

**An examination of professional practices for
global sustainable development in banks
of Hong Kong**

by

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Statement of Originality

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Abstract

Hong Kong is an internationally renowned financial center. However, since the global financial crisis in 2008, the current COVID-19 pandemic, its competitive position has been challenged locally, regionally and internationally. Therefore, Hong Kong faces an urgent need to find ways to sustain its leading competitive advantage as an international financial center.

The financial market of Hong Kong is well-known for its stringent rules and regulations, as set by organizations, such as The Hong Kong Monetary Authority (HKMA), Securities and Futures Commission (SFC), The Hong Kong Association of Banks (HKAB), etc. This research focuses on the differences and similarities of professional practices among banking practitioners in their daily decision-making process.

This study examines the current professional practices (regulatory and ethical) and whether sustainability is an integral part of their decision making. The research conceptual framework is derived mainly from three influential theories, namely Archie Carroll's "CSR (Corporate Social Responsibility) Pyramid" (1991), Edward Freeman's Stakeholder model (1984) designed for business strategy by adopting CSR context through engagement and communication with others; and John Elkington's triple bottom line (1994) approach of balancing the economic, social and environmental development. In addition, this study uses the internationally adopted United Nations Sustainable Development Goals (SDGs) as a benchmark for assessing and evaluating the current sustainability activities deployed by the chosen three banks.

This study was conducted on a case study basis. Three chosen renowned international banks which are recognized for their excellence in integrating sustainability-related activities for serving the community. Among the three, two focus on offering retail/commercial services, while the other mainly offers investment products. Two banking practitioners were chosen

from each bank based on their level of serving roles, i.e., frontline-level, middle-level or senior-level, for the research. The participants were each given a background questionnaire sheet which they had to submit prior to attending semi structured interviews. During the one-on-one in-depth open-ended interview meetings, banking practitioners were asked to respond to three research questions, and a scenario workplace environment question. They are designed to examine their daily decision-making process within their assigned daily job roles.

The collected data was the collection of 19 practitioners who represented three authorized banks operated in Hong Kong. Data were analyzed by employing the conceptual tools of NVivo 12 Pro software. The research process includes (1) data collection of key words, e.g., Sustainability, Sustainable Development, Corporate Social Responsibility, Business Ethics, Professional Practices, Ethical Decision Making, Stakeholder and Shareholders from multiple channels of interviews, observations, and documentations; (2) collaborative approach in exploring the current professional practices undertaken by banking practitioners; and (3) inductive-deductive logical reasoning for analyzing data collected from interviewees for within and cross cases analysis.

In this empirical study, it emerged that banking practitioners make decisions on the basis of their own or supervisors' experiences or norms, rather than the existing and ever-increasing rules and regulations. Based on the collected data, it showed that there is an existing miscommunication among different levels of practitioners in their decision-making process. The gaps found among different levels of banking practitioners are from awareness to understanding, and from understanding to application of the respective bank's own sustainability policies and strategies in their daily operational procedures.

Finally, there is a discussion on the different roles played by different banking professionals, governments and regulatory bodies. The importance of these roles undertaken by decision makers at different levels within the key services offered in retail/commercial or

investment banks. The decisions made within these roles whether have direct economic, social, and environmental consequences.

The conclusion and recommendation section emphasizes the importance of communication in promoting sustainable development through training and public education, especially in relation to the personal integrity of each individual within the banking sector for achieving accountability and transparency. This is also in line with the SDG Leadership framework advocated by the United Nations - the PAL (Priority, Act and Learn) approach. This is regarded as the basis for banking practitioners' decisions in delivering holistic sustainable development of banks through continual assessment and evaluation.

The key contribution of this study is, it sheds the light on the important role played by each individual practitioner through the genuine first core of internal staff "stakeholder engagement". It is critical that a clear standard of the holistic sustainable development direction/mission is adopted by Senior management with a well-communicated strategy which involves training and education from awareness to understanding, then further to apply within respective roles in banks.

Keywords: Sustainability, Corporate Social Responsibility, Stakeholder, Business Ethics, Decision-Making, Bank, Training and education.

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List of Abbreviations

Glossary

Legal is defined as (1) a matter related to law or legal issues; (2) pertaining to rights that area based in law (common law or statutory law) as opposed to equity; and (3) lawful; a description of something effectual and proper and which the courts of judicature of the country will recognise and enforce (Chan & Ho, 2004, p.556).

Regulations: Statutory legislation and subordinate legislation made pursuant to an Ordinance, i.e., any proclamation, rule, regulation, order, resolution, notice, rule of court, bylaw or other instruction made under or by virtue of any Ordinance and having legislative effect: Interpretation and the General Clauses Ordinance (Cap 1) s3. (Chan & Ho, 2004, p.826).

Professional Banking Practices (Law/Regulations):

Abbrev.	Full name	Glossary
AML	Anti-Money Laundering	HKMA supervises authorized institutions (AIs) risk management systems for combating money laundering and terrorism financing, under international standards and practices. https://www.hkma.gov.hk
ATO	United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575)	A joint effort by the United Nations organizations for measurement for preventing terrorist acts. https://www.elegislation.gov.hk/hk/cap575
BCBS	Basel Committee on Banking Supervision	The BASEL is a set of international banking regulation launched by the BCBS for the minimum capital requirements of financial institutions with the global credit risks. https://www.bis.org/bcbs/about
CAR	Capital Adequacy Ratio	It is also known as capital-to-risk weighted assets ratio (CRAR). An international adopted measurement of a bank's available capital expressed in percentage of a bank's risk-weighted credit exposures used for protecting depositors and promoting stability and efficiency of financial systems around the world. https://www.investopedia.com/terms/c/capitaladequacyratio.asp
CRS	Common Reporting Standard	To help fight against tax evasion and protect the integrity of tax systems, governments around the world are introducing a new information-gathering and reporting requirement for financial institutions http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/
DPS	Deposit Protection Scheme	All deposits denominated in Hong Kong dollars, renminbi or any other currency deposits held with the Hong Kong offices of a scheme member are protected. The maximum protection is HK\$500,000 per depositor per scheme member, including both principal and interest. https://www.dps.org.hk

FATCA	Foreign Account Tax Compliance Act	An US Act requires foreign financial institutions and certain non-financial foreign entities report on the foreign assets held by their U.S. account holders or be subject to withholding on withholdable payments. (Appendix I) https://www.irs.gov/businesses/corporations/foreign-account-tax-compliance-act-fatca
FATFA	Financial Action Task Force Act	A global money laundering and terrorist financing watchdog for preventing any illegal activities and the harm they cause to society. https://www.fatf-gafi.org/about
HKBL	Hong Kong Basic Law	A constitutional document prescribes various systems for the "One Country, Two Systems", "a high degree of autonomy" and "Hong Kong People administering Hong Kong" under the HKSAR Government. https://www.basiclaw.gov.hk/en/basiclaw/facts.html
HKBO	Hong Kong Banking Ordinance	Regulate and supervise banking and deposits taking business in 1) providing protection to depositors; 2) promoting the general stability and effective operation; and 3) making provisions for the supervision of money brokers https://www.elegislation.gov.hk/hk/cap155
HKEX ESG	Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guidelines	A listing requirement in Hong Kong. ESG refers to the non-financial factors of Environmental (E), Social (S) and Governance (G) issues alongside financial factors in investment decision-making process. Details are stated under the Appendix 27 of the Main Board Listing Rules and Appendix 20 of the GEM Listing Rules. They are focused on the Materiality, Quantitative, Balance and Consistency. (section 1.1.3) https://www.hkex.com.hk
PDPO	Personal Data (Privacy) Ordinance (Cap. 486)	to protect an individual privacy in relation to data, and any matters incidental thereto or connected therewith. https://www.elegislation.gov.hk/hk/cap486
SFA	Securities and Futures Authority	A self-regulating organization that regulated and arranged deals in stocks and shares, futures, options on securities and on foreign exchange. https://uk.practicallaw.thomsonreuters.com

Professional Banking Practices (Ethical-related or Sustainability-related terminologies/practices):

Abbrev.	Full name	Glossary
AA1000SA	AccountAbility 1000 Standard Assurance	A standard for assuring and strengthening the credibility and quality of an organisation's non-financial report in social, economic and environment. https://www.investopedia.com

BE	Business Ethics		A study of appropriate business policies and practices, e.g., corporate governance, insider trading, bribery, discrimination, corporate social responsibility, and fiduciary responsibilities. (section 2.2.1, Appendix J(1)) https://www.investopedia.com
CSR	Corporate Responsibility	Social	A self-regulating business model by which company be held socially accountable to all its stakeholders, including itself, shareholders, the general public (the society). It is commonly regarded as Sustainability, Sustainable Development or Corporate Citizen (section 2.2.1, Appendix J(1)) https://www.investopedia.com
ECI	Earth Charter Initiative		It is also called as “Earth Charter Movement”. A global voluntary network of people, organizations, and institutions that participate in promoting and implementing the values and principles of the Earth Charter. It is a declaration of fundamental ethical principles for building a just, sustainable, and peaceful global society in the 21st century. https://earthcharter.org/about-the-earth-charter/faqs/#ec2
ESD	Education for Sustainable Development		It is recognized as an integral element of Sustainable Development Goal (SDG) No.4 on quality education and a key enabler of all other SDGs. https://en.unesco.org
EP	Equator Principles		Financial institutions commonly adopted risk-based management framework. It is used to assess and manage potential environmental and social risk associated with projects involved. There are 10 principles as a minimum standard for due diligence decision making. (Appendix A(7)) https://equator-principles.com
ESG	Economic, Social and Governance:		An international standards/guidance for corporations’ non-financial performance in Economic, Social and Governance for business execution in a sustainable way. https://www.investopedia.com
GISD	Global Investors for Sustainable Development (GISD) Alliance		Members of the private organization, who are the leaders of world’s investment and business community. They work together and give advice on removing impediments and implementing solutions for scaling up long-term investment for SDGs. (section 3.2.3.2) https://www.gisdalliance.org

GRI	Global Reporting Initiatives		An internationally adopted reporting standards for accounting businesses and organisations' impacts on society (section 1.1.3) https://www.globalreporting.org
ISO26000	International Organization for Standardization (ISO) 26000: Social Responsibility		Defined as the international standard developed to help organizations effectively assess and address social responsibilities in aspects of operations and processes; and to customers, employees, communities, and other stakeholders; and for the economic, social, and environmental impacts. (Appendix A(1)) https://www.iso.org/iso-26000-social-responsibility.html
RBC	Responsible Conduct	Business	It complies with laws in respecting human rights, environmental protection, labour relations and financial accountability. Its voluntary initiatives are often referred to as corporate social responsibility (CSR). (Appendix A(3)) https://www.oecd.org
SD	Sustainable Development		Sustainable development was described by the 1987 Brundtland Commission Report as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” It refers to the development processes and pathways to achieve long-term sustainability. (section 2.2.1, Appendix J(1)) https://en.unesco.org
UNEP FI	United Nations Environmental Programme Finance Initiatives		It is a partnership between UNEP and the global financial sector to mobilize financial issues in private sector for sustainable development. (section 2.3) https://www.unepfi.org/about
UNESCO	United Nations Educational, Scientific and Cultural Organization		It is the leading organization responsible for the coordination of the ESD for 2030 Framework. (section 2.2.1.2) https://en.unesco.org/themes/education-sustainable-development
UNGC	United Nations Global Compact		A voluntary initiative to implement universal sustainability principles and take steps to support UN goals. (Appendix A(2)) https://www.unglobalcompact.org
UN MDG	United Nations Millennium Declaration Goals		There are 8 goals that UN Member States have agreed to try to achieve by the year 2015. From 2016, its goals were embedded into the UN Sustainable Development Goals. (Appendix A(5)) https://www.un.org/millenniumgoals
UN PRI	United Nations Principles of Responsible Investment		An independent organization encourages investors to use responsible investment to enhance returns and better manage risks through six Principles for Responsible Investment for incorporating ESG issues into investment practice. (Appendix A(6)) https://www.unpri.org/pri/about-the-pri

UN SDGs	United Nations Sustainable Development Goals	Known as the Global Goals adopted by the United Nations in 2015 to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. 17 SDGs are integrated for the balanced social, economic, and environmental sustainability. (Table 1, section 1.1.3.1) https://www.undp.org/sustainable-development-goals
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Professional Practices (general guidelines commonly adopted in Banking Industry:

Abbrev.	Full name	Glossary
ABC	Anti-Bribery & Corruption	The applicable laws and regulations on protection against any bribery and corruption.
AGILE	IT Software development tool	A set of practices intended to improve the effectiveness of software development professionals, teams, and organizations.
CDD	Customer Due Diligence	A process of knowing customers and performing checking who they are and what they claim for the account application.
KYC	Know your customers	A standard in the investment industry ensuring investment advisors know detailed information about their clients, risk tolerance, investment knowledge, and financial position. https://www.investopedia.com/terms/k/knowyourclient.asp
L/C UPC	Letter of Credit	A letter issued by bank to guarantee a buyer's payment to seller will be received up to a stated amount, within a prescribed time. https://www.tradefinanceglobal.com
TOGAF	The Open Group Architecture Framework (TOGAF)	The most used framework for IT enterprise architecture approach for designing, planning, implementing, and governing. https://en.wikipedia.org/wiki/The_Open_Group_Architecture_Framework

Regulatory and Financial-related Bodies

Abbrev.	Full name	Glossary
CBIRC	China Banking and Insurance Regulatory Commission	A regulatory organization set up in 2018 after the merger of the China Banking Regulatory Commission and the China Insurance Regulatory Commission 1) supervising banking and insurance institutions in China and their market conduct; 2) maintaining fair competition in the banking and insurance sectors; and 3) protecting the legitimate rights and interests of stakeholders including depositors and insurance policyholders. https://www.cbirc.gov.cn
CBRC	The China Banking Regulatory Commission	An agency of the People's Republic of China (PRC) authorised by the State Council to regulate the banking sector of the PRC except banks

		operated in the territories of Hong Kong and Macau. https://www.centralbanking.com
CRS	Common Reporting Standard	An international standard set by OECD for financial institutions to report taxpayer's information and related common due diligence procedures. https://www.oecd.org
HKAoF	Hong Kong Academy of Finance	Set up with full collaboration amongst the Hong Kong Monetary Authority, the Securities and Futures Commission, the Insurance Authority, and the Mandatory Provident Fund Schemes Authority. It brings the joint effort from academia, the financial industry, professional training institutes and the regulatory community to develop leadership and promote research collaboration for sustainable development. https://www.hkma.gov.hk
HKAB	The Hong Kong Association of Banks	It was set up in 1981 and governed under the Hong Kong Association of Banks Ordinance, Cap.364 ("Ordinance"). It provides a framework for the Government to exchange views with the banking sector for the further development of the industry. https://www.hkab.org.hk
HKEX	Hong Kong Stock Exchange	It is owned (through its subsidiary Stock Exchange of Hong Kong Limited) by Hong Kong Exchanges and Clearing Limited. https://www.hkex.com.hk
HKIB	The Hong Kong Institute of Bankers	The first not-for-profit institution provides training and certification services to the banking community in Hong Kong since 1963. https://www.hkib.org
HKIMR	Hong Kong Institute for Monetary and Financial Research	It was established by the HKMA in August 1999. It has been carrying out research in the fields of monetary policy, banking and finance that are of strategic importance to Hong Kong and the Asia region. https://www.hkma.gov.hk
HKMA	The Hong Kong Monetary Authority	It acts as the central banking institution in Hong Kong. Under the statutory mandate, it provides services to the financial community and Hong Kong. https://www.hkma.gov.hk
IA	Insurance Authority	An independent of both the Government and the insurance industry. It provides an efficient, modernized regulatory regime to promote the global competitiveness and sustainability of the Hong Kong insurance industry. https://www.ia.org.hk
ICAC	Independent Commission Against Corruption	A governmental organization provides three-pronged approach of law enforcement, prevention, and community education to fight corruption since 1974.

ISO	International Organization for Standardization	https://www.icac.org.hk An international standard agreed by experts as a formula described the best way of doing something. It covers a huge range of activities in making product, managing a process, delivering a service, or supplying materials https://www.iso.org
MPFA	The Mandatory Provident Fund Schemes Authority	A statutory body established under the Mandatory Provident Fund Schemes Ordinance (MPFSO). To regulate and supervise the operations of MPF schemes and occupational retirement schemes. It is abbreviated as MPF (Mandatory Provident Fund) is a compulsory saving scheme (pension fund) for the retirement of residents in Hong Kong. https://www.mpfa.org.hk
OCC	The Office of the Comptroller of the Currency	A regulatory organisation to 1) ensure national banks and federal savings associations operate in a safe and sound manner, 2) provide fair access to financial services, 3) treat customers fairly, and 4) comply with applicable laws and regulations. https://www.occ.treas.gov
OECD	The Organisation for Economic Co-operation and Development	An international organisation that works to build better policies for better lives. https://www.oecd
SFC	Securities and Futures Commission	An independent statutory body set up in 1989 to regulate Hong Kong's securities and futures markets. https://www.sfc.hk/en

General Terms used for this paper

Abbrev.	Full name	Glossary
AI	Authorized Institutions	Included bank, a restricted licence bank or a deposit-taking company authorized under the Banking Ordinance. www.hkma.gov.hk
B1	Bank 1	Mainly offers mainly retail/commercial banking services.
B2	Bank 2	Mainly offers mainly retail/commercial banking services.
B3	Bank 3	Mainly offers mainly investment banking services.
CPD	Continuing Professional Development	A common term used to describe professional learning and training activities for developing and enhancing skills and abilities.
EdUHK	The Education University of Hong Kong	A publicly funded tertiary institution dedicated to the advancement of learning and teaching, through a diverse offering of academic and research programmes on teacher education, complementary social sciences, and humanities disciplines. https://www.eduhk.hk/en/about



fl	Frontline-level	Abbreviation for frontline-level interviewees of the selected banks.
ml	Middle-level	Abbreviation for middle-level interviewees of the selected banks
ml-trt	trial-run tester	The first interviewee as the trial tester of the whole research process exercise, including the two sessions of questions tested.
PP	Professional Practices	Refer mainly to the regulatory (including legal) and ethical practices in this study.
RQ	Research Questions	There are three main research questions throughout this study.
sl	Senior-level	Abbreviation for senior-level interviewees of the selected banks
TBL	Triple Bottom Line	It was advocated by John Elkington, also known as 3P: Prosperity (economic), People (social) and Planet (environment). An accounting framework for assessing non-financial performance of corporation. (1.1.3.1, figure 1)

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Chapter 1: Introduction of the Study

This EdD study analyses the current professional (regulatory and ethical) practices undertaken by existing banking practitioners in their daily operational decision-making processes in Hong Kong. Subsequently, it examines whether the existing professional practices in the Hong Kong banking sector progresses towards sustainability with regard to the benchmark of the Sustainable Development Goals (SDGs) set by the United Nations (UN).

Hong Kong, as a renowned international financial center, complies not only with local regulatory requirements but also with the professional practices applicable in international markets. Following the previous two financial crises, regionally within Southeast Asia and worldwide in 1997 and 2008, respectively, a number of regulatory compliance requirements were released internationally and locally. They aimed to restore or maintain the resilience of Hong Kong's banking system. The well-known examples are BASEL framework against global market risk and The Organization for Economic Co-operation and Development (OECD) due diligence for responsible business conduct.

Although there are many guidelines to direct the financial system onto the right track, some professional economic/financial experts predict that there will be another wave in the ten-year cycle (Arner, *et. al.*, 2010). It raises the question of how banks can truly and sustainably be developed after these lessons learned without falling into similar risky traps again. As observed from banks' activities more attention has been paid to Corporate Social Responsibility (CSR) after the financial crises in the past 10 years. The focus is mainly on philanthropic services to the community by way of donations, environmental protection, sustainable consumption, treating employees fairly for providing a 'fair and responsible platform', as repeatedly advocated by local and international banks. Much attention is also paid to

sustainable banking products, with labels such as ‘socially responsible investment’, ‘responsible banking’ and ‘green financing’.

Banks are pursuing their business while maintaining activities to sustain or protect their brands; some have even received top awards for ‘successful’ sustainable activities. It is noteworthy that some banks have received both local and international awards for their sustainable programs, namely, ‘Bank for CSR in Hong Kong’ by Asiamoney, ‘Caring Company Award’ by Hong Kong Council of Social Services, ‘Hong Kong Outstanding Corporate Citizenship Awards’ by Hong Kong Productivity Council. On the other hand, however, some were embroiled in business scandals and even court cases regarding misconduct of banking practitioners involved in stealing clients’ money: some were subject to civil prosecutions in the High Court. All these unfavourable news have not only ruined banks’ reputations but also shook or even eroded the indispensable trustful relationships between practitioners and clients.

In addition, in recent years, Hong Kong banks have faced various threats locally and internationally. There was the outbreak of the ‘social movement’ in June 2019, potential trade wars and mounting competition caused by globalization, and the current COVID-19 pandemic which caused severe disruptions to the economy and affected people’s livelihoods. There was a sharp drop of 3.5 percent in GDP in the third quarter of 2020 compared with a year earlier (Hong Kong Census and Statistics Department, 2020). In view of the above threats, leaders in the banking sectors have sought to identify possible ways to enable the sector to grow in a sustainable way. Furthermore, China’s advocacy of the ‘One Belt, One Road’ policy launched since 2013, and the international SDGs released by the United Nations in 2015 pose fresh strategic challenges for Hong Kong. In fact, a new direction for sustainable growth as remarked

by the Chinese Academy of Social Sciences (CASS) first published its Corporate Social Responsibility (CSR) Blue Book in November 2011 in China (Wei, 2019).

All these raise the question of how Hong Kong's banking sector can remain in a leading position in the region, under such a challenging environment. Internationally, banks commonly follow the guidance set by the UN's SDGs for sustainability. The objectives explicitly guide institutions along the path towards sustainable growth and success.

This empirical research study is intended to explore and examine whether existing professional practices (regulatory or ethical) within the banking sector are aligned with the goals of sustainable development. The study focuses mainly on two internationally well-recognized theories, Carroll's Corporate Social Responsibility (CSR) Pyramid Theory (1991) and Edward Freeman's Stakeholder Theory (1984), based on the fundamental perspectives of John Elkington's Triple Bottom Line (TBL) in economic, social and environment (1994). It also examines and evaluates whether banking practitioners recognize differentiation between (1) regulatory (legal) and ethical; and (2) interests between shareholders and stakeholders, as the basis for the genuine and holistic sustainable development.

In their daily work, regardless of their ranks, interviewees have to make decisions, trivial or major depending on the amount of money involved. It is, therefore, essential to explore the practices/guidelines or codes currently implemented and successfully adopted by banking practitioners. The next step is to consider whether these professional guidelines were well-written, well-communicated, and effectively applied and implemented in banks of Hong Kong, and whether they are aligned with international standards. Under the current economic pressure, truly professional practices are needed to sustain Hong Kong's status as an international

financial center. However, are these international practices and guidelines genuinely followed by all banking practitioners in Hong Kong?

In the past few decades, many international standards have been advocated by the United Nations. They are commonly known and adopted as ISO26000 (**Appendix A(1)**), United Nation Global Compact (UNGC) (**Appendix A(2)**), and OECD Responsible Business Conduct (RBC) (**Appendix A(3)**) and SDGs (**Diagram 1**, section 1.1.3.1) towards global sustainability. What are the identified genuine driving forces for these professional practices in the existing banking sector of Hong Kong?

This study was guided by the following three main research questions (RQs):

1. What are the current professional (regulatory and ethical) practices adopted by banking practitioners in Hong Kong, especially in their daily operational business decisions?
2. In what ways are these practices aligned with internationally recognized guidelines for “Sustainability in Banks”?
3. How can the professional practices be improved for global sustainable development in banks of Hong Kong through public education and in-house training?

This empirical study employs a qualitative case study approach involving 19 banking practitioners serving in three banks. According to Yin (2014), if the study focused on the ‘how’ and ‘why’ research questions, a multiple case-study approach can be adopted. In this research, interview questions were tailor-made in accordance with each analyzed bank’s CSR/sustainability reports under section 3.2.3.2 to reflect respective professional banking practices.

The whole interview process was conducted in a semi-structured one-to-one manner, either face-to-face or by phone. Each interview lasted approximately 1 hour and 5 minutes (for a total of 1,226 minutes for 19 interviewees) comprising two sessions. The first three RQs generally focused on the daily operational procedures undertaken by banking practitioners, while the other was a scenario case study to test the interviewees' genuine knowledge application in the process of decision-making in similar working environments.

To maintain a balanced, unbiased and diversified examination of each case study, participants were recruited mainly through referrals. The banks they work for mainly offer either retail/commercial or investment banking services. They are all licensed banks registered under the Hong Kong Monetary Authority (HKMA), incorporated outside Hong Kong but operated through branches in Hong Kong.

Within the same bank, there were in-depth interviews across three levels – (1) frontline, (2) middle and (3) senior – to compare their levels of awareness and understanding of existing professional practices and regulatory guidelines implemented in their respective banks. Two practitioners were drawn from each chosen bank for each level based on their daily duties and roles. Afterwards, a cross bank analysis was conducted for identifying any similarities and differences among three chosen banks in Hong Kong.

The findings not only provided a picture of genuine daily professional banking practices in Hong Kong but also highlighted the existing gaps in communication and application systems. There were different levels of awareness, understanding and application of rules and regulations among interviewees within banks or across the three chosen banks in Hong Kong.

This study contributed to the academic literature by highlighting the important role banking practitioners play and recognizing the important role of education or training in academic and business organizations. It has far-reaching implications for the sustainable development of the banking industry in a competitive financial market in Hong Kong.

1.1 The background of the research

Hong Kong is a leading international business and financial hub. It has one of the highest concentrations of banking institutions in the world – approximately 70 of the world’s hundred largest banks operate in Hong Kong (Hong Kong Monetary Authority, 2020).

In fact, the financial sector is one of the four keys industries in Hong Kong. According to the Census and Statistics Department (2020), the total number of people employed in the financial services sector was 272,600 (**Appendix B**), and overall added value amounted to HK\$581.3 billion (**Appendix C**). There is an increasing GDP contribution trend from financial services, rising from 17.7 percent in 2016 to 21.20 percent in 2019, of the total value added among the four key industries (financial services, tourism, trading & logistics, and professional & producer services). The specific contribution from banking of the overall Hong Kong GDP rises from 11.2 percent in 2016 and 13.40 percent in 2019. As data proven that the banking sector plays a pivotal role within the entire financial services contribution in both the total value generated and employment provided for the society. This development trend is tabulated under section 1.1.2 (Hong Kong Census and Statistics Department, 2020). (**Appendices B and C**)

Operationally, Hong Kong’s banking industry is under a three-tier system: licenced banks, restricted-licence banks and deposit-taking companies operating under a separate Banking Ordinance (Cap.155) (Hong Kong Monetary Authority, 2019, Hong Kong e-legislation 2019).

Collectively, they are known as authorized institutions (AIs). All banks are regulated and governed under the de facto Central Bank of the HKMA. They are managed under their respective operational systems; licenced banks have the largest share, accounting for over 90 percent of the total business receipts and other income of the banking industry (Hong Kong Monetary Authority, 2020).

In view of its importance, I focus specifically on the ‘licenced’ banks of authorized institutions in this study. They are authorized for business operation under the Hong Kong Banking Ordinance (HKBO) for deposit taking. This banking sector accounts for 13.40 percent of the total GDP added value under the four key industries in Hong Kong 2019. (Appendix C). Therefore, its sustainable development is crucial for Hong Kong’s overall social sustainability and stability.

According to the HKMA, this kind of specialized structural framework of the Hong Kong banking system is designed to provide full and wide protection for depositors, with the ultimate aim of promoting social stability and effectiveness. However, in 2019, there was an outbreak of social unrest, and the coronavirus pandemic in the following year in Hong Kong. It has not only slowed down economic growth but also created an urgent demand for maintaining sustainability in the banking sector. This unrest and the pandemic dealt a heavy blow to Hong Kong’s economy, while banks’ clients were burdened with repayment of mortgages or suffered losses in the stock market.

Moon (2007) echoes the existing relationship between society and business, emphasizing the importance of sustainable business development to stability within any society. Bansal & Song (2017) also hold the same view, addressing the issue from the perspective of Corporate

Social Responsibility and Sustainability. Maintaining banks' sustainability is hence vital for ensuring the stability of Hong Kong's economy, especially under the current difficult economic environment.

1.1.1 The survival of the Hong Kong banking system during a financial crisis period

Historically, Hong Kong's banking system has been challenged by several major global incidents. A well-known example is the 1997 Asian economic crisis, which revealed the weakness in corporate governance of the banking system within countries in Asia. The reported insider dealing and corruption in Thailand, Malaysia, South Korea and Indonesia led to inefficient investment spending and further weakened the stability of the banking system (Radelet, et. al., 1998) there. The Hong Kong government stabilized the monetary system by pegging the Hong Kong dollar to the American dollar and avoided a further breakdown of the banking system in Hong Kong.

In 2008, the global financial crisis happened. It is commonly seen as being the result of the subprime mortgage crisis reported in the US market. Its ripple effect spread further to the UK and the rest of the world. Fassin and Gosselin (2011) reported that this global financial crisis had been unprecedented since the 1930s. Following such a significant failure in the US banking system, a number of giant financial institutions collapsed; for example, Lehman Brothers and AIG in the USA, and Northern Rock and other banks in the UK. Faced with such a big challenge, the American and British governments were forced to stabilize the system by adopting specific bailout strategies using taxpayers' money (Kemper & Martin, 2010). It was commonly agreed that banks were 'too big to fail' in any country. What happened proved the important role banks played in any society.

In fact, the huge global crisis had a big impact on Hong Kong's financial services sector. It caused Hong Kong investors (though they called themselves 'depositors') to suffer huge financial losses. Notorious financial investment products described as the 'Lehman Brothers minibonds saga' swept through some big banks in Hong Kong, for example, the Bank of China (BOC), Citibank, DBS (The Development Bank of Singapore Ltd.), Hang Seng Bank, and HSBC (The Hongkong and Shanghai Banking Corporation Limited). All these evidenced the long-term impact initiated by some banking practitioners' unethical behavior while affecting the overall banking industry around the world. It soon became clear that there was an urgent need for adequate bank regulation and supervision for financial institutions (Klomp & de Haan, 2012). However, another school suggested the need for a higher standard of professional and ethical behavior among banking practitioners (Wood, 2019).

Although the above two global financial crises were not initiated within the Hong Kong banking system, they had a profound impact on the Asian financial markets and on countries around the globe. Being an international banking hub in the Asia-Pacific region, Hong Kong was also severely affected in its financial development. Some financial analysts explicitly commented that the sale of those toxic products/services of 'Lehman Brothers minibonds' clearly revealed the lack of proper oversight by the two top regulatory bodies, namely the HKMA and SFC. There was the common view that loopholes existed in the dual-control systems within the financial sectors, in relation to banking and investment.

Practically, the HKMA mainly monitors the daily transactions of financial products by banking institutions, while the SFC is responsible for approving all structured financial products tradeable in Hong Kong's financial market. Some financial experts also blamed gaps

in communication and lack of cooperation between different parties, thus undermining protection for customers.

In fact, the major issue was the sale of ‘minibonds’ products at the traditional retail/commercial banks. Buyers, regardless of whether they were ‘investors’ or simply called ‘depositors’, bought those financial products named ‘bonds’. Some buyers, in fact, were unaware of the real product nature and their investment-related risks. In addition, when buying these high-risk products at the counter of traditional retail/commercial banks, buyers were given misleading information. Many buyers declared that they had been misled to believe those products offered guaranteed stable returns.

In September 2008, following the filing of Lehman Brothers’ bankruptcy order in the USA, all these ‘income-guaranteed’ financial products, minibonds, accumulators, etc. were proved to be valueless. A huge amount of investors’ money evaporated instantly, together with their long-built trust and confidence in the banking practitioners. This was not limited to those banks selling these types of products in Hong Kong but also extended to the banking industry around the globe.

This incident awakened the public and proved that even if there was a failure of any one single bank in any country, its impact directly affected the financial system across countries. It is mainly due to the existence of interdependency and inter-relatedness within banking systems in different countries under the sphere of globalization. Apart from the observed impacts, the worst thing was that the long-established, treasured trusting relationship among buyers (whether cash depositors or financial investors), shareholders, bankers, and governments was eroded in the wake of the incidents. It revealed the loss of credibility in banks (Bravo *et al.*,

2012) while the general public always regards financial platforms as the quickest channel for building up power and wealth. And the daily operational decisions made by banking practitioners could have huge implications for the general public. Walker (2011) once raised the concern that banking practitioners' decisions could affect the sustainable growth of their own banks, and further the stability within their home countries.

Banking practitioners, however, face all sorts of challenges and temptations. This was emphasized by Zinkin (2014), who cited the importance of having regulations to protect banks from any actions by unethical and irresponsible decision makers. As known, all institutions are ultimately operated and managed by their staff, especially through those influential and profound leaders' instructions/directions for their decision making. These are clearly affected by others, not only in the home country but also in other countries, as showed by the global financial crises. Similar approaches are explained in the Stakeholder Management theory advocated by Robert Edward Freeman (1984) in his essay 'Strategic Management: a Stakeholder Approach'.

Hunt *et al.* (2019, p.104) remarked that "corporations ought to have a moral commitment towards society in return for their so-called 'license to operate' which allows shareholders to enjoy corporate profits" rather than the traditional pursuit for value maximization (shareholder theory) in the short term. Corporations therefore are directed to seek a stakeholder management approach as advocated by Freeman for sustainability, rather than solely for shareholder perspective.

The Stakeholder Theory is the most challenging management in the banking sector because banks specifically deal with various types of stakeholders due to their business models. In practice, practitioners' decisions through materiality (priority) setting are the direct driving force for their sustainability strategies. Therefore, this research was designed by adopting Carroll's Pyramid (1991) and Freeman's Stakeholder Theory (1984) based on John Elkington's Triple Bottom Line (1994) perspectives as the research framework.

For any banking practitioner, therefore, regardless of their ranks in banks, the impact of their decisions cannot be understated because of their roles in handling their clients' money through their banks, especially by those in senior positions. Under the generally accepted corporate social responsibility perspective, bank leaders are expected to serve their clients and societies fairly and reasonably, rather than solely for their own banks' interests by all means for profitability. Bankers' decisions are therefore closely and directly related to their professional practices by complying with daily operational policies or guidelines. This was clearly stated in the HKBO and HKMA rules and regulatory guidance. In fact, in 2014, the HKAB advocated serving the community through their professional knowledge and expertise is their mission.

Practically speaking, banks are operated under an inherently asymmetric information environment; therefore, practitioners are expected to exercise a very high standard of fiduciary duty (duty of trust and duty of care). Banking practitioners have to be accountable to their clients' interests in everyday transaction activity under any circumstances. This is well-defined under the Fiduciary Duty in the 21st Century program (2018) by the United Nations. Leaders' loyalty and prudence are exercised to act with great care, skill and diligence in good faith for the interests of beneficiaries and clients. In addition, Plato-Shinar (2019, p.214) emphasized,

“fiduciary duty of banks is not an altruistic duty, but rather a legal instrument designed to ensure a basic level of professional ethics in the activities of the banks”. This proves to be the very important role played by decision makers for providing a stable market environment for a sustainable and harmonious society in any country (Bakan, 2005). In Macey & O’Hara’s findings, it is argued that “banks dictated a heightened ‘duty of care’ for bank directors” (2016, p.85).

Apart from the above discussed financial-related gaps within banking practitioners and the general public’s expectation, the number of repeatedly reported ‘failures’ in banks contributed to social unrest globally. One of the most striking examples followed the failure of the financial sector in 2011, when there was a demonstration by people against local governments and banking systems in Wall Street, New York. The discontent received global attention and spawned a surge in the movement against economic inequality worldwide. Subsequently, such unrest extended to Hong Kong in 2014, with what was known as the ‘Occupy Central’ or the ‘Umbrella Movement’. This further triggered different stakeholders, e.g., government officials, businessmen, educators and parents, to examine or evaluate the different systems in different sectors, especially economic and financial, education, and family, whether they are conducive to the sustainable development of the entire Hong Kong society.

Logically, academic scholars asked what the root causes of such chains of incidents/social unrest were. What can we do to rectify this situation to guide us back to a harmonious society? One is reminded of Bowen’s remark: “the obligations of businessmen are to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (1953, p.6). Based on what he advocated, there is an intimate relationship between business and society. Businessmen’s

decisions imply the values they hold, and their subsequent impacts affect directly not only one's own society but also globally due to the chain effect as evidenced in the historical development of the banking industry of Hong Kong. This special relationship between the business and the sustainable development of society is also advocated by Moon (2007) and Bansal & Song (2017), as discussed in the paragraphs above.

1.1.2 The relationship between organizational financial performance and sustainability

In the conclusive findings of Ziolo and her team, “finance and financial markets are the engine of sustainability.” (Ziolo *et al.*, 2020, p.1507). This echoes what the United Nations Environmental Program Financial Initiative (UNEP FI) stated that financial institutions have to integrate environmental, social and corporate governance (ESG) factors into the decision-making process (Ziolo *et al.*, 2020, p.1508) for sustainability.

In addition, Azmi *et al.* and his team concluded that “bank value” in emerging markets was affected by its “ESG related banking activities” (2020, p.16). This was also referred to by Buallay (2019) the positive relationship between the ESG disclosure and financial performance through corporate reputation and image (Bravo *et al.*, 2012) enhancement, significant competitive advantages are achieved (Porter & Kramer, 2006) and risk management eliminated. This echoed the advocacy of RBV (resource-based value) scholars, that CSR engagement creates assets in tangible (e.g., ‘best practices’) and intangible (e.g., reputation) values from a long-term perspective.

Following the global financial crisis, social instability and the subsequent economic downturn, organizations are further challenged by the development of innovative technology, therefore, all these call for a greater demand for trust-based activities. Jain & Jumde, 2020 clearly stated there is a similar perspective upheld for the positive relationship between sustainability/CSR and risk management. Those sustainability/CSR related activities are referred not “merely expenditure but are also investment and management strategies that can enhance corporate performance and value” (Cho *et al.*, 2019, p.20; Friede, Busch & Bassen (2015) and further on branding and reputation issues in the long run. According to the findings of Cho and his team, “corporations can maintain good relationships with various stakeholders, and ultimately expect improvement in economic performance” (Cho *et al.*, 2019, p.1) through involvement of those sustainability/CSR related activities.

As a result, “CSR improves the firm’s bottom line” (Tang, Hull & Rothenberg, 2012, p.1294). Cosma *et al.* (2020) shared the effective way of engaging stakeholders in non-financial disclosure to “gain, maintain, and repair reputation” (p.3). Therefore, the key for sustainable success lies in the meaningful communication engaging with stakeholders within institutions (Purnell & Freeman, 2012).

From a strategic management perspective, ‘sustainability’ is used to describe the sustainable competitive advantage of organizations (Porter, 1998). Ardichvili (2012, p.875) further regarded “human resources, knowledge and intellectual capital as the dominant key sources for long-term, sustainable competitive advantage”. Managers are therefore advised “to take care of ‘internal’ dimensions such as Governance, Diversity, and Employee Relations before ‘external’ dimensions such as Community, Environment, Human Rights and Product” (Tang, Hull & Rothenberg, 2012, p.1297).

From a bank's internal regulatory perspective, Ziolo *et al.* (2020, p.1508) further described that environmental risk “must be taken into account with respect to their own ethical guidelines, prestige, and reputation risk”. Enterprises preferred to “co-operate with an ethical bank due to image-related premises” (*ibid.*, p.1515). Docherty *et al.* argued that “sustainability ... encompasses three levels: the individual, the organizational and the societal. Sustainability at one level cannot be built on the exploitation for the others” (2002, p.12). It is exactly matched with the definition of the United Nations Brundtland Report (World Commission on Environment and Development, 1987), “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

1.1.3 Current global and local urge for sustainable development

1.1.3.1 Sustainable Development Goals embedded with international standards advocated by the United Nations

Global financial crises not only reveal existing loopholes in banking systems but also erode trust and confidence among the general public and banking practitioners. This directly affects the existing stability of financial sectors and societies.

Faced with a growing demand for a high degree of integrity and fairness among banks and practitioners, senior management is urged to take up “responsibility and accountability” (Cosma *et al.*, 2020, p.2) to stakeholders for societal stability from the perspective of sustainability. Thus, on 25 September 2015, global leaders from 193 UN countries gathered at the United Nations General Assembly and mutually agreed to launch universally applicable guidelines, which are stipulated under the United Nations' Sustainable Development Goals (UN SDGs) for a period of 15 years (2015 to 2030) (**Diagram 1**).

Diagram 1

The Seventeen Sustainable Development Goals (SDGs) by the United Nations



The above diagram shows the 17 SDGs, with 179 detailed targets that have formed a globally agreed sustainability framework specifically designed to protect the planet (environment) while ending poverty (social) and ensuring peace and prosperity (economic) by driving communities internationally. These goals have been adopted voluntarily by global leaders rather than legally enacted/imposed. Their main focus is on three key development perspectives in *economic*, *social* and *environmental* (known as the triple bottom lines) for the next few decades, 2015–2030 (Keitsch, 2018). Keitsch’s analysis focused on the positive or negative impacts of business leaders’ decisions in the global community in respect of economic, social and environmental perspectives. The summary of the initial analysis is tabulated in **Table 1** (below). They show the explicit goals with respect to commonly adopted economic, social and environmental international standards.

Table 1***Analysis of 17 SDGs in TBL (Economic, Social and Environmental) perspectives***

(UNGC, 2017)

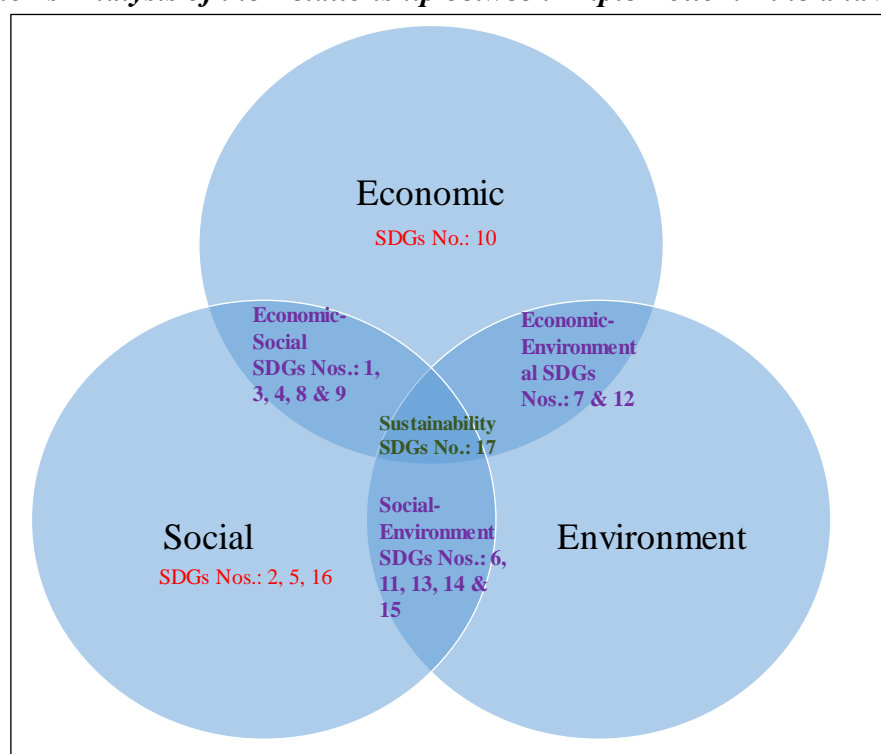
Goal No.	Contents	Explicated KEY Sustainable Area(s)	Positive impact	Eliminate negative impacts
1	No Poverty: investing in growth in economic and social	Economic & Social	2,3,4,5,6,8,9,10,13,15,16	13,14,15
2	Zero Hunger: Eliminating Hunger	Social	1,3,4,5,8,9,13,15	3,6,8,13,14
3	Good Health and Well-Being: investing in growth in economic and social	Economic & Social	1,2,4,5,6,8,14,15	8,12
4	Quality Education: investing in growth in economic and social	Economic & Social	1,2,3,5,6,8,10,16	5,10
5	Gender Equality: valuing diversity and inclusion	Social	1,3,4,8,10,16	N/A
6	Clean Water and Sanitation: Develop and implement holistic water strategies	Environmental & Social	1,3,4,5,8,14,15	2,7
7	Affordable and Clean Energy: promoting business with natural resources	Economic & Environmental	1,3,8,9,10,11,13,	1,2,10,15
8	Decent Work and Economic Growth: investing in growth in economic and social	Economic & Social	1,2,3,4,5,10,16	10,13,14,15
9	Industry, Innovation and Infrastructure: reinforcing management of environmental and social risks	Environmental & Social	2,6,7,11,12,13	5,10,13,14,15,16
10	Reduced Inequalities: supporting growth	Economic	1,2,3,4,5,8,13,14,15,16	13,14,15
11	Sustainable Cities and Communities: reducing our environmental impacts	Environmental & Social	3,4,7,8,9,10,13,15	1,2,3,8,14,15
12	Responsible Consumption and Production: reducing our environmental impacts	Economic & Environmental	3,6,7,9,13,14,15	3,8
13	Climate Action: reinforcing management of economic, environmental and social risks	Environmental & Social	2,3,7,11,12,14,15,16	2,8,10,15
14	Life below Water: protect	Environmental	1,2,3,5,10,12,13,	8,9

	ocean ecosystems	& Social	15	
15	Life on Land: promoting sustainability and preventing	Environmental & Social	1,3,10,12,13,14	8,9
16	Peace, Justice and Strong Institutions: empowering strong local institutions to develop, implement, monitor and account for ambitious national SDG responses.	Social	1,5,8,10,17	17
17	Partnerships for the Goals: mobilizing partners to monitor and attain the holistic SDGs through governance	Economic, Environmental & Social	1,2,3,4,5,6,7,8,9, 10,11,12,13,14,15, 16,17	10,16

It means that individual governments have the discretion to select and set a strategic development direction depending on their own judgment in balancing the materiality (priority) setting within these 17 Sustainable Development Goals (SDGs). They are under the principle-based approach for the Triple Bottom Lines (TBL) analysis theory under the economic, social and environmental perspectives.

Figure 1

Author's Analysis of the Relationship between Triple Bottom Line and SDGs



The **Table 1** and **Figure 1** above refer to the United Nations' SDGs advocacy, that all “global goals are inherently interconnected”. This means that acting for any one goal can be regarded as supporting (positive) or hindering (negative) the achievement of others within the community (Keitsch, 2018). However, some international practitioners criticized these goals as being loosely and separately defined without linkage among themselves since no in-depth awareness and knowledge in each goal.

Taking goal No.17 as an example, in fact, it is explicitly stated that the interrelated principles towards ultimate sustainable goal achievement are, at least, in three key pillars (economic, social, environmental) among the remaining 16 goals. The essence is similar to Keitsch's advocacy for the ‘balance’ of increasing positive impacts and/or eliminating negative impacts in a community to achieve holistic sustainable development. This also matches the essence of the ‘stakeholder theory’ approach for considering “others” advocated by Freeman (1984).

It is, therefore, necessary to “identify and address the interconnections between goals to help business build up holistic and systemic solutions, and further amplify progress and minimize negative impacts” (United Nations Global Compact (UNGC), 2017, p.165). It was further remarked by Cosma *et al.* (2020, p.1) that these goals be achieved through “a joint effort of various stakeholders and a strong and effective collaboration between public and private partners such as companies, administrations, international institutions, local authorities, scientific and academic communities, and society”. This is what is advocated similarly under the “learning in partnership” approach (Roper, 2002, p.260). That means learning involving more than one institution or sector rather in a cross-disciplinary perspective. This explicitly

matched the “SDG in partnership” under SDG No.17 by the United Nations.

Likewise, goal No.16, “peace, justice and strong institutions”, is explicitly focused on the social perspectives, although, in the long run, it guides people under the related stability of the environment. However, Keitsch (2018) pinpoints that any irresponsible act may damage not only people but also the nature of the environment. Consequently, it causes further damage to economies because of the high cost of maintaining daily business operations in the long run. It is therefore emphasized that justice is an essential value of sustainable development for both inter- and intra-generations. This is exactly matched with the universally accepted ‘sustainable development’ concept as defined in the Brundtland Report (World Commission on Environment and Development, 1987), “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. In the United Nations Report, the progress of SDG No.16 can be achieved through effective, accountable and inclusive institutions. This, once again, calls for efforts by individuals to drive institutions towards sustainability.

Another explicitly stated goal, No.11, states the importance of building “sustainable cities and communities”. Its aim is to put every effort into making “cities and human settlements inclusive, safe, resilient, and sustainable”, building through different decisions in financial and technical assistance of utilizing local materials (Keitsch, 2018). This again shows the inter-relationship between social and environmental perspectives, which ultimately contribute to societal harmony in the long term.

Based on the above illustration, it is found that the concluding goal is the collaborative partnership effort for holistic sustainable development under SDG No.17. It further directs the attention of global leaders to join together towards the common goal of a sustainable future.

This echoes the finding of Fernandez-Sanchez *et al.* (2014, p.3), that “sustainable development” goals be embedded into all human activities within the organizations. It is hoped that this common sustainable development effort will be found in the global financial hubs in the USA, UK and Asia-Pacific countries for the stability of communities.

As stipulated in a draft (foundational) paper of IATT for the UNGC, the key SDG road map implementation should involve science, technology, and innovation (2018). For example, under SDG No.8, there is an increasing recognition of innovation and technology as an important source and tool at both national and global levels (*ibid*, 2018). This shows the role of ‘finance’ for the achievement of the SDGs. According to former UN secretary-general Kofi Annan, “And more and more we are realizing that it is only by mobilizing the corporate sector that we can make significant progress. The corporate sector has the finances, the technology and the management to make this happen” (Wade, 2005, p.296). As discussed in the above paragraphs, banks are commonly regarded as the key source of finance for SDG accomplishment with professional leadership and capital funds. It is, therefore, argued that sustainable development is applicable to all kinds of industry, but it is holistically catalyzed with the driving force of finance. This can be showed by the linkage of the critical and essential ‘enabler’ (individual) role of bankers to ensure that SDGs are implemented realistically (**Appendix A(4)**).

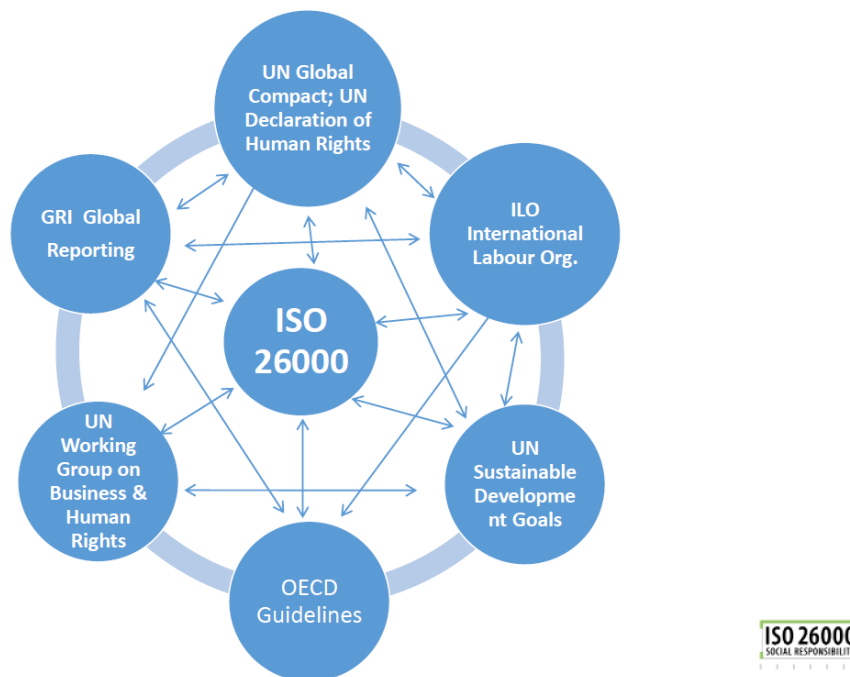
In November 2010, there was the formal launch of the International Organization for Standardization 26000 (ISO26000) social responsibility guidelines (**Appendix A(1)**). These guidelines covered the interconnections between other international guidelines/practices, including the previous one as stated in the UNGC, Global Reporting Initiatives (GRI), and other relevant global guidance, while the following one is the UN SDGs, with the same

objective for protecting the equal rights of human beings, as illustrated below.

Diagram 2

Linkages among International Guidelines with ISO26000

(ISO26000 Basic Training Materials, 2014, p.7)



All these guidelines are aimed at directing institutions towards sustainable development, regardless of their business nature. They will be implemented through a holistic operational approach with different stakeholder engagement programs. They aim at contributing towards a healthy welfare society through business operations in an ethical and transparent way. That was the participatory (engagement) approach advocated by Keitsch (2018, p.4), which focuses on “more deliberative forms of decision-making” with respect to people. This points out the basic element of moral judgment of humanity through self and others, and the relationship between them. It is what is generally advocated under the CSR founding principle of ‘stakeholder theory’ (Freeman’s Stakeholder Theory, 1984) as mainly constructed by the decision maker’s interpretation and impacts on the others.

1.1.3.2 Leading role of banking professionals in Hong Kong banking systems

It is commonly known that no institutions can run by themselves; therefore, institutions/business sectors are, in fact, directed mainly by the discretion of their leaders, the board of directors and CEOs or managing directors. Since they are the decision-making ‘agents’ for institutions, their representative roles remind the general public, especially educators, to rethink the correlation between the corporation's flaws and the quality of individual leaders who received ‘value’ education through a formal curriculum before serving the community or professional on-the-job training.

As remarkable pinpointed by Bakan (2005), a responsible person is the key to achieving sustainability for any society in different sectors, especially in the financial sector. This was echoed by Coyler (2008, p.10), who states that directors should be permitted or required to run the company in a way that balances “the interests of the equity shareholders with those of other stakeholders”. Edward Freeman (2010) stated that “great companies endure because they manage to get stakeholder interests aligned in the same direction” as the corporations. For CSR practitioners, it is often regarded as the well-defined alignment with ‘stakeholders’ approach rather than the traditional ‘shareholders’ perspectives.

As discussed in the previous paragraphs (section 1.1.1), it has been proved that one country’s act affects the whole world due to globalization. For example, financial incidents in the USA, the UK and Southeast Asia affected Hong Kong’s financial market directly. This catalyzes each individual banking practitioner’s awareness to bear responsibility for both foreseeable and subsequent related consequences resulting from their decisions. For sustainable development to occur, future leaders must be nurtured to be responsible and accountable citizens, especially in the financial and banking sectors, which can have a profound

impact not only internally but also on the global economy, community and the environment.

From a sustainable development perspective, leaders are the key agents through their decisions in any business sector based on their own moral awareness (Freeman, 2012). In fact, their decision making provides practical role models for future generations to follow. If leaders are not aware of or fully understood these correlated sustainability issues, or they have not yet applied their practical experience to tackle the current economic, social, environmental, political and cultural challenges, how can they be capable of guiding institutions towards sustainability in the currently competitive financial environment? This approach is tested by Verges (2010, p.498) through the process of iterative reflexivity to “ethical sensitivity” rather than by “impulsive response/action”. (*ibid.*, p.500).

In this empirical study, as prompted by the continually reported court cases involving banks. It is worthwhile to examine, through interviews, whether current banking professionals’ (regulatory and ethical) practices are based on well-written, well-implemented and well-communicated rules. Are these genuinely well-applied in their daily work under well-monitored daily operational procedures, which contributes to the industry’s sustainable development? In fact, Hong Kong’s banking sector needs to be sustainably well-equipped to face the challenges or opportunities arising from China’s ‘One Belt, One Road’ initiative.

1.1.3.3 Training and education channels for banking practitioners

Apart from the issuance of rules and regulations to maintain stability of the financial system, HKMA has taken a leading role in nurturing banking practitioners through the establishment of the Hong Kong Institute for Monetary and Financial Research (HKIMR) and the Hong Kong Academy of Finance (HKAoF) in August 1999 and June 2019 respectively (HKMA, 2021).

The former focuses mainly on research in monetary policy, strategic banking and finance development in Hong Kong and the Asia-Pacific region. The latter expands and applies the research from a soft-power perspective through thoughtful leadership in a sustainable manner. The HKAoF collaborates with the HKMA, SFC and IA (Insurance Authority) and MPFA (Mandatory Provident Fund Schemes Authority) in academia, industry, professional training institutes and the regulatory community to develop financial leadership and promote research partnership (HKMA, 2019). In 2020, HKMA and SFC initiated the establishment of the Green and Sustainable Finance Cross-Agency Steering Group, and cooperated with members of professional bodies, the Environment Bureau, FSTB (Financial Services and the Treasury Bureau), HKEX (Hong Kong Exchanges and Clearing Limited), IA and MPFA (HKMA Press Release, 20 May 2020)¹.

Another well-known training platform, the Hong Kong Institute of Bankers (HKIB), is a non-profit organization. It provides continuous training programs and certification services for banking practitioners. Its aim is to develop, enhance and sustain the capabilities of banking professionals and experts in the specialized field. It has made a joint offer with governmental organizations and associations for all-round continuous professional training. A typical example is the one with the HKMA in the establishment of the Enhanced Competency Framework (ECF) for banking professionals in Hong Kong, covering six professional work streams:

¹ <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2020/05/20200505-8/>

1. Cybersecurity;
2. Credit risk management;
3. Money laundering and counter-financing of terrorism;
4. Retail wealth management;
5. Risk management, compliance and internal controls; and
6. Treasury management.

In addition, there are many dedicated workshops and seminars held to broaden the legal knowledge of banking professionals. For example:

1. ‘Banking integrity’ and ‘fighting corruption: challenges’, hosted jointly with the ICAC (Independent Commission Against Corruption);
2. FinTech issues, jointly launched with the SFC; and
3. Consumer disputes in financial and insurance services partnered with the Hong Kong Consumer Council.

To further equip our future generations, the HKIB has recently introduced a series of university campus visits and career days for developing a talent pool for the banking industry. The launch of the Qualification Framework School Project provides a pathway for preparing senior secondary school students to enter the banking industry.

By upholding the professional standards of banking practitioners across different levels, the HKIB introduced the conversion course for HK-based professionals to be qualified as UK chartered bankers, covering areas such as ‘Professional and Ethical Banking in a Contemporary Environment’, focusing on professionalism, ethics and regulation study. The key objective of this program, which was introduced in 2009, is to empower banking professionals to integrate

ethical and professional principles into practices and behavior at work and to apply ethical theories and decision-making models in the workplace when faced with ethical dilemmas or conflict of interest. This is conducive to sustainable development of the sector.

1.2 Aims and objectives of the thesis

1.2.1 Research problems

In the face of a growing number of reported business scandals and prosecutions, together with the unpredictable competitive markets worldwide. There is an urgent need to examine and investigate current banking professionals' practices, in relation to both regulations (legal) and ethics, and identifying the key role played by practitioners in their operational business decision-making process.

Through a comparison with the internationally recognized sustainable development directions as stated in the UN SDGs, it is expected to reveal:

1. how well current banking practitioners have complied legally and ethically in their daily operational decisions for sustainability;
2. how do the existing sustainability activities match the international standards for sustainable development and further advancement; and
3. how current and future banking practitioners can be empowered and guided to sustain or advance their leading international financial roles and reputations in the global competitive financial markets.

1.2.2 Research purposes

The main purpose of this empirical study is to explore and examine in what ways ‘sustainable development’ has been embedded in current professional and operational practices among three different levels of practitioners in the three chosen banks in Hong Kong. Based on the practitioners’ feedback to realize how well they have complied with rules and regulations, and what kinds of dilemmas they face in their daily duties, and how this can be improved or rectified through education and training for a sustainable development environment for the Hong Kong banking industry.

‘Sustainability in Banks’ is not regarded as a new trend nor a new knowledge/skill for banking professionals. Apart from the above-mentioned advocacy work by local and global governmental or regulatory bodies, some giant licenced banks in Hong Kong have had dedicated teams/departments or inter-departmental working groups in the area for more than a decade. They are commonly known as ‘sustainability’ or ‘CSR’ teams in banks including AMRO, Bank of America (BOA), Bank of China (BOC), Citibank, Credit Suisse, DBS, Hang Seng Bank, HSBC, JP Morgan, Standard Chartered Bank (SCB), and UBS. On the other hand, there has been increased prosecution and/or legal cases against banking practitioners for misconduct. It is worthwhile to carry out such an empirical study whether the ‘sustainability’ concept is well recognized and holistically embedded within banks’ own value systems, mission statements or strategies. This research study can also find out how sustainability is driving banks’ daily operational or decision-making processes.

First of all, it is essential to find out how well practitioners understand the concept of ‘balancing’ the fundamental triple bottom line (‘three P’s theory’): economic growth (prosperity), environmental innovation capacity (planet), and social cohesion and shared values (people). This study approach is aligned with the international standards of Sustainable Development Goals (SDGs), by which it has already been embedded in previously advocated principles stated in the ISO26000 (**Appendix A(1)**) and United Nations Global Compact (UNGC) (**Appendix A(2)**). These are employed as an assessment benchmark tool for existing banking practices, whether there are any further room for advancement in Hong Kong’s leading banking industry.

1.3 Research questions

There were three main research questions employed for the study under the topic of ‘An examination of professional practices for global sustainable development in banks of Hong Kong’.

1. What are the current professional (regulatory and ethical) practices adopted by banking practitioners in Hong Kong, especially in their daily operational business decisions?
2. In what ways are these practices aligned with internationally recognized guidelines for “Sustainability in Banks”?
3. How can the professional practices be improved for global sustainable development in banks of Hong Kong through public education and in-house training?

1.4 Organization of the thesis

The following chapters of this thesis are presented with a dedicated purpose.

Chapter 2, Literature Review, it presents a literature review focusing on the historical development of sustainability and its terminology, then moves on to projecting sustainable development in the banking industry in Hong Kong driven locally and internationally;

Chapter 3, Methodology, there is an in-depth discussion of the research design and methodology adopted for this study, and a justification for employing qualitative research under the case-study approach. In addition, it also covers the selection of cases, sampling, data collection and analysis procedures in compliance with the confidentiality and credibility standards set by the EdUHK and international ethical requirements;

Chapter 4, Data Analysis and Results, the collected data is analyzed by the software program, NVivo Pro 12, for within-case and cross-case data analysis. I then present the findings of this study regarding current professional practices among bank practitioners at three levels, and how these may be deductively applied to holistic sustainable development in the banking industry, including the data summary, as analysed and presented in this chapter;

Chapter 5, Discussion, there is a detailed discussion section comparing the collected data against existing theories and previous research done by scholars and practitioners, who have served there for more than 30 years. I then examine how this can be executed for sustainable development in the banking sector in Hong Kong; and

Chapter 6, Conclusion, it includes the study summary, implications and significance to be followed in both the academic and practical business settings, not limited to banking practitioners. It also covers the roles of other stakeholders, namely governments and regulatory bodies, with the hope that this prepares future talents for an innovative and ethical mindset of sustainability. It also includes recommended actions to be undertaken by banks and banking practitioners from education and training perspectives in the last chapter.



Chapter 2: Literature Review

2.1 Introduction

This chapter aims to give an account of the historical development of terminology related to ‘sustainability’ from an academic perspective. I then apply the definition of sustainability to the banking industry of Hong Kong and current professional practices undertaken by banking practitioners in their daily operational decision making.

2.2 Terminology definition

2.2.1 Conceptual and operational definitions of corporate social responsibility, sustainable development and business ethics

This research study aims at integrating internationally recognized and interrelated theories of business ethics and corporate social responsibility to explain the essential role of individuals in their daily banking decision making towards sustainable development.

Apart from the regulatory control or governance of corporations, it is essential to recognize the roles played by individuals in their respective corporate strategic work. Regardless of the rank of a banking practitioner, he or she faces workplace dilemmas while working in a money-related environment. Their decision-making impacts not only themselves and their serving banks but also the society and the whole world, as explained in Chapter 1, and by Moon (2007) and Bansal & Song (2017). It is therefore worthwhile to investigate the current professional practices in their daily decision making and how this becomes the driving force for sustainability in their banking environment.

2.2.1.1 Corporation perspective: definition and inter-relationship between sustainable development, corporate social responsibility and business ethics

‘Sustainable development’ (SD) is generally referred to as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987). It is commonly referred to as the cornerstone for development direction. However, it is often criticized as too vague and vulnerable to be clearly interpreted and easily implemented. During the research, a number of different definitions and interpretations of SD have been adopted by different levels of practitioners in banks based on their own awareness and understanding of this issue. Basically, the majority focuses mainly on the three Ps key issues: People (social), Prosperity (economic) and Planet (environment) theory as internationally adopted practices explained in section 1.1.3.1 (**Figure 1**).

In fact, Thatcher (2012) emphasized the major role played by an individual (person) in filling the missing gap for a holistic sustainable development, as defined in Chapter 1 above. Taking the example of the environmental perspective, we are in the same world where scarce resources are being over-exploited, e.g., limited water supplies and deforestation for agricultural land and fuelwood. It is, therefore, aligned with the ultimate goal of SD by increasing the positive impact on the social and economic arenas while reducing the negative environmental impacts. All these can be referred to as the basis of each individual banking practitioner’s decision with potential impact on the overall environment.

This approach was adopted by the research findings of Mazilu & Giurge (2011, p.242), who defined SD as the “interaction of the compatibility of four systems, they are economic, human, environmental and technological”. It stated clearly the role played by human beings in

SD progress. It is suggested that the SD strategy is for the four essential elements to progress simultaneously. This was also echoed by Mitcham (1995, p.323), who defined SD as “a kind of development that sustains rather than destroys something else to which it is related – a society, a way of life, a culture”.

The various definitions of SD suggest that each individual’s practices can contribute positively or negatively to our world, especially from the three Ps (Planet, People, Prosperity) perspective. A conclusive finding by Diesendorf (2000) stated clearly that SD equals a sound environment (Planet), a just society (People) and a healthy economy (Prosperity). This comment emphasizes economic and social development while protecting and enhancing the natural environment and social equity. This approach echoed Mitcham’s advocacy (1995, p.324) as “to save development from itself the ideal has been reformulated as sustainable development – one might even say, peaceful development”. That is the key issue under No.16 of the Sustainable Development Goals (SDG) advocated by the United Nations in 2015.

Among the different definitions of SD, the most holistic approach of presenting SD is a correlation with business ethics, as advocated by Fisher (2004). SD is referred to as the interrelationships among social responsibility, ethics and business conduct based on the expected outcomes by the priority settings (materiality) taken in the following four aspects:

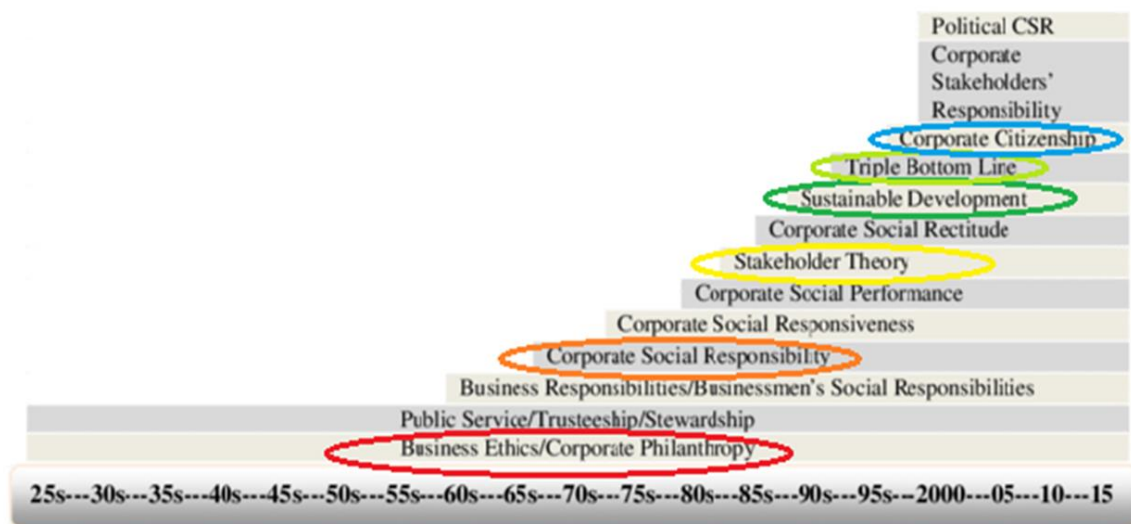
First, social responsibility is ethics in an organizational context; Second, social responsibility focuses on the impact that business activity has on society while ethics is concerned with the conduct of those within organizations; Third, there is no connection between social responsibility and ethics; and fourth, social responsibility has various dimensions, one of which is ethics. (Fisher, 2004, p.392)

Fisher's definition broadens the scope of SD from the three interrelated elements commonly adopted (economic, environmental and social) by emphasizing any act of individuals within an organization. It helps to examine further the role played by people under this theory. That is illustrated by Moon's escalation of corporate social responsibility concepts, with reference to Mohan (2003), presented in **Diagram 3** (below). It conclusively shows the remarkable relationship between business ethics/corporate philanthropy, social responsibility, stakeholder theory and sustainable development through historical progressive development. Although these different names were adopted in different periods, their essence is, more or less, of the same nature for long-term sustainable development.

