Bounded Reflexivity

A study on a culture of systematic non-reflexivity among bankers

MASTERTHESIS

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Abstract

The world of finance is in a large degree affecting our lives. In 2008, we were according to insiders only 36 to 72 hours away from a financial disaster. Ten years after the financial crisis the chance that the crash will happen again is still present (Luyendijk, 2018). Yet, journalists find it hard to report financial corruption or scandals. According to Kenny (2019), this has to do with the complex terminology (CDO’s, options swaps, etc.), mathematical formulas, and implied assumptions which are hard to understand if you don’t have high numeracy. There is an increasing need to better understand the world of finance. This thesis therefore, has the aim to develop a conceptual framework for understanding the factors that work as blockades for reflexive practice in organizations. I have taken the example of bankers in the London banking sector as a “critical case” in Flyvberg’s (2006) sense. The empirical material served to illustrate and ground empirically the idea/concept of reflexivity blockades. This thesis analysed the social dynamics of reflexivity and used the interviews of Joris Luyendijk to investigate the implications of identity and culture on reflexive practice. The thesis aimed to answer the main question: how are identity (work) and organizational culture contributing to the concept of reflexivity blockades in the banking sector in London? Reflexivity is defined in this thesis as “questioning what we, and others, might be taking for granted - what is being said and not said - and examining the impact this has or might have” (Cunliffe, 2016: 741) The stories which were analysed in the thesis indicate a relation between culture and identity (work) as factors which from blockades of reflexivity. Besides the influence of identity (work) and organizational culture also the notion of ‘zero job security’ is suggested as an important factor which leads to reflexivity blockades. Further research is needed to identity other factors that influence reflexivity blockades (e.g. incentives and organizational structures).
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1. Introduction

This introduction consists out of five sections. Here is discussed how my motivation and scientific interest formed the basis for this research (1.1), the case which inspired me to write this thesis (1.2) and how this lead to the aim of the research, namely, the development of the reflexivity blockades (1.3). In the methodology (1.4) is explained how this thesis is empirically grounded by the interviews conducted by Luyendijk in the period of 2011 until 2013. In structure (1.5) is explained how the parts of the thesis flow through the document.

1.1 Motivation and scientific interest

My scientific interest in the banking culture started with reading a book called ‘Among the Bankers: a Journey into the Heart of Finance’. The writer of this book is Joris Luyendijk (2015), a Dutch journalist with an anthropological background. From 2011 until 2013 he has been writing blogs for the Guardian about the banking sector in London. Five years after the financial breakdown, he wanted to understand why this crisis could have happened and what has changed ever since. As a typical anthropologist, he did this by revealing the human side behind the so called “banker”. He conducted around 100 interviews and revealed the bigger context within which the decisions of the individual actors are made.

The book triggered me to think about the impact of the banking culture on the rest of the world and the influence of the ‘shareholder perspective’ in organizational and managerial decision making; a perspective in which fundamental societal values are being neglected - in every part of society. How can it be that a sector which employs students from the most elite universities in the world is neglective in seeing the wider impact they have on the world?

Gillian Tett (2009), also an anthropologist and now journalist for the Financial Times, wrote a book on how greed and meritocracy were one of the main drivers in the creation and institutionalisation of complex financial instruments, like collateralized debt obligations (CDO’s). The CDO’s were one of the root causes of the financial breakdown in 2008. It seemed that a team of young bright men created these financial instruments while only focussing on financial innovation and creating more money for the bank. In the creation they looked for ways around the Basel regulations, which regulated banks for creating too much risk without sufficient financial leverage. These collateralized debt obligations were later
widely accepted by the rest of the banking sector without a true understanding of the assumptions behind the complex financial instrument. How could it be that nobody was asking substantial questions to stop this enormous risk? And how can it be that many years later the same underlying greed and meritocracy is still in place after being on the brink of a worldwide disaster?

Reading between the lines of the books about banking, I noticed many topics passing by which we learned about and critically reflected on in our studies. Especially during the lecture on the theory of functional stupidity from Mats Alvesson and André Spicer (2012), I could see many relations with the banking culture.

In my master thesis I try to develop a conceptual framework for understanding reflexivity blockades - inspired by the theory of functional stupidity (and others) - and empirically supported by the interviews Luyendijk conducted in London.

