitative data availability; competitiveness; context; real impact; transparency; integration and coherence; as well as increasing consistency across measurement systems in finance, management and integrated reporting (Maas, Schaltegger & Crutzen, 2016; Stacchezzini, Melloni & Lai, 2016; Haffar & Searcy, 2017).

There is an incentive to producing quality sustainability reporting, as it has a proven relationship in enhancing business value through share price performance. Although there is some scepticism in self-reported sustainability performance among some stakeholder groups as outlined above, the positive relationship between sustainability reporting and investor sentiment provides an argument for greater attention to the quality and thoroughness of sustainability reporting (Du et al., 2017).

In summary, while measuring and reporting on sustainability presents an opportunity to foster greater sustainability embedment in organisations and positively impact business performance, there are several challenges to overcome. Firstly, the current application of integrated reporting lacks depth and transparency – favouring positive narratives and qualitative outcomes, over real impact and forward-looking initiatives. Secondly, the measurement and reporting constructs themselves are not set up to support rigorous sustainability reporting.

2.5.4 Construct conclusions: Sustainability embedment

Figure 4 provides a summary of the key concepts of sustainability embedment that impact the type of action taken, as identified in the literature review.

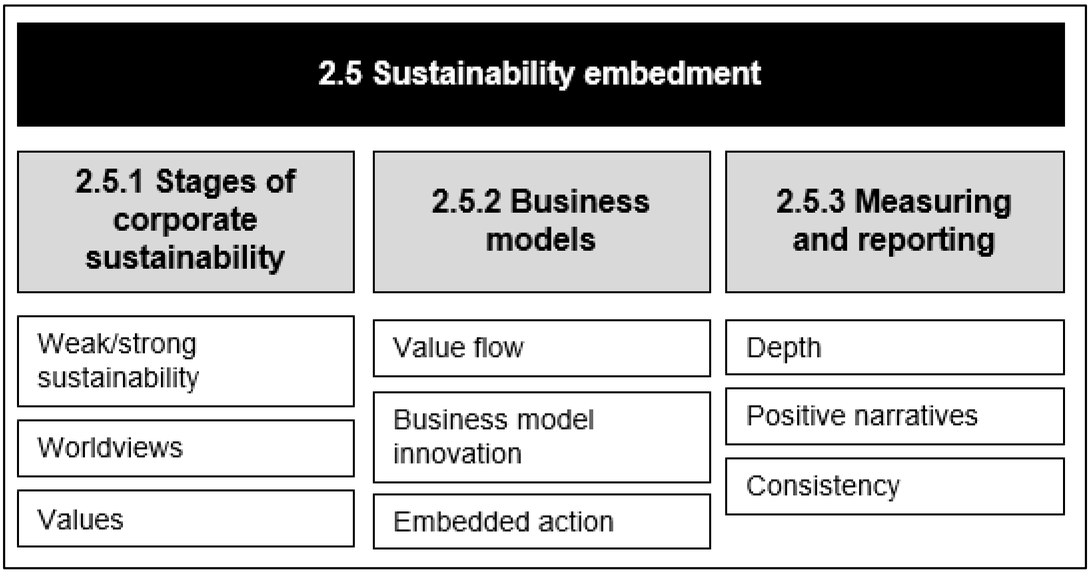


Figure 4: Sustainability embedment

Source: Author's own

2.6 SUSTAINABILITY ACTION IN THE BANKING SECTOR

The fourth and final construct looks at sustainability action and what the banking sector is doing in this regard. Table 5 provides a summary of prominent constructs in the strategy and management literature which includes: the growing need for a sector-level view of sustainability action; and how the banking sector is responding to sustainability action. Following on from the summary table, the constructs will be discussed and compared, ending with conclusions as to their role and relevance in the research.

Table 5: Sustainability action

Authors	Construct	Overview
UN Global Compact (2015); Dyllick & Muff (2016);	Sector-level action	The literature focuses on the organisation as unit of analysis, while sustainability action increasingly requires collaboration across businesses and sectors.
Evans, 2015; Forcadell & Aracil, 2017; Raut, Cheikhrouhou & Kharat (2017); Ahamed & Mallick, (2019); Ghosh et al. (2019);	Banking sector action	The banking sector plays a systemic role in achieving the SDGs. Current action is typified by internal management controls, financial inclusion activity and sustainable financing product delivery.

Source: Author's own

2.6.1 Sector-level action

The strategic management literature tends to focuses on the organisation as the unit of analysis, considering factors such as competition and competitive advantage (Porter, 1980); resource allocation (Barney, 1991); core competencies (Pralahad & Hamel, 2003), dynamic capabilities (Teece et al., 1997); strategy formulation (Mintzberg, Ahlstrand & Lampel, 2009) and strategy execution (Sull, 2007; Crittenden & Crittenden, 2008; Lynch & Mors, 2019). The intent of this research is not to produce an exhaustive review of the topics covered by the broader strategic management literature, but rather to demonstrate the unit of analysis being the organisation level.

Increasingly, the complexity and integrated nature of sustainability is shifting action to a collective construct. The UN Global Compact (2015) identifies this willingness to collaborate as a key factor in accelerating action, noting "For business, this also means a willingness to move beyond first-mover approaches and embrace partnerships and collective action efforts that pool resources, share risks and aim to find solutions faster."

As such, there is a need to consider sustainability from a sector rather than individual business context. Taking a sector level view of sustainability action also seeks to address the gap between progress made in business adopting sustainability into their strategies and the net outcome on the macro environment. This disconnect between business action and achieving the sustainable development goals may be, in part, due to the decoupling of business versus societal thinking (Dyllick & Muff, 2016; Slawinski et al., 2017).

In summary, collaboration between organisations and across sectors is becoming increasingly important if sustainability action is to be accelerated. The decoupling of business and societal thinking presents a challenge in achieving accelerated action. The strategy and management literature tends to focus on the organisation as the unit of analysis, with external factors presented as context rather than inherently built into the theoretical frameworks and conceptual models.

2.6.2 Banking sector action

The role of the banking sector has been entrenched in the SDGs and is seen to be a key enabler across all sustainable development goals through the facilitation of credit, financing, investment and safely managing the flow of international funding into key developmental initiatives. In addition to its enablement role at a systemic level, the banking sector also has a direct role to play in deepening access and broadening financial inclusion. Specific goals are set out for the sector as part of economic growth in SDG 8; resilient industry, innovation and infrastructure in SDG 9; and reducing inequality in SDG 10 (SDG Indicators, 2020). There are four forms of action that are evident in the literature, namely: internal management controls that protect the banking system stability; adoption of voluntary global frameworks in order to remain competitive; regulated action on financial inclusion; and lastly, voluntary CSR.

A sustainable banking sector can be described as one that considers financial, social and environmental factors across multiple time horizons – ensuring an ethical, stable and sound financial system is maintained through effective risk management and a balanced view of stakeholder interests (Raut, Cheikhrouhou & Kharat, 2017). Thus banks tend to use formal management controls such as risk management, strong policy and standards, governance and financial controls as a mechanism for achieving sustainable outcomes for all stakeholders (Ghosh et al., 2019).

The banking sector is under pressure to self-regulate and voluntarily comply with global sustainability frameworks in order to remain competitive. The pressure comes from two places: peer pressure and public pressure. While some banks are seen to be leaders in adopting these frameworks, many are driven by peer pressure - where banks are required to comply in order to participate in collaborative funding programmes or bring sustainable financing products to market (Raut et al., 2017; Contreras, Bos & Kleimeier, 2019). Public pressure can also play a role in how banks adopt sustainability action. The banking sector's role in driving financial inclusion and advancing environmental sustainability is a particularly important factor in achieving improved societal outcomes in emerging markets and is inculcated in societal expectations as well as regulatory prescriptions (Jamali & Karam, 2018; Forcadell & Aracil, 2017; Contreras, Bos & Kleimeier, 2019).

On 28 October 2020, the South African National Treasury released a new draft paper outlining the proposed principles for driving financial inclusion and better financial health for all citizens of the country. This represents the next iteration of policy, which will lead to regulation for the banking sector on financial inclusion action (SA National Treasury, 2020). The benefits of enhancing financial inclusion are well-documented in the literature. It has been shown to support economic growth by helping to close inequality gaps and foster greater societal stability; increase savings; reduce poverty; improve education and health outcomes; as well as lead to entrepreneurship and job creation (Evans, 2015; Forcadell & Aracil, 2017; Ahamed & Mallick, 2019). However, many banks continue to pursue financial inclusion as an obligatory compliance action in line with regulation or a CSR action to build legitimacy and reputation – thus perpetuating sustainability as a non-core activity (Forcadell & Aracil, 2017, Raut et al., 2017; Maimbo & Zadek, 2017).

In summary, the banking sector is seen as a critical player in achieving sustainable development. The literature indicates that sustainability action is motivated by a combination of voluntary, coerced and regulated levers in the sector. The type of action that this results in lies in three primary areas, namely: internal management controls to ensure an ethical, stable and sound financial system is maintained; sustainable financing solutions such as investment and lending products geared to achieve sustainable outcomes; and financial inclusion. The literature presents mixed views on the effectiveness of sustainability action in the banking sector, which is closely linked to the motivation for action.

2.6.3 Construct conclusions: Sustainability action in the banking sector

Figure 5 provides a summary of the key concepts of sustainability action in the banking sector, as identified in the literature review.

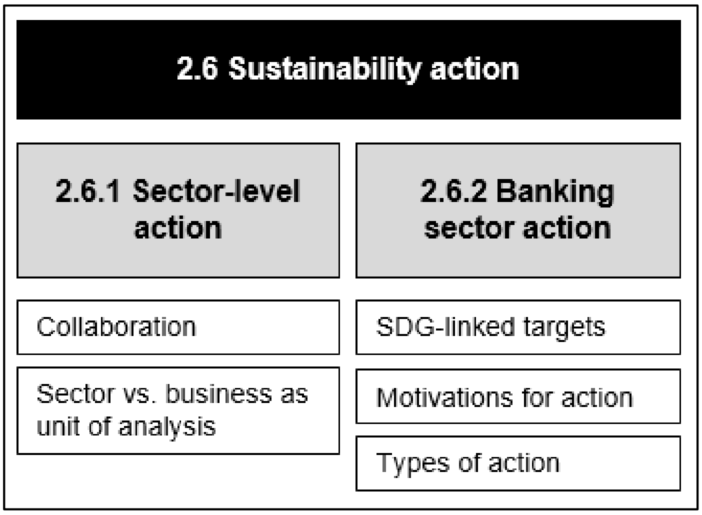


Figure 5: Sustainability action in the banking sector

Source: Author's own

2.7 Conclusions

The combination of managerial orientations, organisation characteristics and sustainability embedment practices may provide some insight into companies' sustainability orientation and their resultant inaction or action. This is congruent with the position of Slawinski et al. (2017) that "organizations' failure to change is a result of persistent institutionalized practices that are co-determined by cognitive factors at the individual level and logics at the institutional level".

In summary, the literature presented divergent views on most constructs considered. A number of authors agreed that one of the challenges in defining and taking action on sustainability may be rooted in the lack of consensus on key constructs – from definitions through to practices relating to sustainability. Additionally, the focus on the positive cases and strong sustainability positions that result in substantive action, has created a gap in understanding how to address inaction on sustainability (Slawinski et al., 2017).

The literature highlighted a number of constructs that influence how organisations respond to the sustainability agenda. These constructs typically present as both positive enablers for action, as well as barriers to action, depending on how an organisation responds to them. These constructs were divided into four categories for analysis during the literature review, namely: managerial orientation; organisation characteristics; sustainability embedment; and sustainability action. Each of these constructs was explored through three or four sub-factors that emerged from the literature review as levers in driving or inhibiting sustainability action.

In the management orientation category, four sub-factors were considered: the business case for sustainability; how managers manage tensions in decision making that impacts sustainability action; the impact of managerial ethics/morals on sustainability action choices; and lastly, the impact of management diversity on sustainability action.

The business case for sustainability remains a debated topic fraught with trade-offs between business priorities and stakeholder needs. Management orientations on factors such as time horizons, comfort with complexity and ambiguity, as well as their personal values all play a role in how these trade-offs are made and the business cases adopted. When managers fail to find comfort with uncertain future paths, they may default to maintaining the status quo of low/no action. The literature also indicated that sustainability requires a balance between qualitative and quantitative principles, thus creating room for ethics/morals in the decision making process. Organisations tend to adopt the ethical/moral orientation of senior leaders and this is where Board and senior leader ethics/morals play a pivotal part in determining how sensitive managers will be to sustainability issues. Board priorities may also be influenced by the level of diversity within the group, the tendency for self-preservation and the ability to balance personal motivations with the need for organisation transformation.

This leads to the second construct, organisation characteristics, which had three sub-factors: organisation inertia as a barrier to change; the role of management controls in promoting sustainability action; and the impact of how value is derived, on sustainability action. The literature highlighted the importance of how organisations define and derive value as a factor that impacts a number of subsequent choices and actions. Where organisations aim to balance commercial and societal value, are more likely to undertake sustainability in a co-ordinated and integrated manner. This logic is then supported by informal and formal management controls that need to work together to support the desired sustainability outcomes. In organisations that adopt a strong position on sustainability and seek to integrate action at multiple levels, face substantive innovation and change to achieve this. However, many organisations are hampered by inertia that can manifest in multiple ways. Large and multi-national organisations may face greater challenges in radical adaptation across geographies and at scale, than smaller entities. While other organisations may be hampered by the dynamics of the sector that they operate in. Organisations are also susceptible to the influence of Boards, where protecting the status quo may be more beneficial to the individuals than adopting riskier transformation programmes.

The third construct that emerged from the literature review considered the impact of sustainability embedment in organisations on resultant action. This construct included three sub-factors, namely: the stage of sustainability adoption in the organisation; the business model choices that impact sustainability action; and the role of measurement and reporting in driving deeper sustainability action.

The literature highlighted that sustainability adoption is not a singular event, but rather happens as an evolution against a continuum of sustainability. Organisations may start at different points along the continuum and factors such as worldviews, values and position on weak/strong sustainability may impact if or when an organisation moves along the spectrum. The literature revealed the relationship between the level of sustainability adoption and the resultant business model of the organisation. The business model construct will ultimately define whether sustainability action is embedded in everyday activities throughout the organisation, or remains a peripheral activity. Measurement and reporting seeks to translate the organisation's sustainability action into meaningful narratives of organisation impact. The literature indicated that such measurement and reporting has the power to foster greater sustainability action, but faces a number of challenges in achieving this. Lack of rigour, inconsistency, qualitative measures, limited forward-looking views and a focus on positive narratives all reduce the power of measurement and reporting in supporting greater sustainability action.

The final construct that was considered in the literature review looked at sustainability action in the banking sector. This included two sub-factors: consideration of sector-level factors that impact sustainability action; and a synopsis of current dynamics impacting banking sector action on sustainability. The banking sector is deemed a critical enabler of sustainability and the literature provides insight into some of the motivations that influence the type of sustainability action taken in the sector. Motivators included both voluntary and coerced adoption of global frameworks as part of banks' competitive strategies; regulatory compliance; and lastly CSR-based action linked to reputation management. The literature presented varying views on the impact of these motivators on driving effective sustainability action in the sector. And lastly, the literature highlighted the impact of separating business versus societal constructs in the management literature. Successful sustainability action increasingly requires collaboration between organisations and across sectors. Some authors felt that the focus on the organisation as the unit of analysis did not adequately account for sector-based dynamics within the models for sustainability action.

Based on the literature review and findings outlined in this chapter, a conceptual framework was designed - consolidating the key constructs that presented as antecedents, barriers and enablers of sustainability action. This is visually illustrated in Figure 6 and is congruent with the research aims discussed in section 1.4 that sought to understand antecedents, barriers and enablers of sustainability action. This was in response to the call by Slawinski et al. (2017, p273) to expand understanding of sustainability action/ inaction as a way to "identify ways to escape the vicious circle [of inaction]".

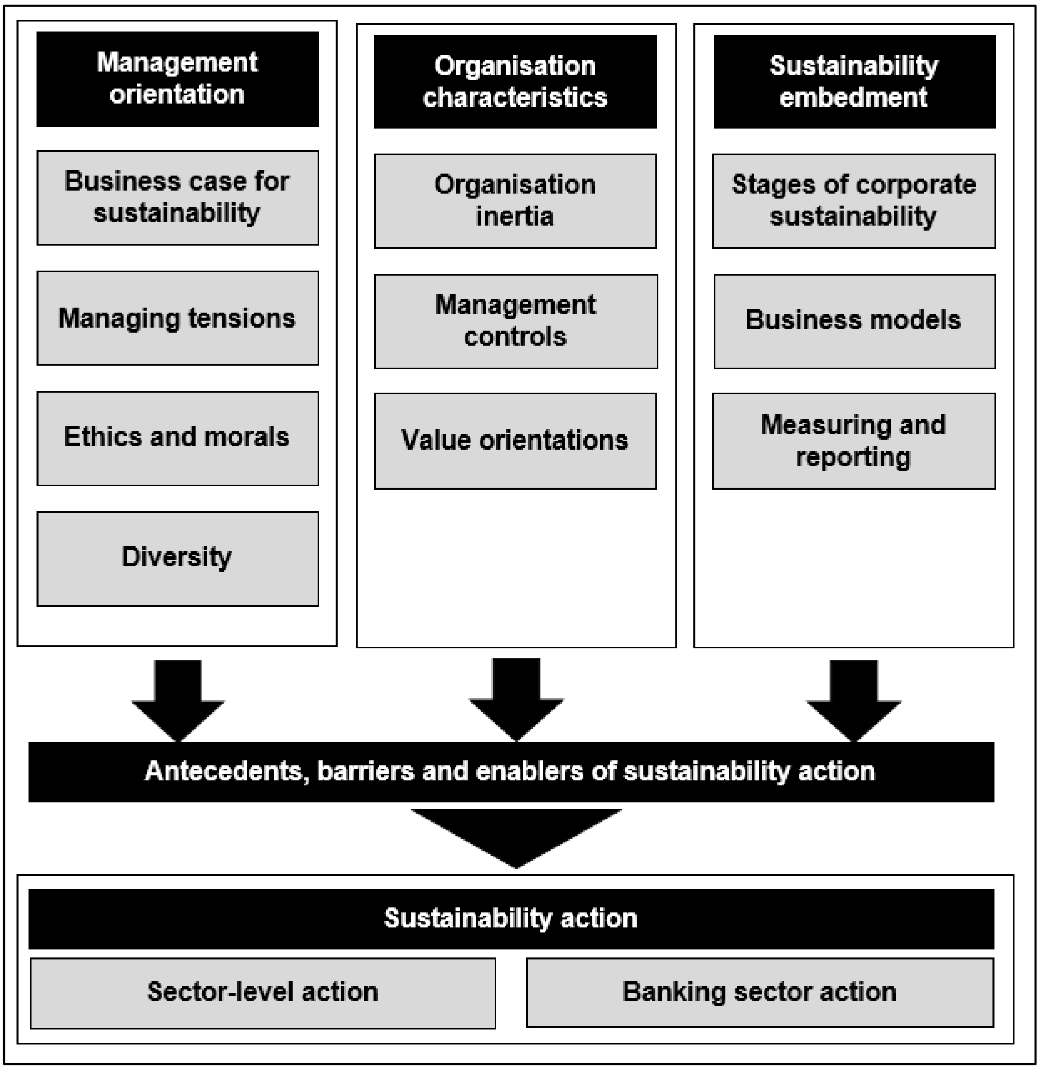


Figure 6: Conceptual model of sustainability action

Source: Author's own

CHAPTER 3 RESEARCH QUESTIONS

The research questions were formulated based on the literature reviewed and presented in Chapter 2. The research was anchored in the opportunity for further research identified by Slawinski et al. (2017) – and supported by Hahn et al. (2017) – to explore "ways to escape the vicious circle of inaction" (p. 273). An overarching research question was defined, along with four sub-questions that explored different aspects of the research problem.

The overarching research question: What is needed to shift the South African banking sector to a stronger position of sustainability action?

The research question sought to explore the dynamics of sustainability action within the sector and gain insight into factors which may impede or enhance higher degrees of action being attained. Four sub-level questions were defined that explored the antecedents, barriers, enablers and opportunities within the sector to achieve a stronger position of sustainability action.

Sub-Question 1: What are the antecedents to the sustainability position and level of action in the sector?

This question sought to explore and gain understanding of the sector sustainability position and the antecedents required to shift the sector to a greater level of action. This question also sought to understand foundational principles that impact the sector's sustainability position – and the role of individuals, organisations and institutions in shaping this.

Sub-Question 2: What are the barriers to adopting a more active approach to sustainability action?

In considering the "vicious circle of inaction" (Slawinski et al., 2017), this question explored the factors that keep the sector in the current level of action.

Sub-Question 3: What are potential enablers to shifting the sector paradigm and adopting a more active approach?

Sub-Question 3 built on the preceding exploration, to gain insight into potential enablers that could shift the sector's sustainability paradigm and lead to enhanced action.

Sub-Question 4: What opportunities would a stronger position on sustainability action present for the sector?

This question sought to explore the opportunities that a stronger position on sustainability and action could offer the sector.

CHAPTER 4 RESEARCH DESIGN AND METHODOLOGY

4.1. INTRODUCTION

The research questions indicated the need for an explorative, open-ended approach that is commensurate with a qualitative research study. Qualitative research is an effective approach "for exploring and understanding the meaning individuals or groups ascribe to a social or human problem" (Creswell & Creswell, 2018) and is particularly effective for exploring concepts relating to sustainability (Crane, Henriques, & Husted, 2018). This chapter presents the research design and methodology commensurate with a qualitative research approach. Each section of this chapter covers a different aspect of the decisions taken to ensure coherence between research design and methodology.

4.2. RESEARCH PARADIGM

4.2.1.Ontology

The literature discussed in Chapter 2 provides theoretical frameworks that seek to explain factors which impact human decision making, and the consequential positions and levels of sustainability action. This is commensurate with the constructivist worldview of organisations as "socially-constructed entities – entities which are made real by the actions and understandings of humans" (Bell, Bryman, & Harley, 2019). Furthermore, Creswell and Creswell (2018) note that a constructivist worldview is well-suited to explorative research questions, as it encourages researchers to "look for the complexity of views rather than narrowing meanings into a few categories or ideas".

4.2.2.Epistemological position

Underpinned by the constructivist worldview of the interrelationship between people and organisations, the research questions sought to understand and gain insight into how sustainability action in the sector may be shifted. Bell et al. (2019) describe this need to understand behaviour as an interpretivist epistemological position. They go on to say that "interpretivism is also concerned with the 'how' and the 'why' of social action, including the processes whereby things happen".

4.3. RESEARCH DESIGN

The main research question sought to understand what is needed to shift the South African banking sector to a stronger position of sustainability action. The goal of this research was to create a conceptual framework of the factors that impact sustainability action.

The research goal is congruent with a grounded theory design that seeks to ask questions about processes, interactions and context (Timonen, Foley, & Conlon, 2018; Gioia, Corley & Hamilton, 2012). The intent of this research was to stop at a conceptual framework as there was neither the time nor the resource to extend the work into to a fully-fledged grounded theory. This fits comfortably within the principles that Timonen et al. (2018) offer – moving away from the notion that grounded theory research must always deliver a fully-fledged theory, but rather "In actuality, the most common outcome from a GT study is greater conceptual clarity, or a conceptual framework".

Timonen et al. (2018) provide principles for undertaking a grounded theory study which offer a pragmatic approach to the research methodology, while staying true to the theoretical underpinnings of the design. These include the following:

- Unlike classical grounded theorists, starting with an in-depth understanding of the extant literature provides a more productive approach to research design and analysis;
- The analysis must remain true to the inductive nature of grounded theory research – but by using deduction and abduction, the researcher is able to relate the findings to existing knowledge;
- Remaining open to early-stage conceptual connections in the data and constantly looking for similarities or differences can help direct the analysis in a more pragmatic way;
- Making allowance for practical limitations of the research process (such as time, population size or access to ideal participants) that can limit the ability to move from purposive to theoretical sampling – thus making room for conceptual clarity or conceptual frameworks as the output of a grounded theory study, when it is not practical to achieve theoretical concept saturation due to sampling limitations.

The principles for a pragmatic approach to grounded-theory-based design, along with Gioia's descriptive approach to data collection and analysis (Gehman et al., 2018; Gioia et al., 2012), were used to foster coherence between research design, methodology and methods applied.

4.4. RESEARCH METHODOLOGY

A qualitative, semi-structured interview allows for discussion of current action, as well as the ability to reflect on past actions and how these have changed over time (Gioia et al., 2012). It also allows participants to find ways in which to order their thoughts, express the meaning of their words and make sense of the discussion topic in a guided manner (Roulston, 2010).

Both of these qualities, inherent in the qualitative semi-structured interview, provided rich and contextual data for understanding sustainability action in the banking sector. The opportunity to reflect on how things have changed over time as well as project into the desired future state, supported the development of a conceptual framework on how sustainability action is formulated and what it may take to move to a stronger position of action.

4.5. SAMPLING APPROACH

4.5.1. Population definition

There were two considerations in defining the population for this research. Firstly, in order to explore the subject of sustainability action in the banking sector, the research participants needed to be knowledgeable of this subject and able to engage meaningfully with the interview questions. Secondly, the research was focused on the banking sector – not specific organisations. Thus, the population needed to include a range of actors and agents within the sector that had professional knowledge, experience or expertise on the subject.

The population for this research was thus defined as: Professionals working in the banking sector with knowledge of sustainability-related matters.

Professionals included anyone working at a bank, an industry body, regulatory body, research institute or other organisation with interests in the banking sector, who had the requisite subject matter knowledge to engage meaningfully with the research topic. This allowed for the creation of a thick, rich data set based on interviews with knowledgeable participants in order to explore the antecedents, barriers and enablers of sustainability action in the banking sector.

4.5.2. Unit of analysis

The unit of analysis for this study comprised a subset of the financial services sector in South Africa – specifically, the banking sector. The unit of observation was experts and experienced professionals with knowledge of sustainability-related matters in the banking sector.

4.5.3. Sampling method

Gioia et al. (2012) suggest that research participants should be recognised "as 'knowledgeable agents' namely, that people in organizations know what they are trying to do and can explain their thoughts, intentions, and actions". In deciding on the selection process for research participants, qualitative research often makes use of purposeful sampling (Suzuki, Ahluwalia, Arora, & Mattis, 2007), allowing the researcher to select "information-rich cases…from which one can learn a great deal about matters of importance" (Patton, 2002).

As discussed in the population definition (Section 4.5.1), knowledgeable agents at a sector level included anyone working at a bank, an industry body, regulatory body, research institute or other organisation with interests in the banking sector with the requisite subject matter knowledge or experience. A heterogeneous sampling strategy (Patton, 2002) was appropriate in this context. The aim was to incorporate as much variation as possible, by seeking out participants with wide-ranging knowledge or experience due to their orientations or locations within the sector. This allowed for the creation of a thick, rich data set based on interviews with knowledgeable participants, in order to understand sustainability action in the banking sector.

For the purposes of this study, four criteria were defined to guide the selection of research participants:

1) They had to work in the South African banking sector – either directly at a bank or indirectly in an associated entity that had direct dealings with the banking sector.
2) They had to be knowledgeable about sustainability and sustainability action in the banking sector.
3) They had to hold a middle to senior position (or have equivalent experience), so as to have sufficient exposure to the processes, actions and influencers that lead to sustainability action in the sector.
4) They had to be available for an interview in October or November 2020.

4.5.4. Sample size and saturation

4.5.4.1. Sample size achieved

There is little consensus in the literature as to what sample size is required for valid qualitative research – the literature rather suggests that qualitative sampling continues until saturation is achieved (Fusch & Ness, 2015; Guest, Bunce, & Johnson, 2006;

Mason, 2010; Gentles, Charles, Ploeg, & McKibbon, 2015). As a guide, the literature further indicates anything from 12 interviews (Guest et al., 2006) up to 25 interviews or more (Gentles et al., 2015) may be needed to achieve data saturation – the point at which no new, substantive codes are found in the data.