Diagram 3

The Historical Escalation of CSR Concepts

(Gond, J.P. and Moon, J., 2011, p.9)



The above historical development of the sustainable development concept explicitly reveals its fundamental values of ‘business ethics/corporate philanthropy’ in any business operation. This definition was seemingly opposed by scholars, for example, Milton Friedman’s macro-economic view of “profitability maximization” (focused on profitability returns) for corporations and their shareholders. It means that top management should utilize all their resources in terms of time, energy and effort to increase revenues for any institutions through activities in business. It is commonly regarded as the business strategy for maximizing profitability.

Such advocacy, simply putting a corporation’s own profitability above any others, is further illustrated by Watkins (2011). The Goldman Rule is commonly practiced by financial officers pursuing profitable opportunities for themselves regardless of any foreseeable negative impact on others. This is because under a basic economic system, the higher the profitability, the greater opportunity cost is forgone even including the practicing of ethical behavior in decision making. This shows that the weighting tool of putting profitability in priority overrides the needs of others. It mainly caters for the needs of shareholders, disregarding other stakeholders, especially those who are underprivileged, and the environment. Some practitioners regarded it as the key to Friedman’s “Shareholder Theory”.

However, Friedman’s advocacy raises the truth which lies from a basic ‘legal’ perspective. He stated clearly and explicitly that activities promoted by the corporations were “in open and free competition without deception or fraud” (2000, p.12). Any act should be, at least, legally permitted rather than pursued solely for economic gains (profitability), albeit without any traces of deception or fraud. However, even though financial practitioners face ethical dilemmas, Friedman (*ibid.*) insisted that there should be no fraud or deception (illegal) actions undertaken

in any circumstances. Otherwise, this cannot be classified as a sustainable way of doing business.

This legally based perspective can be further traced to the corporate social responsibility cornerstone laid down by Archie Carroll's (1991) internationally recognized four-level 'pyramid' model. The **Diagram 4** (below) shows the well-defined progressive levels of responsibility/achievements by any kinds of corporation under the following types of responsibility:

1. Economic (to be profitable; as required by the society);
2. Legal (to obey law and regulations; as required by the society);
3. Ethics (to be just and fair, avoid harm; to be expected by the society) and
4. Philanthropic (to be a good corporate citizen; to be desired by the society).

Diagram 4

Carroll's Pyramid of Corporate Social Responsibility (1991)



The first two levels are the foundation levels as required by society, while the third and fourth are about ethical and philanthropic (social) responsibilities under the expectation and the desire of society, respectively. It repeatedly shows the role of corporation and society, i.e., the relationship between corporations and society. This is illustrated by Moon (2007), Mele' (2018), and Bansal & Song (2017).

However, it is commonly criticized by practitioners that it is too broad to conclusively define 'ethical standards'. It depends solely on the different practices or norms adopted by different practitioners in different countries. Basically, it aims at being just and fair, avoiding any harm to others, as expected by society. The highest level is the philanthropic (social) responsibility, as also defined by society. It is stated to be 'good corporate citizenship' for community betterment, and it furthers the global markets of any industry, especially the banking sector, which involves the general public in countries around the world.

On this pyramid, the level of 'legal responsibilities' are placed below 'ethical responsibilities'. As discussed in the previous paragraph by Friedman, 'legal' is the basic requirement set by society; i.e., obeying laws and regulations. Corporations that failed to comply with regulatory requirements, are deemed to have committed illegal or criminal acts. The ethical responsibilities level, however, is above that of legal requirements. It involves a desire to pursue justice and fairness, or even proactively avoiding doing harm to society, as showed in the pyramid in **Diagram 4** above.

These two levels of approach were publicly discussed by the sustainability guru Jeremy Moon in 2007. In his findings (2007, p.298), current corporate social responsibility practices commonly adopted by business leaders are at the level of philanthropy: "to be a facet of modern business and management itself" since Archie Carroll's advocacy in 1991. What Moon clearly

points out is that some managerial leaders in corporations may have confused the approach to achieve holistic sustainable development with ‘legal’ (obey the law) perspectives/actions. This again explains the known gap between legal and ethical responsibility in leaders’ knowledge, by which they follow common practice and regard it as generally accepted ‘sustainability’, as discussed in Chapter 1.

Turning to the banking sector, it is worth examining whether current practices or activities undertaken by renowned sustainability champions in Hong Kong have justified their staff facing repeated prosecutions (**Tables 2 - 4**) (stated in the previous chapter 1). Is there any possible misunderstanding between legal and ethical perspectives? This was once emphasized by Moon (2008) in MBA lecture class, *“being legal does not mean being ethical, but being ethical definitely goes beyond basic legal requirement”*.

Theoretically and practically speaking, ‘ethics’ is rather too broad to be well-defined; therefore, whenever business decisions are made, what guidelines or rules should practitioners follow or base on? Leaders of global corporations may adopt internationally recognized guidelines as their benchmark, such as the internationally recognized SDGs issued by the UN Global Compact.

2.2.1.2 Corporation perspective: international guidelines of Sustainable Development

Goals

Before the formal release of the Sustainable Development Goals (SDGs) in 2015, The United Nations launched a number of international guidelines or best practices aimed at achieving sustainability.

Burford *et al.* (2013) referred to SDGs as the consolidated guidelines in line with previous international guidelines, namely the Earth Charter Initiatives (1987) and UN Millennium Declaration (2000) (**Appendix A(5)**), in which, it is explicitly described “ethical values as a crucial dimension of sustainability” and thus further called for an “ethical framework for sustainability”. This is echoed by the ethical values-based position on ESD (Education for Sustainable Development) adopted by the United Nations Educational, Scientific and Cultural Organization (UNESCO) (2013).

Among the final set of 17 SDGs with 179 targets, they illustrate through detailed indicators of a holistic and systematic way of sustainable development. These global leaders based on these explicit indicators for a comparison across countries and times as a benchmark for completed implementation. Keitsch (2018) pinpointed responsibility and accountability as key which should be ensured and practiced among scholarly communities through such an integrated SDG implementation. This further illustrates the interrelationship between goals, and the accomplishment of one goal as the fulfillment of the other 16 under the umbrella of SDGs.

However, Burford *et al.* (2013, p.3040) stated that the key issue of ethics is missing from SDGs: “ethical principles of sustainable behavior are entirely omitted from the SDG process”. This means that unless ethical value-related goals, targets and indicators are appropriately understood, identified and considered in decision making, there may not be holistically accomplished sustainable development under the United Nations framework. This approach exactly matched Dorfman *et al.*’s (2012) findings. They uphold the essential leaders’ quality of ‘respect’, ‘justice’, ‘integrity’, ‘responsibility’, although these internationally accepted common values had been advocated previously under the principles of ISO26000 (2010) social

responsibility guidelines of ‘responsibility’, ‘accountability’, ‘human rights’, ‘integrity’, ‘ethics’, and ‘respect for norms and laws’ (**Appendix A(1)**).

According to the SDG guidelines framework, the leader’s role in practicing sustainability consists of three key steps, known as PAL: (1) **P**rioritize; (2) **A**ct; and (3) **L**earn. Among them, the top issue is ‘priority’, which is also known as ‘materiality’ in the language of sustainability professionals. That is the cornerstone for any decision making and main driving force for any sustainable development policy. This ‘materiality’ criterion is explicitly recognized under UN Global Sustainability Reporting (GRI), as defined for the boundary setting of any corporations. It is, therefore, derived from the knowledge of awareness and understanding of sustainability as the main driving force for banking practitioners in their decision making towards long-term or holistic sustainable development.

It is commonly thought that leadership is critical to the effectiveness of any organizational governance. If only leaders realize that their existing sustainable development policies (if any) match with the organization’s mission/vision, they will be better able to motivate others to follow. However, this seems not to be what is happening as evidenced by those misconduct cases in the banking world.

In a nutshell, it is worthwhile to explore existing daily operational practices in banking to determine whether they are related to a sustainability policy and how this can be adopted. This approach is supported by Burford *et al.* (2013, p.3036) stating that, “the essential quality of leaders for achieving sustainable development holistically lies in a humanistic approach”. That was followed by the finding of Sipos *et al.* (2008, p.69): sustainable development is “a profound change in knowledge, skills and attitudes of leaders in enhancing ‘ecological

(environmental), social and economic justice”’. This was further commented on by Thatcher (2012, p.3892): the key role lies explicitly in the “human-centered approach (i.e., human development, largely along economic lines, and human inter-generational sustenance)”’.

Applying the above approach to banking practices, it is among best practices to have written codes as the basis for business activities and decisions while undertaking daily strategic business operations (Chitakornkijasil, 2011). However, codes are mere words written down, they cannot speak for themselves. The application of the codes still lies in the hands of key agents, the practitioners. It is about how well they are aware of, understand, and interpret, and in what way, they apply the code, according to individual needs and motives. Every decision made by human beings is, more or less, driven by their own values and inner judgment systems. Thus, the key role for any success in sustainability lies solely in human factor.

To sum up, theorists have pointed to the key role of individual (person) in achieving sustainability success. This is similarly referred to by Mazilu & Giurgea, (2011, p.246-7) as the “promotion of the sustainable development for people and through people” in the continuous (perpetual/sustainable) development process towards the objective of better life quality. In fact, in Keitsch’s (2018, p.4) finding, it is theorized that ‘sustainable’ denotes ‘durable’, while ‘development’ connotes an assurance to meet human needs. This is the exact essence of the foundation declaration of sustainable development under the Brundtland Report (World Commission on Environment and Development, 1987). It shows, once again, the importance of the human (person) factor in sustainable development. This further refers to the findings of Cosma *et al.*, “SDG reporting acts as a driver for the implementation of sustainability-oriented investments and strategies” (2020, p.6) through individual involvement. Therefore, ‘awareness of SDGs’ can be raised through the tool of ‘education’, which is always crucial for achieving

goals (*ibid.*, 2020, p.4).

2.2.1.3 Individual perspective: inter-relationship between corporate social responsibility and individual roles in business decisions

Edward Freeman's (1984) advocacy of the 'stakeholder' approach is for every decision to be made neither for short-term self-interest nor for a corporation's own sake but long-term in both macro and sustainable perspectives. It considers all related stakeholders holistically. Stakeholders are vital, regardless of whether they can voice their needs (human beings) or not (environment or animals). It includes all other affected parties who may or may not have stakes in the corporation at present or in the future.

As an individual's decision directly impacts their own institutions, it is worth studying the individual decision-making process. What is the basic driving force for decision makers, regardless of their positions or hierarchical ranks? Explicitly, it is well-known that an individual's decision-making process is bound by the corporation's mission and vision, as stated in written guidelines or procedures. In practice, banking practitioners are led specifically by the leadership role model or management styles within the institution. This is commonly referenced in a Chinese saying, "*if a leader sets a bad example, subordinates are likely to follow suit*" (meaning in Chinese: 上樑不正下樑歪). This, in fact, suggests that approaches adopted by management could be more influential than written rules and regulations. It means the substance (spirit) is more important than the letters (written rules and regulations). Therefore, there could be huge negative consequences if management staff behave unethically and their subordinates follow blindly.

This is referred to in Mattison's (2000) findings on how ethical dilemmas are handled based on an individual's knowledge or awareness of what to do. It is, therefore, worthwhile to examine how existing banking practitioners are trained in sustainability. Some may justify their decisions by citing cultural differences, rather from a corporate perspective (UNEP-FI Initiative, 2011). In this empirical study, I will not cover detailed discussion on the influence of different cultural backgrounds on an individual's decision-making process.

Instead, I find it is essential to examine the pre-existing guidelines followed by banking practitioners. If they were well-informed about the rules and regulations towards sustainable development, then they should have achieved at least the legal requirements. If they are not fully aware, then they may experience difficulty in handling dilemma situations. It is, therefore, worthwhile to investigate and review how compliance can be improved for banking practitioners to achieve long-term sustainability for banks operating in Hong Kong.

2.2.1.4 Individual perspective: leaders' ethical role in sustainable development

With the repeatedly reported cases of prosecution and business scandals, Burford *et al.* (2013, p.3037) cited the findings of Steven Rockefeller's "Ethical Framework for a Sustainable World" and the Interreligious Statement in Rio+ 20. They highlight the growing awareness of ethical vision and moral courage, regarded as the foundations, even beyond the recognized three pillars of economic, social and environmental sustainability. In fact, they emphasize the important role of "institutional orientations (norms) and institutional mechanisms (formal systems of rules and procedures, whether administrative, social, political or legal)" for the development of institutional (not limited to organizational) sustainability. However, it is often commented that corporations operate in an environment influenced by their own norms/customs rather than by local or international law, especially in developing countries. This kind of multifaceted interpretation of corporate social responsibility leads to a reassessment of the importance of

the stated fundamental principles addressed under ISO26000 (**Appendix A(1)**) for international social responsibility.

The seven key principles of ISO26000 specifically include the importance of individual quality in proactively making decisions under the following four key issues, in terms of RESPECT for:

1. Stakeholder interests;
2. Rule of law;
3. International norms of behavior;
4. Human rights.

This “respect” approach is echoed by Batten & Birch (2005, p.293), who urge businessmen to take an approach that is “more economically, environmentally and socially sustainable; to be accountable and transparent; to be inclusive; to be ethical and more equitable”, rather than pursuing GDP achievements in terms of profitability (Burford *et al.*, 2013, p.3042; Chitakornkijsil, 2011, and Bowen, 1953).

2.3 The historical sustainable development in financial institutions

International banks commonly commit themselves to voluntary environmental performance and management disclosures under the Equator Principles (Hui & Bowery, 2008) (**Appendix A(7)**).

Apart from the above internationally launched principles, “the Principles for Responsible Investment is a voluntary initiative launched by the United Nations Environment Program Finance Initiative (UNEP FI) and the UN Global Compact, whose signatories promise to

incorporate six principles of responsible action in finance into their business practices” (Leins, 2020, p.76). Its signatures comprised a group of commercial banks: Deutsche Bank, HSBC Holdings, NatWest, Royal Bank of Canada, and Westpac. They all worked on a partnership basis with UNEP to catalyze the banking industry’s awareness of the environmental agenda, and gained momentum after the onset of the financial crisis (UN, 2016).

The United Nations Principles for Responsible Investment (UNEP FI, 2005, 2015) adopts the ESG as the standard assessment/evaluation of non-financial performance. While investors tend to rely on this type of published data to evaluate whether corporations are behaving responsibly and ethically (Leins, 2020). This was regarded as a “new ethical form of valuation” (*ibid.*, 2020, p.74) for maintaining an ethical order of the market and optimizing financial gains under the moral concern about the society in harmonization followed the optimization consequences.

In fact, the United Nations Sustainable Stock Exchange explicitly stated that all listed firms are expected to disclose the impact of their practices on the environmental, social and governance (ESG) by 2030 (Sustainable Stock Exchanges Initiative², 2015).

2.3.1 Sustainable development of financial institutions in Hong Kong

In Hong Kong, an international financial center, all authorized licenced banks are listed on the Hong Kong Stock Exchange. Therefore, their stocks are governed under the Hang Seng Index and the Hang Seng Corporate Sustainability Index to publicize their commitment to

² <https://sseinitiative.org/>

sustainability from an economic, social and governance (ESG) perspective. In addition, they also have to comply not only with local Hong Kong regulations but also international standards to maintain its leading role as a global financial center. As discussed above, Hong Kong's banking system is governed mainly by the HKMA and the SFC under the Banking Ordinance. HKBO) (section 1.1.1).

The UNEP Statement on the Bank's Environment and Sustainable Development was launched in New York during the Rio Summit in May 2012. This was the initial formulation of banking initiatives focused specifically on environment sustainability perspectives. By referring to such a UNEP-FI initiative, it also stated the important role played by leadership. Subsequently, the United Nations Environment Program (UNEP) launched the 'Guide to Banking and Sustainability' in 2016, which clearly stated the targeted leadership for shaping banks' sustainability strategy required the following key considerations (2016, p.12):

1. Demonstrating vision by ensuring sustainability issues are directly embedded into the bank's strategic vision;
2. Establishing adequate governance to ensure accountability on sustainability issues at the highest levels across the bank;
3. Fostering a new type of corporate culture by actively communicating and advocating to show "top-level buy-in", developing employee awareness and expertise and remaining flexible to respond to new and unexpected sustainability developments; and
4. Increasing transparency by promoting clear communications on the bank's sustainability approach internally, as well as externally to ensure one harmonized vision.

The above matches the local compliance set by the HKMA's banking code advocated in 2013. Later, in November 2018, the United Nations released other guidelines specifically for the banking industry to rethink its positive impact for achieving holistic SDGs through leadership with the focus mainly on environmental issues.

Starting from 2019, all listed companies, whether or not they are banks, registered on the Hong Kong Stock Exchange (HKEX) must submit both their financial (annual report) and non-financial HKEX ESG (environmental, social and governance) report. The ESG Report Guide³ is a report framework detailed in the Appendix 27 of the Main Board Listing Rules and Appendix 20 of the GEM Listing Rules, which was launched in 2013. All organizations are required to take an effective and proactive risk-management approach under an internal control system, specialized on sustainable development issues. Based on the annually reported 'invested' resources in terms of money, manpower and time spent in different activities, they are largely focused on the environment through greening and waste management, and social issues in the form of donations, community involvement and investment development.

Some experts criticize the guidelines as being regulatory-focused (listed company requirement) compliance for doing business while doing good to society. From the standpoint of sustainability professional experts, in fact, these ESG activities provide monetary gains through profit tax deduction from donations and help enhance corporations' reputation. Although it is not new to the Hong Kong banking industry, sustainable development here is not much more than a group of sustainability-related activities.

³ https://en-rules.hkex.com.hk/sites/default/files/net_file_store/HKEX4476_1892_VER20.pdf

On 1st January 2019, Hong Kong launched the revised Corporate Governance Code requiring organizations to comply with the objective of strengthening the transparency and accountability of the board and/or nomination committee and election of directors. This echoed the UNEP's Guide (2016) discussed above.

In 2020, the HKMA unveiled three sets of measures to promote environmental protection through green finance. They are the Green and Sustainable Banking, Responsible Investment, and the establishment of a Center for Green Finance in Hong Kong (HKMA, 2020). A recent further supportive approach was released by the HKMA with the specific ESG (sustainability) Reporting Guide on 1 July 2020. It focused more on the quality of leadership and accountability role for board members and governance structure to facilitate sustainable development in Hong Kong. This further demonstrates the importance of good examples sets by leadership. The above shows efforts made towards sustainability by the regulatory bodies in Hong Kong.

Looking back to the banking history of Hong Kong, in early 2014, the Hong Kong Association of Banks (HKAB) announced that gains made by banks should be funneled back into society to maintain Hong Kong's international financial center status (HKAB, 2019). Hong Kong faced mounting competition from Singapore within Asia, with this lesson learned, there are some well-recognized sustainability activities offered in form of financial management education, namely youth financial education, to guide our next generation to learn to manage finance rather than waste money in their early lives. This is matched with the advocacy of the UN guidelines for sustaining our next generations.

From the above, it is evident that Hong Kong had started its sustainability drive in finance and the banking industry earlier than the formal launch of the SDGs in 2015. However, with

the growing number of reported prosecution cases by the regulators locally or globally, it is questionable whether sustainability has taken root among the banks in Hong Kong, especially those involved in cases of unethical acts or misconduct despite being awarded ‘champions’ in local and international markets. The general public is also doubtful about the genuine banks’ sustainable development given continual reports of scandals, e.g., fraud and unethical transactions in form of misappropriation of clients’ funds, money laundering, illegal rebates in return for loan applicant referrals, insider trading, and misuse of official positions or proprietary information for private advantage.

These misdemeanors can be seen in the following tables: HKMA (**Table 2**), SFC (**Table 3**) and HKEX and ICAC (**Table 4**). All cases are extracted from respective official government websites (HKMA, SFC, HKEX, ICAC).

Table 2
HKMA Disciplinary Action Reported under Court Decisions

Issue	Involved parties	Date	Court decision
HKMA disciplinary actions			
Lehman-Brothers related complaint cases	Various banks	Jun. 2011- Dec. 2018	Progress report on the Lehman-Brothers products complaint.
HIBOR fixing	UBS, Bank of Tokyo-Mitsubishi UFJ, Citibank, Crédit Agricole Corporate and Investment Bank, Deutsche Bank, The Hongkong and Shanghai Banking Corporation, JP Morgan Chase Bank, Royal Bank of Scotland and Société Générale.	Dec. 2012	Disciplinary action against banks for HIBOR fixing.
Money laundering and counter-terrorist financing (financial institutions)	State Bank of India, Hong Kong Branch	Jul. 2015	Internal control failures in anti-money laundering and counter-terrorist financing.

Money laundering and counter-terrorist financing (financial institutions)	Shanghai Commercial Bank Limited	Aug. 2018	Reprimanded and fined for contraventions of anti-money laundering and counter-terrorism.
Money laundering and counter-terrorist financing (financial institutions)	JPMorgan Chase Bank, National Association, Hong Kong Branch	Dec. 2018	Reprimanded and fined for contraventions of anti-money laundering and counter-terrorism.

Table 3
SFC Disciplinary Action Reported under Court Decisions

Issue	Involved parties	Date	Court decisions
SFC disciplinary actions			
Mis-selling practices	HSBC Broking Securities (Asia) Limited	Jul. 2018	Reprimanded and fined.
Breach of trust and fiduciary duty	DBS Bank (Hong Kong) Ltd	Jul. 2018	Gross negligence.
Regulatory breaches of key personnel compliance requirements during the sale of MPF Products	FWD Life Insurance Company (Bermuda) Limited	Jan. 2019	Reprimanded and fined HK\$2.4 million for regulatory breaches.
Misconduct in window-dressing its liquid capital	W. Falcon Asset Management (Asia) Limited	Feb. 2019	Breach of code of conduct.
Sponsor failure in IPO issuance	UBS	Mar. 2019	Fined and license suspended.
Breach of telephone recording requirements	The Hongkong and Shanghai Banking Corporation Limited	Sep. 2019	Reprimanded and fined for non-compliance with code of conduct.
Misconduct in forging customer's signature for unauthorized bank transactions	Hang Seng Bank Limited	Sep. 2019	Banned for two years from being a licensed relationship manager.
Inside trading	Meadville Holdings Limited	Sep. 2019	Commenced proceedings in the Market Misconduct Tribunal.
Bribery conviction	Bank of Communications Co., Ltd.	Sep. 2019	Banned from re-entering the banking industry for life.
Suspected breach of duties	KGI Asia Limited	Sep. 2019	Issued restriction notice prohibiting from dealing with or processing client's

assets.

Misconduct in using client's pre-signed form	The Hongkong and Shanghai Banking Corporation Limited	Nov. 2019	Banned for 12 months from being licensed relationship manager.
Directors' misconduct in breach of duty in fiduciary and common law	Minth Group Limited	Nov. 2019	Obtained court orders disqualifying from being directors for a period of three to six years.
Overcharge clients and internal control failures	UBS AG	Nov. 2019	Reprimanded and fined HK\$400 million.
Misconduct in bribery	Deutsche Securities Asia Limited	Nov. 2019	Banned from re-entering the industry for life.

Table 4

HKEX and ICAC Disciplinary Action Reported under Court Decisions

Issue	Involved parties	Date	Court decision
HKEX and ICAC disciplinary actions			
Dishonest or criminal intent in retrieving confidential customer data through bribery	DBS Bank (Hong Kong) Limited	May 2019	Sentenced to 13 months' jail due to contravention of Section 9(2)(a) of the Prevention of Bribery Ordinance and Sections 159A and 161 of the Crimes Ordinance.
Misconduct in bribing bank staff to open account	HSBC	May 2019	Contrary to Section 9(2)(a) of the Prevention of Bribery Ordinance.
Misconduct in bribery over IPO of logistics company	J.P. Morgan Securities (Asia Pacific) Limited (JPMS)	May 2019	Contrary to Section 9(2)(b) of the Prevention of Bribery Ordinance.
Conspiracy to defraud in price manipulation	Convoy Global Holdings Limited, formerly known as Convoy Financial Holdings Limited	May 2019	Contrary to common law in manipulating stock prices.
Fraudulent bank loans and commission fraud	DBS Bank (Hong Kong) Limited	May 2019	The District Court sentenced the direct sales representative to 14 months' jail.

Defraud Bank for insurance commission	Dah Sing Bank, Limited (Dah Sing Bank)	Aug. 2020	Contrary to Theft Ordinance and the Prevention of Bribery Ordinance.
Illegal commissions	China CITIC Bank International Limited	Nov. 2020	Contrary to the Prevention of Bribery Ordinance and the Crimes Ordinance.

Based on the above disciplinary actions taken by respective government departments in **Table 2 - 4**, it is concluded that misconduct/malfeasance (unethical decisions) were not only committed by frontline (junior) banking practitioners but also by top (senior) managers in financial institutions. The consequences of such misconduct impacted on banks as well as individuals. For example,

1. reprimanded and fined against bank, e.g., UBS license suspended (2019); prohibiting from business dealings (KGI Asia Ltd);
2. practitioners banned from re-entering banking professionals in Bank of Communications Co., Ltd. (2019), disqualifying them from taking up any professional role in HSBC (2019), in Hang Seng Bank (2019); jail sentences for practitioners in DBS Bank (Hong Kong) Ltd (2019); Dah Sing Bank (2020), HSBC (2019), and China CITIC Bank International Ltd (2020).

These kinds of penalties not only directly affect the reputation of institutions but also impact financial performance as reflected in stock market prices. Therefore, further sustainable development of banks genuinely run in Hong Kong is questionable.

On the contrary, such a corporate social responsibility (CSR) communication channel contributes towards a favorable corporate reputation. According to the findings of Ajayi & Mmutle (2021, p.1), “communication strategies and channels organizations deemed reputable

by stakeholders used to achieve an effective CSR communication”. Unerman (2008) concluded that CSR has the power to influence stakeholders’ favorable perception. This is further illustrated by the interviewees’ collected data under Chapter 4 and 5.

These reported cases definitely ruin institutions’ reputation even though they have launched philanthropic and environmental programs serving the community well and were awarded accolades for their sustainability activities as discussed above. It is, therefore, both practitioners and scholars have to rethink the interdependence between business and society, especially on crucial economic, societal and environmental issues, not only with the banking system but also with the local community and other countries around the globe. This is supported by Freeman *et al.* (2012, p.109), that “business and ethics as integrated, rather than always in conflict”. Whenever financial practitioners face a dilemma in their daily operational decision making associated with money, have they upheld their professional practices ethically?

2.3.1.1 The urge for ethical and responsible banking practices in Hong Kong

There was a formal launch of ESG (environmental, social and governance) non-financial reporting compliance for all listed companies under the Hong Kong Stock Exchange (HKEX) from 2013. Senior management in banks were urged to increase investments for such sustainability projects/activities to achieve a ‘comply or explain’ obligatory approach in 2017 through the ESG reporting guidelines under the fundamental ‘Triple Bottom Line’ (TBL) perspectives.

All along Hong Kong banks have been largely tied up with environmental causes and social philanthropy, although some have put effort into risk and compliance management programs. The various activities are good for community development but still, it is worthwhile to examine how they fit into a holistic drive by banking professionals to advance genuine

sustainability.

The three chosen banks for this empirical study basically focused on key financial products/services in the retail/commercial or investment markets. Based on their respective non-financial reports (sustainability/CSR), they largely followed the international guidelines stated in the UNEP set under the SDGs addressing different priority (materiality). However, given the increased prosecutions showed in **Table 2 - 4** above, it is worthwhile studying and exploring whether their sustainable development policies have helped the banks move in the direction of holistic development under the track of global sustainability.

Hong Kong, as an international financial center, recently faced another critical challenge from the Chinese government due to its ‘One Belt, One Road’ initiative involving three dedicated financial institutions, namely the China Export-Import Bank, the China Development Bank, and the China Investment Corporation. The latter is specifically in charge of the Asian Infrastructure Investment Bank established in October 2013. It first launched the Silk Fund (SRF), accounting for a total investment of \$40 billion (Shah, 2016). It paved the way for a number of infrastructural projects with the goal of promoting economic growth across Asia and other regions. These challenges and growing development in neighboring regions pose a threat to Hong Kong’s own economic growth.

Chinese President Xi Jinping repeatedly explained the rationale of the ‘One Belt, One World’ policy, while former Hong Kong Chief Executive, CY Leung positioned Hong Kong as a ‘super connector’ between mainland China and the West (Hong Kong Trade Development Council, 2019). This indicates that Hong Kong should maintain its leading role as a connector between West and East, for which sustainable development of its financial institutions is

essential. In practice, banks in Hong Kong provide not only basic financial products and services but also contribute to the overall economic growth of the society through their business with global markets. This requires high-quality leadership (personnel), as said in the Budget Speech delivered by Hong Kong Financial Secretary, Paul Chan in 2016. Subsequently, the Financial Services Development Council and the specialized training center at the Academy of Finance, set up in 2016 and 2019, respectively. Recently, it is more focused on leadership training and empowerment programmes.

2.3.1.2 Essence of leading role in banking practices for sustainable development

As discussed in the above chapter, no corporation can run by itself. It lies on decisions made by their own staff. The financial crises years ago showed the failure in respect of corporate governance and management decided by banking practitioners. To retain Hong Kong's leading role in the banking sector in the region and internationally, sustainability is urgently needed. Such need is echoed by academics such as D'Amato, et. al. (2010) discussed above.

On the other hand, the Asian Infrastructure Investment Bank was established with its articles of agreement “to foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia by investing in infrastructure and other productive sectors”. Its focus explicitly lies on providing financing solutions to organizations/institutions for developing sustainable GREAT (**G**reen, **R**esilient, **E**fficient, **A**ccessible and **T**hriving) cities in Asian markets (*AIIB, official website, 2019*). However, practitioners criticize this approach in that explicit sustainable development has not yet been given any concrete direction or guidelines for banking practitioners to be realized, and how these are truly embedded in their policies towards sustainable cities. Thus, this research aims to examine the quality of financial institutions based on their daily professional operational practices, and whether the banks are capable of achieving sustainability.

2.3.2 Banks as learning organizations

Following the turbulent economic times during the financial crises, banks were urged to shoulder “more responsibility in finance” (Leins, 2020, p.76) for sustainability. This was supported by Yip & Bocken as pointed out that, in fact, “banks hold a unique intermediary role in sustainable development.” (2018, p.151).

Ardichvili’s finding further focused on bank’s assets in human resources by advocating that there should be an “equal attention to individual and organizational development”, however, “organizations forget that sustainable businesses need sustainable human resources” (Ardichvili, 2012, p.876). This was echoed by Docherty *et al.* as further emphasized that, “human resources to be fostered include skills, knowledge, cooperation, and trust motivation, employability, constructive industrial relations, and also broader institutional/societal prerequisites, such as training systems” (2002, p.11). This was further supported by the analytical findings done by Vladimirova & Blanc (2015), in which concluded that “Education” is the inter-related key for the overall holistic success for all targets and goals set by the United Nations, especially the one under the SDGs No.4 ESD. That means, the crucial focus lies on the leaders’ qualities, especially their own attitudes, values, (Savelyeva & Douglas, 2017:219) beliefs and leadership practices. Ellinger & Ellinger (2020, p.6) further illustrated that “managers and leaders perform developmental roles such as instructing, training, coaching and mentoring their subordinates” for learning organizations, which truly reflects the essence of organization survival (sustainability), especially in the current challenging environments.

In fact, Ardichvili’s proven findings showed that throughout a learning process, banking practitioners’ awareness is the basis for further developing “positive attitudes towards

sustainability” (2012, p.876). Furthermore, Ardichvili’s key concern pinpointed as for sustainability in human resources to be the “ethics and corporate social responsibility” (*ibid.*, 2012, p.877). This was also echoed by McIntyre et al. (2017, p.130): “Ethics are unavoidably at the foundation of sustainability”. It was, therefore, showed that some scholars consistently focused on the employees’ own competence, skills and knowledge empowered through “effective listening, dialogue and communication” (Roper, 2002, p.266) for the ultimate goal of sustainability. This remark matches the essence of sustainable development for the next generation as defined by the United Nations.

Thus, the emphasis is placed on the current leaders who have the responsibility to transfer both their knowledge and skills together with values onto their future successors. To be more specific, some scholars and specialized practitioners emphasized the top priority of recognizing “sustainable development” in their daily teaching and mentoring roles. Therefore, through the central role in the Human Resources Department (HRD) within organizations, it is essential for developing a ‘new mindset’ for individuals, organizations and societies (Ardichvili, 2012, p.874) for further sustainable development, and further advancement.

In view of the above historical development in sustainability, I will first examine the existing professional rules and regulations implemented by the three chosen renowned ‘sustainable banks’ through their staff’s current professional operational practices in Hong Kong. Afterwards, I will compare the existing implemented rules and regulations to determine whether they are in line with internationally recognized standards. Finally, I will evaluate whether there are any missing gaps in sustainable development in current banking practices. Based on the collected data of this research, I will also offer recommendations on how banking professionals can truly drive holistic sustainable development in Hong Kong. In fact, in 1990,

Senge had already advocated that a learning organization makes “continually expanding its capacity to create its future” and “successfully acquire, share, and use knowledge to achieve organizational goals” (Roper, 2002, p.259).

2.4 Conceptual framework for this study

This study is based on interdisciplinary perspectives, involving regulatory (legal) and ethical concerns. As regards the decision-making process in any institution, banking practitioners are the key driving force for sustainability due to their position in banks. No matter how well codes of practice are written, practitioners’ own active role or values driven for decision making can make a big difference. In view of their inherent ‘agency’ roles of banks, individual banking practitioner’s every decision has a direct and long-term impact on their employer (bank) and clients (general public).

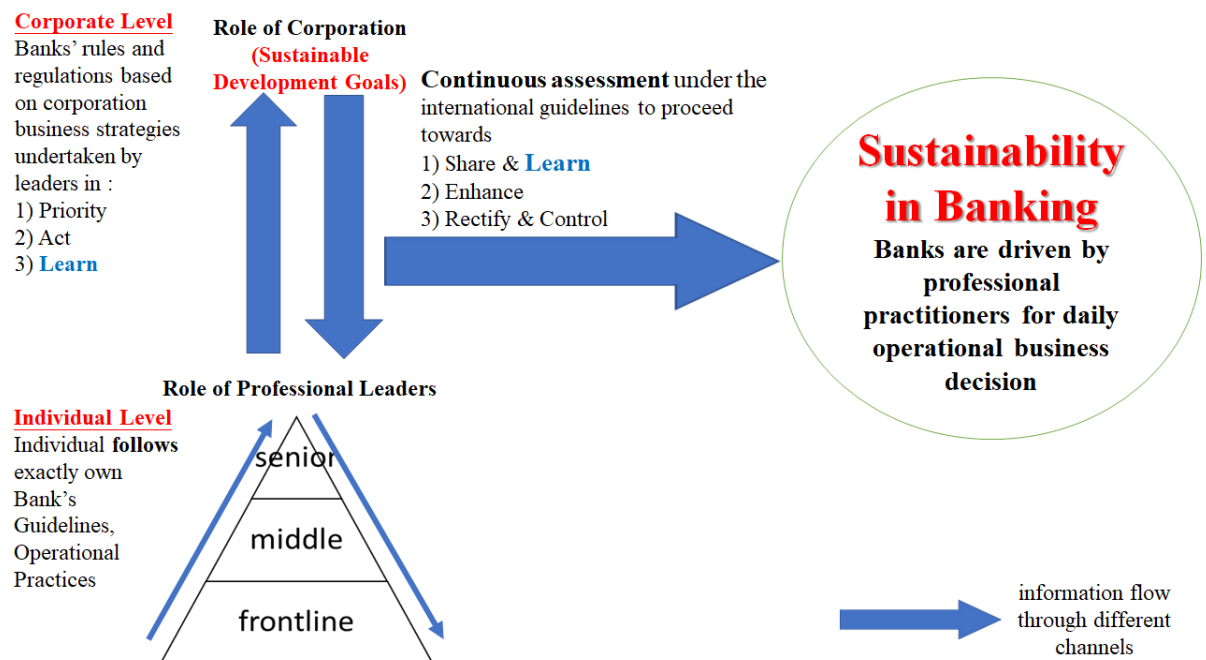
With respect to this, I have developed the following research framework (**Figure 2**) based on the corporate social responsibility essence as presented under the SDG guidelines. It aims at exploring the relationship between the individual and the corporation under current professional practices in two streams:

1. Corporation perspectives: these are based on well-written guidelines stated in banks’ operational procedures (e.g., codes of conduct, codes of ethics) or even non-written norms (best practice sharing platform) constructed by management. Then, it is explored whether these rules and regulations have been completely known, understood and implemented by banking practitioners. Furthermore, it examines whether they are aligned with international standards to guide their staff towards global sustainability.

2. Individual perspectives: banking practitioners may be bounded by their banks' own codes/regulations or other best practices found in their serving banking environments.

The study explores the genuine individual decision-making processes and how they have applied these codes/regulations in their daily operational procedural steps.

Having studied three banks' internal policies and individuals' decision making process, I tried to find out whether there are any possible best practices/knowledge learned from each other (across banks), or any potential gaps hindering banks' efforts in fostering sustainability in Hong Kong. This research examines banks in Hong Kong that have recognized, adopted and practiced the international tool of SDG guidelines towards sustainable development or further advancement in exercising corporate social responsibility (sustainability) direction. During the research study, I also referred to the continuous assessment of long-term sustainability success using international guidelines as a benchmark.

Figure 2***The Conceptual Framework for “Sustainability in Banks”***

As illustrated in the above framework (**Figure 2**), every decision made by an individual is not solely driven by existing sets of guidelines or procedures but rather depends on practitioners' proactive decisions while undertaking daily job roles in specific situations. This is the existing co-relationship between bank's codes and individual workplace decision acts. To operationalize this research process, I found that the terminology of 'ethics' is rather too big to be well-designed and well-defined. It is, therefore, necessary to adopt the internationally recognized standards as the assessment benchmark, rather than being based on each individual's own interpretation and implementation, causing confusion. A consolidated ethical values list as compiled by author and presented under **Appendix D** which is based on the ISO26000 (**Appendix A(1)**) and SDGs (**Table 1**).

Hence, this specialized study of the banking industry in Hong Kong is guided by international assessment tools for exploring whether these existing codes are well carried out by local banking practitioners as revealed during one-to-one interviews.

The key objectives of this research are:

1. To understand whether existing adopted professional banking practices in Hong Kong sustain its leading role in international financial markets;
2. To examine whether banking practitioners in Hong Kong comply with existing local and international guidelines towards sustainable development growth;
3. To identify any possible loopholes in current banking practices, by which facilitating the increasing number of reported prosecution cases that directly damage Hong Kong's leading banking role in global development;
4. To reveal (if any) practical dilemmas faced by banking practitioners during their daily business decision making in their working environment to inform possible future education and training in the banking industry.

Based on interviewees' genuine sharing, it is expected that this research will identify their awareness, understanding and application of relevant ethical and sustainable knowledge in their daily professional practices. Although most banks may have their own rules or codes to guide practitioners' actions during their daily decision-making process, this study will use the common workplace scenario case-study approach to reveal how well their guidelines are truly implemented and applied in their daily operations.

Then, I would examine whether their decisions could facilitate future growth and development in competitive banking markets. A more proactive approach to align with international professional standards and to empower banks to move further towards genuine sustainable development in Hong Kong could result from this study. Moreover, recommendations on existing training/public education policies of banks could direct future leaders to adopt SDG indicators as the benchmark for decisions to be taken.

Hence, the following three research questions will be addressed throughout the study and the interview process:

1. What are the current professional (regulatory and ethical) practices adopted by banking practitioners in Hong Kong, especially in their daily operational business decisions?
2. In what ways are these practices aligned with internationally recognized guidelines for “Sustainability in Banks”?
3. How can the professional practices be improved for global sustainable development in banks of Hong Kong through public education and in-house training?

2.5 Summary of the literature review chapter

This literature review section reveals the essential role played by each individual in achieving holistic and global sustainable development, apart from the basic foundation of the balanced approach in the three P’s (Prosperity (economic), People (social) and the Planet (environmental)). The important role of people (human resources) who make daily decisions, especially those in a leadership role, is recognized. Practitioners’ discretion could further directly and/or indirectly affect their own societies or even other countries, as showed by past incidents (discussed in Chapter 1). It is therefore necessary to continuously carry out checks

and control on the industry to empower it to prepare for future challenges or unforeseeable economic situations ahead.

In practice, the quality of each person (banking practitioner) in a position to make any decisions is the crucial and essential factor behind the successful global development of “Sustainability in Banks”. However, there has been limited research on the gap between implemented sustainability programs and the reported misconduct court cases among banking practitioners in Hong Kong. It is, therefore, worthwhile to examine the current daily professional practices in an existing international financial center like Hong Kong. The adopted three research questions are to examine the current banking professional practices, to compare the international standards in sustainability and see how to achieve further progress through education and training. The findings cited in the above literature support my research approach using methodology explained in Chapter 3.

Chapter 3: Methodology

3.1 Introduction

The previous literature review discussion in Chapter 2 showed the classical approach with the three P's theory for sustainability. As discussed about historical sustainable development in the banking industry of Hong Kong, this topic has been practiced for more than a decade, as stated in banks' non-financial reports. However, there are a number of repeatedly reported court cases of banking practitioners' misconduct in Hong Kong. Most of the reported prosecutions were due to non-compliance of daily operational procedural guidelines among banking practitioners at different levels in the banking industry. It is, therefore, worthwhile investigating the existing codes and regulations adopted by banks in Hong Kong, and in what ways they comply with or not, and how this can be improved to sustain Hong Kong's leading financial role.

In this chapter, I will discuss the research method adopted and its justification for carrying out such an empirical study. It is aimed at examining current professional banking practices in daily operational procedures for global sustainable development in Hong Kong. In addition, in this qualitative case study, I will detail the method for choosing participants from the chosen three banks specializing in retail/commercial and investment banking products, and its justification. Furthermore, the method of designing the research questions and interview approach will be covered. To safeguard data reliability and the validity of this empirical research, I have described the data collection and analysis methods in this chapter.

3.2 Research design

3.2.1 Research methodology

I have chosen the qualitative study approach in case-study methodology of three authorized licensed (AI) banks in Hong Kong. It is specifically to examine and assess whether current banking practitioners' professional (regulatory and ethical) operational codes and guidance implemented are aligned with international standards. Case-study methodology is employed as the research strategy. This study is an empirical investigation of current real-life practices in Hong Kong's banking sector and an in-depth analysis of the daily operational business decision environment.

3.2.2 Justification for a qualitative case study methodology

3.2.2.1 Qualitative research methodology

This is a qualitative methodology undertaken as an in-depth one-to-one interview approach. I aimed to find out current practices among banking practitioners in their daily operational decision making, and whether they have complied with local and/or international standards. Where participants had already complied with the various regulations, I further probe whether there is any rationale in their decision making for the current misconduct reported in daily news. This requires an interactive research approach with a high degree of trust between interviewees and interviewer.

In fact, only through qualitative research am I able to gather detailed information. This research method allows interviewees to share their real stories freely in a natural and trustful setting, while I can have direct interaction with interviewees during meetings and follow-up discussion (if appropriate) (Creswell, 2014). It is not possible to obtain details of existing

practices implemented in banks if I only use secondary information from company websites or written reports about each individual bank's policies and procedures. Furthermore, through qualitative study, I can see interviewees' instant responses and decisions with their own justification in similar working context questions under the scenario case study tests.

This qualitative research approach is the best-fit methodology for this kind of empirical study, especially as it focuses on exploring the business dilemma faced by banking practitioners in their real workplace environments. The research questions of this study are intentionally designed around foreseeable problems in daily work, especially based on those decided prosecutions as the scenario case-study questions for examining instant responses under different levels of interviewees. Throughout these questions, I can test each individual's capability in the application of their knowledge in similar workplace environments.

It is commonly recognized that qualitative study is a process-based procedure. It involves and explores current social or human problems through the interpretative lens of interviewees' feedback. This research was conducted on a one-to-one basis. This empirical study is also aimed at examining banking practitioners' awareness and understanding of the hot topic of "Sustainability in Banks" in Hong Kong. This is designed to meet the research objective in finding out the decision-making process, from both regulatory (legal) and ethical perspectives, of the different levels of banking practitioners in their workplace environments.

Afterwards, I am able to examine, observe, and interpret current practices in interviewees' daily business environments, and then further project the real situated workplace environment for a deep analysis and understanding of the participants' own value systems governing their behavior in daily decision making (Creswell, 2014; Antwi & Kasinm, 2015). Then, I draw up

a conclusive summary based on the interviewees' justification for their respective business decision making and further analyze in what ways they are related to sustainable development in the banking sector of Hong Kong.

In fact, Creswell (2014) recommended the qualitative research methodology for any research related to discovering characteristics within social science, especially for the ethic-related study. This is exactly the aim of this study, and therefore I use tailor-made scenario case-study questions for each interview to collect and analyze data. It is based on a series of representations in the form of field notes, interviews, conversations, recordings and memos. This interprets the observed situation and professional practices from the standpoint of truth value, consistency and neutrality and applicability (Lincoln & Guba, 1985) in the banking workplace. This is what Yin (2014) remarks as a separate and all-encompassing method with researcher's own justification and design methodology for the case study.

I believe that by conducting such qualitative research in case study, interviewees are empowered to share their own stories, hear their own voices, and stimulate their own thoughts and sensitivity. To minimize any possible existing power relationships between the participants and myself in this study, I adopted the collaborative approach in connecting with participants, by letting them understand the rationale of this research before conducting the meeting, and by engaging them to collaborate during the data interpretation and analysis phases of this study process (Creswell, 2014).

All in all, a qualitative research methodology is best employed for achieving the main objective of this research, to identify the complex interactions of factors in banking sectors through scenario case study of problems/issues. This involves reporting multiple perspectives,

identifying factors in the situation, and generally analyzing through deduction for the larger picture that emerges, rather than being bound by the rigid cause-and-effect relationships among revealed factors based on questionnaires and data collection. Therefore, qualitative research is the most appropriate method to adopt for this case study.

3.2.2.2 Case-study approach

I have employed a case-study approach under a qualitative research design because this approach is an appropriate and useful tool for in-depth examination of certain phenomena, incidents and/or practices (Creswell, 2014). This study is about the professional practices of Hong Kong's banking practitioners. It helps to examine whether existing practices are advancing towards global sustainable development.

The case-study method meets the exact design of research objectives for exploring current decision-making processes that professional practitioners adopted in the three selected banks in Hong Kong. It refers to each individual bank's explicit codes, rules and regulations set in a sustainability or corporate social responsibility development mission and direction.

This method allows interviewees to express, explain and describe why existing banking practitioners make decisions in that way while undertaking their daily job roles in the specific context of the sampled banks. Moreover, this case-study approach is popularly employed and well-understood in business management discourse for any situational data analysis (Creswell, 2014).

Since this study uses the qualitative research method, it seeks to deduce a much bigger picture of existing practitioners' current professional practices in making decisions during daily

operational processes in the real, competitive banking environments. Afterwards, I will assess this against existing international guidelines stated in the SDGs guiding the banks of Hong Kong towards global sustainable development.

3.2.3 Case selection

In this empirical study, there are a total of three chosen cases (banks) with operating branches in Hong Kong. Among these three non-local banks, two of them mainly focused on offering banking services for retail/commercial customers; while the other offers investment services. All were the authorized institutes (AIs) of licensed banks listed under the board of the HKEX.

The selection criteria are, firstly, banks have been following HKMA guidelines for complying with its banking codes of conduct, and for practicing continuous development and advancement. Secondly, all three banks explicitly advocate sustainability or corporate social responsibility as their business strategies based on published reports and official websites. Their sustainability performance in financial services has been recognized by the Hang Seng Corporate Sustainability Index since its formal launch in 2010. Thirdly, the selected banks have been recognized as sustainability pioneers for being awarded many sustainability-related prizes and championships, not only in Hong Kong but also in the international financial markets in the past decade.

Due to their different business natures and origin of headquarters, in the USA, the UK and China, practitioners (decision makers) may have their own different values for their different levels in the hierarchy (frontline, middle and senior). My aim is to explore any identified decision-making process pattern. Then, to study whether they were based on existing banking codes or regulations; and/or any compliance with international standards or holistic

guidelines. Afterwards, I aim to examine in what ways an individual's own values and morality apply in their decision-making process, especially when they face an ethical dilemma in the workplace that matches their employed duties. This research study uses the multiple case-study approach through within-case and cross-case analysis (as explained below).

3.2.3.1 Selected bank's profiles

The three banks were chosen based on their respective commitment and achievement in sustainability as stated in their financial and non-financial reports. In addition, all three banks are recognized as pioneers and champions for their sustainability-related activities and programs run for the betterment of society, apart from running business solely for economic gains. The three banks operate around the traditional model of sustainability under the three pillars of Prosperity (economic), People (social), and Planet (environment) as explained in section 1.1.3.1. This is also the current HKEX sustainability-related non-financial reporting basis.

1. Bank 1 (B1)

A leading international bank with multinational and long establishment in the Hong Kong and Chinese markets. Its banking services cover a wide range, from retail to corporate and investment. According to its published report, its main focus is on retail or personal/corporate business. After the failure of Lehman Brothers, its services extended towards the investment side as advocated explicitly in its sustainable report in late 2000. It is committed to serving its customers and stakeholders through responsible business practices, e.g., risk management on a long-term basis. It has won a large number of different awards and recognition both in and outside Hong Kong for its advanced sustainability projects and was a pioneer of online banking services around the world. It is prized as the leading bank for sustainable financial services

worldwide.

As reported, there is a dedicated department for advocating sustainability activities focused mainly on community involvement, e.g., connections with philanthropic organizations and charities, and environmental protection. It has been a member of the Equator Principles (**Appendix A(7)**) for more than 15 years. It is listed on the Hang Seng Index and the Hang Seng Corporate Sustainability Index. It is one of the largest banks in Hong Kong and the world. Recently, it has stated that it nurtures its human resources for its sustainability development strategy through internal communication channels.

2. Bank 2 (B2)

Based on its publicly published reports, it is a global bank with branches established in Hong Kong for several decades. Its engagement is mainly in the Chinese market under its close connection and practices in mainland China. Its explicit sustainability policy is evidenced by its corporate social responsibility/relevant sustainability codes implemented within the group. Its strategic policy is designed to cope with the Chinese government's advocacy of the 'One Belt, One Road' sustainable development policy.

The bank has issued corporate social responsibility/sustainability related reports since 2010. It is listed on the Hang Seng Index and Hang Seng Corporate Sustainability Index in Hong Kong. Analyzing its reports, it was found that its focus is based on current best practices or guidelines set by rules and regulations in its local markets. It is also governed by applicable Chinese laws in view of its headquarters location.

There is a dedicated sustainability or corporate social responsibility department for its sustainability-related activities. Its programs have won sustainability-related prizes in the Hong Kong and China markets. The interviewed senior staff are proud of its pioneering role in sustainability practices in Hong Kong. The bank's sustainability activities relate largely to the specialized areas of education and philanthropy, and some collaborative business partnerships demonstrated in the Hong Kong and other Asia-Pacific markets. The Bank currently emphasizes its strategic effort mostly at a digital banking approach.

3. Bank 3 (B3)

An international global and multinational bank with a footprint around the world, its business has been established in Hong Kong for several decades. It has explicitly declared that its business strategy focuses on sustainability-related issues, not limited to alignment with philanthropy and environmental protection. Its sustainability development is embedded through its daily business strategic decision making. There is a separate sustainability/corporate social responsibility department, as evidenced from its reports. Its first report was issued in late 2000.

It has been awarded different prizes for its banking services in Hong Kong and its headquarters. Its publicly advocated community involvement activities are embedded with finance-related products and services that cater for community needs in different regions of the world. The interviewed practitioners are proud of being members of this bank because it is renowned for its holistic and caring approach under a collaborative team effort. It is explicitly stated that its sustainability-related programs are largely matched with the spirit of Sustainable Development Goal No.17, the partnership approach for achieving "Sustainability in Banks". It is listed on the Hang Seng Index and the Hang Seng Corporate Sustainability Index.

3.2.3.2 Documentary analysis of the selected banks

Based on the respective selected banks' published reports accessible from their official websites, I have consolidated a summarized documentary analysis of the selected three banks as tabulated below.

Table 5

Summarized Documentary Analysis of the Selected Three Banks' Published Reports (2020)

	Bank 1 (B1)	Bank 2 (B2)	Bank 3 (B3)
Key Banking Services offered	• Retail/Commercial	• Retail/Commercial	• Investment
HK Stock Exchange listings	• Hang Seng Index & Hang Seng Corporate Sustainability Index	• Hang Seng Index & Hang Seng Corporate Sustainability Index	• Hang Seng Index & Hang Seng Corporate Sustainability Index
Involvement in Sustainability	• Environment, Philanthropy & Training	• Environment, Philanthropy & Education	• Environment, banking strategic services
SDGs focus	SDGs Nos. 3, 4, 6, 7, 8, 9, 11, 12 & 13 • No.3: Good Health and Well-Being;	A bank representative for HKEX Sustainability Consultation;	SDGs Nos. 5, 6, 7, 8, 9, 11, 13 & 17 • No.5: Gender Equality;

- No.4: Quality Education; SDGs Nos.1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 & 16
- No.6: Clean Water and Sanitation;
- No.7: Affordable and Clean Energy;
- No.8: Decent Work and Economic Growth;
- No.9: Industry, Innovation, and Infrastructure;
- No.11: Sustainable Cities and Communities;
- No.12: Responsible Consumption and Production; and
- No.13: Climate Action
- No.1: No poverty;
- No.3: Good Health and Well-Being;
- No.4: Quality Education;
- No.5: Gender Equality;
- No.6: Clean Water and Sanitation;
- No.7: Affordable and Clean Energy;
- No.8: Decent Work and Economic Growth;
- No.9: Industry, Innovation, and Infrastructure;
- No.10: Reduce inequality;
- No.6: Clean Water and Sanitation;
- No.7: Affordable and Clean Energy;
- No.8: Decent Work and Economic Growth;
- No.9: Industry, Innovation, and Infrastructure;
- No.11: Sustainable Cities and Communities;
- No.13: Climate Action; and
- No.17: Partnerships for the Goals

- No.11: Sustainable
Cities and
Communities;
- No.12: Responsible
Consumption and
Production;
- No.13: Climate
Action;
- No.14: Life below
Water;
- No.15: Life on
Land; and
- No.16: Peace,
Justice and Strong
Institutions

ISO26000	• ✓	• ✓	• ✓
UNEP	• ✓	• nil	• ✓
UNGC	• ✓	• nil	• ✓
UNPRI	• ✓	• nil	• nil
GRI	• ✓	• ✓	• ✓
AA1000SA	• nil	• ✓	• nil

GISD Alliance⁴	• nil	• nil	• ✓
HKEX ESG	• ✓	• ✓	• ✓
Local (Home Country)	• ✓ Code of Conduct	• ✓ Code of Conduct	• ✓ Code of Conduct
Standards	• ✓ xxxx Global Standards	• ✓ Green Bond Principles	• ✓ Leadership Standards

To sum up, sustainability-related activities/strategies of these three ‘champion’ banks are showed and analyzed above. It was revealed that their programs appear to be very diversified and well-structured. B1, B2 and B3 explicitly follow international SDG standards (with common goals Nos. 6, 7, 8, 9, 11 and 13) and are implemented through policies formulated, data presented in their respective sustainability/corporate social responsibility reports.

reports to investors and other stakeholders. All three chosen banks have their respective own localized rules and regulations strategically set for serving the community.

However, the repeated prosecutions have intensified the need to examine banks’ current professional (regulatory and ethical) practices and the values upheld by practitioners in daily business decision making. Interviewees have asked about the RQs 1-3 for examining their usual daily practices and the scenario case-study questions for testing their individual ethical sensitivity in similar workplace environments based on their job roles.

⁴ Global Investors for Sustainable Development (GISD) Alliance

3.2.4 Sampling selection

Interviewees were selected from three banks chosen for their sustainability/corporate social responsibility achievements. In order to increase the representativeness of this study, I intentionally apply ‘maximum variation’. Interviewees were chosen, therefore, in line with their positions at three levels: frontline, middle or senior in each bank (within-case analysis) and across three banks (cross-case analysis). There is a comparison between three banks in their respective advocates for business/sustainable development. Interview samples of banking professionals are drawn from those serving in Hong Kong banks, with different numbers of years working experience in Hong Kong or overseas.

All targeted interviewees were selected on the same preset basis to secure a comprehensive, fair and unbiased data source, interviewees were chosen from diverse banking backgrounds, as showed in **Table 6** (below). In addition, participants were mainly employed through third-party (12 out of 19 interviewees) referral to eliminate any possible biases from interviewer’s own banking experiences or knowledge.

Table 6
Summary of the Demographics of Interviewees in the Three Selected Banks

Selection criteria	Demographic clusters
Sex	Male (8) or Female (11)
Number of years served in banking industry	1 to 30+ years
Serving area	from Frontline to Backend offices
Bank hierarchy	Frontline-level, Middle-level, and Senior-level
Education level	Post-secondary, Undergraduate and Postgraduate

Professional training**involved****Nationalities**

legal, Compliance, Chartered Bankers, Company Secretaries, Accountants, Human Resources, IT, etc.

local Chinese, Chinese from mainland China/Taiwan, overseas Chinese

More than half recruited interviewees were strangers to the interviewer before the meetings were conducted. In fact, they were referred by interviewed participants after the completion of their own interviews. To focus mainly on the individual ethical sensitivity of existing implemented professional banking practices, I intend to avoid any sensitive information concerning gender or cultural background on each individual interviewee throughout this discussion.

The investigation focus was mainly on actual or potential influences by internal practices throughout the banks' existing three targeted groups. The senior-level and middle-level interviewees were those involved in policy formulation or advisory roles within banks. Some were in the specialized functional departments of legal, compliance, company secretaries, IT, human resources, strategic planning, etc.. As regards those frontline-level participants, they were drawn from operational staff, namely relationship managers, customer services executives, supporting officers/clerical staff, or tellers.

This diversified combination aims at examining the different levels of staff's genuine knowledge, especially in their banks' own ethical professional practices and the recently advocated legally binding practices by the HKMA. Banks explicitly and intentionally started to move towards sustainable development activities and practices right after the global financial crisis. In addition, this study was to evaluate whether these banks have aligned with the globally

and internationally accepted guidelines, if stipulated in their own bank's codes for daily operational procedures.

All collected interview data was cross-checked within the same bank (within-case analysis) of the three different hierarchical levels. Afterwards, another round of data analysis was carried out in the same and different levels across the three banks (cross-case analysis). In the latter part of the interviews, there are three sets of tailor-made scenario case-study questions for three levels to assess each interviewee's own ethical sensitivity based on their awareness, understanding and existing implemented codes, and their individual application of knowledge in each workplace environment. The preset questions are based on decided prosecutions relevant to their respective job levels and daily operating procedures. The following are the two criteria used for assigning the appropriate scenario workplace questions:

1. Different interviewee's existing banking experiences and their relevant roles in their own banks.
2. Previous or predictable job roles specifically designed to examine their individual decision/judgment in respective working situations.

As discussed in Chapter 2, organizations are managed and operated mainly by their own staff. With regard to banks, they operate in a highly regulated business environment. A very high level of rule-based compliance (regulatory, compulsory) is followed. However, in what ways do banking practitioners base their decisions/behavior on value-based attainment (voluntarily)? This study also sought to find out how existing professional banking practices could be improved for achieving a global sustainable banking strategy in Hong Kong. This was what Shum & Yam (2011) advocated for the roles of 'ethics and law' and can be used to guide the invisible hand to correct corporate social responsibility externalities.

3.3 Interview questions

Each interview was conducted in two parts. The first part was the three RQs aimed at finding out the existing written regulatory (legal) guidelines implemented by the chosen banks. The other part was the scenario case-study question, and with its specific objectives for each level mainly focused on individual daily operational roles in decision making. It was used to test each individual interviewee's own awareness, understanding and application of knowledge, and regulatory (legal) or ethical practices. Then, their competence in applying their knowledge when they are faced with banking dilemmas in their workplace situations.

Before the formal interview was conducted, I sent out a formal invitation letter signed off by my principal supervisor, Professor Yu, detailing interview information (**Appendix E**) and formal consent sheets on the behalf of the Bank (**Appendix F(1)**) and for interviewee oneself (**Appendix F(2)**). Having obtained their consents, I sent out the initial pre-meeting questionnaire sheet (**Appendix G**) which was used to explore each interviewee's background and experience in their banking sectors. Afterwards, I chose the most appropriate preset scenario case-study test question to project a similar working situation possibly faced by the individual interviewees. It was aimed at letting interviewees express their own level of knowledge in judgment, based on their own moral and ethical sensitivity.

All research questions were kept strictly secret to eliminate any possible chance of pre-meeting preparation by interviewees. It aimed at testing each interviewee's genuine sensitivity in their decision-making process. For those interviewees who were referred by previously interviewed participants, I also reassured them that all interviewed participants' own feedback was strictly confidential, especially to those 'potential' participants.

Some middle- and senior-level interviewees (B1:ml-trt, ml1, sl1; B2:sl4; B3:sl5, sl6) insisted on viewing the preset research questions before confirming their availability. Although I tried hard to persuade them to come before reviewing questions, I have only compromised by sending the first part of the three RQs (**Table 8**) without leaking the scenario case-study questions (**Table 9**). It was intended to keep confidentiality of these sensitivity tests. Therefore, their responses on the second part of the scenario case-study questions can still serve as a cross checking for their genuine regulatory (legal) or ethical sensitivity.

3.3.1 Three research questions

Interviewees were asked the same set of three RQs regardless of their present hierarchical levels within the banks. This was aimed at examining their awareness and understanding of current professional banking practices for sustainable development, with the following three RQs and the respective leading questions as stated below (**Table 7**).

1. What are the current professional (regulatory and ethical) practices adopted by banking practitioners in Hong Kong, especially in their daily operational business decisions?
2. In what ways are these practices aligned with internationally recognized guidelines for “Sustainability in Banks”?
3. How can the professional practices be improved for global sustainable development in banks of Hong Kong through public education and in-house training?

Table 7

Three Research and Leading Questions with Testing Objectives for Three Levels of Interviewees

Research questions	Leading questions for the interviewees at Frontline-level/middle-level/senior-level
RQ1:	✓ Please share your current professional banking practices undertaken daily in this bank?
Current professional practices adopted by banking practitioners in daily operational decision making	✓ Are there any written guidelines/rule books? <ul style="list-style-type: none"> ○ What are they? ○ What purposes are they for? ○ How are they communicated with staff here? ○ How often are they updated? ○ How often do you refer to them? ✓ Have you ever heard the following terms, WHAT are they for? <ul style="list-style-type: none"> ○ ‘Sustainable development’ or ‘sustainability’ or ‘corporate social responsibility’ or ‘business ethics’? ○ ‘shareholder’ vs ‘stakeholder’. ○ If yes, what and how do you expect they are relevant to you? ✓ In what ways do you understand your bank reacts to this development direction? <ul style="list-style-type: none"> ○ Or, do you have any idea of any other banks in Hong Kong or overseas adopting such practices? Please name it (them).

- ✓ Have you found yourself involved in this specialized role?
 - If yes, what duty are you responsible for?
 - If not, do you know why? Please illustrate.

Objectives: To identify (if any) practitioners' KNOWLEDGE and IMPLEMENTATION gaps in existing banking codes and practitioners' daily decision making and its consequence impacts.

RQ2:

Daily decision making in

line with International

standards/practices,

especially in sustainability

growth

- ✓ Are you aware of any international standard/best practices adopted by your bank?
- ✓ In what ways do these guidelines align with the internationally recognized standards? Please name a few (if applicable).
- ✓ Do you think the existing practices are essential for undertaking your daily tasks? WHAT? HOW? and WHY?
- ✓ If your bank has not yet implemented any international standard, do you know WHY? Any challenges you face or will face?

Objectives: To identify (if any) practitioners' KNOWLEDGE and UNDERSTANDING gaps in SD direction adopted by their respective served Banks and their expectation of leadership roles.

- RQ3:**
- Any identified areas for improvement or suggestions**
- ✓ Is there any suggested improvement for your bank to advance itself in sustainable development within HK or global markets?
 - ✓ How effectively does your bank's current sustainable strategy communicate to you and your staff?
 - ✓ Faced with the repeated staff misconduct incidents or even prosecutions, what do you think as a responsible banker can do better?
 - Is there any related training courses offered to newly recruited staff or existing staff?
 - Any staff grade/level criteria for participation?
 - ✓ Have you ever overcome any workplace dilemma?
 - ✓ If yes, please share your experiences or challenges/difficulties.

Objectives: To identify (if any) COMMUNICATION gaps in existing and predictable challenges faced in the advancement of the “Sustainability in Banks” of Hong Kong

These questions were designed to explore, check and evaluate current daily regulatory banking operational practices adopted by the interviewees' banks. They were used as a tool for cross-referencing and evaluating how effective the existing banks' written codes/guidelines are implemented with reference to the interviewees' awareness, understanding and their application of knowledge in the scenario case-study session.

Subsequently, I applied their current or previously discharged working duties with respect to scenario case-study questions (frontline-level, middle-level or senior-level) to investigate their daily operation decision making through knowledge application. Among the different levels of scenario case-study tests, interviewees were placed in a working dilemma under the situation between existing and potential customers, how well they could balance the different demands of groups from the bank's shareholders against the internal and external stakeholders.

3.3.2 Scenario case study in three levels

Apart from the formal interview, there was the scenario case study interview (**Table 8** below), specifically designed in accordance with individual operational roles within their banking hierarchy. It is aimed at examining their 'ethical sensitivity' rather than an "impulsive response/action" (Verges, 2010, p.500) through their ability to apply knowledge in problem-solving and decision-making skills. These interview questions are used as a benchmark for cross-checking each individual's decision-making process, to establish whether there is any justification for their acts, especially when they are faced with ethical dilemmas in daily operational practices.

All the chosen scenario case-study questions are created based on the decided legal cases (**Table 8**).

Table 8

Scenario Case-study Questions for Three Levels of Interviewees

Scenario case study questions	Frontline-level interviewee <u>Sell or</u> <u>NOT to sell</u>	Middle-level interviewee <u>Receive or</u> <u>NOT to receive</u>	Senior-level interviewee <u>Disclose or</u> <u>NOT to disclose</u>
Cross-reference check of individual banking practitioner's own decision-making process and choices made when faced with similar daily job routine environments	<p>You are approached by a client insisting on a corporate loan to buy some financial products. Although you realized the client's inappropriateness in view of his/her old age as indicated by the initial customer's stress/risk test capacity.</p> <p><i>Q: WHAT & HOW & WHY:</i> <i>Can you cope with this client's request?</i></p>	<p>In a critical financial turmoil, you have been assigned a high level of sales quota. Luckily, you have a very long-term relationship client for 10+ years. She now has surplus money and asks you for any financial investment advice, but you have not yet certified for such kinds of investment.</p> <p>You have a very close friend and ask you for help in soliciting business and will give you commission for any successful referral in return.</p> <p>Who are you going to refer to:</p> <p>a) Friend within your bank? b) Friend of another competitive bank?</p> <p><i>Q: WHAT & HOW & WHY:</i> <i>Can you cope with your friend's referral request from your current banking position?</i></p>	<p>In the board meeting with other senior staff, you are the only one who insists on disclosing all information about newly introduced financial products, including all kinds of potential risks and losses to clients, no matter whether they are predictably associated with them.</p> <p>However, the CEO asks you to stop doing so, but rather to keep silent about that uncertain information.</p> <p><i>Q: WHAT & HOW & WHY:</i> <i>Can you cope with the Senior Management's request?</i></p>

They were designed to test interviewees in similar levels of authority in their workplaces. Through these questions, individual participants were tested for their respective sensitivity in regulatory (rule-based) against ethical (value-based) in their decision-making process whenever they were placed in a normal business dilemma under the environment as presented below. The scenario questions were designed to test interviewees' sensitivity in respect of "conflict of interest" and "fiduciary duty" in different perspectives.