1.2 Introduction to “The City/Square Mile”

The City of London, also referred to as the Square Mile, is the historic and financial heart of the United Kingdom. Only in the financial sector are working over 250 000 people. This place is the geographic frame in where this thesis will focus upon. One reason for that choice is because the financial world is highly globalized, which makes it very hard to set clear boundaries on where the banking culture starts and where it stops. The second reason for choosing the City as geographic frame is that even within banks it is hard to pinpoint a homogenous culture, since banks have so many departments including front- middle- and back offices.

Also, banks have gone through many mergers with different kinds of banks and other financial institutions, which created a development that brought into existence the so-called “mega banks”, having more than 75,000 employees in more than 67 countries with over 3,900 offices each. The problem with those banks is that they have become “too big to fail”. This means that those mega banks have so many ties to the global financial system, that in the occasion of an bankruptcy they drag the rest of the banks with them. This means that the individual countries have to pump billions of money into the banks to avoid a total crash of the financial system. As result of the inevitable support of the taxpayer, the banks take much
more risk than if they themselves were the only one accountable for their actions. In the end they will be saved anyway.

After the financial crisis many banks had to endure many regulations. Also many banks stated that they are out to change the culture of their bank. They did this to ensure that a situation like the financial breakdown would never happen again. Unfortunately, ten years later the chance that the crash will happen again is still present (Luyendijk, 2018). Also a report on the culture in the UK banking sector suggests still alarming unethical behaviour in the UK banking culture (Spicer, et al., 2014). Most of the change is focussed on risk avoidance and senior leadership while concepts like reflexive practice still remain underdeveloped.

1.3 Research aim/objectives

The banking sector in London and the financial world as a whole is a complex world where it is hard to generalize any specific findings. Next to the complexity, there is also a ‘code of silence’ among the bankers according to several researchers, which makes research and understanding even more difficult (Luyendijk, 2013; Spicer et al., 2014; Kenny, 2019). The financial world is at a point where even the CEO’s of the biggest banks are not aware of what exactly is happening in their banks. This is due to the highly globalized markets and the ongoing financial innovation. Also the general view of the public on finance is that it is boring and complex. Even journalists are typically reluctant to report financial corruption. According to Kenny (2019), this has to do with the complex terminology (CDO’s, options swaps, and so on), mathematical formulas, and implied assumptions which are hard to understand if you don’t have high numeracy. To examine and critique the practices of banking, one must speak their language. This is something that many people outside the industry find too difficult. Also, courts often fail to find jurors to serve in trials of white-collar financial crime because very few people are capable to even understand the technicalities of such cases (Kenny, 2019). On the other hand the world of finance is in a large degree affecting our lives. In 2008, we were according to insiders only 36 to 72 hours away from a financial disaster. This means that billions of people would not be able to reach there money anymore which would lead to a scenario where millions of people would do everything to survive. By a deeper understanding of the social structures that drive those
decisions we can get closer to why the crisis of 2008 could happen, but even more important: how could a possible next crisis be avoided?

The thesis aims to develop a conceptual framework for understanding the factors that work as blockades for reflexive practice, which I will refer to in this thesis as ‘reflexivity blockades’. I take the example of bankers in the London banking sector as a “critical case” in Flyvberg’s (2006) sense. The empirical material serves to illustrate and ground empirically the idea/concept of reflexivity blockades. The thesis builds on prior work in management and organizations studies (mainly Alvesson and Spicer) and aims to deepen the understanding of reflexivity blockades. Alvesson and Spicer (2012) talk about a systematic undermining of reflexivity and substantial reasoning. In a more recent article Alvesson and Einola describe five key drivers (intrinsic motivation, extrinsic motivation, organizational norms, the principle of reciprocity, and identity) of excessive work regimes which lead to functional stupidity (Alvesson & Einola, 2018). This thesis focuses on two of those key drivers to explain the social structures which lead to the reflexivity blockades. The main two concepts I will be using in this thesis are: identity and organizational culture. The reason for choosing those two factors over all the factors is defined in the pre-analysis phase by reading books and literature about the theme. The factors internal and external motivation and reciprocity are therefore not taken into account in this thesis. This doesn't mean that they don't play a role in the creation of reflexivity blockades.

**Research question**

The research question, which is central in this thesis, can be divided up into two different sections. The first question relates to the role of identity (work) and how this concept is contributing to the reflexivity blockades. The second question is putting emphasis on the relation between organizational culture and reflexivity blockades. Together they form a basis for a conceptual framework which tries to understand why reflexive practice is blocked in the banking sector in London. In the research there was also space for other factors which would unfold during the course of research. Though, the main focus was on a more elaborate understanding of identity and culture as factors which contribute to the reflexivity blockades.
Research question:
How are identity (work) and organizational culture contributing to the concept of reflexivity blockades in the banking sector in London?