Although grounded theory typically focuses on theoretical saturation (Timonen et al., 2018; Gentles et al., 2015), a more pragmatic approach to sampling was employed for this research due to time and resource constraints. This is congruent with the principles previously discussed in the research design (Section 4.3) as the outcome of this research is a conceptual framework, rather than a fully-fledged theory. Table 6 provides a summary of the target and achieved sample for this research. A total of 13 interviews were completed against the target of 20.

Table 6: Target versus achieved sample

Population group	Target sample	Achieved sample
Sector experts in sustainability research and strategy	4	3
Professionals currently working at South African banks	10	6
Professionals representing sector bodies	2	3
Professionals from the investor community	4	1
Proposed target sample	**20**	**13**

Source: Author's own

4.5.4.2. Audience saturation

The banking sector in South Africa is very concentrated, with five banks accounting for close to 90% of the market assets (BusinessTech, 2020). Added to this contained market structure, sustainability and sustainability action is a relatively new discipline within the banking sector, typically resourced by small teams of professionals. This resulted in a very small pool of knowledgeable professionals from which it was possible to sample. The final sample achieved included participants from four of the big five banks, as indicated in Table 7, which provides a form of saturation, namely audience saturation. To bolster the primary sample and ensure as much variety as possible within this contained audience, additional participants from adjacent teams within the banks who deal with finance, strategy, products, governance or reporting relating to sustainability were also included. All participant names and the names of the entities where they work are not disclosed in this report. Each participant has been allocated a reference code which corresponds to the transcript of each interview.

Table 7: Target versus achieved sample

Interview	Code	Organisation	Interview	Code	Organisation
1	AGS	Consulting firm	8	MMI	Investment firm A
2	DVS	Consulting firm	9	HBF	Bank B
3	GGS	Consulting firm	10	FAS	Bank B
4	SBA	Body A	11	EAS	Bank B
5	ISD	Body B	12	SRS	Bank C
6	TSI	Body B	13	MSS	Bank D
7	RNF	Bank A	-	-	-

Code = unique and anonymous participant identifier | **Organisation** = unique and anonymous identifier for each organisation
Source: Author's own

4.5.4.3. Sample subgroups

The final sample was split into two subgroups, with the first subgroup containing the expert interviews and the second subgroup containing the interviews of professionals from within the sector. The expert subgroup included a small number of experts in the field of business and sustainability strategy. The experts provided valuable extensions to the data collected from sector professionals, as well as forming part of the research quality controls through triangulation. The professional subgroup included participants who held various roles within the sector as outlined in Table 6, providing a broad range of professional perspectives and experiences. The profiles of all participants are summarised in Table 8.

Table 8: Summary of research participants and their positions within the sector

Interview	Code	Profile	Organisation
Sample subgroup 1: Experts			
1	AGS	Senior Director, reputation and social impact consulting, multi-sector expertise	Consulting firm
2	DVS	Managing Director, business strategy consulting, multi-sector expertise	Consulting firm
3	GGS	International sustainability consultant, banking sector expertise	Consulting firm
Sample subgroup 2: Professionals			
4	SBA	Banking industry body representative, senior banker, ESG specialist	Body A
5	ISD	Sustainability advisor, senior banker, international forum member	Body B
6	TSI	Sustainability advisor, part of international advisory group	Body B
7	RNF	Chief Financial Officer	Bank A
8	MMI	Director at an investment management firm	Investment firm A
9	HBF	Specialist in sustainability financing	Bank B
10	FAS	Strategy Lead	Bank B
11	EAS	Sustainability Head	Bank B
12	SRS	Sustainability Head	Bank C
13	MSS	Strategy Lead	Bank D

Code = unique and anonymous participant identifier | **Organisation** = unique and anonymous identifier for each organisation | **Profile** = brief description of the role or title that each participant holds

Source: Author's own

4.6. MEASUREMENT INSTRUMENT

The measurement instrument took the form of a semi-structured interview protocol.

A flexible and emergent instrument design is important for qualitative research in general, and a grounded theory design specifically (Creswell & Creswell, 2018; Gioia et al., 2012).

The main questions in the interview protocol aligned to the research questions, while probing of responses allowed for exploration, explanation and identifying exemplars that added context and depth of understanding to key points during the conversation. Although participants were drawn from a wide variety of contexts, a single interview protocol was designed in line with the principle that all participants answer based on their view of the sector rather than specific organisations.

The interview protocol is provided in Appendix A. Prior to commencing data collection, the interview protocol was tested and refined to ensure it was appropriately designed to gather the data required to address the research questions.

4.7. DATA COLLECTION PROCESS

Interviews were conducted via the MS Teams video conference platform. Each interview was audio recorded, using two independent recording devices - to ensure quality of the recording and a backup record in case of recording device failure. Data was collected during the period October to December 2020.

The audio recordings were transcribed and documented in Microsoft Word format. The transcripts were then uploaded into qualitative coding software (ATLAS.ti) for analysis purposes. Copies of all the research data – including audio recordings, anonymised transcripts and analysis files - will be stored on a secure, private server for the prescribed ten-year retention period, after which the records will be destroyed.

Although the identities of the research participants are known to the researcher, it was important that their identities remained confidential. Confidentiality is important in the context of a relatively small population of specialists in the sector. It allowed participants to speak freely, without fear of professional repercussions for sharing their opinions.

Confidentiality was enshrined in the informed consent protocol as outlined in Appendix C. A number of protocols were put in place to maintain participant confidentiality throughout the research process, which included the following:

1) All audio recording files are stored with an anonymous reference – the key to the reference is held in a password protected Microsoft Excel file that only the researcher has access to.
2) All transcripts are stored using the anonymous reference that corresponds to the original audio recording, for quality checking and transparency in the data management process.
3) All transcripts were quality checked by the researcher and all identifiers were removed, before the data was loaded into Atlas.ti for analysis.
4) All research reporting, as well as verbatim quotes used in the report, made use of anonymised descriptors.

4.8. ANALYSIS APPROACH

The analysis started with a line-by-line reading of the transcripts to immerse the researcher in the data (Chenail, 2012; Hsieh & Shannon, 2005). The coding and theming of the data followed a two-step process: firstly, inductive coding and categorisation of the data; followed by a second step of developing deductive themes and theoretical concepts. This approach follows the analysis method aligned to a grounded theory design (Gioia et al., 2012; Gehman et al., 2018).

The practical guidelines for the coding process described by Elliott (2018) were useful in deciding how to assign codes to the text data, the number of codes needed and the naming of codes. A detailed code book has been produced and provided as an appendix to this research report.

Grand challenges, such as sustainability, are often multifaceted and interconnected, with non-linear relationships (Crane et al., 2018, Eisenhardt, Graebner, & Sonenshein, 2016). Eisenhardt et al. (2016) state that "inductive methods…excel in situations for which there is limited theory and on problems without clear answers". An inductive analysis approach allowed for the opportunity for novel ideas and new insights to emerge from the data.

The inclusion of a second stage of deductive coding and analysis contributed to forming an integrated understanding of the primary research data and the theoretical frameworks outlined in Chapter 2. Klag and Langley (2013) call this the "conceptual leap" inherent to qualitative research which "involves bridging the gap between empirical data and theory".

The outcome of this combined inductive and deductive analysis is understanding and insight that is rooted in empirical data and informed by existing theoretical constructs, as envisaged in the pragmatic approach to grounded theory put forward by Timonen et al. (2018).

4.9. QUALITY CONTROLS

There are divergent views on the most appropriate quality control criteria for qualitative research. Some scholars such as Eriksson and Kovalainen (2016) argue that qualitative research requires a unique set of definitions and quality controls. They propose the concept of trustworthiness as a more appropriate measure of quality compared to the scientific terminology typically associated with quantitative research. This approach tests for dependability, transferability, credibility and confirmability in the research outcomes.

Authors such as Creswell and Creswell (2018), Morse (2015) and Morse, Barrett, Mayan, Olson, and Spiers (2002) all argue for the retention of the scientific terms of rigour, validity and reliability in qualitative research. They argue that validity and reliability are processes that should be incorporated into the data collection and analysis, rather than something applied post hoc. This ensures that issues impacting the quality and rigour of the research are addressed throughout the research process (Morse et al., 2002).

The banking sector in South Africa (excluding the emerging FinTech sector) tends to adopt a cautious, formal and conservative tone due to it being a systemically important, highly regulated environment. In line with the category tone, this research adopted the scientific terms of rigour, validity and reliability and incorporated quality controls during the research process – instead of the post hoc approach in testing for trustworthiness. Figure 7 provides an overview of the approaches that were taken to address quality in the research.

Strategy applied	Purpose of the strategy	Description of the strategy	Supporting literature
Appropriate and sufficient sample	Validity	Seeking out appropriate research participants (purposeful sampling) and an adequate number of appropriate participants (sampling adequacy) led to data saturation. Saturation means that the phenomenon was sufficiently and completely captured in the data.	Morse *et al.* (2002) Morse (2015)
Addressing researcher bias	Validity	Staying true to participant phraseology in the coding process, along with detailed notes on how code groups and themes were constructed from the initial coding supported transparency in the analysis process. The use of field notes aided the researcher reflection and acknowledgement of bias as it happened, so that it could be addressed on an ongoing basis.	Gioia, Corley & Hamilton (2012) Creswell & Creswell (2018) Morse (2015)
Thick descriptions	Reliability	Thick descriptions occur when there is sufficient data gathered, to the point where common issues start to emerge because the data overlaps. Contextually the examples differed, but the inherent issues or characteristic of the phenomenon were consistent.	Morse (2015)
Triangulation	Validity & Reliability	Triangulation was achieved using different data sets, with the intent to enhance understanding of the phenomenon from different perspectives. The findings of the different data sources were then triangulated to expand understanding, but also corroborate findings from different perspectives.	Gioia, Corley & Hamilton (2012) Creswell & Creswell (2018) Morse (2015)

Figure 7: Strategies adopted to ensure quality in the qualitative research

Source: Author's own

4.9.1.Appropriate and sufficient sample

Sampling continued until data saturation was achieved (Morse, 2015). This was done to ensure that there was sufficient and complete data reflective of the processes and actions being explored. Figure 8 provides a view of the number of new codes generated with each subsequent interview. Saturation in this research was reached after interview 11, when no further new codes were added.

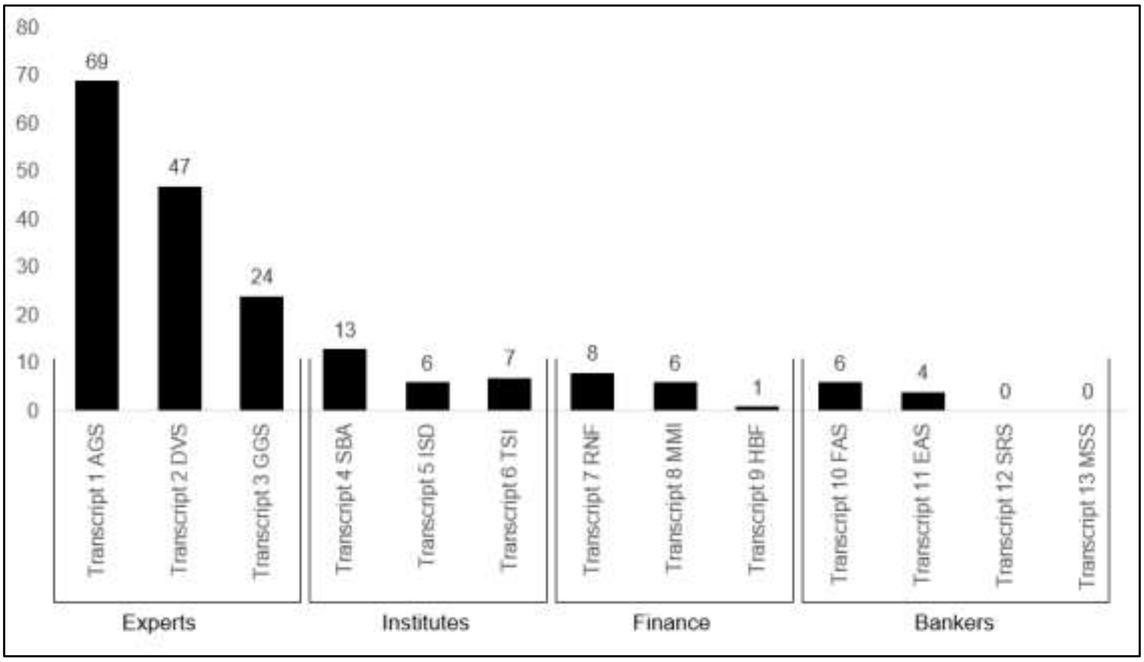


Figure 8: Unique codes generated per interview

Source: author's own

In addition to sufficient data (through adequate sampling), the quality and validity of the research data were impacted by the ability of the research participants to speak knowledgeably about the topic. Purposeful sampling (Patton, 2002) was applied to this research, in selecting participants based on their unique knowledge base. Knowledge was in the form of expert knowledge of the topic, as well as the professional experience of participants in relation to the topic.

4.9.2. Addressing researcher bias

Three forms of researcher bias exist within the defined research methodology that required ethical and practical consideration.

1) Firstly, inherent researcher bias existed in the philosophical stance that embraced constructivism and interpretivism. The researcher could not separate herself from the process as she was part of the social interactions that formed the basis of knowledge creation (Hlady-Rispal & Jousion-Laffitte, 2014). A subjective view of the data was therefore inherent to the research philosophy and practice of qualitative research.
2) Secondly, Gioia et al. (2012) note the researcher as a "knowledgeable agent" who uses their knowledge to inform the analysis as it moves from the inductive to the deductive phase. Timonen et al. (2018) view the researcher's existing knowledge as useful in focusing and streamlining what can be an exhaustive analysis process.

3) The last form of bias worth noting resulted from the executive position that the researcher holds in the South African banking sector.

All three forms of researcher bias could be effectively mitigated through appropriate qualitative practices and quality controls, which included the following:

1) To mitigate the inherent subjectivity of the qualitative research approach, a detailed code book recorded the analysis process from raw data through to conceptual thinking phase. This supported transparency in the analytical process and ensured findings are grounded in the data (Chenail, 2012).
2) To balance the value of the researcher's existing knowledge of the sector and subject matter, the researcher adopted a neutral stance to the interviewing process (Morse, 2015). Additionally, field notes helped the researcher avoid making assumptions beyond what the data stated through a disciplined process of reflection, consolidation of ideas and observations after each interview (Montgomery & Bailey, 2007).
3) To mitigate the potential for bias based on the researcher's position in the sector, two steps were taken. Firstly, sampling for this study leveraged the researcher's professional network, while avoiding anyone with whom she had a direct reporting line and/or direct influence. And secondly, the unit of analysis was set at the sector level, rather than bank, to ensure the researcher could access participants from across the sector and avoid asking questions that could be seen as anti-competitive.

4.9.3. Thick descriptions

According to Morse (2015), research quality is impacted by the number and appropriateness of participants as this directly affects the ability to build a thick and rich data set. By employing a purposeful, heterogeneous sampling strategy, the data was varied and detailed enough for meaningful analysis. This yielded a rich data set.

Thick descriptions were achieved at the point of data saturation. This occurred when the data started to converge around key codes and themes – and when subsequent interviews produced fewer and fewer new codes, as the issues and ideas follow a consistent pattern (Morse, 2015). Figure 4.2 illustrates the unique codes generated per interview, with saturation being achieved at interview 11.

4.9.4. Triangulation

Triangulation is a useful strategy for assessing both the validity and reliability of research (Gioia et al., 2012; Creswell & Creswell, 2018; Morse, 2015).

Firstly, it helps build validity by expanding the understanding of the phenomenon studied from various perspectives. And secondly, it enhances reliability by identifying consistent themes from multiple inputs. Triangulation was achieved through the inclusion of different types of participants who represent different locations and orientations within the South African banking sector. This included two different types of participants: participants from banks who had professional experience and were knowledgeable about the action that the sector is taking; as well as a subgroup of experts in the field of sustainability strategy within the banking sector.

4.10. LIMITATIONS OF THE RESEARCH DESIGN AND METHODS

The research included both theoretical and practical limitations. Firstly, at a theoretical level, qualitative research is not perceived to be generalisable due to the small size and construct of the sample (Creswell & Creswell, 2018). Transparency in the data structuring process and detailed descriptions of the context and sample provided for some degree of comparison and transferability.

Secondly, practical aspects of this specific research design and methodology presented inherent limitations:

a) The research was based on one sub-set of the financial services sector (the banking sector) – the ability to generalise findings to the broader financial services sector and/or other sectors is not known.

b) The research was based on a sectoral view of the research problem, which would not necessarily take into consideration company-specific internal dynamics.

c) The research was conducted by a novice researcher who was not expertly trained. A pilot interview was conducted where the researcher practiced her interviewing skills, however it is understood that the lack of expertise may have impacted the quality of the data collected.

The limitations do not negate the potential usefulness of the research. The sector-based insights illuminated many barriers as well as potential enablers to increasing sustainability action in the banking sector. These insights may contribute to the development of collective initiatives or share standards to enhance sustainability action.

CHAPTER 5 RESEARCH FINDINGS

5.1. INTRODUCTION

This chapter presents the findings from the research that was undertaken, using the design and methods outlined in Chapter 4. A total of 13 semi-structured interviews were conducted with research participants that covered a broad range of senior executives within the South African banking sector. This chapter starts off with an overview of the research participants. The subsequent sections are structured according to the theoretical categories that emerged from the analysis of the interviews.

5.2. GROUPING OF RESEARCH PARTICIPANTS FOR ANALYSIS

Each research participant was allocated to an analysis group based on their perspectives on sustainability and the factors that they said influenced this as indicated in Table 9. This included what action they thought should be taken and what impact could be achieved in the banking sector in South Africa. The analysis groupings also aligned somewhat to the professional profile and proximity of research participants to the banking sector – working within or consulting to the banking sector. This provided a useful dimension for organising and structuring the data.

Table 9: Research participant profiles and groupings

Interview number	Code	Profile	Analysis group
1	AGS	Senior Director, reputation and social impact consulting, multi-sector expertise	1 - Expert
2	DVS	Managing Director, business strategy consulting, multi-sector expertise	1 - Expert
3	GGS	International sustainability consultant, banking sector expertise	1 - Expert
4	SBA	Banking industry body representative, senior banker, ESG specialist	2 - Institutes
5	ISD	Sustainability advisor, senior banker, international forum member	2 - Institutes
6	TSI	Sustainability advisor, part of international advisory group	2 - Institutes
7	RNF	Chief Financial Officer, Bank	3 - Finance
8	MMI	Director at an investment management firm	3 - Finance
9	HBF	Specialist in sustainability financing, Bank	3 - Finance
10	FAS	Strategy Lead, Bank	4 - Banker
11	EAS	Sustainability Head, Bank	4 - Banker
12	SRS	Sustainability Head, Bank	4 - Banker
13	MSS	Strategy Lead, Bank	4 - Banker

Source: Author's own

5.2.1. Analysis group 1 – Experts

Participants in analysis group 1 (Experts) were strategy consultants that have worked across the African continent in developing business strategies in multiple categories. Their responses to the survey were based on their expert opinions and analysis, rather than professional experience of the sector. One of the Experts had previously worked in the banking sector, but currently holds a position as an expert on strategy development and consults internationally both within the banking sector, and more broadly.

Due to the nature of their expertise and vantage point from outside of the banking category, they shared a very broad view of sustainability and sustainability action. They tended to take a macro, outside-in view on issues, with a sense of urgency and perspective that is unencumbered by category conventions. They favoured innovative and exponential ideas to accelerate change and drive sustainability action.

The responses from this group were treated as a discrete data set, which was triangulated against the other three professional participant groups in the analysis.

> *I am thinking very left field (DVS)*
>
> *When I work with the construct of sustainability, it's quite wide (AGS)*
>
> *Showing the financial industry they can play a significant role. And it's not just the NGOs, or government banks or otherwise, the private banking (sector) can play a big roll. (GGS)*

5.2.2. Analysis group 2 – Institutes

Participants in analysis group 2 (Institutes) were all members of voluntary organisations that influence, advocate and provide advice on sustainability matters to multiple sectors. Analysis group 2 emphasised academic and case study evidence as the foundation for their advocacy and advice. The perspectives of these individuals were driven by a combination of professional experience as senior managers in the sector, alongside their exposure at a sector level to academic literature, case studies and other influencers. They tried to bring a balanced view of inside-out pragmatic business considerations, combined with a more idealistic outside-in macro view of the opportunity and responsibility of the sector for taking action and being held accountable. They favoured dialogue, facilitating collaboration across stakeholders and education as methods for influencing and driving action.

Until such a time that we actually say, in our own context and setup, how do we want to play? Do we want to lead the industry in a certain way? And as banking, Body X don't you want to apply more pressure and create a coalition for us to be able to do this? So that we shift the playing field. (SBA)

We advocate for organisations to create economic value, which is the profit, and create value for society and the environment (TSI)

We have to work together to come up with the solutions, and I think that the power lies in the collective as well (VSV)

I actually got to do research on shared value for a Master's paper that I was working on… I was invited to sit on the steering committee, and then, you know, started doing master classes, just to teach about the framework and the model underpinning it (ISD)

5.2.3. Analysis group 3 – Finance

Participants in analysis group 3 (Finance) operate within the banking sector. Due to their professional roles and areas of expertise, their perspectives were skewed towards financial instruments as a solution to addressing sustainability outcomes. They considered the full financial value chain – from shareholder, to business performance, to financial products – as a mechanism for addressing the United Nations Sustainable Development Goals. This group was also more likely to consider data, measurement and reporting as key to moving the sector forward and encouraging greater action.

It will cost a lot to address, but not cost as much as the cost of not addressing it (RNF)

I hope that in the next three to five years, we will have finally done the financial modelling to model the impact of climate change on our books - so that that starts to impact our decision making (HBF)

I think companies actually see the longer term drive, who the next emerging customer is. It's not just the regulation, I think there's a big commercial rationale for the shift in behaviour as well. And I think the combination of that, plus, it ramping up massively on investors' agendas, which wasn't the case two years ago. (MMI)

5.2.4. Analysis group 4 – Bankers

Participants in analysis group 4 (Bankers) were all senior strategy and/or sustainability managers at leading South African banks. Their perspectives tended to be more conventional, incremental and lower risk than the Experts in analysis group 1. Although they shared some of the intent to deliver impact that characterised analysis group 2 and analysis group 3, their perspectives on how this should be achieved were deeply rooted in prevailing banking risk, compliance and regulatory frameworks. They tended to favour incremental change that considered the entire bank operating ecosystem, over accelerated or disruptive change that could impact short-term business goals.

> *How are we going to make it happen here in the bank? That is where the bank's risk management framework will come into play (EAS)*
>
> *What does it actually mean in terms of loan exposure? What are the sectors? What are the products? What are areas where I'm going to stop focusing on? What am I going to start focusing on? What can I continue to focus on? (FAS)*
>
> *We will make sure that there is compliance, as much as we are able to comply, so as to make sure that we don't breach the rules as signed in the Paris Agreement, the Equator Principles, and the World Bank rules. (MSS)*
>
> *We're not charity organisations. We make money. But it's the how of what we do, how we are building business that I'm talking about. I feel that it's possible to build your business in the right way. You don't have to break your bottom line by doing things the right way. (SRS)*

Differences and similarities between the analysis groupings described in Section 5.2 are included in the main discussion of the research findings. For the purposes of simplifying the reporting of the research findings, the generic term “group” is used in the remainder of Chapter 5 to refer to each of the aforementioned analysis groupings.

5.3. ANALYSIS OF THE INTERVIEW DATA

Two principles were applied to the interview data analysis, leading to the creation of meaningful themes and theoretical categories. Firstly, the overarching research question of what is needed to shift the South African banking sector to a stronger position of action on sustainability was addressed as a primary focus of the research findings. Through a process of inductive coding and grouping of the data, a series of themes were identified that address the research question – considering the antecedents, barriers, enablers and opportunities for action in the sector.

Secondly, the analysis also considered the key theoretical concepts that were identified in the literature review in Chapter 2 as having an impact on sustainability action. This included concepts relating to managerial orientation, organisation characteristics, sustainability embedment and the type of sustainability action being taken. These concepts helped to shape and structure the research findings through a deductive review of the data in line with the existing body of knowledge. The resultant theoretical categories drawn from the data addressed the research question as well as built on the existing theoretical concepts. This aided in creating an integrated understanding of sustainability action for the sector and which factors could contribute to enhancing action on sustainability, as noted by Slawinski et al. (2017).

A total of 191 first level codes were identified from the 13 interview transcripts, which were then further reviewed and grouped based on similarity of meaning and sentiment. This yielded a total of 45 second level code groups. These code groups were mapped into a matrix as illustrated in Figure 9 which consists of three dimensions – the research sub-questions; the theoretical concepts aligned to Chapter 2; and additional categories that emerged from analysis of the interviews.

On the left-hand side of the table in Figure 9, the research sub-questions have been used to structure the data into four sequential subcategories. These include:

- the nature of action in the banking sector as a benchmark for action;
- the antecedents that need to be in place, for further action to be realised;
- the barriers and enablers of further action; and
- the benefits that could be realised, should the sector shift to a stronger position of sustainability action.

Across the top of the table in Figure 9, the first four columns (in black) represent the theoretical concepts identified in Chapter 2 as being key to driving sustainability action. These include: managerial orientation, organisation characteristics, sustainability embedment and type of sustainability action taken. Analysis of the interview data identified an additional three categories which have been added to the matrix in the last three columns (in grey). These include: influential stakeholders, sector dynamics, and voluntary frameworks.

	Theoretical categories from the literature in Chapter 2				Additional categories from the research findings		
	Sustainability action	**Management orientation**	**Organisation characteristics**	**Sustainability embedment**	**Influential stakeholders**	**Voluntary frameworks**	**Sector dynamics**
Action in the sector today	Financial inclusion as the main form of sustainability action CSI is not the answer	Sustainability is complex	No appetite for patient capital Façade of incumbent practices and products	Developed world has an advantage Multinational banks balance multiple challenges	Investors are driving ESG action Regulation is not (yet) driving sustainability action	Sustainability reporting does not equal sustainability action	Early stage action and accountability Preference for collective action Dislike self-promotion
Antecedents to further action	The antecedents, barriers and enablers of sustainability action are described under each of the remaining 6 categories	Developing a social conscience Transformational leadership	New risk and return models	Paradox of scaling new models inside old models	Stable country and economy Government sets the sector dynamics Shareholders agitate for change Public activism is growing External factors pushing sector	Global frameworks are catalysts for action Enhanced financial disclosures are driving action	The sector needs a first-mover catalyst Sector bodies need to take the lead
Barriers / Enablers of further action		Sustainability is not a leadership priority Board & Exco profiles Organisation structure	Partnerships to accelerate action Increasing value chain transparency Mainstream product innovation	New value-creation and growth models Different business models orientation Embedded in business strategy	Regulation, policy and standards will drive action	Fragmented frameworks Framework consistency Africa-specific, contextual data	Traditional, slow to respond, slow to change
The benefits of further action	Addressing social inequality	Attracting & equipping talent	Leveraging banking relationships to shift sustainability action in other sectors	Business and society impact alignment	National growth and development	No specific benefits highlighted in the data	No specific benefits highlighted in the data

Figure 9: Mapping of code groups to theoretical concepts and research questions ***Source: Author's own***

Each section starts with a simple diagram that illustrates the code groups and themes that underpin the theoretical category. This is followed by a brief discussion per theme on the key findings; in-case and cross-case analysis; triangulation between the core data from the Professionals versus the Expert data; and ends with a theme conclusion.