Table 9

***Scenario Case-study Objective for Assessing Interviewees' Legal and Ethical Sensitivity
Application in Decision-making Process***

Scenario Case-study Questions	Testing objectives	
	Retail/ Commercial Services	Investment Services
Frontline-level interviewees (Sell or NOT sell)	⇒ <u>Conflict of interest:</u> interests of individual interviewees' personal against interests of potential customers;	⇒ <u>Fiduciary duty (duty of care):</u> handling existing/potential customers' money.
Middle-level interviewees (Accept or NOT accept)	⇒ <u>Conflict of interest:</u> interests of individual against own bank; and own bank against the interest of competing banks;	⇒ <u>Fiduciary duty (duty of loyalty):</u> transact any business deals without appropriate licence or qualification to handle.

3.4.1 Documentary data

This study employed two main steps in documentary research: (1) context analysis of the existing data available from banks' reports and portals; and (2) data analysis from the first-hand information drawn from the collected data coded in accordance with the main themes using the NVivo tool. Afterwards, I drew up the existing highlighted banking practices of their respective strategic and operational implementation within their banks in Hong Kong.

Data analysis steps are presented in Chapter 4. There are the projected existing bankers' professional practices (regulatory and/or ethical) of respective strategic and operational policies implemented in the chosen banks.

First, a systematic electronic search and review of the archival data extracted from published sustainability reports that were accessible from the chosen banks' official websites, but due to sensitive information of the chosen three banks, these cannot be clearly stated under **Table 5** of the section 3.2.3.2 (above). However, as referred to the commonly employed academic research via the Scopus, Google Scholar, EBSCO Host and Web of Science databases for peer-reviewed journal papers, I used the following three sets of keywords for searching across academic and professional portals:

1. 'Corporate social responsibility' (CSR), 'sustainable development' (SD), 'Sustainable Development Goals' (SDGs) and 'Sustainability in Bank(s)';
2. 'Ethical decision' (ED), 'business ethics' (BE); and
3. ISO26000, United Nations (UN) and leadership.

Keywords were also sought in relation to one another from existing or available publications in articles, book chapters, editorials, newspapers, and professional journals/magazines. To add credibility to this research, I intentionally included articles that have undergone the review process for publication but have not yet been released during this research study.

During the trial run interview meeting, I aimed at seeking out any predictable interview questions set for the protocol. For example, the terminology related to the specialized areas in sustainability or CSR, as commented by the trial run tester (B1:ml-trt) that some are rather too technical to be fully understood and/or possibly related to the real working environment. Then, I gave some typical examples run by other banks to recall interviewees' memory of any related activities run by their own banks. In addition, I adopted an encouraging and innovative approach to let interviewees share their own memory and knowledge of how their own value of sustainable development affects their daily operational and decision making in practical banking environments through scenario case-study questions, as stated in **Table 8**.

These scenario case-study questions were set as a benchmark for cross-checking interviewees' instant decision-making process, to reflect their understanding of the banking practices rather than based on memory (rote learned) or asking others. By setting such standard questions in the same levels across banks, it is aimed at finding out the similarities and differences among their level of understanding and implementing of professional practices within and cross-case analysis.

3.4.2 Participant recruitment

According to the research proposal, it was targeted to complete the whole interview process within six months. However, once the research interviews formally started after receiving formal ethical review approval from the EdUHK in July 2019, there was an outbreak of social protests that gained momentum until December 2019. Afterwards, there was the spread of the coronavirus, first reported in China and then Hong Kong in late January 2020. These two incidents made all business and academic contacts distanced. Therefore, I could not secure any opportunity of conducting face-to-face interviews as done before the incidents. It is because of the government's social distancing rules and other social/political reasons. To facilitate and complete this research study, I had no choice but to conduct interviews virtually.

All participants were well-informed about the research purpose, format and expected duration, any possible assumed liability for defamation as detailed in the information sheet (**Appendix E**) in written and/or verbal forms. Participants' written consent sheet(s) (**Appendices F(1) and F(2)**) was (were) obtained before formally conducting any formal interviews.

The collected data was solely and strictly used for this research analysis in a systematic way to examine interviewees' current knowledge in their professional operational decision making, and how this can be related to internationally specified "Sustainability in Banks". During the whole data analysis process, I took extra precautions to examine the most appropriate sources of data. These are not limited to existing activities launched by banks but rather from each individual interviewees' own awareness and understanding of these. Then, I explored the driving forces of these activities on participants' action/decision, and to what extent it relates to current specialized sustainability practices.

Finally, this research was completed by 19 interviewed participants (including the B1:ml-trt) chosen from the three licensed banks incorporated overseas but with branches actively operating in Hong Kong. There was a total of six participants for each bank, with the main focus on providing banking services in retail/commercial (B1 and B2) and investment (B3). Each bank provided three levels (frontline, middle, and senior) of staff, with two participants drawn from each level. Each interviewee attended a one-to-one individual meeting either face-to-face or by phone with recordings. Each meeting lasted approximately 1 hour and 15 minutes (**Appendix G**), depending on the depth of knowledge and experiences shared by individual banking practitioners during interview meetings.

Afterwards, there was a follow-up process for clarifying and verifying meeting transcripts through formal email enquiries, and informal WhatsApp chats. Once the transcripts had been completed, each was sent for interviewees' formal approval before proceeding further for data analysis. Below **Table 10** is the diary of each transcript completion and verification.

Table 10

Interview Transcriptions for Interviewees' Review and Approval Sign-Off Schedule

Interviewee		1st draft transcript	Confirmed transcripts details
Bank	code	sent out date	received date
B1	ml-trt	15 July 2019	18 July 2019
	fl1	1 October 2019	29 October 2019
	fl2	18 February 2020	7 April 2020
	ml1	13 October 2019	24 October 2020
	ml2	18 September 2019	18 February 2020

B2	sl1	2 February 2020	23 February 2020
	sl2	29 March 2020	3 April 2020
	fl3	22 July 2019	1 August 2019
	fl4	24 February 2020	2 March 2020
	ml3	5 February 2020	17 March 2020
	ml4	24 February 2020	24 February 2020
	sl3	10 February 2020	18 February 2020
	sl4	9 February 2020	11 February 2020
	fl5	13 October 2019	31 October 2019
	fl6	6 April 2020	17 April 2020
B3	ml5	23 March 2020	29 March 2020
	ml6	31 March 2020	16 April 2020
	sl5	29 October 2019	4 November 2019
	sl6	15 February 2020	18 February 2020

3.4.3 Interview process

This study was carried out by one-to-one individual meeting based on a case-study approach. This was considered as a separate and all-encompassing method with justification for the following design methodology.

As guided by Creswell (2014), this research process is based on an emergent design. This means that I made changes after the completion of the trial-run interview in middle-level (ml-trt) from B1, which was conducted on 6 July 2019. Afterwards, as guided by my principal supervisor, I was requested to adjust the interview approach and make further changes to interview questions and approaches. For example, I had to adopt an open-ended questions

approach to encourage interviewees to freely voice their experiences and genuinely undertaken best practices in daily decision making. I then rephrased questions to make them more understandable and easily communicated with different levels of staff, especially for those scenario case-study questions to make the case more relevant to test and reflect their real working environments.

As a result, I found out the genuine values held by each interviewee in their own interpretations of the professional banking practices based on knowledge obtained previously and currently in their workplaces. I then used the collected data to explore and examine how this can be applied in their daily routine decision making. The collected data revealed that the key idea behind such qualitative research is to learn from the interviewees and engage them in the process of identifying the current/potential challenges or dilemmas that they face in their working environments.

This refers to Yin's (2014, p.16) remark that the case-study approach is "an empirical inquiry that investigates a contemporary phenomenon (the 'case') in depth and within its real-world context". Therefore, it required a high level of focus and attention to the validity and reliability of the research before interpreting potential results and concluding findings. Therefore, interviews were conducted in a semi-structured format. This is a kind of formal interview with the aim of engaging both the interviewer and interviewees through preset guiding questions with specific objectives stated under **Table 7 – 9** (above). This study was conducted formally within the interview research question framework by using open-ended questions. It aimed to let interviewees express freely the real practical challenges faced in their daily working environment. Interviewees were encouraged to share the practical guidelines or norms upheld in their departments rather than the standard guidelines on their respective bank's

websites. This meant that what interviewees shared, then was further examined through the preset scenario case-study questions (**Tables 8**), was based on their job roles in their working environment. These questions were set for reassessing their decision-making process through their own instant application of knowledge rather than rote-learned guidelines or procedures.

In addition, I adopted the ‘linear but iterative’ enquiry approach for this qualitative study through different stages in planning, design, preparation, collection, analysis and reporting. Yin (2014) called for a high level of objective quality for qualitative study under “readability, credibility and confirmability” (p.192) through data triangulation, as explained and adopted in the following data analysis process below. For example, I adopted the case comparison analysis approach within banks (within-case analysis) and across banks (cross-case analysis) to find out any similarities and differences to enrich different perspectives that are represented in this study.

3.5 Data analysis process

The whole interview was guided by the three main research questions under the study title: ‘An examination of professional practices for global sustainable development in banks of Hong Kong’.

1. What are the current professional (regulatory and ethical) practices adopted by banking practitioners in Hong Kong, especially in their daily operational business decisions?
2. In what ways are these practices aligned with internationally recognized guidelines for “Sustainability in Banks”?
3. How can the professional practices be improved for global sustainable development in banks of Hong Kong through public education and in-house training?

3.5.1 Process

Following data collected from multiple channels, such as interviews, observations, and documentations, I studied and analyzed them all by finding out their patterns, organizing them into categories/themes from different sources through an inductive and conductive process.

Inductively, I had to examine the collected raw data from interviews. Regarding the secondary data from websites and reports, I aimed at achieving a more comprehensive and holistic sense of the collected data through a complex reasoning logic. This process required me to have a collaborative approach with interviewees to establish the main theme during the process of data collection.

During this study period, I also applied deductive thinking from the existing three P's theories of sustainability, consistently checking against the collected secondary data. I followed a process of inductive-deductive logical reasoning to interpret collected data and to explore how this is generally applicable in the current decision-making process among interviewees at different levels in banks.

I undertook the following steps for selecting three representative banks for this case-study approach. First, I carried out a thorough documentary review of reported prosecutions concerning banking practitioners' malpractice in the banking system of Hong Kong (as presented in section 2.3.1). Based on the reported cases, I employed two main available resources internally and externally:

1. Banks' written best-practice guidelines in daily operational decision making from websites and interviewees' feedback.
2. Online (websites) governmental institutions (HKMA, SFC, ICAC), and HK Law Journal.

Internally, a bank's own codes (namely, code of conduct, code of ethics), and staff handbooks can be downloaded from accessible public platforms (if appropriate). Externally, the chosen banks' published reports, both financial and non-financial, especially focused on the issues of the sustainability or corporate social responsibility (CSR) for their practical (regulatory and ethical) operational standards implemented in their banks.

In addition, I based my research on the banks' own activities, policies, practices, procedures and strategies. They could be accessible from their respective official websites or revealed from the interviews. I aimed to examine the practitioners' awareness of knowledge and/or understanding of knowledge in sustainable development and their application of knowledge in their served bank's existing practices through their daily operational and decision making process.

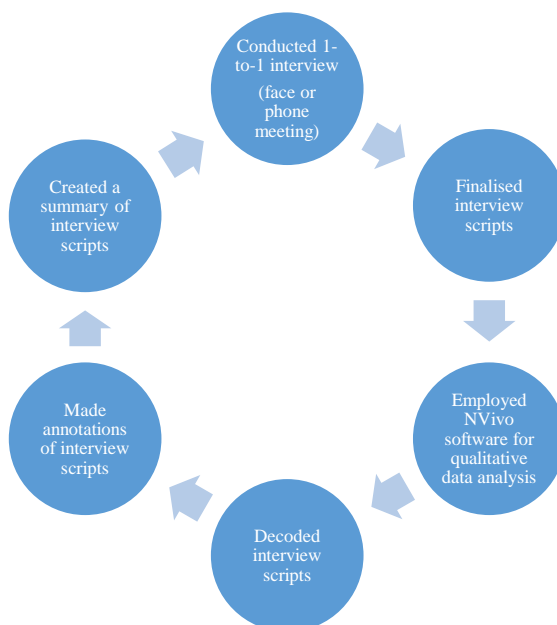
Following the data-collection process, it was targeted to examine if individual banking practitioners applied their leaders' own value systems by aligning with the banks' mission and complying with any international standards/guidelines. Hong Kong is such an international financial center that it has practically adopted the common internationally accepted practices as SDGs. These are explicitly stated in the banks' sustainability or CSR reports and are practically employed in their business strategies and operations. This initially collected data

was further used as the foundation guiding the one-to-one face-to-face or telephone interviews, depending on availability and feasibility, for this individual case-study analysis.

Finally, based on individual banking practitioner' feedback and the revealed existing best practices, I examined in what ways their focus was on the professional (regulatory (legal) and ethical) daily operational practices in Hong Kong throughout the existing programs/activities implemented within banks. I adopted the following six stages stipulated in **Diagram 5** (below) for the whole data collection process.

Diagram 5

Six Stages Taken in Data Collection Process

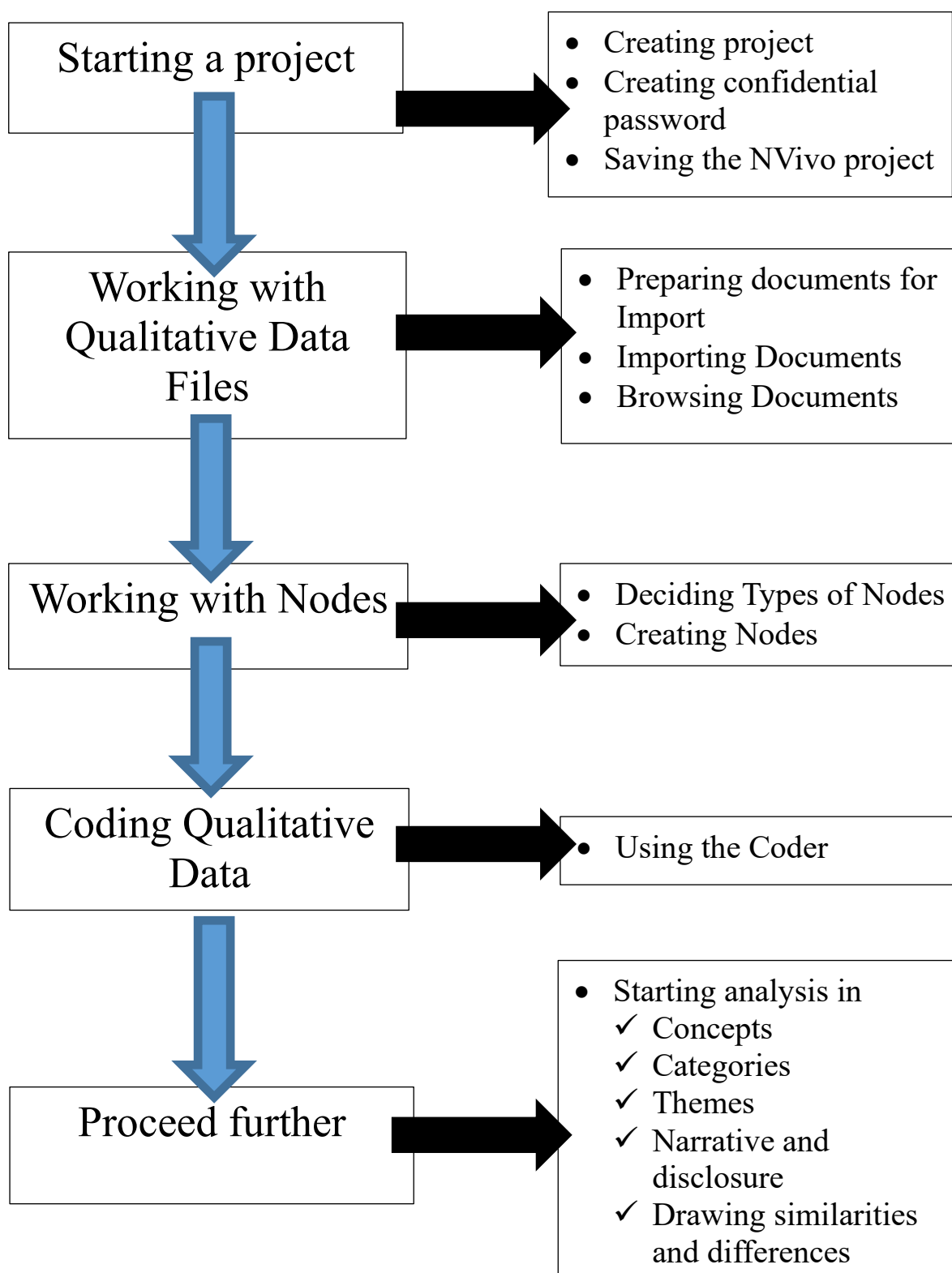


It started from conducting 1-to-1 interview meetings for interviewees' raw data collection to creating interview scripts summary as detailed in RQ1 (**Appendix I**), RQ2 (**Appendices J, K and L**) and RQ3 (**Appendices M and N**) for further data analysis through the NVivo data analysis tool.

An example of the NVivo Coding based on the collected interviewees' data as showed above. This data analysis tool was employed to ensure that this research work is “more methodically, more thoroughly, more attentively” (Bazeley & Jackson, 2013, p.3) conducted. This tool is commonly regarded as a good way to provide multiple analytical ways in which to organize different types of qualitative data. NVivo was used to perform multiple queries from a range of very narrow (in-depth) to very broad (in-width) based on the sets of qualitative data from a pile of documents, files, etc. Its coding analysis function provided different codes as designed according to the three RQs of this study.

This NVivo software tool was employed to analyze interviewees' decision-making criteria and the relationship of the individual application systems within banks (within-case analysis) or across banks (cross-case analysis) in Hong Kong. A detailed workflow for carrying out the qualitative data analysis done by NVivo is explained in **Diagram 7**.

Diagram 7

The Workflow of NVivo for Qualitative Data Analysis

3.5.3 Coding system

I followed a stringent policy for inclusionary/exclusionary data analysis. This was recommended by internationally accepted guidance to ensure and maintain a high level of objectivity.

In view of the inter-connection between the 17 Sustainable Development Goals (SDGs), explained in the literature review in Chapter 2, I aimed at collecting data for examining whether this was a genuine basis for the value-based (ethics) approach upheld by the banking practitioners (**Appendix D**) in their daily decision-making process.

In undertaking this empirical study, I adopted the NVivo system for the whole data-analysis process starting with the literature review, data mining to data consolidating towards the final reporting sections.

The two main analyses are (1) text search and (2) a word frequency cloud for streamlining and tailor-making guidelines for interview questions. Appropriate categories of interview purposes were to be aligned with the three research questions (**Table 7** under section 3.3.1) and scenario test questions (**Table 8 - 9**) of this study. In addition, query for coding data and matrix comparison were also employed by NVivo in the following approaches:

3.5.3.1 Coding data queries

Two nodes were adopted to decode the collected data.

1. **Thematic nodes:** describing themes/concepts in sustainability, CSR, SDGs, SD, BE, code of ethics/conduct, leadership; and

2. **Case nodes:** identifying each individual's decision judgment within and across banks in Hong Kong.

3.5.3.2 Matrix coding query

The coding query was created basing on the following two case analysis with comparison with the international practices and guidance for “sustainability”:

1. **Vertical (within-case analysis):** different levels of practitioners' and banks' practices within the same bank.
2. **Horizontal (cross-case analysis):** different guidelines adopted and implemented across three different banks offering two main types of banking services in retail/commercial and investment.
3. **Standard comparison:** locally adopted guidelines/standards in each bank against international standards, ISO26000 and SDGs as a benchmark for comparison among banks (cross-case analysis).

In addition, there was a set of scenario case-study questions specifically designed for examining each interviewee, in what ways were existing knowledge and practices applied in the bank's standards and guidance.

3.5.4 Consent/confidentiality

To ensure the confidentiality of this research study, each interviewee received a formal written invitation in respect of their own jobs and as representatives of their banks in **Appendices F(1)** (interviewed bank) and **Appendix F(2)** (individual interviewee), respectively. All interview meetings were audio recorded from start to finish; this was carried out with interviewees' consent.

To comply with the ethical research criteria, all interviews were conducted only after obtaining formal endorsement by the ethical committee through the EdUHK ‘ethical review’ process.

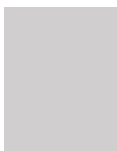
I transcribed all interview scripts myself in order to comply with the code of ethics, especially for meeting the EdUHK standard. There was a brief pre-interview discussion and debriefing after completing the interview to increase genuineness and trust in the whole process of data collection and processing. All well-typed transcripts were sent to the respective interviewees for their final review and approval, and then their signature approval obtained before proceeding the data-analysis process. Records were presented in **Table 10** (above) under section 3.4.2.

To achieve confidentiality and conceal the real identity of each interviewee, all records were kept in anonymous format as presented below.

Table 11

Identity-blinded System for Interviewees

Bank types/staff level of	Frontline-level	Middle-level	Senior-Level
B1 – focuses on retail/commercial services	fl1 fl2	ml1 ml2	sl1 sl2
B2 – focuses on retail/commercial services	fl3 fl4	ml3 ml4	ml-trt sl3 sl4

B3 – focuses on fl5 fl6 ml5 ml6  sl5 sl6
investment services

Remarks: data obtained from the ml-trt (trial-run tester, middle-level) before the formal research interview meetings conducted.

To ensure data accuracy from the samples, I intentionally designed the whole process without involving any incentive to any participant. Only a ‘thank you’ card costing a few dollars was sent to each interviewee after the completion of the whole process of transcription and verification by interviewees.

3.5.5 Credibility of data collection and analysis

Qualitative research emphasizes the importance of data credibility, accuracy, truth and interpretation through well-designed procedures. I used different interview techniques to increase data credibility for this qualitative research, e.g., short statistical questionnaire survey (**Appendix G**) before the formal interview meetings, with the aim of obtaining evidence from background information of the respective interviewees for the appropriate scenario questions assigned.

In addition, I intentionally undertook the following steps to increase data credibility, level of validity and reliability in this research, and trustworthiness in the collected data, and then further proceeded to conduct the data analysis.

3.5.5.1 Interviewee recruitment

As explained by Creswell (2014), it was necessary to maintain unbiased and fair recruitment through the whole interview process. Therefore, I emphasized the variety of participants from three banks focused on different business services: retail/commercial and investment.

During the entire research process, I always reminded myself that focus should be based on exploring interviewees' awareness, understanding and application of knowledge in 'sustainability' in their daily banking environment. I should put aside my own experiences in the banking industry or knowledge obtained from renowned writers' work. I took multiple stakeholder perspectives as these were the key focuses for applying a sustainability approach to this topic. This was also the reason for the theme developed in this report, as reflected by the multiple perspectives based on participants' feedback in the study.

3.5.5.2 Interview questioning tactics

To establish a good rapport with unknown interviewees, I adopted an encouraging approach to let interviewees share their situational decision-making process while undertaking their daily job roles. Therefore, data given by interviewees was based on their own awareness of current professional practices and understanding of knowledge in their specialized area, rather than the normally accepted model answers cited in rules or regulations books.

Questions related to daily banking practices were asked throughout the interviews, with the following tactics adopted for gaining interviewees' trust and confidence in sharing their real working situations:

1. open-ended questions;
2. a calm and measured approach to establish rapport, especially for those interviewees referred by third parties for this research. It demands a higher trusting relationship with interviewees to collect reliable and authentic data;
3. reframing question technique, to ask the same questions in different ways throughout the interview to obtain a validity check for reliable answers;
4. triangulating data obtained through interviewees, in different roles within the same banks (within-case analysis) and across the three different banks (cross-case analysis), to gain genuine understanding and response to the definition of ‘sustainable development’ in its implemented policy in the respective chosen banks;
5. double analytical process through cross-checking by audio recordings with interviewees’ consents and approval by signing off the typed-up interview scripts for any follow-up inputs/information shared after a meeting (**Table 10**) but before further data analysis (**Appendix H**).

3.5.5.3 Transcribing the interview scripts process

All interviews were conducted in the interviewee’s preferred language, either in English or Cantonese. However, all interviews were transcribed in English. To ensure all participants’ feedback was accurately recorded and reflected in all transcripts, each individual participant was then sent a copy with highlighted remarks for any clarification of unclear messages or any subsequent details provided by the interviewees.

All transcriptions were verified, approved and signed off by the respective interviewees first. Afterwards, all sound recordings and signed-off transcripts were passed to the immediate supervisor for further review and approval before proceeding to the next data-analysis step.

3.5.6 Data analysis on cases

As this was qualitative research, I was the key instrument in examining documents, observing behavior and interviewing participants (Creswell, 2014). I adopted the ‘reflexivity’ approach to posit the interviewees’ feedback in this study. This means I conducted this research as a compilation of interviewees’ working experiences and knowledge in this professional field. Afterwards, I conveyed the interpreted information in this study for exploring insights in the current professional banking practices of Hong Kong.

I adopted multiple methods through multiple channels of collecting data, for example, chosen banks’ website reports and documents specifically on issues related to sustainable development, reported prosecutions, interviews and observations rather than one single source of data. It was a holistic approach based on the aspect of each case. It was focused on a few key issues or themes to understand the complexity of this study (Creswell, 2014). As a multiple case-analysis approach was chosen, I employed a standardized format to provide first a detailed description of each case based on the themes within the case (within-case analysis). Then, the research followed a thematic analysis across the cases (cross-case analysis), as well as assertions or an interpretation of the meaning of the case in each research question.

It is aimed at exploring whether any “shadow side or unusual angles” (Creswell, 2014, p.71) existed among the interviewees, to analyze data given by interviewees during meetings. In the final phase of data interpretation, I presented the meaning of the cases, whether they come from the “own instrumental case or from an intrinsic case” (*ibid.*, p.114).

This study was based on the interlocked research questions for examining whether currently implemented daily banking practices complied with individual bank's code of conduct or code of ethics (**Appendix I**) under RQ1. If yes, how and what are these complied with? If not yet, what are the supporting reasons for not fulfilling these stated best practices? Moving forward, RQ2 aims to study whether the existing banking best practices adopted by the chosen banks have aligned with international standards, in view of the internationally recognized financial and banking center of Hong Kong (**Appendices J, K and L**). The last research question (RQ3) is focused on the real challenges currently faced by the interviewees, and how these can be overcome by giving feasible suggestions for training to interviewees themselves (**Appendix M**).

To add trustworthiness to this research, I adopted two analysis approaches to examine data obtained from the three different banks (cross-case analysis) and six interviewees in the three hierarchical levels (within-case analysis). Full details were recorded under **Appendix N (1 - 3)** for the three levels of frontline, middle and senior interviewees respectively.

Subsequently, an additional data-reconciliation exercise was conducted with a substantial evaluation to identify whether there were any existing banking policies and practices both in local and overseas standards/guidelines addressed and practiced, or if any were addressed without practicing, or if any without addressing or practicing. Based on all findings, I carried out feasible follow-up actions in training/education aimed at improving the bank's ultimate goal for sustainable development in the banking industry of Hong Kong.

3.5.6.1 Within-case analysis

Data obtained from interviewees working in the same bank was cross-checked to raise its reliability and credibility. For example, data provided by frontline-level staff was compared with the middle- and senior-levels to deduce a reliable and holistic picture of daily operational procedures and/or existing norms or culture of the bank. By adopting this approach, I could review the existing practices compared with the one reported under the respective official websites of the chosen banks.

3.5.6.2 Cross-case analysis

This form of analysis is applicable in this research because it examines three bank cases. Data obtained from interviewees working in different banks was cross-checked. This was aimed at examining whether there are any identified common and different themes across different banks (Creswell & Cheryl, 2018).

3.6 Limitation

This empirical case study was small in scale. The selection of the cases depended on my existing network to justify such a sampling strategy for study. Originally, the target was for 24 interviewees from four banks (six interviewees each). Two banks were chosen from retail/commercial banking services nature; while the other two were chosen from investment nature. However, due to the unexpected delays occasioned by social protests and the coronavirus pandemic for more than a year. I condensed the interviewed banks from four to three to make this research scale more feasible, then with a much smaller scale of 19 interviewees (including B1:ml-trt). However, according to the statistics of the HKMA website in 2020, there were more than 163 licenced banks operating in the Hong Kong financial market. Therefore, choosing three banks was rather a small proportion, and its representativeness is

minimal. In addition, it is better and easier for comparison with banks, rather than its local branches, incorporated in Hong Kong.

In addition, the six interviewees from each bank were not working in the same or similar departments, except IT (B1:ml1, ml2, sl2; B2:sl4), Customer Services (B1:sl1; B2:fl3, B3:ml5). Therefore, the comparison could not be easily and thoroughly carried out, as such may have a limited representativeness in the specific departments within banks.

I intentionally did not disclose all research questions to any potential interviewees before the final meeting was conducted. This was aimed at obtaining their genuine responses rather than the interviewees' memorized standard or prepared answers before meetings. However, all senior-level interviewees in the three banks insisted on viewing the research questions before confirming their willingness to participate. It is mainly because of the newly implemented banking policies right after the social movement in Hong Kong. Therefore, I have a little reservation about the reliability of each senior individual's feedback regarding their own knowledge of existing banking practices in complying with international standards, especially on the research theme topic of "Sustainability in Banks". Thus, this may affect the genuine instant knowledge testing of interviewees from the senior-level. To compensate for this situation, I strategically compared their feedback against data that was obtained from the frontline-level and middle-level within-case analysis. In addition, by adopting the scenario test question for three levels, senior-level interviewees' genuine awareness, knowledge and application could be tested. This may reflect the genuine professional practices in banks of Hong Kong.

Based on the research findings, it was revealed that the gap existed when comparing communication and implementation at different levels of awareness of knowledge, understanding of knowledge, and application of knowledge among interviewees within and across the banks.

3.7 Summary of the methodology chapter

In this research methodology and procedures, I took a cross-checked reference obtained from feedback of different levels of interviewees for their own professional (regulatory and ethical) practices undertaken in daily operational procedures. Even though there was a clear CEO statement and released reports (financial and non-financial) on different communication channels, printed in hard copy or downloaded from the internet, I based the study on accessible materials, together with one-on-one meetings with three different levels of interviewee to explore and examine the real working environment and practical operational procedures currently adopted in the chosen banks of Hong Kong.

After this research process, I found that gaps existed between the communication and implementation systems in banks. This was revealed through individual practitioners' feedback from their own awareness, understanding and application of knowledge in their respective banks' codes and regulations while they were undertaking their daily duties. The details of data analysis and result findings are accounted for in Chapter 4.

Chapter 4: Data Analysis and Results

4.1 Introduction

This section presents the findings of an empirical study of current professional banking practices in three banks in Hong Kong. As explained in the previous chapter 3, I used the interviewees' answers/feedback to examine the professional banking practices, both regulatory (legal) and ethical, implemented in their own banks while making daily operational decisions. The NVivo qualitative research tool was employed, together with Excel spreadsheets and bar charts for interpreting and presenting the collected data in a professional manner.

I used three RQs (**Table 7** under section 3.3.1) for all interviewees with three different scenario case-study questions (**Table 8**) for three levels of banking practitioners. It was aimed at examining their genuine understanding and application of professional practices within and across three banks. I have interpreted the similarities and differences in their respective banking practices for sustainability as projected in the workplace environments while interviewees discharged their daily job roles. In addition, interviewees' regulatory (legal) and ethical sensitivity was reflected by their value justification given during the scenario case-study session.

Each individual interviewee was asked the same set of scenario case-study questions with respect to their levels serving in banks. These questions were used to explore each interviewee's well-trained professionalism in their understanding and knowledge of regulatory (legal) and/or ethical value judgment and discretion in the similar workplace scenarios.

4.2 Research data findings and results

The findings are presented in a logical way in the following tables and charts. I adopted two data-analysis methods, one focused on individual interviewees from within the same bank (within-case analysis), while the other focused on cross-bank reference checking (cross-case analysis) based on each bank's key banking products/services offered to customers. Banks were either in (1) retail/commercial or (2) investment services sectors. From the cross-case analysis approach, I aimed to discover the similarities and differences between different banking services based on practitioners' daily decision making in their own bank according to their implemented rules and regulations for sustainable development.

The following sections of this chapter will be based on the three research questions (**Table 7**) to examine the banking practitioners' daily decision-making processes and evaluate their existing professional practices. The questions were used to test whether practitioners' decisions have been aligned with international standard guidelines for sustainable development in Hong Kong. The following **Table 12** shows the respective questions and key results interpreted mainly based on interviewees' feedback.

Table 12

Research Findings of Three Research Questions

<u>Research questions</u> <u>1-3</u>	<u>B1 and B2</u> <u>retail/commercial banking</u> <u>services</u>	<u>B3</u> <u>investment banking</u> <u>services</u>
Research questions: bank's written procedures compared with individual's understanding of professional practices		
RQ1: Current professional practices adopted by banking practitioners in daily operational decision making	<ol style="list-style-type: none"> 1. What are your professional practices undertaken in daily operations? 2. Are there any professional working procedure guidelines or clearly written codes/regulations implemented in your bank? 3. Is your daily decision making in line with written banking codes, in what ways? <p>Findings: The identified gap in interviewees' <i>awareness of knowledge or understanding (preference)</i> in professional banking codes/regulations while undertaking daily decision making.</p>	
RQ2: Daily decision making in line with international standard/practices, especially in sustainability	<ol style="list-style-type: none"> 1. What are the implemented international standards/practices, if any, related to "Sustainability in Banks"? 2. If not, what are the existing or predicted obstacles hindering such international standards implemented? <p>Findings: The identified gap in the interviewees' <i>understanding (recognition)</i> of knowledge in internationally implemented standards for sustainability. Due to such a lack of recognition,</p>	

growth	practitioners' understanding and application of the international standards is minimal. As they only focus on their daily technical operational knowledge, that further hinders their knowledge of their bank's sustainability programs, and their leading role played within.
RQ3: Any identified areas for improvement or suggestions	<p>1. Consolidated current problems/dilemmas encountered in undertaking daily decision making.</p> <p>2. Consolidated feasible suggested solutions.</p> <p><u>Findings:</u> Interviewees admitted the existing knowledge gaps between different levels of practitioners due to their limited knowledge in those international and specialized sustainable development; therefore, their <i>application of knowledge</i> was hindered to cope with existing and future challenges. Some of them recognized that a well-structured communication system embedded with international professional sustainable development standards is essential. Many of them agreed that it was genuinely implemented only through training and education across different levels within banks as advocated in the partnership collaboration under SDG No.17.</p>

4.2.1 Three research questions analysis

This section explores current banking practitioners' professional practices undertaken during their daily routines.

Research question 1 (RQ1) aimed at examining whether, if any, interviewees followed their bank's existing professional codes and guidelines closely in their daily operational procedures. Research question 2 (RQ2) is targeted at investigating interviewees' awareness and understanding of the international standards adopted by their own banks; and whether any sustainability-related activities launched in the three chosen banks were recognized by interviewees. Research question 3 (RQ3) further explores the decision-making processes faced by different levels of interviewees, and how they made decision making within existing banking procedures. Afterwards, how this current situation could be improved, especially in bridging gaps of “knowledge” (B1:ml1, sl1); “understanding” (B1:ml1), and “application or implementation” (B1:ml2, ml-trt, sl1; B2:fl3, fl4, ml3; B3:fl6) due to miscommunication (B1ml:-trt, sl1, sl2; B2:sl3, sl4; B3:ml6, sl5, sl6) among different perspectives (priorities) of impacted stakeholders.

4.2.1.1 RQ1: What are the current professional (regulatory and ethical) practices adopted by banking practitioners in Hong Kong, especially in daily operational business decisions?

The following **Table 13** summarized each interviewee's awareness of the implemented professional banking practices in the chosen banks. Sixteen of the 19 interviewees commented that they were aware of the professional practices implemented in banks by a tick (✓), and those who were unaware/not sure, as indicated by a cross (✗).

Table 13

Summarized Interviewees' Feedback on RQ1: Awareness of Professional Practices in Daily Decision-making

RQ1 – Professional Practices existed?	B1			B2		B3	
Interviewee No.	1	trt	2	3	4	5	6
Frontline-level (fl)	✗ Not yet		✓	✓	✓	✓	✓
Middle-level (ml)	✗ (not sure details)	✓	✓	✓	✓	✓	✓
Senior-level (sl)	✓		✗ Not yet	✓	✓	✓	✓

However, there were different levels of awareness showed by different levels of interviewees' daily professional practices within the same Bank. In the same Bank 1, some interviewees were aware (fl2, ml2, ml-trt, sl1) but the others (fl1, ml1 and sl2) did not know or were unsure. Therefore, it is worth noting and exploring whether there was any reason for different answers within the same bank. Further details could reveal individual interviewees' 'genuine' awareness, understanding and application of knowledge during the scenario case-study (section 4.2.2 below).

In the following section, there is an account of the data interpretation and analysis of interviewees' awareness of the existing professional banking practices implemented and applied in discharging their daily workplace roles. They are presented under (a) within-case and (b) cross-case approaches among the three banks with respect to banking services offered.

1. Professional (regulatory and ethical) standards/regulations in banking known to interviewees and applied in decision making

a. Interviewees' feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<u>Locally adopted</u> <u>professional standards:</u>	<u>Locally adopted</u> <u>professional standards:</u>	<u>Locally adopted</u> <u>professional standards:</u>
<ul style="list-style-type: none"> ▪ HKMA (fl1, sl1, sl2); SFC (fl1, sl1, sl2); code of conduct (fl1, fl2, ml-trt, sl1, sl2); insurance regulations (fl1); ABC (anti-bribery & corruption) (fl1, sl1, sl2); CRS (common reporting standard) (fl2, sl2); KYC (ml1); Laws of Hong Kong (sl1, sl2); “treat your customers fairly” (sl1); “fair to our clients/customers” (sl2). 	<ul style="list-style-type: none"> ▪ Rule book (fl3); money laundering (sl3); code of conduct (fl4, sl3, sl4); HKMA (fl4, ml3, sl3, sl4); SFC (fl4, sl4); AML (fl3, fl4, ml4, sl3, sl4); “CAR, ... Company law, ... ATO (Anti-Terrorist Ordinance). PO (Privacy Ordinance)” (fl4); ▪ HKAB (ml3); HKEX (ml3); Banking Ordinance (ml4); Employment Ordinance (ml4); Hong Kong Basic Law (ml4); 	<ul style="list-style-type: none"> ▪ Code of conducts (fl5, fl6, ml6, sl5); code of ethics (ml6); HKMA (fl5, fl6, ml5, sl6); SFC (fl5, sl6); KYC (fl5); AML (fl5, fl6, ml6, sl5, sl6); CDD (fl5); HKBA (fl6, sl6); “insider trading, ... whistle blowing” (ml6); anti-bribery (ml6, sl6); Hong Kong Law (sl5); PDO (Personal Data Ordinance) (sl6); ▪ “treat others fairly ... put

	<ul style="list-style-type: none"> ▪ “our standards treat customers like a promise, and be responsible for what we do” (fl4); “set customer’s own interest as a high priority” (ml4); “treating your customers fairly” (sl4). 	<p>our client’s benefit as high priority” (ml6); “put our client’s interests in the highest priority” (sl6).</p>
<u>International practices:</u>	<u>International practices:</u>	<u>International practices:</u>
<ul style="list-style-type: none"> ▪ “Not familiar with international rules and regulations, ... broken into very very small” (ml1); “whole bank should follow the localized one [rules and regulations], ... international one is much higher” (ml2); ▪ “In the financial institutions greatly involve the money-related issues, ... guidelines cover country and insider risks, ... professional code to guide colleagues to do their daily work, ... SFA 	<ul style="list-style-type: none"> ▪ “Hong Kong as an international banking center, it needs to be in line with any international level of standards” (sl3); “CRS, ... BASEL, ... FATCA” (fl4); ▪ “CBRC, ... US taxation regulatory requirement, ... “HKMA is not just an order, but rather discreet” (ml4); “green banking, sustainable banking, ... international standard” directed by HKMA (sl4). 	<ul style="list-style-type: none"> ▪ “banks should have already adopted the advanced standards, ... the international standards are, I may not know exactly, ... ISOxxxx” (ml5 was not sure the exact number of the guidelines); ▪ “highly regulated banking environment, there are continual number of regulations, but not all involved in my responsible work field” (ml6);

(UK), ... CBRC” (s11);
 “can’t recall exact
 terminologies/names, ...
 US taxation standards, ...
 not only ... my own career
 path, but also our bank’s
 reputation and the client’s
 trust in us” (s12).

▪ International baking
 associations’ codes of
 conduct (f15); US
 guidelines, OFAC, ...
 L/C UPC600 (f16);
 “many of Hong Kong’s
 regulations are based on
 international
 standards, ... but I really
 cannot recall much over
 my head, ... CBIRC, ...
 FATF, ... CAR, ...
 BASEL, OCC” (s16).

Specific job-related

standards/practices:

- IT related: “AGILE, ...
 TOGAF, ... data privacy”
 (m1-trt, s12);
- Customer Services: C&M
 (*anonymous*) guideline
 (s11).

Specific job-related

standards/practices:

- IT related: not much
 specific job-related
 standards quoted (s13);
- Human Resources:
 Employment Ordinance
 (m14);
- Compliance: Data Privacy
 Ordinance, ... treating
 customers fairly, ... green
 banking, ...sustainable

Specific job-related

standards/practices:

- Trade services: L/C
 UPC600 (letter of credit)
 (f16);
- Customer Services:
 Complaint-handling
 manual, ... ISOxxxx
 (m15);
- Control: insider
 trading, ...
 whistleblowing (m16);

banking (sl4).			<ul style="list-style-type: none"> Compliance: put our client's interests in the highest priority... DPS (sl6).
<ul style="list-style-type: none"> The commonly cited professional standards HKMA, SFC as implemented in the bank but not all interviewees are well aware among different levels within the same Bank. Frontline-level: "not quite sure if there is any written document about this" (fl1); Middle-level: "not familiar with international rules and regulations, ... as broken into very small" (ml1); Senior-level: "can't recall exact terminologies/names" (sl2). 	<ul style="list-style-type: none"> Apart from the commonly known regulatory bodies, the HKMA and SFC, interviewees are more familiar with their specific job-related professional practices undertaken in their daily operational procedures. Interviewees from the human resources (ml3) and compliance (sl4) departments could cite more rules and regulations rather than other level of interviewees, especially those serving at the frontline-level (fl3, fl4); Further remarked that the Bank's own codes "remind staff of the ethical standards through decided court 	<ul style="list-style-type: none"> Interviewees from frontline-level and middle-level are focused on their own sphere of job-related rules or guidance showed above. Senior-level focuses more on compliance and regulation due to their existing job roles: "what the international standards are, I may not know exactly ... Our bank has definitely followed ..." (sl5); They uphold the principle "if any local requirement is [more] stringent than XXX [the ones implemented in the overseas headquarters], 	

	cases, committed by other banks and the imposed penalty, etc.” (ml4; sl4).	then we have to follow that local one” (ml6).
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b. Interviewees’ feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
<i>Similarities between banking services offered by retail/commercial (B1 and B2) and investment (B3)</i>		
<ul style="list-style-type: none"> It is recognized that banks in Hong Kong have operated in a stringent environment, especially after the repeated financial crisis, e.g., Lehman Brothers (as discussed in section 1.1.1). The code of conduct is commonly cited by interviewees as their respective banks’ basic standards. These were set by Hong Kong regulatory bodies, like the HKMA, SFC and HKAB, etc. Apart from these standards, there are those from countries where their business operates, and where their headquarters are located. The most frequently cited were from the regulatory bodies of large markets, e.g., the UK (SFA), the USA (taxation standards, FRB, OCC, FATCA and BASEL) and China (CBIRC, CBRC). The most recognized basic principles cited were related to treating customers while undertaking their daily decision making. For example, “treat your customers fairly” (B1:sl1); “fair to our clients/customers” (B1:sl2); “our standards treat customers like a promise, and be responsible for what we do” (B2:fl4), “set customer’s own interest as a high priority” (B1:ml4), “treat your customer fairly” (B2:sl4); “treat others fairly, ... put our client’s benefit as high priority” (B3:ml6); “treat others fairly, ... put clients’ interest 		

in the highest priority” (B3:sl6); across three banks regardless of whether they are retail/commercial or investment banks.

Difference between banking services offered by retail/commercial (B1 and B2) compared with investment (B3)

- Because interviewees were serving in different departments in different banks, it was rather difficult to compare their knowledge in professional practices implemented in their own banks. As showed in their specific job-related standards or practices (above), it shows the different focus of emphasis on regulations.
- Customer services departments in B1 and B3, their professional practices were different. B1 (sl1, sl2) focused mainly on its frontline customers’ satisfaction (as discussed above), while B3 (ml5) focused on the regulatory control of completing work tasks within a time limit set by the HKMA, in order to avoid any possible customers’ complaints and subsequent follow-up actions requested by the HKMA.
- Another difference found is that the interviewees from the investment bank (B3) could cite more regulations on the operational side from both local and international perspectives. Examples like, OFAC (B3:fl6); CBIRC, FATFA, CAR, BASEL, OCC, (B3:sl6), and ISOxxxx (B3:ml5). Although both B2 (fl4) and B3 (sl6) cited the BASEL, only B3 (sl6) could cite the regulatory body of CBIRC, rather than B1 (sl1) and B2 (ml4) cited another one as CBRC. In B1, the senior-level interviewee, sl1, cited the SFA (UK).

Overall remarks of the professional (regulatory and ethical) standards/regulations in banking known to interviewees, and applied in decision-making

In general, interviewees’ awareness of the existing professional practices implemented by banks is acceptable except some “unknown” feedback (B1:ml1; B2:fl3). However, different feedback from interviewees of the similar level held a more or less similar working approach

for their own related daily decision making issues.

2. Interviewees' daily decision making practices referring to rules and guidelines

As regards whether they could refer to the existing guidance or codes within banks before making daily decisions, their feedback is summarized in **Table 14** (below). Their preferences were indicated by referring to the existing guidance/codes by a tick (✓) or choosing other ways by indicating a cross (✗).

Table 14

Summarized Interviewees' Feedback on RQ1: Daily Decision-making under Professional Practices

RQ1 – Refer Bank's Professional Practices?	B1			B2		B3	
Interviewee No.	1	trt	2	3	4	5	6
Frontline-level (fl)	✗ (Daily habit)		✓ (refer supervisor)	✓ (not often)	✓ (but not all)	✓ (refer supervisor)	✗ (refer supervisor)
Middle-level (ml)	✗ (refer supervisor)	✗ (refer supervisor)	✗ (only mandate, not guidelines)	✗ (refer supervisor/built-in computer programmes)	✗ (regular routine, daily habit)	✗ (very familiar, own experience)	✗ (refer dedicated dept)
Senior-level (sl)	✓		✓ (read often)	✗ (seek help from supervisor)	✓ (daily compliance job role)	✗ (very familiar, own experience)	✓

The above clearly showed whether interviewees were (1) referring to existing banking regulations and standards closely and followed them stringently in their decision making, or (2) basing on other means for guidance in making decisions. Interviewees' feedback indicated that they often preferred knowledge and experiences of others, e.g., supervisors/peers/external experts before making decisions in discharging their daily roles.

A detailed analysis of the interviewees' stated reasons to justify their decisions were presented in **Appendix I** and as summarized below in (a) within-case and (b) cross-case analysis methods.

a. Interviewees' feedback: within-case analysis

1) Referring to bank's standards/regulations before making decisions

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<ul style="list-style-type: none"> ▪ Frontline-level: “less referred to guidelines, ... refer to my supervisor’s advice, ... refer to guidelines only when sit for CPD courses examination every year, ... take initiative to sort out [by] myself first from the intranet, ... my own responsibility is to follow those [the banking standards]” (fl1); ▪ Middle-level: “I don’t need to refer to them [rules and 	<ul style="list-style-type: none"> ▪ Frontline-level: “basic guidelines ... have to follow, any updates or revision have to follow accordingly, ... attend every year for CPD claims, ... take long time to go through all rules/regulations” (fl3); ▪ “read regulatory or legal updates immediately, ... not read the whole book” (fl4). ▪ Middle-level: “not many updates, no need to refer to 	<ul style="list-style-type: none"> ▪ Frontline-level: “follow them [rules and regulations] closely, ... affect us ... liable” (fl5). ▪ Middle-level: “all [regulations] are in my

<p>regulations] often” (ml1);</p> <p>“only those junior or newly joined staff basically have to refer to that procedure/standard” (ml2);</p> <p>“free to take ... not a mandate, a tool” (ml-trt).</p> <p>▪ Senior-level: “often to read them [rules and regulations] to prevent any possible adverse effect on our reputation... impossible to violate any legal standard of the Bank and my own values” (sl2).</p>	<p>rules and regulations often, ... unless sit for license renewal” (ml3);</p> <p>“our daily habit, we don’t miss it” (ml4).</p> <p>▪ Senior-level: “seek help from my supervisor, ... escalate it within the Bank” (sl3); “compliance [is a] job role requirement, ... refer to existing decided legal cases ... what can or can’t do, ... the decided legal cases, ... how was settled, ... and why legal decision, ... then follow and implement the procedural steps for staff, aiming at making it done better’ (sl4).</p>	<p>own head” (ml5);</p> <p>“global bank ... a strong responsibility to comply with all international standards and requirements as a minimum” (ml6).</p> <p>▪ Senior-level: “very familiar, ... own experiences” (sl5);</p> <p>▪ “any violation of regulation ... his/her career came to an end in the banking industry” (sl6).</p>
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2) Basing on other available method for guidance in making daily workplace decisions

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<ul style="list-style-type: none"> ▪ Frontline-level: “asking is the most effective way, ... takes time to dig out the right page of the guidelines, ... refer to my supervisor’s advice” (fl1); “look up from our computer system, ... seek help from supervisor” (fl2). ▪ Middle-level: “seek assistance from other relevant parties, ... takes long time to go through all records/regulations to get familiar with rules and regulations if not yet 	<ul style="list-style-type: none"> ▪ Frontline-level: “those guideline standards are written down too stringent or too rigid, ... when they were actually implemented, it wasn’t reasonable to perform, ... refer to supervisors/peers” (fl3); “refer to supervisors or peers” (fl4) ▪ Middle-level: “refer it to supervisors first, ... refer to the senior members to handle” (ml3); “regular routine procedures, ... becomes our daily habit, we won’t miss it, ... a norm or 	<ul style="list-style-type: none"> ▪ Frontline-level: “not understand, ... escalate to our supervisors” (fl5); “no need to know the details of rules and regulations ... current job role, ...referred to supervisors or other legal/compliance departments” (fl6). ▪ Middle-level: “based on my own experiences and manual, ... refer to the procedures” (ml5); “seek help from the compliance department” (ml6).

known” (ml1); “better to ask somebody” (ml2).	a habit” (ml4).	
<ul style="list-style-type: none"> Senior-level: “different standards of understanding and practices, ... based on own preference/ understanding” (sl1); “talk it over with my supervisor as is more experienced than I” (sl2). 	<ul style="list-style-type: none"> Senior-level: “refer to or seek help from my supervisor” (sl3); “seek assistance further from the external counsel ... then discuss it with the senior management team for confirmation is efficient” (sl4). 	<ul style="list-style-type: none"> Senior-level: “take long time to go through all records/regulations, dig out details, seek help from compliance for the sake of obligation and the reputation of the organization” (sl5).

The above revealed that interviewees’ (including those from the senior-level) professional practices in making decisions were preferably to seek help from supervisors, experts or external sources rather than directly consulting the existing ‘black and white’ well-written professional guidance books.

b. Interviewees’ feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences among three levels in three banks offering two types of banking services		
<ul style="list-style-type: none"> There are some common grounds among interviewees from the three chosen banks as regards complying with their own bank’s codes and regulatory standards. The above revealed not many major differences in implementing a bank’s codes or regulations 		

between retail/commercial banking services (B1 and B2) and an investment services bank (B3).

- It is evident that banks' guidelines/standards are undertaken by "each individual ... with his own thinking and judgment in their daily work. For practices, ... to be flexibly implemented, even though we have documents on hand" (B1:ml2). This was echoed by the comments that those guidelines are "only in a form" (B1:ml1) and "not a mandate, ... a tool" (B1:ml-trt). Senior-level interviewee (B1:sl1) remarked that, "different colleagues have different standards of understanding and practices, ... based on their own preferences/understanding, a kind of knowledge gap existed" (B1:sl1), "say it [knowledge gap] (B1:ml1). Therefore, a consistent level of standards and guidelines need to be implemented to eliminate "definitely a different interpretation between different departments" (B1:sl1).
- Of the same retail/commercial banking nature, B2 (fl3) criticized that the "written up standards have not been implemented or operated at the frontline as too straight or rigid", ... however, when they were actually implemented it, it wasn't reasonable to perform". Similar feedback remarked by ml4 regards those guidelines as "a kind of norm or a habit", very familiar with themselves.

Similarities between banking services offered by retail/commercial (B1 and B2) and investment (B3)

The following similar reasons show interviewees' relaxed or flexible manner in decision making:

a) Explicitly referred to individual interviewee's own knowledge and experience without often referring to guidelines:

- B1: "as it becomes a daily habit, don't miss" (fl1); "I won't refer to the guidelines very

often” (fl2); “familiar with bank’s standards, I don’t need to refer to them [regulations] often” (ml1); “basically know what to be obeyed and followed procedure guidelines, unnecessary to refer to those guidelines so often” (ml2); “often read them [rules and regulations]... the legal issues ... working in this bank so long ... afraid of violating and legal regulations ... to prevent any possible adverse effect on our reputation” (sl2).

- B2: “I will not read the whole book, ... do not need to refer to the intranet [guidelines] too often” (ml3); very confident of their own experiences/knowledge in discharging daily job routines, and regards the existing practices, ... as a kind of “daily habit” (ml4).
- B3: “don’t need to know the details [rules and regulations], not quite often as all [regulations] are in my own head” (fl6); “based on my own experiences and knowledge of manual” (ml5); “very familiar” with them [rules and regulations] to be implemented in our daily work” (sl5).

b) Seeking help from supervisors/peers or others is much more efficient:

- B1: “asking is the most effective way ... in case I don’t know, ask higher level, refer to my supervisor’s advice” (fl1); “seek help from supervisors, ... referred the case to the relevant department, ... they [senior management] will cascade relevant information to us” (fl2); “better to ask somebody to stand out, to talk and to share what he/she observed and experienced is better than reading materials” (ml1); “seek help or professional advice from those experienced staff, ... gatekeepers, ... legal or compliance or statutory department, ... talk it over to my supervisor, he is more experienced than I” (sl2);
- B2: “clients ask question instantly, subordinates are not able to dig out answers easily and quickly, ... approach us [supervisors] first, ... refer back to relevant internal offices/hotlines to find out more details, ... refer the case to my supervisor” (fl3); “seek help from supervisor, ... work procedures in different departments and different sections [are different], ... to be referred to the senior member to handle” (ml3); “refer to or seek

help from my supervisor, ... then escalate it [guidance] within the bank” (sl3); “seek further assistance from the external counsel, ... then ... senior management team” (sl4);

- B3: “not understand, ... escalate to our supervisors, ... abnormal case, refer to the higher level”(fl5); “seek help from my supervisors” (fl6); “seek help from compliance department” (sl6); “dedicated department, ... the operational team, whenever ... any changes of rules and regulations” (ml6).

c) rely on the approval of built-in computer programs as guidance for daily job performance:

- B1: “regulatory controls have already been incorporated into the built-in system” (fl1); “sought from the intranet ... look up from our computer” (fl2);
- B2: “alerting message ... from approval built-in computer systems/programs, ... not possible to proceed further unless special approval obtained” (fl3); “computer system does not permit its [the transaction] further proceeded” (ml3);
- B3: “guidelines ... existed in our internal website” (fl5).

d) Time-consuming referring to guidelines or rules:

- B1: “takes time to dig out the right page of the guidelines” (fl1); “takes long time to go through all records/regulations to get familiar with rules and regulations” (ml1);
- B2: “takes a long time to go through all records/regulations to get familiar with rules and regulations if not yet known” (fl3);
- B3: “takes longer time to go through all records/regulations” (sl5).

e) Relied on the training course materials for regulations rather than bank’s written guidebooks:

- B1: “better to ask somebody to stand out, to talk and to share, ... better than reading materials” (ml1); “emphasized the training programs (especially frontline-level practitioners) to guide and control while undertaking their daily job duties” (ml-trt);

- B2: “we have to attend refresher course for any [regulatory] updates” (ml3);
- B3: “guidelines existed in our internal website, ... we have annual training regulation updates” (fl5); “training is a very important channel to guide our staff” (sl6).

f) Priority given to referring to regulations before decision made for the sake of their banks’ reputation and clients’ trust in bank:

- B1: “is made based on the good side for our clients, our banks, ... no possible adverse effect on our reputation” (sl2); “my own responsibility is to follow the banking guidelines, ... may affect economic stability within the country or even the whole world” (fl2); “read them (rules and regulations) ... legal actions against oneself, ... bank’s reputation/client’s trust in banks/practitioners, ... impossible to violate any legal standard of the Bank and my own values, ... [avoid] any possible adverse effect on reputations” (sl2);
- B2: “ruins the Bank’s reputation. ... HKMA can delist your banking licence” (ml4);
- B3: “follow them [regulations] closely, ... if don’t follow compliance standards closely, ... affect us, ... liable” (fl5); “not fulfill legal regulations, it brings consequences” (fl6); “involves legal obligation and the reputation of the organization, not possible to be overlooked” (sl5); “any violation of regulation ... his/her career comes to an end in the banking industry” (sl6).

Differences between banking services offered by retail/commercial (B1 and B2) compared with investment (B3)

- Although the selected interviewees came from different banks, they shared their own knowledge with respect to their own respective expertise of professional codes/practices, e.g., information technology (Data Privacy Ordinance) (B1:ml-trt; B2:fl4, sl4; B3:sl6); human resources (Employment Ordinance) (B2:ml4); Trade (UPC6000 L/C) (B3:fl6);

regardless of their own banking services offered to customers.

- B1, B2 and B3 placed more emphasis on rules and regulations based on similar grounds of penalty/regulatory actions. This was pinpointed by previous staff misconduct in overseas market, then penalty and extra training programs imposed on bank by the regulatory body (B1:ml-trt); while B3 emphasized the personal penalty of any violation of regulations set by the China Banking and Insurance Regulatory Commission (CBIRC), “his/her career came to an end in the banking industry” (B3:sl6); “don’t follow compliance standards closely, ... affect us ... liable” (B3:fl5). In fact, “HKMA can delist your banking licence” (B2:ml4).
- From the similar direct customer contact base for offering the different banking services products in the customer services department between B1 and B3. The final judgment/decision by each interviewee was different. For example, B1 upheld the principle of ‘treat customers fairly’ (B1:sl1 and sl2) more firmly on ‘people’s satisfaction with fairness’ than the practitioner in an investment-based bank (B3). The latter is more task-oriented by emphasizing compliance with the “HKMA guidelines as stipulated the rules that we have to follow strictly, ... otherwise we will get into a big trouble under any circumstances” (B3:ml5).
- Frontline-level: “No need-to-know [regulations] in details” (B3:fl6), but in B2 (fl4) emphasizes that “there is a specific group of colleagues whose task is mainly focused on studying these updates and inform us of any relating to our daily undertaken job tasks or duties”.
- Middle- and senior-levels: B3 (ml5, sl5, sl6) takes seriously “job role specific requirement to perform”, while interviewees from B1 place much emphasis on the individual’s compliance with the bank’s standards to support their own role as a model for subordinates (B1:sl1); job security as it affects “my own career path” (B1:sl2) and bank’s reputation

since its “adverse effect on our [bank] reputation” (B1:s12).

- Interviewees of the frontline-level, middle-level and senior-level took either proactive or passive leading roles by B1 and B3. It was emphasized the role model for subordinates (B3:s15) and reputation of banks and individual interviewees as “economic stability within the country or even the whole world” (B1:fl2), “recent penalty-imposed business misconduct ... to guide and control staff acts while undertaking daily duties” (B1:ml-trt); while B2 emphasized the importance of complying with regulations for business operations, otherwise “HKMA can delist your banking licence” (B2:ml4).

Overall summarized remarks of the current professional (regulatory and ethical) practices adopted by interviewees for daily operational business decisions

Banks in Hong Kong operate in such a well-known international banking center under a very strictly regulated banking environment (B1:ml-trt; B2:s13; B3:s15, s16). As repeatedly remarked by the interviewees, their respective banks should have already followed the HKMA, HKBA, SFC, HKBO and other regulatory controls stringently. Otherwise, “HKMA can delist your banking licence” (B2:ml4), or the recent experiences in “penalty-imposed business misconduct” (B1:ml-trt). Therefore, extra training to all staff was required to “guide and control staff acts while undertaking daily duties” (B1:ml-trt), “and/or the bad impact on a bank’s reputation” (B3:s11).

As regards how closely and deeply each individual followed these rules and regulations in their daily business decisions while undertaking operational decisions, these mainly depend on the knowledge levels of existing banking practitioners as they preferred to “ask” rather than “read” the written guidelines by themselves (as discussed above).

In addition, it is evident that interviewees were not yet fully aware of all the rules and regulations implemented in their own banks but rather applied on their own interpreted knowledge/experience in making decisions in their assigned professional fields. In case of any uncertainty, they preferred to seek help from supervisors/peers/external experts due to the high demand for quick and instant responses in their daily working environments. This RQ1 could not yet reveal their genuine knowledge in awareness and understanding of professional practices in rules and regulations. It is rather regarded as piecemeal, as remarked “they [job roles] have broken into very small parts” (B1:m11).

Therefore, based on the collected data presentation above, it is primarily revealed that there may be a gap in awareness and understanding of the rationales for maintaining the professional practices in rules and regulations implemented within their banks, and further its impacts on decisions in the banking sector towards sustainability. To further examine their genuine practices, interviewees were required to test again in the scenario case-study session below (section 4.2.2), in which they were asked to make decisions on the similar working environments with respect to their levels of undertaken daily job roles.

Following the findings from RQ1, for the next research question (RQ2), I intend to focus on examining in what ways interviewees have such knowledge in SD through their own (1) interpretation of commonly adopted sustainability-related terminologies (**Appendix J(1) and J(2)**); and (2) participation (engagement) in sustainability-related activities in their own banks or other banks in Hong Kong. (**Appendix J(3 - 6)**)

4.2.1.2 RQ2: In what ways are their daily decision making aligned with internationally recognized guidelines for “Sustainable in Banks”?

In this research question, I aim at further examining in what ways the selected interviewees’ awareness of international sustainability guidelines while practicing in their serving banks. Each Bank’s sustainability related issues were clearly and explicitly on account of their respective sustainability/corporate social responsibility report published and analyzed under section 3.2.3.2. Their locally and internationally awarded prizes stated as successful pioneers as in leading role models for banks and their professionals in the banking sectors.

The following **Table 15** presents each interviewee’s own awareness of international guidelines for sustainability (SDGs). Those with a tick (✓) are aware of this term and describe their banks are practicing, while the others indicated by a cross (✗) presented that they were unaware/not sure of its existence in their banks.

Table 15

Summarized Interviewees’ Feedback on RQ2: Awareness of the International Standards for SDG

RQ2 – Aware of the Int’l Stds. for SDG??	B1			B2		B3	
Interviewee No.	1	trt	2	3	4	5	6
Frontline-level (fl)	✗		✗	✗	✗	✗	✗
Middle-level (ml)	✓ (but not details)	✗	✓ (via wiki website)	✗	✗	✗	✗ (not such term adopted in B3)
Senior-level (sl)	✓ (but not details)		✗	✗	✓ (Rep. for HKMA Consultation)	✗	✓ (via wiki website)

Among the interviewed participants, five out of 19 commented that Hong Kong, as an international banking center, should definitely comply with international standards. What they could generally cite, therefore, were operational regulations and standards in their specialized areas within the banking sector, namely AML (anti-money laundering), KYC/CDD (know your customers/customer due diligence), CAR (capital adequacy ratio) in BASEL, anti-terrorism, and anti-bribery, etc., but not yet covered any details for SDGs.

As explained in section 2.2.1.1, different sustainability-related terminologies were adopted, e.g., corporate social responsibility (CSR), sustainable development (SD), business ethics (BE), and shareholders and stakeholders. These may cause confusion to non-academic professionals or non-sustainability practitioners. In fact, some interviewees regard these terminologies as ‘interchangeable’ in international markets between different industries.

A summarized remark of analyzing and interpreting interviewees’ awareness and knowledge of these specialized international standards in sustainability are presented under (a) within-case and (b) cross-case among three banks in respective business services under the following sub-headings:

1. Interviewees’ own understanding and interpretation of those sustainability-related terminologies;
2. Interviewees’ own awareness of current sustainability-related activities or programs run by the chosen banks or others in Hong Kong; and
3. Interviewees’ own recognition of the importance of leading roles for guiding practitioners towards “Sustainability in Banks”.

Regarding international professional best practice in sustainability, only some (B1:ml-trt, sl1; B2:sl4, and B3:sl6) could cite part of the sustainable development goals (SDGs) set by the United Nations. In fact, these participants had reviewed the research question paper before agreeing to attend interviews. Interviewees confessed that they had a Google search, “I just did a three-minute wiki for the SDGs” (B1, ml-trt) before the meeting was conducted. Therefore, their genuine awareness of international standards for SDGs that may have reservations. Their summarized details were tabulated below for interpretation purposes.

1. Interviewees’ own understanding and interpretation of those sustainability-related terminologies:

a. Interviewees’ feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
CSR: <ul style="list-style-type: none"> ▪ “Responsibility to society, contributing to society” (fl1); “responsibility to society by the corporation” (sl2); “we take from society, ... give back to society” (fl2); ▪ “charitable services, 	CSR: <ul style="list-style-type: none"> ▪ “Contributing to society, through volunteer work” (fl3); “working with society responsibly” (ml4); “rather doing good to society” (sl3); “contribute back to society” (sl4); ▪ “Bank does for society, but 	CSR: <ul style="list-style-type: none"> ▪ “Apart from profitability,contribute to society, ... doing more charitable activities” (fl5); “have a responsibility to society, give back to society”

<p>funding services for promoting/improving society” (ml1); “social related services” (ml2); “bringing connection between bank and the community” (ml-trt);</p> <ul style="list-style-type: none"> ▪ “environmental protection, ... sustain your job or company to further” (sl1). <p>SD:</p> <ul style="list-style-type: none"> ▪ “Developing sustainably” (fl1); “still operating, existing, ... only a term, a name only” (ml1); 與時並進 [progress with the time]” (ml2); ▪ “focusing on the Hang Seng Index, ... rated higher, ..., higher potential further development” (sl1); ▪ “持續進修基金(CEF), ... 	<p>not necessary to be the contribution” (fl4);</p> <ul style="list-style-type: none"> ▪ “I didn’t hear it” (ml3). <p>SD:</p> <ul style="list-style-type: none"> ▪ “Continuously carried on, with clear direction for continuity” (fl3); “keep on growing, advancing” (fl4); “some new things, something constructive, more flexible” (ml3); “not be consumed up, continuously retained for further development” (sl3); “advocated by the United Nations, ... SDGs” (sl4); 	<p>(sl6);</p> <ul style="list-style-type: none"> ▪ “our bank sponsors ... or nurtures new talents” (ml5); ▪ “Increasing values of the shareholders, ... other responsibility to society” (ml6); ▪ “Personally, find it as done more like the PR in our bank” (fl6); ▪ “Not known” (sl5). <p>SD:</p> <ul style="list-style-type: none"> ▪ “on-going basis, ... its business” (fl5); “business organization should be sustainable” (ml6); “related to resources, using as little resources as possible” (sl5); “continuous development” (sl6); ▪ “Not known” (fl6); “HK citizens continuous
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<p>other than this, I don't know what exact that is" (fl2); "I have heard about this, but I can't recall what it's exactly about" (sl2).</p>	<p>▪ "haven't heard it before, ... government here has a 持續進修基金 (CEF)" (ml4).</p>	<p>study", "持續進修基金 (CEF) launched by the Government" (ml5).</p>
<p>BE:</p> <p>▪ "Any integrity more related to" (fl1); "any act violates this [business] code, that is wrong" (fl2); "breach one's self-consciousness and even takes away the interests of customers" (ml2); "ethical use of technology" (ml-trt);</p> <p>▪ "ethical conduct, ... honesty for selling products, disclosed all information, ... complied with codes related regulations" (sl1); "no cheating" (sl2);</p> <p>▪ "Not known" (ml1).</p>	<p>BE:</p> <p>▪ "individual conduct, integrity, no greed, ... applied to business operation" (fl3); "handle client's documents, follow the standard" (fl4); "no deals transacted under the table, an illegal transaction" (ml3); "can't be based completely on the bank's profitability, ... but consider and set customer's own interest as a high priority" (ml4); "without fraudulent nature" (sl3); "AML is a very clear area in any bank" (sl4).</p>	<p>BE:</p> <p>▪ "Follow the ethical conduct guidelines, ... based on the code of conduct governing staff" (fl5); "[not] give unbiased information, ... [no] exaggerated or untrue information" (fl6); "daily job roles have to be working ethically" (ml6); "no cheating, ... necessary information not yet disclosed to clients for their best interest, put our client's interest ahead of our bank" (sl6);</p> <p>▪ "Run business in a clean way with lots of control,</p>

... if we comply with the legal requirement, it really does not meet ethical level” (ml5); “doing business, ... social responsibility, rather than legal obligation, all things beyond it [legal]” (sl5).