1.4 Methodology
The data that I will analyse are the interviews which were conducted by Joris Luyendijk in the period of 2011 until 2013 in the banking sector in London. Luyendijk was asked by the Guardian, shortly after the financial breakdown, to get to know more about the lifeworld of the bankers, which were behind this financial breakdown. Luyendijk, which is an anthropologist by education, did not know more than the regular readers of the Guardian. He was asked to do an anthropological study on the banking sector in London. During his ‘study’ he posted all the transcribed interviews online under the name of Voices of Finance. This created an open platform where discussion was made possible for the readers. The structure of the interviews could be categorized as open/unstructured interviews. As Luyendijk states in his blog: “The structure of the interviews was loose and open, born from an awareness on my part that as an outsider I don't know what it is that I don't know. We'd start with the job title and a typical working day, then take it from there” (Luyendijk, 2012).

The reason for choosing this source of data is because I think this data give a unique possibility to deeper understand the culture in the banking sector. In the banking sector people could normally lose their jobs if they would talk about their work with a journalist. Therefore, the interviews were done with the presumption not to disclose any information about the person and for which bank he/she is working in order to protect the employees. This is needed because the employees are strictly forbidden to disclose any information about the banks after leaving or while working at the banks. This is what makes the data source interesting since they autonomously choose to break the “code of silence” and come forwards with their perspective on the banking culture.

This case is chosen because of different reasons. First, because this case can be seen as a “critical case” in Flyvberg’s (2006) sense. Flyvberg states that case studies like critical cases follow the rationale “if it is valid for this case, it is valid for all (or many) cases” (Flyvberg, 2006). The situation in the banking sector is not unique, the social reality in which reflexive practice is blocked, is also true for other big organizations. Secondly, in the case of
the banking sector I could develop the concept of reflexivity blockades. The banking sector has been famous for recent scandals in which the absence of reflexivity was crucial. Therefore, it was likely that blockades of reflexive practice could be illuminated. This concept could be then used to make sense of other organizational worlds in order to further build on the idea of reflexivity blockades.

The mode of research is a combination of deductive and inductive research. The thesis is deductive because this thesis is built upon pre-existing theory namely the theory of functional stupidity. In this thesis I am searching for prior described patterns based on the mentioned concepts prior formulated by Alvesson et al. (see section 1.3). But, at the same time, the thesis is inductive since the interviews are used as a source for new patterns, which were not yet visible or determined at the start of the research. Also instead of testing the existing theory the thesis develops a new concept namely, the reflexivity blockades.

In a qualitative/ethnographic study where the aim is to produce knowledge about behaviors, social structures and shared beliefs, the position of the researcher needs to be taken into account. The participation and the perception of the researcher always influence the results of the analysis. Luyendijk depended on the participants who wanted to talk to him and therefore consciously broke the agreement with the bank to be silent. Some of the participants had the motivation to shine light on practices of the bank that they knew, but were hidden for other people. Others took the chance to talk to Luyendijk with the motivation to put the bank in a more positive daylight. Either way, bankers were not chosen in a generalizable way. Therefore, the study is not to be seen as a general picture of the banking sector. The thesis rather can be seen as a critical case in which a certain pattern (reflexivity blockades) in the social structures is illuminated.

Next to Luyendijks’ subjectivity, also my evaluations and interpretations of the data are bound to my personal perception and worldview. In our studies of organizational studies, we often looked critically at organizational realities. This gave me the tools or so-called glasses to see the broader implications of certain practices. Also, every person has emotions, expectations, a structured mind and a coloured way of looking at reality. Claiming to do objective research when investigating social behavior and patterns is to claim not to be human, which is impossible. I tried to analyze my data set as objective as possible, but the categories I have chosen, the words that took my attention, the way I have made sense of this reality, and other things that I am maybe not aware of, are influenced by me. Unable to
switch off my personal predilections, I have to conclude that this thesis is tainted towards a subjective critical stance.