The findings for each theoretical category are then summarised in a "research findings summary table" at the end of each section. The summary table consists of two sections. Section 1 shows the alignment between Professionals and Experts on each theme. Qualitatively assessing the alignment between these two datasets is a form of triangulation, which was identified as one of the quality controls for this research. (Triangulation is discussed in Section 4.9.4 in further detail). Section 1 also shows the cross-case assessment of alignment between the three Professional groups. This assessment demonstrates where the views of banking sector professionals converge or diverge. A system of Harvey balls is used to depict the key findings for each theme. Section 1 uses three types of black Harvey balls. A full black Harvey ball indicates a high degree of alignment with little to no difference noted, while a half-full black Harvey ball indicates partial alignment with some differences noted. An empty black Harvey ball indicates limited alignment, with substantive differences in views on a theme.

Section 2 of the research findings table considers the prominence of each theme, within the three Professional groups. The theme prominence provides a qualitative view of which voices were driving each theme. This shows where themes were niched within a particular group of Professionals versus themes that had a common voice across the banking sector. It also illustrates which themes were more prominent in a particular theoretical category, versus themes that formed a limited part of the conversation. Section 2 of the research findings summary table continues with the system of Harvey balls, with three types of green Harvey balls used. A full green Harvey ball indicates the theme was prominent with many mentions across participants within a group, while a half-full green Harvey ball indicates fewer participants with fewer mentions provided input on the theme. An empty green Harvey ball indicates minimal or no mentions of the theme within the group.

5.4. FINDINGS FOR THEORETICAL CATEGORY 1: INFLUENTIAL STAKEHOLDERS

The analysis of the interviews identified three themes that provide insight into the role of stakeholders from outside the banking sector and how they directly impact sustainability action taken within the sector. These themes were: the forces exerted by several groups of External Stakeholders; the role of Regulators in accelerating sustainability action; and role that Government needs to play in setting the national agenda on sustainability action. Figure 10 illustrates the code groups that formed each theme, which collectively inform the theoretical category.

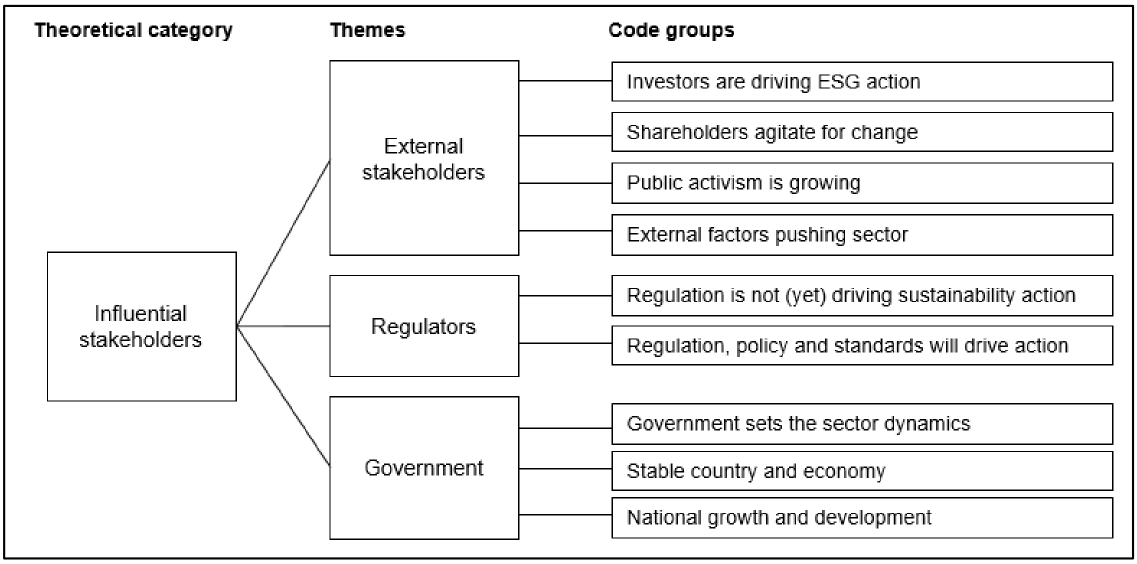


Figure 10: Influential stakeholders

Source: Author's own

5.4.1.External stakeholders

5.4.1.1. Key findings

During all of the interviews, participants highlighted the role of external stakeholders in directly influencing how the banking sector responds to sustainability issues. External stakeholders typically have an impact via commercial levers that force the sector to respond. One of the biggest levers of change is institutional investor choices that are based on the sector's sustainability action. As an Institute participant noted that sustainability action is becoming a "…a pre-requisite for them to work with you – to demonstrate that you actually have good sustainability practices in your organisation". Following this trend of ensuring financial flows have the right impact, shareholder activism is also on the rise. There is a strong link between the issues that shareholders place emphasis on, and how the sector responds. The sector is thus having to become more deliberate about addressing sustainability action. As a Banker observed:

> *now someone is thinking about it because shareholders are asking about it. If shareholders didn't ask…I doubt it is something that you would concentrate on.*

Public activism is a relatively new, but growing form of pressure on the banking sector. As a Financial participant noted:

> *we tend to be a bit slower, but I do think it is coming. They went on to note that there's a huge shift…let's engage with this topic and get clients to engage with the topic.*

There is a sense that public activism in the sector is starting with the younger generation, as another Financial participant noted that "younger consumers…value sustainability much more than maybe previous generations did". This shift in public awareness and conversation on the topic of sustainability is starting to drive public activism as they start "judging what companies do in society" (Institute). Growing awareness and activism isn't just for show, as this is likely to have an impact on retail consumer product and bank choices – which could impact business performance in the long run. As a Financial participant noted, "…if you have a huge amount of our retail clients asking those questions, I think that is pressure".

In addition to the push from investors, shareholders and the general public, a number of participants also noted the role of other organisations who are forcing the sector to respond to sustainability action. There is a new generation of organisations within the banking sector – especially "*digital banks*" and "*fresh blood, new age banks*". They are built on a new generation of operating models that are better aligned to deliver sustainability action, than the traditional banks. And beyond the banking sector, there are equally a growing number of challenger organisations. This is giving consumers more choice to deal with a company that can demonstrate sustainability action, thus placing increasing pressure on the traditional banks within the sector to respond if they want to remain competitive. As a Financial participant noted

> *And the other big challenge that we face is a competition from non-banks… the competition is coming from all different angles and from people who do not have the same regulatory rigour.*

5.4.1.2. In-case and cross-case analysis

Analysing the data across participant groups indicated that there was general consensus in the views on the growing pressure on the banking sector from external stakeholders. All groups shared the view that these stakeholders are pushing the sector to shift the level of sustainability action. Banker and Institutional participants were slightly more vocal about the pressure coming from institutional investors, whereas Financial participants placed greater emphasis on the growing pressure from Shareholders.

As one Banker said, "I think investors are gonna ask these questions now – they want to see where you are putting their money". In a similar context, a Financial participant placed emphasis on shareholder power in driving change when they said, "I think that one of the levers is shareholder pressure and shareholder wants".

Comparing this with the Expert group, the analysis found that they tended to agree with the professionals on the role of shareholders, investors and the public in driving section action on sustainability. As one Expert noted, "…significant interest from investors putting money in the market, so a lot of them now looking at investing in banks… who do well on sustainability". They also acknowledged the role of new age banks within the sector, but went further than the digital nature of these new organisations in recognising that "the new banks will have product lines directly starting with common social priorities in place".

The Experts also placed greater emphasis on the high innovation pushes coming from outside of the banking sector, such as "over-the-top players without infrastructure dependencies" who are forging ahead with "new business models". Additionally, Experts were more likely to consider aspects such as the power of the media, digitisation and social media in exerting pressure on the banking sector. As one Expert put it, "the emergence and the uptake of social media in Africa…made people more aware of how it should be, how it could be".

5.4.1.3. Theme conclusions

Analysis of the interview data suggests that influential stakeholders play a crucial role in pushing the banking sector to adopt a stronger position on sustainability and sustainability action. This pressure is coming directly through commercial levers being pulled by investors and shareholders, as well as growing public consideration for the sustainability action within the sector. Additional pressure is coming from within the sector in the form of new generation players that operate with different business models and new generation thinking. The analysis also suggests that without this pressure from influential stakeholders, the banking sector may lack some of the motivation to effect the necessary changes in action on sustainability.

Experts and Professionals agreed that these influential stakeholders are placing increasing pressure for the sector to respond with action on sustainability. Professionals are more likely to observe the immediate influences from close stakeholders, whereas Experts are more likely to take a broader view – considering a wider set of both direct and indirect influencers on the banking sector.

5.4.2.Regulators

5.4.2.1. Key findings

Analysis of the interview data highlighted the substantive role that regulation – and thus the Regulators – has on how and what the banking sector does. As one Banker put it:

> *So I think regulation and some form of frameworks and some form of compliance to reporting can go a long way, in helping…the sector complies with the requirements. We definitely, begrudgingly so, but we do find a way to make sure that we don't break the law.*

The data from the interviews suggests that the sector responds in one of three ways to regulation.

Firstly, there is pre-emptive action when regulation has a high likelihood of changing. As one Banker noted:

> *you don't want to be on the front page of newspapers, because for reasons such as you are completely disregarding these requirements, as much as they are voluntarily, you have to comply with them.*

Pre-emptive action is also seen as a way of managing the onerous process of change in the sector. Another Banker gave insight into the background work required to prepare the sector for regulatory changes when they noted "So this is where we are. Haven't implemented it yet. Because it was two years of work to get here." This was in anticipation of regulatory changes on the near-term horizon in the sector, in response to

> *a National Treasury technical sustainability paper where the disclosures and risk management will follow into South African legislation soon - I think in the next two years.*

Secondly, there is the direct action based on compliance within existing regulation. One Financial participant expressed the link between regulation and sustainability action very succinctly: "The regulators saying this is the role the bank should play, have to play."

And thirdly, there is the “wait and see” approach which is driven by immaturity of regulation and/or lack of regulatory clarity. This lack of maturity creates an opportunity for the banking sector to self-select what it does.

> *Your regulating bodies…will start play a role as they start to mature with regards to enforcing the legislation, understanding the frameworks. (Banker)*
>
> *When things are done, as and when we see fit, we are good at explaining what we do and what we don't do. And if no one's gonna tell us that it's actually the breaking of the law, I can tell you, it is there. (Banker)*

5.4.2.2. In-case and cross-case analysis

Analysing the data across groups, the Banker and Financial groups were leading the conversation on the role of regulation in the banking sector. They were both cautious and optimistic about the role that regulation can play in helping shift the sector on sustainability action. On the cautious side, some expressed concerns about over-regulation, with one Banker noting that if

> *you over-regulate this particular piece, I think we're going to end up the sort of knee jerk reaction where the policies are going to take too long [to] embed.*

On the optimistic side, many saw the potential that regulation has to push the sector into more action on sustainability. As another Banker noted:

> *The industry has so much potential to drive sustainability, if things are done within the aspects of the law.*

Participants in the Institute group had limited comments on regulation in general. However, there were two cases of Institute participants with views that were quite different from those expressed by Bank or Financial participants.

Firstly, the way in which Bank and Financial participants expressed their views on regulation suggested they were recipients of it rather than actors in shaping it. As one Banker put it, “the sector **responds** [emphasis added] very well to regulation”. In contrast, one of the Institute participants felt that the sector should be taking a more proactive stance on influencing and shaping regulation in support of sustainability action. They said:

> *…everybody needs to come together and say, fine - this is not working. This is the legislation that we have to change, and they've got to lobby for it.*

A second case of an outlier from the Institute group gave some insight into what may be behind the relative immaturity in regulation on sustainability. Maintaining the status quo on low levels of sustainability regulation allows individual banks to decide how and when they choose to act, rather than placing an onus on the sector to collectively comply with a prescribed standard of action. As they said:

> *Regulators are protectors of the sector, the shareholders and the investors are going to change the sector… [the regulators are] not going to be thinking about how they support the SDGs they want. But the investors and shareholders and these big pension funds and institutional funds, if they don't start saying…we think that SDGs are core to how we invest these funds…there will be no shift.*

Experts tended to share common views with Bankers and Financial group participants. They see regulation as “very important for a bank to flourish”. They are also aligned on regulation being a push factor that can force the banking sector to take action on sustainability. For example, one Expert noted how regulation can enable new business models: “a regulatory line or dotted line somewhere that would have to flex”. They were also aligned on the fact that too much regulation could force action into a compliance-based process as “if it is regulated…I think that you know, the minute that that happens, [it] is compliant, that [it] will go straight into the compliance box”.

5.4.2.3. Theme conclusions

Analysis of the interview data highlighted the role and importance of regulation within the banking sector, as a lever for driving sustainability action. Furthermore, the analysis showed that current regulation is not yet at the level of maturity to effectively push the sector to more action; however, some organisations within the sector have taken proactive steps towards action – especially where this is anticipated to become regulation in the near future. Regulation also has the potential to hamper action, if it is too onerous or prescriptive.

Participants in the Banker and Financial groups were most vocal about the role of regulation and tended to have common views on this. Experts tended to have similar views to the professionals. Outlier voices were specifically noted in the Institute group, where alternate views on the role of regulation and how regulatory changes could be effected, were noted.

5.4.3. Government

5.4.3.1. Key findings

The systemic nature of banks is linked to the flow of money and brings with it a big responsibility to play an active role in the country's growth and development. A variety of metaphors were used by participants across the professional groups to describe this role and the importance of it. It is life-giving in how it "effectively gives oxygen to liberating the economies, as a platform that helps to connect those that have excess cash, to those that are in need of cash". It is essential as the "engine for growth" and the "mechanism that moves the economy to work". And it has transformative power to "change the world because everything starts and stops with the flow of money".

Given the systemically important role of the banking sector to the national growth agenda, Government is a critical stakeholder in helping to accelerate the pace of change and drive sustainability action. Government plays multiple roles, including providing "strong regulation", "driving governance", "[using] policy to create more or less competition", and setting sustainability as a strategic imperative.

5.4.3.2. In-case and cross-case analysis

Analysis of the data from interviews across the professional groups indicated broad-based consensus on the role of Government as a highly influential stakeholder and catalyst for change in the banking sector. This is reflected in the convergence on key points raised by participants from across the groups:

> *…the role of the State and their policies will also have a massive role to play in terms of what banks are mandated to get behind (Banker)*
>
> *So the Pretoria person needs to constantly monitor that dynamic, and the elasticity of being able to use policy to create more or less competition (Financial)*
>
> *So if the banking sector were given the NDP for 2030 as a brief…what would the banking sector's response be? (Institute)*

Similarly, Experts agreed that the banking sector plays a systemic role in supporting national growth. As one Expert said, "I would like to see the financial services sector really become a driver of growth". They also agreed that Government plays a pivotal role in setting the direction for the sector, with one Expert saying "I think…most of the direction of the bank, is given by the government itself".

5.4.3.3. Theme conclusions

Participants from all groups, as well as Experts, agreed that the banking sector has a systemic role to play in the national growth and development agenda for South Africa. As with many other influential stakeholders, participants highlighted the passive role that the banking sector adopts – where it responds to direction given, rather than leading and advocating for specific actions that could support growth.

There is a reciprocal relationship between Government as an influential stakeholder and the banking sector. Government is expected to provide direction, stability, policy and a healthy competitive environment for the banking sector. In return, the banking sector must respond with financial mechanisms and platforms that support the national agenda. It would also need to work within the policy, priorities and competitive frameworks set out by Government.

5.4.4. Theoretical category conclusions

Table 10 provides a summary of the alignment and prominence of each theme within the Influential Stakeholders theoretical category.

Table 10: Research findings summary table – Influential stakeholders

Theoretical Category	Themes	Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Influential stakeholders	External stakeholders	◑	◑	🟢	🟢	🟢
	Regulators	●	○	🟢	🟢	◐
	Government	●	●	🟢	🟢	◐

Key: Alignment between Experts and Professionals	Key: Prominence to Professional groups
○ Limited alignment / substantive differences	○ Limited prominence/No mentions
◑ Partial alignment / some differences	◐ Moderate prominence/ some mentions
● High degree of alignment / little to no differences	🟢 High prominence / many mentions

Source: Author's own

5.5. FINDINGS FOR THEORETICAL CATEGORY 2: VOLUNTARY FRAMEWORKS

The analysis of the interviews identified three themes that provide insight into the role of voluntary frameworks in driving sustainability action. These themes were: the role that frameworks can play as Catalysts for Action; the challenges with Imperfect Constructs;

and the opportunities that Enhancing Measurement Integrity can have on sustainability action. Figure 11 illustrates the code groups that formed each theme, which collectively informed the theoretical category.

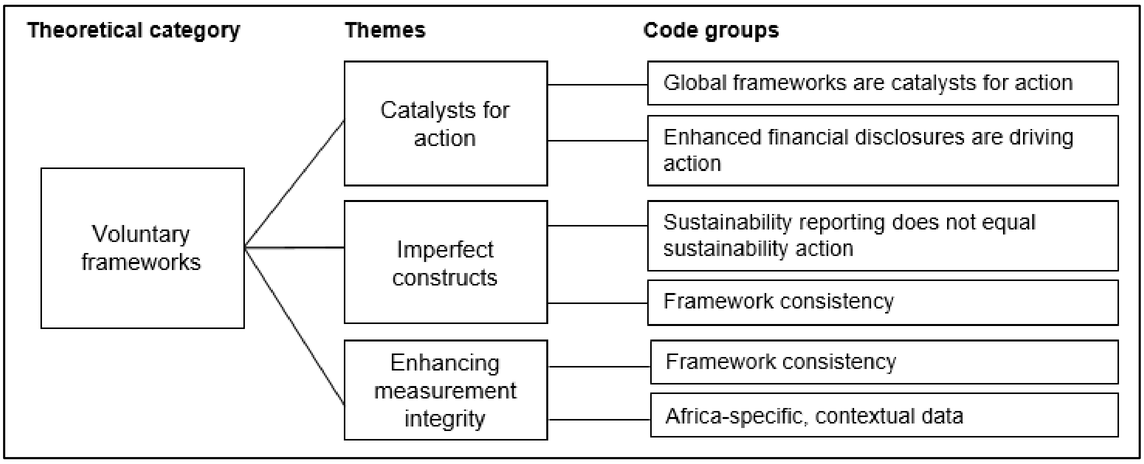


Figure 11: Voluntary frameworks
Source: Author's own

5.5.1.Catalysts for action

5.5.1.1. Key findings

Almost all participants made reference to at least one or more global framework or standard as a catalyst for action in the banking sector. The UN SDGs are central to many of these frameworks, which then expand on principles for implementing and/or measuring progress against the SDGs. The international profile and stakeholder involvement in these global frameworks exert pressure on the banking sector to respond to sustainability. As one Financial participant noted, "all of these types of things…exert that additional sort of pressure". Despite this growing pressure, it is unclear whether the banking sector has fully grasped the importance of it. As one Institute participant observed:

> *…if you've got no visionary taking it because it is not considered part of your framework, or part of your building blocks as an organisation, you can actually underplay it and under ball it significantly.*

As these are all still principle-based and voluntary frameworks in Africa, factors that impact the level of action taken are linked to the perceived commercial benefits, stakeholder engagement and reputation management of each framework. From a commercial perspective, participation in these frameworks is seen as part of creating a competitive advantage – by enabling banks to attract investor funding, as well as grow new business where ESG (environmental, social and corporate governance) metrics are starting to play a role. As one Institute participant said:

> *There are frameworks that allow you to report into, comply with, and adjust your business models as a bank, so that you are able to attract investors and clients.*

As influential stakeholders start to place increasing emphasis on sustainability, the frameworks become a tool by which banks are assessed. Thus, public commitment and public disclosure on performance against targets is becoming an important driver of action across the sector. Failing to demonstrate progress and follow through on commitments could have far-reaching reputation impact. As a Banker explained:

> *We signed up publicly on the 22nd of September last year [2019], to the Principles for Responsible Banking. That was then taken up into our sustainability policy… and we've got an AGM commitment… We are driving it from the United Nations reputational repercussions that it [non-delivery] can have.*

The interview analysis highlighted financial disclosures as one of the priority areas for action drawn from the global frameworks – specifically in relation to task-force on climate-related financial disclosures (TCFD). Many participants indicated this as an area of growing action across the banking sector, with much of this action only starting very recently. One Banker said, "three weeks ago, it was for the first time [that] we publicly disclosed our TCFD]." While another Banker added: "I think from next year onwards, we will see under the TCFD a lot of disclosure."

The sector is using disclosure as one of the first steps towards action, as it sets the benchmark and helps individual organisations set targets for improvement over time. While much of the work is starting out at the individual bank level, the sector bodies are being pushed to play their part in establishing goals and guidelines for the collective. As a Banker observed:

> *I think from next year onwards, we will see under the TCFD a lot of disclosure, and then we can see who is sitting on what. So then I think at the sector level, they can be almost sector goals and sector guidelines [set].*

5.5.1.2. In-case and cross-case analysis

Professionals from all three groups agreed that frameworks can be an effective tool in shifting the sector to start taking action on sustainability. Experts also agreed with the role of frameworks to help shift action on sustainability. However, they were somewhat more cynical in the effectiveness of this to date. As one Expert noted:

> *it depends on what the intention of the bank who was signing up, was…some banks are doing this only for PR, creating an image in the short term.*

5.5.1.3. Theme conclusions

Analysis of the interviews highlighted global frameworks as enablers of sustainability action in the banking sector. There is also some evidence to suggest that although action is only at an early stage of implementation, there is growing momentum behind this – especially in relation to climate-related financial disclosures. Although this only represents one aspect of sustainability action – and is being driven by one specific global framework (TCFD) – it does suggest that further work within the sector to adopt and standardise other frameworks may help address the remaining pillars of sustainability.

The analysis also revealed broad-based alignment across professionals on the role of global frameworks in the banking sector. Experts also agreed on their role, but were slightly more cynical as to their effectiveness at this stage.

5.5.2. Imperfect constructs

5.5.2.1. Key findings

Global frameworks have been identified as catalysts for sustainability action in the banking sector, as discussed in Section 5.5.1. However, they are not a panacea for shifting the sector, as further analysis across the interview data highlighted the barriers and pitfalls within the existing frameworks.

Firstly, just because there is reporting against a framework does not mean that there is meaningful action happening. As one Financial group participant noted:

> *everyone has these fancy, glossy booklets that look really pretty and you know, but it's very hard to know how much you really internalise them, how you prioritise them.*

Secondly, it is possible to frame the reporting in a way that focuses on the good news only. This creates an unbalanced view of action in the sector and can mask areas of weakness. As one Financial group participant stated:

> *we have people in the offices who run this big spreadsheet that just make the numbers happen…they engineer what should be on this.*

This places the onus on stakeholders to interrogate the reporting beyond what is shown – specifically looking at what is omitted. As one Banker explained:

> *As [an] organisation we'll talk about the measurement requirements that - not because we're hiding - will project a specific field of view… But if you don't ask us about probably things that we haven't yet started to do, it is unlikely that we will talk about those in a public domain - we will talk about where we have made progress.*

Thirdly, the large number of disconnected reporting frameworks create confusion and leave the door open for the sector to lag in their response to urgent sustainability action. There are too many frameworks, laden with complex and varying acronyms with too much flexibility on what banks can choose to report on (or not). A Financial participant summed up the challenges with the current frameworks and measurement standards well when they said:

> *One of the biggest challenges when it comes to sustainability is how do you measure that it's sustainable? How do you know that it was the right thing? And what is the metric that is used? And that answer doesn't exist. And there is no standardised view at this point in time.*

5.5.2.2. In-case and cross-case analysis

Analysis of interviews across the professional groups found a common perspective on the impact of inconsistent frameworks and reporting standards on sustainability action in the banking sector. There was agreement across the groups that reporting does not directly translate into action. As one Institute participant noted, "…even if you have a strategy…they write very well and position very well, but there's nothing happening." Similarly, a Banker pointed to this gap between reporting and action: "we're at a point now where we're starting to publish…not only promise to the world…putting our money where our mouth is."

There was equally agreement that inconsistent frameworks and standards pose a barrier to enhancing sustainability action.

> *…why the implementation may be quite slow - I think for me, I think quite a lot of them are just way too much. (Banker)*
>
> *There's a lot of subjectivity involved, there's a lot of how do you interpret it? (Financial)*

> *…if you look at the sustainability reporting the way it is, there was no space to find this causal effect - how you can bring social, environmental and the economic side together… (Institute)*

Experts also agreed that reporting doesn't necessarily lead to action. As one Expert noted,

> *Reporting fatigue. It shouldn't end up being like this display of commitment or intent, and not acting on it.*

Similarly, Experts agreed that the fragmentation of frameworks is becoming a barrier to meaningful action. An Expert captured the impact of the current approach, when they expressed their frustration in working with inconsistent and fragmented frameworks:

> *[To] do a small piece like a materiality assessment, there are how many different ways of doing that? And at the end of the day, it's actually a fruit salad…you can't compare this to this to this because they all have different departure points, different frameworks.*

5.5.2.3. Theme conclusions

The current fragmentation and inconsistency across global frameworks presents a challenge to enhancing sustainability action in the banking sector. Flexibility in reporting creates a gap between what is stated and the real levels of action or impact. Instead of driving stronger action on sustainability, engineering existing data to fit within new parameters takes some of the pressure off the sector for meaningful action. Similarly, it creates the opportunity for banks within the sector to drive reputation off the back of intent or partial action, rather than comprehensive action.

Experts and professionals both agreed that these challenges need to be addressed, if the banking sector is to fully leverage global frameworks as an enabler of sustainability action.

5.5.3.Enhancing measurement integrity

5.5.3.1. Key findings

There is a pressing need to create a common framework or set of guidelines for the South African banking sector. This would help create a common approach to sustainability across the sector, while still allowing each bank the freedom to choose what action they take.

I think that the thing that industry most probably needs more than anything…is you need standardisation and definitions. (Financial)

…as much as there is freedom, let there be freedom within this particular framework so that as an industry we all work within it. (Banker)

If common standards for reporting are established, they will require some form of independent governance or oversight to ensure that they are applied consistently. As one Banker noted, …until we get a body that actually starts to measure this, I think there's going to be questions asked.

The final input to addressing gaps in the current frameworks is access to contextual African data. A number of participants pointed to the fact that current models and targets are set using data from European or developed markets. This poses challenges in creating contextual targets for African markets. Additionally, the data that is available is aged and not constructed in a format that aligns to the new sustainability measurement and reporting frameworks. This impacts timelines for implementing standards, as it will take time to compile, analyse and model local data in a way that aids the local banking sector to move forward with a higher degree of confidence.

Data availability on Africa is exceptionally poor, especially when it gets to climate scientific-related data. And we would find all forums we to go to, even the scenarios they base it on, is European...that they base scenarios and pathways and recommendations on. (Banker)

…the other big challenge - the integrity of the data, because it's very old, the bank's information… at this stage, we can only disclose at portfolio level… it will take probably another two to three years to get through all our data, and have really put in the right buckets. (Banker)

I hope that in the next three to five years, we finally done the financial modelling to model the impact of climate change on our book, so that that impacts our decision making... (Financial)

5.5.3.2. In-case and cross-case analysis

Analysis of the interviews across the groups highlighted some differences. Banker and Financial participants were far more vocal on this theme, compared to participants in the Institute group who offered minimal comments on the topic.

Experts tended to have similar views to those expressed by the Banker and Financial participants. They acknowledged the work underway to close gaps and were eager to see consistent standards implemented, as this would aid their analysis and engagement with the banking sector. As one Expert noted,

> *… [there is] quite a bit of work happening internationally to try and bring everybody onto the same page.*

While another Expert suggested:

> *If everybody kind of backs the same framework and start analysing and reporting in the same way, then people like me looking at the sector could [see]…a lot is happening.*

5.5.3.3. Theme conclusions

Analysis of the data from across the interviews yielded a number of common concepts that collectively could enhance the integrity of measurement and related action within the banking sector. These suggestions include: creating a common framework for the banking sector to work within; establishing governance to assess the quality of action linked to the framework; and developing Africa-specific data to inform target setting.