Shareholders:

- “With the bank’s shares” (fl6); “‘conflict of interest’ from my own intuition, ... monitoring control” (ml5); “hold bank’s shares” (ml6); “involve shares ... in the business, ... focused on profitability, e.g., social ethics, environmental protection, ... not be appropriately handled” (sl5).

Shareholders:

- “Have investment/shares in our bank” (fl3); “hold large number of shares in our bank” (ml3); “hold shares in our bank” (ml4, sl3, sl4);
- “Bank only responsible to” (fl4).

Shareholders:

- “People have a stake on the bank” (fl1); “hold bank’s shares” (fl2); “relationship between the shareholders and employees” (ml2); “have shares of our bank” (sl1); “have share right of the corporations” (sl2);
- “Not known” (ml1).

<p>Stakeholders:</p> <ul style="list-style-type: none"> ▪ “bank with its partners cooperate” (ml2); “ones involved in that project, ..., all affected parties, countries” (sl1); “interested in that corporation but may not have any money-related issues with the corporation” (sl2); ▪ “It is unknown to me” (fl1); “I haven’t heard it before” (fl2); “not known” (ml1); “unknown” (ml-trt). 	<p>Stakeholders:</p> <ul style="list-style-type: none"> ▪ “our clients” (fl3, fl4); “bank staff” (fl4, ml3); “economic interest of shareholders be the same as the stakeholders, ... a double entity” (fl4); ▪ “who do not have shares in the bank” (ml3); “include many people, ... general public, ... without shares” (ml4); ▪ “everyone is regarded as a stakeholder in the banking industry, even though ... not use our bank’s services” (sl4); ▪ “involves the business flow or process of the banking transactions. ... no money gained from the business progress, but rather laid down the rules and regulations ... to follow.” (sl3). 	<p>Stakeholders:</p> <ul style="list-style-type: none"> ▪ “any person is connected with our bank. ... everyone can be a stakeholder of the corporation” (ml6); ▪ “different stakeholders may have the different interests, ... necessary to achieve a well-balanced [operation], to let everyone take his/her own stake. (sl5); ▪ “I find two [shareholders and stakeholders] are interchangeable, not much difference in between.” (sl6); ▪ “stakeholder is rather internal” (fl5); “I don’t involve all these persons. ... I really don’t know much” (fl6); ▪ “unknown” (ml5).
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<ul style="list-style-type: none"> ▪ Interviewees' common knowledge of the CSR is focused differently. ▪ "contribution to society" (fl1, fl2); and based on the activities covered for environmental protection (ml-trt, sl1); charitable donation (fl1, fl2, ml1, ml-trt); and social services (ml2, ml-trt, sl1, sl2) for the society; ▪ It was advocated by senior management, but interviewees at different levels, e.g., "unknown to me" (fl1); "I don't know, ... not relevant to me, I will not get involved" (ml1); "I can't recall what it exactly about" (sl2). 	<ul style="list-style-type: none"> ▪ An awareness and knowledge gap were revealed based on the interviewees' feedback between the senior and other levels. ▪ Updated sustainability information/knowledge shared by sl4, interviewee who participated in the HKMA consultation meetings; but ml3, "I didn't hear it, ... they may have talked about this ... not yet known by us"; "haven't heard it before" (ml4); while a frontline-level interviewee commented that CSR is "not necessary to be the contribution" but without further remarks (fl4); ▪ A wrong concept given by ml3 defining, "the number of shares held, ... hold a large number of shares in the 	<ul style="list-style-type: none"> ▪ Interviewees at different levels have different interpretations of terminologies although there is a specific department to promote it. ▪ "well-balanced" different stakeholders' needs (sl6); "environmental protection is not exactly as sustainable as I mixed it up before, ... 'beyond' legal, code of ethics under the BE" (sl5); while frontline-level interviewees had a rather critical comment as regarded it as the "PR in our bank" (fl6); interviewee's genuine knowledge "learned it in university ... not at the workplace" (fl5);
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	banks” as a shareholder, while a small number of shares as stakeholders”.	▪ Interchangeable of the terminologies in shareholders and stakeholders (sl6).
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b. Interviewees’ feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences among three levels in three banks offering two types of banking services		
Across the chosen three banks offering two main types of banking services (retail/commercial and investment), there are some similarities and differences from interviewees’ feedback. They are presented in the five main headings, CSR, SD, BE, shareholders and stakeholders, as shared (below) their understanding and interpretation of the sustainability-related terminologies.		
<i>Similarities between banking services offered by retail/commercial (B1 and B2) and investment (B3)</i>		
<ul style="list-style-type: none"> ▪ CSR: commonly pinpointed by taking from society, then giving back to society (B1:fl1, fl2, ml1, ml2, ml-trt, sl1, sl2; B2:fl3, fl4, ml4, sl3, sl4; B3:fl5, ml6, sl6); ▪ SD: continuous development (B1:fl1, ml2; B2:fl3, sl3, sl4; B3:fl5, sl5, sl6); misled by citing as”持續進修基金 (CEF) as its Chinese meaning of “continuous” (B1:fl2; B2:ml4; B3:ml5); “not known” (B1:fl1, fl2; ml-trt, sl2; B2:sl3; B3:fl6); ▪ BE: personality of individual interviewee (B1:ml2) or character (B2:fl3, ml3; B3:fl5, fl6); about ethical issues (B1:ml-trt, sl1, sl2; B2:ml3; B3:fl6, ml5, sl5); integrity (B1:fl2; 		

B2:fl3; B3:fl5, ml6); self-consciousness (B1:fl1, ml2, sl2; B2:fl3, fl4, sl3, sl4); complying with the business/professional codes or codes of conduct (B1:fl2, ml-trt, sl1, sl2; B2:fl4, sl4; B3:fl5, ml5); set right or clean ways/no cheating (B1:sl2; B3:ml5, sl6); AML (B2:ml3, sl4; B3:ml5); best interest of customers (B1:sl1, sl2; B2:fl4, ml4, sl4; B3:ml6, sl6); no fraudulent nature (B2:sl3);

- **Shareholders:** shares in the company (B1:fl1, fl2, sl1, sl2; B2:fl3, ml3, ml4, sl3, sl4; B3:fl6, ml6, sl5); unknown (B1:ml1);
- **Stakeholders:** in a broader sense, everyone (B1:ml2, sl1, sl2; B2:fl4, ml4, sl3, sl4; B3:ml6, sl5); client only (B2:fl3); unknown (B1:fl1, fl2, ml1, ml-trt; B2:ml4; B3:ml5); wrong definition (B2:ml3; B3:fl5, fl6, sl6).

Differences between banking services offered by retail/commercial (B1 and B2) compared with investment (B3)

- **CSR:** “window-dressing” (B1:ml1); “it’s rather a PR in our bank” (B3:fl6); “increasing value to the shareholders” (B3:ml6); “scholarship sponsors” (B3:ml5); “embedded in bank’s policy/regulations” (B3:sl6); but “not necessary to be the contribution” (B2:fl4); “I didn’t hear it” (B2:ml3); “not known” (B3:sl5);
- **SD:** “a term, name only” (B1:ml1); Hang Seng Index (B1:sl1);
- **BE:** “put customers’ own interest as high priority” (B2:ml4);
- **Shareholders:** “relationship between the shareholders and employees themselves” (B1:ml2); “ones involved in the project” (B1:sl1); “one is internal” (B3:fl5), “conflict of interest” (B3:ml5);
- **Stakeholders:** “haven’t heard it before” (B1:fl2), “bank with its corporate partners” (B1:ml2); “not have any money-related issues”, (B1:sl2); “do not have shares in the bank” (B2:ml3); “learned it [stakeholder] from university, it [stakeholder] is rather internal”

(B3:fl5); “laid down rules and regulations” (B2:sl3).

Overall summarized remarks of interviewees’ own understanding and interpretation of sustainability-related terminologies

This section shows the various levels of awareness and understanding of such sustainability knowledge, as indicated above. They commonly regarded CSR and SD are referred to as company policies, while BE is a personal character and virtue in carrying out business. As regards the distinction between the common terminology of shareholders and stakeholders, their knowledge was showed to be limited. Senior or middle-level interviewees defined those shareholders and stakeholders “interchangeable” (B3:sl6), stakeholders as “do not have any money-related issues” (B1:sl2), stakeholders (holds small number of shares) and shareholders (holds large number of shares) (B2:ml3).

In order to further explore their genuine understanding and knowledge of the current practices of the “Sustainability in Banks”, it is worth analyzing their answers/feedback from the perspective of current activities or programs launched by banks in Hong Kong.

2. Interviewees’ own awareness of current sustainability-related activities or programs run by the three chosen banks or others in HK

As discussed in section 2.3, “Sustainability in Banks” is not a new idea or concept in Hong Kong since the formal launch of the Hang Seng Corporate Sustainability Index of stock market by the HKEX in 2010. Afterwards, these indices became a formal performance assessment indicator for local and international investors on this specialized sustainability issue, as recognized by B1 (sl1).

As regards the predicted development of “Sustainability in Banks” in Hong Kong, there was positive feedback from the interviewees. Sixteen out of 19 agreed that “Sustainability in Banks” is predicted to be continuously evolving, (B1:fl1, fl2, ml2, ml-trt, sl1, sl2; B2:fl3, fl4, ml3, ml4, sl3, sl4; B3:fl5, ml6, sl6); in growing progress, (B3:ml5, sl5); in no progress/static, (B1:ml1); between evolving and no progress, (B3:fl6). Data shows that a high priority (‘materiality’) is placed on activities for charity donation or environmental protection as existing banking strategy (to serve the community). This matches the discussion of scholars and practitioners in Chapter 1 by Moon (2007) and Bansal & Song (2017).

The three chosen banks have been recognized for their respective sustainability achievements with local and global awards and prizes. In this subsection, I present the collected data concerning the interviewed practitioners’ existing knowledge and involvement in these sustainability-related activities/programs run in the banking sector of Hong Kong. The research question was set to examine interviewees’ own awareness and understanding, and application of the knowledge in the traditional banks’ three P’s (prosperity, people, planet) sustainability approach.

The following detailed interviewees’ awareness and understanding of the activities related to “Sustainability in Banks” in Hong Kong was summarized as showed in (a) within-case and (b) cross-case among three banks is presented below.

a. Interviewees' feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<ul style="list-style-type: none"> ▪ Frontline-level: knowledge varies depending on one's own understanding, e.g., “CEF, ... I haven't heard it before ” (fl2) “as it's not known” (fl1); ▪ Middle-level: “unknown” (ml1); ▪ Senior-level: cited the current sustainability development in Hong Kong by the “Hang Seng Index” (sl1). 	<ul style="list-style-type: none"> ▪ Frontline-level and Middle-level: interviewees' awareness and perception as stated, “I really don't know, ... I'm not yet aware of this” (fl3); “It's not yet known to us, ... they may not use the same [the senior management] term” (ml3); “senior management may have talked about this, ... seldom hear it, ... know it from other channels” (ml4). ▪ Senior-level representative, sl4, attended the HKMA Sustainability Consultation meeting. It was commented that, “not yet any advocacy 	<ul style="list-style-type: none"> ▪ Frontline-level, Middle-level and Senior-level: different awareness showed by “investment funds” (fl5); “internal control” (fl6), “quoted banking products/services for the disadvantaged and handicapped in underdeveloped community” (sl6); “role of environmental protection is not equal to sustainability, but rather work beyond legal” (sl5); ▪ Senior-level

	<p>or promotion within the banking industry of Hong Kong by the regulatory bodies, even by HKMA”;</p> <ul style="list-style-type: none"> ▪ Middle- and Senior-levels: could share their existing banking policies/strategies embedded with sustainability, e.g., “recruitment assessment” (ml4); “compliance through decided legal cases, ... implement the procedural steps for staff” (sl4); but “not yet involved in IT expertise area” (sl3). 	<p>interviewees repeatedly stated their strategies have been cascaded down from senior management, e.g., “specialised funds involved in water and energy waste resources” (sl5); “loan grant evaluation through sustainability criteria” (sl6);</p> <ul style="list-style-type: none"> ▪ However, it was criticized “sustainability was without proper promotion” (ml3, sl5); only sl6 could share awareness and knowledge of international sustainability standards, “SDGs” but the interviewee had viewed the research question paper before attending
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		the meeting.
<p>▪ Interviewees have their own different levels of knowledge in “Sustainability in Banks”. Commonly, the frontline-level, middle-level interviewees were not yet aware or understood their bank’s strategic involvement on sustainability, as proven from their answers. It was further revealed that the higher the level, the much more relevant examples given in this specialized area.</p>	<p>▪ Interviewees commented that “Sustainability in Banks” was not yet promoted in the Bank; therefore, many of them were not yet aware or known of its existence within the Bank. Interviewees’ involvement was rather focused on the activities in environmental and charitable donation. However, the Bank’s report stated more than what interviewees’ knowledge shared, especially in the social responsibility coverage, e.g., education.</p>	<p>▪ Overall interviewees’ knowledge in “Sustainability in Banks” varied. Their minimal knowledge was regarded as a way to relate existing job roles to sustainability. In fact, Bank’s policies or products stated as have been embedded with sustainability values in its reports.</p>

b. Interviewees' feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences among three levels in three banks offering two types of banking services		
It was revealed that interviewees among three banks had not yet had a clear picture of sustainability-related activities run by their own banks. Only those who had seen the research question before attending meetings could share more of their 'awareness' or 'understanding'. In fact, they confessed that they had searched Google for model answers beforehand (B1:ml-trt; B2:sl4; B3:sl6).		
<i>Similarities between banking services offered by retail/commercial (B1 and B2) and investment (B3)</i>		
<p>The above shows that individual interviewee's knowledge of sustainability, regardless of their ranks within banks, they have either:</p> <p>a) limited exposure; only those interviewees at the senior-level involved and could relate their daily job role to a sustainability strategy (B1:sl1, sl2; B2:sl4; B3:sl5, sl6);</p> <p>b) limited awareness/understanding of knowledge, especially those from the frontline-level or middle-level. They were either too busy or too bothered to learn this 'new' concept or give comments on other external channels (as information gained through government, internet, university), rather than directly from the bank. For example, "not known" (B1:ml2, sl2; B2:fl3, ml3, sl3; B3:fl5); "not heard" (B1:fl1, fl2, ml1, ml2, sl2; B2:ml4; B3:fl5); "not seen" (B3:fl6); and/or no promotion of sustainability among interviewees (B2:ml3, sl4); or sustainability-related fund products for potential clients (B2:ml4;</p>		

B3:sl5, sl6) of respective banks;

- c) Minimal or piecemeal knowledge/understanding of sustainability, especially on the issue of “Sustainability in Banks”, based on their websites (B1:ml-trt; B3:fl6); offered investment fund products (B3:sl5); involvement in government consultation meetings (B2:sl4); and senior management meeting (B3:sl6);
- d) Important role those individual personnel played in sustainability (B1:fl2, ml1, ml-trt; B3:ml6, sl5); and
- e) Different interpretation and application of the respective Bank’s policies for “sustainability”
 - Wrong concept of stakeholders and shareholders (B2:ml3; B3:ml6, sl5).
 - Data reflects that interviewees’ awareness of knowledge was either minimal or piecemeal, including those from the senior-level in banks. In fact, the most commonly adopted principles as quoted by interviewees were “treating your customers fairly and respectfully” (B1:sl1, sl2; B2:fl4, ml4, sl4; B3:ml6, sl5, sl6); “No discrimination between men and women in the workplace, fairness existed before the launch of the SDG” (B2:sl4). However, it was remarked that there was “no separate policies or regulations specifically stated under the SDGs” (B2:sl4).
 - It was further commented that, “HKMA has not yet known how this will be run and what services to be provided for the market” (B2:sl4). According to the HKMA website, however, it had explicitly referred to the United Nations under the principles of ISO26000 (**Appendix A(1)**) and SDG No.10 for reducing inequality. While B2 explicitly stated so in its CSR/Sustainability reports under section 3.2.3.2 (**Table 5**) above.

Differences between banking services offered by retail/commercial (B1 and B2) compared with investment (B3)

- Banks' focus on sustainable development is reflected in their respective visionary statements, declared and found in CEO messages. Based on individual interviewees' knowledge and understanding of sustainability, these were not yet being guided by their respective bank leaders to think, to believe, to follow and to act.
- In fact, they explicitly shared their learning and knowing about sustainability acquired while they were in universities (B1:fl1; B2:sl4; B3:fl5, ml6); from government advertisements (B1:fl2; B2:fl3, fl4, ml4, sl3; B3:ml5); mass media, including the internet and newspapers (B1:ml1, ml2, sl1, sl2; B2:fl3, ml3, sl3; B3:fl6, ml5); via bank's website/services offered (B3:fl6, ml5, sl5, sl6); and from family (B1:sl2). For those interviewees who viewed the questionnaire paper before meetings, they could share a bit more in-depth knowledge about terminologies in the international standards and guidelines. However, knowledge in SDG and other sustainability-related strategies was rather piecemeal.
- Among the three interviewed banks, interviewees emphasized the importance of personnel in "Sustainability in Banks" (B1:ml1, ml-trt; B2:ml4; B3:sl5, sl6). In fact, this data finding matched the discussion under section 2.3.2 regarding the essence of holistic sustainability in human resources (individual person). This will be discussed further in the following section about the leading role of banking practitioners and their essential personal qualities for "Sustainability in Banks" of Hong Kong.

Overall summarized remarks of interviewees' own awareness of current sustainability-related activities or programs run by Banks

It was reflected that their knowledge was minimal or piecemeal, including those senior-level interviewees. Some of the senior-level interviewees confessed their knowledge in this area is limited. B1 (ml-trt) confessed that “searched from the wiki, ... I just did a three-minute wiki for the SDGs”; B3 (sl5) shared the current practices, “sustainability is placed as a very low priority in practice”; senior-level interviewee in B2 (sl4), “sustainability is not a big deal as it is only concerned with universal values embedded in the banking policies”. This further proves that the representative of the HKMA sustainability consultation has such a mindset and approach for sustainability. Then, it was doubtful what level of knowledge, understanding and genuine application of “Sustainability in Banks” among followers (subordinates) within the chosen Banks.

It is, therefore, necessary to explore the exact current sustainable development programs implemented in the chosen banks, I present the collected data in the following tables and diagrams. Firstly, I based on interviewees' awareness and understanding of the activities/programs run by their own banks as summarized in **Table 16**. Secondly, interviewees shared their understood priority (materiality) for activities in accordance with their expected development focus for “Sustainability in Banks” (**Diagram 8**). The details of each practitioner's assigned priority to their own bank's current policies and programs and leading roles as presented under **Appendices K and L** respectively.

Table 16

Summarized Interviewees' Feedback on RQ2: Existing Sustainability-related Activities

RQ2 – Existing Sustainability activities focused	B1			B2		B3	
Interviewee No.	1	trt	2	3	4	5	6
Frontline-level (fl)	Voluntary work (not involved)		Not familiar (care own job)	Voluntary work (not involved)	Voluntary work	Charity	Voluntary Work (Not involved)
Middle-level (ml)	Voluntary work (not involved)	Voluntary work (not involved)	Voluntary work	Voluntary work (not involved)	Cultural values (recruitment process)	Not known, not involved	Voluntary work (70% participation)
Senior-level (sl)	Customers' voice		Team building activities	Greening	Review operational procedures	Enviro. resources	Enviro. protection

Evidence, analyzed in the above table, shows individual interviewee's own priority (materiality) based on their own understanding, awareness, observation and involvement in respective bank's existing sustainability-related activities.

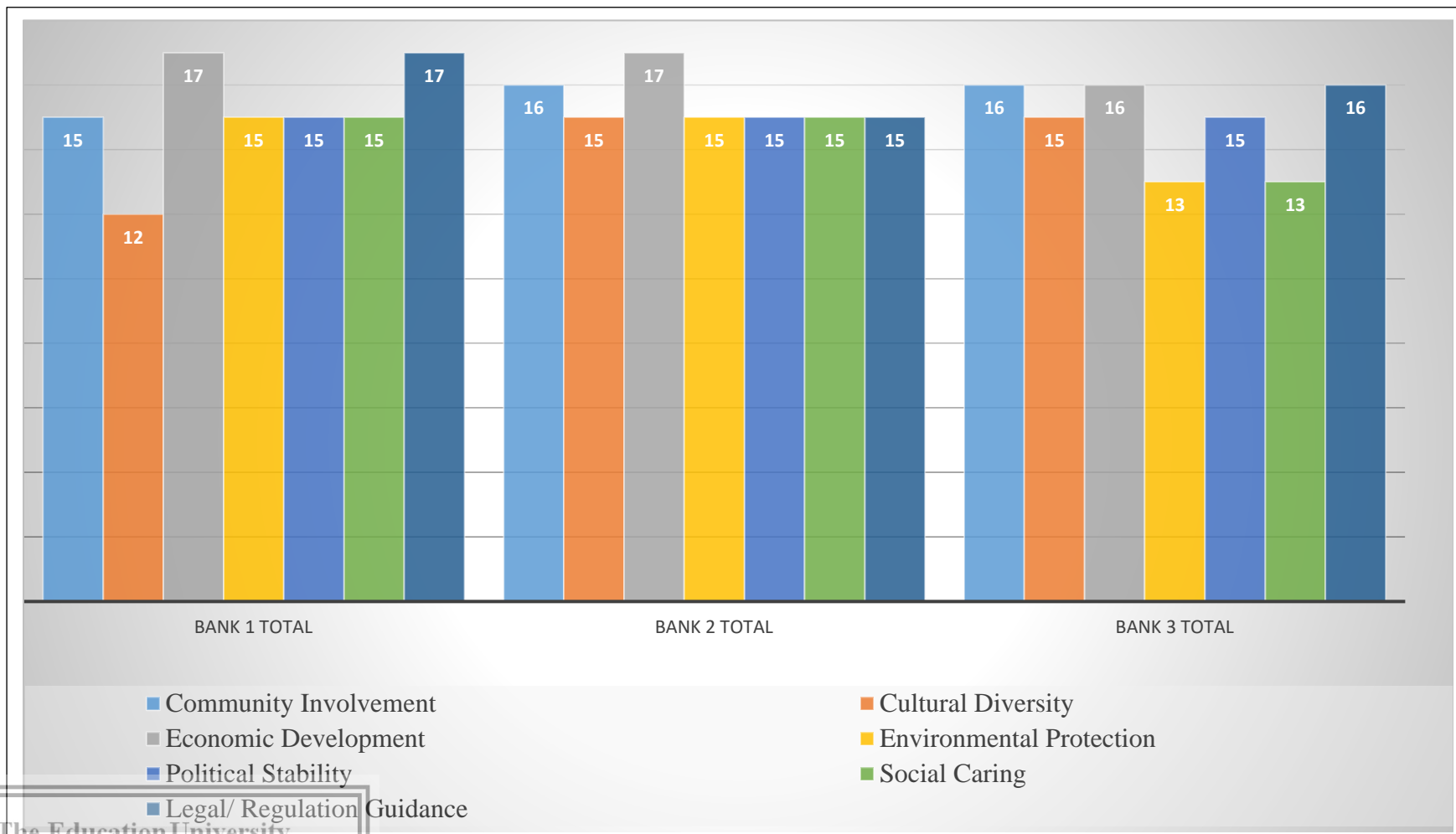
In this research question, it aimed at testing individual's knowledge in the commonly launched sustainability-related activities by (a) choosing the top 3 options and (b) putting "3" be the highest, "1" be the lowest, or even "0" (zero) in case there is total irrelevant, as stated in **Diagram 8** below. The commonly quoted activities/programs run by respective banks are focused on community involvement (charitable related activities, e.g., donation, sponsorship) and environmental protection. The detailed findings based on their level of understanding as presented under the summarized remarks on existing seven sustainability-related activities:

1. Community involvement (charitable activities);
2. Cultural diversity;
3. Economic development;
4. Environmental protection;
5. Legal/Regulation guideline;

6. Political stability;

7. Social caring.



Diagram 8***Interviewees' Expected Banking Activities/Services for Sustainability***

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Based on interviewees' feedback, I further explore the topic through existing activities/programs run by the respective chosen banks. **Appendix K** as revealed the details of interviewees' awareness and understanding of the topic of "Sustainability in Banks" and their own participation. A summarized remarks of analysis as showed in (a) within-case and (b) cross-case among the three banks is presented below.

a. Interviewees' feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<p>▪ Interviewees' own priority with marks in sustainability activities are:</p> <p>i. Economics Development (17);</p> <p>ii. Legal/Regulation Guidance (17); and</p> <p>iii. Environmental Protection (15); Community Involvement (Charity) (15); Political Stability (15); Social Caring (15).</p>	<p>▪ Interviewees' comments on those suggested activities, marks allocated were quite evenly distributed among</p> <p>i. Economic Development (17);</p> <p>ii. Community Involvement (charity) (16); and</p> <p>iii. Legal/Regulation Guidance (15); Cultural Diversity (15); Environmental Protection (15); Political Stability (15); and Social</p>	<p>▪ Interviewees' comments on those suggested activities, marks allocated were evenly distributed (except ml6) among the top three activities as marked below:</p> <p>i. Economic Development (16);</p> <p>ii. Legal/Regulation Guidance (16); and</p> <p>iii. Community</p>

	Caring (15).	Involvement (16). ▪ Other activities were placed with different priorities by different interviewees.
<ul style="list-style-type: none"> ▪ Community Involvement, Political Stability (ml1) and Social Caring (ml1) scored the same marks among all six interviewees. However, other interviewees have different comments, e.g., a zero (0) mark and 1 mark for cultural diversity given by fl1 and ml2, respectively; while ml1 gave only 1 mark for Community involvement, Political Stability and Social Caring in the same bank. ▪ It is evidenced that there was rather a similar priority (materiality) in values placed by the individual's preferences and discretions under the same bank's system 	<ul style="list-style-type: none"> ▪ Their main choice was Economic Development. There is little mark assigned for Political Stability and Social Caring by ml3. ▪ It shows the different understanding and expectation of the sustainability related activities under the topic of "Sustainability in Banks". 	<ul style="list-style-type: none"> ▪ Interviewees recalled activities most involved by staff are community involvement, e.g., charity and volunteer services rendered to the community (fl5, fl6 and sl6).

<p>settings.</p> <ul style="list-style-type: none"> ▪ Although the bank has been awarded champions/leaders in sustainability for many years, its staff, (fl2, ml1, ml2) was unable to recall any sustainability-related activities directly launched by the Bank. ▪ The most frequently quoted sustainability-related activities are on the Economic Development, Environmental Protection and Community Involvement (Charitable Donation), compared with individual interviewees' own preferred priority in sustainability activities are Economic Development and Legal/Regulation Guidance. ▪ This showed an expectation gap between the middle- and senior-levels on sustainability 	<ul style="list-style-type: none"> ▪ Sustainability at the levels of middle or frontline-level interviewees have noteworthy comments, "I am in the middle-lower level, therefore ... not such a hot topic that we need to be aware of" (ml3). ▪ Frontline-level, middle-level and senior-level: staff participation in sustainability activities is not well shared because of the time constraint interviewees faced. However, from the senior perspective, they considered those activities "well-known ... well-embedded values' in recruitment process" (ml4) and "compliance work" (sl4). ▪ It revealed the gap in staff participation (engagement) 	<ul style="list-style-type: none"> ▪ Different levels of materiality placed by different interviewees. The senior-level places emphasis on Environmental Protection and their related policies on bank's rules and regulations. This specialized topic is also covered by the training courses offered by the bank (ml5). ▪ In fact, both frontline-level and middle-level interviewees were aware of their bank's policies in environmental protection and Community Involvement (charitable-related activities). However, it seems the
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and priority (materiality).	and the senior-level's expectations of commitment.	frontline-level (fl6) and middle-level (ml5) could not recognize these sustainability-related activities without involvement or participation (i.e., engagement). However, staff engagement showed by ml6 as stated that there was an overall "participation rate of about 70%".
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b. Interviewees' feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences among three levels in three banks offering two types of banking services		
Among all interviewees from the three chosen banks, the commonly chosen top three activities focused on are Economic Development, Community Involvement and Legal/Regulatory Guidelines, although the sequence of ranking priority of the second and third are interchangeable among B2 against B1 and B3.		

Similarities between banking services offered by retail/commercial (B1 and B2) and investment (B3)

- As reflected above, regardless of whether interviewees are from retail/commercial or investment-focused banking services, generally they place similarly high priority on activities related to the three P's perspective, as indicated, People (Social - Community Involvement for charitable related services); Planet (Environment - Environmental Protection); and Prosperity (Economic - Legal/Regulatory Governance). These are presented in the following subsections under each interviewees' own knowledge in this specialized area of sustainability.

Differences between banking services offered by retail/commercial (B1 and B2) compared with investment (B3)

- B1 and B3 have similar priorities (materiality) placed on banking activities for sustainability, but their key services are of different natures in retail/commercial and investment respectively. There is a slight difference in the priority placed on environmental protection by B3, which is lower than B1 and B2 as indicated by the interviewees' assigned marks based on their understanding. (**Appendix K(1)**)
- This was explained by the special remarks of a middle-level interviewee (B3:ml6) (**Appendix K(2)**), who acquired working experiences in both two types of retail/commercial and investment banks. In reality, B3 (ml6) placed materiality according to the preference of investors (the bank's customers). Therefore, their foci are now more on legal/regulation and political stability, especially after the financial crisis and the current economic crisis faced during the Covid-19 pandemic in the invested country, rather than solely on environmental protection or community involvement.

- The senior-level interviews (B1:s11; B3:s16) put more focus on “value” returns from sustainability. Banks put more on community involvement and environmental protection as these are placed highly in retail/commercial banking, while from the investment perspective, there is more emphasis on legal/regulation guidelines and political stability (refer to **Appendix K** for details).

Summarized remarks of the interviewees’ knowledge of sustainability through sustainability-related activities hosted by their own banks or others

Followed the summarized analysis as showed above in (a) within-case and (b) cross-case among three banks, it is worth studying their activities as presented in the following sub-headings:

- i. Community Involvement;
- ii. Environmental protection; and
- iii. Legal and compliance

i. Community Involvement (Charitable-related activities)

It is found that charitable related activities were commonly adopted sustainable activities from banks’ non-financial reports of CSR or sustainability. Examples quoted by interviewees, like donations and community services, are detailed in **Appendix J(4)**.

a. Interviewees' feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<p>▪ Interviewees commonly pointed out the sponsorship or fund donation for community services. It is worth noting “team-building activities” (s12). It therefore raises a question whether the driving force for such activity was genuinely for the goodness of community, or for the own sake of the bank’s staff team-building or for the both win-win sustainable strategy.</p>	<p>▪ Interviewees cited more examples of community services. However, there was not much feedback on charitable donations or volunteer services mentioned by senior-level interviewees. In fact, they placed more emphasis on sustainability embedded in their daily job roles, e.g., sustainability in recruitment (m14), sustainability in compliance control (s14) as the representative in the HKMA sustainability consultation meeting for green finance (s14).</p>	<p>▪ Interviewees on the front line cited common activities for serving the community matched ones stated in sustainability/CSR reports. However, no such recognition was given by the interviewees from the middle- or senior-levels, but rather more on the embodiment of banking services for strategic development, e.g., e.g. loan approval for environmental protection related business deals (s15, s16).</p>

b. Interviewees' feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences among three levels in three banks offering two types of banking services		
<ul style="list-style-type: none"> Based on the chosen banks' reports on their websites, they have been actively promoting their participation in charitable donation and volunteer activities to serve the community. Commonly quoted activities are charity walks and the annual marathon run by a renowned international bank in Hong Kong (B1:fl2; B2:fl4) but this was not yet recognized by (B3:fl6, ml3) as holistic sustainability activities. It was, in fact, criticized by B3 (ml6) that the annual Marathon activities "brought a lot of plastic bottles, rubbish left there, I don't think it is doing good to the community indeed". Although B1 and B2 mentioned the eligibility of 'volunteer leave' to compensate/recognize participants' contribution, staff participation in B1 and B2 for these kinds of community service programs was rather low. On the other hand, there was a positive remark commented by B3 (ml6) that "around 70 percent" of staff participation in those sustainability-related activities, even though interviewees judged the actual impacts and consequences of these activities for the community. They cannot point out the key of a 'holistic' approach towards sustainability. 		

ii. Environmental protection

a. Interviewees' feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<p>As explained in Chapter 2, environmental protection activities/programs organized by banks under sustainable development is a hot topic. In addition, it is also moved by the different kinds of sustainability-related rules and regulations launched locally (legislations under the Environmental Protection Department) and internationally (ISO14000 and/or recognized international environmental laws and acts). However, none of these regulations were properly cited by the interviewees.</p>		
<p>▪ Responses were varied, some mentioned nothing in this area. Other interviewees commonly quoted the well-known examples of environmental protection activities (ml1), like “energy saving, ... turning off lights (sl2); reusing materials, ... fund donation. Another senior-</p>	<p>▪ Interviewees' knowledge of this topic was varied, some showing no concern, but ml4 commented that “if any bank does not take part and is going in this area, ... it will be criticized”; “use less paper, ... electronic version of red pocket money” (sl4).</p>	<p>▪ Interviewees' knowledge in this area showed its relationship with the daily business environment, “run electronically ... a paperless office (fl6) ... environmental protection embedded in banking products/services</p>

level interviewee (sl1) quoted the business-related example of “reduction of carbon usage”.	<ul style="list-style-type: none"> ▪ “Green finance” was the hot topic under HKMA sustainability meetings (sl4). 	<p>offered, e.g., loan applications, ... environmental protection included in ... training course” (sl6);</p> <ul style="list-style-type: none"> ▪ However, another senior-level interviewee (sl5) emphasized that “environmental protection is not equal exactly to sustainability as I mixed it up before.”
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b. Interviewees’ feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences among three levels in three banks offering two types of banking services		
<ul style="list-style-type: none"> ▪ Environmental protection is a common activity organized by banks to serve the community. Practically, the above feedback revealed limited interviewee awareness of international standards, e.g., no interviewees mentioned the renowned ISO14000 as for environmental protection. ▪ In addition, staff participation in those sustainability-related activities is rather low, as indicated above in B1 and B2. The coverage was limited to commonly known activities, 		

except “focused mainly on carbon reduction” (B1:sl1) in the banking sector.

- However, the response from B3 that environmental sustainability is embedded in loan approval (sl6), and the crucial remark by sl5, “about environmental protection is not equal exactly to sustainability”.
- In fact, it is worth noting ‘well-balanced’ as mentioned in sections 1.1.3 and 2.3.1 under the three P’s: Planet (environment), People (social) and Profitability (economic) but Banks’ strategic policies commonly placed high priority on environmental protection issues.

iii. Legal and compliance

a. Interviewees’ feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
Banks in Hong Kong have operated in a very highly regulated environment in view of the territory’s status as an international financial center. Therefore, they have to follow the regulations and standards not only in Hong Kong but also ones originated by their headquarters. This makes interviewees realize the important role played by the legal and compliance sector for any banks in Hong Kong for sustainable development.		
▪ It is generally known and agreed that “there are no flawless, perfectly written rules or regulations. (fl1)	▪ All interviewees agreed (except fl4, ml3) on the important role of laws and regulations in their daily	▪ Senior-level interviewees (sl5, sl6) realized that sustainability is more

<p>Therefore, anyone with an unethical mind can take advantage of existing legal or regulatory loopholes for their own interest/benefit.</p> <ul style="list-style-type: none"> ▪ sl2 pinpointed the key issue that “laws and regulations, ... [is] the basic foundation of sustainability. 	<p>working environment.</p> <p>Across three levels of interviewees, they found that risks undertaken are by those who have not yet followed regulations in daily decision making (fl3, ml4, sl3); “especially those in the workplace environment with loopholes” (sl3).</p> <ul style="list-style-type: none"> ▪ However, a firm and proactive attitude was held by another senior-level interviewee (sl4), who placed the legal and compliance requirements highly as he/she sets “operational procedures and guidance for our staff to follow”. It was based on the “decided court cases” as training materials set for guiding staff to decide what is right or wrong in different working scenarios. 	<p>related to the laws and regulations in the bank.</p> <p>While frontline-level interviewees seemed to know nothing other than rules written on ‘black and white’ banking codes.</p> <ul style="list-style-type: none"> ▪ Differentiation between the legal and regulations is different. ▪ “regulator’s requirement ... is the very basic level, ... it’s rather ethical” (ml6); “beyond legal, ... social responsibility perspectives is rather ethical” (sl5); other senior-level interviewee (sl6) related job role of “embedding sustainability in workplace, ... complied with rules and
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		regulations”; “legal regulatory standard ... [is] to control” (fl5); “not fulfill legal regulations, ... bring the legal consequences” (fl6).
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b. Interviewees’ feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences among three levels in three banks offering two types of banking services		
As stated in Chapter 2, sustainability is related to the importance of priority setting (materiality). It reflects the individual bank’s own strategic focus and motives in positioning and approaching the public. Feedback reflects different interviewees may have their own understanding of sustainability-related banking activities. The three P’s theories for further decision making are driven by the different positions of the interviewees.		
<i>Similarities between banking services offered by retail/commercial (B1 and B2) and investment (B3)</i>		
<ul style="list-style-type: none"> ▪ Practically, some interviewees (B1:sl2; B2:sl3; B3:ml6, sl5, sl6) who have similar mindsets on the legal and regulatory side of “Sustainability in Banks”. ▪ The middle-level interviewee of investment (B3:ml6) shared the concern, not about community involvement or environment protection but rather more on the issue of 		

political and legal from the standpoint of investment customers (stakeholders) (ml6).

These two were recognized as the essence for providing a safe investment environment for sustainable development in any business growth. This feedback exactly matched with Moon's (2007) advocacy of the interrelationship between pursuing the stability of society and business growth, as discussed in section 1.1.1. It also revealed the essence of the holistic sustainable development direction which was overlooked, as indicated by the above quotes from interviewees on the existing sustainability-related banking activities.

- The crux of the above is knowing that rules and regulations may act as a mirror to reflect each interviewee's hidden motive for each decision, and whether these regulatory guidance safeguards interviewees to make the right decision at the right time for the interests of stakeholders (internal and external clients) and/or banks. All depends on the existing values held by the individual interviewees under the spotlight of their daily workplace environment. This can be proven further in the following scenario case-study section (4.2.2).
- The above interviewees' quotes matched exactly those regarding Carroll's four-level pyramid (**Diagram 4** in section 2.2.1.1) of positioning ethical responsibility above legal responsibilities. This can be referred to Moon's illustrative slogan, "*being legal does not mean being ethical, but being ethical definitely goes beyond basic legal requirement*". This is also shared by senior-level interviewees, (B3:sl5, sl6) as discussed above.

Differences between banking services of retail/commercial (B1 and B2) compared with investment (B3)

- Some interviewees put political stability as a high priority due to the 2019 street protests and the current Covid-19 pandemic. These incidents encouraged interviewees to put high priority on the needs of the people, e.g., "special offers to SME businessmen", (B1:sl2).

However, as regards the recent wave of extra service charges for bank accounts without reaching a preset minimum balance, it is only regarded as the competitive nature of the banking industry, especially the wave of internet banking competition (B1:m11). Details of each practitioner's assigned priority based on their respective understanding and observation of their own bank's current policies and programs as presented under the Excel spreadsheet in **Appendix J**.

Overall summarized remarks of interviewees' knowledge of sustainability through sustainability-related activities launched by the chosen banks or others

It has been showed that there seems not a big difference in the materiality ranked for sustainability-related activities hosted by banks offering retail/commercial or investment services.

Although the interviewees' comments on sustainable activities organized by their respective banks are similar, their understanding and awareness of this topic is varied. However, based on the experiences shared by the interviewees, current sustainability-related activities reflected each bank's own strategic direction in sustainable development. Strategically, the essence of the holistic sustainable development direction reflected to be the essential leading role for driving banks for sustainable development below.

3. Interviewees' own recognition of the importance of leading roles for guiding practitioners towards "Sustainability in Banks"

As discussed in the above paragraphs, there are different understandings and awareness of the topic of "Sustainability in Banks" at different levels of interviewees in different banks.

Senior management is content with the current activities offered and policies implemented in their banks; however, the other levels have their own interpretations and preferences for “sustainability”. Some of them were suspicious of this “sustainability” topic in Banks. For example, sustainability is being criticized as the “PR in our bank”, (B3:fl6); “window dressing” (B3:sl5); “very abstract and something in concept, ... only a term, a name only”, (B1:ml1); “a kind of “whitewashing”, (B1:fl2). One senior-level interviewee (B3:sl5) commented that “environmental protection is not exactly as sustainable as I mixed it up before”. Therefore, it was clearly proven that sustainability-related issues of the well-balanced 3P are not yet well-communicated and promoted but mainly on environmental protection.

Given the leading role played by senior management, Banks are guided and driven by guidance and practices from their banks’ role models to be sustainable from generation to generation, as discussed in Chapter 2 (section 2.2.1.3). It is proven by the Chinese sayings, “上樑不正下樑歪” (translated as “if a leader sets a bad example, subordinates are likely to follow suit”). Thus, if senior-level interviewees have such a limited knowledge and understanding, how well will those subordinates be known?

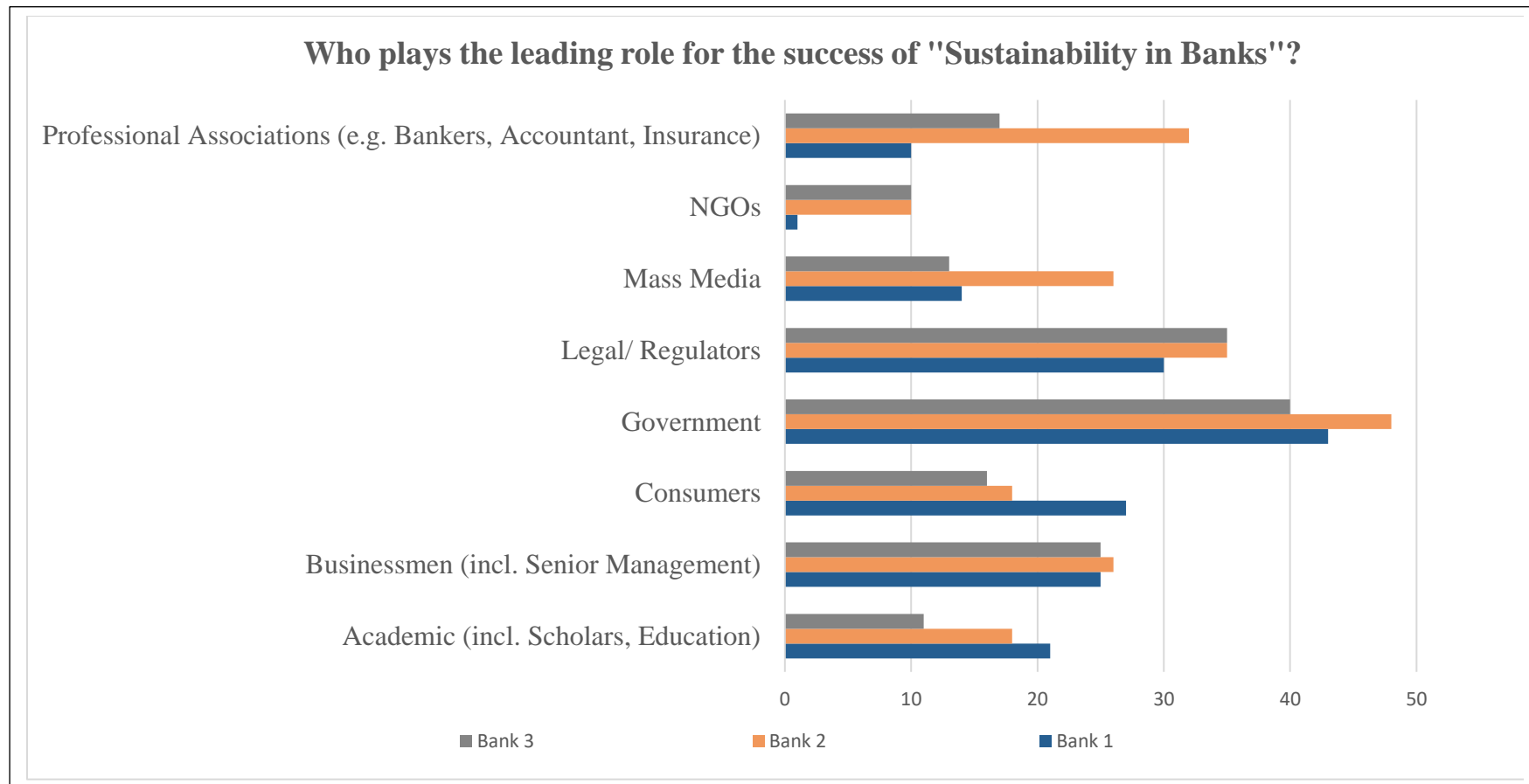
Therefore, there was another specifically designed interview question examining interviewees’ own judgment of their personal role in a successful implementation of “Sustainability in Banks”. The following seven groups were given to interviewees to decide who leads to drive banks towards sustainable development. The given choices are (1) academics (including education), (2) businessmen, (3) consumers, (4) governments, (5) legal/regulators, (6) mass media, and (7) NGOs. The overall interviewees’ feedback is based on prioritizing these groups with the assigned numbers (8 for the top, 7 for second, 6 for third, etc.). A cluster bar chart (**Diagram 9**) is presented collectively as the completed matrix based

on all feedback from interviewees.



Diagram 9

Interviewees' Perceived Leading Role for Driving towards "Sustainability in Banks"



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Further in depth individual interviewees' feedback with their own justification is presented in **Appendix L**. The summarized remarks of the analysis, as showed in (a) within-case and (b) cross-case among three banks are presented in the following sub-headings.

1. Interviewees' perceived leading roles for driving Banks towards "Sustainability in Banks"

a. Interviewees' feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<ul style="list-style-type: none"> Five of six (including ml-trt) interviewees take governments as the leader, except middle-level interviewees (ml2). Legal/regulators are also placed at a high priority; The next important group is businessmen (including senior management) and consumers to guide sustainable development; Middle-level: ml2 placed academics in a high rank 	<ul style="list-style-type: none"> All six interviewees chose governments as the leader for the promotion and advocacy of "Sustainability in Banks". The next group are the legal/regulators and businessmen; It is realized the importance of regulatory requirements or further committing serious misconduct, then "HKMA can delist your banking licence" (ml4). Therefore, banks focused on the 	<ul style="list-style-type: none"> Five out of six interviewees take governments as the top role, except fl5. The next choice is the legal/regulations followed; fl5 and sl6 preferred NGOs and professional associations and/or individuals as the highest priority for successful "Sustainability in Banks".

for sustainable development. Another perspective taken by another middle-level interviewee (ml-trt) who put high priority on the top management level “to provide ... direction, and also to create an environment for this kind of activities, and mindset, ... so that every individual can contribute to that environment.”	importance of guidelines through updated emails, meetings and further training programs via web or classroom platforms to raise interviewees’ awareness and understanding of knowledge in sustainability.	▪ This is not much emphasis on the Businessmen/Senior Management.
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Summarized remarks of the within-case analysis of the perceived leading role for driving banks in Hong Kong towards Sustainability

It is known that banks are governed and operated under respective practitioners’ daily business decisions. Logically, the higher the level, the more authority assigned with their positions. This was showed by B2 (fl3) comment, “I don’t find it much relevant to me, ... I think the higher the ranking level, the more relevant is their role in their banks”.

As discussed above, the existing communication and training systems in banks are commented as good, based on interviewees’ feedback; however, there has been repeated misconduct or unethical acts committed by banking practitioners and reported in daily newspapers or official government websites (section 2.3.1). Therefore, it is worthwhile

studying what possible loopholes or identifying any areas for improvement should be considered within and across banks.

First, as regards the above data analysis, it identified the interviewees' misconceptions. "In fact, our department is rather a cost center, that means it wastes money rather than earns money for the bank" (B3:fl6). However, another senior perspective of B3 (sl5) clearly stated that, "everyone is doing good for society/community or the whole world, ... to be started from me". This contradictory attitude as discussed in the findings of scholars discussed in Chapter 2 (section 2.3.1). This is proven every individual's decision is crucial for the achievement of sustainability in the banking sector.

b. Interviewees' feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
<i>Similarities between banking services offered by retail/commercial (B1 and B2) and investment (B3)</i>		
<ul style="list-style-type: none"> As presented in the Diagram 9, it generally summarizes interviewees' comments on the leading role of sustainability in the banking industry. The top three priorities chosen for genuine holistic implementation of "Sustainability in Banks" were under the sequence of (1) government; (2) legal/regulators; and (3) businessmen and academics. This data finding states the similar result and proves among banks offering retail/commercial or investment services. They ranked highly for governments and legal/regulators as the key drivers for sustainable development in the banking sector, i.e., these groups of leaders were regarded as the essential factor for ultimate success of "Sustainability in Banks". 		

This reflects the current practices in the kind of rule-based (regulatory) rather than the value-based (individual value or attitude) sustainable development direction. Faced with the market competitive challenges, Banks in Hong Kong have been operating in a highly and systematically regulated environment. To cope with the competition within Asia-Pacific countries, it is reasonable for Hong Kong to advance professional practices in line with international standards, SDG, as these are commonly and internationally accepted guidelines for Hong Kong banks to follow.

- It is also showed that interviewees' expectations for guidance are current challenges based on the three P's, or the current environmental guidance and political issues as hot topics (B2:sl4). This can be proved by the remarkable comments shared by a senior-level interviewee on the foreseeable future of "Sustainability in Banks" in Hong Kong, "HKMA is going to put more focus on this [environmental protection] development direction. Therefore, it becomes more and more important." Even the interviewees confirmed that there were many existing operational procedures (codes of conduct, codes of ethics, guidelines or rulebooks) adopted in their operational procedures, as directed by the HKMA, SFC, Banking Ordinances and respective laws of Hong Kong. The top element to lead "Sustainability in Banks" is the step-by-step guidance laid down by the regulatory bodies, but that is limited as evidenced even by the comment of one senior-level interviewee (B2:sl4), who was the Bank's representative for the HKMA's sustainability consultation meetings.
- In practice, therefore, there is an urgent need for staff to work towards the same sustainability goals. As remarked repeatedly by the same different levels of interviewees from B1 (fl2, ml1, ml2, ml-trt) and B3 (sl5, sl6). It is highly recommended that a 'joint effort' be made by different departments for the implementation of regulatory control in different levels or ranks involving different experts from different departments:

Compliance, Internal Audit, IT, Security, and Training. This matches with what interviewees' (B1:fl1 and fl2, B2:fl3, ml4, sl4; B3:sl5, sl6) "sharing" under the United Nations' advocacy under SDG No.17, **'Partnership for the Goals'**.

- The following paragraph presents the consolidated findings based on the feedback from interviewees in the three levels and across the three chosen banks.

Differences between banking services offered by retail/commercial (B1 and B2) compared with investment (B3)

- According to the HKBO, all AIs operating in Hong Kong are strictly governed not only by local/international laws but also by individual banks' codes. However, there are some exceptional high scores for NGOs and professional associations (B1:ml1; B3:fl5). This clearly proves the different priorities taken by interviewees based on their own understanding, experiences, and judgment. There was a middle-level interviewee (B1:ml-trt) who remarked that *"The definition of values and integrity is different, the level is different, and so everyone has their own level, but very different"*. However, sustainable development of each individual through the existing motivation strategy implemented for the individual development, as indicated by senior management to drive banks "profit-based to people-based" (B1:ml-trt). This key objective of the newly implemented XXXXXX (anonymous) training program is "not about profit solely, that is really quite different from the traditional banking trend".

Overall summarized remarks of the perceived leading roles interviewees for "Sustainability in Banks"

The above shows the existing gaps among interviewees based on their individual awareness, understanding and application of knowledge of local/international professional practices (regulatory/legal and ethical) for their daily decision making.

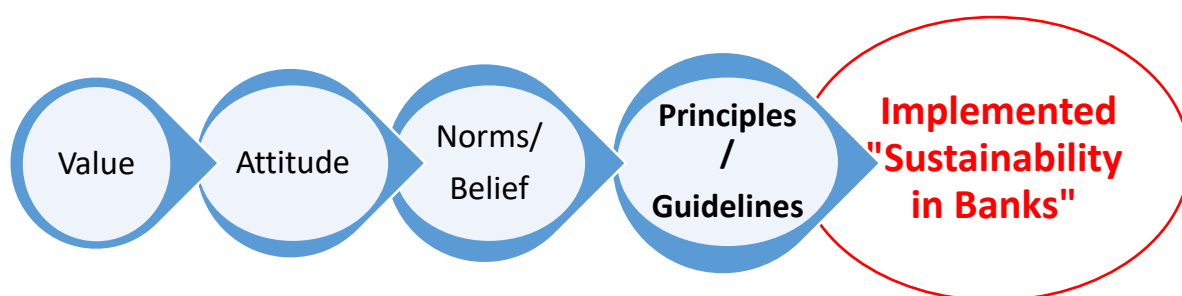
As discussed in section 2.3.2, banks are a learning organization, while sustainable development is a learning process with the end product of ‘sustainability’ related. It is, therefore, required a very good communication and implementation systems to facilitate such global sustainability policies genuinely learned and implemented in banks.

This was also reflected by the remarks of interviewees (B1: ml2, ml-trt, sl1, sl2; B2:ml4, sl4; B3:sl5, sl6) emphasized individual’s valuing system and the shared working attitudes across three banks (**Appendix M(1)**). It was commented that “my own responsibility is to follow the banking guidelines” (B1:fl2); “HKMA is not just an order, but rather discreet, ... but [some are] very confident of their own experiences/knowledge in discharging daily routines, ... a kind of norm or a habit” (B2:ml4), and others (B1:fl1, sl1, sl2; B2:sl3, sl4; B3:ml6, sl5, sl6) leading to the ultimate truly implementation of the “Sustainability in Banks”.

The following **Diagram 10** shows the inter-relationship of the individual’s values, attitudes and belief, with the Bank’s norms and principles/guidance for achieving and the truly implemented “Sustainability in Banks”.

Diagram 10

Interviewees' Values and Attitudes for the Implementation of the Principles/Guidelines for "Sustainability in Banks"



Differences understanding among different levels of interviewees as showed about the legal (regulatory) and ethical practices implemented in Banks (B1:ml-trt, sl1, sl2), compared with individual employees' own value systems. This is covered under Burford *et al.* (2013) and Sipos *et al.* (2008).

Some interviewees also realized the important roles played by individual practitioners' daily decisions making and their impacts not only on their own bank, but also the banking industry and spreads further the whole society, as discussed in section 4.2.1.2 above. This interrelationship has been discussed in Chapter 2 (section 1.1.1) as illustrated by Fisher (2004), Professor Moon (2007), and Plato-Shinar (2019). Further details to advance such genuine implementation of the "Sustainability in Banks" will be covered under RQ3 (below) and in Chapter 5.

4.2.1.3 RQ3: How can the professional practices be improved for global sustainable development in banks of Hong Kong through public education and in-house training?

After the global financial crisis and the subsequent Lehman Brothers minibonds saga in 2008, more stringent rules and regulations/standards have been implemented to safeguard the interests of banking customers and investors. Under such well-known and well-defined rules and regulations/standards governing the banking environment in Hong Kong; however, prosecutions or court cases are still being repeatedly reported. Are these largely related to unethical or illegal conducts by banking practitioners due to money-driven business performance or unethical banking products and/or services? This section aims at finding out whether individual interviewees' existing practical decision making is guided under the professional practice regulatory (legal) or ethical value system, and how this can be improved when they undertake daily operational decision making tasks?

Based on the collected data during interview meetings, I can understand what challenges interviewees are facing in their workplaces. There was also a revealed communication gap among individual interviewees in different levels in the chosen banks for the advancement of “Sustainability in Banks” of Hong Kong. Then, I will give a consolidated feasible recommendation based on interviewees' feedback for the training programs offered within and across banks. This kind of learning and training is essential to bridge the exposed gaps in awareness, understanding and application between the theoretical (academic) and practical implementation (business operation) perspectives under the discussion in Chapter 5.

The three chosen banks are well-known in their respective strategic sustainability policies and programs, as judged from their continuously recognized prizes and champions awarded locally and globally (section 3.2.3.2). However, many interviewees preferred to choose governments or regulators as perceived leading roles for driving banks towards ultimate success in sustainability, rather than really stated to ‘act (start) from me’ (B3:sl6). Most of the interviewees claimed that they were not yet aware of or involved in those activities, and this may be related to individual’s personal and character, as revealed and discussed in RQ2 under section 4.2.1.2 (above).

1. Expected personal qualities and characters for making business decision in the workplace

The following **Table 17** was extracted from interviewees’ feedback based on received questionnaire sheets (**Appendix G**). It summarizes the expected personal qualities and characters for being able to make professional sustainable decisions in the workplace. This also reflects the individual’s own value judgment and reasoning systems within existing communication systems while undertaking their daily job roles.

Table 17

Summarized Interviewees’ Feedback on RQ3: Expected Personal Qualities for Making Business Decision in the Workplace

RQ3 – what is personal quality required?	B1			B2		B3	
Interviewee No.	1	trt	2	3	4	5	6
Frontline-level (fl)	Trustworthy		Experience	Honesty	Honesty	Honesty	Integrity
Middle-level (ml)	Honesty	Trustworthy	Visionary	Honesty	Integrity	Client-first	Integrity
Senior-level (sl)	Integrity		Honesty	Integrity	Integrity	Honesty	Honesty

The above good qualities were more or less the same, like honesty, integrity, trustworthiness.

In fact, all these personal qualities are advocated through existing training programs offered

within banks and the other regulatory bodies or NGOs as discussed in section 2.3. It is stated that these basic personal qualities are the essential core for successful development of “Sustainability in Banks” of Hong Kong.

The detailed interviewees’ feedback on this issue was explored and showed in **Appendix M(1)**, while the summarized analysis, as presented in (a) within-case and (b) cross-case among the three banks below.

a. Interviewees’ feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<ul style="list-style-type: none"> Interviewees regarded the importance of personal quality and character as the basis for their working attitude while undertaking their professional duties. They cited personal virtues (soft qualities) of integrity, honesty and trustworthiness rather than the hard/technical skills in 	<ul style="list-style-type: none"> Interviewees have emphasized highly professional virtues like integrity, honesty, loyalty. In addition, an innovative mindset is mentioned by sl6. However, there were not many details to illustrate these value qualities related to their existing banking codes or regulations. 	<ul style="list-style-type: none"> Interviewees chose varied soft qualities. The commonly chosen personal virtues were “integrity and honesty”, (ml6). Additional qualities called for were “flexibility” (sl5); “responsibility” (fl6); and “client-first with

<p>operational compliance (fl2) in their daily decision making.</p> <p>▪ In addition, individual quality is the determining factor for their choices of action, “it is about the individual virtue-integrity and personal character”. (ml2); “that is a kind of value decision. ... whatever decision we make, that already reflects the value judgment of an individual.” (sl1).</p>		<p>positive thinking and attitude” (ml5).</p>
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b. Interviewees’ feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
<p>Similarities and differences among three levels in three banks offering two types of banking services</p>		
<p>▪ The commonly chosen personal virtues of ‘honesty’ and ‘integrity’ are emphasized, especially among senior-level interviewees of the three banks to project the “professional” image of the banks and their banking practitioners;</p> <p>▪ The frequently cited soft-quality criteria for professional banking practitioners are</p>		

integrity, honesty, reliability, passion, fairness, ethics, and client-first. In fact, these stated qualities for bank practitioners are advocated in the HKMA guidebook. This indicates that practitioners are well aware of these banking code requirements;

- It is enlightening to note that professionals at different levels across banks held the same approach; for example, a middle-level interviewee (B3:ml5) was “positive thinking and attitude”, which is in line with the client-first approach adopted by B1 (sl1, sl2). In B3, it shows not many differences in business priority considered between the retail/commercial banking and investment services offered by B1 and B3, respectively.

All the above sections evidenced interviewees’ practical experience and own decisions from the three banks. It is necessary to explore further whether existing communication channels in banks successfully transferred knowledge, especially with respect to the professional practices from regulatory (legal) or ethical perspective, if any. If the existing communication system is perfectly implemented, it is worthwhile studying other possible reasons leading interviewees have not yet reached the expected regulatory (legal) or ethical requirement resulting in the court prosecution, further hindered the bank’s strategic sustainable development.

2. Interviewees’ awareness of own bank’s existing communication platform to convey its sustainability strategy

The following **Table 18** indicates the observation and comments by the interviewees at their own banks.

Table 18

Summarized Interviewees' Feedback on RQ3: Ways to Enhance Advancement of "Sustainability in Banks"

RQ3 – ways to enhance sustainability?	B1			B2		B3	
Interviewee No.	1	trt	2	3	4	5	6
Frontline-level (fl)	Loopholes in any system		Not yet follow properly	Communication channels existed but depends on Individual own quality	Staff own working attitude and corporate culture	Individual conduct	No formal communication re Sustainability
Middle-level (ml)	Senior has to own it	Depend on own virtue-integrity	Doubt in communication effectiveness	Existing codes/standards are too lenient	Propaganda and education is important	Set better regulations and rules	Required role model from senior staff
Senior-level (sl)	Individual's values system and banking leaders' action		Individual's own decision and working attitude to follow/implement	Not at my level to realise it	Values and principles sharing	More education and training is required	Praise and penalty system

The detailed interviewees' feedback of awareness of their own bank's existing communication platform to convey its sustainability strategy is presented in **Appendix M(2)**, while the summarized analysis, as showed in (a) within-case and (b) cross-case among three banks is presented below.

a. Interviewees' feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<ul style="list-style-type: none"> ▪ The communication system is well-recognized as good by senior-level interviewees among the different delivery channels 	<ul style="list-style-type: none"> ▪ Senior management realized that there was no perfect communication channel. It is recognized that the sustainability direction 	<ul style="list-style-type: none"> ▪ Interviewees within the same bank showed their different awareness and approaches for communicating

<p>and ways of exchanging knowledge and information.</p> <p>▪ However, responses from the frontline-level and middle-level emphasized the loopholes in the system and individual personal qualities and choices of action (fl1, ml1, ml2). As pinpointed by ml1 that “may not really understand the real meaning behind these materials”. Frontline staff (fl1) had a challenging comment, “there should be loopholes in the banking system or even in the legal system” regarding the motive for their bank’s activities for sustainability programs. This evidenced the lack of communication existed, by which it further affects</p>	<p>advocated by China’s ‘One Belt, One Road’ was well communicated among senior management for its strategic direction.</p> <p>▪ However, staff commitment by individuals from the frontline-level and middle-level were not well-received and understood, as commented by “more on concept sharing, rather implemented action, ... codes/standards used are rather flexible, too lenient” (ml3). Another middle-level interviewee (fl4) pointed out, “all depends on the working attitude of staff”;</p> <p>▪ Senior-level interviewee, sl3 remarked that, “maybe, ... it is part of the senior management, but not like my own, ... only a specific group of staff is involved</p>	<p>regulations and operational policies implemented in the bank.</p> <p>▪ “more awareness, ... case sharing, ... we have these in our Bank’s practices.” (fl5); however, another response from frontline-level interviewee (fl6), “I really cannot fully understand all information adopted in the bank. I know I am only a tool, a screw. ... no such a formal communication between the bank and us, staff here”.</p> <p>▪ “I really don’t know more about this kind of [sustainable strategic] communication, ... but I do not pay attention to</p>
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<p>trust within the Bank.</p> <p>▪ It was emphasized “how effective they [communication systems] are, that is a separate question... hearts to do it in the way” (ml-trt); while ml2 focused on the “quality and motive of individual banking practitioner. ... There is a need for improvement to achieve better teamwork and quality of work” (ml2).</p>	<p>due to their daily job roles but not yet for the whole group of staff in the bank. Very senior management group”; “some real needs acknowledge whether staff fully understand it” (sl4).</p>	<p>this area.” (ml5); ml6 shared, “a lot of communication channels or platforms that have already mentioned such a CSR concept. not a foreign language to us”. (ml6);</p> <p>▪ “I joined, ... I found that this [communication] is what is taken from the top to the bottom. ... may have their own understanding and knowledge from their previous banks” (sl6).</p>
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b. Interviewees’ feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences among three levels in three banks offering two types of banking services		
<p>▪ It was commented by interviewees that the existing communication systems in three banks are good, especially from the senior-level perspectives. They are specifically designed to</p>		

guide practitioners to perform their daily tasks. By complying with all regulatory (legal) or ethical standards or practices, the interviewees were confident of their own bank's business development.

- In fact, interviewees from other levels realized that there was no perfect communication system. As pinpointed by B1 (fl1) that “should be loopholes in the banking system, or even in the legal system.”
- Interviewees explicitly emphasized the important role played by individuals, “depends on the employee's own integrity issues, ... personal choice” (B1:fl1). Practitioners' character or personal virtue, “going back to the actual implementation and what people are implementing it, ... these people really have the HEARTS to do it” (B1:ml-trt), “living out the value in daily operational procedures” (B1:sl1); conducts in each “individual virtue-integrity or ethical character” (B1:ml2; B3:fl5), “all depends on individual conduct” (B3:ml5); were all agreed to be the essence for ultimate success in sustainability (B1:ml-trt; B2:fl4; B3:sl6). This kind of “working attitude” (B1:sl2) is the ethical foundation for making daily decisions while undertaking their job routines.
- In addition, it was also commonly agreed that training was important for guiding, but senior-level interviewees preferred real role models of leaders. “Bank having learned from reported cases is rather more important than the reported cases existed themselves” (sl1), a similar training approach adopted and cited by B2 (ml4, sl4) and B3 (sl5, sl6).

Overall summarized remarks of ways to enhance the advancement of “Sustainability in Banks”

By **Table 17**, it summarizes the different expectations of personal qualities and characters for making professional decisions in the workplace. They are of similar good quality advocated through existing training programs offered within banks.

To comply with the regulatory requirement set by the HKMA, SFC and HKAB, banking practitioners are required to maintain, upgrade, and broaden their knowledge and perspectives in their specialized professional areas. Otherwise, banks will face penalties (B1:ml-trt). The detailed feedback from interviewees' attending training programs hosted by their banks was presented in **Appendix M(3)**, while the summarized remarks of analysis, as showed in (a) within-case and (b) cross-case among three banks is presented below.