This thesis doesn’t focus on creating identifiable characteristics which would explain reflexivity blockades in a static and comparable and/or measurable way. It rather follows the work of Chia (2003) who identifies knowledge as a process of knowing rather than a possession as it is bound to the term of knowledge. This means that I will see organizational realities as a product of the subjective enactments and social constructions of individual actors. Reality does not exist independently of our perceptions (Chia, 2003). Reflexivity - just as knowledge/knowing - as well as constituting “blockades”, is an ongoing process, which cannot be fully captured in static categories. This means that this thesis will, instead of focusing on the larger organizational unit, concentrate on individual meanings and intentions, interpretations, and sensemaking, to throw fresh light onto the reality of organizational life.

1.5 Structure

This thesis unfolds in five chapters. An introduction to the research is given in chapter 1, which consists out of five sections. Here is discussed how my motivation and scientific interest formed the basis for this research (1.1), the case which inspired me to write this thesis (1.2) and how this lead to the aim of the research, namely, the development of the reflexivity blockades (1.3). In the methodology (1.4) is explained how this thesis is empirically grounded by the interviews conducted by Luyendijk in the period of 2011 until 2013.

The theoretical framework which is discussed in chapter 2 consists out of 3 sections. I first explicate the concept of reflexivity (2.1). I will use the definition of Cunliffe (2004, 2016), and then place the concept of reflexivity in a broader perspective made up of social structures by drawing on the theory of functional stupidity (Alvesson & Spicer, 2012). Secondly, in the two following sections I will explain how the concept of identity (work) (2.2) and organizational culture (2.3) have influence on the blockades of reflexivity.

In chapter 3 (Voices of finance), the stories of the bankers are being illuminated. Those stories will help to understand the individual intentions, interpretations and sensemaking of the bankers in London. The chapter follows to some degree a chronological approach in which I will first look at the way a certain system of values and beliefs is created even before entering the bank as an employee (3.1). Then, the process of entering the bank is
highlighted. The bubble in which the bankers live will be taken into account in which insane working hours and the fear of losing your job are seen as influential for forming blockades for reflexive practice (3.2). Subsequently, the stories in which bankers left the banking will be used to frame the becoming or a more critical self (3.3). Last, I will explain the importance of reflexivity and the existence of reflexivity blockades in the banking sector (3.4).

In chapter 4, the relevance and importance of the stories will be highlighted by showing how they relate to the earlier mentioned theories and concepts. I will go deeper into the concept of reflexivity blockades in four steps (4.1). First, the influence of organizational cultures will be shown by drawing on Schein (1985) and Jackal (2009) (4.1.1). Then, the influence of ‘zero job security’ will be discussed by mainly drawing on the stories of the bankers in comparison with the research on whistleblowing in the banking sector by Kenny (2019) (4.1.2). Third, the influence of identity work will be revealed by drawing on Alvesson & Spicer (2016) and Brown (2015) (4.1.3). Fourth, I put emphasis on the importance of reflexivity by showing examples of reflexive practice in the banking sector (4.1.4). At the end of the discussion I will go into the limitations of my study (4.2) and the implications for further research (4.3).

Chapter 5 is the conclusion, in which the main arguments of the thesis will be summarized and the research question will be answered.
2. Theoretical framework

The theoretical framework consists out of 3 sections. I first explicate the concept of reflexivity (2.1). I will use the definition of Cunliffe (2004, 2016), and then place the concept of reflexivity in a broader perspective made up of social structures by drawing on the theory of functional stupidity (Alvesson & Spicer, 2012). Secondly, in the two following sections I will explain how the concept of identity (work) (2.2) and organizational culture (2.3) have influence on the blockades of reflexivity.

2.1 Reflexivity

In this section, there will be a discussion on the main theories of reflexivity and reflexivity practice. The main focus will be on reflexive practice in organisational life since this is the focus of the study. First, I will explain reflexivity through the perspective of Cunliffe, who did many studies on reflexivity over the years and has derived at a balanced meaning of what it means to be reflexive. Secondly, we will discuss the theory of Alvesson and Spicer on ‘functional stupidity’ and how this theory explains the systematic undermining of reflexivity, justification and substantial reasoning. Reflexivity should, according to to this theory, not be seen as something which exists independently, but as a phenomenon embedded in a system of social structures.