There was a good degree of consistency between the views of Experts versus Professionals on this topic. Banker and Financial participants offered extensive commentary on how to resolve the current issues, while Institute participants were largely silent on the matter.

5.5.4. Theoretical category conclusions

Table 11 provides a summary of the alignment and prominence of each theme within the Voluntary Frameworks theoretical category.

Table 11: Research findings summary table – Voluntary frameworks

Theoretical Category	Themes	Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Voluntary frameworks	Catalysts for action	◑	●	●	◑	◑
	Imperfect constructs	●	●	●	●	●
	Enhancing measurement integrity	●	●	●	●	○

Key: Alignment between Experts and Professionals	Key: Prominence to Professional groups
○ Limited alignment / substantive differences	○ Limited prominence/No mentions
◑ Partial alignment / some differences	◑ Moderate prominence/ some mentions
● High degree of alignment / little to no differences	● High prominence / many mentions

Source: Author's own

5.6. FINDINGS FOR THEORETICAL CATEGORY 3: SECTOR DYNAMICS

The analysis of the interviews identified three themes that provide insight into sector dynamics and how they impact sustainability action taken. These themes were: the role of Sector Body Leadership in shifting action within the sector; the role that a Catalyst for Change can play in the sector; and barrier that Bank Complacency plays in holding the sector back from taking more action on sustainability. Figure 12 illustrates the code groups that formed each theme, which collectively informed the theoretical category.

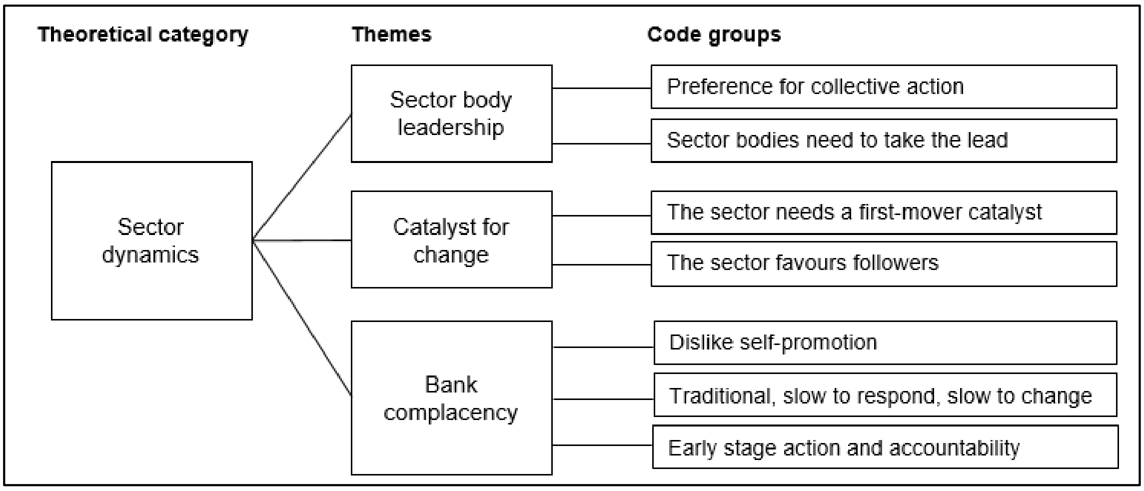


Figure 12: Sector dynamics

Source: Author's own

5.6.1. Sector body leadership

5.6.1.1. Key findings

During the interviews, participants made reference to way in which the sector tends towards collective responses to strategic issues. The limited competitive set in the South African market is one factor that drives this. This results in high levels of inertia in the sector and a tendency for the sector to move forward slowly on issues as a collective.

> *Banks in our part of the world are an oligopoly…few banks, so everybody has a decent enough market share. (Banker)*
>
> *It is just very, very slow because you need to get consensus (Banker)*

There was a broad call for sector bodies to take the lead, to overcome some of the inertia in the sector. This leadership entails a number of key actions, starting with uniting the sector behind a common goal of sustainability action. As an Institute participant suggested, "Why don't we try and tackle one of them [sustainability issues] as a collective and see if we can solve it?" The sector bodies need to assist in establishing frameworks, guidelines and goals to help the sector move forward on sustainability action in a coordinated and consistent fashion. And lastly, the sector bodies need to help establish standards for actions, once they have been agreed to. As a Financial participant noted, "[the] Banking Association has a role to play, especially around standardisation, on reporting…and that sort of thing".

As much as it can be hard to drive consensus across the major players in the sector, collaboration and cooperation can also be a powerful tool in moving towards enhanced action if managed correctly. When sector bodies take the lead and rally members to work collaboratively in bringing about change, this can become a powerful mechanism for enhanced action. Some participants argued that this is the best way to address sector-wide issues going forward. As one Institute participant commented:

> *we have to work together to come up with the solutions… everybody needs to come together, BUSA etc. - everybody needs to come together and say, fine, this is not working.*

They further noted that

> *we've seen the shift from, from competitive leadership to collective leadership.*

5.6.1.2. In-case and cross-case analysis

Analysis from data across the different professional groups revealed a high degree of consensus on idea that sector bodies need to play a leadership role. For example:

> *I would say yes…industry needs to lead (Financial)*
>
> *…sector guidelines…that's already what BASA is busy doing (Banker)*
>
> *BASA [the Banking Association of South Africa], don't you want to apply more pressure and create a coalition for us to be able to do this? So that we shift the playing field… (Institute)*

Unlike the Banker and Financial groups who were inclined to wait for the sector bodies to tell them what to do, some of the Institute participants were concerned about the sector bodies' ability to deliver on these expectations. Perceived politics, egos and a lack of innovation were some of the reasons for concern raised by Institute participants.

> *I think they [sector bodies] play…more of a regulatory role…Not the innovation role. (Institute)*
>
> *Because they are political. They're a member organisation…they don't have a mind of their own. They represent. (Institute)*
>
> *It's the hidden agendas and the egos that…exists (Institute)*

Analysis of the Expert interviews revealed very limited emphasis placed on the sector bodies as a lever of shifting action on sustainability. They were more inclined to reference other stakeholder groups and influences, than the sector bodies.

5.6.1.3. Theme conclusions

Analysis of the interview data highlighted the role of sector bodies in taking a leadership role on sustainability action. This is born out of the need to overcome some of the inertia and collectivist behaviour that typifies this sector. This role includes unifying the sector behind a common set of goals, while supporting action with frameworks and guidelines for execution. Collaboration and cooperation between the different sector players was seen as a tool to create scalable action, although this needed to be done in a way that doesn't get stuck in consensus-seeking.

All the Professional participants agreed that sector leadership was important in shifting action on sustainability. However, the Institute group were vocal in questioning the ability of sector bodies to actually do this. Politics, collectivism and lack of innovation were some of the issues raised by this group as barriers to sector leadership being a driving force of change.

Experts did not highlight sector bodies as key to sustainability action. Experts placed greater emphasis on other influential stakeholders (as discussed in Section 5.4) as key enablers to increased sustainability action in the sector.

5.6.2.Catalyst for change

5.6.2.1. Key findings

Analysis of the interview data revealed the role of another kind of sector leader – that of the champion or first-mover that could act as a catalyst for change. Unlike the Influential Stakeholders, discussed in Section 5.4, who put pressure on the sector from the outside, this is a peer influencer from within the sector. Peer pressure can be a powerful influencer of change in the sector, as one Financial participant noted:

> *Once you have a few people, one or two, that start breaking…the mould and doing things differently, it allows the rest to almost go down that path as well.*

The sector catalyst plays two important roles. Firstly, they are able to overcome sector inertia and take the first steps in demonstrating what is possible. Sector inertia is a critical barrier to furthering action on sustainability. One of the ways that it manifests is as a strong desire to maintain the status quo. And with that comfort in conformance, comes a hesitancy to be a leader.

> *I sometimes think we are trying to place ourselves where everybody else is playing and just going with the flow. (Banker)*

> *…if they are not law as yet, we will do as much as we possibly can. It's not area where you want [to be] a leader in the market. (Banker)*

This tendency towards sameness in the sector, creates an environment where being different can have a powerful impact on the collective. As one Financial participant put it, "you almost always need somebody to buck to the trend. If nobody bucks the trend, you just keep being the same." The second thing that sector catalysts do, is to speed up the pace of change. As an Institute participant noted, "I think the way to make it quicker is that…you always need champions. You need champions that can drive things."

5.6.2.2. In-case and cross-case analysis

There was a high degree of consensus across the three Professional groups on the need for a sector catalyst to emerge, if action on sustainability is to be accelerated. Institute, Banker and Financial participants all agreed that a first-mover is needed to break the sector inertia and speed up the shift towards stronger action on sustainability.

> *It's like taking that first step (Institute)*
>
> *…the pressure points are what get us to even try to change (Financial)*
>
> *Other banks are ahead of us, but we are catching up. You will see a lot in the next couple of months. (Banker)*

Analysing the Expert interview data showed that they agreed on the importance of a sector catalyst to overcome the high inertia. As one Expert put it, it will take "thought leadership" and willingness to "use his bank as a catalyst, mainly to show the other banks in the country". Similarly, an Expert noted that "when one bank does something unique or essential, it won't take long for the others to do the same".

5.6.2.3. Theme conclusions

Analysis of the interview data revealed the role of a sector catalyst or first-mover in helping to shift the sector to a stronger position of sustainability action. A first-mover would be likely to exert peer pressure on the rest of the players in the sector to increase their sustainability action, and make the shift at a faster pace.

There was consensus among the professional groups as well as the Experts on this theme. They held common perspectives on the role of a first-mover or champion that can act as a catalyst to fast-track change in the sector.

5.6.3. Bank complacency

5.6.3.1. Key findings

Analysis of the interview data suggests that there is a belief among professionals that the banking sector is not doing as badly as it may seem from the outside, on sustainability action. Although still in its infancy stages and lacking in co-ordination across the sector, there is a belief that the sector is moving in the right direction. As one Banker put it, "I'm starting to see pockets of excellence come through".

Based on this belief that the sector is already doing a lot, some participants in the Banking group mentioned the importance of telling the story of what the sector is already doing. They felt that there was too much attention placed on the gaps and not enough on the contribution made to date. As one banker put it:

> *it's really to give a proactive narrative… how do you make sure that [the] narrative [that] is out there, actually speaks to the fact that these things are being considered?*

This internalised view of banks, combined with the high inertia of the sector, has a tendency to lead to complacency and maintaining the status quo. The sector is geared towards consistency and stability, thus making it slow to respond to change. This consistency and stability have been strengths up to now in building predictability, trust and ethical banking conduct. A Banker summed this up well when they said,

> *All [of] these aspects make the big machine to continue and do the basics of what they do. If the enablers become technology, the banks will do technology. If the enabler becomes sustainability, the banks will oblige. If the enabler becomes marketing, the banks are obliged. Because all of those things are the key drivers to us remaining core to what we were built to be.*

5.6.3.2. In-case and cross-case analysis

Banker and Financial group participants were far more positive than Institute participants, when referencing the work already done in the sector as a demonstration of the sector's ability to change. One Financial participant observed,

> *[the] mind-set shift has largely happened. I think they've been sort of dragged there to be honest…the writings on the wall.*

And similarly, a Banker explained that

> *there is definitely that heightened focus on making sure that [business] considerations on environmental and on social impact… [have a] net positive impact.*

In contrast, participants in the Institute group had very different opinions about the very limited sector response to sustainability action. They were very critical of the current state of action in the banking sector, with one Institute participant stating, "I think we are so far behind the curve in terms of serving communities that it's an abysmal state of affairs for me." Another was equally scathing of banks in the sector that use ESG as a mechanism to prove action, noting that "ESG is completely flawed, because people are just ticking boxes."

Experts were also less likely to agree that the sector is already doing well. As one Expert noted, “I think there are some shining stars emerging, but the sector as a whole is still quite challenging”.

5.6.3.3. Theme conclusions

Analysis of the interview data revealed an internal belief of progress and good levels of performance that prevail among some groups within the sector. This confidence in the progress to date provided a rationale for the slow pace of change and furthering action on sustainability. This suggested a lack of urgency and comfort with the status quo.

This theme was very polarising, as Bankers and Financial group participants differed substantively in their views to those of the Institute and Expert groups. Bankers and Financial group participants felt strongly that the sector was not being recognised for its contributions to date and that there was work to be done in managing the narrative proactively – making sure that the pockets of action are appropriately positioned as a focal point of telling the story for banks. Participants from the Institute group, as well as Experts, did not agree with this view and were far more focused on the gaps to be closed, than the limited successes to date.

5.6.4. Theoretical category conclusions

Table 12 provides a summary of the alignment and prominence of each theme within the Sector Dynamics theoretical category.

Table 12: Research findings summary table – Sector dynamics

Theoretical Category	Themes	Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Sector dynamics	Sector body leadership	○	◑	●	●	●
	Catalyst for change	●	●	●	●	●
	Bank complacency	○	○	●	●	●

Key: Alignment between Experts and Professionals	Key: Prominence to Professional groups
○ Limited alignment / substantive differences	○ Limited prominence/No mentions
◑ Partial alignment / some differences	◑ Moderate prominence/ some mentions
● High degree of alignment / little to no differences	● High prominence / many mentions

Source: Author’s own

5.7. FINDINGS FOR THEORETICAL CATEGORY 4: SUSTAINABILITY ACTION

The analysis of the interviews identified three themes that provide insight into sustainability action principles in the banking sector currently. These themes were: Financial Inclusion as the main form of sustainability action currently in the sector; the need to change the perspective of Corporate Social Investment (CSI); and Social Inequality as key outcome of getting sustainability action right in the sector. Figure 13 illustrates the code groups that formed each theme, which collectively informed the theoretical category.

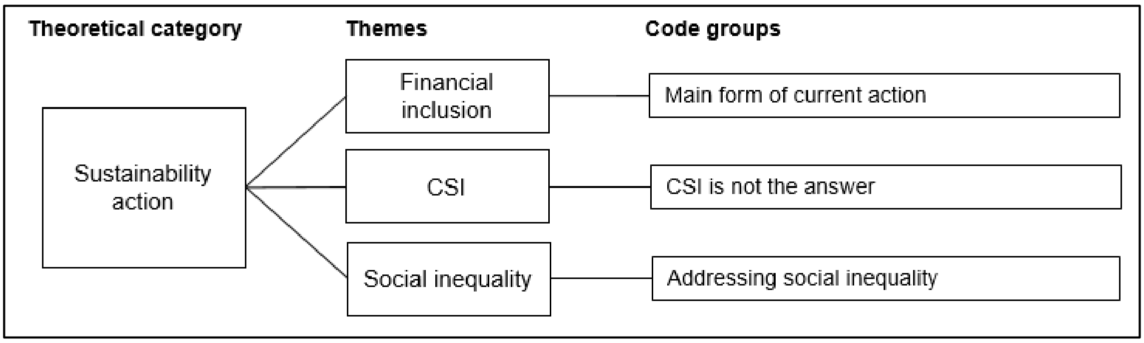


Figure 13: Sustainability action

Source: Author's own

5.7.1. Financial inclusion

5.7.1.1. Key findings

Financial inclusion and deepening financial access sit at the core of the banking sector's reason to exist. As one Institute participant put it, "in the Financial Services Charter, that's the reason for existence for the bank". Diverse views on exactly what this means and the type of action required from the banking sector were noted across the interviews; however, almost all participants were aligned in including this as part of the sustainability mandate for the sector.

Financial inclusion must extend beyond access to a banking account and the ability to transact. The first part of "inclusion" is fairly well addressed in the South African market, as an Institute participant explained:

> *So we don't have a financial exclusion problem. Most people are bankable. Most people are banked, most people have access to financial products… if you want access to financial services, you get it. Because of the MasterCard, deal with SASSA, [that] is financial inclusion.*

To shift from basic access, to a more sustainable view of financial inclusion, requires a number of changes. Participants highlighted three principles that they felt would extend financial inclusion in line with sustainable outcomes. These included:

- the shift from access to an account, to considering the needs of under-served communities;
- the shift from providing products and services, to dealing with extended financial literacy and skills development that equip consumers to sustainably manage their finances; and
- the shift from doing what is legal, to including equity and justice within the financial equation.

The focus of the banking sector needs to shift to deepening access to products and services beyond a transactional account, which will enable progress and meaningful participation. A common point around this was the need for the banking sector to find solutions for fringe and/or previously under-served groups. Increasing competition, especially from new digital bank entrants, is forcing the traditional banks to reconsider their role in serving these segments – not only as part of their inclusion and access mandate, but as part of their future growth strategies. For example, a Financial participant explained this expanding view of financial inclusion as a business growth and societal imperative:

> *The R20 billion that [big banks] are sitting with has created a little bit of complacency… when they [policy makers] challenge us, we have no choice, but to now start thinking about the township economy… So now it begins to push us into looking more and more of those that are left out… doing all manner of things that society wants me to do, because I'm helping society, but I'm helping myself.*

There was a view among a number of participants that the mandate of financial inclusion needs to be extended beyond the provision of basic services and products, when considered through the lens of sustainability. Sustainable banking needs to consider financial literacy in its fullest extent – helping customers and communities to thrive. This includes dealing with some of the systemic issues around basic financial management that many South Africans lack. As an Institute participant explained,

> *the fact that people are living beyond their means, don't have long term investments, people are ill prepared for emergencies, et cetera, et cetera.*

This broadening definition of financial inclusion starts to consider equity and justice within the equation – protecting the most vulnerable from those who hold the most power, introducing fairness into equation, making the system more transparent and approachable. As these Bankers explained, this includes both social and environmental justice:

> *But those most vulnerable, who have no voice, get to be the ones who bear the brunt of all these things that benefit economically everyone else except themselves…And if we don't have checks and balances across stakeholders…the vulnerable of our society become ultimately the losers in the process. (Banker)*
>
> *The challenge that we face is that the environment doesn't have an appropriate representative to actually make sure that…its best interests are looked after the same way your investor community or your client communities are looked after by an ombud. (Banker)*

5.7.1.2. In-case and cross-case analysis

A review of the interview data across professional groups revealed a high degree of commonality between the views from Banker, Financial and Institute participants on financial inclusion as a key pillar in sustainability action. Bankers tended to focus more on the balance of power in big transactions, considering equity and justice as part of the equation. Financial participants' priorities were nuanced more towards the growth in new market segments. And Institute participants focused more on extending financial literacy constructs to deal with systemic issues of savings, indebtedness and such like. Irrespective of their orientations, they all agreed that there is a need to move beyond the traditional scope of financial inclusion and to start embracing broader constructs that support sustainable outcomes.

Experts equally agreed that financial inclusion is core to what the banking sector must deliver on, and that the constructs within financial inclusion need to evolve. Experts spoke about "democratising finance", which aligns with the need to address under-served communities. They talked about a focus on "financial well-being", which mirrors the shift in financial literacy to deal with systemic issues to ensure customer progress. And they considered a "situation that is mutually beneficial or interrelated" that inherently incorporates a sense of equity and justice.

5.7.1.3. Theme conclusions

Analysis of the interview data highlighted the importance of financial inclusion as a core mandate for the banking sector. Participants from all groups expressed the view that the current definition of financial inclusion needs to be broadened to incorporate sustainable development principles. The banking sector would need to review its actions in light of the expanded definition of financial inclusion. Three shifts were identified from the interview data:

- The shift from access to an account, to considering the needs of under-served communities;
- The shift from providing products and services, to dealing with extended financial literacy and skills development that equip consumers to sustainably manage their finances; and
- The shift from doing what is legal, to including equity and justice within the financial equation.

There was broad-based alignment across professional and expert groups that financial inclusion needs to be expanded within the context of sustainable development. Experts and professionals were aligned on the key principles; however, there were nuances in how this should be achieved across the Banker, Financial and Institute groups.

5.7.2.Corporate social investment

5.7.2.1. Key findings

CSI was not an extensive point of discussion, with a limited number of participants considering this within the realm of sustainability action in the banking sector. Participants who did mention CSI were more likely to mention it in the context of marketing or sponsorships, than a core part of delivering on sustainability action in the sector. Some of this separation between CSI and sustainability action may be due to ongoing confusion about the various concepts. As an Institute participant observed, "…this huge confusion [between shared value], corporate social investment, corporate social responsibility, or philanthropy."

Another reason for separation is the perceived limited effectiveness of CSI in dealing with societal issues. Some participants felt that CSI creates dependency, rather than enabling sustainable progress. This is exacerbated by the fragmented and inconsistent programmes across the sector – dealing with micro, in-the-moment issues rather than addressing the systemic nature of societal issues in South Africa. As one Banker put it:

> *…CSI is almost like a tick box type of exercise that we do, every company has got a CSI programme of some sort. And, what we do is that we wear our branded t-*

shirts, go to this event, bring the cameras with us, paint the wall and say 'Look, this business is painting a wall, we are doing so well'

And lastly, the most often mentioned view by participants, was the link between CSI and marketing. Unlike sustainability action which was seen as something that should be embedded in day-to-day business activity, CSI remains on the periphery and more likely to have a direct link to a marketing objective, than business outcome. As one Financial participant put it:

So, we do recognise that CSI there is no direct linkage to that revenue line. But if it is aligned to their marketing and the brand building, it begins to translate to the revenue line.

And a Banker similarly agreed, when commenting:

…there's lots of programmes…And it is converted into a marketing exercise.

5.7.2.2. In-case and cross-case analysis

There were a minimal number of participants who mentioned CSI as part of the discussion sustainability. However, there was alignment between the Financial and Banker participants on the role and nature of CSI as is currently seen in the banking sector. None of the Experts provided any input on this topic.

5.7.2.3. Theme conclusions

CSI was not broadly included in the sustainability conversation, with only a limited number of participants commenting on it. While there may be some confusion between the different types of action that companies take, in general CSI is seen as something separate to action on sustainability. It was seen to have limited impact due to the fragmented, programme-style activities observed in the banking sector. This leads to a closer link between CSI and marketing, than CSI and sustainability action.

5.7.3. Social inequality

5.7.3.1. Key findings

As a theme, social inequality appeared in some interviews as a component of sustainability. There is an awareness within the banking sector that a just and equitable society is needed for business and communities to success. However, this awareness is not necessarily translating into focused action within the broader sustainability agenda.

The COVID-19 pandemic was cited as something that has amplified inequality and systemic societal issues in South Africa – and Africa at large. This impact touched on a number of areas where the banking sector should be playing an active role, but don't seem to be leading at present. Aspects such the ongoing gaps in financial literacy among vulnerable groups; increasing indebtedness that consumers are poorly equipped to manage; and the continued presence of opportunistic and unethical financial players outside of the formal banking sector. The banking sector is not seen to be actively engaging on these challenges, as one Institute participant put it: "I think COVID was probably the one lived experience by South Africans that banks are useless."

Participants acknowledged that it is critical for the banking sector to adopt a more active role in addressing social inequality as part of their sustainability action plans. As a Banker noted:

> *there's definitely pressure for the industry to ensure that whatever we do delivers net positive results - whether societally, whether environmentally, whether economically.*

Not only is this the right thing to do, but it is also a business imperative. As one Financial participant explained:

> *And I think that we have to focus on it to maintain our own financial system, because I do think that there is a risk around the more inequality there is, the more injustice there is, you somehow reach a point where there's a tipping point - where you can go it's like social collapse. And I think that that is an incredibly scary point that the financial sector broadly speaking should be very aware of.*

5.7.3.2. In-case and cross-case analysis

Participants from all three professional groups made reference to social inequality as a key and growing area of concern that needs to be addressed through appropriate sustainability action in the sector. Some of the required action links back to other themes such as Financial Inclusion (as discussed in Section 5.7.1), but also touches on the need for a more focused and intentional intervention by the banking sector on key societal issues.

Experts equally agreed that sustainability action must address social inequality as part of its core mandate and action outcomes. Experts expressed concern about the broader impact of COVID-19, describing it as a "sentinel event" that would require a comprehensive reset of thinking and action.

5.7.3.3. Theme conclusions

Analysis of the interviews highlighted social inequality as a key theme within the context of sustainability action. Most participants felt that the banking sector was not adequately considering social inequality within the sustainability agenda and there was room to drive social action, alongside that of environmental action, if proper progress is to be made. The COVID-19 pandemic has exacerbated many of the factors that contribute to social inequality and the banking sector needs to put focused effort into appropriate action – especially in areas that are closely aligned to the sector – if they are to enjoy sustainable business growth in the future.

Professionals and Experts both agreed that a key outcome of sustainability action in the banking sector should be a reduction in social inequality.

5.7.4. Theoretical category conclusions

Table 13 provides a summary of the alignment and prominence of each theme within the Sustainability Action theoretical category.

Table 13: Research findings summary table – Sustainability action

Theoretical Category	Themes	Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Sustainability action	Financial inclusion	●	●	●	●	●
	CSI	No data	●	◐	◐	○
	Social inequality	●	●	◐	◐	◐

Key: Alignment between Experts and Professionals
- ○ Limited alignment / substantive differences
- ◐ Partial alignment / some differences
- ● High degree of alignment / little to no differences

Key: Prominence to Professional groups
- ○ Limited prominence/No mentions
- ◐ Moderate prominence/ some mentions
- ● High prominence / many mentions

Source: Author's own

5.8. FINDINGS FOR THEORETICAL CATEGORY 5: MANAGEMENT ORIENTATION

The analysis of the interviews identified three themes that provide insight into the role of management in the banking sector currently. These themes were: Leadership Engagement on the sustainability agenda; Transformational Leadership that is needed to drive sustainability action; and the need for Empowered People to follow through on the actions flowing from management decisions. Figure 14 illustrates the code groups that formed each theme, which collectively informed the theoretical category.

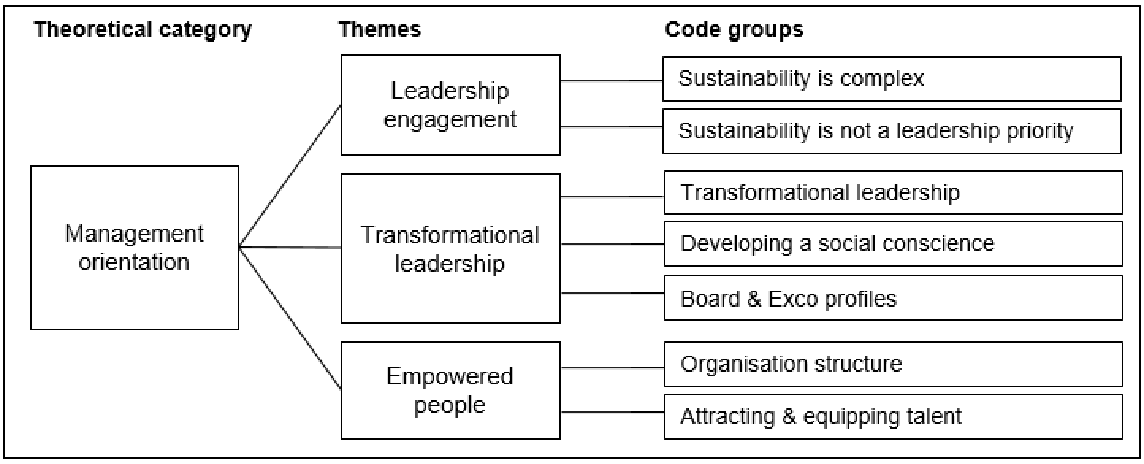


Figure 14: Management orientation

Source: Author's own

5.8.1.Leadership engagement

5.8.1.1. Key findings

Analysis of the interview data revealed two factors that impact the extent to which leadership engage with sustainability. Firstly, participants observed that it is a complex subject with many unknowns – thus making it difficult to be definitive and provide accurate data to guide business decision making. It requires a lot of education to get stakeholders to understand and then buy into key constructs within sustainability, as one Banker pointed out, "it is such a long process to educate on the matter".