3. Interviewees attended training programs hosted by their banks

a. Interviewees' feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<ul style="list-style-type: none"> ▪ Online training is commonly adopted but interviewees have reservations about its effectiveness. ▪ Negative comments, “training is used to prevent banks from being penalized (ml-trt), ... employees may be threatened by losing their 	<ul style="list-style-type: none"> ▪ Interviewees of all levels in frontline, middle and seniors commented that communication channels adopted for operational issues (frontline) but nothing related banking sustainability strategies. ▪ “Top management strategy is shared, rather than the implementation” (ml3); 	<ul style="list-style-type: none"> ▪ There seems to be no standardized training schedule for staff, depending on alert emails sent by the Human Resources department. ▪ Training is regarded as a way to guide staff to perform daily job roles, e.g., “preventing banks

<p>jobs” (sl2); “it [training] really guides staff ... should do this way, though I have reservations” (ml2).</p> <ul style="list-style-type: none"> ▪ However, fl1 was proud of their bank’s leading role in training programs offered as they are on “the well-being of the individual or the nature of the bank strategy”; ml-trt pointed out there was a change of training focus, due to “recent penalty for misconduct in overseas markets, ... as train the people or change the people” (ml-trt). This was supported by the senior-level, ““how do managers walk the talk?” is very important” (sl1). ▪ It is pinpointed that the importance of moving forward to integrate 	<p>while other emphasized that the importance of “propaganda and education, ... education of the ethical standard” (ml4) for the right choice; “Bank is awarded those (sustainability) prizes, it does not definitely mean that it does everything cleanly and correctly in every aspect” (ml4).</p> <ul style="list-style-type: none"> ▪ Sustainability strategy is “part of the senior management role ... but not like my own ... not yet for the whole group of staff, ... another channel of training from external regulators is the ICAC.” (sl3). This is evidenced by the limited scope of their systems, “more training to be provided for staff, more good examples for sharing, 	<p>being penalized” (fl6).</p> <ul style="list-style-type: none"> ▪ Two points shared by staff regarding training was <ul style="list-style-type: none"> i. compliance knowledge through training, and ii. control checks and balances (ml6); the process of reading, understanding and complying with the code of conduct, i.e., the “banking culture or DNA” emphasized by the middle-level (ml6) and echoed by senior-level interviewee (sl6); ▪ “our Bank is focused on ‘value training’ which is classified as “do” or “don’t” (ml5).
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<p>personal values into training platforms, (fl1, ml1, ml2, ml-trt, sl1, sl2).</p>	<p>good cases for following” in a proactive approach of role model (sl4).</p> <ul style="list-style-type: none"> ▪ Two perspectives shared by interviewees on the training programs: <ul style="list-style-type: none"> i. Frontline-level interviewees: training to be actively learned by themselves, “email updated information is self-study, ... presumed they are yours” (fl3); ii. Senior-level interviewees: comprehensive throughout different channels in “summary of ‘decided cases’” (sl4) or “compliance bulletin” format (ml4) for staff to grasp the key points easily. ▪ They emphasized “at least the same level of staff understanding and their competence, ...through 	
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	training arose awareness, understanding and application, assessed through their qualities of daily job performance” (sl4).	
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b. Interviewees’ feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
<i>Similarities between banking services offered by retail/commercial (B1 and B2) and investment (B3)</i>		
<ul style="list-style-type: none"> ▪ All levels of interviewees understood there were areas for improvement in communication systems in respective banks. The crucial essence was agreed to be the individual character or personal virtue, and their serving “hearts” (ml-trt). This was also the foundation for making daily ethical decisions while undertaking their job routines. ▪ Interviewees from different levels serving in different business sectors shared the similar threats from training perspectives, like the issuance of penalties on the bank and individual, (B1:fl1, ml-trt, sl1, sl2; B3:sl5, sl6); or reputation (B1:ml2, ml-trt, sl1, sl2) rather than the real essence of training for empowering the capacity of employees. This leads to misunderstanding of the real role of training for all staff for preparing for future development. ▪ Although interviewees agreed that training played an important role for guiding professionals themselves properly, some preferred leading role model examples within banks. B1(sl1), “Bank having learned from reported cases is rather more important than 		

the reported cases existed themselves, ... training and ‘how do managers walk the talk’ are very important”; “senior-level needs to demonstrate a role model for its subordinates” (B3:sl5); “Training is a way to prove how we now walk the talk, ... the senior needs to demonstrate a role model for its subordinates” (B3:sl6); “how the corporation sets the role model for its followers” (B3: ml5).

Differences between banking services offered by retail/commercial (B1 and B2) compared with investment (B3)

- They offered both online and classroom training channels, with assessment to evaluate staff knowledge acquisition. However, there was a different understanding the training role as shared by different levels of interviewees, thus the effectiveness of training programs offered may be affected.
- B3 focuses on culture (sl6), while B1 and B2 agreed that the working attitude by individual practitioners of staff (B1:fl2, sl2; B2:fl4, ml4, sl4) is important. “HKMA is not just an order, but rather discreet, ... [some interviewees are] very confident of their own experiences/knowledge ... a kind of norm or a habit” (B2, ml4), but B2(sl4) emphasized doing “my job better” (B2:sl4). In B1, it was critically remarked that the essence of “train the people or change the people” (B1:ml-trt). All showed the important role played by individuals and their working attitude, especially by the role model of senior management as guidance and/or standard.
- Among all three banks, they have complied with the HKMA’s regulatory requirements to host internal training programs. Only B2 (ml4) mentioned the external training programs organized by the ICAC regarding ethics and integrity. Interviewees confirmed that B2 (ml4, sl4) and B3 (sl6) have been currently running training programs by adopting decided prosecutions as training material. Training on sustainability was not yet covered, except

the issues of sponsorship (B1:f11; B3:m15) and environmental protection (B3:s15, s16) discussed in above section 4.2.1.2.

Overall summarized remarks of the existing room for improvement towards “Sustainability in Banks”

The above findings show recognition of the need for individual professionals to face the current competitive working environment in banks. This is echoed by the feedback in the above section from interviewees under the pre-meeting questionnaire sheet (**Appendix G**) regarding individual personal quality/character criteria. Being responsible professional practitioners, each of them has to deal with customers ethically and responsibly in all decision making while undertaking their daily roles in a competitive working environment.

The collected data can serve as a reference point for answering continual reports on banking professionals’ misconducts (as showed in section 2.3.1). Their individually defined personal quality/character criteria explained challenges for being professionals in their daily decision making in Banks. Based on the scenario case study tests, it was revealed their real knowledge and sensitivity of each individual in their respective level of working scenarios.

4.2.2 Scenario case-study analysis for legal and ethical sensitivity and application

This latter part of the interview meetings aims at testing and reviewing individual interviewee’s sensitivity on legal/regulatory (rule-based) versus ethical (value-based) application in their decision-making process whenever they are placed in a business dilemma (**Table 9** below).

The research feedback from this scenario case-study question is presented with the following key points highlighted interviewees' awareness, understanding and application to tackle different potential dilemma scenes set below.

Table 9

Scenario Case-study Objective for Assessing Interviewees' Legal and Ethical Sensitivity

Application in Decision-making Process

Scenario Case-study Questions	Testing objectives	
	Retail/ Commercial Services	Investment Services
Frontline-level interviewees (sell or NOT sell)	⇒ <u>Conflict of interest</u> : interests of individual interviewees' personal against interest of potential customers;	⇒ <u>Fiduciary duty (duty of care)</u> : handling existing/potential customers' money.
Middle-level interviewees (accept or NOT accept)	⇒ <u>Conflict of interest</u> : interests of self against own bank; and own bank against the interests of competitive banks;	⇒ <u>Fiduciary duty (duty of loyalty)</u> : transact any business deals without appropriate licence or qualification to handle.
Senior-level interviewees (disclose or NOT disclose)	⇒ <u>Conflict of interest</u> : to be transparent and accountable for any personal interests within and outside the board of senior management;	⇒ <u>Fiduciary duty (duty of obedience)</u> : to all stakeholders (internal and external), rather than solely for shareholders.

The data findings for this scenario case study were presented in the following **Table 19**. It shows the overall instant feedback of each interviewee's ethical sensitivity to the tailor-made questions with respect to their different levels of hierarchy within banks.

Table 19

Overall Summary of All Interviewee's Responses to the Three Scenario Case-study

Questions

Scenario	B1			B2		B3	
Interviewee No.	1	trt	2	3	4	5	6
Frontline-level interviewees (Sell or NOT sell)	✗ system built-in guidance	✓ specific guideline		✓ bank norm is acceptable, though built-in guidance system not	✗ system built-in guidance	✓ waive form	✗ fail to meet criteria
Middle-level interviewees (Accept or NOT accept)	✗ potential business dealing acts	✗ referral commission is irrelevant	✗ bribery, follow Bank's procedure	✗ bank's operational procedures/ codes	✗ not betrayed my friend or my own bank	✗ principles of legal and ethical justification	✗ commission ... red flag existed
Senior-level interviewees (Disclose or NOT disclose)	✓ draw CEO's attention; report to regulatory body or not?	✓ all senior management		✓ discuss, consult other peers, not dare to talk to supervisors	✓ Within team or resign from my present post, self-rectification.	✓ disclose all possible known risks associated with any potential products	✓ to whole team, sort problems together, emphasis on bank's reputation

Remarks: ✓ (tick) means YES; and ✗ (cross) means NO.

The details of data analysis of individual interviewees' justification for their decision making were summarized under sections 4.2.2.1 (frontline-level), 4.2.2.2 (middle-level) and 4.2.2.3 (senior-level) respectively in similar scenarios matched with their workplace situations.

4.2.2.1 Frontline-level interviewees (sell or not sell case)

Responsibility of frontline-level interviewees for making decisions in selling high-risk products – sell or not sell

This part aimed at finding out interviewees' knowledge/understanding of regulatory (legal) and ethical perspectives in their judgment for decision making based on the terms of (1) 'conflict of interest': the personal interests of individual interviewees against the interests of potential customers; (2) fiduciary duty under the 'duty of care': in handling existing/potential customers' money. The detailed interviewees' feedback is presented in **Appendix N(1)**, while the summarized remarks of analysis, as showed in (a) within-case and (b) cross-case among the three banks is presented below.

a. Interviewees' feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<ul style="list-style-type: none"> Realized existing bank standard procedures, e.g., third-party involvement, cooling off policy, waiver form, etc. f11: will not sell it as it was definitely rejected by the "compliance department is 	<ul style="list-style-type: none"> Technically speaking, frontline staff are based on the client's risk-bearing assessment report generated by a computer program. f13: due to the "unwritten norms/practices" is acceptable, ... re-examine 	<ul style="list-style-type: none"> Different decisions revealed individual interviewees' judgment. f15: "based on their own hearts [conscience], ... waive form is acceptable"; f16: "the bank's

<p>the second level checker”;</p> <p>▪ f12: may sell by following “a specific guideline issued by the Bank, ... , accompany a 3rd party, ... cooling off period, ... and ensure the client is alert of all details of the sales process” (f12).</p>	<p>the validity and reliability of those written reports” by checker a random spot check basis;</p> <p>▪ f14: “ask 3rd party to join the meeting: for explaining risk involved”.</p>	<p>requirement, ... not to sell”.</p>
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b. Interviewees’ feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
<p><i>Similarities between banking services offered by retail/commercial (B1 and B2) and investment (B3)</i></p>		
<p>▪ It was generally remarked that all licensed banks should have complied with additional sale-related data-compliance procedures laid down by the HKMA and SFC after the Lehman Brothers minibonds saga in Hong Kong in 2008.</p> <p>▪ A detailed account of each practitioner’s assigned priority based on their respective understanding and observation of their own bank’s current policies and programs is recorded in Appendix K.</p> <p>▪ This assessment tests individual frontline-level interviewees’ sale approval regarding “ethical” or risky products, and the existing operational procedures for such potential sales deals, e.g., newly specific records of operational requirements for all related transactions,</p>		

and all computers have built-in customer application approval systems. Therefore, the responses are rather similar between the retail/commercial and investment banks.

Differences between banking services offered by retail/commercial (B1 and B2) compared with investment (B3)

- A tricky point cited by one experienced frontline staff (B2:fl3) was that some staff were so well-trained with the existing built-in computer setting that they predicted the analyzed customers' potential risk appetite capacity analysis. Therefore, staff can skillfully guide potential customers to conclude deals in selling banking products rather than being genuinely "based on customers' risk-bearing capacity" under genuine risk analysis.
- Frontline staff confirmed that once the red flag has been raised, all computers cannot proceed further in the current program settings under working environment, except B3 (fl5) and B1 (fl2) mentioned the "waive form". It is served as a consent from customers (existing or potential) to proceed further (B1:fl2; B3:fl5).

Summarized remarks testing individual practitioners in the frontline-level

There should be a recognition of the 'conflict of interest' between individual interviewee and potential customers, and their professional practices in handling existing/potential customers' money under the fiduciary duty at the higher ethical standard of the duty of care. However, responses from the frontline staff were different even in the same bank under the same kind of guidance as codes of conducts or ethics, and internal/external training programs. Therefore, gaps were revealed in their knowledge, understanding and application of those codes issued by their own serving banks.

4.2.2.2 Middle-Level Interviewees (accept or not accept case)

Responsibility of middle-level interviewees for making decisions in referring potential customers – accept or not accept

This part aimed at finding out interviewees' knowledge/understanding of legal and ethical perspectives in their daily decisions based on the terms of (1) 'conflict of interest': interests of self against own bank, and own bank against the interest of competing banks; (2) 'fiduciary duty' under the duty of loyalty in transacting any business deals without appropriate licence or qualification to handle. The detailed interviewees' feedback is presented in **Appendix N(2)**, while the summarized remarks of analysis, as showed in (a) within-case and (b) cross-case among the three banks is presented below.

a. Interviewees' feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<ul style="list-style-type: none"> ▪ All referred 'not accept' the deals but referred to the existing client to the interviewee's own friend in the Bank. ▪ fl1: "black & white well-written document guides, ... built-in criteria setting, ... rejected by the 	<ul style="list-style-type: none"> ▪ Both referred to the Bank's procedures and 'not accept' the deal. ▪ ml3: mentioned the importance of "suitability" and "necessity" of the product for clients, as due to "putting the interests of the clients high above their own 	<ul style="list-style-type: none"> ▪ Both interviewees could not point out the exact tested area of "conflict of interest". ▪ ml5: referral or not is a "personal conduct"; however, the "red flag" indicated for the promissory referral

<p>bank, ...compliance department”;</p> <ul style="list-style-type: none"> ▪ fl2: “client has their own freedom of choice, ..., there is a specific guideline, ... write down all details to justify why we sell such an investment product to that specific client ▪ ml-trt: mentioned the existing procedures of the Bank, and referred to it before making such a “referral” deal. ▪ ml-trt: pointed out the potential risk of “bribery” regarding the “referral commission”. 	<p>bank”;</p> <ul style="list-style-type: none"> ▪ ml4: “put own bank’s interest high” by rejecting any referral other than to their own bank, but recommended “clients use their own judgment to make choice”. ▪ However, the questionable referral commission has not yet been recognized by the interviewees, the existing problems of “bribery” or ‘conflict of interest’ were not commented on. 	<p>commission, not yet mentioned of this related to “bribery” nature.</p> <ul style="list-style-type: none"> ▪ ml6: associated with compliance job tasks, and mentioned legal and ethical judgment principles, e.g., “whistle blowing in RQ1, but could not realize this out in this scenario sensitivity test.
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b. Interviewees' feedback: cross-case analysis

Retail/Commercial		Investment
B1	B2	B3
<i>Similarities between banking services offered by retail/commercial (B1 and B2) and investment (B3)</i>		
<ul style="list-style-type: none"> ▪ That was a consistent reply, all seven (including ml-trt) interviewees referred potential customers to the licensed practitioners in their own bank, and rejected any referral commission proposed by the customers. However, no interviewees could explicitly share their rationales for rejecting the referral commission in their decisions regarding the testing knowledge. ▪ As regards the respective banking procedures for customer referral, B1 (ml-trt), B2 (ml3) and B3 (ml6) mentioned and referred to. However, in the critical test of knowledge of 'conflict of interest' regarding the promissory referral commission, none of interviewees could explicitly point this out, except B1 (ml-trt). ▪ Another test issue of 'fiduciary duties', B1 (ml-trt) mentioned the referral commission, and the important role played by the individual banking practitioners through their own value system for decision making; and B2 (ml3) stated its "illegality" nature. The latter kept on stating, "we have taught repeatedly, ... follow procedures ... under our bank's operational procedures/codes". However, middle-level interviewees could not recognize and point out the exact problems raised in this scenario test question. ▪ B1 (ml-trt), B2 (ml3, ml4) and B3 (ml6) could distinguish the different decisions to the clients with respect to their banker-client relationship whether as a purely business or friendship connection. 		

Differences between banking services offered by retail/commercial (B1 and B2) compared with investment (B3)

- However, different justification given by interviewees as, “integrity and personal values system” (B1:ml-trt); “suitability, ... never intervene” in client’s decision or judgment (B2:ml3); “personal conduct” (B1:ml-trt; B3:ml5), and “not betraying my friends or my own Bank” (B2:ml4); and the “principle of legal and ethical” judgment (B3:ml5) and “red flags” (B3:ml6).
- In this scenario case study test, except B1 (ml-trt) pointed out the illegal action, “bribery”. In fact, B3(ml6) pointed out clearly the professional banking practices in handling “bribery” and AML under section 4.2.1.1. However, based on the given feedback on this scenario case study test, it was revealed that at least the interviewee’s, B3:ml6, had limited legal and ethical sensitivity when the similar scenario was presented for instant ‘quick fix’ response.

Summarized remarks testing individual practitioners in the middle-level

It revealed that interviewees’ knowledge/understanding of legal and ethical perspectives in their daily decisions was not explicitly mentioned. It seems that they might not yet well-trained or well-understood this ethical area of ‘duty of care’ and ‘fiduciary duty’ based on their replies. Although interviewees (B1:sl2; B2:sl3, sl4) mentioned the highly regulated compliance training programs run in Banks through different communication programs (e.g., court cases study, bulletins), the exact potential ‘illegal acts’ could not really be identified by those claimed “well-trained” staff at this middle-level in three banks.

4.2.2.3 Senior-level Interviewees (disclose or not disclose case)

Responsibility of senior-level interviewees in making decision that are transparent to all stakeholders - disclose or not disclose

This part aims at finding out interviewees' knowledge/understanding of regulatory (legal) and ethical perspectives in their decision making based on the terms of (1) 'conflict of interest': to be transparent and accountable for any personal interests within and outside the board of senior management; (2) fiduciary duty under the 'duty of obedience': to all stakeholders (internal and external), rather than solely for shareholders. The detailed interviewees' feedback is presented in **Appendix N(3)**, while the summarized remarks of analysis, as showed in (a) within-case and (b) cross-case among the three banks is presented below.

a. Interviewees' feedback: within-case analysis

Retail/Commercial		Investment
B1	B2	B3
Similarities and differences within three levels of three banks offering two types of banking services		
<ul style="list-style-type: none"> ▪ Both agreed to disclose but to different groups of people. ▪ sl1: "discuss it with the CEO and let the CEO decide"; ▪ sl2: "bring it out "in front of all those in the senior 	<ul style="list-style-type: none"> ▪ Both agreed disclosure is a must, but they adopted different procedures although they are within the same Bank. None of interviewees mentioned exactly what is the existing procedure as stated in the 	<ul style="list-style-type: none"> ▪ Both agreed to disclose but based on two different reasons and approaches to handle this scenario. ▪ sl5: raised the issue of risks associated with potential regulatory

management team, ... can't possibly happen in reality as all products have to go through different departments".	<p>rulebook.</p> <ul style="list-style-type: none"> ▪ sl3: a "proper opportunity to speak out, ... checked carefully with their immediate supervisors"; ▪ sl4: "disclose it with teams, ... not have such authority and discretion to control the situation, ... resign from the present job if not feasible". 	<p>requirements, ... consult other peers, ... personal ethical judgment in such a disclosure. No compromise but tried to verify any wrong acts under the regulatory requirements";</p> <ul style="list-style-type: none"> ▪ sl6: discussed the case with the whole team for protecting "bank's reputation, ... insisted on no direct confrontation with senior management".
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b. Interviewees' feedback: Cross Case analysis

Retail/Commercial		Investment
B1	B2	B3
<i>Similarities between banking services offered by retail/commercial (B1 and B2) and investment (B3)</i>		
<ul style="list-style-type: none"> ▪ All senior-level interviewees agreed that it is essential to disclose this situation. However, their priority for disclosure is based on their own materiality setting. For example, disclose it to the senior management, (B1:sl1, sl2); teammates or other levels, (B1:sl2; B2:sl4; 		

B3:sl5, sl6), clients, (B3:sl5).

- Two interviewees preferred resigning from their own position (B2:sl4; B3:sl6) if the CEO did not act properly to protect customers' needs. This seems to show these senior interviewees handled this case in their own justification, but no Bank's existing operational procedures guidance was mentioned.

Differences between banking services offered by retail/commercial (B1 and B2) compared with investment (B3)

- Each practitioner's decision reflects their own assigned priority due to respective awareness, understanding and observation of their own bank's current policies and programs.
- Interviewees' knowledge and understanding from 'stakeholder' perspective was different. Even though all interviewees agreed to disclose, their choice in different groups of stakeholders (especially customers), their responses did not match with what they claimed (B1:sl1, B2:sl4, B3:sl6), except (B1:sl2) stated "putting client's interest in highest priority" as discussed in section 4.2.1 (above).
- B1 (sl2) decision was affirmative as such scenarios rarely happened in the real workplace environment in B1. It was due to the current banking practices in setting up regular checkpoints for evaluating any potential risks associated.
- Senior level interviewee (B1:sl1) considered bringing this case to the regulatory bodies for further legal action against the CEO. In B2 (sl4) is realistically stating that he is not in a position to do anything, except senior management teams, rather than letting it go.
- In addition, no interviewees can clearly remark on the existing implemented whistle blowing system, which should have been stated in operational manuals in accordance with the HKMA regulatory control. Although in B3, the middle-level interviewee (B3:ml6)

pointed out this reporting system in section 4.2.1.1.

Summarized reveals testing decision making practices in the senior-level

Based on the respective feedback from the senior-level interviewees, there was no direct response of confirmation to the testing principles of the ‘duty of care’ between the internal and external stakeholders, especially for those customers (existing and potential) as set in this scenario case study.

Overall summarized remarks of the key findings of the scenario case study analysis in RQ3

There are not many big differences in different levels of interviewees’ responses. A consistent response from interviewees within the same Bank and across banks of retail/commercial or investment nature.

As regards the feedback from frontline-level interviewees, half of them replied sell, half of them replied not sell. All “no accept” choices by the middle-level, and all “disclose” choices by senior-level interviewees. Even though there is a consistent reply in all “no accept” and “disclose” but their justification or rationale, and ethical understanding is different in levels under the scenario case study tests.

The noteworthy point was that within the same bank, presumedly they are trained under the same professional banking practices or guidelines issued by HKMA, their response in making decisions was different. It is, therefore, essential to explore the genuine awareness, understanding and application of the knowledge of those professional practices (regulatory/legal and ethical) since these are exactly and explicitly published by the three chosen banks in their annual sustainability/CSR reports submitted to the HKMA (section

3.2.3.2).

4.3 Summary of the data analysis and results chapter

This chapter's findings and analysis were based on the three research questions (RQ1, RQ2 and RQ3) and the scenario case study from the frontline-level, middle-level and senior-level interviewees in the same bank (within-case analysis) and across three different banks (cross-case analysis).

The collected data revealed interviewees' capability in awareness, understanding and application of their current professional knowledge in both legal and ethical banking practices in decision making. I have identified three main existing gaps within and among interviewees from the three levels. They are the awareness, understanding and application of knowledge due to either misalignment/mispositioning of their expectations (priority/materiality), and/or possible misinterpretation of existing regulations and guidelines, and the miscommunication within respective banks.

From RQ1, I can identify that a gap existed in the awareness/fully understanding of the written banking codes/regulations against interviewees' daily decision-making impact on their own bank and the overall banking industry. Practically, interviewees acted differently, either strictly following the written codes/regulations or following their own or respective supervisors'/peers' experiences to make decisions in their banking environment. As revealed from RQ2 findings, I also note the existing knowledge gap in basic understanding of the international sustainability guidelines, terminology of sustainability interpretation against their respective bank's current strategic policies and leading roles for "Sustainability in Banks". Based on the above presented findings and analysis, there is not much difference in practices

between retail/commercial and investment banks; however, a large number of interviewees were not yet aware of the existing links of their daily job duties to their respective bank's sustainable development direction. The last gap identified, based on the RQ3 findings, is the application of understanding through the implementation of codes and guidelines within the Bank. This was further proven in the scenario case question. In fact, those interviewees were faced with challenges, especially in serving towards a sustainable development direction in the banking industry of Hong Kong.

In Chapter 5, there is further a thorough discussion of how the above findings reflect the current problems encountered by the interviewees in their respective banks while undertaking their daily decision making for ultimate sustainable development. Afterwards I will show the important role played by each individual with respect to the leading role of bringing the identified gaps and guiding the banks of Hong Kong to progress on a holistic and global sustainability growth path in Chapter 6.

Chapter 5: Discussion

5.1 Introduction

This section follows the research findings and data analysis presented in the previous chapter 4. Its aim is to discuss the identified existing gaps in the interviewees' current professional practices being adopted within the three chosen banks. I will base on the findings of the three RQs and the scenario case-study test to examine individual interviewees' genuine daily professional practices, in particular of their decision-making judgment. Afterwards, I will further project the currently implemented professional practices in the banking industry of Hong Kong and whether they are aligned with international standards towards global sustainable development.

All three chosen banks are registered as AIs of the HKMA, but their headquarters are incorporated in the USA, the UK and Asia-Pacific. Hence, the chosen banks are not only legally bound by Hong Kong's stringent laws and regulations but also the ones from their respective domiciled countries. In addition, there are the international standards operated in a renowned financial center like Hong Kong. Whenever a bank's practitioners are undertaking their respective daily operational procedures in different departments, they have to observe different specialized guidelines for the chosen banks offering retail/commercial (B1 and B2) or investment services (B3).

5.2 Discussion of the findings of the three research questions

Since all banks in Hong Kong operate in a strictly regulated environment as its international financial center, it is impossible for any banking practitioners to undertake any illegal acts explicitly. Locally, they all have to follow rules and regulations set by the HKAB, HKMA and

SFC; and they are also regulated under globally accepted international standards.

Practically, as revealed in section 4.2.1.1, interviewees' current daily decision making is based on their own or others' (peers/supervisors/external experts) knowledge/norms, rather than referring to their own bank's written codes or regulations. Is this the main reason explaining the continuing prosecutions/legal cases of practitioners' misconduct/malfeasance in such a highly regulated banking environment?

Throughout the study of the three RQs, I have identified three different degrees of knowledge possessed among practitioners. They are (1) awareness of knowledge; (2) understanding of knowledge; and (c) application of knowledge in their daily operational procedures under current local and international guidance, as revealed from the data findings and analysis in Chapter 4, which is summarized in **Table 12** below.

Table 12

Research Findings of Three Research Questions

<u>Research questions</u> <u>1-3</u>	<u>B1 and B2</u> <u>retail/commercial banking</u> <u>services</u>	<u>B3</u> <u>investment banking</u> <u>services</u>
Research questions: bank's written procedures compared with individual's understanding of professional practices		
RQ1: Current professional practices adopted by banking practitioners in daily operational decision making	1. What are your professional practices undertaken in daily operations? 2. Are there any professional working procedure guidelines or clearly written codes/regulations implemented in your bank? 3. Is your daily decision making in line with written banking codes, in what ways? Findings: The identified gap in interviewees' <i>awareness of knowledge or understanding (preference)</i> in professional banking codes/regulations while undertaking daily decision making.	
RQ2: Daily decision making in line with international standard/practices, especially in sustainability	4. What are the implemented international standards/practices, if any, related to "Sustainability in Banks"? 5. If not, what are the existing or predicted obstacles hindering such international standards implemented? Findings: The identified gap in the interviewees' <i>understanding (recognition)</i> of knowledge in internationally implemented standards for sustainability. Due to such a lack of recognition,	

growth	practitioners' understanding and application of the international standards is minimal. As they only focus on their daily technical operational knowledge, that further hinders their knowledge of their bank's sustainability programs, and their leading role played within.
RQ3: Any identified areas for improvement or suggestions	<p>6. Consolidated current problems/dilemmas encountered in undertaking daily decision making.</p> <p>7. Consolidated feasible suggested solutions.</p> <p><u>Findings:</u> Interviewees admitted the existing knowledge gaps between different levels of practitioners due to their limited knowledge in those international and specialized sustainable development; therefore, their <i>application of knowledge</i> was hindered to cope with existing and future challenges. Some of them recognized that a well-structured communication system embedded with international professional sustainable development standards is essential. Many of them agreed that it was genuinely implemented only through training and education across different levels within banks as advocated in the partnership collaboration under SDG No.17.</p>

In the following paragraphs, I am going to discuss further how the above findings were echoed by the literature review in Chapter 2, and the interviewees' current decision-making practices based on their feedback (as analyzed in Chapter 4), and my observation during the research interviews. In the latter part of this chapter, I will explain how these gaps hinder the genuine holistic sustainable development in the banking industry. Then, I will present what strategic

policies are recommended to remediate the current situation and proactively prepare our future leaders to face challenges in the financial sector.

5.2.1 Finding of RQ1: individual interviewees' gap in awareness/knowledge or understanding of professional banking codes/regulations and their relationship to daily decision-making practices

5.2.1.1 Respective bank's codes in operational procedures against working norms

All banking practitioners are supposed to know what should be done or should not be done while discharging their daily duties in decision-making processes.

As analyzed in Chapter 4, interviewees are taught to follow their own bank's codes of conducts/ethics or regulatory standards/guidelines throughout different kinds of in-house and professional training run by different institutions (section 1.1.3.3). However, when they undertake daily operational decisions in a competitive workplace environment, they have to make their own choices based on their individual experiences or references from others (peers/supervisors/external experts) in different working environments. A typical example as described by the frontline-level interviewee (B2:fl3) is that they often faced with "heavy workload pressure and instant demand for quick responses" from customers at the bank counter, then sometimes 'unprofessional/unethical' conduct is forced to perform for achieving a 'quick fix'.

To truly examine different levels of interviewees' awareness, understanding and application of their knowledge in decision making process, a respective scenario banking environment case study question was adopted. I have summarized the tested decisions based on the RQ results (**Table 8**, above) and scenario questions with specific objectives for their

application of legal and ethical sensitivity judgment regarding the conflict of interest and fiduciary duty as detailed below.

Table 9

*Scenario Case-study Objective for Assessing Interviewees' Legal and Ethical Sensitivity
Application in Decision-making Process*

Scenario Case-study Questions	Testing objectives Retail/ Investment Services Commercial Services
<p>Frontline-level interviewees (Sell or NOT sell)</p> <p>Middle-level interviewees (Accept or NOT accept)</p> <p>Senior-level interviewees (Disclose or NOT disclose)</p>	<p>⇒ <u>Conflict of interest</u>: interests of individual interviewees' personal against interests of potential customers;</p> <p>⇒ <u>Fiduciary duty (duty of care)</u>: handling existing/potential customers' money.</p> <p>⇒ <u>Conflict of interest</u>: interests of self against own bank; and own bank against the interest of competing banks;</p> <p>⇒ <u>Fiduciary duty (duty of loyalty)</u>: transact any business deals without appropriate licence or qualification to handle.</p> <p>⇒ <u>Conflict of interest</u>: to be transparent and accountable for any personal interests within and outside the board of senior management;</p> <p>⇒ <u>Fiduciary duty (duty of obedience)</u>: to all stakeholders (internal and external), rather than solely for shareholders.</p>

Each individual interviewee's feedback on legal and ethical sensitivity tested in respective similar working environments as discussed in detail through the analysis tool of the same banks (within-case) and across banks (cross-case). Detailed recorded transcripts are presented under **Appendix N(1)**.

1. Frontline-level interviewees (sell or not sell case)

This scenario case-study question was specifically designed to test interviewees' knowledge of 'conflict of interest' between individual interviewees and potential customers or banks; and fiduciary duty under the 'duty of care' in handling existing/potential customers' money. Each individual was questioned whether they were permitted to sell high-risk investment products to the elder group. In discharging their agent roles, how would they handle the case in a fair way?

It was showed that even at the same levels of interviewees in the same bank trained by the same sets of codes or regulations, interviewees decided differently in the same scenario test. Half of interviewees preferred to sell and the other half decided not to sell the suggested risky products to the customer at her old age. Even within the same category of decision, interviewees' supporting reasons/justifications are different based on individual understanding or knowledge of their own bank's codes and regulations as showed in the **Table 20** (below).

Table 20

Frontline-level Interviewees' Decisions in Scenario Case-study Test (Sell or Not Sell)

Decisions	B1	B2	B3
Sell	<p>▪ f2: “specific guideline, client over 65, ... accompanied by a party to know the potential risk associated with sale of such a product. ... At least one-day cooling off period before selling. ... Write down all details to justify why we sell such an investment product to that specific client”;</p>	<p>▪ f3: “I admitted some deals may be conducted dishonestly. I can’t do anything to rectify such commonly adopted bank norms”;</p>	<p>▪ f5: “old age may not be appropriate to buy much high-risk products, ... but we have such a practice [waive form] raised by the customer themselves, permitted to do so”</p>
Not Sell	<p>▪ f1: “well-written document guided, ... system has built-in criteria setting. ... The compliance department is the</p>	<p>▪ f4: “if the system indicates that it is not appropriate for them to buy, then that has definitely not allowed them to do”.</p>	<p>▪ f6: “they can’t do this as they don’t meet the bank’s requirement to buy this product”.</p>

	second-level checker, ... definitely not possible to proceed further”.		
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Legally speaking, all interviewees served in licensed banks should have to comply with the same set of sale-related compliance procedures (rule-based) laid down by the HKMA and SFC, then the results should be the same. However, it was showed differently.

Right after the Lehman Brothers minibonds saga in 2008, Hong Kong’s regulatory procedure control became much tighter than before. Among all principles cited by interviewees, the assessment benchmark of ‘treating customers fairly’ safeguards any potential/existing customers through specific internal approval was commonly referred to. Professional banking practices, for example, recording procedures for all investment-related sales; all computers have built-in customer risk-analysis and assessment systems for further application approval; banking professional Continuing Professional Development (CPD) training is compulsory for ensuring practitioners’ capability, etc. Practically, frontline-level practitioners are guided by the built-in risk assessment. Once the ‘red flag’ message is alerted, no further action can be proceeded for that business deal.

In this scenario case study question, none of the interviewees could clearly identify the testing trap of (a) ‘conflict of interest’ and (b) ‘fiduciary duty’ under the duty of care. In fact, these two are the key principles embedded in all banking services offered to customers. This case revealed that interviewees might not be able to share their awareness and understanding of existing knowledge based on their own bank’s professional training on codes and regulations.

From their responses, I have reservations of their level of genuine awareness and/or understanding of the regulatory codes, although it is clearly directed by the HKMA and SFC guidelines under ‘suitability’ and ‘appropriateness’ in selling products to potential customers.

In addition, there are different responses within the same bank in the same level of interviewees revealed, even though they are expected to be trained or guided by the same set of banking codes or regulations. Three interviewees of each bank (B1:fl2; B2:fl3; B3:fl5) commented that they could proceed with this sale with the consent of the customer. However, the other three (B1:fl1; B2:fl4; B3:fl6) declared that this was not permitted under any circumstances in view of their bank’s existing procedural codes and guidelines.

Interviewees’ inconsistent responses in the same bank reflected their different interpretation (B2:fl3). Other than this, interviewees shared that they based their own decision-making assessments (B3:fl5) on different norms/practices in their workplace environments while undertaking their daily roles. This level of awareness and understanding of the ‘regulations and guidance’ revealed, and then definitely affect their genuine application of knowledge in decision making in their serving banks.

2. Middle-level interviewees (accept or not accept case)

This scenario case-study question aims at testing the sensitivity of interviewees’ knowledge of ‘conflict of interest’ in making decisions in the best interests of an individual interviewee’s self-gain against their own bank, and their own bank against the interest of competing banks. As regards the referral commissions initiated by potential customers, interviewees were tested for their sensitivity of ‘fiduciary duty’ under the duty of loyalty in transacting any business deals without an appropriate licence or qualification to handle.

Each individual interviewee's awareness of the knowledge, understanding of knowledge and application of knowledge was revealed in the responses with justifications showed as follows:

Table 21

Middle-level Interviewees' Decisions in Scenario Case-study Test (Accept or Not Accept)

Decision	B1	B2	B3
Accept	<ul style="list-style-type: none"> ▪ n/a. 	<ul style="list-style-type: none"> ▪ n/a. 	<ul style="list-style-type: none"> ▪ n/a.
Not Accept	<ul style="list-style-type: none"> ▪ ml1: "potential business dealing acts"; ▪ ml2: "it [referral commission] is not relevant"; ▪ ml-trt: "a kind of bribery", "follow the procedure." 	<ul style="list-style-type: none"> ▪ ml3: "stated clearly under bank's operational procedures/codes"; ▪ ml4: "I have not betrayed my friend or my own bank". 	<ul style="list-style-type: none"> ▪ ml5: "done on the principle of legal and ethical justification"; ▪ ml6: "very scared with the commission ... red flag existed".

There is a consistent decision of 'NOT accept' client's offer to sell banking products as the interviewees had not yet been properly licenced. However, they had different reasons, as presented in **Table 21** (above), for justifying their final decisions.

It is definitely illegal to transact any deals without a proper licence. As regards the customers' referral commission, none of the interviewees would remark such a risk of illegality for accepting the "commission money", except B1 (ml-trt) could clearly state that is related to "bribery". Even though B3 (ml6) pointed out that there was a 'red flag' generated by the computer, it did not state what was exactly wrong in the proposed business deal by customers. It is rather the Bank's usual practice, that only an alert message is generated by the built-in computer system (B2:ml3; B3:ml5, ml6). Among other interviewees, they could not identify the gist of 'illegal' issue under conflict of interest and/or fiduciary duty between the interviewee (as the banking practitioner) against the interests of their own serving bank and the interests of competing banks.

Only three interviewees (B1:ml-trt; B2:ml3; B3:ml5) could apply their knowledge by referring to their bank's existing implemented rules and regulations before handling this case. A rather unprofessional reply from B1 (ml2), "referral commission is not relevant", without pointing out its illegal nature. In fact, this related test should have been covered under ICAC formal training for banking practitioners as pinpointed by the senior-level interviewee, B2 (sl3), during the interview meeting.

This case study reveals that interviewees' level of knowledge in understanding respective banking codes and regulations is rather *prime facie*. They were somewhat aware not to proceed for such a potential deal. It is based on respective personal choices or acts, or the built-in computer approval system rather than exactly existing written regulations or codes clearly issued by banks. This may show that they have not yet fully understood what they learned in training programs or how their learned knowledge can be applied under the similar daily operational scenario situation faced in reality.

3. Senior-Level Interviewees (disclose or not disclose case)

This scenario case-study question was specifically designed to test senior-level interviewees' sensitivity in 'conflict of interest', whether they could be transparent and held accountable (ISO26000 sustainability basic criteria, as showed in **Appendix A(1)**) for their own interests within and outside the board of senior management. This test for external stakeholders, e.g., existing, and potential customers, whether interviewees could discharge their responsibility of daily agent roles within the bank. Another expected test for interviewees' sensitivity of the fiduciary duty under the 'duty of obedience' to stakeholders (both internal and external), rather than solely shareholders (internal).

From this scenario case-study environment, interviewees were tested on their capability in applying professional knowledge with respect to their serving banks' own codes and regulations. There is a consistent choice of 'disclosure' made by all senior-level interviewees. However, they hold different reasons to justify their discretion and accountability to the different stakeholder groups, as stated in the **Table 22** (below).

Table 22

Senior-level Interviewees' Decisions in Scenario Case-study Test (Disclose or Not Disclose)

Decision	B1	B2	B3
Disclose	<p>▪ sl1: “reporting it to the regulatory body or not, ... responsibility for drawing the CEO’s attention. ... Only that [CEO] role can make the final decision for overall benefit of the bank, ... for its sustainable development”;</p> <p>▪ sl2: “disclose all potential risks ... in front of all senior management. ... follow the stipulated rules and regulations and tell ‘potential clients’ all”.</p>	<p>▪ sl3: “discuss it with my immediate supervisor ... consult other peers to check their understanding ... unacceptable workplace practices by-pass supervisor”;</p> <p>▪ sl4: “disclose it within the team or resign from the present post. ... Practically, let it be improved or rectified by itself, i.e., self-rectification”.</p>	<p>▪ sl5: “definitely have to disclose all possible known risks associated with any potential products, ... no compromise under any circumstances as this is clearly stated in the regulatory requirement”;</p> <p>▪ sl6: “disclose to the whole team and let all ... sort this problem out together. ... Legal, compliance, to join and handle this ... Emphasis very much on the bank’s reputation”.</p>
Not	▪ n/a.	▪ n/a.	▪ n/a.

Disclose			
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In this scenario case-study test, no senior-level interviewee explicitly mentioned the principle of ‘duty of care’ through transparent and accountable acts for internal and external stakeholders. Their decision basis is mainly on the bank’s reputation (B3:sl6), rather than the explicit essence of the sustainable development of the banking industry (B1:sl1). Only (B1:sl2) voiced out for the “potential client”. None of interviewees could apply their knowledge in prioritizing stakeholders and shareholders with respect to existing or potential customers as discussed in Chapter 2, while presenting so in their bank’s non-financial reports professionally.

Although senior-level interviewees mentioned reference to the existing banking professional guidelines by B1 (sl2) and B3 (sl5); among all, none could state clearly the existing implemented whistle blowing system operated in the respective banks. In fact, such an internal communication reporting channel should have already been implemented in compliance with the HKMA statutory seven-day, 24-hour control for banking practitioners and external parties. Therefore, based on the interviewees’ responses, it is doubtful whether interviewees do really recognize and apply this effective communication tool to voice their dilemma in their workplace environment, as discussed further in section 5.2.3 below.

Another noteworthy point stated by senior-level interviewees in B2 is their focus on their own duties by respecting workplace practices/norms without pointing out their own supervisors’ erroneous judgments (B2:sl3). While other interviewees preferred either to resign from their current position or “let it [the system] be improved or rectified by itself, i.e., self-rectification” (B2:sl4). This evidence shows that these senior-level interviewees might not yet be always working towards the best interest of customers, even though they claimed clearly in section

4.2.1 (above).

Interviewees' replies revealed that they were not yet in line with the mission of the HKMA for maintaining stability, integrity and harmony through principles of "fairness, justice, and transparency" in the financial services market environment. Furthermore, this also reflects that senior-level interviewees are still focused on their own bank's shareholders rather on the other counter parties (stakeholders) in its business sphere of influence. This again shows senior-level interviewees' knowledge of differentiation between shareholders and stakeholders has not yet been well acquired properly. It matches with the previous discussion in section 4.2.1 regarding differentiation between shareholders and stakeholders. However, as discussed in Chapter 2, Freeman's stakeholders theory is the essence for engaging different stakeholders before setting the "balanced" priority for the ultimate goal of sustainable development. Without taking into consideration of the different "stakeholders" properly during the "materiality" assessment process, that definitely hinders the genuine achievement of "Sustainability in Banks" as explained in Chapter 2.

In addition, senior-level interviewees' responses also showed the lack of the basic understanding of the "duty of care" for being the 'agent' of the customers which has been addressed properly by Macey & O'Hara (2016) as explained in Chapter 2. Applying such a level of existing knowledge among senior-level interviewees, who can be the real role models for other banking practitioners to follow for genuine sustainable development within banking sectors?

4. Summarized responses across the three banks

Throughout the different scenario case-study questions in respective levels of similar real workplace scenario tests, interviewees' own decisions prove that they have not yet followed exactly the content of their own bank's codes and regulations/standards. This is judged by many of the interviewees who could not relate explicitly to these guidelines in their respective scenario case-study questions. Therefore, it is interpreted that interviewees are not yet dependent on individual bank's regulations but rather their own perceived existing knowledge of codes, or levels of understanding of their respective professional banking regulations to make final decisions in daily operations.

5.2.2 Findings of RQ2: individual interviewees' gap in understanding of knowledge as reflected between international standards of “Sustainability in Banks” and the implemented activities within banks

5.2.2.1 Respective banks' internal professional practices against operational procedures

Under Hong Kong's international financial regulatory control, all three banks should have adopted local and international professional banking guidelines. However, interviewees were only aware of the existing international standards specific to their own areas of service. In fact, interviewees have not yet realized any sustainability-related guidelines even though these are implemented in their serving banks as evidenced in section 3.2.3.2.

Although interviewees in B1 (ml-trt, sl1), B2 (sl4) and B3 (sl6) could cite some details of the relevant standards advocated by the United Nations, e.g., SDGs, but not ISO26000 and others (**Appendix A**). In fact, they had previewed the three RQs, and confessed having conducted a Google search for answers before attending the interviews. For example, B1 (ml-trt) explicitly declared that “searched from the wiki, ... I just did a three-minute wiki for the

SDGs.”

The following three key issues worth discussing as they reflected interviewees’ awareness and understanding of sustainability policies adopted by respective banks:

1. Interviewees are not yet well aware or they do not fully understand the interrelationship among bank’s professional policies and operational procedures towards sustainability/CSR in banks. Contrarily, these three banks are renowned as pioneer champions and are continually awarded for their sustainability in the banking industry. Those three chosen banks’ non-financial reports have also explicitly stated their compliance with sustainability standards in SDGs, ISO26000, GRI, etc. through activities/programs launched, as analyzed in section 3.2.3.2.
2. As illustrated in Chapter 2, sustainability is rooted in the ‘materiality’ (priority) matrix for the bank’s holistic strategic stakeholders’ policies and guidelines. Each type of business decision made by individuals not only impacts on its own Bank but also the banking industry, and even further spreads to the other countries. This kind of far reaching and sustainable impacts are not yet realized mainly due to the repeated misconception resulting from the misalignment, misinterpretation and underestimated roles playing within banks.
3. In addition, interviewees’ respective responses in the scenario case-study questions revealed their own genuine awareness/understanding of knowledge in sustainability strategies adopted in their banks, especially those in the frontline-level. Only if they can realize their roles and their impactful decisions among the interrelated influences on banks, on customers and on society, can they be more responsible and accountable to what they decide in their daily job roles.

As discussed in section 4.2.1.3, banks have made huge investments in offering different types of training programs for empowering their staff in undertaking daily job roles (decision-making). In view of interviewees' respective levels of understanding of banks' policies and guidance, in fact, their own awareness of knowledge or experiences guided their interpretations of professional practices in daily operations. It is clearly reflected that they have not yet reached the standards (localized banks or international) for the genuine and holistic success of "Sustainability in Banks" of Hong Kong.

5.2.2.2 Respective banks' priority against sustainability priority

As illustrated in Chapter 2, sustainability is really too broad to be well-defined in every aspect of business strategy. According to the advocacy of Carroll's Four-level Pyramid (**Diagram 4** in section 2.2.1.1) in 1991, there should be the responsibility of economic, legal, ethical and philanthropic, progressing up to the ultimate top level. This was echoed by the findings of Batten & Birch (2005) that the commonly adopted short-term community activities as sustainability-related services.

However, based on the research data findings analyzed in Chapter 4, interviewees from both retail/commercial and investment banks commonly choose the top three sustainability-related activities as presented in **Diagram 8** (section 4.2.1.2). They are, in order of priority, (1) community involvement (charity), (2) environmental protection and (3) rules/regulations. Interviewees' feedback reflected their awareness and understanding of the sustainability topics in charitable and environmental issues. Logically, they may be guided by messages communicated by senior-levels or from their own knowledge obtained from other channels. This priority setting (materiality) is explained by sustainability academic guru, Professor Jeremy Moon, who commented that business leaders have often chosen philanthropy "to be a facet of modern business and management itself" (2007, p.298) as discussed under section

2.2.1.1.

With reference to the website of the HKMA and its released guidelines, “Sustainability in Banks” in Hong Kong is publicly focused on the topic of ‘greening’. This is traceable to the number of available financial products launched: ‘Green Financing’, ‘Green Bonds’, ‘Green Loans’, etc. This may also explain why interviewees’ understanding of sustainability is either focused on philanthropy or on the greening issues, rather than the explicit ‘well-balanced’ three pillars of Prosperity (economic), People (social) and Planet (environmental) perspectives.

Another commonly argued issue is the priority positioning for the role of guiding principle with respect to ‘legal’ (obey the law) or ‘compliance’ (rule-based) perspectives rather than on a voluntary (ethical principle or value-based) stance for sustainability. This can be showed by the interviewees’ common choice for the leading role of the “Sustainability in Banks” compulsory on governmental or regulatory bodies, rather than banking leaders and/or practitioners themselves. This is evidenced under section 4.2.1.2, and explainable by the HKEX “comply or explain” sustainability-related report requirement.

The above miscommunication and misunderstanding further broadened the misalignment of expectations between the different levels of banking practitioners and their banks’ strategic sustainability activities. Thus, it blocks the trusting relationship for collaboration among practitioners in banks and within the banking industry. Within each bank, some staff even held passive or critical attitudes towards sustainability run by their own bank. For example, “totally irrelevant, ... you just add the term in front of the ‘Bank’.... a kind of ‘window dressing’ (B1:ml1), echoed the comment from B3, “more like PR” (fl6). These showed their involvement/participation in related sustainability activities has been discounted due to the

above existing misperceptions. Therefore, it further creates problematic and suspicious gaps resulting in the ‘mistrust’ within the bank and the general public, as predicted. However, as pinpointed by scholars (Docherty *et al.* 2002) and sustainability practitioners that “trust” is the key foundation for banking industry especially in the long-term sustainable development under section 2.3.

5.2.2.3 Respective banks’ recognition of and engagement in stakeholders approach

Sustainability must be run under close ties with the ‘stakeholder’ approach through stakeholder engagement for materiality consultation. Management should have recognized the mutual agreement between parties for positioning the different priorities, as discussed in section 2.3.1.

However, it is found that misunderstanding of the importance of priority (materiality) placed by banking practitioners (section 4.2.1.2) due to the lower stakeholder engagement policies and strategies adopted by banks. In accordance with the HKMA and SFC regulatory guidelines, all banking practitioners should value the interests of their customers, regardless of their social status, under the ‘treating customers fairly’ principle throughout banking environments. This has been recognized by a number of interviewees (B1:sl1, sl2; B2:fl4, ml4, sl4; B3:ml6, sl6). However, based on the interviewees’ feedback analysis in 3RQs and scenario questions above, it was clearly showed that the genuine application of such knowledge in this professional guideline principles has not yet fully understood and applied, especially in the scenario case-study tests.

In reality, interviewees adopted rather a passive attitude or very low participation (engagement) in sustainability-related banking activities. It was further showed by the individual’s motive for joining those charity-related activities as a kind of ‘extracurricular

activity’ counted for their own kids’ performance in schools (B1:ml-trt), or in accordance with their own priority setting in decision-making process. Furthermore, it is evidently revealed interviewees’ level of awareness and understanding of knowledge in “Sustainability in Banks” is rather limited, as compared with the international standards. This is specifically proved by the senior-level interviewees’ response in the scenario case-study (**Table 22**) above.

In fact, ‘accountability or transparency’ principles are the key principles laid down by ISO26000 as detailed in **Appendix A(1)**. Interviewees had not yet truly considered and applied these principles to their existing or potential customers when they are facing scenario case study tests. It further shows their limited knowledge of stakeholders, including future potential customers. This is matched with their feedback analyzed under section 4.2.1.2 (RQ2) regarding that gist of definitions of relevant sustainability. In addition, the United Nations under the Brundtland Report (World Commission on Environment and Development, 1987) clearly declared “the needs of the present without compromising the ability of future generations to meet their own needs”.

5.2.2.4 Respective banks’ leading role for sustainability

As discussed in Chapter 2, all banks operate through the quality of decisions made by their agents, banking practitioners, especially those in the senior management team.

However, as illustrated in **Diagram 9** (section 4.2.1.2), interviewees commonly choose and assign the leading role of government or regulatory bodies for perpetual sustainable development of the banking industry in Hong Kong. This can be referred to as sustainability in Asia is more focused on the regulatory (rule-based) approach rather than its “voluntary”. It is mainly due to the adoption of the ‘comply or explain’ ESG reporting policy required for all companies listed in the Hong Kong Stock Exchange (HKEX).

Unfortunately, a senior-level interviewee (B2:sl4) mistakenly commented that the HKMA does not yet have any concrete policy or guidance for this sustainable development direction. This was contradictory to the declaration of the HKMA on its official website. In fact, HKMA offers different kinds of the related products of ‘green bonds’ and ‘microfinance’ banking services introduced since 2013. Therefore, it is much fairer to comment that the regulatory bodies guide banks on ‘greening’ (environmental sustainability) rather than the well-balanced sustainability in three pillars of economic, social and environmental or ESG approaches. There are the main strategic banking policies and practices directing for sustainable development in its initial stage.

Recently, the HKMA, as a regulatory leader in the banking industry, has already publicly advocated sustainability development in human capital resources in the financial sector since 2015. This can be referred to the HKMA Supervisory Manual and Practitioners’ values training. These are programs and guidelines issued for banks’ supervisory policy manuals. In addition, the head of the HKMA officially confirmed the important role played by each individual banking practitioner for the holistic success of “Sustainability in Banks”. This was further publicly declared in the HKIB Annual Conference in September 2020. The HKMA emphasizes the capacity of banking practitioners, regardless of their levels in banks, as they are the key agents, especially in the current expertise/talent shortage competitive period. This matches exactly what was advocated by scholarly findings for the key role played by individuals for ultimate holistic sustainability achievement. This detailed responsibility of individual banking practitioners can be referred to the below discussion and the illustrative findings presented in **Figure 3** under section 5.3.3.

1. Frontline-level interviewees

The level of awareness or understanding of interviewees varies accordingly to their own experiences or knowledge of their supervisors or peers, as discussed in section 5.2.1 above. It is, therefore, reflected that the frontline-level interviewees are lacking specialized role models for sustainability among supervisors or any clear strategic sustainability development messages cascaded from the top (senior-level) down to them. Moreover, their awareness of sustainability and their existing important roles played within the Bank should be well-recognized and through the training process. Then, they can be guided in a proper professional manner for each of their decisions made in accordance with sustainability.

2. Middle-level interviewees

This group of interviewees' daily job roles lie between the frontline-level and senior-level. As remarked by B2 (ml3), they have already assigned roles as “checkers” in the daily operational procedural process.

In reality, they find themselves too busy to bother with any issues that are not directly relevant to their daily duties (B1:ml1, ml2; B2:fl1; B3:fl6). This self-explanatory feedback reflected their current workload and attitude in facilitating roles of channelling strategic messages from senior management down to the frontline-level staff or from the feedback of frontline-level interviewees feedback to the senior-level management. This kind of leading-role attitude, in fact, does not encourage subordinates or peers to work in a collaborative manner towards the Bank's overall strategic direction within the bank and may further the banking sector of Hong Kong. It may even demotivate their contribution, B3:fl6, ‘belittled’ oneself with rather negative comments, “only a tool”. As known, their involvement and participation are essential to show their engagement (Fox & Stoett, 2016), and contribution in banks, not only for team building (B1:sl2) purposes but also for the crux of ‘stakeholder

engagement’, with regards to the employees (internal stakeholders) within the Bank under Sustainability.

3. Senior-level interviewees

Interviewees are very confident of their existing specialized areas in customer services, IT, compliance, audit, and wealth management. They all regarded their banks as having performed very good leading roles, except an interviewee from B3 (sl5), who pointed out the “misalignment of the priority (materiality) placed by senior management on the sustainability strategy against the expectation of stakeholders (internal staff or external customers)”. This is the evidence for presenting the lack of a well-specialized and thoughtful leadership role model in sustainability for others to follow within banks.

All senior-level interviewees have already consistently indicated the importance of partnership (collaboration) or teamwork for the long-term success of their own banks. This is, in fact, exactly matched the advocacy under SDG No.17 for the ultimate holistic success of any corporation for achieving long-term sustainability as discussed in Chapter 2. Then, how is this truly achieved, that is the next step for banks to practice in sustainability.

As evidenced by the senior-level interviewees’ feedback, they are not yet capable of relating their own bank’s strategy directly to the UN SDGs. Their knowledge of international “Sustainability in Banks” is either limited or minimal by focusing on philanthropy or greening activities (as explained above). It is, therefore, logically explained their subordinates’ awareness, understanding or knowledge of sustainability is directly resulted from their leaders’ own level of awareness or understanding or knowledge of “Sustainability in Banks”.

4. Summarized responses across the three banks

As analyzed in Chapter 2, there have already been a number of specific rules and guidelines given by the regulators, especially HKMA and SFC, in relation to sustainable development for the banking industry. However, as evidenced by the feedback of 3RQs and scenario case-study tests, interviewees have not yet fully understood or been able to apply these guidelines in their workplace environments, regardless of their levels in the hierarchy. These show the identified interviewees' gaps in the understanding of knowledge at different levels in the banks, as clearly presented under the respective scenario case-study environment. In addition, it is proved further in their priority setting for stakeholders in relating activities for “Sustainability in Banks” and the current lack of sustainability specialized leading role models within banks under the international guideline of SDGs.

5.2.3 Findings of RQ3: individual interviewees' gap in application of knowledge within existing communication channels and implementation systems in their own banks for sustainable development growth

As discussed in Chapters 2 and 4, banks in Hong Kong operate in a stringent and very competitive environment as an international financial center. In addition, there is public advocacy of “Sustainability in Banks” with reference to the regulatory bodies and banks' continuous renowned achievements. On the contrary, reported prosecutions/legal cases about banking practitioners' malfeasance or misdeeds have repeatedly been found over the past 10 years under section 2.3.1, including those serving in sustainability champion banks. It is, therefore, worthwhile to examine whether an individual interviewee's sensitivity in ethical and legal matters is in compliance with the banking regulations, in a similar workplace scenario

case study under section 4.2.2. These tests revealed their awareness, understanding and application according to their decisions in similar daily workplace environments.

In addition, I will discuss interviewees' awareness, understanding and application of sustainability in a holistic way implemented in the banks of Hong Kong in the following sections. This shows the existing gaps found in the communication and implementation systems for the holistic sustainability development in banks.

5.2.3.1 Knowledge in sustainability through existing communication systems for concrete holistic and strategic development

Practically speaking, senior-level interviewees have engaged in sustainability-related policy discussion, e.g., B2 (sl4) mentioned the HKMA consultation meeting. However, they shared more on their own Bank's daily compliance related job roles rather from the holistic strategic development approach in balancing the basic three P's in profitability (economic); planet (environment) and people (social) for sustainability in the banking industry of Hong Kong.

Some interviewees (B1:sl1, sl2; B2:fl4, ml4, sl4; B3:ml6, sl6) could cite the basic HKMA core principle for 'treating customers fairly'. However, they could not really relate this principle to 'fairness' advocated in the SDGs and 'respect' under ISO26000 (**Appendix A(1)**), nor further apply under scenario questions (section 4.2.2). Although B2 (sl4) argued that their staff could not relate what the SDGs are about, it does not mean that the Bank has not yet known and/or served in a sustainable development direction. It was rather commented that all goals under SDGs are "on the principles of universally accepted values, ... embedded in SDG" (B2:sl4). All these values should have already been implemented in the banking industry.

Since senior-level interviewees hold such an attitude or approach, it raises another concern whether banking practitioners have really well-understood these sustainability-related guidelines and truly applied them in their daily decision-making. If so, why have the interviewed practitioners still asked for concise guidelines from governmental or regulatory bodies (section 4.2.1.2)? Do they really work as they claimed, “to be started from me” (B3:sl6) in their daily decision making role in accordance with the bank’s codes and regulations for its long-term sustainable development?

As revealed, there are communication and implementation gaps between the three levels of interviewees in awareness, understanding and application of their knowledge in sustainability in the three banks. In B3, one frontline-level interviewee (fl6) criticized that there was “no formal communication specifically on sustainability issues between the bank and its practitioners”, while a middle-level interviewee (B3:ml5) said, “maybe there are some related (sustainable strategic) issues, but I do not pay attention to this area.” In fact, another different comment from the same bank of the same level (B3:ml6) stated that there are lots of communication channels or platforms, including the sustainability report. It has further been mentioned as evidence showing that “it [sustainability] is not a foreign language to us” (B3:ml6). However, they admitted that they were not yet aware of what impacts the SDGs. It is further commented that, “I may not know how this will be implemented even though it is stated so in its sustainability report” (B3:ml6). Additional similar comments explicitly spell out the problem of implementation by interviewees (B1:ml2, ml-trt, sl1; B2:fl3, sl4; B3:fl6, ml6). For example, B1(ml2), “... own thinking and judgment in their daily work role, ... to be flexibly implemented, even though we have documents on hands”; “more on concept sharing, rather implementation action.” (B2:ml3).

Among frontline-level interviewees shared, “I don’t find it much relevant to me, ... the higher the ranking level, the more relevant their own role in their banks in this area” (B2:f13). This attitude shows that “Sustainability in Banks” is only specifically applied to certain levels of practitioners, rather too far from genuinely holistic implementation within the bank as cited in section 3.2.3.2. As regards investment bank, B3 (f16) belittled oneself by saying that “In fact, I really cannot fully understand all information adopted within the bank. I know I am only a tool, a screw”.

In reality, it is undeniable that all banking practitioners have been facing a long-term and increasingly competitive environment. Within banks, there is a suspicion and internal competition between practitioners in the banking industry. This logically hinders genuine communication between the different levels of staff within banks. As discussed in the research background under Chapter 1, it is widely regarded that “Sustainability in Banks” can only be truly achieved in a trustful environment among customers and banks (with and through its professional staff), especially by the effective communication and implementation systems in banks.

5.2.3.2 Understanding of sustainability between compulsory and voluntary approach

There are two main schools of sustainability-related policies adopted by institutions around the world. They are either on (a) compulsory regulations (rule-based) or (b) voluntary (personal ethical value judgment) approach.

In section 3.2.3.2, it discusses three chosen Bank’s annual compulsory non-financial ESG reports requested by the regulatory authority. In Hong Kong, all listed companies are expected to serve the community rather than for their own financial gains. The launched sustainability-

related activities are about individual banking practitioner's active and proactive involvement (engagement). This is raised and recognized by the senior-level interviewees of the three banks. Based on the interviewees' feedback, sustainability-related strategy has already been embedded in the financial products offered, e.g., loan evaluation and approval criteria (B3:ml5, sl5, sl6), recruitment process (B2:ml4), and banking products in financing and green bonds (B2:sl4), special offers from SME in current pandemic period (B1:sl2).

In addition, senior-level interviewee B3 (sl5) stated that staff effort can only be realized and encouraged to participate through the linkage between individual staff involvement and individual KPI performance evaluation system. Therefore, a 'name and praise' (B3:sl6) or "praise and penalty" (B1, sl1; B2, sl4) policy is also adopted with the aim of boosting its 'branding' through activities to serve the community. However, interviewees' replies in both B1 and B2 were different. For example, frontline-level interviewee (B1:fl1) admitted that there has been such a KPI performance linked with individual staff engagement in community services policy but "there was no such practices existed" replies within the same bank at the middle-level interviewees (B1:ml1, ml2, ml-trt). This showed there seems to be no consistent and firm policies for implementing such a professional policy or practices in the B1 yet.

In fact, such a compulsory performance approach for sustainability implementation is rather different from the traditional voluntary basis, as advocated and adopted by academics and experts discussed in Chapter 2 (section 2.3). However, this compulsory approach is currently in line with the requirements of HKMA and HKEX.

5.2.3.3 Implementation of sustainability depends mainly on individual interviewees' application of knowledge

Respective banks' sustainability reports stated that there are many communication channels advocating CSR-related strategies cascading down from the senior-level to all staff in banks. However, according to the feedback from interviewees, regardless of their levels within the bank hierarchy, they were not yet aware of this. It is, therefore, questionable whether existing communication systems are really effective in conveying such sustainability-related policy from senior management and to guide all staff within banks under the same regulations or codes. This is explained by a middle-level interviewee (B1:ml-trt), "I think it [CEO's vision communication] is good as they do it, but how effective they are, that is a separate question."

Another possible reason to justify the different responses from interviewees in the same Bank is probably due to different interviewees having different interpretations of the same issues. These are driven by individual interviewee's own final discretion/choice, even though the rules are set down. This is remarked by B3 (fl5) emphasizing that banking practitioners "still can do at their own choice, including committing crimes, ... all depends on that human being's integrity level, ... do this at their own choice". This is all about each individual's own quality of integrity, which was also clearly pinpointed by B1 (ml-trt) that "the definition is different, the level is different, ... own level of values and integrity. ... a completely personal choice". Similar feedback came from another frontline-level interviewee (B1:fl1) in the same bank, "employee's own integrity issues, ... a completely personal choice, ... individual quality of staff, the personality".

Due to the priorities (materiality) discussed above held by different levels of banks and their banking practitioners, while individual interviewees have their materiality judgment as

the basis for daily decision making (i.e., “their own choices”). This has been explicitly revealed in the scenario case-study discussion under section 5.2.1. All, in fact, are based on their implanted professional awareness and understanding of knowledge before application reflected through decisions of respective practitioners.

1. Frontline-level Interviewees

An interviewee from B2 (fl3) remarked that apart from the monetary attraction, there is work pressure to fulfill sales quotas. In practice, a dishonest working norm is found in some branches. They preferred to hide a day-end cash imbalance (if any) by putting in or taking out extra money to avoid any bad remarks on their own performance report rather than admitting mistakes made honestly. This is what emphasized the “individual staff’s quality” and respective responsibility played within the banks. A similar comment was held among individual frontline-level interviewees. They all agreed that an individual's conduct is driven by personality quality, “Bank regulations are set, ... some staff may follow, but others may ignore, ... really uncontrollable [by the bank]” (B1:fl2). “It is illegal, but if ... prefer to take this way, ... is a completely personal choice” (B1 fl1).

Even from an investment bank (B3) perspective, interviewees held the same belief that “codes may not completely control the staff ... but we have to follow this [bank’s regulations], no choice” (B3:fl5). Even though there is “sufficient guidance and instructions, all these mistakes are found in the implementation of individual staff” (B3:fl6). This again proves that the key to “Sustainability in Banks” is the quality of each banking practitioner when they are discharging their daily banking decisions, just like the results obtained from the scenario case-study environments.

2. Middle-level interviewees

An interviewee (B2, ml4) from the human resources department shared what is seen as “different persons may have different understanding ... depended on their own capability. ... [it is] impossible to guarantee anybody ... not yet be aware of this. ... If the staff prefers not to know it, ... the individual choice. ... We can’t do anything.” This again shows the complete personal choice of action by banking practitioners when they deal with customers directly. Although it is true, it is surprising to note such a final remark, “we can’t do anything”? If such a discouraging comment/attitude is held by the human resources expert in the management team, how can they take up a leading role to guide staff within the bank? If this is the case, what is the learning point for all banking practitioners to attend professional training held within banks? Is this kind of training only a formality, or for the sake of complying with the annual HKMA requirement, or for the benefit of banks’ reputation, or for consumers’ fairness treatment, rather than really training staff up for sustainable development standards? This triggers another question on the existence or usefulness of those sustainability-related training programs for banking practitioners.

In addition, B2 (ml4) further revealed the belief that, practically, what the bank has been “awarded in sustainability achievement does not mean that all its policies have been well implemented and completely followed by its own staff in their daily decision making in assigned job roles”. Another question raised concern about what is the right standard for all banks, and what are the current regulated steps to be taken by banking practitioners?

On the contrary, B1 focuses on the similar retail/commercial banking services, sharing another current practice in its training program. Interviewees from the three levels of the same B1 (fl1, ml-trt, sl1) evidenced the typical XXX (anonymous) training program launched after

the recent lesson learned from its own staff's misconduct in the XXX (anonymous) market. It is aimed at reinforcing and controlling the conducts of its staff under the banking code and guidelines. Due to the kind of penalty imposed by XXX (anonymous) regulators, it makes training as a passive learning, rather than adopting a proactive training strategy.

3. Senior-level Interviewees

At this level, interviewees have confidence in existing communication channels and implementation of sustainability policies. With respect to their knowledge of sustainability between two different types of banking service, interviewees from B3 (investment bank) could cite more examples with their bank's offered products and how these be embedded with sustainability-related criteria, e.g., in approving loans (B3:ml5) and greening-related products (B3; sl6).

Based on the interviewees' feedback, both the retail/commercial banks (B1 and B2) are more focused on charitable and environmental protection activities that they launched (section 4.2.1.2).