2.1.1 What does it mean to be reflexive

The concept of reflexivity has been studied for some decades, but rarely in the context of organizations or banking. However, this is changing. According to Allen, Cunliffe & Easterby-Smith (2019) and other scholars, “reflexivity has only relatively recently found its way into Organization and Management Studies (Alvesson and Skoldberg 2009; Chia 1996; Johnson and Duberley 2003), although it has a much longer history in philosophy (Bourdieu 2004; Lawson 1985; Schütz 1967), cultural anthropology and sociology (Clifford and Marcus 1986) and the sociology of knowledge (Ashmore 1989; Woolgar 1988). Numerous definitions and typologies of reflexivity exist (e.g. Alvesson et al. 2008; Holland 1999; Lynch 2000). Many draw on the social constructionists’ assumption that we continually construct what we assume to be a ‘real’ and independent social world—its meanings, events and
institutions—in our everyday activities, interactions and conversations” (Allen, Cunliffe & Easterby-Smith, 2019). Studying reflexivity in the context of organizations is becoming more important and receiving more attention since 20 years. Still, it is not yet a big field of study, while in the light of environmental change, social inequality and unethical scandals, like the Volkswagen scandal in 2015, I think that it should be one of the main priorities in organizational studies.

There has also been critique on the concept on reflexivity. Sociologist Galit Ailon, who studied reflexivity in the context of the Enron case (Ailon 2011), concluded that the actual working of reflexivity is far more complex than how most theorist who write about reflexivity assume it to be. Ailon’s key point is this: “where the notion of reflexivity becomes abstracted from specific practices, it can defy, or even escape, critical examination as it becomes absorbed into, and diluted by, a prevailing ‘cultural grammar’ in which its meaning and significance is (narrowly and superficially) framed. Reflexivity may then be conceived as a self-evident, quasi-universal phenomenon that appears to operate independently of, or somehow to float free of, culture and institutions” (Ailon, 2011: 144) “As a consequence, there is limited scrutiny of the asymmetrical power relations through which the meaning and significance of reflexivity is culturally defined and exercised. At worst, enactments of reflexivity serve simply to affirm and reproduce the dominant values of the field, with the result that the principal contribution of reflexive interventions is an endorsement and reinforcement, rather than a problematization, of the status quo” (Ailon, 2011: 159–160). This critique is particularly important since this thesis is focussing on a relatively similar case like the Enron case. With the critique and the many definitions taken into account I want to follow the work of Cunliffe in defining the concept of reflexivity.

Ann L. Cunliffe (2016) who did much work on reflexivity sees reflexivity as a concept that has to be approached from an interpretivist ontology. She states that she moved in her time of research from a subjectivist ontology, in which people are studied as individuals and their multiple and diverse interpretations, to an intersubjective ontology, where it is crucial to recognize that we are always in relation with others. First she defined critically reflexive practice as: “[c]embracing subjective understandings of reality as a basis for thinking more critically about the impact of our assumptions, values, and actions on others” (Cunliffe, 2004, p. 407). But after twelve years of study, Cunliffe defines reflexivity as follows: “Questioning what we, and others, might be taking for granted—what is being
said and not said—and examining the impact this has or might have” (Cunliffe, 2016: 741). In this thesis her most recent definition will be leading since this definition does not stop at critical thinking but also adds an action, namely, ‘questioning those taken for granted assumptions’. In addition, the second definition extends reflection from a personal trait to a practice of persons within a culture.

To illustrate what it means to be reflexive, Cunliffe names an example in her small book on management which is relating to the banking culture in London: “For over a decade British banks offered payment protection insurance (PPI) designed to help customers repay loans and debts in the event of job loss, illness, and so on. This sounds like responsible customer service, right? But managers also imposed high sales targets on staff to “encourage” them to sell PPI, and penalties were imposed if targets were not reached. Employees were therefore pressured into selling PPI insurance to customers who didn’t need it. No one addressed the morality or the impact of this profitable (for the bank) practice, and after a 2005-2006 Financial Services Authority investigation, a number of banks were fined and are now compensating many customers” (Cunliffe, 2014). So reflexivity works at two levels according to Cunliffe: “being self-reflexive about your own beliefs, values, and so on, and the nature of our relationships with others, what we say, and how we treat them and being critically reflexive about organizational practices, policies, social structures, and knowledge bases. Both self- and critical-reflexivity are important in working toward ethical, responsive, and responsible organizations” (Cunliffe, 2014). The definition of Cunliffe will be leading in this thesis. In the next section I will explain how reflexivity is embedded in organisational systems by drawing on the theory of ‘functional stupidity’ by Alvesson and Spicer (2012).