In practice, this means that some senior leaders would rather defer accountability to teams, than deal with the complexity and ambiguity of sustainability. An Institute participant explained this by way of an example of a conversation they had with an executive leader: "…this is becoming unwieldly, it's too big, this whole portfolio is too big. And he [executive leader] had no appetite for it."

Secondly, participants said that sustainability action lacks a strong position on the senior leadership agenda. It is seen as a very important reporting line, but beyond the reporting, there is little to suggest that sustainability action has fully integrated into the priorities of leadership in the sector. As a Finance participant put it:

> *[it] is interesting…to see how high on the agenda it aligns. The banks aren't particularly great at disclosing all of the detail around it, but in terms of KPIs for senior execs...that ultimately gives you a very good gauge as to where it sits in the overall corporate priorities.*

5.8.1.2. In-case and cross-case analysis

Interrogating the interviews of different professional groups showed good consistency in views and experiences across Financial, Banker and Institute participants. They shared common perspectives on the complexity of sustainability. Equally, they felt that leadership in the sector are not taking ownership of the sustainability agenda beyond the reporting outputs.

Experts agreed with the points raised by professionals and were vocal about the need for senior leadership to elevate sustainability to the highest priority in the sector. They further emphasised the need for collective, senior ownership of the sustainability agenda to drive further action by the sector. As one Expert put it:

> *…I think the only time that [sustainability action] changes, is when the whole Exco owns it…if it's just one or two people…I think it's diluted and set to become a reporting issue in perpetuity.*

5.8.1.3. Theme conclusions

Experts and professionals agree: for sustainability action to be accelerated in the banking sector, it needs to become a senior leadership priority. Currently, there is limited evidence to suggest that sustainability is fully integrated into the senior leadership agenda. The results in sustainability remain a reporting priority, with limited engagement by senior leadership beyond this point. In its extreme form, senior leadership may delegate responsibility to teams below them so as to avoid having to come to terms with this complex subject.

5.8.2.Transformational leadership

5.8.2.1. Key findings

Participants across all groups highlighted the need for transformational leadership within the sector, if there are to be shifts in sustainability action. The transformational leadership needs to bring a social conscience to the sector and embrace the power of diversity as a catalyst for change.

For a number of participants, there was a growing sense of importance and urgency to bring back humanity, ethics and morals to banking. Collectively, these characteristics talk to a growing social consciousness within the sector, but particularly at a senior leadership level where some participants felt that there was limited care in the system. As a Finance participant implored, “Please, could this lead come from the top? Please care more? Please, please, please, could you care more?” A social conscience means that organisations across the sector are managed responsibly, with ethics and empathy. This has the potential to move sustainability action from compliance to a choice. As one Banker put it, “…don’t just do it because we have to, do it because it is the right thing to do.” This is not a natural state for leadership in the banking sector, where decision making is rational and based on sound financial and economic principles. It requires leaders to engage with the more qualitative aspects of sustainability. As a Financial participant observed, “…sustainability is such an important component because it really is a way of bringing the consciousness – the humanity – into the hard-core capitalism.”

Embracing the power of diversity and brining in fresh thinking is one way in which new leadership qualities can be brought into the sector. A number of participants were critical of the lack of transformation and diversity in the sector, especially at the senior leadership level. As an Institute participant commented, “Have a look at the board…age-wise, transformation-wise, gender equality…I think in 90% of our Boards, it doesn’t exist.” But when diverse voices are given a seat at the table, organisations and the sector as a whole, will flourish. As a Banker explained:

> *We hire accountants and we hire business people into our institutions. And these are people that think in a specific way. Maybe we need a different type of thinking in this environment, people that are gonna advise us better around some of the business decisions that we're making. People that are going to assist us in making better decisions for increased sustainability as well.*

5.8.2.2. In-case and cross-case analysis

Participants from the Institute and Financial groups were more likely to share views on this theme, versus the Banker group where comments were very limited. There was a fairly high degree of similarity between the Institute and Financial participant views on what facets of transformational leadership are needed to help shift the sector.

Experts were the most vocal on the topic of leadership. They agreed with professionals on the key issues of diversity and social conscience. However, they also added an additional dimension to the discussion, expressing the need for strong vision in order to drive sustainability forward. As one Expert said,

> *I think the biggest ingredient that I have observed is the vision of the leader. Unless there's a top down approach, this think will never happen.*

Equally, Experts called for a sense of urgency, asking leaders to take a bold stand and help change the sector. As one Expert explained:

> *…[the sector needs] bold leadership, people with new ideas coming in and shaking up the system, people pushing back on the regulator, people trying new partnerships…*

5.8.2.3. Theme conclusions

Participants described some of the qualities of transformational leadership needed to create the right environment for sustainability action to be prioritised in the banking sector. There is a need for a leadership style that considers morals, ethics and humanity to balance the rational constructs of pure capitalism – shifting the culture of the sector to one that considers more than just the financial implications of key decisions and actions. And there is a need to embrace diversity as a way of bringing in the fresh thinking and new leadership styles at senior executive or Board level, that will help foster the right environment for sustainability action to grow.

Experts and professional were aligned on these two primary facets of transformational leadership, adding vision and boldness to the leadership qualities needed in the sector. Experts were particularly outspoken on the role of leadership and the shifts in leadership styles to create the right environment for sustainable action to follow.

5.8.3. Empowered people

5.8.3.1. Key findings

An important facet of shifting the banking sector on sustainability action, is empowering people to take the necessary action. While the non-human aspects such as structure, products, risk management, propositions and products are an important part of enabling sustainability action, the choice to act starts with people. As one Financial participant put it, "behind all these organisations are just people and people make decisions and people's decisions can be changed".

Participants noted three things that could create the right environment for people to make decisions in favour of sustainability action in the sector. Firstly, participants noted the impact that organisation structure – and the location of the sustainability action mandate within this – can have on the type and quantum of sustainability action taken. Where it sits in finance teams, the solutions tend towards financial product solutions. Where it sits in Citizenship teams, the solutions are more likely to focus on social impact action. If it sits in Risk, the solution is disclosure and risk management. Participants suggested that to achieve a more holistic outcome, ownership needs to sit with the executive leadership as a collective – to ensure it is embedded in all parts of the organisation. A Banker explained:

> *But because we aren't measuring it, we aren't rewarding people for it, we're probably not doing it to the full extent that we could…it's almost a psychological barrier, in focus, more than anything else…The big executives have got lots of things to stress about, so they will concentrate on those who shout the loudest.*

Secondly, participants shared the need to equip and enable staff across the rest of the structures to ensure action flows from the boardroom decisions. As a Financial participant put it:

> *You might find that talking to me as an executive taking big decisions on that side the bank is very different from talking someone who is on the receiving side of those [decisions]. Why? Because sometimes these big conversations that take place in the boardroom do not translate all the way back to the organisation.*

Broadening staff engagement, knowledge and understanding of sustainability can help to create scale and consistent action. As another Financial participant observed, managing this change process across organisations in the sector is going to be a challenge:

> *I think how banks manage...their own staff engagement through that process is going to be the balancing act. I think that's the thing that's probably slightly tougher.*

And lastly, participants spoke about the challenges in attracting and retaining the right talent that will meet the future needs of the banking sector. They pointed to the growing role of organisation purpose that is infused with strong sustainability orientations as an enabler for attracting a younger generation of talent. As a Financial put it:

> *… [there is an] opportunity to use purpose, which has the ability to encompass sustainability at its very heart as…an internal catalyst.*

5.8.3.2. In-case and cross-case analysis

A limited number of professional participants from the Institute and Financial groups discussed people factors as part of shifting sustainability action in the sector – there were no meaningful contributions from Bankers on the subject. However, the views across professional groups tended to align around the common theme of locating the sustainability action mandate at a senior leadership level, so that it becomes incorporated into all areas of the organisation. The role of equipping and enabling broader staff, and also using purpose to attract the right staff, were factors specifically put forward by participants from the Financial group.

Experts shared similar views as professional participants – however, they tended to include more discussion around structure, ownership and people enablement than professional participants. As one Expert noted when reflecting on the impact of structure and sustainability mandates:

> *I look at the people within an organisation with a mandate to deliver this [sustainability action] piece. And their relative importance and position within that organisation. They are still on the outskirts circling.*

The impact of this, as another Expert observed, is

> *…it becomes about the KPIs of that department, not about the mobilisation of the organisation [for] delivery.*

5.8.3.3. Theme conclusions

Organisation structure, and specifically where the sustainability action mandate sits within the organisation, can play an important part in creating the right context for enhanced and holistic action. In addition to placing the mandate at the right level within organisations in the banking sector, equipping and enabling staff to follow through on the intended action is important. Without appropriate levels of understanding and engagement across the talent pool, scale and consistency in action may be impacted.

Professional and Expert participants agreed on key aspects of this theme, while Experts were more likely to go into greater depth of discussion about mandates, structures and equipping.

5.8.4. Theoretical category conclusions

Table 14 provides a summary of the alignment and prominence of each theme within the Management Orientation theoretical category.

Table 14: Research findings summary table – Management orientation

Theoretical Category	Themes	Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Management orientation	Leadership engagement	●	●	●	●	●
	Transformational leadership	◑	●	○	●	●
	Empowered people	●	◑	○	●	◑

Key: Alignment between Experts and Professionals	Key: Prominence to Professional groups
○ Limited alignment / substantive differences	○ Limited prominence/No mentions
◑ Partial alignment / some differences	◑ Moderate prominence/ some mentions
● High degree of alignment / little to no differences	● High prominence / many mentions

Source: Author's own

5.9. FINDINGS FOR THEORETICAL CATEGORY 6: ORGANISATION CHARACTERISTICS

The analysis of the interviews identified three themes that provide insight into the organisation characteristics needed to enhance sustainability action in the banking sector currently. These themes were: the barriers to action due to focusing on Stable Profits; the need for New Profit Models to support sustainability action; and the opportunity to leverage Trusted Relationships within the sector to drive sustainability action.

Figure 15 illustrates the code groups that formed each theme, which collectively informed the theoretical category.

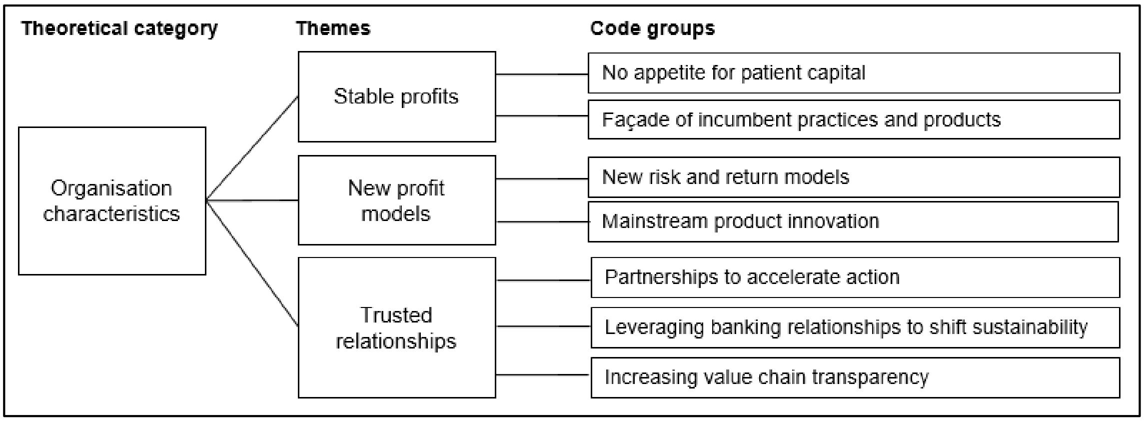


Figure 15: Organisation characteristics
Source: Author's own

5.9.1. Stable profits

5.9.1.1. Key findings

Analysis of the interviews revealed a dependence on reframing existing product and service frameworks as a way of addressing sustainability action in the sector. While many participants spoke about innovation and new thinking, the outcomes of this were tweaks on existing investment instruments or product suites rather than fundamentally new ways of addressing sustainability. This practice seemed to fit well within the conservative and highly inert category context, where incremental change is preferred. As an Institute participant observed, "everybody is dabbling on the first pillar [of shared value]…they are rethinking their products…" The result is products and services that continue to generate profits, but with minimal impact.

One of the underlying factors that prevent further innovation is the importance of retaining current profitability parameters. Banks expect to achieve sustainable outcomes, while continuing to use established financial models. They are not able to factor impact and long-term growth returns into models that are designed around short to medium-term horizons with predictable returns. As an Institute participant explained:

> *Don't [only] look at your credit models, don't look at your returns. I'm saying look at the entire picture, because that's the lens you are supposed to apply.*

5.9.1.2. In-case and cross-case analysis

The discussion on this theme was driven predominantly by Finance and Institute participants, with minimal input from Bankers. Institute participants were more likely to call for substantive changes to the current profit orientation, while Finance participants tended to focus on incremental changes within the current product constructs as a mechanism for achieving impact.

There were no comments from Experts on this theme.

5.9.1.3. Theme conclusions

Participants agreed that there are barriers to shifting sustainability action in the sector due to the perpetuation of existing financial models and views on profit. There is still limited appetite for considering alternative profit outcomes and a strong preference for remaining within the parameters of conventional product lines that protect profitability in the short term.

Finance and Institute participants were the main contributors to this theme, although they had slightly differing views on the scale of change required. Experts did not contribute to this theme.

5.9.2. New profit models

5.9.2.1. Key findings

Participants from across the groups mentioned the need to recalibrate the sector's profit models, in line with a more sustainable future. As an Institute participant said:

> *I'm not saying banks mustn't been profitable, they obviously need to make a good margin. But somehow, if you restructure the financial model of what would make for a profitable bank ….*

Two ways in which the profit models could be recalibrated include: a review of risk and return models, alongside more product innovation in line with sustainable outcomes. Any changes to the risk and returns models in the sector will require stakeholders to shift towards a longer-term view and a willingness to accept financial returns that are discounted by the impact they achieve in society (or the environment). As a Financial participant observed:

> *So you nearly have to create like a new credit process or new things for these types of organisations to get funding and, and channel funding in that direction.*

However, market support for this kind of recalibration is limited. The over-riding driver is still to maximise returns in predictable ways – this hampers the sector's ability to be really innovative.

I mean, if I was to go to our liquidity providers and say I'm going to be backing some social entrepreneurs, they will look at me and say, when can I pull funds out as quickly as possible? (Banker)

There will never be a conversation in the banking sector that does not have a return on investment. So on that basis, when you try and pick up this agenda…what I'm asking at this point is that your return is 50% of what you'd have expected of your capital. (Institute)

…if one takes a slightly longer term timeframe, we think we can still get good returns out of it. But it's difficult to know with any certainty… (Financial)

Product innovation thus becomes an easier pathway to address sustainability outcomes, while maintaining some of the expected and familiar financial models. Participants observed that much of the current product innovation is coming from the Corporate and Investment Banking (CIB) environment where there is a natural fit with project and sector funding that can support sustainable outcomes – especially environmental sustainability outcomes. As a Financial participant explained:

…there's a drive internationally and locally for innovative ESG products - if we can call them that. So that's kind of your green bond, your social bonds, your sustainability-linked loans - these are things that exist, that are already in use.

But there are questions about the efficacy of the current product innovation pipeline in achieving real impact. As a Financial participant explained:

I also have some issues with some products like green loans and green bonds…I'm not so sure how much…they actually changing a company's behaviour and how much it really is just patting somebody on the back for good things they did in the past.

5.9.2.2. In-case and cross-case analysis

Analysis of the interviews revealed that Bankers were more likely to favour incremental product innovation that could work within existing models, with some adjustments. This enabled Bankers to continue delivering on profit expectations, while still feeling that they are taking some action on sustainability. Financial participants were slightly more inclined to explore new avenues for growth, with adjustments to existing time horizons or return models – albeit not disruptive, it was still a more expansive view than Bankers expressed. Institute participants were more inclined to expect the market to adjust their expectations on margins to adopt an integrated view of profit plus impact. They were also more inclined towards bigger changes in models and products, than the other two groups.

There was no meaningful contribution from Experts on this theme.

5.9.2.3. Theme conclusions

Participants agreed that something has to change in the current sector profit models, if substantive shifts in sustainability action are to be realised. However, one of the barriers to change is the limited market support for disruption to existing risk and return models. This results in most of the action being taken within existing product and financial model constructs, producing incremental benefits that have yet to prove their ability to drive substantive change.

Financial participants held a more progressive view, citing the need for much more change to models to enable meaningful action and outcomes. Bankers on the other hand, were more reticent for disruption and favoured product-led actions that were contained and predictable in their outcomes. This theme did not come up in the Expert interviews.

5.9.3.Trusted relationships

5.9.3.1. Key findings

Participants identified an opportunity for the banking sector to leverage its trusted stakeholder relationships as a way to effect downstream sustainability action. Many believed that it was difficult for the banks themselves to drive massive action on sustainability, but they saw the opportunity to influence clients, and even other sectors, to take the necessary action that could have a big impact on sustainability going forward. As an Institute participant explained:

> *I would say banking is not a predominant player in the driving or supporting or enabling the SDGs… They can provide the infrastructure and the platform to enable the delivery of certain SDGs. So they are like a facilitator.*

This facilitation role encompasses three key components, as described by participants. Firstly, it is the unique ability for banks to connect different stakeholders with common needs and vision, to achieve sustainable outcomes. As a Financial participant stated:

> *…one of the most important and key roles that the banking sector plays is that it connects all the major players in industry and in the economy.*

Secondly, the banking sector has the ability to leverage client relationships to ensure that downstream, the funding that they provide is driving positive outcomes. As one Banker put it:

> *We really have to satisfy ourselves that we are helping organisations to grow the economies in a manner that would deliver net positive results socially, environmentally, as well as economically. So you might call it the [client] pressure…*

And thirdly, the banking sector has the ability to start driving transparency across the value chains in support of sustainable outcomes. Participants did acknowledge that this is something that will take time to fix. As a Financial participant observed:

> *…through incredibly complicated supply chains…we've created an amazing ability to completely disconnect the impact of our actions, with our actions.*

Driving greater transparency across the value chain is an important facet of enhanced financial disclosures and thus growing in importance to the banking sector. A Banker asked this question:

> *How do you drill it [funding] down through the value chain…who are we on boarding? What are we really funding?*

5.9.3.2. In-case and cross-case analysis

This was not a prominent theme among professional participants. However, there was a good degree of alignment across groups on the opportunity for the banking sector to leverage their trusted relationships to effect sustainability outcomes.

This theme did not emerge in the Expert interviews.

5.9.3.3. Theme conclusions

The banking sector is in a unique position to leverage its trusted stakeholder relationships to effect sustainable action. This offsets the limited direct role that the sector can play in driving SDG outcomes. Participants from all three professional groups agreed that the sector is better equipped as a facilitator rather than direct agent of change. The facilitation role includes: creating meaningful cross-stakeholder collaboration; influencing how funding is used to achieve sustainable outcomes; and helping to create greater transparency across value chains.

Experts did not mention this theme.

5.9.4. Theoretical category conclusions

Analysis across the interviews revealed that the prominence of organisation characteristics as a consideration in driving sustainability action at a sector level was lower than most of the other theoretical categories. Experts did not comment meaningfully on these themes and conversation among professionals tended to centre within one or two groups, rather than a prominent discussion point across groups.

Table 15 provides a summary of the alignment and prominence of each theme within the Organisation Characteristics theoretical category.

Table 15: Research findings summary table – Organisation characteristics

Theoretical Category	Themes	Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Organisation characteristics	Stable profits	No data	◐	○	◐	◐
	New profit models	No data	●	●	●	◐
	Trusted relationships	No data	●	◐	◐	◐

Key: Alignment between Experts and Professionals	Key: Prominence to Professional groups
○ Limited alignment / substantive differences	○ Limited prominence/No mentions
◐ Partial alignment / some differences	◐ Moderate prominence/ some mentions
● High degree of alignment / little to no differences	● High prominence / many mentions

Source: Author's own

5.10. FINDINGS FOR THEORETICAL CATEGORY 7: SUSTAINABILITY EMBEDMENT

The analysis of the interviews identified three themes that provide insight into the role of sustainability embedment as a lever to enhance sustainability action in the banking sector. These themes were: the Multinational Complexity that South African banks face in operating across multiple African markets; the need for New Business Models to support sustainability action; and the need for a Strategy Reset across the sector to drive sustainability action. Figure 16 illustrates the code groups that formed each theme, which collectively informed the theoretical category.

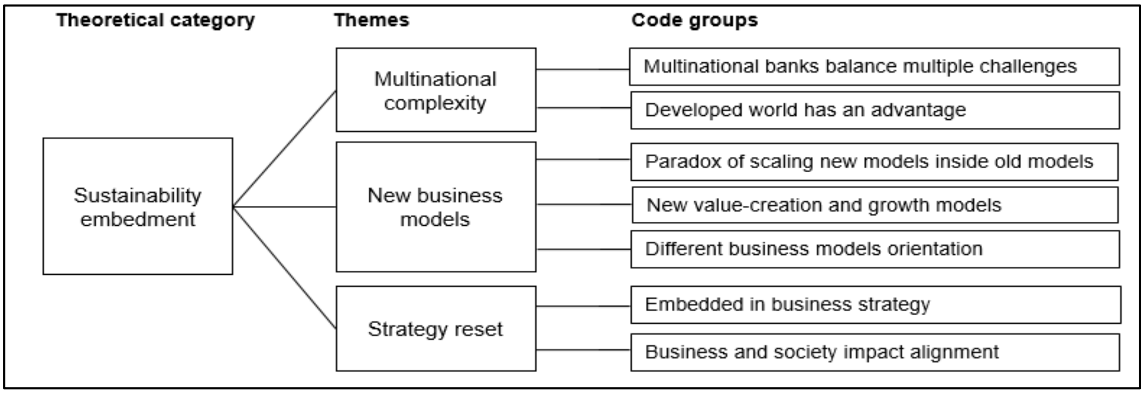


Figure 16: Sustainability embedment
Source: Author's own

5.10.1. Multinational complexity

5.10.1.1. Key findings

Four out of the five biggest banks in South Africa are multinational organisations – with operating footprints that extend across multiple African markets. All of these banks have head offices domiciled in South Africa – thus adopting South African regulation, governance and sector practices as the basis for their thinking on sustainability as a Group. As one Banker explained, "…because Bank X is a South African [domiciled] bank, that is where the company registrations act would put us and governance…"

As all of the Banker participants observed, a blanket approach to sustainability and action is not possible when you are considering such a highly diverse operating context. As a Banker put it, "…sustainability when you look at it outside of SA might look extremely different compared to within SA." It thus becomes a balancing act of finding common goals and themes for action, while still applying a local lens on what is most important in each market. Another Banker explained:

> *So we looked at the African agenda, we looked at the national development plans, we looked at what the United Nations was doing from international point of view, we looked at our local peer banks, we looked at international peer banks. And then we looked at what we are doing currently as a bank.*

Another factor that complicates the approach to sustainability action within the South African banking sector, is the balance of power between developed and emerging markets. As discussed previously, much of the data used to inform frameworks and principles for sustainability action are driven by Northern hemisphere models (section 5.5.8). These models and associated goals don't necessarily take into consideration the very different context in Africa – and South Africa. This creates a tension between adopting global frameworks and goals, and applying this within a local and regional context. Participants observed that it is much easier for a developed market's banks to draw a hard line on funding particular sectors or adopting aggressive goals. The banks in these markets have access to more diversified client bases which gives them more leeway to take stronger action. Participants also noted that the prioritisation of environmental action is driven through a European lens, while social sustainability action – especially in light of the COVID-19 pandemic – requires significant attention in South Africa and the broader continent. And lastly, participants pointed to the difference in access to resources that drive development between Europe and South Africa. As one Banker put it:

> *…it's actually a bit disingenuous for developed economy to push through clean energy, where as they developed their economies through the efforts and the sweat and the resources that were exploited in the continent…they are not going to find all these gaps in infrastructure development that is required in the continent…*

5.10.1.2. In-case and cross-case analysis

This theme was driven predominantly by Banker participants – there were minimal comments from Institute or Financial group participants.

Experts, on the other hand, did weigh in on this theme and were aligned in recognising the need for differing approaches between emerging and developed markets.

> *Maybe in a developed, a 3 year target or goal would be very good and feasible. So they might have the PRB 2023 goals. But maybe a bank in an emerging not be able to, so they may focus on 2025.*

5.10.1.3. Theme conclusions

Participants agreed that operating as a multinational bank in Africa poses many challenges in embedding sustainability and driving action. The diverse needs, differing stages of development and access to resources require a balancing act in what and how sustainability action is taken. This creates multiple tensions between doing what is needed from sustainability action, versus the reality of local market needs and conditions. South African domiciled multinational banks have to balance the agenda of the local banking sector versus the diverse needs of stakeholders across their African operating footprint and globally.

5.10.2. New business models

5.10.2.1. Key findings

Participants identified the need for changes to business models in the banking sector as a key enabler of sustainability embedment that can driver greater action. As one Institute participant said, "…turn the business model upside down, our current capitalist system and business models don't work…" However, participants were keen to point out that to achieve this type of disruptive change, poses several challenges to the banking sector.

The banking sector is struggling to understand the implications of sustainability on business models. The nature, the scale and the implications of disruptive changes are not something that the inert and conservative banking sector is naturally comfortable with. As one Financial participant put it, "…the bank [sector] is very good at doing what we know. And it's very, very bad at doing new things." Thus, changing large scale, very successful businesses for something that is new, unproven and uncertain poses significant threats. As another Financial participant observed:

> *we [need to] try to transition the old guys into something slightly better. But on the other hand, you need to create space for this new kind of animal to come to life, because maybe, then it will replace these old ones.*

While change is hard and many participants felt uncertain as to how the banking sector would actually achieve this, they pointed out that the starting point could be in seeking new ways of creating value and sustained growth within current sector constructs. There are two factors that participants pointed to, that could contribute to deeper sustainability embedment. Firstly, it requires a shift in orientation, as a Financial participant said:

> *the shift from value extraction to value creation…I prefer [value] co-creation, because I don't think that you get to create value all by yourself.*

And secondly, it is embedding sustainability into everyday business activity, as a way of scaling impact. As a Banker pointed out:

> *I feel that it's possible to build your business in the right way. You don't have to break your bottom line by doing things the right way…I don' think there's anything that stops us from doing the right thing.*

5.10.2.2. In-case and cross-case analysis

Participants from the three professional groups tended to agree on the need for new business models to support better sustainability embedment and action. Institute participants were more likely to recommend disruptive and radical changes, while Banker and Financial participants suggested incremental changes that could work within the current sector business constructs.

Within the Expert group, only one participant spoke about the disruptive changes needed in the banking sector business model to achieve the required action levels on sustainability. The Expert was more aligned to the disruptive change that Institute participants want, than the more conservative levels of change that Professional participants expressed. However, the Expert expressed concern about the feasibility of this happening within the traditional banking sector. As this Expert said:

> *…that is the challenge, right? How do you convince the accountants of that, unless you show it on a small scale pilot…that it can do what is previously seen as impossible or never gonna happen...[but] it will be very difficult to prove value in this kind of model. That's the paradox in that it should be the future. But it can't be because it can't scale under the current business construct…I don't think you can do it inside of the current banking system.*

5.10.2.3. Theme conclusions

Analysis of the interviews highlighted the need for substantive changes in business models that result in deeper sustainability embedment and action within the sector. Although seen as important, a number of challenges exist in achieving the ideal outcomes. The sector may be averse to substantive changes that impact the profits that they generate, thus more incremental changes may be a more palatable way forward. Core to that is a shift in perspective to value creation and “doing the right thing” as an ethos that underpins what the sector chooses to do.