4. Summarized responses across the three banks

Based on the consolidated findings, we can clearly realize the important role played by each individual banking practitioner for the ultimate holistic success of "Sustainability in Banks". This has been explained in section 1.1.3.2, and further illustrated in the following **Figure 3** (section 5.3.3). The current adopted professional operational practices are mainly based on individual interviewee's decision making. This is directly correlated to individual awareness and understanding of knowledge. Currently, they are adopting a rather passive role in sustainability-related policies or programs run by their respective banks due to competition

among their own time and resources against their own bank's requirements. In addition, interviewees' understanding of their own bank's sustainable development was rather limited or piecemeal as revealed by their awareness of current sustainability-related activities (**Diagram 8** under section 4.2.1.2). Thus, there is due to the not yet systematic and holistic knowledge in this professional specialty as judged by their feedback of the senior or middle-level interviewees. Even though some products were offered with an embedded sustainability-related banking strategy, staff serving there are not yet aware or well understood these products have already been aligned with their bank's senior management vision or mission.

This, therefore, reveals the interviewees' gaps in awareness, understanding and application of knowledge faced with existing and predictable challenges for sustainable development of banks in Hong Kong. A typical illustrative example is proved by B2 (sl4). It was criticized that no clear guidelines are provided by the HKMA, so banking practitioners may move forward blindly for sustainability. In fact, there are sets of comprehensive regulations and policies guiding the suppliers of banks to achieve sustainable supply-chain management through the practice of the code of conduct, and a sustainable green procurement policy with reinforcement for sustainable assessment.

Based on the interviewees' feedback, it is obvious that different levels of banking practitioners may have different levels of knowledge and awareness. Interviewees have a lack of awareness of their banks' exact sustainability activities, and how these can be aligned with their current roles in their banks for global holistic success and further the banking industry in Hong Kong. On the contrary, the senior-level interviewees were in fact, "very confident" of their existing policies (B2:ml4; B3:fl6) and practices in sustainability and presumed that they are well-delivered and communicated to other levels of practitioners in banks. It further reveals

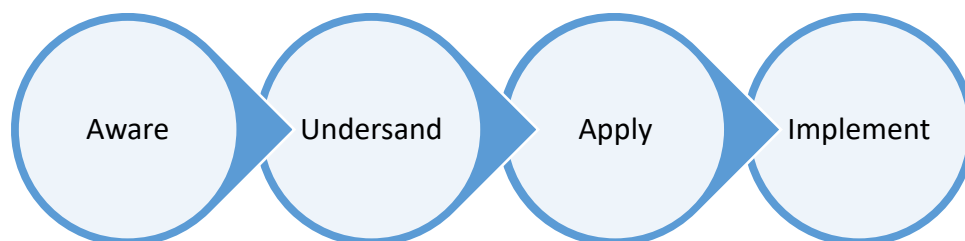
the misalignment between understanding and expectations of sustainability in different levels of practitioners.

5.2.4 Improvement for sustainable development through in-house training in banks

As discussed in the previous sections and Chapter 2, sustainability is the end product of the sustainable-development process. Thus, it takes time to progress from the knowledge of awareness to understanding of its important role in sustainable development; and then from knowledge of understanding to the application of knowledge towards the ultimate achievement of “Sustainability in Banks”.

The whole process of sustainable development, from awareness to understanding, from understanding to application of such a specialized professional area involves every decision made in daily routine operational procedures through implementation of different policies and strategy with the quality of banking practitioners to carry out their roles (**Diagram 11** below).

Although sustainability cannot be achieved from a “one size fits all” set of practices, the essential element is the existing communication channels internally and externally by the competency quality of banking practitioners (human resources). Throughout this platform, the trustworthy and respectful company/community relationships can be restored, retrained and rewarded for facing the challenges, including any potential ‘license to operate’.

Diagram 11***Individual Learning Process of Acquiring Knowledge for “Sustainability in Banks”***

Therefore, we need to guide staff through strategic policies and programs embedded with sustainability value in their daily operational procedures. Then, it can be cascaded down each level through training and education programs for achieving the holistic (generic) implementation. This is presented in **Figure 3** (section 5.3.3) below.

As illustrated in **Tables 2 - 4** (section 1.1.2.2), the decided prosecutions/court cases are commonly related to the ‘monetary incentive’. These prove the attraction for banking practitioners to take extra risks to satisfy their own interests, fulfill their own desires, or achieve beneficial own gains in their daily decision making. They may either choose to respond in their own way in the midst of loopholes or grey areas of those guidelines or follow their working norms. This kind of situational dilemma between quality of service against productivity (quantity) of banking practitioners’ performance faced by different levels of interviewees is discussed in section 5.2.1. Definitely, it is impossible to escape penalties if any illegal or unethical act is taken by banking practitioners as exemplified and shared by the experience of the case of B1.

However, being the responsible leader of an international financial center, the Hong Kong government and related regulatory bodies are generally expected by the general public to guide banks to grow sustainably, as expressed by the different levels of practitioners, especially those senior-level interviewees. Practically, the existing banking professional guidelines set by the HKMA are comprehensive, and banks are guided to follow strictly. However, to tackle reported unethical misconduct and malfeasance effectively, banks are recommended to take a more proactive approach in education and training. This was also caused through interviewees' feedback in section 4.2.1.3.

Effective education and training are mainly achieved through direct methods of conveying messages to banking practitioners, especially focusing on the revealed gaps in existing communication systems between different levels of practitioners. Apart from this, there is recommended continuous self-assessment and self-disciplinary action to rectify the individual bank's daily operational procedures; and to control and comply with the HKMA sustainability framework. In addition, continuous assurance and accreditation of each banking institution in line with the international standards of the United Nations is also essential. It is not only a well-recognized international benchmark for each bank's own performance but also to sustain Hong Kong's international position in financial markets, especially in equipping and empowering the banking practitioners to face current economic downturn and potential future competitive challenges from the 'Greater Bay Area'.

5.2.4.1 From awareness to understanding of knowledge in sustainability

1. Terminology differentiation in sustainability

Sustainability should be explicitly stated as a kind of rule-based (legal/regulatory or compliance) or value-based (ethical or voluntary) initiative in a narrow scope focusing on

shareholders against the wider group of stakeholders. A clearly well-defined strategic policy should be well-presented and well-communicated to all practitioners for better understanding and application in practices.

2. Individual responsible role played by each employee

Throughout the training programs, they should be especially focused on value-based issues, as recommended by the UN's SDG business leadership. It is applicable for banking practitioners to be trained to realize the impact (sphere of influences) of their decisions on their own banks and further the whole banking industry in the long run, rather than on short-term personal/own bank's gains or benefits. This echoes with the findings of Docherty *et al.*, "sustainability ... encompasses three levels: the individual, the organizational and the societal. Sustainability at one level cannot be built on the exploitation for the others" (2002, p.12).

3. Restoring trust from the general public for sustainability

Following the Lehman Brothers minibonds saga in Hong Kong, and the severe disastrous incidents in the global financial crisis, it is worthwhile for all banking practitioners and the general public to restore mutual trust, confidence and respect through a transparent and accountable business platform. All individuals may act in a responsible way and be gatekeepers for sustaining the international banking financial center in Hong Kong.

In return, the relationship between banks, the government and the general public can be further improved through proper and appropriate communication channels for the overall balance of 3P among Prosperity (economic), Planet (environmental) and People (social) development, rather than focusing only on either economic or environmental perspective or community involvement (charity) without aligning with the general public's expectation as illustrated by the Carroll's Pyramid (1991) in section 2.2.1.1.

5.2.4.2 From understanding to application of knowledge

1. Engaging stakeholders for holistic sustainable implementation

Sustainability successfully works out through stakeholder engagement by determining respective banks' priority strategy rather than being based on individual preferences. Banks are required to integrate sustainability elements into their whole business life cycle for the fulfillment of balanced economic, environmental and social sustainability through agents (banking practitioners) to drive "Sustainability in Banks". Therefore, it is recommended to be regarded as the fourth P (person) to be added for a holistic sustainability model to be presented.

2. Nurturing and empowering future leaders via training and communication systems

Practitioners need to be trained and retrained, with emphasis on the individual's personal values of ethics/integrity, responsibility, accountability, and transparency under the principles advocated by ISO26000 (**Appendix A(1)**).

Through these formal training programs or public education, it paves the way for providing high-quality financial experts directly for financial sustainable development. This is also advocated by the HKMA under the Academy of Finance and the Hong Kong Institute for Monetary and Financial Research (HKIMR) (section 1.1.3.3). Therefore, both local and international guidelines should be followed closely and properly, namely the HKMA banking code and cultural practices guidelines, and the international standard of SDGs advocated by the UN. These guidelines aim for empowering existing bankers or future leaders to practice holistically virtuous values when making decisions during their daily operational routine.

In fact, this kind of values training for nurturing personal qualities is also recognized as essential for achieving sustainability, McIntyre *et al.* (2017, p.130): “*Ethics are unavoidably at the foundation of sustainability*” (section 2.3.2). Furthermore, Fisher (2004) also emphasized the holistic approach for sustainability/social responsibility is interrelated with ethics and business conduct as discussed in section 2.2.1.1.

Further discussion as presented under section 2.3.2, it is stated that training aims at transforming the value beliefs of employees, ensuring their working attitudes (B1:fl1, ml2, ml-trt, sl1, sl2; B2:ml5, sl3, sl4; B3: ml6, sl5, sl6) being aligned with their bank’s codes and regulations for further sustainability. This is what advocated by Fernandez-Sanchez et al. (2014, p.3) that “sustainable development” goals be embedded into all human activities within the organizations. This can be referred to the quotes from the middle-level interviewee from B1. It is regarding the current rationale of the training program to “train the people or change the people” (ml-trt). Although this seems to be rather inhuman from a sustainability perspective, it reveals the current banking practices undertaken and attitudes upheld by senior management in Banks.

HKMA and HKIB’s professional practices advocate for the talented banking practitioners leading banks of Hong Kong to cope with the sustainable development policy of China’s ‘One Belt, One Road’ towards economic development. However, how should the international practices and standards be referred to, and how can these be holistically understood and implemented in current banking operational and strategic decisions for further sustainable development or continuous advancement?

5.3 Discussion on the internationally accepted UN Standards for Sustainability

Following the above discussion, there are not yet well-understood standardized professional guidelines adopted by each banking practitioner due to different levels of awareness, understanding and application in their workplace environment. A well-recognized benchmark clearly stipulating the standard guidance set by the United Nations for all professional banking practitioners to practice is necessary to eliminate any misinterpretation and misalignment. This is supported by sustainable strategic management and human competence as discussed by the research findings of Gallei & Hourneaux Junior (2019) and Kanashiro *et al.* (2020).

Since Hong Kong is an international financial center, it is essential to take the international standards as an assessment benchmark to pursue further and sustain the current reputation and status of its banking sector. Practically, the chosen banks explicitly stated that they have adopted the international standards, not only limited to the domicile of their headquarters. Therefore, I adopt the United Nations standards as the foundation benchmark to evaluate how banks can face current and predictable challenges, and how further sustainability practices can be undertaken in the following three steps suggested by the UNGC for building a thoughtful leadership role in principles-based approach to SDGs. The key reference is referred to the ‘Blueprint for Business Leadership’ (2017) in PAL: (1) Priority; (2) Act; and (3) Learn.

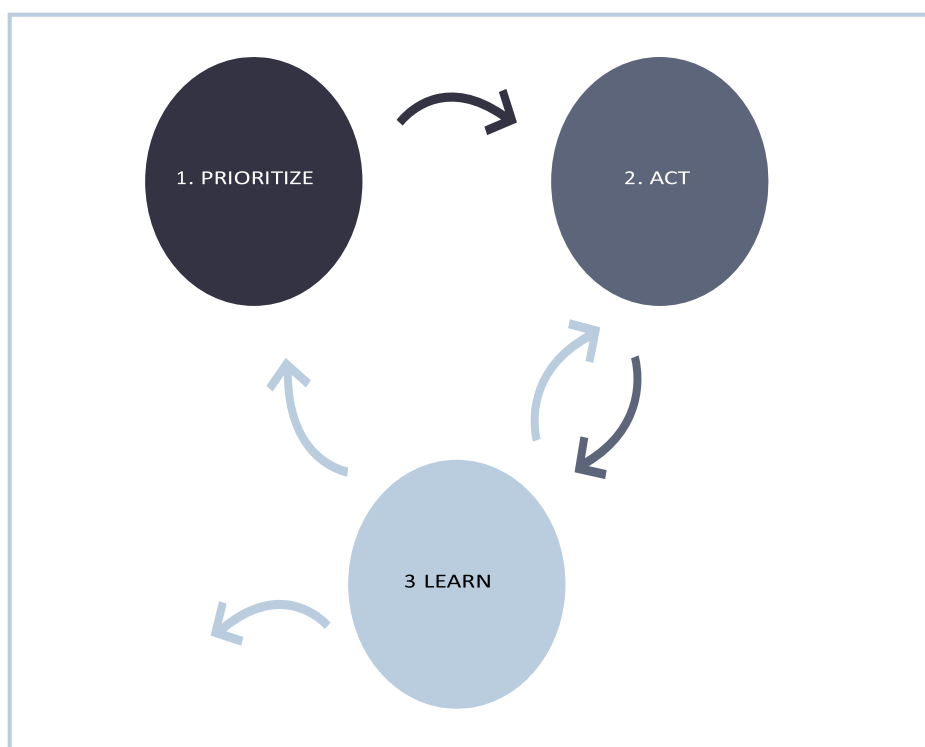
As recommended by the UN, there is a three-step process **PAL**: (1) Priority (materiality) set on the SDGs; (2) Act (decision-making) in accordance with the priorities set by the corporation; and (3) Learn (lessons learned through training and education) from corporate decisions based on the SDGs for improving a bank’s own and helping others to improve their

actions, re-prioritize and thus start the PAL cycle continuously over again.

In fact, this process may be extended and enhanced by learning from others through partnership (collaboration). This is showed in the “Leadership on SDGs” as defining the performance of the corporation on others (stakeholders) in a changing business environment. It is illustrated by the following **diagram 12** adopted by the UN SDG business leadership model.

Diagram 12

UN Blueprint for Business Leaderships on SDGs: PAL (UNGC, 2017, p.4)



5.3.1 Priority (Materiality for Sustainability)

‘Priority’ is the cornerstone of any plan for sustainability; it is also known as ‘materiality’. However, under the money-driven financial market, as pinpointed by the Golden Rule of Watkins (2011) under section 2.2.1.1, banking practitioners pursue profitable opportunities only for themselves regardless of any foreseeable negative impacts on others. This explains the current missing knowledge gap in addressing stakeholders’ needs, rather than solely for shareholders.

As recommended, there should be a need to balance different aspects from different stakeholders’ perspectives. Further to the most commonly and traditionally regarded three P’s (Prosperity, People and Planet) as explained under section 2.2.1.1, it is recommended to focus on the leading role of each individual practitioner in decision making in respect of a bank’s own policies and procedures. Different banks are offering different products, by which they may have their own priority-focused products offered to the public. Therefore, this business strategy may create a different priority (materiality) setting by the individual bank.

Professionally speaking, the HKMA realizes the importance of putting sustainability in the banking sector through partnership (collaboration). Therefore, it has originally called for consultation meetings with banking practitioners since 2019. According to the speech of Howard Lee, Deputy Chief Executive, he has already set concrete actions to drive awareness and development of the market. In May 2019, he further announced the development strategy for sustainability in three main directions: (1) green and sustainable banking, (2) responsible investment, and (3) capacity building. The priority is set in a holistic way under 2-sided: ‘greening’ and ‘responsible’ products and professional capacity practitioners. Among all, the third one is proven to be the indispensable key to drive banks towards ultimate sustainability

as supported by the research findings and discussion above.

However, it is worthwhile to realize the remark from a senior-level interviewee in B2 (sl4) as being the bank's representative at a 'Consultation Meeting for Sustainability'. It has commented that sustainability is only a "high-level conceptual principle, they are not easily understood. There is no concrete action plan or direction has been given to banks at the present moment, even from regulatory or governmental bodies" (B2:sl4). This evidences a big communication and implementation gap. If the senior-level holds such limited knowledge of understanding, how does it lead to the different levels of practitioners' awareness, understanding and application for "Sustainability in Banks".

In practice, the HKMA issues a number of regulatory guidelines and memoranda placing very high priority on the banking codes (rule-based) and culture (value-based), as referred to on its website for AI banks in Hong Kong. Furthermore, the HKMA, HKAB, HKIB, SFC have jointly undertaken an exercise to take stock of potential talent gaps in the banking industry. Again, this shows the important roles of banking practitioners in the sustainable development of the banking industry in Hong Kong for connecting to mainland China's Greater Bay Area, as declared explicitly by the chief executive of the HKMA, Eddie Yue, in September 2020. Their main focus was on three key areas clearly stated in technological and data skills, and banking knowledge, specific 'soft' skills such as creativity and adaptability.

Faced with the global shortages of expertise worldwide, especially in Hong Kong, we cannot rely on importing talents for sustainable development externally. It is, therefore, clearly understood that if senior staff do not yet have such a sustainability-related mindset or fully recognize the importance of related policies and regulations, how can they become the driving

force for sustainable development? Although each bank may have its own perception and interpretation for its Bank's mission statements and development vision, which only puts banking practitioners in a more problematic workplace environment, especially when they are placed in a suspicious and mistrustful banking environment between themselves and the general public. It is, therefore, essential to call for a consistent, transparent and accountable successful sustainability policy to transform the common perceptions/misconception of 'whitewash' or 'green wash' or 'public relations' to holistic sustainability. Then, it is crucial to transfer their lack of awareness, understanding and application of knowledge to embed sustainability into their banking holistic strategies with genuine implementation through the following recommended steps.

5.3.2 Act (Decision-making for Sustainability)

Interviewees may have their own acts in making decisions in their workplace environment (Fisher, 2004). Sometimes, it may be their naïve action or misbelief that they can escape any risky consequence of illegal or unethical acts. This was also pinpointed by two interviewees in B2 (f13, f14). It is well-known and agreed that only through acquired knowledge with full awareness and understanding can banking practitioners really make the right choice in any specific banking environment. This is further proved in the scenario case-study questions (section 4.2.2) based on genuine feedback from the respective levels of the interviewees. Interviewees either did not know what the 'right' action should be or what is the rationale behind making such a decision when they are put in such a scenario situation.

It is, therefore, only through the learning process from awareness, understanding and application (section 5.2.4 under **Diagram 11**) that they can possess specialized knowledge of sustainability. Then, their decision reflects the genuine value and their bank's standards that

they follow straightforwardly and properly regardless of position within the bank hierarchy. This value is not only for short-term monetary (economic) gain but rather for the long-term impact on sustainability with respect to a reputation for creating a long-term trustful banking environment. It is the ultimate key for branding and reputation in the banking industry. In view of the interrelationship between the banks' sustainability and the stability and harmony of society, as discussed in section 1.1.1. This is also the role of HKMA and SFC.

To move further towards sustainability, I will conclude that the essential factor is not limited to interviewees' being well-versed in the latest professional banking practices. Their willingness to take responsibility for doing extra or proactive precautionary actions to protect themselves and stakeholders (including their serving banks and affected parties). This further safeguard genuinely holistic sustainable success against falling into existing or potential risks/traps, as reported in the decided cases in their workplace environments. In fact, a similar and connected approach was actually adopted and connected by the senior-level interviewee (B2:sl4) through analyzing decided legal cases as training materials. In the same Bank (ml4) prepared "compliance bulletins" to be shared and learned among banking practitioners. In fact, similar practices are also adopted by B1(sl1) and B3(sl6).

5.3.3 Learn (Lessons learned through training and education for sustainability)

Faced with an ever-changing working environment, especially in the current situation, everyone has to be flexible and willing to learn and respond willingly for sustainable advancement. This was supported by the same 'share and learn' approach taken by the interviewees in different banks, B1:ml2, ml-trt; B2:fl3, sl4; B3:sl5, sl6.

Practically, it is regarded as rather difficult to achieve such a holistic implementation of ‘share and learn’ good practice in a competitive banking environment, as was pinpointed by some interviewees in B1 (fl1, ml2, ml-trt). Even though all interviewees at a senior-level in the three banks indicated the importance of ‘partnership’ or ‘teamwork’ for the long-term sustainable success of their own banks. This kind of partnership has not yet been achieved based on interviewees’ feedback (B1:ml2, B3:ml6) at other levels within and/or across banks.

In fact, SDG No.17 explicitly advocates partnership. This was not a new chapter to practitioners (B3:sl6), as it was previously advocated under the UN’s Millennium Declaration Goals (MDGs) under Goal 8: “Develop a global partnership for development” (**Appendix A(4)**). In addition, there are clear ‘black and white’ guidelines for a bank’s supervisory policy manuals issued by the HKMA in 2015. Therefore, it is advisable to investigate exactly what steps or actions can be taken further by government/regulatory bodies, and practitioners at different levels to really practice professional decision making strategically linked to “Sustainability in Banks” through joint efforts by banking practitioners.

The above discussed echoed exactly the findings of Ellinger & Ellinger (2020, p.6), who advocated that “leaders generally support requests for learning opportunities and training”; “leaders continually look for opportunities to learn” and “leader mentor and coach those they lead” (section 2.3.2).

As illustrated under **diagram 12** (section 5.3), it gives clearly the two possible outcomes after learning. One is to learn and revert back to step 1 of the materiality setting within the development loop, while the other is to drop off from the strategic plan for holistic sustainability.

Figure 3

The Finalized Research Findings for “Sustainability in Banks” with Key Role of People in Daily Decision Making

Corporate Level

Banks’ rules and regulations based on business strategies undertaken by leaders through PAL:

- (1) **Priority** (materiality);
- (2) **Act** (decision-making);
- (3) **Learn** (lessons/impacts)

Role of Bank (Sustainable Development Goals)



Remedial Action under the SDG No. 17 (partnership) to proceed towards Sustainability through

- (1) **Share & Learn**
- (2) **Enhance**
- (3) **Rectify & Control**



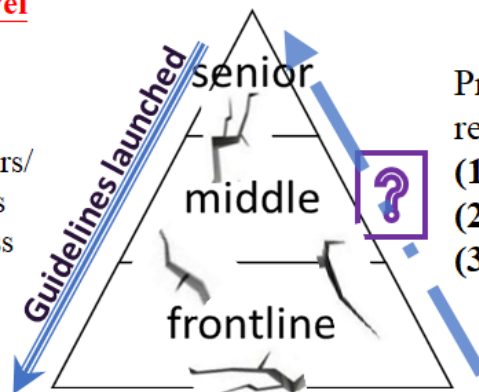
Sustainability in Banking

Banks are driven by professional practitioners for daily sustainable business decisions

Individual Level

Individuals’ practices for asking supervisors/peers/external experts in daily business operations

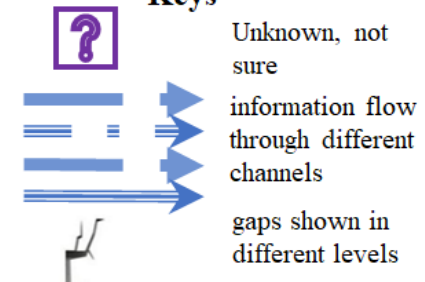
Role of Practitioners



Professional guidelines implementation gaps revealed by communication breakdown in :

- (1) **Awareness of Knowledge**
- (2) **Understanding of Knowledge**
- (3) **Application of Knowledge**

Keys



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5.4 Discussion on remedial action for ultimate “Sustainability in Banks”

Having illustrated and discussed in the above paragraphs, I have concluded that current professional practices adopted by banking practitioners in Hong Kong have three main gaps, as showed in **Figure 3** (section 5.3.3 above). These gaps are found among banking practitioners in the chosen three banks vertically (across three levels) within the Bank by the within-case data analysis. In addition, by employing the cross-case analysis (across all three chosen banks in Hong Kong), there are some similarities and differences revealed between banks from the two banking services nature of retail/commercial and investment.

In essence, the most important role is played by each individual (human capital) for genuine sustainability achievement. In fact, it has been recognized that the existing professional training programs run in the three chosen banks to cater for current and future challenges; however, interviewees have not yet been empowered to raise their awareness and apply their knowledge in decision making for the long-term consequences in the Bank’s reputation and responsibility in the marketplace and further to its society. Therefore, the ultimate success of “Sustainability in Banks” has been hindered.

Instead, the originally proposed research framework in **Figure 2** (section 2.4) is for assessing operational sustainable development procedures, I have amended it by incorporating remedial actions to bridge the identified gaps in communication and implementation of the bank’s codes and regulations based on this research findings. Through this framework, it increases banking practitioners’ concern in awareness, understanding and application of

knowledge of codes and regulations. Thus, practitioners can truly implement a better transparent and accountable communication system for holistic and genuine sustainable development towards “Sustainability in Banks” of Hong Kong.

As indicated by the revised framework in **Figure 3** (above), it shows the banking practitioners’ leading roles to bridge the currently discovered gaps for further improvement through (1) share and learn; (2) enhance; and (3) rectify and control, as advocated by the United Nations in section 5.4.2.1 below.

5.4.1 Far-reaching impacts of decisions of banking practitioners

As explained under the research findings of Moon (2007) in Chapter 2 (section 2.2.1), it is rationally understood that one leader’s decision impacts not only on their own bank or the bank’s shareholders but also the stakeholders of its whole supply and production chain involved different industrial sectors of the community. It may further be spread to the whole world, as evidenced by the financial crisis reported in section 1.1.3. This is mainly due to the existence of an interdependent and correlated relationship between banking practitioners and society.

The recent Covid-19 pandemic and the earlier global financial crisis have had a disastrous impact on the economic situation. Recently, some banks withdrew their usual quarterly dividend payments. This not only caused customers’ (investors’) grievance; it also further worsened the relationship between customers’ (investors’) and practitioners within the banking industry. In addition, the repeated prosecutions/legal cases report about the growth of financial fraud or banking practitioners’ malfeasance, especially through the newly electronic platform, further enlarges the trust gap between banks (especially banking practitioners) and customers.

All this unfavourable news directly and indirectly worsens the financial status and reputation of the banking industry as a whole. In return, this may directly have a huge impact on the economic growth of any country. It is, therefore, necessary for banking practitioners to realize and understand the far-reaching impact of each decision and its consequences for others.

5.4.2 Current challenges faced by banking practitioners

Recently, banks all around the world have been faced with the big challenge of an economic downturn due to the Covid-19 pandemic. In Hong Kong, this has been more serious due to the earlier street protests (social movement) from May 2019. To better maintain good figures to present in financial reports, some banks adopted a trimmed-down strategic policy for cutting staff development costs. There is evidence from staff dismissals and cancellation of bonuses, regardless of whether a bank's annual report figure is at a good profit-earning level from the perspective of the general public. In addition, the advanced challenges of AIs and other high-tech e-banking services mean that banking practitioners are expected to undertake their daily routines through innovative and flexible approaches to cater for the expected evolving development of "Sustainability in Banks".

As clearly pinpointed by the interviewees, "competition is very intense because of the virtual banks now developing" (B1:ml2; B2:fl4). Interviewees are more concerned about their own job security in this fiercely competitive situation. It is showed by B1(fl1), "sustainability means if I can still have any chance of progressing further or moving up the career within the bank". A middle-level interviewee remarked on the basic business operation golden rule: "for a profit-making company, the cost and benefit" analysis (B1:ml-trt). It turned out, therefore, to be the question of "the frying of some awful people, ... Change the people or train the people" (B1:ml-trt). Obviously, there is an unspoken fear of being sacked by banks, especially in the

current economic downturn. The lack of trust, and further suspicions between banks and their own staff makes sustainability even more difficult to achieve genuinely and holistically (B1:ml2).

From the perspective of the senior interviewees, the personal role model (B1:sl1; B2:sl4; B3:ml5, ml6, sl6) is expected and demanded. They all focused on “walk the talk” in guiding their subordinates or other colleagues in other levels. B1 (sl1) claimed that “being a leader of the bank, ... is based on my understanding of the bank’s existing guidelines, and how I guide our colleagues to walk through and see what exact problems they encountered in their daily operational procedures” (B1:sl1). This shows again that this kind of knowledge transfer is critically emphasized rather than solely relying on the ‘black and white’ written rules and regulations in banking practices. It again proves the crucial role of ‘person’ illustrating the holistic implementation of the internationally accepted three-pillars perspective in economic (**driven by person**), social (**involved in person**) and environment (**starts from me** – person). Thus, the human resources approach is the ultimate key for “Sustainability in Banks” as discussed under sections 1.1.3.2 and 1.1.3.3.

Based on the above discussion, I will conclude that the crucial determining factor for genuinely holistic sustainable development of banks lies in the quality of services provided by the quality of individual banking practitioners’ values. Faced with high demand for fingertip service, customers definitely demand ‘quick fix’ and more efficient banking services provided. However, the interviewees have reservations in how their banks’ delivered services, as they commented that it depends much more on each individual banking practitioner’s own ‘morality, sensitivity and judgment’, not only on the shoulders of the frontline-level of banking practitioners. This was further supported by a remarkable comment by B1 (sl2) about the

different standards of quality performance and their consequences.

It is, in fact, found that those commonly outsourced service providers, e.g., in IT specialized areas, have created a big challenge to the community. This again projects the level of knowledge and the lack of role models that essentially lied on the shoulders of practitioners for the ultimate success of “Sustainability in Banks”.

5.4.2.1 Remedial action to bridge the gaps from communication gaps towards partnership under SDG 17 towards “Sustainability in Banks”

As guided by the SDGs, it is expected to have a good balance between the core 3P of sustainability, economic growth (Prosperity), environmental protection (Planet) and social inclusion (People). To achieve this harmoniously, banking practitioners need to possess personal qualities, at least with ‘responsibility and accountability’ (**Appendix A(4)**) . These are also the explicit foundation keys to guide and catalyze banking practitioners to advance towards sustainability as discussed under the training/education programmes offered by the UNEP FI (section 2.3).

Banks have already run different kinds of training programs, internally or externally as revealed by the interviewees’ feedback. It is advisable to examine if these programs have been aligned and embedded with SDG No.4 (Education for Sustainability) for linking all for holistic achievement. There are three key perspectives essentially addressed to remediate the current gaps in the banking environments.

1. Share and learn

As analyzed and discussed above, it is recommended that banks take up ‘share and learn’ about the best practices among banking practitioners to compensate for the non-existence of perfect regulations and to safeguard against practitioners’ own malfeasance or misdeeds, especially in their daily decision-making process. This can remediate or eliminate any possible negative impacts.

In fact, it is believed that this is a very good way to raise interviewees’ awareness and knowledge of the basic level of legal boundaries. By realizing the legal and illegal side of decisions, interviewees’ sensitivity may be upgraded to a much higher level of integrity for a proactive attitude in doing “my job better” (B2:sl4). However, how far they can fulfill this level depends on their existing knowledge base and values system truly aligned with the serving banks’ missions. If interviewees’ level of awareness and level of knowledge is not yet realized, how can this be applied in their daily workplace decision making?

The interviewed professional banking practitioners recognize that any fraudulent or wrong acts committed by any banks in local and/or overseas markets should be a noteworthy lesson for other professionals to learn and act in the banking industry, regardless of their own banking service natures (B1:sl1; B2:sl4). All these joint-effort remedial actions can guide any bank in any country to do better. This was repeatedly cited by the interviewees from B1 that it may be due to the previous penalties imposed by overseas governments (B1:ml2, ml-trt, sl1, sl2). Even the interviewees from the investment bank (B3), they agreed and emphasized the importance of a team effort to share knowledge and experience (sl5, sl6). In practice, B2 interviewees mentioned the ‘share and learn’ similar best practices policy by turning reported

legal cases or prosecutions into training materials in a proactive approach for dealing with potential malfeasance of banking practitioners (B2:ml4).

The similar approach of “name and praise” implemented in B3 (sl5, sl6). The essence of ‘share and learn’ can be embedded in sustainability-related activities. However, a critical comment (B3:ml5) of the existing banking activities is discussed above. Those activities are regarded as a kind of “PR” rather than really serving the community. In reality, the most valuable asset of its practitioners within the bank is financial-related knowledge and specialized skills. Therefore, it is invaluable for applying such a ‘share and learn’ principle through knowledge transferring and sharing activities. This was also echoed by interviewees saying that “teach the children to manage finance, give them a concept of money, or youth in high school to attend mock job interviews, etc.” (B3:ml5). These can really satisfy the expectations of sustainability-related activity and motivate the interviewees to participate in this kind of genuinely sustainable activity for our community (social) through the existing financial resources owned by banks.

2. Enhance (through training and partnership)

Within the banking industry, CPD is a professional way to continuously enhance practitioners’ skills and knowledge on a yearly basis. As commented by interviewees, they are all asked to attend different kinds of training programs hosted by their banks or external service providers. This is not only a compliance requirement set by the regulatory bodies, the HKMA and SFC, but it is also the way to guarantee quality of staff knowledge for rendering the highest level of professional services to their customers.

However, there are still repeated prosecutions/legal cases reported in Hong Kong's financial market. The scenario case study reflected the genuine limited application of banking practitioners' knowledge of those ethical and legal issues in their daily decision making. Therefore, there is an urgent need to enhance existing training programs designed for including personal value. It was also pointed out by interviewees that currently implemented training programs focus solely on practitioners' work-related technical know-how, while issues of sustainability are only covered piecemeal, like the green (environmental) or community involvement (charity) activities in the three chosen banks. It was generally agreed by interviewees that the crucial role played by individuals for ultimate sustainability in guiding by personal values (B1:fl1, ml1, ml2, ml-trt, sl1, sl2; B2:ml4, sl4; B3:ml6, sl5, sl6).

Based on interviewees' feedback, individuals shared similar banking practitioners' personal qualities in banks for long-term sustainable development. It is expected, as discussed under the RQ3, interviewees commonly shared the importance of the quality of individual banking practitioners for the sustainable development of banks in Hong Kong. B2 (fl3) said that "individual staff's quality" is the key for sustainable advancement in the banking industry. This is echoed by reality, that banks are run by agents (the practitioners). It is, therefore, the quality of the banking practitioners determines the quality of services provided by the banks. Individual personal qualities are the ultimate determining factor for any banking products or services invented and launched in the market. It is worth remarking that each individual practitioner should realize their important and essential role in daily decision making, especially those at a higher level with a wider sphere for their decisions' influences (consequences) on the holistic sustainable development of the bank.

In addition, as explained in the previous chapters, a bank is a well-known professional and specialized area, so if any staff have done something wrong or are not up to the ethical standard of customers' expectations, this may be a disaster leading to bad-mouthing of the bank. Then, a bad reputation follows that bank, it definitely spreads, hinders, and even worsens the possibility of sustainable development of the banking industry, like the previous lesson learned from Lehman Brothers minibond case (section 1.1.1).

3. Rectify and control (through training and education)

The need to rectify current situation through enhanced training programs to ensure better awareness, understanding and application of sustainability knowledge in banks in the long run. This is focused on the current daily job duties to be performed.

As discussed in Chapter 2 (section 2.3), there is increasing awareness of the importance of “Sustainability in Banks” based on the regulatory guidance set by the HKMA and HKEX. It starts from the generic basic governance audit or regulatory control towards the development of the bank's culture and values. The recent guidelines are set mainly for the need for thoughtful leadership for sustainability (**Appendix A(4)**).

Although these are explicitly written in documentation, it is also necessary to launch corresponding in-house training and public education programs to guide each banking practitioners' steps within and across banks, regardless of their positions. This kind of implementation program may be run like the previous ESG reporting programs for all listed companies provided freely by the HKEX in 2011. This aimed at giving more guidance to banking practitioners of listed companies to fully realize what it is and how it is prepared. This kind of ‘train the trainer’ program can also be run sustainably within banks for the ultimate holistic sustainability implementation in the banking industry of Hong Kong.

In addition, as existing practices in the investment bank, it is agreed that continuous control is essential, “internal audit check and monitor the staff within the bank; at the same time, we are also being monitored and checked by the HKMA” (B3:s16). Through public education, the general public (customers/investors) are trained to demand more responsible and sustainable banking services/investment products in the market, then directly foster the atmosphere for “Sustainability in Banks”. This was supported by the comments of an experienced expert (B3:s15) who involved the sale of such a sustainable investment product about 10 years ago, but now recalled the recent demands even “is lesser than before”.

5.5 Summary of the discussion chapter

Based on the discussion of the interviewees’ feedback on three RQs and the scenario case-study questions, three gaps have been identified among the different levels of banking practitioner for effective sustainability implementation. The existing communication and implementation systems in the three banks revealed that these gaps are due to the misunderstanding, misinterpretation, and miscommunication due to “mismatched expectations” (B3:s15) of materiality (priority) setting among individual banking practitioners. There is a proven gap in the awareness of knowledge, and different levels of understanding and application of knowledge in their daily decision making while undertaking their job roles in banks. As a result, interviewees are not yet really undertaking their daily roles in a sustainable manner.

It is undeniable that education and training are the most effective ways to bridge existing gaps in awareness, understanding and application of cognitive professionalism in making decisions and judgments in different working environments. Well-trained and thoughtful leaders are required as role models to guide their subordinates in a cooperative and

collaborative way under partnership of the SDG No.17. This is also founded on the current advocacy by the government and regulatory bodies, e.g., HKMA, SFC, HKEX, HKAB, for “Sustainability in Banks”. Its emphasis is consistently and effectively on the communication system for guiding practitioners to implement their bank’s policy for advancing the banking system of Hong Kong, especially as they are facing current economic and technological challenges in a holistic sustainability manner.

In Chapter 6, there will be further conclusions and recommended actions to advance current banking practices for tackling current and potential challenges faced by banks for a holistic sustainable development.



Chapter 6: Conclusion and Recommendation

This final chapter is based on the previous chapters of data findings, data analysis and discussion. It gives an account of these research findings, contribution of the study and recommendations for existing and future banking practitioners. It is aimed at preparing and empowering practitioners' capability in tackling current and future challenges in the workplace through education and training to achieve holistic sustainable development in the international financial markets.

6.1 Summary of the research findings

In this study, interviewees at three levels of positions from three different banks offering two different types of banking services were assessed by the same set of three RQs and different levels of scenario case-study questions with respect to existing groups of different stakeholders.

This revealed interviewees' ability to apply their own professional knowledge of both regulatory (legal) and ethical banking practices in decision-making processes. I have identified the existing gaps between awareness of knowledge and the transfer of knowledge in action through a properly implemented communication system for sustainability. As a result, interviewees from the different levels may have different levels of knowledge in the same bank (within-case analysis) and across three different banks (cross-case analysis). Their awareness of knowledge, understanding of knowledge and application of knowledge is highly related to the misalignment/mispositioning of expectations (materiality/priority) and possible misinterpretation/misperception resulting from the existing gaps in communication and implementation of existing codes and regulations adopted by the respective banks as illustrated in **Figure 3** under section 5.3.3.

From RQ1, this is defined as the awareness and full understanding of written banking codes/regulations against interviewees' daily decision-making impact on their own bank and on the banking industry as a whole. Practically, interviewees act differently, instead of strictly following written codes/regulations, they prefer to follow their own or others' (supervisors/peers/external experts) experiences to judge/make decisions in their banking environment. The RQ2 findings revealed the existing basic understanding of a knowledge gap in interpreting international standards, including sustainability, against their respective bank's current strategic policies and the leading role to guide for sustainability. In fact, there is not a big difference between retail/commercial and investment banks based on the collected data. Interviewees were not yet aware of the existing roles in daily practices and decision making directly linking their respective bank's sustainable development direction. The last gap identified, based on the RQ3 findings, is the application of knowledge of codes and guidelines, especially when interviewees are faced with challenges/dilemmas in the banking industry of Hong Kong. Therefore, it directly impacts the prosperity (economy) of sustainable development of banks in Hong Kong.

6.2 Contribution of the study

This research is among the first empirical studies in the field of sustainability in the local banking sector involving a “deep dialogue” with banking practitioners regarding the professional practices on such a topic of “Sustainability in Banks”.

The entire study was based on existing sustainability/CSR reports published by the chosen banks and reliable feedback from interviewees to project their authentic professional practices in their workplace environments in the chosen banks. Throughout the interviews, I

shared what I have learned from their existing sustainability reports to raise interviewees' awareness and understanding of existing rules and compared regulations implemented in their serving banks. Afterwards, interviewees were asked to think about their desired leading role for driving sustainability in banks of Hong Kong. Finally, this research is designed to let interviewees be aware and understand their workplace dilemma and to facilitate them to see each individual's important roles within banks. Afterwards, it guides them to realize the essence of knowledge in stakeholders and possession of ethical values for sustaining banks of Hong Kong in a holistic way.

Hong Kong is renowned as an international financial center, so there are stringent financial rules and regulations guiding banks towards sustainable development. As regards the existence of these rules and regulations (Chapters 4 and 5), there is rather an inconsistent feedback from individual interviewees in each bank (within-case analysis) through three research questions and the tailor-made scenario case study tests.

This study has explored the existing current professional regulatory (legal) and ethical practices among practitioners from the three chosen banks in Hong Kong. It reveals existing misconceptions and misinterpretation of professional practices among banking practitioners at different levels in the hierarchy within banks. In the previous chapter, **Figure 3** under section 5.3.3 shows the existing different knowledge levels resulting from a communication leakage/breakdown among different levels of interviewees. Then, their awareness of knowledge, understanding of knowledge and application of knowledge are directly affected when they are undertaking daily operational procedures in their respective banks.

However, communication is critically important for achieving sustainability due to its essence of ‘stakeholder engagement’ (Ajayi & Mmutle, 2021), which is illustrated in Chapter 2. It is, therefore, essential for banking practitioners to realize the importance of each individual’s role in their daily decision making and their consequences followed for the sake of the ultimate holistic “Sustainability in Banks.

This knowledge gap could alert banking institutions in Hong Kong to what more they can do to cope with future challenges, from the current economic downturns to the rise of FinTech or online banking. In fact, pressure for sustainable development is growing very quickly, due to the Chinese government’s ‘One Belt, One Road’ initiative and its development plan for the Greater Bay Area. These are also other sources of competition pressuring Hong Kong to advance sustainability in order to maintain its financial center status in the Asia-Pacific region.

It is highly doubtful whether banks in Hong Kong can truly achieve ultimate global sustainability by merely complying with the requirements in line with the international standards of professionalism without being well-instilled with ethical sensitivity in their daily decision making process through current education and existing training programs for future leaders.

6.3 Recommendation for banks’ practices – education and training

Banks in Hong Kong explicitly stated adoption of the UN SDGs as a sustainable development direction (section 3.2.3.2). However, it is found that their respective strategies have not yet

been well-communicated or understood by the interviewees, as discussed in the previous chapters. Even interviewees from senior management have yet well understood the concrete sustainability-related guidance precisely given by the regulatory bodies and government, so how can subordinates follow properly?

Hong Kong is now undergoing an unpredictable economic and financial downturn following the street protests from June 2019 and the current coronavirus pandemic that started in February 2020. Responsible and accountable banking leaders and practitioners are the most urgent criteria now to lead and empower their employees by implementing a feasible sustainable strategic business policy.

6.3.1 Embedding “Sustainability in Banks” into overall strategic plans for achieving global sustainability in a holistic balanced way

Faced with continuous challenges from globalization, the UN SDGs, the ‘One Belt, One Road’ initiative and ‘Greater Bay Area’ policy of the Chinese Government, banks in Hong Kong have to tackle all these challenges and move towards turning them into sustainable development opportunities.

Sharing the banks’ overall strategic plans with all levels of staff under the ‘same vision and same direction’, is it the most effective way to guide banking practitioners in the same bank progress? Only through this well-communicated strategy can a bank’s resources be used effectively to drive its development in a sustainable and rewarding direction. The senior management team of B3 (sl5) commented that the individual KPI performance assessment should be linked to participation in sustainability-related activities/programs in banks. The recognition of senior leaders (B1:sl2; B2:sl4; B3:ml6, sl6) as role models is important for

guiding the progress of sustainable development. This approach was specifically by B3 (sl5), “letting staff know what it is about is the most effective way to know how successful such a sustainability program is”.

Interviewees’ commonly shared their expectation that each bank’s involvement be led by the government or regulatory bodies. Challenges lie with inadequate resources to sustain current and future generations and coexist with different stakeholders. This calls for the provision of a transparent and accountable platform for different stakeholders with multi-disciplinary and inter-disciplinary approaches and perspectives. Through this, banking practitioners can share their views freely and broadly for a better collaboration (partnership), and further extend their bank’s network with other sectors, especially educational institutions, to continuously nurture the key issue of quality of human capital (person) for sustainability.

In fact, this kind of synergistic collaboration has been practiced in other countries, e.g., Australia, where the National Australia Bank (NAB) launched a joint education program with the Chartered Banker UK to raise the professional standards of its staff and rebuild trust among the general public in Australia. This shows the possibility of practical partnership programs with cross-disciplinary professional banking training and education.

6.3.2 Recommended sustainability through joint-effort activities integrated with respective banks’ own financial strength

It is recommended that there will be a joint effort under the well-defined and clearly presented sustainable strategic management approach among banking practitioners to achieve synergy through partnership (SDG No.17).

6.3.2.1 Different roles played by different stakeholders within banking industry

Following the data analysis in Chapter 4 and discussion of Chapter 5, it is expected that all practitioners will be properly guided by their supervisors or leaders, especially now they are faced with ever-changing current and future challenges.

First of all, the basic proper awareness and understanding of this sustainability is crucial through role models demonstrated by the senior management for practicing “Sustainability in Banks”. Another crucial point is to maintain a constant and transparent communication strategy in banks internally and externally. It aims at raising their awareness, broadening their knowledge, instilling their mindsets with sustainability values (**Diagram 11** under section 5.2.4), regardless of whether they are at the frontline-level, middle-level or senior-level within hierarchy.

There is a much higher demand, especially when the whole world is facing the current uncertainties connected to the coronavirus pandemic. Even a ‘simple’ decision like working from home or taking a journey back to the office for work (B2:fl4) in the current situation. Without any clear instruction and well-communicated policies with transparency, it places much more focus on practitioners’ working lives, but also creates mistrust and even suspicion among themselves. Nevertheless, a bank can still continue its business operations, but this may not be in a sustainable and perpetual direction. This again shows the urgent need for high-quality collaborative partnership by senior management to guide banks through. Practically, every individual support should be counted on for holistic sustainable development that cannot be overlooked.

As discussed in previous paragraphs under section 6.3.1, there is a call for the high quality of banking practitioners to lead to “Sustainability in Banks”. They are required not only well versed in rule-based skills (regulatory/legal) and operational procedural guidelines (codes of conduct) but also in the value-based skills of individual personalities ‘integrity and ethical’ with ‘persistent and consistent’ high quality. That is also expected by the interviewees themselves, as presented in **Table 17** (section 4.2.1.3). These qualities are, in fact, also explicitly stated by the UN for leading to sustainability: possession of a high quality of ‘accountability, integrity, ethics, morality, etc.’. This is echoed in the findings of Ellinger & Ellinger (2020, p.6), “managers and leaders perform developmental roles such as instructing, training, coaching and mentoring their subordinates” for learning organizations, which truly reflects the essence of organization survival (sustainability), especially in the current challenging environments.

1. Roles of banking practitioners within three levels

a. Frontline-level interviewees

They should be well trained to be fully aware of their vital role as gatekeepers for their bank’s holistic and long-term sustainable development. This is directly related to their own professionalism, their served banks’ holistic reputation, and even further impact on the banking industry.

Frontline-level employees are encouraged to attend different kinds of workshops or seminars internally and externally to enrich their professionalism, not limited to daily work-related procedures (regulatory/legal) as hard skills but also to upgrade their knowledge in different aspects of “Sustainability in Banks” (soft skills), as shared by the vision of senior management. This is crucial for preparing themselves to handle existing and future challenges.

b. Middle-level interviewees

Practically, the middle-level employees lie between the frontline-level and senior-level, who are therefore required to play a responsible active role in bridging existing communication and knowledge gaps (as analyzed in Chapter 5) to facilitate the bank's strategic sustainable policy implementation.

It is advisable that the necessary education and training of middle-level employees should not be limited to the rules set by regulatory bodies, but the rationale of all the rules and regulations to facilitate an accurate and thorough policy implementation with frontline-level employees. More importantly, middle-level employees' knowledge and application of sustainability can be demonstrated as role models for frontline-level practitioners and guide them towards a full understanding and implementation of the holistic strategy of the sustainable development in Banks of Hong Kong.

c. Senior-level interviewees

There is an undeniable leading role for guiding all banking practitioners, regardless of their positions in different departments within the hierarchy; they should all align in the same direction of the bank's sustainability development strategy directed by the management board.

There is an urgent need for this senior-level group of leaders to enrich and broaden their own knowledge of sustainability through continuous training and education (Cosma, *et al*, 2020). This is because their awareness and knowledge are crucial for the successful implementation of holistic sustainability. In view of the flexible and innovative interpretation of sustainability, it is recommended that sustainability drive should be expanded to include

value training for sustainable personnel within banks. Although value training may be too abstract to be well-defined, banking practitioners can be guided towards this ultimate goal based on the existing HKMA Supervisory Manual and practitioners' values-training programs run in 2015.

Only through a widely shared strategy in a transparent and holistic way among banking practitioners in different hierarchies, interviewees' existing suspicions can be removed. In return, sustainability can further be used as a tool to raise a bank's own image and reputation for further development and advancement in international financial markets.

2. Roles of government/legal and regulatory bodies through partnership

In view of the non-existence of flawless rules and regulatory standards, it is necessary to set up a strong gatekeeper with a joint effort among different groups of experts moving forward in the same sustainable development direction. Therefore, only through diverse skills and experts from different levels of employees, can the identified gaps and any possible loopholes in their decision-making processes for their own benefit be bridged (B1:f11; B2:s13; B3:s15, s16).

It is clearly pointed out that an interdependent and inter-controlled relationship among banking practitioners is justified by the recent news about a bank's strategic partnership policy. Other recent reported news is that a renowned global retail/commercial bank announced its sustainable strategic plan for (1) dividend payments to its shareholders to retain their attraction for investment in their banks, and (2) the announcement of some redundancies for better operational cost control. These plans were immediately banned by the HKMA, which asked the bank to withdraw its dividend payment and retain all existing staff during this critical pandemic situation. These human resources related issues ordered by the HKMA, as discussed

in the previous paragraphs explicitly shows that such a human resources re-engineering policy is obviously contradictory to the essence of “Sustainability in Banks”. It is rather criticized under the unethical perspectives from the “social” responsibility perspective under the three-Pillar theory. The HKMA is putting sustainability policy back on a rule-based basis. This illustrates moving from a soft (ethical) policy direction to a high-pressure policy (regulatory control) showing its high-pressure determination for the “sustainability” direction.

In fact, the HKMA’s promotion and encouragement of banks to practise socially responsible investment and green financing can be traced back to 2015, as announced on its website. These topics were covered for discussion (section 2.3.1); however, surprisingly, B2 (sl4) commented that there is not yet any clear definition and operational procedure guidance for them to follow. This also shows the miscommunication or mistrust in the leading role played by the HKMA.

Apart from this, there is microfinance advocacy in the banking industry of Hong Kong, but the response from existing customers has not been enthusiastic (B3:sl5). In fact, former Chief Executive, Mr. Donald Tsang, once promoted responsible investment, e.g., Islamic Banking in 2007 as the key government initiative for sustainability in responsible lending (HKMA Quarterly Bulletin, 2008). To a certain extent, this matches the responsible investment advocated by other government bodies in overseas countries, e.g., USA, Europe, and Malaysia. However, its development is rather stagnant.

I believe that the above strategy can only be further successfully achieved through the engagement of individual banking practitioners. This is known as the fourth ‘P’ pillar as ‘Person’ to drive this collaborative and well-balanced three-pillars leadership role forward for sustainability. It is, therefore, the revised framework deduced from this thesis, as presented

under **Figure 3** (section 5.3.3).

The revision shows the key role played by individual participants in the daily decision-making process in the banking environment. This is supported by the comments of the current banking practitioners in both retail/commercial and investment banks. For example, B1:ml-trt shared that B1 is now “moving from profit-oriented to the health of practitioners, people-oriented”; while B3:sl5 remarked that “there is a demand for such kind of personnel by banks”. This was exactly echoed by the findings of Mazilu & Giurge (2011, p.242) about the role of “human factor” for the “promotion of the sustainable development for people and through people” (*ibid.*, 2011, p.246-247). In addition, Thatcher (2012) and Burford et al. (2013) emphasized the role of an individual to fill the missing gap for holistic sustainable development pursuit according to the above definition. In a wider perspective, Fisher’s (2004) advocacy for sustainability further referred to the interrelationship between social responsibility, ethics and business conduct based on expected outcomes by the choices of the leadership.

Therefore, the holistic sustainability implementation can be achieved through the benchmark of the internationally accepted three-pillars perspective in economic (**driven by person**), social (**involved in person**) and environment (**started from me** – person) (Mazilu & Giurgea, 2011).

6.4 Recommendation for future research

This empirical study is based on only three banks, but there were more than 163 licensed banks operating in the Hong Kong financial market as of November 2020. Therefore, it is recommended that this study be extended to include more interviewees from different banks of different business natures for an in-depth study of professional practices in Hong Kong.

The research data is mainly from the samples in the three banks in Hong Kong; and the sample size was not completely randomly drawn. Six out of 19 participants had personal connections with the researcher's existing networks in Hong Kong and/or from overseas before conducting such research. Therefore, its representativeness will be improved by extending the research scope to a wider and deeper investigation through a mixed method with the addition of a quantitative research approach to examine banking practitioners' sustainability practices in banks of Hong Kong and their sustainable development. It is suggested that a statistical test be included to investigate whether there is any evidence of correlation or causal relationship between the quality of banking practitioners, and their undertaking professional practices, and then the banks' performance and branding for "Sustainability in Banks".

In practice, however, to obtain a wider scope of research, it is necessary to inject more resources in time, money, energy and expertise in multi-disciplinary analysis across teams. It may be more impactful if the research is undertaken by a group of researchers with different disciplinary expertise, even though banking/finance is the key fund for any research sources. In view of the recent advocacy by the government, there are more research works carried out by collaborative joint efforts from government, academic and banking professionals.

Faced with the growing demand for "green financing", this is another hit topic worth studying further, how this embeds with the well-balanced 3P (Prosperity, Planet and People) towards the genuine and holistic "Sustainability in Banks". Therefore, it is worth studying how "green" can be instilled into the personal value of banking practitioners to drive for the holistic sustainability living in their workplaces.

Furthermore, it is recommended that a comparative and comprehensive study from the perspectives of international/overseas banking best practices, e.g., the UK and USA, can enhance/advance the quality and impact of this research project into Hong Kong's leading and competitive role in Asia Pacific.

In this study, there are only three main leadership qualities – consistency, collaboration and accountability – discussed for sustainable development in banks. However, as recommended by the UN, there are five qualities of SDG leadership (2017): intention, ambition, consistency, collaboration and accountability. Therefore, in-depth research is recommended in future to explore how these five qualities to be truly embedded for qualities of least leadership relating to the success of “Sustainability of Banks” in Hong Kong.

As regards the terminology of ‘sustainable development’ is too flexible to be applied to different spectrums, therefore, this research has been focused solely on the international guidelines set by the United Nations. In practice, there is an increasing demand for reporting criteria on climate-related financial information. For example, the Task Force on Climate-related Financial Disclosures (TCFD) was launched by the Financial Stability Board. This acts as another benchmark for the financial institutes practicing environmental sustainability. In fact, ‘sustainable development’ is not static but rather a perpetual development. It is; therefore, a continuous evaluation and monitoring effort that is the genuine key to holistic sustainable implementation, especially in a financial sector faced with an ever-changing technology world.

This further proves that business is not running in a vacuum. With the assistance of advanced technology, more businessmen (entrepreneurs) are keen to set up their own businesses in different markets. This raises another concern, about what values and missions

are upheld by these businessmen. It echoes with the advocacy of Bowen (1953, p.6), “the obligations of businessmen are to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”. Therefore, the study can be extended to include the psychological factor for motivating individual banking practitioners to make this research study more holistic. It is because their beliefs or values remain the key foundations for their daily decision making.

In addition, to make this study more comprehensive, it was recommended to include the examination of the cultural differences between banking practitioners, and how they view the sustainability issues, especially after the incident of the social movement and the current pandemic crisis in the Hong Kong financial market.

6.5 Conclusion

In view of the revealed professional practices in awareness, understanding and application of knowledge in sustainability among different levels of banking practitioners, it is an undeniable duty and responsibility for senior management to guide and redirect existing/future leaders towards sustainable goals within holistic and integrated sustainable development paths. Afterwards, the management team can be targeted for achieving holistic and genuine sustainability, prosperity and harmony to retain its renowned international financial center status.

It is also hoped that this research will instill and empower existing practitioners who have been aware of the importance of integrating sustainability from individual ethical perspectives for strategic decision making through ethics, accountability, responsibility and sustainability. In return, senior management can adopt such a holistic and solid foundation from the academic-

business collaborative approach to retain its responsible banking platform for sustaining Hong Kong's leading financial center in light of China's growing economic and financial infrastructure under its 'One Belt, One Road' policy.

Faced with the current high demand for more related Green Financing products, it is worthwhile to further explore and investigate current banking practices (if any) in greening, especially focused on the financial issues of the bank's strategic sustainable development drive for the genuine and holistic sustainability in economic, social and environmental perspectives for banks in Hong Kong.



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APPENDICES

Appendix A: International Guidelines

(1) International Organization for Standardization 26000 (ISO26000)

<https://www.iso.org/iso-26000-social-responsibility.html>

(a) Social Responsibility Guidelines ISO26000

Social responsibility is defined as the responsibility of an organization for the impacts of its decisions and activities (including products, services and processes) on the society and environment, through transparent and ethical behavior that:

- i. contributes to sustainable development, including health and welfare of the society;
- ii. considers the expectations of stakeholders;
- iii. follows the applicable law and is consistent with international norms of behavior; and
- iv. is integrated throughout the organization and practiced in its relationships (refer to the organization's activities, and within its sphere of influence)

The 7 principles of social responsibility reported under Clause 4.

- i. Accountability;
- ii. Transparency;
- iii. Ethical Behavior;
- iv. **Respect** for stakeholder interests;
- v. **Respect** for the rule of law;

- vi. **Respect** for international norms of behavior; and
- vii. **Respect for Human Rights.**

The 7 core subjects of social responsibility reported under the Clause 6.

A variety of issues that will enable an **organization to identify its main impacts on society.**

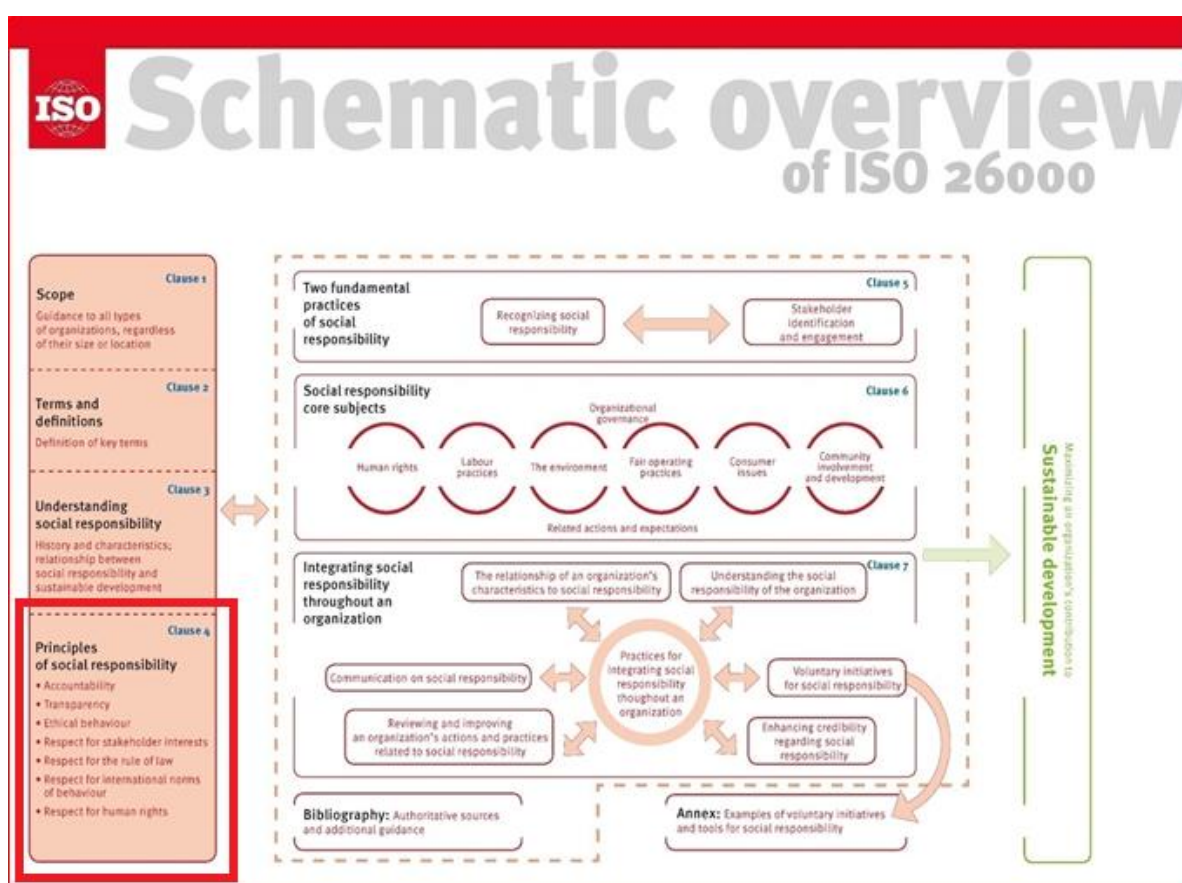
- i. **Organizational Governance** is the system by which an organization makes and implements decisions in pursuit of its objectives. Effective governance should be based on incorporating the principles of social responsibility (accountability, transparency, ethical behavior, etc.) into decision making and implementation.
- ii. **Human Rights** due diligence; human rights risk situations; avoidance of complicity; resolving grievances; discrimination and vulnerable groups; civil and political rights; economic, social, and cultural rights; fundamental principles and rights at work.
- iii. **Labor Practices** is the **socio-economic contributions** of an organization are the creation of jobs, wages, and other compensation forms of payment, for the work performed, amongst others.
- iv. **Environmental Responsibility** climate changes, destruction of natural habitats, and loss of biodiversity taking steps toward **environmentally and socially responsible.**
- v. **Fair Operating Practices** covered **anti-corruption**; responsibility for political involvement; fair competition; promoting social responsibility in the value chain; and respect for property rights.
- vi. **Consumer** Issues fair marketing practices, protection of health and safety, sustainable consumption, dispute resolution and redress, data and privacy

protection, access to essential products and services, reference the needs of vulnerable and disadvantaged consumers, and education.

- vii. **Community Involvement and Development** through social investment, wealth and income creation and health promotion.

(b) Social responsibility Schematic Overview of ISO26000

<https://www.iso.org/publication/PUB100260.html>



(2) United Nations Global Compact (UNGC)

<https://www.unglobalcompact.org>

10 Guiding Principles: Sustainability begins with a principle-based approach to doing business.

Human Rights

Principle 1: Businesses should **support and respect** the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to **environmental** challenges;

Principle 8: undertake initiatives to promote greater **environmental responsibility**; and

Principle 9: encourage the development and diffusion of **environmentally friendly technologies**.

Anti-Corruption

Principle 10: Businesses should work **against corruption** in all its forms, including **extortion and bribery**.

(3) OECD Responsible Business Conduct (RBC)

<https://www.oecd.org/investment/toolkit/policyareas/responsiblebusinessconduct/>

- a) OECD Investment Toolkit Policy Framework, Chapter 7, promotes responsible business conduct. The basic six questions relating to:
- b) Clear separation of government and business roles
 - c) Promoting effective two-way communication: law-making and other dialogue
 - d) Providing an adequate framework for corporate disclosure
 - e) Enlisting business as a partner in the legal and regulatory system
 - f) Strengthening the business case for responsible conduct
 - g) Intergovernmental co-operation

(4) Five Qualities of SDG Leadership

(UNGC, 2017 September, p.5)

<http://sdg.iisd.org/news/un-global-compact-presents-framework-for-business-leadership-on-sdgs/>

- a) Intentional: Support for the SDGs is an **integral, deliberate part** of a leading company's strategy
- b) Ambitious: A leading company's level of ambition greatly exceeds prevailing levels of ambition, its actions are material in the context of its end-to-end operations, and it focuses on **long-term outcomes**.
- c) Consistent: Support for the SDGs is embedded **across organizational functions and external communications**.
- d) Collaborative: Support for the SDGs involves **partnerships, including with business, government, civil society, and other actors**.
- e) Accountable: A leading company is **transparent, manages risk, seeks out meaningful engagement with stakeholders, and is accountable for adverse impacts**.

(5) UN Millennium Declaration Goals (MDGs) (2000)

<https://www.un.org/millenniumgoals/>

A global action plan concluded during the MDG Summit for combating against poverty, hungry and diseases with the following explicit goals.

Goal 1: Eradicate Extreme Hunger and Poverty

Goal 2: Achieve Universal Primary Education

Goal 3: Promote Gender Equality and Empower Women

Goal 4: Reduce Child Mortality

Goal 5: Improve Maternal Health

Goal 6: Combat HIV/AIDS, Malaria and other diseases

Goal 7: Ensure **Environmental Sustainability**

Goal 8: Develop a **Global Partnership for Development**

(6) Principles Responsible Investment (PRI)

<https://www.unpri.org>

The PRI is an investors' voluntary initiatives in setting up partnership with UNEP Finance Initiatives and the UN Global Compact. There is a total of six key principles for any investment principles or directions.

Principle	Content	Suggested Possible Actions
1	We will incorporate ESG issues into investment analysis and decision-making processes.	<ul style="list-style-type: none"> ✓ Address ESG issues in investment policy statements. ✓ Support development of ESG-related tools, metrics, and analyses. ✓ Assess the capabilities of internal investment managers to incorporate ESG issues. ✓ Assess the capabilities of external investment managers to incorporate ESG issues. ✓ Ask investment service providers (such as financial analysts, consultants, brokers, research firms, or rating companies) to integrate ESG factors into evolving research and analysis. ✓ Encourage academic and another research on this theme. ✓ Advocate ESG training for investment professionals.
2	We will be active	✓ Develop and disclose an active ownership policy consistent with the Principles.



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	owners and incorporate ESG issues into our ownership policies and practices.	<ul style="list-style-type: none"> ✓ Exercise voting rights or monitor compliance with voting policy (if outsourced). ✓ Develop an engagement capability (either directly or through outsourcing). ✓ Participate in the development of policy, regulation, and standard setting (such as promoting and protecting shareholder rights). ✓ File shareholder resolutions consistent with long-term ESG considerations. ✓ Engage with companies on ESG issues. ✓ Participate in collaborative engagement initiatives. ✓ Ask investment managers to undertake and report on ESG-related engagement.
3	We will seek appropriate disclosure on ESG issues by the entities in which we invest .	<ul style="list-style-type: none"> ✓ Ask for standardized reporting on ESG issues (using tools such as the Global Reporting Initiative). ✓ Ask for ESG issues to be integrated within annual financial reports. ✓ Ask for information from companies regarding adoption of/adherence to relevant norms, standards, codes of conduct or international initiatives (such as the UN Global Compact). ✓ Support shareholder initiatives and resolutions promoting ESG disclosure.
4	We will promote acceptance and implementation of the Principles	<ul style="list-style-type: none"> ✓ Include Principles-related requirements in requests for proposals (RFPs). ✓ Align investment mandates, monitoring procedures, performance indicators and incentive structures accordingly (for example, ensure investment management processes reflect long-term time horizons when appropriate). ✓ Communicate ESG expectations to investment service providers.



	within the investment industry.	<ul style="list-style-type: none"> ✓ Revisit relationships with service providers that fail to meet ESG expectations. ✓ Support the development of tools for benchmarking ESG integration. ✓ Support regulatory or policy developments that enable implementation of the Principles.
5	We will work together to enhance our effectiveness in implementing the Principles.	<ul style="list-style-type: none"> ✓ Support/participate in networks and information platforms to share tools, pool resources, and make use of investor reporting as a source of learning. ✓ Collectively address relevant emerging issues. ✓ Develop or support appropriate collaborative initiatives.
6	We will each report on our activities and progress towards implementing the Principles.	<ul style="list-style-type: none"> ✓ Disclose how ESG issues are integrated within investment practices. ✓ Disclose active ownership activities (voting, engagement, and/or policy dialogue). ✓ Disclose what is required from service providers in relation to the Principles. ✓ Communicate with beneficiaries about ESG issues and the Principles. ✓ Report on progress and/or achievements relating to the Principles using a comply-or-explain approach. ✓ Seek to determine the impact of the Principles. ✓ Make use of reporting to raise awareness among a broader group of stakeholders

(7) Equator Principles

<https://equator-principles.com>

A risk-based management framework. Financial institutions commonly adopted to assess and manage potential environmental and social risk associated with their involved projects. This is regarded as a minimum standard for Due Diligence decision making.