2.1.2 Reflexivity embedded in a system of social structures

This section tries to explain how reflexivity is embedded in a broader system made up of organisational culture, identity and other socio-organisational structures. In this thesis there will be an emphasis on explaining and understanding this broader system by looking through the lense of the theory of “functional stupidity”. The reason for choosing this theory is that it explains why certain organisational systems work so well but are a threat in the long run. Also it is written with the same ontological background of both Luyendijk who conducted the interviews in the banking sector in London and Cunliffe, who wrote about the definition of
reflexivity. With this theory I will try to explain how certain organisational structures are systematically blocking reflexive practices in organisations.

The name of the theory refers partially to bounded rationality and ignorance, which Alvesson & Spicer name stupidity. Alvesson & Spicer (2012) state in their theory and in their book The Stupidity Paradox (2016) that “there is a refusal to use intellectual capacities in other than myopic ways, and avoidance of justifications” (Alvesson & Spicer 2012). In his book they are addressing multiple sub-chapters on for example: sleepings dogs, cognitive biases, bounded rationality, mindlessness and ignorance. In this way they address that the common assumption of ‘smartness’ in especially the elite firms (consultancy, banking, law firms) is bounded. This part of the theory won’t be used in this thesis since this thesis won’t be focusing on the assumption of smartness or stupidity but on reflexivity blockades. Alvesson and Spicer make the assumption that especially smart people are capable of reflexive practices. In my thesis I assume everyone is equally capable of reflexive practice and therefore, every employee of an organisation has the moral obligation to question the organizational practices, policies, social structures, and knowledge bases (see for example: Christensen et al., 2017, pg. 252; Rasche & Esser, 2007). The functional stupidity theory suggests that social structures repress or marginalize doubt and block communicative action. In turn, this will structure individuals’ internal conversations in ways that emphasize positive and coherent narratives and marginalize more negative or ambiguous ones. This can have productive outcomes such as providing a degree of certainty for individuals and organizations. But it can have corrosive consequences as well, such as creating a sense of dissonance among individuals and the organization as a whole. Dialogue about moral ambiguity is therefore blocked through those cultural norms and organizational scripts and structures. The theory of Alvesson and Spicer (2012) focused on three main cognitive aspects that are being marginalized, namely: reflexivity, justification and substantive reasoning.

Lack of reflexivity is here defined as the inability or unwillingness to question knowledge claims and norms (Alvesson and Sköldberg, 2009). This happens when members of an organization do not call into question the dominant beliefs and expectations they encounter in organizational life. Organizational rules, routines, and norms are thought to be given, natural, and good (or unproblematic or inevitable) and, therefore, not worth thinking about in negative terms.
The second aspect of functional stupidity is a lack of justification. This entails actors not demanding or providing reasons and explanation (cf. Boltanski and Thévenot, 2006). Given relatively ‘open’ social conditions (such as freedom of speech), individuals tend to consider all statements in terms of sincerity, legitimacy, and truthfulness. They are also inclined to argue or ask for justification when confronted with what is viewed as problematic validity claims. This is what Habermas (1984) refers to as communicative action a dialogue that creates views and norms that are well-grounded in arguments. By not asking for justification, individuals are disinclined to engage in dialogue or ask for rationales for doing something. This often means assuming that an account of the reasons for a decision or action is not required. Not requiring justifications allows practices to be accepted without any significant critical scrutiny or robust process of reason-giving. Refraining from asking for justification beyond managerial edict, tradition, or fashion, is a key aspect of functional stupidity.

The third aspect of functional stupidity is a lack of substantive reasoning. This happens when cognitive resources are concentrated around a small set of concerns that are defined by a specific organizational, professional, or work logic. It entails the myopic application of instrumental rationality focused on the efficient achievement of a given end, and ignorance of the broader substantive questions about what that end actually is (Alvesson and Willmott, 2012). For instance, an accountant may compress a broad range of issues into recordable numbers, thereby ignoring many of the more substantive debates around what those numbers exactly represent and the moral implications associated with using those numbers in decision making (Dillard and Ruchala, 2005). This is a form of stupidity because it can halt a reasoned investigation and consideration of the possible links and implications of one’s action. Instead, it frames questions in very narrow and focused ways (Alvesson & Spicer, 2012)

How the social structures influence the lack of reflexivity, lack of justification and substantive reasoning will be illustrated through two examples, especially well known in the business ethics field. The first example is the example of the Ford Pinto case (Gioia, 1992).