Experts and Institute participants were more inclined towards disruptive changes, arguing for a complete overhaul of the current models to achieve substantive change in business orientation and embedment of sustainability.

5.10.3. Strategy reset

5.10.3.1. Key findings

Not only must sustainability be embedded in the business model, but participants equally pointed to the role of embedding it within the business strategy. Sustainability is not a separate strategy, but rather an integrated component of the various facets of the business strategy. As a Finance participant explained:

> *So we've got these four work streams that we will have to integrate quickly for next year, with all these different views.*

This will ensure that sustainability forms part of the action that all stakeholders across the business take. And one Institute participant suggested:

> *…you need to get the sustainability manager, the shared value manager, the CFO, the CMO, the strategist, the CEO…you need to get them all in the same room…*

Integration is only the first step. When sustainability is embedded within the business strategy, it has the ability to change the orientation and framing of business objectives. As a Banker explained:

> *There are committees across the whole group, which are looking at our day-to-day activities and really putting a focus to it [sustainability]. And already, we've seen shifts in thinking, lots of shifts in decisions.*

As strategy is reset and businesses in the sector re-orientate themselves towards sustainability, participants said they feel that there would be greater consciousness of the social and environmental impact of business activity. This should lead to better strategic choices – in what banks in the sector do and what they choose to stop doing. As another Banker put it:

> *And even if we've got on the climate side, we still funding bad things - we can show on the positive side we contribute to renewables, sustainable bonds on the social side, so that that's got offsets, yes.*

5.10.3.2. In-case and cross-case analysis

Analysis of the interviews across the different professional groups showed a high degree of alignment in views and prominence of strategy as an enabler of sustainability action. Participants all agreed that sustainability needs to sit at the heart of strategy, and from there, it will influence action across the sector through various facets of business.

Experts were less directly vocal on the topic of strategy embedment, compared to the role of the business model discussed in Section 5.10.2. Within the limited comments made, Experts did seem to align with Professionals on the importance of a business strategy that has sustainability embedded. As one Expert noted:

> *…one piece that defines the business and the commitment to society…that inculcation of impact in the core business…*

5.10.3.3. Theme conclusions

Participants agreed that integration of sustainability within the core business strategy can be a powerful enabler of sustainability action. The integration means that normal business activity across the organisation considers sustainability at its core, and key business choices are made with sustainability as part of the consideration parameters. Professionals and Experts agreed on this principle for success, although Experts were less vocal on the matter.

5.10.4. Theoretical category conclusions

Table 16 provides a summary of the alignment and prominence of each theme within the Sustainability Embedment theoretical category.

Table 16: Research findings summary table – Sustainability embedment

Theoretical Category	Themes	Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Sustainability embedment	Multinational complexity	●	●	●	◑	○
	New business models	◑	◑	●	●	◑
	Strategy reset	●	●	●	●	●

Key: Alignment between Experts and Professionals	Key: Prominence to Professional groups
○ Limited alignment / substantive differences	○ Limited prominence/No mentions
◑ Partial alignment / some differences	◑ Moderate prominence/ some mentions
● High degree of alignment / little to no differences	● High prominence / many mentions

Source: Author's own

5.11. SUMMARY OF THE RESEARCH FINDINGS

The research findings, based on the analysis of the data from the 13 interviews, were documented in this chapter. The findings were summarised and then reviewed across the three professional participant groups, as well as triangulated against the expert group as part of the quality controls for this research. A total of seven theoretical categories were defined, each containing three themes that were identified through deductive analysis of the 45 code groups. The findings were reviewed against two parameters: the prominence of each theme within the professional groups; and the degree of alignment between experts and professionals and alignment between the three professional groups.

While prominence helps in understanding who the leading voice (or voices) on each theme is, the uniform nature of the sector resulted in 10 out of the 21 themes having consistent prominence across groups (where there was data). There were only two themes where the levels of prominence across the three professional groups all differed: empowered people, and multinational complexity. In Chapter 6, both of these groups are compared against the existing literature.

The review of the research findings on the basis of alignment yielded a number of differences. Three themes had substantively divergent views, namely: regulators, sector body leadership, and bank complacency. A further four themes were indicated with partial alignment between groups, these were: external stakeholders, catalysts for action, transformational leadership, and new business models. These three groups are compared against the existing literature in Chapter 6. (The theme of empowered people met the criteria for inclusion under prominence and is therefore not mentioned here again.)

A summary of the findings for the professional and expert groups is provided in Table 17. Themes that are dealt with in Chapter 6 are highlighted in red.

Table 17: Summary of research findings

Theoretical Category	Themes	SECTION 1: ALIGNMENT		SECTION 2: PROMINENCE		
		Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Influential stakeholders (5.4)	External stakeholders	◑	◑	●	●	●
	Regulators	●	○	●	●	◑
	Government	●	●	●	●	◑
Voluntary frameworks (5.5)	Catalysts for action	◑	●	●	◑	◑
	Imperfect constructs	●	●	●	●	●
	Enhancing measurement integrity	●	●	●	●	○
Sector dynamics (5.6)	Sector body leadership	○	◑	●	●	●
	Catalyst for change	●	●	●	●	●
	Bank complacency	○	○	●	●	●
Sustainability action (5.7)	Financial inclusion	●	●	●	●	●
	CSI	No data	●	◑	◑	○
	Social inequality	●	●	◑	◑	◑
Management orientation (5.8)	Leadership engagement	●	●	●	●	●
	Transformational leadership	◑	●	○	●	●
	Empowered people	◑	●	○	●	◑
Organisation characteristics	Stable profits	No data	◑	○	◑	◑
	New profit models	No data	●	●	●	◑
	Trusted relationships	No data	●	◑	◑	◑
Sustainability embedment	Multinational complexity	●	●	●	◑	○
	New business models	◑	◑	●	●	◑
	Strategy reset	●	●	●	●	●

Key: Alignment between Experts and Professionals
- ○ Limited alignment / substantive differences
- ◑ Partial alignment / some differences
- ● High degree of alignment / little to no differences

Key: Prominence to Professional groups
- ○ Limited prominence/No mentions
- ◑ Moderate prominence/ some mentions
- ● High prominence / many mentions

Key: Theme selection
- Themes taken forward into Chapter 6

Source: Author's own

CHAPTER 6 CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter discusses the nine themes identified in Chapter 5 as having meaningful points of difference in alignment or prominence in the research findings. The main findings are compared and contrasted with the key concepts from the literature review in Chapter 2. This process is designed to help answer the main research question: What is needed to shift the South African banking sector, to a stronger position of sustainability and action? The findings of the research help to understand what the antecedents, barriers and enablers of sustainability action are in the banking sector

Chapter 6 continues with the structure adopted in Chapter 5, using the theoretical categories that were mapped against the concepts from the literature review in Chapter 2, as well as the additional categories that emerged from the research findings. Five of the seven theoretical categories contained themes that were identified for further discussion. These include: influential stakeholders; voluntary frameworks; sector dynamics; management orientation; and sustainability embedment. In addition to the discussion of each theme, comparison between the Experts, Professionals and literature will provide a further point of triangulation to enhance the validity and reliability of the research as discussed in Section 4.8.4.

6.2 DISCUSSION OF RESULTS FOR CATEGORY 1: INFLUENTIAL STAKEHOLDERS

Organisations have to consider the needs of multiple stakeholder groups when deciding how to respond to sustainability issues (Wannags & Gold, 2020; Schaltegger et al., 2019; Ghosh et al., 2017; Porter & Kramer, 2011). This category considers two influential stakeholder groups that were identified at the end of Chapter 5 for further discussion.

As mentioned at the end of Chapter 5, categories and themes were selected for further discussion based on meeting one of two criteria: where the level of prominence differed across the three professional groups; and where there was limited alignment in views between Experts and Professional groups. Within the influential stakeholder category, two themes were identified as meeting at least one of these criteria: external stakeholders and regulators. This is highlighted in Table 18.

Table 18: Themes discussed in category 1: Influential stakeholders

Theoretical Category	Themes	Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Influential stakeholders	External stakeholders	◑	◑	🟢	🟢	🟢
	Regulators	●	○	🟢	🟢	◐
	Government	●	●	🟢	🟢	◐

Key: Alignment between Experts and Professionals	Key: Prominence to Professional groups	
○ Limited alignment / substantive differences	○ Limited prominence/No mentions	Themes discussed in Chapter 6
◑ Partial alignment / some differences	◐ Moderate prominence/ some mentions	
● High degree of alignment / little to no differences	🟢 High prominence / many mentions	

Source: Author's own

6.2.1 External stakeholders

Participants highlighted a number of stakeholder groups that have an influential role in driving the banking sector to take action on sustainability. The first stakeholder group, which was considered to have the most direct and strongest influence on the banking sector, was investors and shareholders. Participants observed growing momentum among shareholders for greater sustainability action in the sector. While this group may impact action over a longer term, institutional investors were seen to be leveraging their financial power to actively drive urgent action on sustainability. Although there were differences between Banker and Financial group participants in who they believed to be most influential, all agreed that these two stakeholder groups exerted substantive pressure on the sector to increase sustainability action.

Comparing this to the literature, it was noted that there were differences in how stakeholder influence was considered. The literature generally considered stakeholders in three clusters: those with a financial bearing on the organisation; social stakeholders; and lastly stakeholders representing environmental needs (Wannags & Gold, 2020; Schaltegger et al., 2019; Ghosh et al., 2017; Porter & Kramer, 2011). Responding to and balancing the needs of these different stakeholders was identified as inherent in the considerations and trade-offs related to sustainability (Wannags & Gold, 2020). The literature also acknowledged the need to prioritise stakeholders, in order to build a clear business case for sustainability. However, in this instance, the influence of shareholders was deemed to favour the economic outcomes of the business over social or environmental needs (Schaltegger et al., 2019). While the literature reflected the fact that multiple stakeholder groups can impact sustainability action, the role of shareholders and investors was deemed to favour the economic performance of an organisation over the sustainability impact that it was achieving. Thus the findings from this research may indicate an emerging shift in sentiment and expectations of traditionally commercially-orientated stakeholder groups in the banking sector – and thus an extension to the extant literature.

A second group of influential external stakeholders identified by participants was the general public. Participants noted that while still in its infancy in South Africa, public activism was not a new concept and was common in developed markets. Similarly, the literature pointed to the role of public pressure as an important factor in driving sustainability action – especially in the banking sector (Jamali & Karam, 2018; Forcadell & Aracil, 2017; Contreras et al., 2019). Thus the research findings are congruent with the literature on the role of public pressure as a catalyst for sustainability action.

The last group of influential external stakeholders that participants identified included alternate, high innovation and digitally-led service provides unencumbered by the constraints of traditional banks. These players appear within the formal banking sector as well as in other categories, where they are not subjected to the same levels of regulation and compliance as the formal sector. Experts in particular, saw the impact of these external organisations as placing pressure on the traditional banking sector to accelerate change and adopt greater sustainability action.

Comparing this to the literature, the role of innovation was identified as a key enabler of enhanced sustainability action across a number of constructs. Innovation was identified as an enabler of new opportunities to create value for all stakeholders as an outcome of an embedded and strong sustainability (Santos, 2012; Ghosh et al., 2017; Porter & Kramer, 2011; Evans et al., 2017). Additionally, the literature also pointed to the role of external agents as being influential in changing sector dynamics, especially where deeply engrained management practices in mature organisations at central locations within a sector show resistance to change (Hafenbrädl & Waeger, 2017; Slawinski et al., 2017). While the literature acknowledges the role of innovation and external agents as both being important in driving change within a sector, it does not explicitly connect these two constructs. Rather, the literature treats innovation as a characteristic of organisations who are successful in adopting sustainability action, while treating external agents as a separate construct without qualifying whether they need to be innovative or not. The findings from this research could potentially extend the discussion on the role of innovation as not just an organisational characteristic, but also a quality of external stakeholder groups who may place pressure on the sector.

6.2.2 Regulators

While Banker and Financial group participants were more vocal on the role of regulation in the banking sector, there were very diverse views across participant groups as to the nature of that role. Banker and Financial group participants were more inclined to focus on the push from regulators – allowing regulators to define expectations and banks to then compliantly follow. In contrast, Institute participants were more inclined to seek a participatory and collaborative approach to formulating regulation that would lead to greater buy-in and better levels of action achieved. Another outlier view from an Institute participant suggested that regulators were more likely to protect the status quo than embrace bold changes that would enhance sustainability action.

In addition to the role that regulation plays in defining core behaviours within the sector, participants also observed different types of action that emanated from this in the sector. This included compliance-based action in response to specific regulations, pre-emptive action in anticipation of changes, and "wait and see" position with limited action.

Managing uncertainty and ambiguity is one of the key tensions highlighted in the literature (Hahn et al., 2014; Slawinski et al., 2017). While the main literature review focused on the theme of uncertainty as a management tension, further exploration within the literature revealed regulatory uncertainty as a key factor within this theme. Slawinski et al. (2017) point to the impact of regulatory uncertainty in reducing organisation action through reduced investments and maintaining a short term focus. The literature also revealed that the predominant action in response to regulation in the banking sector was seen to be compliance or at best, CSR – thus keeping sustainability action as a peripheral activity in response to sector forces (Forcadell & Aracil, 2017, Raut et al., 2017; Maimbo & Zadek, 2017). The research findings align closely to the literature on the constructs of regulation as a driver of action through compliance and that regulatory uncertainty can push the sector into a state of low/no action. However, where the research findings differ somewhat from the literature, is the lack of discussion on the potential for pre-emptive action in anticipation of regulation. The research findings indicated that where there was some transparency on the future direction of regulation, the sector was able to proactively start preparing for the change – thus potentially accelerating sustainability action in anticipation of future compliance requirements. This may provide a potential extension on the discussion of the role of regulation in the literature.

6.2.3 Conclusive findings for category 1: Influential stakeholders

The research findings identified influential stakeholders as a theoretical category in its own right due to the substantive impact that the groups within this category were deemed to have on banking sector sustainability action. In contrast, the literature reviewed in Chapter 2 positioned stakeholders as contextual influencers that cut across the constructs of manager orientation, organisation characteristics, sustainability embedment and sustainability action. Given the relative influence of these external stakeholders on sustainability action in the sector, and the areas identified as potential extensions to the literature, a revision may be required to the conceptual framework presented in Chapter 2.

A number of conclusions are proposed, based on the discussion of the research findings and literature. There are three areas of difference that were identified, that may extend the existing literature. These include:

- Evolving the role of shareholders and investors from purely commercial, to include sustainability considerations;
- Including innovation as a characteristic of external stakeholders who are able to impact change;
- Including pre-emptive action as a response to changing regulations.

6.3 DISCUSSION OF RESULTS FOR CATEGORY 2: VOLUNTARY FRAMEWORKS

Measurement and reporting is seen as a key component in fostering an integrated view of sustainability issues and action in the literature (Maas et al., 2016). The research findings also point to the important role that measurement and reporting can have in moving the banking sector forward on sustainability action. Only one theme from the research will be discussed in this section, having met the criterion for inclusion due to the limited alignment between Experts and Professionals on the potential of reporting to effect change. This is highlighted in Table 19.

Table 19: Themes discussed in category 2: Voluntary frameworks

Theoretical Category	Themes	Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Voluntary frameworks	Catalysts for action	◑	●	●	◑	◑
	Imperfect constructs	●	●	●	●	●
	Enhancing measurement integrity	●	●	●	●	○

Key: Alignment between Experts and Professionals	Key: Prominence to Professional groups	
○ Limited alignment / substantive differences	○ Limited prominence/No mentions	▢ Themes discussed in Chapter 6
◑ Partial alignment / some differences	◑ Moderate prominence/ some mentions	
● High degree of alignment / little to no differences	● High prominence / many mentions	

Source: Author's own

6.3.1 Catalysts for action

The research findings highlighted the importance of voluntary global frameworks as catalysts of action in the banking sector. Measurement and reporting against these frameworks was seen as a mechanism for increasing sustainability action in the sector, while also enhancing reputation. Participants noted the tension between the voluntary natures of these frameworks in Africa versus the pressure that banks feel to adopt them in order to align to stakeholder priorities and remain competitive. The research findings are congruent with the literature that indicated framework adoption was not necessarily driven by the strategic direction of banks, but rather done in response to competitive forces and stakeholder pressure (Raut et al., 2017; Contreras et al., 2019). Furthermore, the use of sustainability reporting as a mechanism to meet stakeholder expectations is also reflected in the literature. Du et al. (2017) point to the role of such reporting in creating positive investor sentiment, thus improving share price performance. The literature also pointed to the growing pressure from the public for the banking sector to advance on sustainability action, as a way of accelerating societal development in emerging markets (Jamali & Karam, 2018; Forcadell & Aracil, 2017; Contreras et al., 2019). Thus the findings in this study are aligned to the current body of knowledge.

Participants also highlighted a growing expectation that sector bodies would take a leadership role in driving participation, setting sector-level goals and providing implementation guidelines. Professional in the Banker and Financial groups were optimistic about the potential of these frameworks and the associated reporting as a mechanism for increasing sustainability action. However, Experts remained cynical as to the motivations and true effect that this would have on shifting action to a higher level versus merely repositioning existing action under new labels to drive reputation.

Comparing these findings to the literature revealed similarities and differences. Firstly, the level of cynicism noted by Experts is reflective of concerns raised in the literature about the real ability for reporting to influence sustainability action (Stacchezzini, Melloni & Lai, 2016; Haffar & Searcy, 2017). The tendency to favour positive sustainability narratives in reporting reduces its value to a reputation-building exercise rather than a true reflection on an organisation's commitment to sustainability action (Stacchezzini, Melloni & Lai, 2016). Thus this finding is consistent with the extant literature.

Secondly, a potential gap in the literature was noted, as it did not address the role of sector bodies and sector leadership as a mechanism for enhancing reporting. Rather, organisation-level factors such as data availability; transparency; integration; and consistency were highlighted in the literature as impacting reporting quality (Maas et al., 2016; Stacchezzini, Melloni & Lai, 2016; Haffar & Searcy, 2017). Additional keyword searches across the literature reviewed in Chapter 2, as well as the EbsoHost and University of Pretoria databases did not reveal any new literature that addressed the role of sector bodies in improving the quality of sustainability reporting. While not an exhaustive review of all literature could be done, this does suggest that there may be a potential extension to the literature on the role of sector bodies in voluntary sustainability frameworks and reporting as a mechanism for improving action.

6.3.2 Conclusive findings for category 2: Voluntary frameworks

The research findings identified the adoption of voluntary frameworks and the associated measurement and reporting against these frameworks, as a catalyst for sustainability action. The motivation behind adopting these frameworks was located in an argument for competitiveness and meeting stakeholder expectations. This view was congruent with the literature reviewed in Chapter 2 (Raut et al., 2017; Contreras et al., 2019). Furthermore, the use of voluntary frameworks and subsequent reporting were noted in the findings as important mechanisms for meeting investor, shareholder and public expectations. This too was in line with the existing body of knowledge where sustainability reporting was seen as important in meeting stakeholder needs and creating positive sentiment (Du et al., 2017; Jamali & Karam, 2018; Forcadell & Aracil, 2017; Contreras et al., 2019). Lastly, the research findings also highlighted the differences in views between Experts and Professionals on the potential for framework adoption and reporting to meaningfully impact sustainability action. The literature equally raised concerns about the potential for reporting to be used as a reputation building exercise, rather than a true reflection of commitment and action on sustainability (Stacchezzini, Melloni & Lai, 2016; Haffar & Searcy, 2017).

One potential nuance of difference was identified, that may enhance the existing literature. This related to:

- Enhancing the literature to include the role of sector bodies as a mechanism for improving adoption and reporting on voluntary sustainability frameworks.

Based on the similarities between the literature and the research findings, voluntary frameworks do not necessarily require a standalone thematic category as was initially proposed in Chapter 5. Rather, these findings can be contained within the Sustainability Embedment construct as part of the measurement and reporting theme, as defined in the conceptual model in Chapter 2.

6.4 DISCUSSION OF RESULTS FOR CATEGORY 3: SECTOR DYNAMICS

As mentioned at the end of Chapter 5, categories and themes were selected for further discussion based on meeting one of two criteria: where the level of prominence differed across the three professional groups; and where there was limited alignment in views between Experts and Professional groups. Within the sector dynamics category, two themes were identified as meeting at least one of these criteria: sector body leadership; and bank complacency. This is highlighted in Table 20.

Table 20: Themes discussed in category 3: Sector dynamics

Theoretical Category	Themes	Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Sector dynamics	Sector body leadership	○	◑	🟢	🟢	🟢
	Catalyst for change	●	●	🟢	🟢	🟢
	Bank complacency	○	○	🟢	🟢	🟢

Key: Alignment between Experts and Professionals
- ○ Limited alignment / substantive differences
- ◑ Partial alignment / some differences
- ● High degree of alignment / little to no differences

Key: Prominence to Professional groups
- ○ Limited prominence/No mentions
- ◑ Moderate prominence/ some mentions
- 🟢 High prominence / many mentions

□ Themes discussed in Chapter 6

Source: Author's own

6.4.1 Sector body leadership

The research findings identified high levels of inertia in the South African banking sector. A limited competitive set and strong preference for collective and uniform action results in the sector responding slowly to change. To overcome this inertia and accelerate sustainability action, participants identified a number of interventions that the felt sector bodies should be driving. This included sector bodies uniting banks behind a common set of sustainability goals and actions that would amplify the impact of the sector. Such standardisation was seen as an opportunity to ensure universal adoption and compliance on sustainability action. Participants observed that it was the role of sector bodies to take the lead, rather than expecting individual banks to solve for sustainability in the sector. While most participants agreed that sector bodies need to play a more active role, there were differences across the participant groups as to the likelihood of this happening. Banker and Financial group participants were more inclined to wait for the sector bodies to tell them what to do, while Institute participants expressed concerns about the ability of existing sector bodies to take the lead. Factors such as politics, egos and limited innovation momentum were highlighted as potential barriers to sector bodies taking a leadership role on sustainability action. Experts were also more inclined to rely on other stakeholder groups and influences, than waiting for sector bodies to drive the necessary change.

In comparing these findings to the literature reviewed in Chapter 2, a potential gap was identified. The literature points to the fact that much of the strategy and management literature decouples business and societal level thinking, while sustainability action may require a broader construct that considers more explicitly the role of sector-level influences (Dyllick & Muff, 2016; Slawinski et al., 2017). This sentiment is echoed in the literature from global sustainability experts who have identified collaboration and collective action as a key ingredient in achieving the sustainable development goals (UN Global Compact, 2015). There is congruence between the literature and the research findings in identifying the gap, although this is approached from different angles. The research findings and expert literature point to the positive role that sector-level action can play in driving outcomes, while the academic literature points to the gap in considering the role of sector-level action in achieving sustainable outcomes. Thus this research may potentially help address the identified gap in the literature.

6.4.2 Bank complacency

The research findings highlighted high levels of inertia and a sense of complacency and comfort with current levels of action in the banking sector. As a whole, the sector was seen to be geared towards stability and a slow pace of change which may have been strengths in the past. However, participants observed that this was now becoming a barrier to adapting to the changing context and need for accelerated action on sustainability.

Views on sector performance were polarised. Bankers favoured the view that the sector is making progress, but also believed that the sector is not given enough credit for the action it is taking. In contrast Institute group participants did not agree and were scathing in their assessment of the sector's progress to date. Experts tended to agree with Institute participants, noting the significant gaps still to be closed in the sector.

Inertia was highlighted as one of the characteristics that impact sustainability action in the literature. A number of factors were revealed as contributing to organisation-level inertia, such as: company size (Wickert et al., 2016); the Board's position on sustainability (Hoppmann et al., 2019); as well as firm and sector maturity (Hafenbrädl & Waeger, 2017; Slawinski et al., 2017). While the first two factors deal with inertia within an organisation, Hafenbrädl & Waeger (2017) and Slawinski et al., (2017) observed that mature organisations with high internal inertia can also impact the sector they operate in. The authors found that mature firms, in central positions within mature sectors, tended to resist large scale change thus reinforcing inertia across the sector. The research findings are congruent with the literature in that the large, traditional banks deemed current levels of sustainability action as satisfactory, thus supporting a slow pace of change in the sector characterised by stability, consistency and predictability.

6.4.3 Conclusive findings for category 3: Sector dynamics

The initial research findings suggested that sector dynamics presented as a unique thematic category. In discussing the findings in line with the literature, an adjustment to that initial view is required. Firstly, there is sufficient similarity between the theme of banking complacency from the research findings, and the organisation inertia theme identified in the literature review, for this to be considered within the construct of organisation characteristics.

Secondly, the discussion highlighted a potential gap that may extend the existing literature. This gap related to:

- Extending the literature to include the role of sector-level influencers in driving sustainability action.

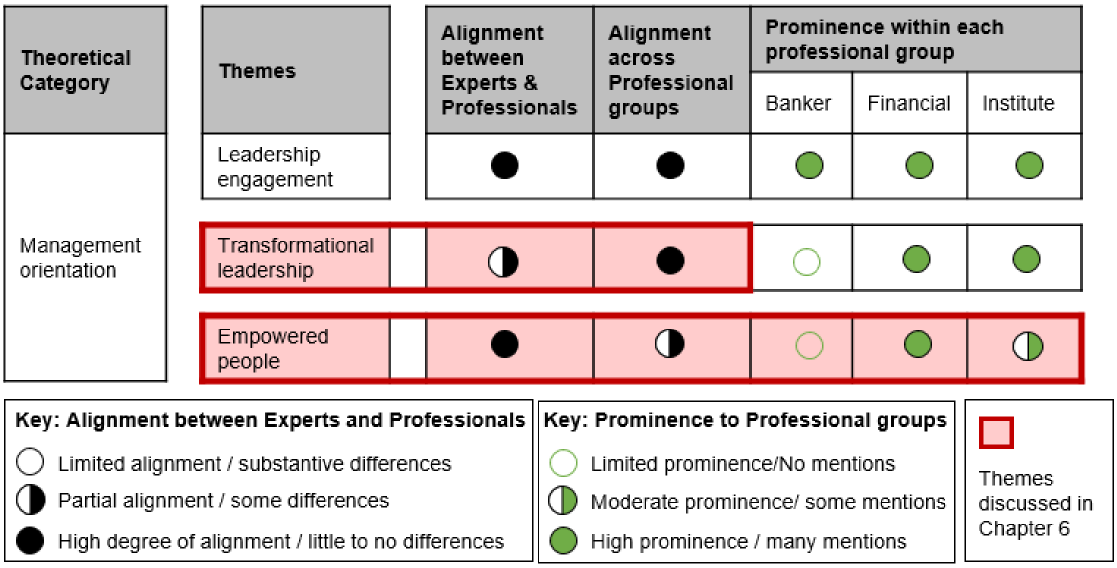
Thus sector bodies could be considered as another group of influential stakeholders that may exert pressure on the sector as a whole to adopt sustainability action. The research findings suggest that sector bodies in the South African banking sector are not taking a leadership role (yet) and that there is room for improving and accelerating change if the sector bodies take up a leadership role. As such, an extension to the existing conceptual framework in Chapter 2 is proposed by adding sector bodies as another group of influential stakeholders in this new construct.

6.5 DISCUSSION OF RESULTS FOR CATEGORY 5: MANAGEMENT ORIENTATION

The literature review identified a number of complex and occasionally paradoxical trade-offs that managers encounter when dealing with sustainability issues (Hahn et al., 2015; Hahn et al., 2017; Hahn et al., 2018; Sasse-Werhahn et al., 2020). How managers navigate these trade-offs are dependent on number of factors that impact their personal and collective orientation towards sustainability.

From the research findings, two themes within the management orientation category were identified for further discussion due the differences in alignment that were observed between Expert and Professional participants. These include: transformational leadership; and empowered people. This is highlighted in Table 21.