Principle 1	Review and Categorization	Principle 5	Grievance Mechanism
Principle 2	Environmental and Social Assessment	Principle 6	Independent Review
Principle 3	Applicable Environmental and Social Standards	Principle 7	Covenants
Principle 4	Environmental, Social Management System and Equator Principles Action Plan	Principle 8	Independent Monitoring and Reporting
Principle 5	Stakeholder Engagement	Principle 10	Reporting and Transparency



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Appendix B: Hong Kong Gross Domestic Product (GDP) – Employment Distribution in Number and Percentage for 4 Key Industries

https://www.censtatd.gov.hk/en/web_table.html?id=188

	Employment							
	Number				% Share in total employment			
Year	2016	2017	2018	2019	2016	2017	2018	2019
Four Key Industries								
(I) Financial services	253 100	258 500	263 000	272 600	6.7	6.8	6.8	7.1
Banking	102 200	102 900	104 100	99 800	2.7	2.7	2.7	2.6
Insurance	62 400	65 400	67 800	72 400	1.6	1.7	1.8	1.9
Other financial services (e.g., stock brokerage, asset management, finance leasing; and investment and holding companies)	88 400	90 200	91 100	100 400	2.3	2.4	2.4	2.6
(II) Tourism	259 800	257 100	257 000	231 000	6.9	6.7	6.6	6.0
(A) Inbound tourism	226 500	224 500	225 300	197 900	6.0	5.9	5.8	5.1
Retail trade	104 000	99 000	100 200	87 200	2.7	2.6	2.6	2.3



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Accommodation services (2)	36 600	37 800	37 100	34 000	1.0	1.0	1.0	0.9
Food and beverage services	49 600	50 900	49 900	43 700	1.3	1.3	1.3	1.1
Cross-boundary passenger transport services	14 900	14 200	14 100	13 500	0.4	0.4	0.4	0.4
Others	21 300	22 700	24 000	19 500	0.6	0.6	0.6	0.5
(B) Outbound tourism	33 300	32 500	31 700	33 100	0.9	0.9	0.8	0.9
Travel agency, reservation service and related activities	20 400	20 300	19 400	19 000	0.5	0.5	0.5	0.5
Cross-boundary passenger transport services	12 900	12 200	12 200	14 100	0.3	0.3	0.3	0.4
(III) Trading and Logistics	730 700	727 500	718 500	673 700	19.3	19.0	18.6	17.5
(A) Trading	555 900	546 900	541 800	497 600	14.7	14.3	14.0	12.9
Wholesale	59 900	59 500	59 000	55 700	1.6	1.6	1.5	1.4
Import and export trade	496 000	487 400	482 800	441 800	13.1	12.7	12.5	11.5
(B) Logistics	174 800	180 600	176 700	176 200	4.6	4.7	4.6	4.6
Freight transport and storage services	156 000	161 500	158 400	157 800	4.1	4.2	4.1	4.1
Postal and courier services	18 800	19 100	18 200	18 400	0.5	0.5	0.5	0.5
(IV) Professional Services and Other Producer Services	531 800	537 200	551 100	567 600	14.0	14.0	14.2	14.7
(A) Professional services	217 400	221 400	227 700	236 600	5.7	5.8	5.9	6.1
Legal, accounting and auditing services	52 900	53 000	53 700	55 800	1.4	1.4	1.4	1.4



Architecture and engineering activities, technical testing and analysis; scientific research and development; management and management consultancy activities	79 800	82 100	84 300	87 100	2.1	2.1	2.2	2.3
Other professional services (e.g., information technology related services, advertising and specialised design services)	84 700	86 400	89 800	93 700	2.2	2.3	2.3	2.4
(B) Other producer services (3)	314 400	315 800	323 400	331 000	8.3	8.3	8.4	8.6
Four Key Industries = (I)+(II)+(III)+(IV)	1 775 300	1 780 200	1 789 500	1 745 000	46.9	46.6	46.3	45.3

Note(s) :

Figures may not add up to total due to rounding.

1 The contribution of the Four Key Industries is compiled as a percentage share in nominal GDP valued at basic prices. Such GDP figure is slightly different from the commonly used one, i.e., valued at current market prices, in which taxes on products are included.

2 Accommodation services cover hotels, guesthouses, boarding houses and other establishments providing short term accommodation.

3 Other producer services refer to producer services other than financial services, tourism, trading and logistics, and professional services.

Source :

GDP by economic activity at detailed levels, Annual Survey of Economic Activities, tourism statistics of the Hong Kong Tourism Board, and Composite Employment Estimates.

National Income Section (2)1,

Census and Statistics Department

(Enquiry telephone no. : 3903 7005

Enquiry e-mail : gdp-p@censtatd.gov.hk)

Remark :

To facilitate user's computation work, the symbols (if any) representing specific table notes in all data cells of this table are excluded. For the details about symbols (if any) in the data cells, please download another XLSX / CSV format table (without the label "excluding symbols in data cells").

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Appendix C: Hong Kong Gross Domestic Product (GDP) – Value Added at Current Prices in 4 Key Industries

https://www.censtatd.gov.hk/en/web_table.html?id=188

	Value added at current prices							
	HK\$ million				% Share in GDP (1)			
Year	2016	2017	2018	2019	2016	2017	2018	2019
Four Key Industries								
(I) Financial services	428,900	480,500	535,100	581,300	17.7	18.8	19.8	21.2
Banking	270,000	310,900	349,000	366,100	11.2	12.2	12.9	13.4
Insurance	88,800	93,400	96,600	108,200	3.7	3.7	3.6	3.9
Other financial services (e.g., stock brokerage, asset management, finance leasing; and investment and holding companies)	70,100	76,200	89,600	107,100	2.9	3.0	3.3	3.9
(II) Tourism	112,400	114,200	120,500	98,600	4.7	4.5	4.5	3.6
(A) Inbound tourism	89,600	92,100	98,300	75,500	3.7	3.6	3.6	2.8
Retail trade	25,900	25,500	27,400	20,600	1.1	1.0	1.0	0.8



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Accommodation services (2)	22,500	24,200	25,800	17,300	0.9	0.9	1.0	0.6
Food and beverage services	11,400	12,200	12,800	10,100	0.5	0.5	0.5	0.4
Cross-boundary passenger transport services	18,600	17,700	18,100	16,500	0.8	0.7	0.7	0.6
Others	11,100	12,600	14,100	11,000	0.5	0.5	0.5	0.4
(B) Outbound tourism	22,900	22,100	22,200	23,100	0.9	0.9	0.8	0.8
Travel agency, reservation service and related activities	6,600	6,700	7,000	6,300	0.3	0.3	0.3	0.2
Cross-boundary passenger transport services	16,200	15,400	15,200	16,900	0.7	0.6	0.6	0.6
(III) Trading and Logistics	523,100	548,400	571,600	541,200	21.6	21.5	21.2	19.8
(A) Trading	446,300	466,700	486,800	460,600	18.5	18.3	18.0	16.8
Wholesale	19,400	20,000	21,700	20,200	0.8	0.8	0.8	0.7
Import and export trade	426,900	446,700	465,100	440,400	17.7	17.5	17.2	16.1
(B) Logistics	76,800	81,700	84,800	80,600	3.2	3.2	3.1	2.9
Freight transport and storage services	68,600	73,000	76,100	71,800	2.8	2.9	2.8	2.6
Postal and courier services	8,200	8,700	8,700	8,800	0.3	0.3	0.3	0.3
(IV) Professional Services and Other Producer Services	302,900	311,800	321,400	324,800	12.5	12.2	11.9	11.9
(A) Professional services	118,100	121,200	128,100	130,800	4.9	4.7	4.7	4.8
Legal, accounting and auditing services	33,100	34,500	37,400	36,400	1.4	1.4	1.4	1.3



Architecture and engineering activities, technical testing and analysis; scientific research and development; management and management consultancy activities	48,300	49,100	51,000	50,800	2.0	1.9	1.9	1.9
Other professional services (e.g., information technology related services, advertising and specialised design services)	36,700	37,600	39,600	43,600	1.5	1.5	1.5	1.6
(B) Other producer services (3)	184,800	190,700	193,300	194,000	7.6	7.5	7.2	7.1
Four Key Industries = (I)+(II)+(III)+(IV)	1,367,300	1,454,900	1,548,700	1,545,900	56.6	57.0	57.3	56.4

Note(s) :

Figures may not add up to total due to rounding.

1 The contribution of the Four Key Industries is compiled as a percentage share in nominal GDP valued at basic prices. Such GDP figure is slightly different from the commonly used one, i.e., valued at current market prices, in which taxes on products are included.

2 Accommodation services cover hotels, guesthouses, boarding houses and other establishments providing short term accommodation.

3 Other producer services refer to producer services other than financial services, tourism, trading and logistics, and professional services.

Source :

GDP by economic activity at detailed levels, Annual Survey of Economic Activities, tourism statistics of the Hong Kong Tourism Board, and Composite Employment Estimates.

National Income Section (2)1,

Census and Statistics Department

(Enquiry telephone no. : 3903 7005

Enquiry e-mail : gdp-p@censtatd.gov.hk)

Remark :

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Appendix D: The Consolidated Ethical Values Adopted by International Guidelines

Assessment Quality for Ethics	Definition adopted for this research study	ISO26000	UNGC	SDGs	UNPRI	UNEP FI
Accountability	▪ Take ownership of responsibilities and honor commitments	✓		✓		✓
Authenticity	▪ Being real and true to others and own self (congruence)	✓		✓		
Economic	▪ Monetary issues	✓	✓	✓	✓	✓
Environment	▪ Nature related	✓	✓	✓	✓	✓
Fairness/Justices (Human Rights)	▪ Treat people equally regardless sex, cultural background, or origin. ▪ Deal with people in a way that is right and reasonable	✓	✓	✓		✓
Fiduciary	▪ Take full	✓				✓

	responsibility of someone's money in a reasonable man care.					
Integrity	<ul style="list-style-type: none"> Act without consideration of personal gain; OR Take no abuse power or authority of own 	✓		✓		
Legal	<ul style="list-style-type: none"> Operate in compliance with rule of laws 	✓	✓	✓		✓
Respect	<ul style="list-style-type: none"> Show politeness, honor and care towards others 	✓	✓	✓		
Responsibility	<ul style="list-style-type: none"> Duty to take 	✓		✓		
Societal	<ul style="list-style-type: none"> Related or involved in society 	✓	✓	✓	✓	✓
Transparency	<ul style="list-style-type: none"> In an open without any unexplained secret 	✓		✓		✓

Appendix E: Information Sheet Sent to Recruit Interviewees

INFORMATION SHEET

Topic: Professional practices for global and holistic sustainable development in banks of Hong Kong

You are invited to participate in a project supervised by Professor Christina YU and conducted by Miss Angel HO Wai Yuk, who are students of the Educational Leadership & Management in The Education University of Hong Kong.

The introduction of the research

This empirical study is to explore and examine, to what extent, the substances of “Sustainable Development” were embedded in the current operational and professional practices within banking industry.

Angel is moved to study this area due to her previous experiences in banking sector, together with her study and research work done in this specialized area of Corporate Social Responsibility in the past decade.

The methodology of the research

There are an expected 24-36 bankers for this research study. All participants should be referred either by the ex-work colleagues, professional association or friendship network.

However, there should be NO direct relationship with potential interviewees before the meeting to be conducted.

Each participant is required to attend ONE meeting, which is lasted for 1.0 to 1.5 hour(s). During the meeting, all participants are only required to share the existing professional practices in their daily operational procedures through a pre-set question in both generic and scenario working environment. All interviews will be audio-recorded and transcribed for the completion of this research project.

Having completed the research, it is aimed at reviewing the existing good professional practices to be learned from each other or increasing the awareness of any areas for further improvement to sustain our leading financial center in Hong Kong within the competitive world.

In addition, a small “thank you” card to be given to each participant to express our gratitude for your time, energy and every effort contributed to the success of this research study.

The potential risks of the research (State explicitly if none)

There is NO foreseeable potential risks associated with such research. To mitigate any potential ones, all data to be presented in an unidentifiable code by the combination of Alphabetical and Numerical indication, e.g., S1, S2, S3; M1, M2, M3; and F1, F2, F3, etc. All recorded data to be deleted after the completion of this study.

Your participation in the project is solely on the voluntary basis. You have every right to withdraw from the study at any time without any negative consequences. All information related to you will remain confidential and will only be denoted by codes known to the

researcher and her supervisors.

Describe how results will be potentially disseminated

All information obtained from this research may be used in future research and may further be published if only if it is appropriate. However, your right to privacy will be retained, i.e., personal details of your bank or you will definitely not be revealed unless further written approval from you or your bank formally.

If you would like to obtain more information about this study, please contact Angel HO at telephone number or principal supervisor, Professor Christina Yu at telephone number

If you have any concerns about the conduct of this research study, please do not hesitate to contact the Human Research Ethics Committee by email at hrec@eduhk.hk or by mail to Research and Development Office, The Education University of Hong Kong.

Thank you for your interest in participating in this study.

Professor YU Wai Mui, Christina

Principal Investigator

The Education University of Hong Kong



Appendix F: Consent Letter from Participant for Accepting the Research Interview

(1) Interviewee Signed on Behalf of the Bank

THE EDUCATION UNIVERSITY OF HONG KONG

Leadership & Management

CONSENT TO PARTICIPATE IN RESEARCH

***Topic: Professional Practices for Global and Holistic Sustainable
Development in banks of Hong Kong.***

My bank hereby authorizes me to participate in the captioned project which is supervised by Professor Christina YU and conducted by Miss Angel HO Wai Yuk, the doctoral candidate of EDD/Leadership & Management at the Education University of Hong Kong.

I understand that the whole interview will be recorded. All information obtained from this research may be used in future research and may further be published. However, our right to privacy will be retained, i.e., personal details of my bank will not be revealed unless further written approval from me/my bank formally.

I understand the benefits and risks may be involved; my participation in the project is voluntary.

I acknowledge that we have the right to question any part of the procedure and can withdraw at any time without negative consequences.

Signature:

(Prof/Dr/Mr./Mrs./Ms./Miss*)

Name of Delegate:

Post:

Name of Bank:

Date:

(please delete as appropriate)*



(2) Interviewee's Signed for Ownself

THE EDUCATION UNIVERSITY OF HONG KONG

Leadership & Management

CONSENT TO PARTICIPATE IN RESEARCH

Topic: Professional practices for global and holistic sustainable development in banks of Hong Kong.

I _____ hereby consent to participate in the captioned research supervised by Professor Christina YU and conducted by Miss Angel HO Wai Yuk.

I understand that the whole interview to be conducted with audio recording. All information obtained from this research may be used in future research and may be published. However, my right to privacy will be retained, i.e., my personal details will NOT be revealed under any circumstances, except prior consent obtained from me in written form.

The interview procedure has been fully explained. I understand the benefits and risks involved. My participation in this research project is completely voluntary.

I acknowledge that I have the right to question any part of the procedure and can withdraw at any time without negative consequences.

Name of participant

Signature of participant

(Prof/Dr/Mr./Mrs./Ms./Miss*)

Date

(please delete as appropriate)*



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Appendix G: Interviewees' Pre-meeting Questionnaire

Personal & Family Particulars (個人及家庭資料)

1) Your gender is: * (您的性別是...)

- ☐ Male (男)
- ☐ Female (女)

2) Your age group is: * (您的年齡組是 ...)

- ☐ Below 25 (25 歲以下)
- ☐ Below 30 (30 歲以下)
- ☐ Below 40 (40 歲以下)
- ☐ Below 50 (50 歲以下)
- ☐ 51 or above (51 歲或以上)

3) Nationality: (國籍)

- ☐ Chinese – born in HK (中國人 - 出生於香港)
- ☐ Chinese – born in China (中國人 - 出生於在中國)
- ☐ Chinese – born in other countries (中國人 - 出生於其他國家)
- ☐ Non-Chinese, please specific _____ (非中國人，請具體
_____)

4) Marital Status: 婚姻狀況：

- ☐ Single (未婚)

- ☐ Married (已婚)
- ☐ Divorced (離婚)
- ☐ Widow/Widower(寡婦/鰥夫)

5) Do you have any children?

- ☐ Yes
- ☐ No (**go straight to Question 7**)

6) How many Children? (有多少孩子 ?)

- ☐ 1-2
- ☐ 3-5
- ☐ 6-8
- ☐ above 8

7) How many Dependents (except yourself)? (有多少人依賴您的供應 ?)

- ☐ 1-2
- ☐ 3-5
- ☐ 6-8
- ☐ above 8

8) Please use 3 adjectives to describe the personal quality/character enabling you to undertake the current role towards clients.

(請用 3 個形容詞來描述，您認為作為一個銀行從業者應有的品質/特徵，才能承擔正面面對客戶的角色)

Qualification: Academic/Professional Job-related Qualification (資格: 學術/專業工作相關)

9) Your highest attained education level (您達到的最高教育水平)

- ☐ Bachelor(學士)
- ☐ Master (碩士)
- ☐ Postgraduate (研究生)
- ☐ Doctorate (博士學位)
- ☐ None of the above, please specify (其他, 請註明)

10) Attained qualification from (獲得資格於...)

- ☐ Asia Pacific China (亞太地區中國)
- ☐ Asia Pacific Hong Kong (亞太地區香港)
- ☐ Asia Pacific Others (except China and Hong Kong) (亞太地區其他 (中國和香港除外))
- ☐ Overseas – USA (海外 - 美國)
- ☐ Overseas – United Kingdom (海外 - 英國)
- ☐ Overseas Others (except USA, UK) (海外其他 (美國, 英國除外))
- ☐ None of the above, please specify (其他, 請註明)

11) Do you have any professional qualification relating to Banking industry
e.g., Hong Kong Institute of Bankers, or any relevant to your undertaken
role in the Bank?

(您是否擁有與銀行業有關的任何專業資格，例如香港銀行學會，或與您在貴行擔任何種相關職務？)

12) How many years you have been worked in this Bank?

(您在這家銀行工作了多少年？)

- ☐ Less than 1 year (不到 1 年)
- ☐ Less than 5 years (不到 5 年)
- ☐ Less than 10 years (不到 10 年)
- ☐ Less than 15 years (不到 15 年)
- ☐ Less than 20 years (不到 20 年)
- ☐ Less than 25 years (不到 25 年)
- ☐ Less than 30 years (不到 30 年)
- ☐ More than 30 years (30 年以上)

13) Which departments and what positions you are now serving in this Bank?

(您現在在貴行服務的部門和職位是什麼？)

14) What other departments or positions have you held before in this Bank or other Banks?

(您在貴行服務之前或在其他銀行擔任過哪些部門或職位？)

15) What types of clients you are currently serving most in the Bank? For example, internal or external clients

(您目前在銀行服務的客戶類型是什麼？如：內部或對外的客戶)

Appendix H: Summary of Interviewees' Working Experiences, Educational/Professional Background, and Meeting details

Decoded Name	Sex	Age.	Interviewees' own interpretation of Professional Bankers' Quality	Highest level of Education	Received Education from	Professional Qualification	Years. of Exp in Banks	Previous Work Exp	Branch (BR)/office (O) - Job Title (Department)	Serve Client from Internal/ External referred	Face-to-Face or Phone Meeting	Assigned Levels of Scenario Case study Questions	Referral Sources	Interview Duration
B1:ml-trt	F	50+	Visionary Attention to details, technology	Bachelor	AP-HK	No	30+	Bank	O - Senior Manager IT	Internal	FACE	ML	researcher	1.24.38
B1:fl1	M	30-39	Professional, Trust, Timely	Bachelor	AP-HK	No	5-9	Bank	BR - Relationship Manager	External	FACE	FL	3rd party	45.07
B1:fl2	F	50+	Empathy, Experienced in Bank's	Secondary	AP-HK	No	30+	Bank	BR - Customer Services Officer	External	FACE	FL	researcher	56.1



			operation, Patient											
B1:ml1	F	40-49	Honest, Hardworking, Detailed, flexible	Master	AP-HK & USA	No	1-4	Bank	O - IT Manager	Internal	FACE	ML & SL	researcher	46
B1: ml2	F	40-49	Creative, Communicati ve, Trust	Bachelor	AP-HK	No	25-29	Bank	O - IT/Technology Specialist	Internal	FACE	ML	researcher	47.53
B1:sl1	F	40-49	Fair, Integrity, Professional	Bachelor	UK	No	20-24	Bank	O - Senior Manager Complaint	Internal	FACE	SL	researcher	58.38
B1:sl2	F	40-49	Reliable, Honest, Caring	Master	AP-HK	IIQE (Insurance related)	20-24	Bank	O - Senior Manager SME Clients	Internal	PHONE	SL & ML	researcher	1.12.58
B2:fl3	F	50+	Honest, Polite, Professional	Secondary	AP-HK	Securities Licence, 1,7,8	30+	Bank	BR - Senior Customer Services Officer	Internal & External	FACE	FL & ML	researcher	1.24.37



B2:fl4	F	50+	Honest, Thoughtful/C onsiderate, Humble	Secondary	AP-HK	ACAMS	30+	Bank	O - Administrative Support	Internal & External	PHONE	FL	3rd party	1.14.28
B2:ml3	F	50+	Professional, Passionate, Honest	Secondary	AP-China	No	10-14	Other Co.	O - Loan Department OIC	Internal & External	FACE	ML	3rd party	47.08
B2:ml4	M	50+	Honest, Responsible, Diligent	Master	Australia	HKIB	15-19	Bank	O - Senior HR Manager	Internal	PHONE	SL & ML	3rd party	1.27.13
B2:sl3	M	41- 49	Integrity, Loyal, Honest	Bachelor	AP-HK	No	1	IT Co	O - IT Business Analyst	Internal	FACE	SL & FL	3rd party	52.24
B2:sl4	M	30- 39	Integrity, Professional, Innovative	Doctorate	AP-HK	CFA, FRM, CFP	10-14	Bank	O - Senior Manager Compliance	Internal	FACE	SL & ML	3rd party	1.02.28
B3:fl5	M	25- 29	Responsible, Integrity, Diligent	Bachelor	AP-HK	No	1-4	No	BR - Banker Associate	Internal	FACE	FL	3rd party	43.21
B3:fl6	F	40- 49	Responsible, Integrity, intelligent	Secondary	AP-HK	No	10-14	Bank	BR - Commercial Banking	Internal & External	PHONE	FL	3rd party	1.33.26



B3:ml5	M	40-49	Patient, Positive Thinking & Attitude, Client-first	Secondary	AP-HK	No	10-14	Logistic Co	O- Customer Relationship	Internal & External	PHONE	ML	3rd party	1.10.49
B3:ml6	F	40-49	Ethical, Integrity, Productive	Master	USA & Australia	CFA	10-14	No	O - Control Department	Internal for local HK & AP countries	PHONE	SL & ML	3rd party	1.15.12
B3:sl5	M	50+	Honest, Helpful and Flexible	Bachelor	AP-HK	No	1-4	Bank	O - Director Private Banking	External	FACE	SL	3rd party	43.49
B3:sl6	M	40-49	Honest, Professional, Fair	Master	AP-HK & Australia	CAMS	20-24	Bank	O - Senior Manager Internal Audit	Internal	PHONE	SL	3rd party	1.24.16



Appendix I: RQ1 - Banking Practitioners' Daily Job Procedures in Referring Bank's Guidelines

(1) Professional (regulatory and ethical) banking standards/regulations banking known to interviewees, and adopted for decision-making

Level/ Bank no.	B1	B2	B3
Frontline-level	<ul style="list-style-type: none"> HKMA, SFC, internal code of conduct, insurance regulations, sanctions, ABC (anti-bribery & corruption). (fl1) not quite sure if there is any written document about this ... Bank Staff Code, CRS (common reporting 	<ul style="list-style-type: none"> rule book, ... money laundering, ... own bank's standard ... made under reference to the international standards. (fl3) HKMA, SFC, AML regulatory rules, ... CRS, BASEL, CAR (credit asset ratio), ... , FATCA (Foreign Account Tax 	<ul style="list-style-type: none"> own code of conduct, ... HKMA, SFC, KYC (know your customers), ... AML, ..., CDD (customer due diligence), international banking associations' codes of conduct. (fl5) Code of conduct – but I don't really pay any attention to this yet, AML, ... OFAC, HKMA's ... HKBA updates, ... International standard UPC6000 L/C. (fl6).



	standard) ⁵ . (fl2)	Compliance Act ⁶), company law, anti-Money and Anti-Terrorist Ordinance, Privacy Ordinance, ... own standard treat customers like a promise and be responsible for what we do. (fl4)	<ul style="list-style-type: none"> ▪ very confident our bank has already fulfilled such international standard requirements. (fl6)
Middle-level	<ul style="list-style-type: none"> ▪ own compliance, governance and control system/procedures, money laundering, KYC. (ml1) ▪ not familiar with international rules and regulations, ... they have broken into very very small parts. (ml1) 	<ul style="list-style-type: none"> ▪ Bank's code set by my own bank, HKAB, HK government, ... work code, ... HKMA, HKEX. (ml3) 	<ul style="list-style-type: none"> ▪ HKMA guidelines, ... Complaint Handling Manual is our main operational procedure guidelines. (ml5) ▪ All these requirements we should follow the HKMA strictly, we are not allowed to have any delayed in reply; otherwise, we will get into a big

⁵ Common reporting standard (CRS): To help fight against tax evasion and protect the integrity of tax systems, governments around the world are introducing a new information-gathering and reporting requirement for financial institutions. (<http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>)

⁶ FATCA part of the US HIRE Act. It requires foreign financial Institutions and certain other non-financial foreign entities to report on the foreign assets held by their US account holders or be subject to withholding on withhold able payments. The HIRE Act also contained legislation requiring US persons to report, depending on the value, their foreign financial accounts and foreign assets. (<https://www.irs.gov/businesses/corporations/foreign-account-tax-compliance-act-fatca>).



	<ul style="list-style-type: none"> ▪ whole bank should follow the localized one, ... international one is much higher. (ml2) 	<ul style="list-style-type: none"> ▪ Banking Ordinance, Employment Ordinance Cap 57, Basic Law of Hong Kong, ... HKMA is not just an order, but rather discreet. (ml4) ▪ China Banking Regulatory Commission, ... US taxation regulatory requirement, ... AML regulation under US jurisdiction, ... accounting standard for any listed company. (ml4) ▪ monthly compliance bulletin ... remind staff of the ethical standards through decided court cases, committed by other 	<p>trouble under any circumstances. (ml5)</p> <ul style="list-style-type: none"> ▪ International standard: I do not need to know, ... follow the ISOxxxxx? but I don't know what exactly they are. (ml5) ▪ After 2008, many issues have been highly regulated, and many different kinds of requirement standards to be complied with. (ml6) ▪ Code of conduct or code of ethics, compliance, AML, and other regulations, ... insider trading, ... whistle blowing, how to make decisions, how to deal with staff or colleagues, embrace diversity, integrity, put our client's benefit as high priority but not only for bank's own benefit, ... anti-bribery, ... highly
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	<ul style="list-style-type: none"> ▪ AGILE (software development tool) discipline, ... TOGAF (architecture framework) ... only gives reference framework, but free to take, not a mandate, ... a tool. (ml-trt) ▪ After incidents of the Lehman Brothers, financial crisis, and ... penalty due to misconduct, ... those stringent 	<p>banks, and the imposed penalty, etc. (ml4)</p> <ul style="list-style-type: none"> ▪ n/a. 	<p>regulated banking environment, there are continuous number of regulations, but not all involved in my responsible work field. (ml6)</p> <ul style="list-style-type: none"> ▪ all our codes should at least meet the US requirement first. If any local requirement is [more] stringent than the USA, then we have to follow that localized one. (ml6) ▪ n/a.
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	<p>policies and rules ... to (be) follow(ed) very closely. (ml-trt)</p> <ul style="list-style-type: none"> ▪ due to the recent penalty-imposed business misconduct in the XXX market, it emphasized the training programs (especially frontline-level practitioners) to guide and control while undertaking their daily job duties (ml-trt). 		
Senior-level	<ul style="list-style-type: none"> ▪ Code of banking practices, anti-bribery, ... HKMA, SFC, ... law of Hong Kong, ... professional code to guide colleagues to do their daily work. 'Treat your customers fairly'. (sl1) ▪ International: SFA (UK) standards, CBRC [China Banking Regulatory Commission]. (sl1) 	<ul style="list-style-type: none"> ▪ Money laundering, codes of conduct, HKMA set of rules and regulations. (sl3) ▪ Hong Kong as an international banking center, it needs to be in line with any international level of standards. (sl3) 	<ul style="list-style-type: none"> ▪ Hong Kong as a leading financial center, banks should have already adopted the advanced standards. ... what the international standards are, I may not know exactly ... our bank has definitely followed the local compliance, HK standards, ... US guidelines, ... anti-money laundering (AML). (sl5)



	<ul style="list-style-type: none"> ▪ Code of conduct, protecting clients ... not only ... my own career path, but also our bank's reputation and the client's trust in us, ... code of conduct ... in the financial institutions greatly involve the money-related issues ... XXX guideline covers country and insider risks, HKMA rules and regulations, money laundering, HK law., legal and regulatory bodies in Hong Kong, fair, open, and justice. Fair to our clients/customers. (sl2) ▪ International: can't recall exact terminologies/names of the 	<ul style="list-style-type: none"> ▪ Bank's code, ... code of conduct reflects the ethical conduct, 'Treat your customer fairly', ... HKMA, SFC and other securities regulation bodies., legal and compliance, ... the laws and regulations of those countries involved. (sl4) ▪ International: trend towards green banking, sustainable banking, HKMA is now following the international standard/guidance, ... walk through step by step learning the same international standards. (sl4) 	<ul style="list-style-type: none"> ▪ Each staff has the code of conduct to follow ... rather in a generic term; all depend on its bank's own preference and coverage, including the anti-money laundering, declaration of the conflict of interest, ... anti- bribery, ... put our client's interest in the highest priority, protection under the Deposit Protection Scheme (DPS)⁷ governed under Hong Kong law, ... HKMA, SFC (Securities and Futures Commission), China Banking and Insurance Regulatory Commission (CBIRC). (sl6) ▪ Many of Hong Kong regulations are
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⁷ DPS - All deposits denominated in Hong Kong dollars, renminbi or any other currency deposits held with the Hong Kong offices of a scheme member are protected. The maximum protection is HK\$500,000 per depositor per scheme member, including both principal and interest.



codes/standards or the association names. ... In the USA, ... standard for no taxation evasion. (sl2)

based on international standards as Hong Kong is an international financial center, ... but I really cannot recall much over my head. (sl6)

- FATF (Financial Action Task Force), CAR (capital adequacy ratio), BASEL. (sl6)
- Bank operates globally, ... follow respective country's own regulations and best practices, ... anti-money laundering in respective countries. (sl6)
- As our headquarter is in overseas, we have to strictly follow the regulators of the overseas country ... the Federal Reserve Bank, or OCC (Office of Comptroller of the Currency). (sl6)
- Client's personal data privacy in Hong



		Kong, ... is governed by the Hong Kong law. (sl6)
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(2) Interviewees' daily working practices in decision making in respect of rules and regulations

Level/ Bank no.	B1	B2	B3
Frontline-level	<ul style="list-style-type: none"> ▪ Daily practices on spot, ... less referred to guidelines, ... as it becomes a daily habit, won't miss. (fl1) ▪ Asking is the most effective way, ... it takes time to dig out the right page of the guidelines. ... Subordinates ask me, ... in case I don't know, ask higher level, ..., refer to my supervisor's advice. (fl1) ▪ Regulatory controls have already been incorporated in the built-in system ... not permitted to proceed further, bans ... certain categories of people. 	<ul style="list-style-type: none"> ▪ Basic guidelines ... have to follow ... any updates or revisions have to follow accordingly. (fl3) ▪ Takes a long time to go through all records/regulations to get familiar with rules and regulations if not yet known. (fl3) ▪ Busy, put aside and plan to look at it later. ... Then, I missed it. Not relevant ... postpone viewing ... but I forgot it easily, ... even read it ... forget its details. (fl3) ▪ In urgency, clients ask questions instantly, 	<ul style="list-style-type: none"> ▪ Refer to the procedure very often, ... need to read them (rules and regulations) first. (fl5) ▪ In case ... not understand, ... escalate to our supervisors. (fl5) ▪ Generic cases often handled myself; ... those abnormal cases, refer to the higher level, ... explanation or clarification. (fl5) ▪ Guidelines ... existed in our internal website, ... have annual training regulation updates. ... Some are rather too standardized to be signed off. (fl5)



	<p>(f11)</p> <ul style="list-style-type: none"> ▪ Sit for CPD (Continuing Professional Development) courses examination every year. (f11) 	<p>subordinates are not able to dig out answers easily and quickly ... approach us [supervisors] first. (f13)</p> <ul style="list-style-type: none"> ▪ Need to search for information from guidebooks or own records ... refer back to relevant internal offices/hotlines to find out more details. (f13) ▪ Whenever I can't find out answers and need help, refer the case to my supervisor. (f13) ▪ An alerting message ... from approval built-in computer system/programs, ... not possible to proceed further unless approval obtained. (f13) ▪ written up standards have not been implemented or operated at the frontline-level as too straight or 	<ul style="list-style-type: none"> ▪ In fact, ... more fraud cases reported, more and more procedures need to be taken to prevent this happening again within the banking industry. (f15) ▪ follow them [regulations] closely. ...if don't follow compliance standards closely, ... affect us, ... liable. (f15) ▪ Compliance safeguard not only the bank but also what we do daily. (f15)
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	<ul style="list-style-type: none"> ▪ Procedural guidelines ... cover the compliance section, ... sought from the intranet. ... Updates through emails, ... addressed to those related parties. (fl2) ▪ Take initiative to sort out myself from the intranet first ... before asking my immediate supervisor's guidance. (fl2) ▪ I won't refer to the guidelines very often ... about once per month if a question arises. ... I can't sort this out, ... look up from our computer system first and handle, ... seek help from supervisors, ... referred the case 	<p>rigid. ... those guideline standards are written down, however, when they were actually implemented it, it wasn't reasonable to perform. (fl3)</p> <ul style="list-style-type: none"> ▪ I read regulatory or legal updates immediately, even if not falling within my job role, I will scan through for the sack of my knowledge or ... may relate to my job duty later. I will not read the whole book. (fl4) ▪ refer to supervisors/peers (fl4) 	<ul style="list-style-type: none"> ▪ Don't need to know ... in details, ... only escalate to the relevant department for their investigation, that is their own duties ... seek help from my supervisors, ... not fulfill legal regulations, it brings consequences. (fl6)
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	<p>to the relevant departments. (fl2)</p> <ul style="list-style-type: none"> Some updates are only relevant to the management team, ... only sent to the senior management level, ... they will cascade relevant information to us. (fl2) Our bank explains clearly why we have to follow those standards. ... my own responsibility is to follow the banking guidelines, ... may affect the economic stability within the country or even the whole world. (fl2) 		
Middle-level	<ul style="list-style-type: none"> A contact person details given, ... may help. (ml1) I will either help them straight away or seek assistance from other relevant parties. ... Takes long time to go 	<ul style="list-style-type: none"> Computer system does not permit its [transaction] further progress ... does not permit us to move on as the data-entry field becomes 'grey' color, then it cannot be proceeded any further, ... e.g., there is 	<ul style="list-style-type: none"> Not quite often as all [regulations] are in my own head. (ml5) Based on my own experiences, and the manual. ... tell them to refer to the procedures. (ml5)



	<p>through all records/regulations to get familiar with rules and regulations if not yet known. (ml1)</p> <ul style="list-style-type: none"> ▪ I am familiar with bank's standards; I don't need to refer to them often. (ml1) ▪ Better to ask somebody to stand out, to talk and to share what he/she observed and experienced is better than reading materials. (ml1) ▪ It is only my guess. ... It [knowledge] is only in a form. (ml1) ▪ Not often referred to supervisors, basically know what to be obeyed and follow procedure guidelines ... unnecessary to refer to those guidelines 	<p>any missing or error found in the data entry. (ml3)</p> <ul style="list-style-type: none"> ▪ I will refer it to my supervisors first. ... our codes to be updated very often, and we have to attend refresher courses for any [regulatory] updates. (ml3) ▪ Rarely to have any sudden unexpected changes, ... unless sit for licence renewal. (ml3) ▪ Own set of work procedures in different departments and different sections [are different], ... needs to be referred to the senior member to handle. (ml3) ▪ No fixed schedule. Compliance will ask us anytime, but we have to respond by the fixed schedule. (ml4) ▪ Regular routine procedure ... becomes 	<ul style="list-style-type: none"> ▪ After 2008, many issues have been highly regulated, and many different kinds of standards to be complied with. (ml6)
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	<p>so often. (ml2)</p> <ul style="list-style-type: none"> Those junior or newly joined staff basically have to refer to that procedure/standard. (ml2) Each individual ... with his own thinking and judgment in their daily work role. ... For practices, ... to be flexibly implemented, even though we have documents on hand. (ml2) Feel free to take, ... not a mandate, ... a tool. (ml-trt) 	<p>our daily habit, we won't miss it. (ml4)</p> <ul style="list-style-type: none"> Very confident of their own experiences/knowledge in discharging daily job routines and regards the existing practices ... a kind of norm or a habit. (ml4) n/a 	<ul style="list-style-type: none"> Global team will send us the updated information, ... depending on whether it is my own field, or rather a cross-department team; handled by my senior management or by global head. ... seek help from the compliance department. (ml6) Don't need to be well versed in localized countries' rules and regulations, ...we have the dedicated department, ... the operational team, whenever ... any changes of rules and regulations. (ml6) Global bank ... a strong responsibility to comply with all international standards and requirements as a minimum. (ml6) n/a
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Senior-level	<ul style="list-style-type: none"> ▪ Different colleagues have different standards of understanding and practices. ... based on their own preferences/understanding, a kind of knowledge gap existed, ... deviate from our 'bank' standard. So, ... ensure a consistent level of standards, the internal standardized guidelines are necessary to be implemented. (sl1) ▪ Definitely a different interpretation between different departments. (sl1) ▪ Often read them [rules and 	<ul style="list-style-type: none"> ▪ Whenever there is a need, I will refer to ... or seek help from my supervisor. ... then, escalate it [guidance] within the bank. (sl3) ▪ Compliance is a job requirement ... so 	<ul style="list-style-type: none"> ▪ Takes long time to go through all records/regulations, ... familiar with rules and regulations if not yet known, ... quite often refers to this standard. (sl5) ▪ Updates are related to compliance/control in the financial sector, ... handle ASAP once received, ... prevent delay or oversight. (sl5) ▪ Very familiar with them [rules and regulations] to be implemented in our daily work role, ... involves the legal obligation and the reputation of the organization, not possible to be overlooked. (sl5) ▪ A banking practitioner is found of any
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	<p>regulations] ... the legal issues. ... working in this bank so long ... afraid of violating any legal regulatory, ... [to prevent] any possible adverse effect on our reputation. (sl2)</p> <ul style="list-style-type: none"> ▪ Seek help or professional advice from those experienced staff ... gatekeepers of other departments, ... legal or compliance or statutory department. (sl2) ▪ Usually, I will talk it over to my supervisor as he is more experienced than I. (sl2) 	<p>need to refer to the existing decided legal cases to ensure what we can or can't do.</p> <p>In case, not confident of making any decision, ... seek assistance further from the external counsel. Even if it comments... it is feasible to go ahead, I will further discuss it with the senior management team whether it is really worthwhile to do so, is efficient. (sl4)</p> <ul style="list-style-type: none"> ▪ Normal or usual issues, handle by myself, shared ... the decided legal cases, how was settled, and why legal decision ... then ... follow and implement the procedural step for staff, aiming at making it be done better, e.g., Lehman Brothers, To Kwan case (杜軍案) [a court-decided case involving insider 	<p>violation of regulation set by the China Banking and Insurance Regulatory Commission, his/her career came to an end in the banking industry. (sl6)</p>
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		<p>dealing] gain access to court case</p> <p>decision from the government website. ...</p> <p>use these respective analytical judgment</p> <p>cases as reference for daily work decision</p> <p>making if appropriate. (sl4)</p>	
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Appendix J: RQ2 - Interviewees' Knowledge on the International Guidance References

(1) Interviewees' Interpretation of Terminology in Corporate Social Responsibility (CSR), Sustainable Development (SD), Business Ethics (BE), Stakeholders and Shareholders

Level/ Bank no.	B1	B2	B3
Frontline-level	<ul style="list-style-type: none"> ▪ CSR: responsibility to the society, ... contributing to society, e.g., helping others, giving charity. (fl1) ▪ SD: industry is developing sustainably. (fl1) ▪ BE: as integrity more related to. (fl1) 	<ul style="list-style-type: none"> ▪ CSR: responsibility for contributing to the society, e.g., through volunteer work, visiting elders. (fl3) ▪ SD: a plan continuously carried on, with clear direction for continuity. (fl3) ▪ BE: individual conduct, integrity, no greed ... applied in their business 	<ul style="list-style-type: none"> ▪ CSR: learned it in university, ... less chance of talking about this topic at the workplace. Apart from profitability, companies need to contribute to society, ... doing more charitable activities. (fl5) ▪ SD: on-going basis, ongoing its business. (fl5) ▪ BE: banking practices, ... follow the ethical conduct guidelines, ... based on



	<ul style="list-style-type: none"> ▪ <u>Shareholders</u>: people have a stake on the bank. (fl1) ▪ <u>Stakeholders</u>: it is unknown to me. (fl1) 	<p>operation. (fl3)</p> <ul style="list-style-type: none"> ▪ <u>Shareholders</u>: have investment/shares in our banks. (fl3) ▪ <u>Stakeholders</u>: our clients. (fl3) 	<p>the code of conduct governing staff, ... it [BE] is grouped under code of conduct. (fl5)</p> <ul style="list-style-type: none"> ▪ <u>Shareholders & Stakeholders</u>: One is for internal and the other is for external. Stakeholder is rather internal. (fl5)
	<ul style="list-style-type: none"> ▪ <u>CSR</u>: donate money for the Community. ... “as we take from the society, then give back to society”. (fl2) ▪ <u>SD</u>: about our individual, ... Hong Kong citizens under the 持續進修基金 [Continuing Education Fund], ... other than this, I don’t know what exactly that is. (fl2) ▪ <u>BE</u>: business codes for guiding 	<ul style="list-style-type: none"> ▪ <u>CSR</u>: Bank does for society, but not necessary to be the contribution. (fl4) ▪ <u>SD</u>: keep on growing, advancing. (fl4) ▪ <u>BE</u>: handle client’s documents, follow the 	<ul style="list-style-type: none"> ▪ <u>CSR</u>: personally, find it as done more like the PR in our bank. (fl6) ▪ <u>SD</u>: not known. (fl6) ▪ <u>BE</u>: daily job role is working



	<p>companies to do business. ... Any act violates this code, that is wrong. (fl2)</p> <ul style="list-style-type: none"> ▪ <u>Shareholders</u>: holds Bank's shares. (fl2) ▪ <u>Stakeholders</u>: I haven't heard it before. (fl2) 	<p>standard. (fl4)</p> <ul style="list-style-type: none"> ▪ <u>Shareholders</u>: Bank only responsible to the shareholders. (fl4) ▪ <u>Stakeholders</u>: our clients, bank staff, economic interest of the shareholders be the same of the stakeholders. ... a double identity. (fl4) 	<p>ethically, ... not give unbiased information to customers, not give any exaggerated or untrue information. (fl6)</p> <ul style="list-style-type: none"> ▪ <u>Shareholders</u>: with the bank's shares. (fl6) ▪ <u>Stakeholders</u>: In my daily job duty, I don't involve all these persons. This point I really don't know much. (fl6)
Middle-level	<ul style="list-style-type: none"> ▪ <u>CSR</u>: charitable services, funding services for promoting/improving society. (ml1) ▪ <u>SD</u>: still operating, existing. To me, it is only a term, a name only. (ml1) 	<ul style="list-style-type: none"> ▪ <u>CSR</u>: I didn't hear it. (ml3) ▪ <u>SD</u>: some new things, something constructive, more flexible. (ml3) 	<ul style="list-style-type: none"> ▪ <u>CSR</u>: our bank sponsors the HKU for any scholarship or nurtures new talents. (ml5) ▪ <u>SD</u>: HK citizens continuous study allowance, 持續進修基金[Continuing Education Fund] launched by the government. (ml5)



	<ul style="list-style-type: none"> ▪ <u>BE</u>: not known. (ml1) ▪ <u>Shareholders & Stakeholders</u>: not known. (ml1) 	<ul style="list-style-type: none"> ▪ <u>BE</u>: doing business in the right way, no deals transacted under the table, an illegal transaction]. (ml3) ▪ <u>Shareholders</u>: hold large number of shares in the bank. (ml3) ▪ <u>Stakeholders</u>: related to the bank, employees, small number of shares held or those who do not have shares in the bank. (ml3) 	<ul style="list-style-type: none"> ▪ <u>BE</u>: run business in a clean way with lots of control, ... training to remind of professional code, no any wrongdoing. Internally, guidelines that we have to comply with. Sometimes, if we comply with the legal requirement, it really does not meet the ethical level. (ml5) ▪ <u>Shareholders</u>: ‘conflict of interest’ from my own intuition. In banking practices, ask those applying for credit cards if they have any associated relatives working in this bank, etc. ... all these are made for monitoring control. (ml5) ▪ <u>Stakeholders</u>: not known. (ml5)
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	<ul style="list-style-type: none"> ▪ CSR: help underprivileged groups of society, ... about social related services. (ml2) ▪ SD: 與時並進 [progress with time]. (ml2) ▪ BE: any act that breaches one's self-consciousness and even takes away the interests of customers. (ml2) 	<ul style="list-style-type: none"> ▪ CSR: sale of masks during the current coronavirus attack. ... takes this advantageous time to sell masks at a very high price to earn more, shows not working with society responsibility. (ml4) ▪ SD: haven't heard it before. But government here has a 持續進修基金.[Continuing Education Fund] (ml4) ▪ BE: sale of all high-risk products, say Lehman Brothers Minibonds, push sales performance up without considering the capability of customers' risk pressure test. ... can't be based completely on the bank's profitability for its normal business operational direction, but consider and set customers' own interest as a high priority, 	<ul style="list-style-type: none"> ▪ CSR: apart from earning money, make sure of increasing values of the shareholders, what kind of other responsibility to society, ... not a foreign language to us. (ml6) ▪ SD: about business organization should be sustainable. (ml6) ▪ BE: the daily job roles have to be working ethically. (ml6)
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	<ul style="list-style-type: none"> ▪ <u>Shareholders</u>: are the relationship between the shareholders and employees themselves. (ml2) ▪ <u>Stakeholders</u>: are the bank with its partners cooperate. (ml2) 	<p>i.e. our business ethics. (ml4)</p> <ul style="list-style-type: none"> ▪ <u>Shareholders</u>: holds shares in our bank. (ml4) ▪ <u>Stakeholders</u>: include many peoples, ... the general public use our bank's products, shareholders, employees. all persons related to the bank. The main difference is having shares or without shares. (ml4) 	<ul style="list-style-type: none"> ▪ <u>Shareholders</u>: those who hold bank's shares. (ml6) ▪ <u>Stakeholders</u>: not necessarily be the shareholders, our clients, shareholders, counterparties, vendors. Any person is connected with our Bank. In the corporate world, everyone can be a stakeholder of the corporation. (ml6)
	<ul style="list-style-type: none"> ▪ <u>CSR</u>: bank website had pages to introduce sustainability dedicated to bringing connection between the bank and the community, like environmental protection work, diversity (cultural, gender), inclusiveness, e.g., LGBT (lesbian, gay, bisexual, and 	<ul style="list-style-type: none"> ▪ n/a. 	<ul style="list-style-type: none"> ▪ n/a.



	<p>transgender), ... cultural and nationalities, ... the community work, volunteering work., donate funds for the environmental protection. I can't tell the definition but I know these topics are related under the sustainability. (ml-trt)</p> <ul style="list-style-type: none"> ▪ <u>SD</u>: nil. (ml-trt) ▪ <u>BE</u>: ethical use of technology, ... do banking business for how ethics be applied to the technology. (ml-trt) ▪ <u>Shareholders & Stakeholders</u>: unknown. (ml-trt) 		
Senior-Level	<ul style="list-style-type: none"> ▪ <u>CSR</u>: environmental protection as our world is getting worse, sustain your job or company to develop further, contribution of the company towards 	<ul style="list-style-type: none"> ▪ <u>CSR</u>: responsibility owed to the society, it cannot do any harm or any bad things to the society, ... rather doing good to the society. (sl3) 	<ul style="list-style-type: none"> ▪ <u>CSR</u>: unknown. (sl5)



	<p>the society/community, doing business for profitability, ... [not] focused on maximizing profit. (sl1)</p> <ul style="list-style-type: none"> ▪ <u>SD</u>: focusing on the Hang Seng Index, if their indices are rated higher, a much higher potential further development,... not only focus on the current situation or production, but for future development. (sl1) ▪ <u>BE</u>: ethical conduct in doing. Honesty for selling products, disclosed all information to our clients or customers, and complied with “code” related guidelines. (sl1) ▪ <u>Shareholders</u>: have shares of our bank. (sl1) 	<ul style="list-style-type: none"> ▪ <u>SD</u>: not be consumed up, continuously retained for further development. e.g., food. (sl3) ▪ <u>BE</u>: business deals without fraudulent nature. ... about the professional conducts, not aim at earning money then doing something bad. (sl3) ▪ <u>Shareholders</u>: holding shares. (sl3) 	<ul style="list-style-type: none"> ▪ <u>SD</u>: any related to resources, using as little resources as possible, ... resources are going to be exhausted. Use the natural resources to do business for sustainable development. (sl5) ▪ <u>BE</u>: as it’s named for, doing business while taking up social responsibility, rather than legal obligation, all things beyond it. Environmental protection, for the society of the earth. (sl5) ▪ <u>Shareholders</u>: involves shares they owned in the business of the organization, ... prone to be more
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- **Stakeholders:** ones involved in that project, businessmen, legal department, governing bodies, advertising company, training department, customers, all affected persons, countries. (sl1)

- **Stakeholders:** anyone involved in the company's business development, ... or profitability of the transactions. Government HKMA set rules and regulations for our banking operations to be complied with. This involves the business flow or process of the banking transactions. However, no money gained from the business progress, but rather laid down the rules and regulations for us to follow. (sl3)

focused on profitability, e.g., social ethics, environmental protection, all these areas may not be appropriately handled. (sl5)

- **Stakeholders:** different stakeholders may have the different interests or standpoints. If there is no balance, one party dominates, the other party may be forced to give up their own. Necessary to achieve a well-balanced [operation], to let everyone take his/her own sake. Other than shareholders, quite a number of other parties involved in the organizations' business, ... other shares of the companies, ... customers, etc. All involved parties, within the different departments of the organizations, etc.



			(sl5)
	<ul style="list-style-type: none"> ▪ CSR: responsibility to the society by the corporation. (sl2) ▪ SD: I have heard about this but I can't recall what it's exactly about. (sl2) ▪ BE: about no cheating, e.g., selling insurance products, the salesman can't tell lies to cheat any potential clients, let clients know clearly the good and bad points of each product, no personal recommendation to influence the client's decision. (sl2) 	<ul style="list-style-type: none"> ▪ CSR: started earlier than sustainable development, contributes back to society. (sl4) ▪ SD: advocated by the United Nations, there are the advocated SDG [Sustainable Development Goals]. (sl4) ▪ BE: AML is a very key area in any bank, i.e., to safeguard area. (sl4) 	<ul style="list-style-type: none"> ▪ CSR: each citizen should have a responsibility to the society, give back to society. (sl6) ▪ SD: continuous development. (sl6) ▪ BE: no cheating, any necessary information not yet disclosed to the clients for their best interest, put our client's interest ahead of our bank. Number of ethical companies are doing something beyond the normal business model. In recent times, distributing the donated masks to the general public, especially those poor who may not afford paying high-priced masks. (sl6)



	<ul style="list-style-type: none"> ▪ <u>Shareholders</u>: have share right of the corporations. (sl2) ▪ <u>Stakeholders</u>: interested in that corporation but may not have any money-related issues with the corporation. (sl2) 	<ul style="list-style-type: none"> ▪ <u>Shareholders</u>: hold shares of our bank. (sl4) ▪ <u>Stakeholders</u>: applied this to the banking industry, everyone is regarded as a stakeholder of the banking industry, clients, employees, different levels of the society, even though some HK citizens may not use our bank's services, but those elders hold 綜援戶口 [CSSA accounts]⁸. (sl4) 	<ul style="list-style-type: none"> ▪ <u>Shareholders & Stakeholders</u>: I find two are interchangeable, not much difference in between. (sl6)
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⁸ The Comprehensive Social Security Assistance (CSSA) (綜援) scheme is a welfare program in Hong Kong that provides supplementary payments to Hong Kong residents whose income is not sufficient to meet basic needs.



(2) “Sustainability in Banks”: Terminology in relation to SDG, Sustainability and its Development in Hong Kong

Level/ Bank no.	B1	B2	B3
Frontline-level	<ul style="list-style-type: none"> ▪ <u>SDG</u>: I haven’t heard it before. (fl1) ▪ <u>Sustainability</u>: Assignment in school regarding the topic of sustainability. (fl1) ▪ <u>First time to know sustainability</u>: Professional talks/seminars held in university. (fl1) ▪ <u>“Sustainability in Banks”</u>: No, I never heard this before. More about the responsibility to society, like 	<ul style="list-style-type: none"> ▪ <u>SDG</u>: I am not aware of this. (fl3) ▪ <u>Sustainability</u>: I really don’t know its details. (fl3) ▪ <u>First time to know sustainability</u>: Internet/government. (fl3) ▪ <u>“Sustainability in Banks”</u>: More banking services to cater for the needs of underprivileged groups, elders and 	<ul style="list-style-type: none"> ▪ <u>SDG</u>: I haven’t heard it before ... from other banks or friends’ network. (fl5) ▪ <u>Sustainability</u>: Heard this from a previous retail/commercial bank, to “main [sustain] customers in our bank”, ... and a long-term relationship with customers. (fl5) ▪ <u>First time to know sustainability</u>: Study in university under CSR topic of marketing. First time knowing this [sustainability] word in the bank, the annual refresher training. (fl5) ▪ <u>“Sustainability in Banks”</u>: I don’t know how I can contribute at this moment. In fact, our department is rather a cost center, that means it



	<p>sponsoring any volunteering team to serve the community or any other activities. (fl1)</p> <p>▪ <u>Predict development of “Sustainability in Banks”:</u></p> <p>Evolving or progressing. Hong Kong needs to be in line with the global market. ... we need to move on and progress continuously. (fl1)</p>	<p>local citizens from poor regions, grant more scholarships to poor families to study abroad to broaden their minds and horizons to contribute back to Hong Kong. (fl3)</p> <p>▪ <u>Predict development of “Sustainability in Banks”:</u> Evolving. Everything has its own changes. (fl3)</p>	<p>wastes money rather than earns money for the bank. (fl5)</p> <p>▪ <u>Predict development of “Sustainability in Banks”:</u> Evolving. Bank is going to do many things to balance this issue. e.g., charity, or join the causal day, donation, ... do more volunteering work. ... as a way to contribute back to society. (fl5)</p>
	<p>▪ <u>SDG:</u> I seldom hear this term. More varieties of products to attract more customers, more business opportunities. ... There is a growth. (fl2)</p>	<p>▪ <u>SDG:</u> I don't think we, as a general staff, know whether the bank is going in this SDG direction. I personally think the senior management is in control and aims at this change direction. In short, I am not sure. (fl4)</p>	<p>▪ <u>SDG:</u> Haven't seen it on our daily job routine. According to my current job role, I don't find any special in me. But I sometimes saw it from the website. (fl6)</p>



	<ul style="list-style-type: none"> ▪ <u>Sustainability</u>: I don't realize it. I'm pretty sure, it definitely has its own sustainable development plan for it. (fl2) ▪ <u>First time to know sustainability</u>: Government. (fl2) ▪ <u>"Sustainability in Banks"</u>: Seldom hear of this. ... Sometimes, our bank will donate money to help the poor. ... It is also a way to contribute back to society. (fl2) ▪ <u>Predict development of "Sustainability in Banks"</u>: Evolving. In previous years, we only provided deposit and 	<ul style="list-style-type: none"> ▪ <u>Sustainability</u>: It means keep on growing, advancing. (fl4) ▪ <u>First time to know sustainability</u>: Government. (fl4) ▪ <u>"Sustainability in Banks"</u>: Banks are run electronically, less paper consumed, that is at least one issue impacting on the banking industry as far as I understood. (fl4) ▪ <u>Predict development of "Sustainability in Banks"</u>: Evolving. Monetary system is a very important media, ... it should be retained there. 	<ul style="list-style-type: none"> ▪ <u>Sustainability</u>: Since the resources are limited in our world, banks need to have a sustainability policy to protect the environment, e.g., timber-related business requires the origin of sources should be from the renewable wood supplier in the market. (fl6) ▪ <u>First time to know sustainability</u>: In bank, online website. (fl6) ▪ <u>"Sustainability in Banks"</u>: Every bank has adopted such, you can see from the official website, there is such sustainability practice in each bank. We don't have such kind of product/services offered to our clients. (fl6) ▪ <u>Predict development of "Sustainability in Banks"</u>: Between evolving and no progress. In the banking industry, most of us are running electronically. I think you may have heard about
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	<p>withdrawal in cash and cheques services. ATMs now advanced development in phone banking, digital banking. There are quite a number of varieties. Clients can open their accounts through an online platform. Banks are continuously developing. If not, it has lagged behind, we are facing challenges not only from the banks of Hong Kong, but banks from overseas. (fl2)</p>	(fl4)	<p>the ‘future currency’, ‘Digitalization’. Therefore, I predict that banks are moving towards this specialized area. (fl6)</p>
Middle-level	<ul style="list-style-type: none"> ▪ <u>SDG</u>: I have heard it before. Not known its details. (ml1) ▪ <u>Sustainability</u>: Very abstract and 	<ul style="list-style-type: none"> ▪ <u>SDG</u>: They [the senior] may have talked about this. But, it is not yet known by us. (ml3) ▪ <u>Sustainability</u>: They [the senior] may 	<ul style="list-style-type: none"> ▪ <u>SDG</u>: No, I don’t. I haven’t noticed this specifically before. Any updates other than my main job duty in the complaint section, I do not pay much attention to. (ml5) ▪ <u>Sustainability</u>: This topic I am really not yet



something with concept. I don't know. A kind of charitable services, funding services, or for promoting or improving the society. The importance of quality of people, no matter it is rather sustainability or not. ... Anything that is not relevant to me, I will not get involved in such issue. (m11)

- **First time to know sustainability:** TV news (m11).
- **"Sustainability in Banks":** totally irrelevant, ... you just add the term

not use the same terminology 'sustainability' in our bank. I think they may have talked about this. ... not yet known by us. ... offer more different varieties of products to our clients, sell to them, retain our customers for business deals. Sustainability is rather a new development area. So, there should be a new mindset or a new strategy for the new development in the banking industry. (m13)

- **First time to know sustainability:** Television/newspaper. (m13)
- **"Sustainability in Banks":** Seldom heard, not yet promoted to our current

aware of this well. (m15)

- **First time to know sustainability:** Government, online website links and newspapers. (m15)
- **"Sustainability in Banks":** Sponsors HKU for any scholarship or nurture any new talents. It is



	<p>in front of the “Bank “ Compliance or governance of any bank, control or auditing. (ml)</p> <p>▪ <u>Predict development of “Sustainability in Banks”</u>: No progress, static, based on my own feelings. (ml1)</p>	<p>work level in the bank. It is not such a hot topic that we need to be aware of it. Maybe retain our customers for business deals, offering different varieties of products to our clients. ... There are micro and macro perspectives. All depends on how our Bank views this development direction. ... It is rather on the strategic planning, rather than on the implementation stage yet. (ml3)</p> <p>▪ <u>Predict development of “Sustainability in Banks”</u>: Evolving. ‘Sustainability’ in any other industries locally. ... It is not restricted to the banking industry. (ml3)</p>	<p>about how the corporation sets the role model for its followers. (ml5)</p> <p>▪ <u>Predict development of “Sustainability in Banks”</u>: Evolving, developing. Banking system is very important in any country. ... maybe a change in its banking business model, no more transactions done in branch, but its role in the finance sector of any country is still very</p>
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			important. (ml5)
	<ul style="list-style-type: none"> ▪ <u>SDG</u>: Not yet known. ... involved the improvement of the bank's services in every aspects and other rating marks. (ml2) ▪ <u>Sustainability</u>: Personally, upgrade and enhance own skills for further career development. (ml2) 	<ul style="list-style-type: none"> ▪ <u>SDG</u>: I haven't heard it. ... This terminology is rather strange, ... my first time hearing such a terminology. (ml4) ▪ <u>Sustainability</u>: <i>Industry</i>: advancement for this company, e.g., develop its technology and integrate it into its products and services for its customers. Applied to the country, the main theme of its industrial development. <i>Personal</i>: any potential to be further developed, ... keep abreast of time, walk with the technology, related to every level of persons, escalate to the whole society and nation, necessary to create values 	<ul style="list-style-type: none"> ▪ <u>SDG</u>: We are not using this term in our bank. (ml6) ▪ <u>Sustainability</u>: Not for a short term, sudden explosive, without going further. (ml6)



	<ul style="list-style-type: none"> ▪ <u>First time to know sustainability:</u> Newspaper. (m12) ▪ <u>“Sustainability in Banks”:</u> I haven’t [heard] yet. ... Banks need to progress with time. The bank’s development lies in the online banking, virtual bank, making use of those virtual currencies to invest for increasing wealth. So, in the form of virtual banks, it just likes a kind of ‘derivatives’, nothing real and touchable. (m12) ▪ <u>Predict development of “Sustainability in Banks”:</u> Evolving. (m12) 	<p>continuously. (m14)</p> <ul style="list-style-type: none"> ▪ <u>First time to know sustainability:</u> Government. (m14) ▪ <u>“Sustainability in Banks”:</u> We cannot only focus on the top or middle wealth customers, refuse or neglect those elders monthly cash from the government via their own CSSA accounts, or charge them much higher in handling charges, not yet serving the community with the social responsibility. (m14) ▪ <u>Predict development of “Sustainability in Banks”:</u> Evolving. Values for its existence, even for further growing with importance. 	<ul style="list-style-type: none"> ▪ <u>First time to know sustainability:</u> University. (m16) ▪ <u>“Sustainability in Banks”:</u> No specific bank. (m16) ▪ <u>Predict development of “Sustainability in Banks”:</u> Evolving. e.g., virtual banking, handling transactions, change of different regulations, etc. Banking industry affects the
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Banking industry changed from the mode of monetary system. Before, banks were only responsible for issuing notes, it generated the positive multiplier effect on economic growth. Nowadays, many people use bank accounts for receiving salary income, Octopus card for automatic added value, ... credit card, Alipay or WeChat pay... online shopping. The usage of a bank account is more popular and a necessity for the general public. The banking services are more and more closely related with daily living routine. The relationship between the banking services and the daily living routines grows very

whole economy. In Hong Kong, the most important industry is ... the financial sector. ... We, in fact, have our own strength, e.g., Fintech and common law. Reservation whether it is evolving towards good or bad side. (ml6)



		closely. (ml4)	
	<ul style="list-style-type: none"> ▪ <u>SDG</u>: Searched from the wiki, it's the Sustainable Development Goals, the UN gives some guidelines to help develop sustainability. There are around 17 goals. I just did a three-minute wiki for the SDGs. ... the environment, people, human rights, diversity, etc. ... From our company's website, some of these activities are directly correlated with these goals. (ml-trt) ▪ <u>Sustainability</u>: I can't tell but I know these topics are related under the bank's dedicated website. ... like the bank contributes to the environmental protection, diversity, 	<ul style="list-style-type: none"> ▪ n/a. 	<ul style="list-style-type: none"> ▪ n/a.



	<p>inclusion, cultural diversity, gender diversity and inclusiveness, including LGBT. (ml-trt)</p> <ul style="list-style-type: none"> ▪ <u>First time to know sustainability:</u> n/a. (ml-trt) ▪ <u>“Sustainability in Banks”:</u> One of the key objectives is the “XXXXXX System. ... not about profit, quite different from traditional banks’ objective previously. ... to make it be the healthiest, escalated within the bank. ... not just the responsibilities of the senior management level, but contribution, ideas from each individual in the Bank. ... not a step-by-step vision, but a continuing 		
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	<p>process and regular exchange meetings, started in 2018. (ml-trt)</p> <ul style="list-style-type: none"> ▪ <u>Predict development of “Sustainability in Banks”:</u> Evolving. Moving from profit-oriented to the health of practitioners, people-oriented. (ml-trt) 		
Senior-level	<ul style="list-style-type: none"> ▪ <u>SDG:</u> I think it should logically find some goals set for these sustainable development issues, just like Index. ... Reduction of carbon usage. But I cannot quote exactly what goals are for the banking industry perspective. (sl1) ▪ <u>Sustainability:</u> It is a more value-prone issue. (sl1) 	<ul style="list-style-type: none"> ▪ <u>SDG:</u> I am not sure; I don't know it. (sl3) ▪ <u>Sustainability:</u> I seldom heard this. I don't have much memory of such 	<ul style="list-style-type: none"> ▪ <u>SDG:</u> No, I don't. (sl5) ▪ <u>Sustainability:</u> Every staff has the responsibility ... because all messages passed



things in the banking industry, IT is unnecessary to know. In fact, I would say, IT should be aware of this in advance. ... IT plays the role in facilitating this kind of development/implementation. (sl3)

from the top that your decisions involved affecting your staff or clients, ... involved in every person's operation/service of the organization. ... it is rather commonly from top down concerned about achieving quota, reaching the required performance standards of our supervisors. While sustainability issues are always placed in a lower or inferior position, their reputation may be traded off. (sl5)

- **First time to know sustainability:** Online website links or newspapers (sl1)
- **"Sustainability in Banks":** Our Bank has done a very great job in value-based related training programs. Our sales teams do not focus on the 'figure' performance

- **First time to know sustainability:** Government/online website links. (sl3)
- **"Sustainability in Banks":** It is necessary to apply it [sustainability] to Hong Kong's banking industry. It should be related to the business organizations most. I am not sure

- **First time to know sustainability:** Via bank products of the investment fund 10 years ago. (sl5)
- **"Sustainability in Banks":** 10 years ago, I first came across it when I was involved in investment funds. There were some products related to sustainability nature. We do not highly recommend/promote them to clients because we



	<p>but rather living out the value in their daily operational procedures. ... in accordance with the bank's regulations. (sl1)</p> <p>▪ <u>Predict development of “Sustainability in Banks”:</u></p> <p>Evolving. Because there are more online banking services, like insurance companies, loan/credit grant companies. Therefore, sustainability cannot be relied solely on the traditional way, like money deposit and withdrawal services, ..., it is evolving and changing. (sl1)</p> <p>▪ <u>SDG:</u> I haven't heard it. I am not</p>	<p>about this. (sl3)</p> <p>▪ <u>Predict development of “Sustainability in Banks”:</u> Evolving.</p> <p>It grows more and more important in the banking industry, with different products and services offered in the markets. (sl3)</p> <p>▪ <u>SDG:</u> 17 goals in a very broad high-</p>	<p>are not keen on seeking these specialized investment products.. I recalled that in a certain period of time in the past, we were very keen on promoting this kind of investment to the appropriate clients. (sl5)</p> <p>▪ <u>Predict development of “Sustainability in Banks”:</u> More banks are going towards the paperless office. e.g., clients sign electronically; electronic statement; ..., people of this generation have received high level of education, ... People in their 30s and 40s are more ready to accept environmental protection. ... their areas of focus may be equivalent ... to be optimistic, I think it is now developing. Even more, there is a demand for such kind of personnel by banks. (sl5)</p> <p>▪ <u>SDG:</u> I have gone through the website, it stated</p>
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	<p>sure ; I can't answer it right now.</p> <p>Maybe it is practicing in this way</p> <p>but I am not yet informed or known</p> <p>indeed. (sl2)</p>	<p>level conceptual advocacy for</p> <p>eliminating poverty, hunger, unfairness</p> <p>between men and women, ... nations</p> <p>and nations. If you are not talking</p> <p>about them or naming them, we may</p> <p>not know what exactly they are or</p> <p>what are referred to ..., we will put</p> <p>them in our hearts. Personally, I will</p> <p>take them into consideration</p> <p>whenever ... undertake my daily job</p> <p>tasks. These goals are rather the</p> <p>universally accepted values, ... but not</p> <p>necessarily be specifically stated under</p> <p>the category of SDG solely. For</p> <p>example, 'treating customers fairly',</p> <p>no discrimination between men and</p> <p>women in the workplace, fairness, all</p>	<p>that there are 17 SDGs advocated by the United</p> <p>Nations. They are quite matched with our bank's</p> <p>strategy, e.g., reducing poverty, inequality in</p> <p>sexes, without any discrimination between male</p> <p>and female, say the proportion of different sex of</p> <p>staff in the Bank, fairness and justice, climate</p> <p>change (like the energy/utility business, carbon</p> <p>dioxide emission). (sl6)</p>
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		<p>these existed before the launch of the SDG. These universally accepted values embedded in SDG. (sl4)</p> <ul style="list-style-type: none"> ▪ For example, fairness among people, we will not do any separate policies or regulations specifically stated under the SDG ... neither the HKMA. Even though we are going to have “Sustainability in Banks” meetings, we have not yet focused nor based on these SDGs. Banks are not required to follow these goals one by one. (sl4) ▪ I believe many of our staff do not know what is SDG, if it is a driving force, then each of our staff in the bank should know what these goals are about. The driving force is the 	
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		<p>environmental protection but not from the SDG perspective. ... We are doing more in macro perspective, but not limited to the SDG direction solely. These universally accepted values embedded in SDG. (sl4)</p>	
	<ul style="list-style-type: none"> ▪ <u>Sustainability</u>: I have heard about this but I can't recall what it's exactly about. (sl2) ▪ <u>First time to know sustainability</u>: Family, online website links. (sl2) ▪ <u>"Sustainability in Banks"</u>: Whenever we launch our products, we will take care of those requiring special cares and needs, e.g., the blind, the deaf, the handicapped, the 	<ul style="list-style-type: none"> ▪ <u>Sustainability</u>: In Hong Kong, we are really going in the direction of green banking, sustainable banking. (sl4) ▪ <u>First time to know sustainability</u>: Professional talks/seminars in school/university. (sl4) ▪ <u>"Sustainability in Banks"</u>: Any minor changes in operational procedures, we must inform the clients in advance, e.g., special fees charged by other banks, but our bank waives 	<ul style="list-style-type: none"> ▪ <u>Sustainability</u>: Applied to the different content, they may have a different outcome. (sl6) ▪ <u>First time to know sustainability</u>: Senior management meeting in the bank. (sl6) ▪ <u>"Sustainability in Banks"</u>: A separate team. Under it, you can find the energy, rural development, treat others fairly, etc., check the client's business based on our bank's own regulation for assessment without any violation.