Dennis Gioia was in his student times a thoughtful man with the idea to change the world in a better place. Once he started working at Ford, he was assigned to safety recall campaigns at Ford. During a time routine crash, testing revealed that the Ford Pinto’s fuel tank often ruptured. Dennis was in the position to make the decision for a recall or not. More
and more people died because of crashes. Partially based on a simple cost-benefit analyses, he made the decision to not make the recall: “It was a good business decision, even if people might be dying.” (Gioia 1992: 382). In his time at Ford, he tried to talk with his colleagues about the problems with the Pinto. But in persisting asking tough questions, you are likely to cause problems for yourself. Probably he would end up threatening the relationships with important people and disturbing the existing power structures. In the end he had an organisational script which would justify his decision in the company. But the bigger decision to make the recall based on his moral impulse stayed blocked.

The second example is from Robert Jackells’ (1988) study of organisational life in large North American corporations. After interviewing many middle managers, Jackall found they lived often in a morally ambiguous universe. There was no sign of reflexivity and there were strong cultural norms and taboos which were hardly questioned. Jackall states: “there were fundamental rules of bureaucratic life in place. These are usually stated briefly as a series of admonitions. (1) You never go around your boss. (2) You tell your boss what he wants to hear, even when your boss claims that he wants dissenting views. (3) If your boss wants something dropped, you drop it. (4) You are sensitive to your boss’s wishes so that you anticipate what he wants; you don’t force him, in other words, to act as boss. (5) Your job is not to report something that your boss does not want reported, but rather to cover it up. You do what your job requires, and you keep your mouth shut”. (Jackall, 1988: 109) These fundamental norms are creating blockades on reflexivity in the way that they create rules which keep you down from broader thinking than what is expected from you.

Not only organisational factors such as structures, scripts and incentives play a role in marginalizing those three aspects according to Alvesson and Spicer. There is also an important motivational role in refraining from reflexivity. A simple lack of curiosity or close-mindedness is seen as influential whether people practice reflexivity or not. The way in which you see yourself as an organizational person or a “professional” (who is inclined to see the organizational or occupational paradigm as unquestionable) is also an important barrier to broader thinking. Later in this thesis we will dive deeper into this theme of organisational identity and how it undermines reflexive practice. Next to identity also many emotional factors play a role in reinforcing functional stupidity. Emotions like anxiety and personal insecurity can have effects on critical thinking and on one’s approach to a critical dialogue.
(Alvesson and Spicer, 2012). For example, when you are uncertain whether you will keep your job in the next year, you are probably less inclined to critically question the status quo at your job. Especially since engaging in substantive reasoning is not accepted as normal parts of organizational life. In some cases these demands might be considered a waste of time. In other cases, they may be thought of as dangerous or potentially subversive activities that must be actively discouraged and sanctioned. Partially due to those emotions and the fear of losing your job people start to engage in self-rationalization. Jackall (2009) states that self-rationalization produces the deepest internalization of organizational goals, creating at the same time relatively enclosed social worlds that allow people to bracket moralities to which they might adhere in their homes, churches, or other social settings. The objectification of the self that self-rationalization requires becomes an enduring habit of mind and frames and paces one’s stance to practical matters and other people alike. Occupational rules-in-use gain ascendancy over more general moral and ethical standards. Moral choices become inextricably tied to organizational fates (Jackall, 2009). This produces over time an irrational faith in the system. During the most recent financial crisis, this irrational faith was placed in their complex financial models like CDO’s which in the end lead to disasters like the financial crisis (lewis, 2011).

To sum up, reflexivity is defined in this thesis as “questioning what we, and others, might be taking for granted—what is being said and not said—and examining the impact this has or might have”. But how actually this is done in the organisational sphere is more complex. According to Alvesson and Spicer there are social structures in place which block systematically the reflexivity, justification and substantive reasoning in organisation. In short, it can be said that many organisational factors like organisational scripts, structures and cultural norms play a role in undermining practice of reflexivity. Next to organisational factors also motivational and individual factors play a role in the lack of reflexivity in organisations. Emotions like fear and anxiety as well influences blocking further actions on the feeling immoral behaviour or practice. But also self-rationalization and the internalization of the organizational goals over morality blocks further critical scrutinization of the status quo. In the coming two chapters I would like to put extra emphasize on how organisational identity and organizational culture play a role in blocking reflexivity in organisations.
2.2 Identity

The first concept I want to draw upon to explain reflexivity blockades is identity. In this chapter the concept of identity is explored through different theoretical lenses. I start by explaining about the bigger concept of identity and the work which has been done over the years. Secondly, I will draw on the work which has been done on identity work. Then I will emphasize the connection between sensemaking theory and identity. In the last chapter I will draw upon the notion that their might be less identity work than expected, this notion will be backed by the theories of teflonic identity manoeuvring and identity minimalism.