Table 21: Themes discussed in category 5: Management orientation



Source: Author's own

6.5.1 Transformational leadership

The research findings indicated broad agreement on the need for transformational leadership to support the necessary sector shifts in sustainability action. Key characteristics of this leadership included bringing a social conscience to the sector and championing diversity as an enabler of change.

Participants described a social conscience in the context of sector leadership as one that encompasses ethics, morals, care and empathy for humanity. This is congruent with the literature that recognises the role of ethics/morals (used interchangeably in the literature) at a leadership and individual manager level (Dyllick & Muff, 2016; Slawinski et al., 2017; Schaltegger & Burnitt, 2018; Pohling et al., 2016). Participants also observed that leaders in the banking sector tend to favour rational decision making based on financial and economic principles, rather than engage with the more qualitative facets of sustainability. This again bears similarity to the concepts found in the literature. A strong ethical/moral orientation on sustainability can make managers more sensitive to issues that require empathy, values or norms-based decision making (Schaltegger & Burritt, 2018; Pohling et al., 2016). Where organisations promote a value set that favours cost minimisation, not straying far from normal business activity or protecting reputation, then sustainability action is likely to be low. The converse is also true, where a high value is placed on ethical/moral outcomes, then sustainability action is likely to increase (Mazutis & Eckardt, 2017; Schaltegger & Burritt, 2018; Hafenbrädl & Waeger, 2017; Slawinski et al., 2017). Thus the finding are consistent with the existing body of knowledge.

Experts were the most vocal on the topic of leadership that embodies a social conscience, while extending the requirements of transformational leadership to include a sense of urgency and strong vision in support of the sustainability agenda. This is research finding is congruent with the literature on the role of leadership in setting the tone for what is valued in an organisation and this has a direct impact on the degree of accountability that is taken for sustainable actions (Dyllick & Muff, 2016; Slawinski et al., 2017).

The second leadership characteristic identified by participants was that of embracing diversity. Many participants were critical of the current levels of diversity within the banking sector, recognising that increased diversity could bring fresh thinking to the sector. Diversity was recognised as a demographic dimension, as well as a thinking process that comes from different professional experiences. Comparing these findings to the literature, gender diversity and professional diversity were identified as two factors that can lead to greater sustainability action in organisations (Byron & Post, 2016; Slawinski et al., 2017; Nadeem et al., 2017; Zaid et al., 2020).

The research findings are consistent with the extant literature in identifying the role of diversity and ethics/morals in how sustainability action is taken within organisations. However, within the South African context of the research, a broader set of demographics – including age and ethnicity – were highlighted as being important in affecting sustainability action. A more detailed keyword search was undertaken within the literature reviewed in Chapter 2 which yielded no further mentions. A keyword search in the EbscoHost database yielded 119 articles with keywords including “age”, “diversity” and “sustainability”. These articles were scanned and only one new article was found that addressed age as a factor at Board level. This literature indicated a positive relationship between the inclusion of younger Board members and the sustainability orientation of the organisation (Chams & García-Blandón, 2019). A similar process was followed to explore ethnicity, but no new literature was found. Thus there is a potential contribution to extending the literature by considering the role of ethnic diversity at leadership levels and the impact this may have on sustainability orientations and actions within a sector.

6.5.2 Empowered people

A comparison between Experts and Professionals indicated that the former group were more engaged with this theme – providing additional views and insights that extended beyond what those within the sector had observed.

Firstly, the research findings indicated that people need to be empowered to take action. The organisation structure and where the mandated teams were located, was deemed to have an impact on the type and scale of sustainability action taken. Secondly, participants highlighted the need for broader employee engagement and knowledge-building as a way to scale sustainability action across the sector. Comparing the findings to the literature, the role of management controls was identified as a bridge between strategy and implementation (Ghosh et al., 2019). Ghosh et al. (2019) recognised the impact that formal controls such as structure, governance, risk management and systems can have on the type of sustainability action taken by an organisation. Similarly, organisation structures, limited employee knowledge and low levels of engagement may be barriers to adopting sustainable business models that support stronger levels of action (Evans et al., 2017; Schaltegger & Burritt, 2018). Thus the findings in this study are consistent with the body of knowledge in the literature.

And lastly, participants spoke about the role of culture and purpose in attracting and retaining the right talent that will support sustainability action. Similarly, Ghosh et al. (2019) identified the role of informal controls in the form of culture and beliefs that can impact the extent to which sustainability action is undertaken. This finding is thus also congruent with the extant literature.

6.5.3 Conclusive findings for category 5: Management orientation

The findings relating to empowered people were all congruent with the extant literature. These were seen to be similar to the constructs of informal and formal management controls (Ghosh et al., 2019), as well as some of the practical barriers in adopting sustainable business models (Evans et al., 2017; Schaltegger & Burritt, 2018).

There was also a high degree of similarity between the dimensions of transformational leadership identified in the research findings and the management constructs of ethics/morals and diversity discussed in the literature in Chapter 2. Thus the research findings are consistent with the existing body of knowledge.

A contextual aspect of diversity, namely age and ethnicity, extended the use of this construct in the research findings, which was not immediately evident in the literature reviewed. Although additional literature searches were undertaken, no scholarship on the role of ethnic diversity in relation to sustainability leadership was found. This presents a potential area of expansion on the extant literature through future research, by considering the role of ethnic diversity at leadership levels and the impact this may have on sustainability orientations and actions within a sector.

6.6 DISCUSSION OF RESULTS FOR CATEGORY 7: SUSTAINABILITY EMBEDMENT

As mentioned at the end of Chapter 5, categories and themes were selected for further discussion based on meeting one of two criteria: where the level of prominence differed across the three professional groups; and where there was limited alignment in views between Experts and Professional groups. Within the sustainability embedment category, two themes were identified as meeting at least one of these criteria: multinational complexity; and new business models. This is highlighted in Table 22.

Table 22: Themes discussed in category 7: Sustainability embedment

Theoretical Category	Themes	Alignment between Experts & Professionals	Alignment across Professional groups	Prominence within each professional group		
				Banker	Financial	Institute
Sustainability embedment	Multinational complexity	●	●	●	◑	○
	New business models	◑	◑	●	●	◑
	Strategy reset	●	●	●	●	●

Key: Alignment between Experts and Professionals	Key: Prominence to Professional groups	
○ Limited alignment / substantive differences	○ Limited prominence/No mentions	□ Themes discussed in Chapter 6
◑ Partial alignment / some differences	◑ Moderate prominence/ some mentions	
● High degree of alignment / little to no differences	● High prominence / many mentions	

Source: Author's own

6.6.1 Multinational complexity

This theme was selected due to the variance in voices on the topic. While there was alignment between Professionals and Experts on the complexity of operating as a multinational bank, the conversation was predominantly driven by Bankers and to a lesser extent, Financial group participants. Institute participants did not mention this in their interviews.

As the majority of South African banks operate as multinational organisations with footprints that extend across the African continent, it is not surprising that this was seen as an important theme in how sustainability was embedded in the sector. Participants highlighted the complex and diverse needs across the continent, suggesting that this makes it harder for them to find common goals and shared priorities across their operations. Comparing this to the literature, there is recognition of the complexity and multiple trade-offs that multinational organisations must make when implementing sustainability action (Wickert et al., 2016). Thus the findings are consistent with the existing body of knowledge in the literature.

A second factor that was highlighted in the research findings relates to the perceived power dynamics between developed and emerging markets. This impacts how frameworks are set, the models that inform goals and the quality of data available to inform decision-making. Participants observed that the sustainability agenda is driven largely by Northern Hemisphere perspectives, with limited cognisance of the vastly different needs and contexts in emerging markets across the African continent. Comparing these findings to the literature, availability of quality quantitative data was identified as a barrier to effective sustainability reporting (Maas et al., 2016; Stacchezzini, Melloni & Lai, 2016; Haffar & Searcy, 2017). While the findings are consistent with the literature on the challenge of access to quality quantitative data on sustainability, the findings also indicate a potential extension to the literature in highlighting a further disparity between emerging and development market data access.

6.6.2 New business models

The research findings highlighted substantive differences between participant groups. Experts and Institute participants were more likely to promote radical changes in business models to support sustainability outcomes, while Banker and Financial group participants tended towards incremental change. Despite these differences in approach, participants from all groups agreed that there was a need to change business models in the banking sector if greater action on sustainability is to be achieved. Similarly, business model transformation was identified as a key enabler of sustainability embedment and enhanced action. Where business models failed to transform, this could become a barrier to increasing sustainability action (Schaltegger & Burritt, 2018).

Disruptive changes to business models were seen to pose multiple threats to the stability and integrity of the banking system by introducing substantive risk. The high inertia, scale and success of traditional banks in the sector make the likelihood of significant change low in the near term. The findings are congruent with the extant literature.

At the same time, participants noted that the sector was still trying to understand the implications of sustainability on business models and thus unclear what direction of change was really needed. Some participants suggested that the change should start with the value orientation in the sector, by redefining how value is created. As a second steps, participants stated that deeper sustainability embedment would also contribute to better levels of action across the sector. Comparing the research findings to the literature, sustainability embedment is considered a critical part of shifting sustainability from a peripheral to core part of the organisation (Cavaleri & Shabana, 2018; Evens et al., 2017). Evans et al. (2017) further suggested that reconceptualising how value is created within an organisation was a precursor to a sustainability-orientated business model. The literature also recognises the complex challenges that organisations face when shifting from traditional business models to ones that the embed sustainability. Factors such as resource allocation, technology and innovation dependence, and the nature of the underlying business case all present challenges in evolving business models (Evans et al., 2017; Schaltegger & Burritt, 2018). Thus the discussion on new business models aligns with the extant literature.

6.6.3 Conclusive findings for category 7: Sustainability embedment

The findings from the research highlighted two themes within the sustainability embedment construct that warranted further discussion. Firstly, the complexity of implementing sustainability as a multinational organisation was highlighted by participants due to the nature of the South African banking sector. This finding was congruent with the extant literature.

Additionally, the findings also noted the disparity in access to quality quantitative data between emerging and developed markets. While geography is typically considered as a contextual factor as part of the environment of business, in this instance it may play a role in limiting emerging market organisations' adoption of sustainability action due to the absence of quality data to inform decision making. The literature acknowledges the role that poor data quality can have in sustainability reporting (Maas et al., 2016; Stacchezzini, Melloni & Lai, 2016; Haffar & Searcy, 2017). While the findings are consistent with the literature on the challenge of access to quality data on sustainability, the findings also indicate a potential extension to the literature in highlighting the disparity between emerging and development market data access

The research found that transitioning to sustainability-orientated business models could be seen as both an opportunity and a potential barrier to increased sustainability action in the banking sector. Inherent challenges in changing an inert, traditional sector to new and uncertain business models was seen as risky and potentially damaging to highly successful banks in the sector. However, participants were equally optimistic about the potential that changes in value orientation and sustainability embedment could bring to sustainability action. These findings were congruent with the literature on business models and their role in driving greater action on sustainability. In fact, business model transformation was considered a necessity for sustainability action to be amplified (Cavaleri & Shabana, 2018; Evans et al., 2017). However, scholars were also cognisant of the challenges in making radical changes to business models and the risks these posed to organisations (Evans et al., 2017; Schaltegger & Burritt, 2018). The research findings were thus consistent with the existing body of knowledge in the literature.

6.7 SUMMARY OF CONCLUSIVE FINDINGS ACROSS ALL CATEGORIES

Table 23 provides a summary of the conclusive findings as discussed in Chapter 6. The conclusions from the discussion between the research findings and the literature yielded three sets of outcomes. Firstly, three themes that were identified as similar to the literature:

- Bank complacency
- Empowered people
- New business models

Secondly, two themes were identified as having nuances of difference between the literature and the research findings. These included:

- External stakeholders
- Catalysts for action

And lastly, three themes were identified as potentially small extensions to the existing literature. These included:

- Regulators
- Sector body leadership
- Multinational complexity

Table 23: Summary of conclusive findings from the discussion of the research

Themes		Similar	Nuance of difference	Potential extension to the literature
Influential stakeholders				
External stakeholders	• Evolving the role of shareholders and investors from purely commercial, to include sustainability considerations • Innovation as a characteristic of external stakeholders who are able to impact change		✓	
Regulators	• Pre-emptive action as a response to changing regulations			✓
Voluntary frameworks				
Catalysts for action	• The role of sector bodies as a mechanism for improving adoption and reporting on voluntary sustainability frameworks		✓	
Sector dynamics				
Sector body leadership	• Extending the literature to include the role of sector-level influencers in driving sustainability action			✓
Bank complacency		✓		
Management orientation				
Transformational leadership	• The impact of ethnic diversity at leadership levels, on sustainability outcomes			✓
Empowered people		✓		
Sustainability embedment				
Multinational complexity	Disparity between emerging and development market data access			✓
New business models		✓		

Source: Author's own

CHAPTER 7 CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

The call for greater levels of sustainability action is emanating from multiple sources. The public, experts, business, government and academia all agree that there is a need for urgent acceleration on sustainability action as current approaches are not addressing the issues effectively (Patel, 2020; UN, 2020; Lee, 2019; Thomas et al., 2019; GCNSA, 2019b).

The banking sector has been identified as a critical enabler of the UN Sustainable Development Goals as well as South Africa's national development plan (GCNSA, 2019b). However, a number of barriers exist that impede the sector from fulfilling its role and taking more action – keeping the sector in a weak position on sustainability and low levels of action (Maimbo & Zadek, 2017).

Relatively little work has been done to understand the weak position on sustainability and the inaction or low levels of action that accompany this (Hahn et al., 2017). The literature indicated a need to understand how to shift organisations to a stronger position on sustainability, thereby increasing the levels of sustainability action taken (Hahn et al., 2017; Slawinski et al., 2017). Thus this research was designed to address the question: What is needed to shift the South African banking sector to a stronger position of sustainability and action?

One of the underlying challenges in shifting orientations and action levels on sustainability is a lack of consistency in definitions and understanding of the topic. A number of constructs exist that are used interchangeably, although there are nuances within each of these that impact the orientation on sustainability and subsequent action taken. Key constructs identified in the strategy and management literature include: corporate social responsibility, which is seen as interchangeable with corporate social investment; corporate sustainability; and sustainability management (Hahn et al., 2015; Engert et al., 2016; Dyllick & Muff, 2016; Schaltegger & Burritt, 2018; Jamali & Karam, 2018; Porter & Kramer, 2019). For the purposes of this research, the construct of corporate sustainability was selected as it encompasses a more complex set of dynamics that impact sustainability action.

The literature review in Chapter 2 revealed four theoretical constructs as having an impact on the nature and scale of sustainability action undertaken. These were:

management orientation; organisation characteristics; sustainability embedment; and the dynamics of current sustainability action. This was consolidated into a conceptual model (Figure 6) that informed the analysis of the research interviews. The research findings in Chapter 5 expanded on the theoretical constructs, by proposing three further categories that emanated from the interview data. These findings were then assessed for alignment and prominence among the Professional and Expert participants, which found that there were five theoretical constructs that warranted further discussion. These were: influential stakeholders; voluntary frameworks; sector dynamics; management orientation; and sustainability embedment. The research findings for each of these constructs and their associated themes, were then compared and contrasted to the extant literature discussed in Chapter 2. This analysis resulted in three outcomes. Firstly, three underlying themes were identified as similar to the literature, suggesting a good fit between the research findings and the existing body of knowledge. These were: bank complacency; empowered people; and new business models. Secondly, two of the underlying themes were identified as having nuances of difference between the research findings and the extant literature. These outcomes proposed potential refinements to the literature on the themes of: external stakeholders; and voluntary frameworks as catalysts for action. Lastly, four of the underlying themes identified facets that were different to the literature, suggesting there may be potential to extend the current literature. These themes were: regulators; sector body leadership; transformational leadership; and multinational complexity.

7.2 Principle conclusions

This section brings together the various parts of the research which inform the final conceptual model and address the research question: What is needed to shift the South African banking sector to a stronger position of sustainability and action? The conclusions for each theoretical category are summarised and then synthesised into the final model as depicted in Figure 17.

7.2.1 Influential stakeholders

The research concluded that influential stakeholders play a significant role in determining the nature and scale of sustainability action taken in the banking sector. While the extant literature recognises the role of stakeholders in influencing sustainability action, they are positioned as contextual rather than inherent to the theoretical constructs. In elevating stakeholders to a key construct, they are afforded the necessary attention as key enablers of sustainability action. As such, this theoretical category was added to the conceptual model. Furthermore, the research identified three potential areas of difference that may extend the current literature. These were:

- Evolving the role of shareholders and investors from purely commercial, to include sustainability considerations;
- Including innovation as a characteristic of external stakeholders who are able to impact change;
- Including pre-emptive action as a response to changing regulations.

7.2.2 Voluntary frameworks

The research concluded that voluntary frameworks have an important role to play as catalysts for action. One nuance of difference was identified, that may enhance the existing literature. This related to:

- Enhancing the literature to include the role of sector bodies as a mechanism for improving adoption and reporting on voluntary sustainability frameworks.

Based on the similarities between the literature and the research findings, voluntary frameworks were not deemed to require a standalone thematic category as was initially proposed in Chapter 5. Rather, these findings are contained within the Sustainability Embedment construct as part of the measurement and reporting theme, as defined in the conceptual model in Chapter 2.

7.2.3 Sector dynamics

The research concluded that sector dynamics, although identified as a unique category in Chapter 5 research findings, are indeed sufficiently similar to the literature that there is a good fit within the existing construct of organisation characteristics. However, one particular sub-theme within this construct stood out as different to the literature and presented as a possible extension to the current body of knowledge. Sector bodies were identified as an influential stakeholder group that can exert pressure on the collective sector to adopt sustainability action. Sector bodies were not highlighted in the extant strategy and management literature, potentially due to differences in the unit of analysis. Thus the recommendation is to extend the literature to include the role of sector-level influencers in driving sustainability action within the conceptual model. They have been added as a unique group within the new construct of “Influential Stakeholders”.

7.2.4 Management orientation

The research concluded that there was a good fit between the research findings and the extant literature for this category. However, a recommendation was made to extend the scope of diversity within the literature from gender and age, to include ethnicity as a potential additional lens that may impact sustainability action in the sector.

Ethnicity does not appear to be widely considered as part of the diversity construct in the strategy and management literature, but was highlighted by research participants as an important consideration in the South African context. It is unclear whether this is purely a local market dynamic or may have relevance across other geographies, however the research findings suggested that ethnicity may bring an additional layer of diversity that could impact the nature and scale of sustainability action undertaken.

7.2.5 Sustainability embedment

The research concluded that there were similarities between the findings and the literature as to the complexity of implementing sustainability as a multinational organisation. Additionally, there was similarity between the findings and the literature in relation to the role of business models as both enablers and barriers to sustainability action (Cavaleri & Shabana, 2018; Schaltegger & Burritt, 2018; Evans et al., 2017). The findings were also a good fit in acknowledging the challenge in accessing quality data as a barrier to increased sustainability action (Maas et al., 2016; Stacchezzini, Melloni & Lai, 2016; Haffar & Searcy, 2017).

However, the findings did suggest that the disparity in quality data access between emerging and developed markets may warrant an extension to the literature. While geography is typically considered as a contextual factor in the strategy and management literature, in this instance location plays a significant role in determining access to quality and relevant data to support sustainability action. As a critical enabler of strategy and decision-making on sustainability, it may warrant being elevated out of the contextual analysis and being placed into the conceptual model as a key barrier and/or enabler of sustainability action.

7.2.6 Research contribution: Revised conceptual model of sustainability action

The revised conceptual model is illustrated in Figure 17. The revisions extend the existing literature and provide greater insight into the research question of what is needed to shift the South African banking sector to a stronger position of sustainability and action.

The revised conceptual model builds on the foundational model defined in Chapter 2, but incorporating nuances of difference and potential extensions to the literature as identified in the research conclusions. Figure 17 consists of three parts. Firstly, the foundation model as defined in Chapter 2 and based on the extant literature is presented in the original black and grey boxes. There are ten constructs that remain aligned to the original model. Secondly, a series of red boxes with green circles have been added to the model. The green circles contain the letter “e” to denote them as a potential extensions to the literature. This includes the proposed new category of influential stakeholders, along with four new constructs: sector bodies as a new construct; ethnicity as an extension of the diversity construct; pre-emptive action on regulation as a new construct; and access to quality data as a new construct. The final amendments to the conceptual model are denoted by red boxes with yellow circles. The yellow circles contain the letter “n” to denote them as possible nuances of difference compared to the literature. This includes two constructs where the research identified possible nuances of difference: the shifting paradigm of shareholders and investors to incorporate sustainability in their priority sets; and the role of sector bodies in improving adoption and reporting standards for voluntary frameworks.

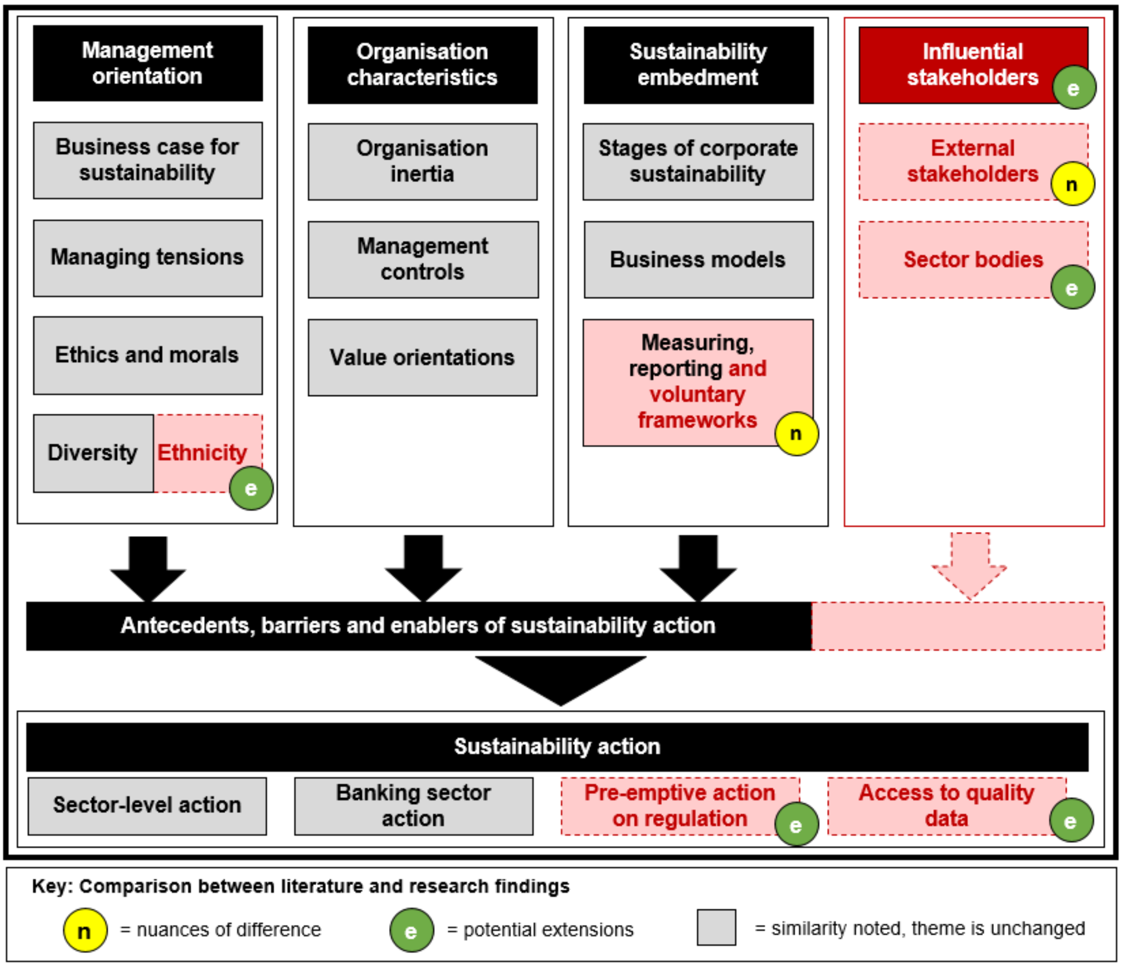


Figure 17: Revised conceptual model of sustainability action

Source: Author's own, adapted from the conceptual model in Chapter 2

7.3 Research contribution

The research makes a small contribution to the extant literature on corporate sustainability action by proposing an extension to the strategy management literature focus on the organisation, to consider broader sector-based factors that may have a direct impact on how organisations take action on sustainability. The extensions to the literature are briefly described below.

- The inclusion of an additional influential stakeholder category into the conceptual model depicted in Figure 7.2.6 creates a bridge between the organisation-level constructs in the extant literature and a sector-level construct that falls outside of the conventional strategy management purview.
- Sector bodies have the ability to impact sustainability action directly by adopting a leadership role in the sector, and by anchoring global frameworks in tangible goals and standardised implementation guidelines. Sector bodies are thus incorporated

into the conceptual model in Figure 7.2.6 in two ways – as an influential stakeholder group in the proposed new category; as well as a possible nuance in the understanding of how voluntary frameworks and measurement standards can be used to positively impact levels of sustainability action.

Furthermore, the research builds on the existing management literature by proposing possible nuances and extensions to key constructs that may impact sustainability action in the South African banking sector. The proposed nuances to existing theoretical constructs are briefly described below.

- Shareholders and investors have been categorised in the literature as having a predominantly commercially-orientated view of business. An extension to the existing literature is proposed to consider the emerging sustainability-orientated priorities within these stakeholder groups that has a direct impact on sustainability action in the banking sector.
- Sustainability action in the banking sector is typified by CSR/CSI; focused financial inclusion activities; and embedded sustainability within everyday banking activity such as products, services or business operations. This research identified a potential new form of sustainability action in the form of pre-emptive responses to future regulatory changes. The extension of the literature to include this form of action may be useful in understanding how sustainability action is formulated in highly regulated sectors.
- The inclusion of ethnicity as an additional dimension of diversity at senior leadership level extends the literature on the role of personal profiles in informing organisations' sustainability actions.
- Access to quality data is recognised in the extant literature as a potential barrier to sustainability action. This study proposes extending the construct with a more nuanced view of the disparities in access to quality data between emerging and developed markets.

7.4 Implications for management and other relevant stakeholders

The conceptual model presented in Figure 17 provides senior managers and banking sector leaders with an understanding of how sustainability action is influenced and shaped by multiple factors within and external to the sector. This model should enable senior managers and sector leaders to formulate plans for increasing sustainability action in the sector, by understanding what needs to be in place for action to happen and which enablers can be leveraged to accelerate the shift towards stronger sustainability and action. Equally, the model provides senior managers and sector leaders with an understanding of potential barriers that can hamper progress, helping to illuminate blind spots and proactively address factors that may impede progress on sustainability action. Specifically, senior managers and sector leaders should consider the recommendations briefly described below.

- Sector bodies need to take a leadership role in progressing the sustainability agenda. The sector is naturally inert and requires brave leadership to catalyse action. A strong leader will need to harness the strength of collaboration within the sector, while managing consensus-seeking behaviour to ensure progress is made.
- Introduce more diversity of thinking to increase the potential for creative and innovative solutions to address sustainability action in the sector. This should include broadening the demographic profile of senior leadership within the sector in areas such as age, gender and ethnicity. Equally, exploring opportunities to collaborate with experts and professionals from outside the financial services sector will help to bring fresh thinking to the existing sustainability challenges.
- The sector should look for opportunities to collaborate with internal and external stakeholders to collectively address the grand challenges that sustainability action presents in the sector. This would include proactively engaging influential stakeholders to co-create solutions, rather than just reacting to their demands.
- Sector leaders should consider how they can effect a culture shift within the sector. This should seek to shift the values and ethics orientation of the sector to embrace sustainability as a priority, increase manager sensitivity to sustainability and enhance accountability for sustainability action.