	<p>under-privileged groups, etc. (sl2)</p> <ul style="list-style-type: none"> ▪ Example engraved special characters on the keyboard of ATMs, and with video or audio facilities; give job opportunities for those retired staff to serve the community by re-employing them as greeters or helpers at branches; help those SME companies to sustain their business. e.g., repayment policy for interest first, but not the principal. ... Top management sends us emails how we can help our society to go through this critical moment together. (sl2) ▪ <u>Predict development of</u> 	<p>them to show our consideration. Say, no additional fee for accounts with low balances, additional care and consideration for the less capable customers, e.g., access free facility, offer to all kinds of customers, less-profitable branches remain services to the customers, aiming to offer fair services to all customers with easy accessibility within distance offered banking services to cater to demands of society. (sl4)</p> <ul style="list-style-type: none"> ▪ <u>Predict development of</u> 	<p>(sl6)</p> <ul style="list-style-type: none"> ▪ <u>Predict development of “Sustainability in</u>
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	<p><u>“Sustainability in Banks”</u>:</p> <p>Evolving, but not necessarily be stated as important or not.</p> <p>Competition is much tensed ... the existence of virtual banks. No more need for a physical branch for banking transactions. ... changing its business model setting ... compared before ... more deals transacted through the electronic platform. (sl2)</p>	<p><u>“Sustainability in Banks”</u>: Evolving. (sl4)</p>	<p><u>Banks”</u>: Evolving. (sl6)</p>
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(3) Sustainability-related Activities/Programs run by the Chosen Banks or other Banks Based on Interviewees'

Awareness

Level/ Bank no.	B1	B2	B3
Frontline-level	<ul style="list-style-type: none"> ▪ Sponsored volunteer team to serve the community or other activities. (fl1) ▪ Some [sustainability-related activities] are linked to KPI assessment. (fl1) ▪ Not permitted to do due to time constraints, too busy, ... activities are arranged during the weekend not convenient. During office hours with volunteering leave, ... preferred to skip it, ... inconvenient time or too engaged with daily job routines, especially for those frontline-level practitioners. (fl1) 	<ul style="list-style-type: none"> ▪ Activities are held on the weekend, sometimes on the weekdays. ... Limited workforce in the branch, especially during weekdays, ... not possible to be absent. Although the bank offers volunteering work leave, I didn't join it, ... not much time available as demanded much at my home. I don't find it has much relevance to me, ... the higher the ranking, the more relevant to this [sustainability] area. (fl3) 	<ul style="list-style-type: none"> ▪ I have joined the Charity Million Walk ... I don't need to raise money, I only had to walk for it... I think it is the client of the Community Chest, the program run by my bank, ... I see quite a number of banks joined it, including my previously served bank. ... I don't think so ... but such kind of charity related issues which are not much related to my bank's services impact on our customers. (fl5)



	<ul style="list-style-type: none"> ▪ Not familiar in details, ... I don't have such a duty to do so. ... My own responsibility is to follow the banking guidelines only ... not join. (fl2) 	<ul style="list-style-type: none"> ▪ Our Bank's voluntary work for society. ... visiting elders' houses, caring for society, and environmental protection. I joined the Community Chest Millions charity walk, or Bank donates some money to the relevant charitable organizations. (fl4) ▪ How individual staff take part through the bank's activities to work for society, ... depends on the motivation of the department unit. (fl4) 	<ul style="list-style-type: none"> ▪ Activities do not require ... professional expertise to take part, I didn't participate, but my colleagues joined at least once per year ... I really don't know what they actually have done. (fl6)
Middle-level	<ul style="list-style-type: none"> ▪ No, I don't, ... anything is not relevant to me, I don't get involved. (ml1) ▪ We are all very busy. ... These activities are held in the office hours, ... bank does not encourage us to join or not, ... very small number of colleagues 	<ul style="list-style-type: none"> ▪ Not yet involved. (ml3). 	<ul style="list-style-type: none"> ▪ Though I am not involved in it. I can't share straight away. (ml5)



	<p>joined. [My] group of colleagues ... much less involved. (ml1)</p> <ul style="list-style-type: none"> ▪ I am rather rare to join, ... not have much time and energy, ... charitable funds to the needy, like the churches are doing. (ml2) ▪ Joined one or two of these activities occasionally, in some of the community services. (ml-trt) ▪ Involved a little bit of the voluntary work, ... started with some more personal goals ... wanted my kids to be involved, ... contribute to the community just working on the 	<ul style="list-style-type: none"> ▪ Cultural values be matched with our bank's ethical standard. Apart from earning profit, talks about social responsibility, all these are well-known to us ... current daily job duty routine. Embedded values in recruitment selection criteria for any candidates. (ml4) ▪ n/a. 	<ul style="list-style-type: none"> ▪ Bank chose activities to serve different organizations. Our Bank encouraged staff to join. Last year, we had the participation rate of about 70%. (ml6) ▪ n/a.
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	homework and then play something like this. ... All these activities scheduled on Sundays. (ml-trt)		
Senior-level	<ul style="list-style-type: none"> ▪ ‘How can we treat customers’ voices’ are also included in our bank’s sustainability report. (sl1) ▪ reduction of carbon usage, ... I cannot quote exactly what goals are for the Banking Industry perspectives (sl1) ▪ Team-building activities, we will go to serve the elders, re-employed those retired staff, environmental protection for energy saving, turning off lights. (sl2) 	<ul style="list-style-type: none"> ▪ All designed IT programs need to go through internal and external regulatory control/auditing for verification before launch formally. Regulators need to review them, ... programs cannot be launched without rectification to intentionally hide these regulations. In fact, there are many regulations to have briefed us, in every detail. (sl3) ▪ Attend the forthcoming HKMA sustainability consultation meeting [Green Finance]. ... Environmental protection, banned from issuing red packet envelopes for many years. (sl4) 	<ul style="list-style-type: none"> ▪ Some specialized funds involved in these (e.g., water resources, energy resources) natural resources investment. I have got some knowledge in this specialized area. (sl5) ▪ About environmental protection, included training courses offered by our bank. Our frontline-level practitioners need to know that no business deal can be made without considering the



	<ul style="list-style-type: none"> ▪ Joined the food-preparation activities, cleaning vegetables, surplus food distributed to elders' houses, 'Dress casual day' donation to the Community Chest, environmental and healthy teeth protection programs, 'Skip lunch' donation, and other money donations directly, etc. Volunteer leave granted for such kinds of volunteering work done during non-office hours. (sl2) 	<ul style="list-style-type: none"> ▪ Our Bank, any minor changes in the operational procedures, must inform the clients in advance. ... Our bank waives special fees charged on customers to show consideration. (sl4) 	<p>environmental-protection factor. We should be aware why our bank will not accept business deals in case the client violates our sustainability policy. (sl6)</p> <ul style="list-style-type: none"> ▪ Management level ... tells the regulatory bodies emphasizing our own bank culture, training, bank's policy, code of conduct are ways to prove how we walk the talk. ... to let staff, remember the rules and regulations that they need to comply with. (sl6)
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(4) Charitable Activities or Volunteer Services

Level/ Bank no.	B1	B2	B3
Frontline-level	<ul style="list-style-type: none"> Bank has sponsored volunteer team to serve the community or any other activities. (fl1) 	<ul style="list-style-type: none"> Special activities programs organized during the festival's celebration periods, like rice dumpling and mooncake distribution; visiting elders' houses. ... Our Company has this activity, but I didn't join. (fl3) 	<ul style="list-style-type: none"> E.g., charity, the causal day, donation, encourage us to do more volunteering work. ... as a kind of contribution back to society. (fl5) Visiting kids and elders' houses, 'Global Volunteering Day' and encouraging staff to join different activities for the contribution to society globally, 'Charity Million Walk'. However, such kinds of charity-related issues are not much related to my bank's services or the impact on our customers. (fl5)



	<ul style="list-style-type: none"> ▪ Bank will donate money to help the poor. (fl2) 	<ul style="list-style-type: none"> ▪ Community Chest Millions charity walk, or the bank donates some money to the relevant charitable organizations. (fl4) 	<ul style="list-style-type: none"> ▪ I didn't participate, but my colleagues joined at least once per year. I really don't know what they actually have done exactly. I have participated in one related to the Chinese New Year's red packet money donation. (fl6)
Middle-level	<ul style="list-style-type: none"> ▪ Charitable services, say, a kind of fund, or funding services, charitable services, or for promoting or improving society ... or give some kind of charitable funds to the needy, like the services offered by churches for society that they are doing now. (ml1) ▪ help those under privileged group of the 	<ul style="list-style-type: none"> ▪ nil. (ml3) ▪ nil. (ml4) 	<ul style="list-style-type: none"> ▪ Train up a group of university students, donation or sponsorship, serving the community. (ml5) ▪ Standard Chartered Bank Marathon seems to be an example of sustainability ... brought a lot of plastic bottles, rubbish left there. I don't think it is doing good to the community indeed. (ml5) ▪ For those activities, like playing with



	<p>society, or..... Humm, how can I say it.... it is about the social related services to the society (ml2)</p> <ul style="list-style-type: none"> ▪ Involved voluntary work, ... for personal goal ... wanted my kids to be involved, ... contribute to the community, just working on the homework and then play something like this. ... all these activities scheduled on Sundays. (ml-trt) ▪ The bank contributes, donate funds for environmental protection. (ml-trt) 	<ul style="list-style-type: none"> ▪ n/a. 	<p>little kids, helping elders to do something, that may not be related to our professional expertise. (ml6)</p> <ul style="list-style-type: none"> ▪ n/a.
Senior-level	<ul style="list-style-type: none"> ▪ Donation or contribution to underprivileged groups. (sl1) ▪ food surplus distributed to elders' house, ... "Skip Lunch" donation, ... and other money donation directly. ... Team-building activities, ... serve the elders; 	<ul style="list-style-type: none"> ▪ nil. (sl3) ▪ nil. (sl4) 	<ul style="list-style-type: none"> ▪ nil. (sl5) ▪ nil. (sl6)



	reemployed those retired staff; ... charitable funds to the needy, like the churches they are doing. (sl2)		
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(5) Environmental Protection

Level/ Bank no.	B1	B2	B3
Frontline-level	<ul style="list-style-type: none"> ▪ nil. (fl1) ▪ nil. (fl2) 	<ul style="list-style-type: none"> ▪ nil. (fl3) ▪ Some staff joined the program for ... environmental protection. (fl4) 	<ul style="list-style-type: none"> ▪ Social issues, ... more about environmental protection. (fl5) ▪ Banks are run electronically, ... a paperless office, ... at least one issue impacting on the banking industry as far as I understood. (fl6)
Middle-Level	<ul style="list-style-type: none"> ▪ Environment, energy-related issues. (ml1) ▪ nil. (ml2) 	<ul style="list-style-type: none"> ▪ nil. (ml3) ▪ Not necessary to put environmental protection so high, as it is not that critical. However, if any bank does not take part in this direction, the bank will be criticized. (ml4) 	<ul style="list-style-type: none"> ▪ nil. (ml5) ▪ nil. (ml6)



	<ul style="list-style-type: none"> ▪ Donate funds for environmental protection. (ml-trt) 	<ul style="list-style-type: none"> ▪ n/a. 	<ul style="list-style-type: none"> ▪ n/a.
Senior-level	<ul style="list-style-type: none"> ▪ Focused mainly on carbon reduction, ... as our world is getting worse. (sl1) ▪ Environmental protection for energy saving, switch off lights, ... choosing reused or environmentally 	<ul style="list-style-type: none"> ▪ nil. (sl3) ▪ Use less paper, save resources, ... electronic version of red packet money for all Bank staff to eliminate the use of 	<ul style="list-style-type: none"> ▪ Environmental protection for the society and the environment. ... more about protection of the Earth, resources consumed ... a very important issue. ▪ Applied to people in 30s and 40s, they are more ready to accept environmental protection. Never consumed, a very important issue; environmental protection is not equal exactly to sustainability as I mixed it up before. (sl5) ▪ May not accept the client's loan application, although it is a profit-earning project. Our bank has set the



	<p>friendly papers; environmental and healthy teeth promotion programs. (s12)</p> <ul style="list-style-type: none"> ▪ donated food surplus distributed to elders' house. (s12) 	<p>red packet envelopes; greening finance topic under the HKMA Sustainability Consultation meetings. ... The extent of this principle depends on the individual bank's own interpretation and policy adopted in making decisions. (s14)</p>	<p>objective of protecting the environment ahead of profitability, ... environmental protection included in training courses offered by our bank. Our frontline-level practitioners need to know that no business deal can be made without considering environmental protection. (s16)</p>
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(6) Legal and Compliance

Level/ Bank no.	B1	B2	B3
Frontline-level	<ul style="list-style-type: none"> There were no flawless, perfectly written rules or regulations, definitely loopholes exist in the banking system or even in the legal system. ... Depends on the employee's own integrity, e.g., even if it is illegal, if they want or prefer to take this way, they will do so. That is a completely personal choice. (fl1) Bank regulations are set, ... some staff may follow, but others may ignore. ... It is really uncontrollable [by the Bank]. (fl2) 	<ul style="list-style-type: none"> A foreseeable risk for following the regulations in every decision made without thinking deeply during daily operational procedures. It is, therefore, to determine the driving force leading to existing bank employees doing the right thing or "forced to do something in that wrong way". (fl3) nil. (fl4) 	<ul style="list-style-type: none"> Those legal regulatory standards to control them. For example, externally, there are the legal rules, while internally, there are the policies to put control there. However, in reality, these codes may not completely control the staff. (fl5) If the bank does not fulfill its legal regulations, then it brings the legal consequences. ... If you state that there are some staff who do not follow the bank's regulations



			properly, that is rather a human mistake. In case the bank has already given all sufficient guidance and instructions, all these mistaken are found to lie on the implementation of the individual staff. (fl6)
Middle-level	<ul style="list-style-type: none"> ▪ Nil. (ml1) ▪ Legal/regulators as important as its standard ... and impacts on policy implementation. (ml2) 	<ul style="list-style-type: none"> ▪ I haven't heard any news about this reported case of our bank, ... very many years ago, I heard about such similar reported cases. ... Should be some staff not doing their jobs in the right way. (ml3) ▪ Legal/regulators are important as standard and impacts on the illegal product, policies implementation. (ml4) ▪ Illegal conduct is sensitive, ..., ruins the 	<ul style="list-style-type: none"> ▪ It brings legal consequences. (ml5) ▪ We have a strong responsibility to ensure all international standards and requirements as a minimum. ... Regulator's requirement is the very



		Bank's reputation. ... HKMA can delist your banking licence (ml4)	basic level; therefore, ... to be at the level above it. (ml6)
Senior-level	<ul style="list-style-type: none"> ▪ 'How can we treat customers' voices?' is the topic included in our bank's sustainability report. (sl1) ▪ Legal/Regulation is the most important. ... I often read them as it may involve the legal issues. In fact, I have been working in this bank so long that I am afraid of violating any legal regulations. ... impossible to violate any legal standard of the Bank and my own values. (sl2) 	<ul style="list-style-type: none"> ▪ Legal and regulation is the most important element for "Sustainability in Banks". (sl3) ▪ Even though the bank is awarded those prizes, it does not definitely mean ... it does everything cleanly and correctly in every aspect. (sl3) ▪ Illegal is, no excuse.... [I'm] the maker of those operational procedures and guidance for our staff to follow leading the others within the Bank. (sl4) ▪ 'Act of omission' is also a kind of crime from a legal perspective. ... My original standpoint is not seeking any loopholes of other Banks or from decided court cases. 	<ul style="list-style-type: none"> ▪ Legal/regulatory should be compulsory services, others are not on sustainability in nature. Business ethics ... was about doing business while taking social responsibility, rather than the legal obligation, it is about all things beyond it. (sl5) ▪ All staff needs to comply with rules and regulations. If not, it is only window-dressing. (sl6)



	<ul style="list-style-type: none">▪ Very careful in considering innovative products, not comply with the regulatory issues. ... Innovative and regulatory issues should be well-balanced for the further sustainable development ... traditional bank employees are thinking within the legal and regulatory box as the basic foundation of sustainable development in banks. (s12)	<p>I purely always aim at doing something better. ... there are any possible potential risks in our bank for the same or similar issues, I must voice it out and fix it up.</p> <p>(s14)</p>	
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(7) Leading Role Played by Professional Groups for Sustainable Development

Level/ Bank no.	B1	B2	B3
Frontline-level	1. Legal/regulators. 2. Governments. (fl1) 1. Governments. 2. Legal/regulators. 3. Professional associations. (fl2)	1. Governments. 2. Professional associations. 3. Social media. (fl3) 1. Governments, 2. Businessmen, 3. Legal/regulators. (fl4)	1. NGOs. 2. Professional associations. (fl5) 1. Governments. 2. Legal/regulators. 3. Businessmen and consumers. (fl6)
Middle-level	1. Governments. 2. Academics. 3. Consumers. (ml1) 1. Businessmen. 2. Consumers. 3. Mass media for publicity. 4. Legal/regulators.	1. Governments. 2. Businessmen. 3. Legal/regulations. (ml3) 1. Government and Legal/regulators. 2. Businessmen and customers. (ml4)	1. Governments. 2. Legal/regulators. (ml5) 1. Governments. 2. Legal/regulators. 3. Businessmen. (ml6)



	<p>5. Governments. (ml2)</p> <p>1. Top management.</p> <p>2. Every individual, starting with top management has the vision support, and then providing support, and also creating an environment, ... for every individual can contribute to that environment. (ml-trt)</p>	<p>▪ n/a.</p>	<p>▪ n/a.</p>
Senior-level	<p>1. Governments.</p> <p>2. Legal/regulators.</p> <p>3. Businessmen. (sl1)</p> <p>1. Governments/NGOs.</p> <p>2. Consumers. (sl2)</p>	<p>1. Governments and Legal/regulators.</p> <p>2. Professional associations and mass media. (sl3)</p> <p>1. Governments.</p> <p>2. Legal/regulators.</p> <p>3. Professional associations/NGOs. (sl4)</p>	<p>1. Governments.</p> <p>2. Consumers.</p> <p>3. Mass media. (sl5)</p> <p>1. Individuals.</p> <p>2. Government or regulators.</p> <p>3. Senior Management. (sl6)</p>

Appendix K: RQ2 – Interviewees’ Knowledge of Existing Banking

Activities/Services Relating to “Sustainability in Banks”

(1) Feedback from the Frontline-level, Middle-level and Senior-level

Interviewees of the Chosen Banks

Interview Code	ACTIVITIES/MARKS						
	Community Involvement	Cultural Diversity	Economic Development	Environmental Protection	Political Stability	Social Caring	Legal/Regulation Guidance
B1:fl1	3	0	3	2	2	3	3
B1:fl2	2	2	3	3	3	3	3
B1:ml1	1	3	2	2	1	1	2
B1:ml2	3	1	3	3	3	3	3
B1:sl1	3	3	3	3	3	3	3
B1:sl2	3	3	3	2	3	2	3
B1 TOTAL	15	12	17	15	15	15	17
B2:fl3	3	2	3	2	3	3	2
B2:fl4	3	3	3	3	3	3	3
B2:ml3	3	3	3	3	1	1	2
B2:ml4	3	3	3	2	3	3	3
B2:sl3	2	2	3	3	3	3	3
B2:sl4	2	2	2	2	2	2	2
B2 TOTAL	16	15	17	15	15	15	15
B3:fl5	3	3	3	1	3	1	3
B3:fl6	3	2	3	3	2	2	3
B3:ml5	3	3	3	2	2	2	2
B3:ml6 *	3	2	2	2	3	2	3
B3:ml6 #	1	2	2	1	3	2	3
B3:sl5	3	3	3	3	3	3	3
B3:sl6	3	2	2	3	2	3	2
B3 TOTAL	19	17	18	15	18	15	19

REMARKS

* Based on the retail/commercial banking services perspectives, placed high priority (materiality) for community involvement and environmental protection

Based on the investment banking services perspectives, placed high priority (materiality) for community involvement and environmental protection.



(2) Special Remarks from Middle-level Interviewee (ml6) of Bank 3 (B3)

Sustainability-related activities	Retail/Corporate Banking	Investment Banking
Community Involvement	3	1
Cultural Diversity	2	2
Economic Development	2	2
Environmental Protection	2	1
Political Stability	3	3
Social Caring	2	2
Legal/Regulation Guidance	3	3

Appendix L: RQ2 – Interviewees’ Perceived Leadership Group for Driving Banks towards “Sustainability in Banks” of Hong Kong

Interviewee Code	Who plays the leading role for the "Sustainability in Banks"								Special Remarks by interviewees
	Academic (incl. Scholars, Education)	Businessmen (incl. Senior Management)	Consumers	Government	Legal/Regulators	Mass Media	NGOs	Professional Associations (e.g., Bankers, Accountant, Insurance)	
B1:fl1				7	8				
B1:fl2	4	5	2	8	7	3	1	6	
B1:ml1	7		6	8		5			
B1:ml2		8	7	4	5	6			
B1:sl1	4	6	5	8	7				
B1:sl2	6	6	7	8	3			4	
B2:fl3				8		6		7	
B2:fl4	3	7	5	8	6	2	1	4	
B2:ml3	3	7	2	8	6	4	1	5	
B2:ml4	4	6	6	8	8	4	1	4	
B2:sl3	4	4	4	8	8	6	1	6	
B2:sl4	4	2	1	8	7	4	6	6	
B3:fl5							8	8	
B3:fl6	2	6	6	8	7	3	1	4	
B3:ml5	5	8	3	8	8	3	1	5	
B3:ml6				8	8	1			
B3:sl5	4	5	7	8	4	6			Importance of joint effort by each individual participation
B3:sl6		6		8	8				Importance of each individual effort
Total Scored	50	76	61	131	100	53	21	59	



Appendix M: RQ3 – Challenges Faced by Interviewees and Feasible Solutions Recommended

(1) Interviewees' Expected Personal Qualities and Character for Making Business Decision in the Workplace

Level/ Bank no.	B1	B2	B3
Frontline- level	<ul style="list-style-type: none"> ▪ <u>Expected professional bankers'</u> <u>quality</u>: professional, trustworthy, timely. (fl1) ▪ <u>Expected professional bankers'</u> <u>quality</u>: empathy, experienced in bank's operation, patient. (fl2) 	<ul style="list-style-type: none"> ▪ <u>Expected professional bankers'</u> <u>quality</u>: honest, polite, professional. (fl3) ▪ <u>Expected professional bankers'</u> <u>quality</u>: honest, thoughtful/considerate, humble. (fl4) 	<ul style="list-style-type: none"> ▪ <u>Expected professional bankers'</u> <u>quality</u>: honest, polite, professional. (fl5) ▪ <u>Expected professional bankers'</u> <u>quality</u>: responsible, integrity, intelligent. (fl6)
Middle- Level	<ul style="list-style-type: none"> ▪ <u>Expected professional bankers'</u> <u>quality</u>: honest, hardworking, detailed, flexible. (ml1) ▪ <u>Expected professional bankers'</u> <u>quality</u>: creative, communicative, 	<ul style="list-style-type: none"> ▪ <u>Expected professional bankers'</u> <u>quality</u>: professional, passionate, honest. (ml3) ▪ <u>Expected professional bankers'</u> <u>quality</u>: integrity, responsibility, 	<ul style="list-style-type: none"> ▪ <u>Expected professional bankers'</u> <u>quality</u>: patient, positive thinking and attitude, client-first. (ml5) ▪ <u>Expected professional bankers'</u> <u>quality</u>: ethical, integrity, productive.

	<p>trustworthy. “It is about the individual virtue-integrity and personal character”. (ml2)</p> <ul style="list-style-type: none"> ▪ <u>Expected professional bankers’</u> <u>quality:</u> visionary attention to details, technology. (ml-trt) 	<p>diligence. (ml4)</p> <ul style="list-style-type: none"> ▪ n/a. 	<p>(ml6)</p> <ul style="list-style-type: none"> ▪ n/a.
Senior-Level	<ul style="list-style-type: none"> ▪ <u>Expected professional bankers’</u> <u>quality:</u> fair, integrity, professional. (sl1) ▪ <u>Expected professional bankers’</u> <u>quality:</u> reliable, honest, caring. (sl2) 	<ul style="list-style-type: none"> ▪ <u>Expected professional bankers’</u> <u>quality:</u> integrity, loyal, honest. (sl3) ▪ <u>Expected professional bankers’</u> <u>quality:</u> integrity, professional, innovative. (sl4) 	<ul style="list-style-type: none"> ▪ <u>Expected professional bankers’</u> <u>quality:</u> honest, helpful, flexible. (sl5) ▪ <u>Expected professional bankers’</u> <u>quality:</u> honest, professional, fair. (sl6))



(2) Interviewees' Awareness of own Bank's Communication Platforms to Convey Sustainability Strategy

Level/ Bank no.	B1	B2	B3
Frontline-level	<ul style="list-style-type: none"> Not all can be gatekept by the system, there should be loopholes in the banking system or even in the legal system. It depends on the employee's own integrity issues. ... It is illegal, but if they prefer to take this way, ... that is a completely personal choice. (fl1) 	<ul style="list-style-type: none"> The issues of violation and integrity ... charged with mis-selling in the frontline, more involved in the issue of dishonesty on money. Some staff are more concerned about whether the report as a kind of 'bad remarks' on reports. Frontline-level practitioners are more concerned about "bad remarks" on reports. ... Frontline-level practitioners can get immediate personal benefit, but back office commonly covers some mistakes rather than gain for own benefits from the transactions. ... I think it's the individual staff's quality. (fl3) 	<ul style="list-style-type: none"> All depends on the conduct of individual staff. Even though there is a rule set down there, human beings still can do it at their own choice. It all depends on that human being's integrity level. If it is sufficient [control], they may not commit such illegal acts in their banks. Externally, there are legal rules, while internally, there are the policies to put control there. However, in reality, these codes may not completely control the staff. (fl5) More awareness, ... Boss or supervisor remind staff, like senior management



		<ul style="list-style-type: none"> ▪ Staff made a mistake today, and tomorrow, he/she may make a similar mistake again that may affect their capability assessment in front of his/her supervisions or assessors. It is mainly not due to the staff's greed but rather afraid of the bad records. In fact, they may argue that I didn't have any privilege as I have to pay money out of my own pocket. (f13) ▪ Any urgent or commonly adopted issues, we will bring it out for sharing and communication. ... All these kinds of communication informed through email or morning meeting platforms in the bank, e.g., any reported incidents, integrity is brought to our attention during the morning meeting session. (f13) 	<p>may hold more case sharing, in fact, we have these in our bank's practices. (f15)</p>
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	<ul style="list-style-type: none"> ▪ Any wrongdoings by the bank, then the Bank tries to do something good to society to retain its good reputation. (fl2) ▪ Bank regulations are set there, but some staff may follow, may ignore. It is really uncontrollable by the bank. (fl2) 	<ul style="list-style-type: none"> ▪ All depend on the working attitudes of the staff, ... may be the corporate culture. ... The question is whether our existing corporate culture accepts mistakes, ‘committed mistakes’, ... such accountability and responsibility to bear the consequences of any mistake. Banks support its staff to move on, not only forward, but to face failure. Previously, the bank put the quantities more than the others, say the compliance, staff involvement. But now, it is different. (fl4) 	<ul style="list-style-type: none"> ▪ In fact, I really cannot fully understand all information adopted in the bank. I know I am only a tool, a screw. As regards the communication specifically on sustainability issues, ... no such a formal communication between the bank and us, staff here. (fl6) ▪ Anyone not doing well, that is understandable. In fact, I have worked for several banks before, the regulations are adequate and well written. Just like ... the law in Hong Kong. I don’t think it is a problem [in Banks]. If staff do not follow the bank’s regulations properly, a human mistake. Bank has already given sufficient guidance and instructions, all these mistakes found lie in the
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implementation of individual staff. (fl6)

- Adequate control in the banking industry, and each transaction involved any other different parties, ... nothing special. ...

The incident of Lehman Brothers happened, there are more stringent rules and regulations implemented to protect the clients' interest. (fl6)

- To speak frankly, I don't much like it. As regards Marathon is a kind of sport exercise, that is OK. Err... from ethical perspective, it seems to be very good. But I see from another sustainability perspective, every time, after such a Marathon activity, it has brought a lot of plastic bottles, rubbish left there. This is from my own personal



			judgment. Therefore, from my perspective, I don't think it is doing good to the community indeed. (fl6)
Middle-level	<ul style="list-style-type: none"> ▪ Importance of quality of people, no matter if it is sustainability or not. ... Who violate the system or policy is people. ... responsibility of senior management to take this rather to strike it off. (ml1) 	<ul style="list-style-type: none"> ▪ Our staff not just doing their own tasks, ... understand the bank's future development plan. It is more on concept sharing, rather implemented action. (ml3) ▪ Some staff not doing their jobs in the right way. ... Codes/standards used are rather flexible, too lenient to the staff. ... can easily do some illegal action regarding money transaction. ... Greed is not acceptable under any circumstances in the business world. Any business crimes are not permitted, not worthwhile to let money affect my future and my life. (ml3) 	<ul style="list-style-type: none"> ▪ There may better regulations and rules set up ... more steps, more monitoring control, set more checkpoints to ensure the quality of work. ... Personally, I think there is sufficient control in the bank. (ml5) ▪ Some practitioners prefer to take steps ahead towards danger, we really cannot do anything to prevent it. Whenever we undertake any steps which are not comply with the bank's own operational guidelines, that is rather for the control of its own staff. ... The current control is sufficient at the moment. ... I think all



	<ul style="list-style-type: none"> ▪ As observed in the middle management (my current level), we found staff 	<ul style="list-style-type: none"> ▪ Propaganda and education are very important. ... reduce its inducement is to 	<p>these depend on individual conduct instead. For example, there are different roles in this kind of training program, e.g., being a banker, he may make such a decision, is that right or wrong? (ml5)</p> <ul style="list-style-type: none"> ▪ Our Bank is focused on 'value' training, what is classified as 'do' or 'don't'. ... We are faced with so many challenges, ... we take a precautionary decision-making to protect ourselves from falling into the traps. (ml5) ▪ I really don't know more about this kind of [sustainable strategic] communication, ... but I do not pay attention to this area. (ml5) ▪ I find it [communication] is effective. But as regards the terms of that goal, I may
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	<p>serving in this level are rather selfish. We are not willing to share what we know for the sake of job security. This may be a trend. I would say, if this is overcome, that is good for the job or the whole project management in the bank. ... There is a need for improvement to achieve a better teamwork and quality of work. (ml2)</p> <ul style="list-style-type: none"> ▪ Every person's behavior cannot be controlled. It is talking about the individual virtue-integrity or ethical character. ... When people are working without boundaries, they can do anything they want. Their mindset cannot be controlled by others. So, it all depends on the individual's virtue- 	<p>ensure that performance returns [salary] be compensated directly with their job duty, ... making the banking practitioner feel it is unwise to take such a big risk compared with the current status or position in banks. ... The value definitely makes you feel very attracted. That means education of the ethical standard and ... the money-related returns comparison. All those related to the personal interests, we will never take this. (ml4)</p> <ul style="list-style-type: none"> ▪ 'One Belt, One Road' strategy. ... All these are continuously communicated with staff at all times. Therefore, I personally find that is clear. (ml4) 	<p>not know how this will be implemented even though it is stated so in its sustainability report. In fact, we have found a lot of communication channels or platforms that have already mentioned such a CSR concept. All these evidenced that this is not a foreign language to us (ml6)</p> <ul style="list-style-type: none"> ▪ The senior-level needs to demonstrate a role model for its subordinates. ... There should be a very good corporate culture and with the peers and department, or the country leaders whether they have cultivated such an environment, then the subordinates or followers know it's essential in carrying out their daily job roles in their respective decision making.
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integrity or ethical character. (ml2)

(ml6)

- There is rather a human greed, a human nature, ... this is a kind of temptation that existed in our banking industry, then they made a wrong decision to commit the crime. ... Bankers need to know what the temptation is, so we have to educate them, what is existed and how they may be in a grey area, a boundary case between legal and illegal. ... All things should be in content; it is not easily understood in black and white. In fact, from our training perspective, we also have case analysis, our staff needs to know not only the content but rather the real case, what is a red flag. Therefore, education is very important. ... training is



		<p>important, but I would say the whole culture. (ml6)</p> <p>▪ Since my daily job routine is related to the control function, I am more prone to look into the staff's conduct. (ml6)</p>
	<p>▪ Communication is important in every aspect. ... I think it [CEO's vision communication] is good as they can do it. But how effective they are, that is a separate question. ... It goes back to whether these people [bank employees] really have the heart to do it in the way that it is really helpful in promoting this kind of environment or spirit. (ml-trt).</p> <p>▪ It is integrity ... own values. ...</p> <p>Everyone has some sort of integrity. ...</p> <p>The definition is different, the level is</p>	<p>▪ n/a.</p> <p>▪ n/a.</p>



	<p>different, and so everyone has its own level of values and integrity. ... It is rather a completely personal choice. (ml-trt).</p> <ul style="list-style-type: none"> ▪ Responsibility is from everyone. The top management level has to provide this kind of direction, and also to create an environment for these kind of activities and mindset. To start with the top management has the vision and then providing the support, and also creating an environment, so that every individual can contribute to that environment. (ml-trt) 		
Senior-level	<ul style="list-style-type: none"> ▪ It is about the individual's view on greed. It is greater than the value given by the bank. ... Our sales teams do not 	<ul style="list-style-type: none"> ▪ Even though the bank is awarded those prizes, it does not definitely mean that it does everything clearly and correctly in 	<ul style="list-style-type: none"> ▪ There should be two-fold, internal regulation does not mean good, it should have its role to play. ... Some immature



	<p>focus on the ‘figure’ performance but living out the value in daily operational procedures, in accordance with the bank’s regulations I will see that if each individual does an appropriate or right act, that should be better. (sl1)</p> <ul style="list-style-type: none"> ▪ Applied this to the leader of the bank, if there are any reported cases, ... banks having learned from reported cases is rather more important than the reported cases existed themselves. (sl1) 	<p>every aspect. (sl3)</p> <ul style="list-style-type: none"> ▪ It should be some loopholes identified by the dishonest staff. Greed is rather a human nature. If there is any act taken, they can gain money. ... natural for staff to do so. ... These cases really are not directly related to the bank itself. Banks need to take rectified action to prevent such loopholes. (sl3) ▪ I think this [sustainable] development is not yet reached to my level/department. Maybe, ... it is part of the senior management’s role but not like my own, maybe only those related departments are aware of this, as they may not need to do so. Only a specific group of staff is involved due to their daily job roles but not yet for the whole group of staff in the bank. ... May 	<p>practitioners may think about the quick track for achieving their preset quotas, they may take the risk to do something unethical or even further down to be illegal. ... e.g., bank may fulfill the reporting duty to the public only. ... Since the banks already have set up the dedicated team for these programs, ... put more effort in this [ethical and legal] area. ... whether they are doing so for fulfilling the requirements or really serving with hearts for the community. (sl5)</p> <ul style="list-style-type: none"> ▪ Education and compliance control should do very well to prevent these incidents. I would suggest the targets be set at a reasonable standard. (sl5)
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		<p>be those in the very senior management group. (sl3)</p>	<ul style="list-style-type: none"> ▪ For example, in the financial sector, normally, the pay is rather higher than in other industries. They may think that since we pay a high rate for the employee, they have to serve much more in terms of profitability. So, is there any mismatched expectation? ... Banks may treat this as a way to fulfill the reporting duty to the public only. It is concerned about the driving motive for regulation whether they are doing for fulfilling the requirement or really serving with hearts for the community. (sl5) ▪ Integrity is very important. ... Even though, if the person later resigned from bank, the person has still been responsible and liable for what he/she
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			<p>undertook in the previous banking capability. (sl5)</p> <ul style="list-style-type: none"> ▪ Individual conduct and belief come from the naïve of practitioners, some due to their own interests, or due to the lack of internal control, all these can be understandable. ▪ There is a huge amount of money invested in this area, but only a few people in banks invented any new ideas or activities/programs. (sl5)
	<ul style="list-style-type: none"> ▪ Internal communication, say top management, has simplified communication channel/modes, some videos detailing the bank's current overall strategy, and its social responsibility to the community. There 	<ul style="list-style-type: none"> ▪ Everyone is prone to sins as we are sinful in nature. Although we know what is good and what should do, we have not yet carried it out accordingly in reality. ... More training to be provided for staff, more good examples for sharing, good cases for 	<ul style="list-style-type: none"> ▪ Since I joined this Bank, I found that this [communication] is what is taken from the top to the bottom. Everyone needs to recognize the bank's strategy and learn and work together. ... "A black sheep in every flock". Therefore, we all may have



	<p>are advertising or promotional materials, all about taking an active role for advancement. I don't find there is no action or do less. ... It is more important for our working attitude. ... It affects our clients directly. (sl2)</p> <ul style="list-style-type: none"> Those frontline-level practitioners, they may have a very big temptation to go through such a trial at that moment. ... Envious my colleagues have a huge amount of bonus commission due to the successful deal, ... think of any cheating way to manipulate clients' need for winning any business deals. That is the individual's own decision while facing such a temptation. I don't think it is about individual company issues. It is 	<p>following. (sl4)</p> <ul style="list-style-type: none"> Some real needs acknowledge whether staff fully understand it, while others can be assessed through their qualities of daily job performance. ... My original starting point is not for seeking any loopholes of other banks or from decided court cases. I purely always aim at doing something better. Of course, whenever I see there is any possible potential risks in our bank for the same or similar issues, I must voice it out and fix it. (sl4) If there is a staff in the branch that can exemplify these values or principles, then the bank praises him/her and shares this with others and lets them follow this good example as a role model. So, let us all do 	<p>different values in undertaking our daily job tasks within this department of the bank. (sl6)</p> <ul style="list-style-type: none"> Training is a very important channel to guide our staff. ... Those newly recruited staff may have their own knowledge or understanding from their previous banks, which may be different from our bank. Their supervisors in our bank should have to brief and guide them properly. ... To guide their respective subordinates that they should not violate any areas under existing rules and regulations. ... Our bank adopts the praise and penalty system. ... no matter how senior he or she holds, we have the respective penalty policies to treat them. ... Our Bank, staff
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	<p>not forced by the bank to commit crimes by individual staff. We have to know what exactly we can or can't do in the bank. (sl2)</p>	<p>even better, I believe this impact is bigger than solely through education. (sl4)</p>	<p>not solely based on the amount of business generated. (sl6)</p> <ul style="list-style-type: none"> ▪ If the heart of the person is evil or too money-minded, as we have seen lots of cases, like Lehman Brothers, bank employees are focused on money earned solely. Greed creates many different types of case. In reality, some of them are driven by greed, some may make wrong decisions. Then, they tried to cover it up from other wrong acts, making it very troublesome. (sl6)
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(3) Interviewees' Attended Training Programs Hosted by own Banks and External Services Providers

Level/ Bank no.	B1	B2	B3
Frontline-level	<ul style="list-style-type: none"> during that [CPD training courses examination] period of time, we have to refer to the training guidelines more often. (fl1) our Bank is a kind of leader (in training) ... other banks follow our steps in running training activities ... focused on the well-being of the individual or the nature of the bank strategy. ... We have to hold some training to guide staff to know more sustainable development. From bank 	<ul style="list-style-type: none"> attend every year for CPD claims. (fl3) in the morning meeting session, whenever any reported incidents again, integrity is brought to our attention. ... People originally have problems in interrupting Integrity. ... We only saw it from emails and morning prayer platforms, but I forgot it easily. (fl3) Training classes; email training materials for self-study. ... I can't say whether they are sufficient. Anyway, the bank gives you the updated information, ... presumed that 	<ul style="list-style-type: none"> we have annual training regulation updates, ... some are rather too standardized to be signed off indeed. (fl5)



	<p>perspectives, more about the responsibility to the society, like sponsoring any volunteering team to serve the community or any other activities. (fl1)</p> <ul style="list-style-type: none"> ▪ Definitely, ... depends on the individual quality of staff, ... the personality. (fl1) ▪ Training held at the training centers. ... The trainer teaches staff compliance requirement. ... E-learning platform, to learn it once at a regular basis. (fl2) 	<p>they are yours. (fl3)</p> <ul style="list-style-type: none"> ▪ If you go to the intranet or training classes, we have to go through the post-course tests (fl3) ▪ To renew my securities license, I need to have at least five hours annually. (fl3) ▪ There is no special kind (cybersecurity or Fintech) of training yet. ... We may not require knowing everything, until we are needed to deal with client's transactions in this specialized area. Then, we will do our best to find out information regarding this specialized area. (fl3) ▪ Continuous training regarding the generic guidelines, e.g., AML or regulatory rules. (fl4) ▪ Both types virtual (online) or physical 	<ul style="list-style-type: none"> ▪ Training courses ... compulsory for all staff, ... Compliance, AML, phishing emails ... attend in e-training format, ... sit for the test. (fl6)
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	<ul style="list-style-type: none"> ▪ Some may only need us to learn, without any test. (fl2) ▪ All levels of staff need to attend. ... the content may be different ... for the senior management ... the other staff. (fl2) 	<p>(classroom)) of training session, there is a test and feedback. ... Different types of tests. Some are counted as passing with 100%, while the other ... I need 90%. I think at least ... 80%. ... Everybody does not want to waste too much time on this test. (fl4)</p> <ul style="list-style-type: none"> ▪ I need to attend a certain number of CPD training hours as stipulated by the regulatory body, ... however, after I have transferred to this department, the bank will not submit my renewal of license in view of my current job role. That means, I no longer have such a professional qualification. (fl4) ▪ I think, staff needs to know the continuous changes so as to attract the staff attention 	<ul style="list-style-type: none"> ▪ It is around several months to host such a training program once. (fl6) ▪ HR has the responsibility to ensure staff complied with this training; otherwise, the bank will be penalized. (fl6) ▪ Training is to let staff know and ensure the transaction cannot be proceeded, say ... AML or ... compliance with any terrorist party to do business, ... for all staff in the bank. ... The depth of the orientation program depends on the job nature and duties of each staff. ... I only need to attend the online training, ... others may need to attend the seminar or sit the relevant examination for licenses. ... Depends on the staff of different services areas. (fl6)
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		<p>and updates, that is the driving force. (fl4)</p> <ul style="list-style-type: none"> Training is offered to all general staff. <p>There are lots of training programs found on the website, but all depend on the working attitudes of the staff. (fl4)</p>	
Middle-level	<ul style="list-style-type: none"> sustainability in bank, ... training people to know what types of things they should do or should not do. ... not in the form of e-learning ... formally in a classroom training on a regular basis. e.g., a half-day and after receiving training, sit for a test. Forced them really to learn. e-learning we have done a lot, but we do not view them in detail. ... take it seriously as a course, like in a classroom. (ml1) e-learning training, ... a huge number of 	<ul style="list-style-type: none"> any internal system changes/updates ... we have at least 3-4 times per year. (ml3) since we have all attended the training courses before, ... through training, we are told that we cannot do anything without disclosing to others, especially to the seniors. (ml3) the content of the training course may have different focus for the senior and junior staff. But we all have to attend training courses. (ml3) 	<ul style="list-style-type: none"> training can raise our awareness. ... <p>Recently, our bank focused on 'value' training, classified as 'do' or 'don't'. ...</p> <p>When faced with so many challenges, ... take precautionary decision-making to protect ourselves from falling into the traps. ... A number of training sessions already reminded us of these issues. ... Assist our bank employees ... can't disclose the bank's own information to your friends to protect our bank's values and reputation,</p>



	<p>words on screen ... not read in detail. ...</p> <p>Better to ask somebody to stand out, to talk and to share what he/she observed and experienced is better than reading materials, e.g., online materials may take 10 or few more minutes to read through, ... may not really understand the real meaning behind these materials. Answer questions set at the end of the training but may not be capable of reading and understanding all in detail. (ml1)</p> <ul style="list-style-type: none"> ▪ all training conducted in on-line mode, ... in working hours, say, approximately about 20 minutes or 10 minutes or half an hour to make it finished, ... Quarterly basis, ... videos, 		<p>etc. (ml5)</p> <ul style="list-style-type: none"> ▪ we have 20 questions, ... to score at least 90% or 80%, in case anyone fails, he/she needs to re-read training materials and re-do the assessment. (ml5) ▪ no regular training schedule, sometimes, ...three or four courses released together, but sometimes, one or two instead. ... Some training only focused on reading without assessment. ... Others may need to both read and do assessment. ... All levels of staff in the bank ... Training may be based on current cases reported. (ml5)
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	<p>PowerPoints, at the end, ... a quiz asking questions relating to what is shared in those videos and PowerPoints. Mainly about compliance issues, e.g., money laundering, KYC, whenever you find anything suspicious, what action is required to undertake, etc. (ml1)</p> <ul style="list-style-type: none"> ▪ if the video is too long, it is difficult to be followed by staff. (ml1) ▪ each individual is a person with his own thinking and judgment in their daily work role. ... Training is only a kind of help or an assistant or a tool. (ml2) ▪ training is a message for teaching us good behavior but does it really guide the staff that you should do this way through? I have reservations. (ml2) 	<ul style="list-style-type: none"> ▪ compliance online training asks staff to comply with all these codes of conduct. Every year, they have to go through the review courses. In addition, on the education side, we have the monthly compliance bulletin. ... remind staff of the ethical standards through the decided court cases, say committed by other banks, and 	<ul style="list-style-type: none"> ▪ all training to be taken individually via the intranet platform of the bank. ... Some kinds of tests/quizzes in between the online training program, ... related to the code of conduct or code of ethics, apart from the online training, staff need to attend internal classroom training too. Due to the current coronavirus situation,
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		<p>the penalty, etc. Education is available and run internally. (m14)</p> <ul style="list-style-type: none"> ▪ that is an online training, each individual does the training by themselves, then they do it. (m14) ▪ the online training is in video format, ... questions set for the video content in the tests, staff are required to answer all questions correctly. (m14) 	<p>we have to postpone the deadline of attending the training course until everything returns to normal. ... We have training in business ethics. Those staff who play a more sensitive role ... have to go through the compliance, ... it is two-fold, whether the staff have been trained with such kind of knowledge. As regards control side, that is the compliance check, ... all newly recruited staff need to attend ... once they report duty to our bank. (m16)</p> <ul style="list-style-type: none"> ▪ training is important, but I would say the whole culture. ... the senior needs to demonstrate a role model for its subordinates. ... A very good corporate culture with the peers and department,
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or the country leaders ... have cultivated such an environment, ... subordinates or followers know it is essential in carrying out their daily jobs in their respective decision making. Just like a kind of culture DNA. (ml6)

- A human greed, human nature, ... a kind of temptation existed in our banking industry, ... made a wrong decision to commit the crime. ... A banker needs to know what the temptation is, so we have to educate them, what exists and how they may be in a grey area, a boundary case between legal and illegal, ... all things should be in context, it is not easily understood as the black and white. ... From our training perspective,



we have case analysis, our staff needs to know not only the content but rather the real case, what is the red flag. Therefore, education is very important. (ml6)

- Regulated environment in the banking industry, ... cost of running business in the financial industry is greater than before. ... Needs to cut down costs very severely. ... Cutting headcount seems to be the most effective way for operational cost cutting; therefore, working with limited support is a very high-risk management in the banking industry. ... sufficient checks and balances, ... sufficient checkers to review transactions, and sufficient control. Or, if ... any staff who have



			<p>taken up too many roles ... making him or her in a more powerful and risky position to facilitate something to be done violating the existing rules or regulations. ... The major challenge in the banking industry is very difficult to do business, it is rather costly to maintain its operation, ... to please the shareholders, cut cost is the most effective way, ... cut headcount or move those low-cost cost centers overseas.</p> <p>But, I have reservation if they can really provide such a high quality of services (ml6)</p>
	<ul style="list-style-type: none"> practitioners follow the bank's regulations and rules more closely, ... due to the recent penalty imposed by US 	<ul style="list-style-type: none"> n/a. 	<ul style="list-style-type: none"> n/a.



	<p>regulators on business misconduct in the US market. ... much emphasized on the training programs (especially frontline-level practitioners) to guide and control staff acts while they are undertaking their daily duties. (ml-trt)</p> <ul style="list-style-type: none"> ▪ Either “train the people or change the people”. (ml-trt) ▪ It is now a mandatory training every year for every individual, forced to have finished. (ml-trt) 		
Senior-level	<ul style="list-style-type: none"> ▪ training and “how do managers walk the talk” are very important. ... If not, if they are all chasing for the ‘figures’ in sales, ... boundary becomes grey and difficult to interpret and implement accordingly. (sl1) 	<ul style="list-style-type: none"> ▪ When I joined the Bank, the first I attended was the ICAC training. ... a whole day training. ... about similar topics [ethics]. ... Through the orientation training learned about the banking codes. I recalled a case where a staff took money 	<ul style="list-style-type: none"> ▪ How far the bank emphasizes the importance of this sustainability in its policies or systems, e.g., a way to fulfill the reporting duty to the public only. Therefore, I am more concerned. ... Any KPI in the report is more important than



	<ul style="list-style-type: none"> ▪ TOK (Test of Knowledge) under the E-Learning Platform. ... understand that specific module topic. class training session tests ... the procedures in handling different scenario cases. (sl1) 	<p>after the third decimal point and transferred it to their own account. ... Several million dollars. (sl3)</p> <ul style="list-style-type: none"> ▪ Banking practitioners should attend training and be aware of this [banking frauds]. Staff need control and monitoring. (sl3) 	<p>any advocacy in its bank's orientation program. Instead, only focusing on a few departments for this sustainability act. ... Banks should make it more practical and effective, rather than put that in the orientation. ... Every level of staff to receive training. (sl5)</p>
	<ul style="list-style-type: none"> ▪ attend the training program, usually every first quarter of each year, ... in an e-learning format, ... answer ten questions, ... at least eight questions correct. If not, ... do it again until ... such a standard. Training programs containing serious or critical issues, say code of conduct or mandates, if failed three times, the system automatically sends an alert email to the supervisor 	<ul style="list-style-type: none"> ▪ On the intranet, there is a 'summary' version highlighting those specific updates for staff's immediate attention ... the whole document to be uploaded on the intranet and let staff view it by themselves. ... A new training course/program to be followed to ensure at least the same level of staff understanding and their competency in that specific area. (sl4) ▪ reading and understanding of the details, 	<ul style="list-style-type: none"> ▪ During training courses, staff are further reminded of the exact content of the coverage of the staff code. ... reaffirm that they have read, understood and complied with that code of conduct. (sl6) ▪ Senior management level communicates this via meetings, ... a part of training for reminding subordinates to comply with. ... Our bank put training as a very important channel to guide our staff. (sl6)



	<p>and asks him/her to release the system and let that staff re-do the training and re-sit the test. (sl2)</p> <ul style="list-style-type: none"> ▪ definitely an alert to the staff, whether it is really helpful or not, I have reservations in this suggestion. Training is used to prevent banks from being penalized. ... Bank employees may be threatened by losing their jobs and being judged under the law system of Hong Kong. (sl2) 	<p>e.g., standard procedures, ... whether they have fully understood its details, no matter whether they read these line by line or word by word, we can assess them through the training course afterwards. (sl4)</p> <ul style="list-style-type: none"> ▪ Whenever staff performs his job routine right after those updates, ... revealed whether staff has already been aware of and followed the new procedural guidance strictly, ... assessed through their qualities of daily job performance. (sl4) 	<ul style="list-style-type: none"> ▪ newly recruited staff may have their own knowledge or understanding from their previous banks, may be different from our bank. They may have their previous preferred working practices, ... their supervisors in our bank should brief and guide them properly. This kind of training is not said as once a year, rather on a continuous basis. ... Guiding their subordinates should not violate any areas under existing rules and regulations. Our bank adopts the praise and penalty system. ... That is what we say, distinct award and penalty. (sl6) ▪ environmental protection ... is included in training courses offered by our bank, e.g., our frontline-level practitioners need
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			<p>to know no business deals can be made without considering the environmental protection factor. ... aware why our bank will not accept the business deals in case the client violates our sustainability policy. We need to attend this kind of training, ... for all levels of staff in the bank. (sl6)</p> <ul style="list-style-type: none"> ▪ management level tries to tell the regulatory bodies ... our own bank culture. Training is a way to prove how we now walk the talk, ... let the regulatory body see our bank's policy, the code of conduct. ... regulatory bodies come into our bank to examine our policy, our culture. One of the best methods is to let the staff remember that
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			there are rules and regulations, and the staff need to comply with it, ... If not, it is only window-dressing. (sl6)
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Appendix N: Interviewees' Feedback re Scenario Case-study for Legal and Ethical Sensitivity

(1) Responsibility of Frontline-level Interviewees for Making Decisions in Selling or NOT Selling High Risk

Products

Level/ Bank no.	B1	B2	B3
Frontline-level	<ul style="list-style-type: none"> ▪ black & white well-written document guides, not possible to buy certain types of products. (fl1) ▪ system has built-in criteria setting. Even though I agreed, signed and submitted the agreement, it was rejected by the bank. (fl1) ▪ compliance department is the second-level checker, it definitely 	<ul style="list-style-type: none"> ▪ being a sole supervisor, I don't have sufficient time to investigate each case thoroughly, rather based on the customer's risk-bearing capacity assessment report. (fl3) ▪ personally, I admitted some deals may be conducted dishonestly. (fl3) ▪ I can do nothing to rectify such commonly adopted banking practices as it is bank norms. (fl3) 	<ul style="list-style-type: none"> ▪ we have to review the client's buying pattern. I will recommend him/her the suitable products, e.g., old age may not be appropriate to buy highly risky products. (fl5) ▪ in fact, different banks have their own questionnaires [customer risk tolerance test] for evaluating/assessing customers' own capability under their respective risk bearing



	<p>rejects, not possible to proceed further. (fl1)</p> <ul style="list-style-type: none"> ▪ suggested her to choose other products. (fl1) ▪ banking industry in Hong Kong is a very high outcome (income) basis, at least in the Asia-Pacific region. It is more focused on revenue. (fl1) 	<ul style="list-style-type: none"> ▪ A random spot check procedure to test the genuineness of any concluded deals to eliminate any potential cheating in business deals. (fl3) 	<p>profiles. (fl5)</p> <ul style="list-style-type: none"> ▪ The report indicates what is the exact level of risk they can bear. Even though the client claimed to be willing to take the extra risk, they were not permitted to do so. (fl5) ▪ Based on my previous experience in retail banks, it is totally not permitted. ... no such waiver form or procedures. Now in an investment bank, we may have such a practice [waive form]. However, it must be raised by the customer themselves, so they are permitted to do so. We can only recommend part of those risky products, that are 'suitable' risk-taking capability to meet the needs of those customers, but not the whole batch of risky ones. ... We frankly may not entertain them completely. (fl5)
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	<ul style="list-style-type: none"> ▪ explain to the client the exact situation. However, the client has their own freedom of choice. (f12) ▪ based on the age of the client, in the case, he is a senior customer, there is a specific guideline issued by the bank. Whenever the client is over 65, they are required to be accompanied a party to know the potential risk associated with sale of such a product. (f12) 	<ul style="list-style-type: none"> ▪ if there is no mistake in data entry for such a result, I will explain it to the client patiently that our bank can't sell this to her. (f14) ▪ invite one more party to join our meeting, and let us communicate together, but not just the client and me. (f14) ▪ definitely ask a third party to join the meeting. The basic principle is that I definitely need to explain this case to them, and why it is not appropriate for them to buy this financial product. (f14) 	<ul style="list-style-type: none"> ▪ I had a sales quota in the retail bank. Mainly focused on selling the banking and insurance products. (f15) ▪ I only do it by following my own heart, we have to follow this [bank's regulations], no choice! (f15) ▪ I will tell her that she can't do this as don't meet the bank's requirement to buy this product. (f16)
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	<ul style="list-style-type: none"> ▪ if the client insists on no need for any accompaniment, we will not let them buy such a product instantly. We ask them to go back home to have at least a one-day cooling off period before selling. (fl2) ▪ I will write down all details to justify why we sell such an investment product to that specific client. To ensure the client is alert of all details of the sale process. (fl2) 	<ul style="list-style-type: none"> ▪ third parties should be her relatives or any person who cares about their finances, not just a friend. (fl4) ▪ “if the system indicates that is not appropriate for them to buy, then that has definitely not allowed them to do so”. (fl4) 	
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(2) Responsibility of Middle-level Interviewees for Making Decisions in Accepting or NOT Accepting Referral

Commission

Level/ Bank no.	B1	B2	B3
Middle-level	<ul style="list-style-type: none"> ▪ I refer my client to my own friend in our bank. (ml1) ▪ this kind of potential business dealing acts a kind of connection between themselves once referral completed. (ml1) 	<ul style="list-style-type: none"> ▪ I refer my existing client to my friends working in our bank. (ml3) ▪ I will never do any referral to my existing friends without considering the existing client's needs, nor take any commission in return of any referral. We have been taught repeatedly through long time training concerning this key issue. That has already been stated clearly under our bank's operational procedures/codes. (ml3) ▪ Refer only to those bank employees who have such a license to affect the banking 	<ul style="list-style-type: none"> ▪ I won't help this customer, even though they begged me. I will ask them to do it by themselves as I don't have a license for that specific investment product. (ml5) ▪ My current job role in the complaints department, not because of my own job security, but rather an important issue of compliance. (ml5) ▪ I may recommend them to my friend, but everything should be done on the principle of legal and ethical judgment. Anything about the commission from the customers,



		<p>transaction. (ml3)</p> <ul style="list-style-type: none"> ▪ I will let my existing client choose. ... If the product offered in my bank is not suitable for the needs of my existing client, I won't refer him/her to that product. I would respect clients' rights and choice for other products available. ... I will never intervene in his/her final choice/discretion. (ml3) ▪ I will never base on my need for meeting sales quota for any transactions/deals made. <p>I have to do anything in the right way as stated by the bank's regulatory codes.</p> <p>Greed is not acceptable under any circumstances in the business world. Any business crimes are not permitted. It is not worthwhile to let money affect my future</p>	<p>I will not care about this and won't take it.</p> <p>All is my own judgment and decision in handling this case. I strongly believe that this is individual conduct. (ml5)</p>
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	<ul style="list-style-type: none"> ▪ refer to the friend within my Bank (ml2) ▪ it [referral commission] is not relevant, I still prefer to refer my client to my colleague in our own bank. (ml2) 	<p>and my life. (ml3)</p> <ul style="list-style-type: none"> ▪ in our bank, there are quite a number of blocks in the operational procedures, so we have to follow the guidance very strictly. (ml3) ▪ I will take this as a friendly referral, but definitely never be related to any personal interest exchange. (ml4) ▪ apart from this, assistance between friends, I personally find that is no problem. Of course, I will never push the clients to do any transactions. (ml4) ▪ if this is my client, I have a duty to contribute the best to the bank as an employee, then I should never refer any business to any other banks. However, as I don't have that license, I will refer this 	<ul style="list-style-type: none"> ▪ I will refer my client to my friend in my bank. But I need to check carefully whether my friend is qualified and has sufficient knowledge in handling my existing client. ▪ I will be very scared with such a statement (committed to give commission for any successful referral). There is already a red flag. (ml6)
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business opportunity to my colleague in our bank. (ml4)

- if the person approaching me was my own personal friend, and there were two offers from two different banks, then I would do product analysis rationally for my friend, and let my friend know every detail, and which one offered were more competitive, and then let them make their own choice. (ml4)

- after my analysis, I believed my friend knew how to make his own decision. If he chose Bank X and asked me for any referral, then I would tell him. I can't do so as I am not working in Bank X. So, I will not betray my friend or my own bank. (ml4)



	<ul style="list-style-type: none"> ▪ with that statement of giving money, I would hesitate to do any referral as it is a kind of bribery. (ml-trt) ▪ if the client did not promise to give me money, but because I trust you as you are my close friend, it is normal to shop around for the best offer. I have not committed any successful referral; it is a normal referral. (ml-trt) ▪ it is integrity. That is my own value. Everyone has some sort of integrity. (ml-trt) ▪ I will tell them that I have not yet certified to sell nor give them any financial advice. So, if you are interested in finding out more, in terms of what is offered in our bank, I will 	<ul style="list-style-type: none"> ▪ n/a. 	<ul style="list-style-type: none"> ▪ n/a.
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	<p>suggest they approach their own relationship managers. (ml-trt)</p> <ul style="list-style-type: none">▪ get back to the procedure, any kind of referral. Follow the procedure, to make such a referral. Also, it is going back to the friend who desperately wanted to do some investment, and sought the opportunity in our bank, then went through the official channel. (ml-trt)▪ I will look at some other banks and suggest they do some market search, shopping around different banks and understand more. (ml-trt)	
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(3) Responsibility of Senior-level Interviewees for Making Decisions in Disclosing or NOT Disclosing Information to Existing and/or Potential Customers

Level/ Bank no.	B1	B2	B3
Senior-level	<ul style="list-style-type: none"> ▪ If this risk is stated under the current regulatory requirement, that we have to disclose, I will definitely insist to disclose it. (sl1) ▪ dilemma I faced is rather on the issue of reporting it to the regulatory body or not, but not whether insisting putting that disclosed statement on the agreement. I may not report the CEO act to the regulatory body. It is because even if this disclosure is not in the agreement, I don't think this will not be seen by the others. ... 	<ul style="list-style-type: none"> ▪ I will discuss it again with my immediate supervisor. In addition, I will consult other peers to check their understanding. If my perspective is right, I may invite the colleagues who are favored by my supervisor, to talk with them directly. It is an unacceptable practice to by-pass my immediate supervisor and talk to his supervisors instead. (sl3) ▪ Under my own responsibility, I definitely speak it out what I foresee; it is their choice of disclosing or rectifying it later. 	<ul style="list-style-type: none"> ▪ This case seems not possible to exist in our real workplace situation. We definitely have to disclose all possible known risks associated with any potential products. There is no compromise under any circumstances. Even though the boss asked us not to disclose, we have to disclose as this is clearly stated in the regulatory requirement. (sl5) ▪ In my personal ethical judgment, I also found that it is necessary to disclose too. In reality, I really do everything in this

	<p>I think the documentation may be reviewed or discovered by others. (sl1)</p> <ul style="list-style-type: none"> ▪ whether to voice it out clearly or how this risky information is to be presented, all these needs further discussion with the CEO and the senior management as the final decision is not on me, but rather in the hands of the CEO. (sl1) ▪ being a responsible person, I need to take up the responsibility for drawing the CEO's attention to the potential serious penalty on the bank. Maybe the CEO does not see this potential risk. Only that role can make the final decision for the overall benefit of the bank as a whole for its sustainable development. (sl1) ▪ I will definitely disclose all potential risks 	<p>I don't have that final discretionary authority to do anymore. ... Maybe they can fix it without notifying me afterwards as I may not be in that position to know every decision of the seniors. (sl3)</p> <ul style="list-style-type: none"> ▪ I definitely disclosed it within the 	<p>way, ... there is no compromise. (sl5)</p> <ul style="list-style-type: none"> ▪ If the senior management asked me not to disclose, I will either resign from my job or insist on not undertaking such a request. (sl5) ▪ Nobody can object to the disclosure of all related potential risks and losses to your clients. (sl5) ▪ To put it more directly, I would say about the resources allocation. If there is any missing act there, I will recommend and do this way. I presume everybody in the bank already knows this (sl5) ▪ If I don't feel comfortable, but other
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	<p>associated with this product in front of all those senior management. (sl2)</p> <ul style="list-style-type: none"> ▪ in reality, it can't possibly happen as all products have to go through different departments, in respect of legal, regulatory, compliance, marketing, etc. so it is at least possible to have such a situation arisen. (sl2) ▪ our committee needs to go through all steps in almost hundreds of questions to be answered properly and accurately before formal launching to the public. (sl2) ▪ as regards the risk, we have to list out every detail, what are the advantages and what are the disadvantages, e.g., any investment products about the risk points, they may be high or low, we definitely need to follow 	<p>team, ... share my own observation, my viewpoints internally and externally. (sl4)</p> <ul style="list-style-type: none"> ▪ As regards to those external parties, like investors. I don't have such authority to do so, even though I really want to. (sl4) ▪ What I can do is to make as many voices as I possibly can in the bank. That's all I can do within my responsibility and duty in this position. (sl4) ▪ I really want to control that situation; therefore, I need to work hard to fight for that position. Then, I have that authority and that discretion in that position. If this does not work out, I have another alternative, i.e., resign from my present post. In fact, there are only two choices. (sl4) 	<p>senior managers don't have reasonable evidence to support their views on this issue, my usual practice is to disclose it to the whole team and let all of us sort this problem out together. In fact, I will ask the relevant parties, e.g., legal, compliance, to join and handle this. (sl6)</p> <ul style="list-style-type: none"> ▪ Our bank emphasizes very much on its reputation. We have a common value of protecting our bank's reputation. (sl6) ▪ If it is decided within the same team, we all are responsible for the consequences of such a decision. (sl6) ▪ It is really useless for any direct confrontation with senior management. (sl6)
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the stipulated rules and regulations and tell potential clients all. Even though the amount of investment is not big, due to violations being so large that the client may lose a huge amount instead. Therefore, I will definitely disclose all risks to the senior, instead of covering them up. (sl2)

- The challenge is 'FAST'. It developed so fast that nobody really knows how this can be done properly in this developing area, every banker is now trying to sort this out. Therefore, the HKMA has sand boxes asking them for testing, testing and testing, before they really launched such a project. (sl4)
- From an intelligent perspective, it is a really good development area in view of its efficiency. You may recall that there are quite a number of incidents or errors reported, like fraudulent deals. We really cannot prevent these incidents; all we are doing is doing it bit by bit in a trial run. I would say, let it be improved in an organic way, improve or rectify it by



	itself, i.e., self-rectification. (sl4)	
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