7.5 Limitations of the research

The research limitations discussed in this section refer to general limitations of the research. For completeness, these should be read in conjunction with the research design limitations already discussed in Chapter 4 section 4.10. Four general limitations of the research have been identified and discussed briefly below.

- The research focused on the banking sector, which is a subset of the wider financial services sector. The research thus excluded insight into the non-banking subsets of the financial services sector, such as: insurance, asset management, advisory or investment.

- The research sample was limited to the traditional banks within the sector. Thus newer generation banks and providers who offer similar banking services to customers outside of the formal banking sector were excluded from this study.
- Due to the expansiveness of sustainability as a topic, the research sought to explore as many influencers of sustainability action and inaction as possible. The research was not designed to go do an extensive exploration of each concept that emerged.
- The research was based on a sectoral view of the research problem, which did not necessarily take into consideration company-specific internal dynamics within banks in the sector. The research findings also indicated that individual banks within the sector are at different stages of sustainability adoption, which may impact the applicability of the various barriers and enablers of action identified in this study.

7.6 Suggestions for further research

Based on the research findings and conclusions, seven areas for further research were identified. These are discussed briefly below.

- Further research should explore the antecedents, barriers and enablers of sustainability action in other subsets of the financial services sector - to gain insight into the nuances and similarities between the different groups that make up the collective financial services sector.
- Future research should explore the differences and similarities in sustainability action between the traditional banks in the formal sector (the focus of this study); newer generation banks within the formal sector; and banking services providers outside of the formal sector.
- There is a need to further understand the role of sector bodies in highly regulated industries, as catalysts for sustainability action. This could extend the organisation-level frameworks in the current management literature, by integrating sector and organisation-level dimensions.
- Future research into company-specific dynamics would add further depth and nuance to the conceptual model, by enriching the understanding of organisational versus sectoral barriers and enablers of sustainability action. This insight could help enrich the strategy and management literature with a more integrated internal-external view of sustainability action.
- There is a need to further explore the impact of ethnic diversity at leadership level, on sustainability embedment and action. This could extend the current literature that

focuses primarily on gender and age as dimensions of diversity that impact sustainability.

- There is a need to further understand the role of influential stakeholders on sector responses to sustainability. This would further extend the body of knowledge on emerging stakeholder paradigms that are impacting sustainability action in the sector.
- There is a need for further investigation into the disparity in access to quality sustainability data between emerging and developed markets. This research could explore factors that inhibit the development of relevant emerging market data; seek to develop relevant emerging market data constructs; or gain more in-depth insight into the impact of data disparity on sustainability action in emerging markets.

REFERENCE LIST

Ahamed, M. M., & Mallick, S. K. (2019). Is financial inclusion good for bank stability? International evidence. *Journal of Economic Behaviour & Organisation*, *157*, 403-427. DOI: 10.1016/j.jebo.2017.07.027

Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, *17*(1), 99–120. DOI:10.1177/014920639101700108

Bell, E., Bryman, A., & Harley, B. (eds.). (2019). Chapter 2: Business Research Strategies. In *Business Research Methods* (5th ed., pp. 17-37). Oxford: Oxford University Press.

BusinessTech. (July 19, 2020). *South Africa's banking sector is dominated by 5 names – Who control almost 90% of all assets*. Retrieved from https://businesstech.co.za/news/banking/416057/south-africas-banking-sector-is-dominated-by-5-names-who-control-almost-90-of-all-assets/

Byron, K., & Post, C. (2016). Women on boards of directors and corporate social performance: a meta-analysis. *Corporate Governance: An International Review, 24*(4), 428-442. DOI: 10.1111/corg.12165

Cavaleri, S., & Shabana, K. (2018). Rethinking sustainability strategies. *Journal of Strategy and Management, 11*(1), 2-17. DOI: 10.1108/JSMA-08-2016-0050

Chams, N., & García-Blandón, J. (2019). Sustainable or not sustainable? The role of the board of directors. *Journal of Cleaner Production, 226*, 1067-1081. DOI: 10.1016/j.jclepro.2019.04.118.

Chenail, R. J. (2012). Conducting qualitative data analysis: reading line-by-line, but analysing by meaningful qualitative units. *The Qualitative Report*, *17*(1), 266-269. Retrieved from https://www.nova.edu/2222/QR/QR17-1/chenail-line.pdf

Contreras, G., & Bos, J. W. B, & Kleimeier, S. (2019). Self-regulation in sustainable finance: The adoption of the Equator Principles, *World Development, 122*, 306-324. DOI: 10.1016/j.worlddev.2019.05.030.

Crane, A., Henriques, I., & Husted, B. W. (2018). Quants and poets: Advancing methods and methodologies in business and society research. *Business & Society*, *57*(1), 3-25. DOI: 10.1177/0007650317718129

Creswell, J., & Creswell, D. (2018). *Research Design: Qualitative, Quantitative and Mixed Methods Approaches* (5th ed). Thousand Oaks, CA: Sage Publications.

Crittenden, V. L., & Crittenden, W.F. (2008). Building a capable organization: The eight levers of strategy implementation. *Business Horizons, 51*(4), 301-309.

De Los Reyes, G., & Scholz, M. (2019). The limits of the business case for sustainability: Don't count on 'Creating Shared Value' to extinguish corporate destruction. *Journal of Cleaner Production, 221*, 785-794. DOI: 10.1016/j.jclepro.2019.02.187

Dooley, K. (2018). Routine rigidity and environmental sustainability: Why rational innovations are regularly ignored. *Business Strategy & the Environment, 27*(1), 70-81. DOI: 10.1002/bse.1984

Drucker, P. F. (1984). The new meaning of corporate social responsibility. *California Management Review, 26*, 53-63.

Du, S., Yu, K., Bhattacharya, C. B., & Sen, S. (2017). The business case for sustainability reporting: Evidence from stock market reactions. *Journal of Public Policy & Marketing, 36*(2), 313-330. DOI: 10.1509/jppm.16.112

Dyllick, T. & Muff, K. (2016). Clarifying the meaning of sustainable business: Introducing a typology from business-as-usual to true business sustainability. *Organization & Environment*, *29*(2), 156-174. DOI: 10.1177/1086026615575176

Eisenhardt, K. M., Graebner, M. E., & Sonenshein, S. (2016). From the editors: Grand challenges and inductive methods: rigor without rigor mortis. *Academy of Management Journal, 59*(4), 1113-1123. DOI: 10.5465/amj.2016.4004

Elliott, V. (2018). Thinking about the coding process in qualitative data analysis. *The Qualitative Report, 23*(11), 2850-2861.

Engert, S., Rauter, R., & Baumgartner, R. J. (2016). Exploring the integration of corporate sustainability into strategic management: A literature review. *Journal of Cleaner Production*, *112*, 2833-2850. DOI: 10.1016/j.jclepro.2015.08.031

Eriksson, P., & Kovalainen, A. (eds.). (2016). Chapter 22: Qualitative Research Evaluation. In *Qualitative Methods in Business Research* (2nd ed., pp. 303-310). London: Sage Publications.

Evans, S., Vladimirova, D., Holgado, M., Van Fossen, K., Yang, M., Silva, E. A., & Barlow, C. Y. (2017). Business model innovation for sustainability: Towards a unified perspective for creation of sustainable business models. *Business Strategy and the Environment, 26*, 597-607. DOI: 10.100/bse.1939

Evans, O. (2015). The effects of economic and financial development on financial inclusion in Africa. *Review of Economic and Development Studies, 1*(1), 17-25.

Forcadell, F. J., & Aracil, E. (2017). Sustainable banking in Latin American developing countries: leading to (mutual) prosperity. *Business Ethics: A European Review, 26,* 382-395. DOI: 10.1111/beer.12161

Fusch, P. I., & Ness, L. R. (2015). Are we there yet? Data saturation in qualitative research. *The Qualitative Report*, *20*(9), 1408-1416.

Gehman, J., Glaser, V. L., Eisenhardt, K. M., Gioia, D., Langley, A., & Corley, K. G. (2018). Finding theory-method fit: a comparison of three qualitative approaches to theory building. *Journal of Management Inquiry*, *27*(3), 284-300. DOI: 10.1177/1056492617706029

Gentles, S. J., Charles, C., Ploeg, J., & McKibbon, K. A. (2015). Sampling in qualitative research: Insights from an overview of the methods literature. *The Qualitative Research Report, 20*(11), 1772-1789.

Ghosh, B., Herzig, C. & Mangena, M. (2019). Controlling for sustainability strategies: Findings from research and directions for the future. *Journal of Management Control, 30,* 5–24. DOI: 10.1007/s00187-019-00279-8

Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2012). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, *16*(1), 15-31. DOI: 10.1177/1094428112452151

Global Compact Network South Africa (GCNSA). (2019a). *South Africa's Voluntary National Review (VNR) Report 2019*. South Africa: National Planning Department. Retrieved from https://sustainabledevelopment.un.org/

Global Compact Network South Africa (GCNSA). (2019b). Private Sector Contribution to South Africa's 2019 Voluntary National Review on Sustainable Development Goals. Retrieved from: https://globalcompactsa.org.za

Guest, G., Bunce, A., & Johnson, L. (2006). How many interviews are enough? An experiment with data saturation and variability. *Field Methods, 18*(1), 59-82. DOI: 10.1177/1525822X05279903

Hafenbrädl, S., & Waeger, D. (2017). Ideology and the micro-foundations of CSR: Why executives believe in the business case for CSR and how this affects their CSR engagements. Academy of Management Journal, 60(4), 1582-1606. DO: 10.5465.amj.2014.0691

Haffar, M., & Searcy, C. (2017). Classification of trade-offs encountered in the practice of corporate sustainability. Journal of Business Ethics, 140, 495-522. DOI: 10.1007/s10551-015-2678-1

Hahn, T., Figge, F., Pinkse, J., & Preuss, L. (2018). A paradox perspective on corporate sustainability: Descriptive, instrumental, and normative aspects. *Journal of Business Ethics, 148*, 235-248. DOI: 10.1007/s10551-017-3587-2

Hahn, T., Figge, F., Aragon-Correa, J. A., & Sharma, S. (2017). Advancing research on corporate sustainability: Off to pastures new or back to the roots? *Business & Society*, *56*(2), 155-185. DOI: 10.1177/0007650315576152

Hahn, T., Pinkse, J., Preuss, L., & Figge, F. (2015). Tensions in corporate sustainability: Towards an integrative framework*. Journal of Business Ethics*, *127*(2), 297-316. DOI: 10.1007/s10551-014-2047-5

Hahn, T., Preuss, L., Pinkse, J., & Figge, F. (2014). Cognitive frames in corporate sustainability: Managerial sense making with paradoxical and business case frames. *Academy of Management Review*, *39*(4), 463-487. DOI: 10.5465/amr.2012.0341

Halme, M., Rintamäki, J., Knudsen, J. S., Lankoski, L., & Kuisma, M. (2020). When is there a sustainability case for CSR? Pathways to environmental and social performance improvements. *Business & Society*, *59*(6), 1181–1227. DOI: 10.1177/0007650318755648

Hlady-Rispal, M., & Jouison-Laffitte, E. (2014). Qualitative research methods and epistemological frameworks: A review of publication trends in entrepreneurship. *Journal of Small Business Management, 52*(4), 594-614.

Hsieh, H.-F., & Shannon, E. (2005). Three approaches to qualitative content analysis. *Qualitative Health Research*, *15*(9), 1277-1288. DOI: 10.1177/1049732305276687

Hoppmann, J., Naegele, F., & Girod, B. (2019). Boards as a source of inertia: Examining the internal challenges and dynamics of boards of directors in times of environmental discontinuities. *Academy of Management Journal, 62*(2), 437-468. DOI: 10.5465/amj.2016.1091

Jamali, D., & Karam, C. (2018). Corporate social responsibility in developing countries as an emerging field of study. *International Journal of Management Review*, *20*(1), 32-61. DOI: 10.1111/ijmr.12112

Klag, M., & Langley, A. (2013). Approaching the conceptual leap in qualitative research. *International Journal of Management Reviews, 15*(1), 149-166. DOI: 10.111/j.146-2370.2012.00349.x

Landrum, N. E. (2018). Stages of corporate sustainability: Integrating the strong sustainability worldview. *Organization & Environment*, *31*(4), 287–313. DOI: 10.1177/1086026617717456

Landrum, N. E., & Ohsowski, B. (2018). Identifying worldviews on corporate sustainability: A content analysis of corporate sustainability reports. *Business Strategy and the Environment*, *27*(1), 128-151. DOI: 10.1002/bse.1989

Lee, J. (2019, July 9). 6 Reasons to keep pushing on the sustainable development goals. *United Nations Foundation*, 9 July. Retrieved from https://unfoundation.org/blog/post/6-reasons-to-keep-pushing-on-the-sustainable-development-goals/

Lynch, S. E., & Mors, M. L. (2019). Strategy implementation and organizational change: How formal reorganization affects professional networks. *Long Range Planning*, *52*(2), 255-270.

Maas, K., Schaltegger, S., & Crutzen, N. (2016). Advancing the integration of corporate sustainability measurement, management and reporting. *Journal of Cleaner Production, 133*, 859-862. DOI: 10.1016/j.jclepro.2016.06.006

Maimbo, S. M., & Zadek, S. (2017). Roadmap for sustainable financial system. *UNEP / World Bank Group,* November. Retrieved from http://wedocs.unep.org/handle/20.500.11822/22283

Mason, M. (2010, August). Sample size and saturation in PhD studies using qualitative interviews. *In Forum: Qualitative Social Research*, *11*(3). DOI: https://doi.org/10.17169/fqs-11.3.1428

Mazutis, D., & Eckardt, A. (2017). Sleepwalking into catastrophe: Cognitive biases and corporate climate change inertia. *California Management Review*, *59*(3), 74-108. DOI: 10.1177/0008125617707974

Mintzberg, H., Ahlstrand, B., & Lampel, J. (2009). *Strategy Safari: A Guided Tour Through The Wilds of Strategic Management*. Harlow: Pearson Education Limited

Montgomery, P., & Bailey, P. H. (2007). Field notes and theoretical memos in grounded theory. *Western Journal of Nursing Research*, *20*(1), 65-79. DOI: 10.1177/0193945906292557

Morse, J. M. (2015). Critical analysis of strategies for determining rigor in qualitative inquiry. *Qualitative Health Research*, *25*(9), 1212-1222. DOI: 10.1177/1049732315588501

Morse, J. M., Barrett, M., Mayan, M., Olson, K., & Spiers, J. (2002). Verification strategies for establishing reliability and validity in qualitative research. *International Journal of Qualitative Methods*, *1*(2), 13-22. DOI: 10.1177/160940690200100202

Nadeem, M., Zaman, R., & Saleem, I. (2017). Boardroom gender diversity and corporate sustainability practices: Evidence from Australian Securities Exchange listed firms. *Journal of Cleaner Production, 149*, 874-885. DOI: 10.1016/j.jclepro.2017.02.141.

Patel, K. (December 19, 2020). A flame still burns. *The Continent, 33*, 3-4. Retrieved from https://bucket.mg.co.za/wp-media/a209b33f-thecontinentissue33.pdf

Patton, M. (ed.) (2002). Chapter 5 Section: Purposive Sampling. In *Qualitative Research & Evaluation Methods* (3rd ed., pp. 230-246). Thousand Oaks, CA: Sage Publications.

Pohling, R., Bzdok, D., Eigenstetter, M., Stumpf, S., & Strobel, A. (2016). What is ethical competence? The role of empathy, personal values, and the five-factor model of personality in ethical decision-making. *Journal of Business Ethics, 137,* 449–474. DOI: 10.1007/s10551-015-2569-5

Porter, M. E., & Kramer M. R. (2019). Creating shared value. In Lenssen, G., & Smith, N. (eds), *Managing Sustainable Business* (pp 323-346). Dordrecht: Springer. DOI: 10.1007/978-94-024-1144-7_16

Porter, M., & Kramer, M. (2011). Creating shared value. *Harvard Business Review, 89*, 62–77.

Porter, M. E. (1980). Industry structure and competitive strategy: Keys to profitability. *Financial Analysis Journal*, *36*(4), 30–41.

Prahalad, C. K., & Hamel, G. (2003). *The core competence of the corporation*. Retrieved from www.hbr.org

Radomska, J. (2014). Linking the main obstacles to the strategy implementation with the company's performance. *Procedia-Social and Behavioral Sciences*, *150*, 263-270.

Raut, R., Cheikhrouhou, N., & Manoj, K. (2017). Sustainability in the banking industry: A strategic multi-criterion analysis. *Business Strategy and the Environment, 26*, 550-568. DOI: 10.1002/bse.1946

Roulston, K. (2010). Considering quality in qualitative interviewing. *Quality Research, 10*(2), 199-228. DOI: 10.1177/1468794109356739

SA National Treasury (2020). *An inclusive financial sector for all: draft for consultation*. Retrieved from http://www.treasury.gov.za/comm_media/press/2020

Santos, F. M. (2012). A positive theory of social entrepreneurship. *Journal of Business Ethics*, *111*(3), 335–351. DOI: 10.1007/s10551-012-1413-4

Sasse-Werhahn, L. F., Bachmann, C. & Habisch, A. (2020). Managing tensions in corporate sustainability through a practical wisdom lens. *Journal of Business Ethics, 163*, 53–66. DOI: 10.1007/s10551-018-3994-z

Schaltegger, S., Hörisch, J., & Freeman, R. E. (2019). Business cases for sustainability: A stakeholder theory perspective. *Organization & Environment*, *32*(3), 191–212. DOI: 10.1177/1086026617722882

Schaltegger, S., & Burritt, R. (2018). Businesses cases and corporate engagement with sustainability: Differentiating ethical motivations. *Journal of Business Ethics*, *147*(2), 241-259. DOI: 10.1007/s10551-015-2938-0

SDG Indicators (2020). *Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development*. Retrieved from https://unstats.un.org/sdgs/indicators/indicators-list/

Slawinski, N., Pinkse, J., Busch, T., & Banerjee, S. B. (2017). The role of short-termism and uncertainty avoidance in organizational inaction on climate change: A multi-level framework. *Business & Society*, *56*(2), 155-185. DOI: 10.1177/0007650315576136

Stacchezzini, R., Melloni, G., & Lai, A. (2016). Sustainability management and reporting: The role of integrated reporting for communicating corporate sustainability management, *Journal of Cleaner Production, 136* (part A), 102-110. DOI: 10.1016/j.jclepro.2016.01.109.

Sull, D. N. (2007). Closing the gap between strategy and execution. *MIT Sloan Management Review*, *48*(4), 30.

Suzuki, L. A., Ahluwalia, M. K., Arora, A. K., & Mattis, J. S. (2007). The pond you fish in determines the fist you catch: Exploring strategies for qualitative data collection. *The Counselling Psychologist*, *35*(2), 295-327. DOI: 10.1177/0011000006290983

Teece, D. J. (2018). Business models and dynamic capabilities. *Long Range Planning*, *51*(1), 40–49.

Teece, D. J. (2010). Business models, business strategy and innovation. *Long Range Planning*, *43*(2-3), 172-194. DOI: 10.1016/j.lrp.2009.07.003

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic management journal*, *18*(7), 509-533.

Thomas, D., Cruse, S., Long, J., Trescott, J., Gupta, A., & Raghunath, A. (2019). The decade to deliver: a call to business action. *The 2019 United Nations Global Compact Accenture Strategy CEO Study on Sustainability*. Retrieved from https://d306pr3pise04h.cloudfront.net/docs/publications%2F2019-UNGC-Accenture-CEO-Study.pdf

Timonen, V., Foley, G., & Conlon, C. (2018). Challenges when using grounded theory: A pragmatic introduction to doing GT research. *International Journal of Qualitative Methods*, *17*(1), 1-10. DOI: 10.1177/1609406918758086

UN Inter-agency Task Force. (2019). *Financing for Sustainable Development Report 2019*. New York: United Nations. Retrieved from https://developmentfinance.un.org/fsdr2019

United Nations (UN). (2020). *The Sustainable Development Goals Report 2020*. Retrieved from https://unstats.un.org/sdgs/report/2020/

United Nations Global Compact (UNGC). (2015). *Guide to Corporate Sustainability*. Retrieved from https://www.unglobalcompact.org/library/1151

Van Marrewijk, M., & Werre, M. (2003). Multiple levels of corporate sustainability. *Journal of Business Ethics, 44*(2), 107-119. DOI: 10.1023/A:1023383229086

Wannags, L. L., & Gold, S. (2020). Assessing tensions in corporate sustainability transition: From a review of the literature towards an actor-oriented management approach, *Journal of Cleaner Production, 264*. DOI: 10.1016/j.jclepro.2020.121662.

Wickert, C., Scherer, A. G., & Spence, L. J. (2016). Walking and talking corporate social responsibility: Implications of firm size and organisational cost. *Journal of Management Studies*, *53*(7), 1169-1196. DOI: 10.1111/joms.12209

World Commission on Environment and Development (WECD). (1987). *Report of the world commission on environment and development: our common future*. Retrieved from http://www.un-documents.net/our-common-future.pdf

Zaid, M. A. A., Wang, M., Adib, M., Sahyouni, A., & Abuhijleh, S. T. F. (2020). Boardroom nationality and gender diversity: Implications for corporate sustainability performance. *Journal of Cleaner Production, 251*. DOI: 10.1016/jclepro.2019.119652

APPENDICES

APPENDIX A - INVITATION EMAIL

Subject line: Request for interview

Dear _______________ (name of participant)

I am conducting research as part of the fulfilment of a Masters in Philosophy (Corporate strategy) degree with the Gordon Institute of Business Science. You have been identified as a potential research participant based on _________________ (a referral from {name} / your profile on {website} / your position in {organisation} /other source of contact).

My research topic relates to sustainability action in the banking sector in South Africa. The interview is expected to last approximately one hour (60 minutes) and will help me understand what it would take to increase the levels of sustainability action in the sector. Your participation is entirely voluntary and you may withdraw at any point, without penalty.

Due to the prevailing safety concerns relating to the COVID-19 pandemic, it is recommended that the research interview be conducted via MS Teams or Zoom. Should you prefer a face-to-face meeting instead, please let me know.

If you have any concerns and would like to contact my supervisor, her details are provided below.

If you are willing to participate, please will you confirm via return email?

Yours sincerely,
Jenny Moore
04909594@mygibs.co.za
076 375 7756

Research supervisor: Dr Jill Bogie
Email: bogiej@gibs.co.za

APPENDIX B - INFORMED CONSENT FORM

Dear _______________ (name of participant)

INFORMED CONSENT FOR PARTICIPATING IN THE RESEARCH OUTLINED BELOW

I am conducting research as part of the fulfilment of a Masters in Philosophy (Corporate strategy) degree with the Gordon Institute of Business Science.

My research topic relates to sustainability action in the banking sector in South Africa.

The interview is expected to last approximately one hour (60 minutes) and will help me understand what it would take to increase the levels of sustainability action in the sector.

Your participation is entirely voluntary and you may withdraw at any point, without penalty.

All data will be stored and reported without identifiers.

If you have any concerns, please contact my supervisor or me. Our details are provided below.

Research name: Jenny Moore
Email: 04909594@mygibs.co.za
Contact number: 076 375 7756

Research supervisor: Dr Jill Bogie
Email: bogiej@gibs.co.za

Signature of participant: ______________________________
Name: ______________________________
Date: ______________________________

Signature of researcher: ______________________________
Date: ______________________________

APPENDIX C - INTERVIEW PROTOCOL

Good morning / afternoon / evening.

As mentioned in my introduction email, I am conducting research on sustainability and sustainability action, in the banking sector in South Africa. Our interview is expected to last approximately one hour. To confirm, your participation is voluntary and you can withdraw at any point, without penalty. Your participation is confidential and only anonymised data will be reported. If you have any concerns about this interview, you may contact my supervisor - her details are provided in the informed consent form that you have signed.

Are you willing to proceed?

Please may I have your permission to record our discussion? The recording will only be used for analysis purposes and will be kept confidential.

	Question
Q1 Introduction	**Can you tell me about your role and how you are involved with sustainability in the banking sector?**
Q2. Antecedents to sustainability position	**Can you tell me what the current view in the banking sector is on sustainability?** **In your experience, what were the factors that led to this position and how has this developed over time?** **What is the role of the different stakeholder groups in shaping this view?** **Probe if needed:** By stakeholder groups, I mean the banks, regulators, sector bodies, sector researchers, investors, policy influencers etc.
Q3. Current sustainability outcomes	**What outcomes are expected from this approach to sustainability?** **Probe if needed:** Can you tell me about any goals, targets or measures of impact that are aligned to the expected outcomes?
Q4. Barriers to outcomes	**In your experience, within the banking sector what are the barriers to those outcomes being realised?** **And are there any barriers to those outcomes, coming from factors outside of the banking sector?**
Q5. Enablers of outcomes	**Within the banking sector, what would enable those outcomes to be achieved?** **Are there any enablers to those outcomes that are dependent on factors external to the banking sector?**
Q6. Current sector actions	**What actions are currently aimed to achieve the expected the sustainability outcomes?** **Who in the sector is responsible for taking this action?** **Probe if needed:** What role does each stakeholder group have in taking action on sustainability? By stakeholder groups, I mean the banks, regulators, sector bodies, sector researchers, investors, policy influencers etc.
Q7. Assessing current actions	**Which actions are working well?** **Which actions are not working well?** **What further action does the sector need to do more of?**
Q8. Aligning action to outcomes	**How are (or how can) the actions and outcomes of the banking sector be evaluated?** **And how is the banking sector being held accountable for its actions and achieving these outcomes?**
Q9. Closing	**Looking ahead, how do you see the sector taking this forward?**

General probes to facilitate the conversation across all questions:

- Could you tell me more about that?
- Could you give me an example of that?

APPENDIX D - CODE BOOK

Table 24: List of codes

Theoretical category	Theme	Code group
Influential stakeholders	External stakeholders	Investors are driving ESG action
		Shareholders agitate for change
		Public activism is growing
		External factors pushing sector
	Regulators	Regulation is not (yet) driving sustainability action
		Regulation, policy and standards will drive action
	Government	Government sets the sector dynamics
		Stable country and economy
		National growth and development
Voluntary frameworks	Catalysts for action	Global frameworks are catalysts for action
		Enhanced financial disclosures are driving action
	Imperfect constructs	Sustainability reporting does not equal sustainability action
		Fragmented frameworks
	Enhancing measurement integrity	Framework consistency
		Africa-specific, contextual data
Sector dynamics	Sector body leadership	Preference for collective action
		Sector bodies need to take the lead
	Catalyst for change	The sector needs a first-mover catalyst
		The sector favours followers
	Bank complacency	Dislike self-promotion
		Traditional, slow to respond, slow to change
		Early stage action and accountability
Sustainability action	Financial inclusion	Main form of current action
	CSI	CSI is not the answer
	Social inequality	Addressing social inequality
Management orientation	Leadership engagement	Sustainability is complex
		Sustainability is not a leadership priority
	Transformational leadership	Transformational leadership
		Developing a social conscience
		Board & Exco profiles
	Empowered people	Organisation structure
		Attracting & equipping talent
Organisation characteristics	Stable profits	No appetite for patient capital
		Façade of incumbent practices and products
	New profit models	New risk and return models
		Mainstream product innovation
	Trusted relationships	Partnerships to accelerate action
		Leveraging banking relationships to shift sustainability

		Increasing value chain transparency
Sustainability embedment	Multinational complexity	Multinational banks balance multiple challenges
		Developed world has an advantage
	New business models	Paradox of scaling new models inside old models
		New value-creation and growth models
		Different business models orientation
	Strategy reset	Embedded in business strategy
		Business and society impact alignment

Source: Author's own

APPENDIX E - ETHICAL CLEARANCE LETTER

Gordon Institute of Business Science
University of Pretoria

Ethical Clearance Approved

Dear Jenny Moore,

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Ethical Clearance Form

Kind Regards

This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.