2.2.1 Who are we? Who am I?

Identities in organizations are increasingly central to understanding processes of organizing (Brown 2001; Lok 2010; Ybema et al. 2009). Moreover, there is growing realization that identities and identity work are far from discrete phenomena, and may have profound individual, and collective (group, organization) implications. At the level of the individual, the types of identities that people work on have consequences for their everyday decision-making in organizations (Alvesson and Willmott, 2002). Some even say that studies of identities may inspire ‘significant theoretical and practical advances in the study of almost every aspect of organizational life’ (Haslam and Reicher, 2006, p. 135). Although there seems to be a consensus on that identity is a factor in explaining organizational life to some extent, there is still no consensus on what identity is regarding the factors of choice (Watson, 2008), stability (Markus and Wurf, 1987), coherence (Clarke, et al. 2009), positivity (Roberts and Dutton, 2009) and authenticity (Tracy, 2005). Despite the ongoing debates, there is an emergent consensus that identity refers to the meanings that individuals attach reflexively to themselves, and developed and sustained through processes of social interaction as they seek to address the question ‘who am I?’ (Cerulo, 1997; Gergen and Gergen, 1988). According to Alvesson & Robertson those meanings are drawn from available discourses and other symbolic resources during social interactions, and they say that the notion of reflexivity is crucial here (Alvesson & Robertson, 2016). Also sociologists and social psychologists alike regard identities as enacted in the ‘now’ through language and action. That is, identity does not (necessarily) signal a stable core self; rather, identities are ad hoc and positional (Brown, 2015). Even people in tainted
categories and/or with frustrating working conditions are often viewed as striving for a positive, secure sense of who they are (Brown, 2015). Identity therefore typically represents a valued sense of self, to the extent that to some degree of uncertainty and insecurity can be handled. In this thesis I broadly follow an interpretive-poststructuralist approach which emphasizes the constructed and constructing view of identity. In this approach I follow the definition of Alvesson and Robertson in self-identity as a reflexively organized understanding of one’s distinctiveness and valued key characteristics derived from engagement in and with competing discourses and multiple experiences, which produces a degree of existential continuity and security. Identity is a response to the question ‘who am I?’ and ‘What is important for me?’ (Alvesson & Robertson, 2016). How identity is related to the reflexivity blockades becomes more clear in the next section about identity work.

2.2.2 Identity work

The term ‘identity work’ is commonly used to refer to identity construction processes (Brown, 2015). It describes what the majority of researchers believe to be the occasional and/or ongoing, reflexive activity that an individual undertakes – or because of a variety of forces has to undertake– in constructing an understanding of self. It is in situations/contexts which generate doubt, negative experiences and/or choice that identity is a theme for reflection (Alvesson & Robertson, 2016). This form of engagement can be referred to as identity work. As individuals encounter contexts/situations that challenge their self-narrative, identity work is triggered (Roberts, 2005; Sims, 2003). Brown (2015) highlights the increasingly demanding situations that are often faced today and suggests that identity work “is more necessary, frequent and intense in situations where strains, tensions and surprises are prevalent, as these prompt feelings of confusion, contradiction and self-doubt, which in turn tend to lead to an examination of the self” (Brown, 2015, p.6). When you encounter a situation where the situation is in conflict with your (moral) self, questions start to arise. We might be asking what we have not seen to create an congruent picture of ourselves and the environment. Sometimes this includes to shine light on the assumptions which we have taken for granted. This therefore triggers reflexive practice. Conscious identity work is thus grounded in both self-doubt and self-awareness, typically contingent upon a mix of psychological-existential angst and complex social situations, involving some disruption of a taken-for-granted or ‘settled’ sense of being (Alvesson & Robertson, 2016). This can also be
exacerbated because of lack of alignment between self-understandings and social ideals promoted through discourse.

One particular discourse and recent example in the aftermath of the financial crisis is the story/discourse about the moral identity of senior bankers. Whittle and Mueller researched the moral stories being constructed during a public hearing (Whittle and Mueller, 2012). In this hearing, senior executives from major banks constructed the story of being ‘victim’ of a so-called ‘financial tsunami’ instead of the ‘villain’ who was to blame for short-termism and taking risk. This story focuses on victims of an ‘impersonal force’ in which nobody is to blame. They described the ‘scene’ as a consequence of complex new financial instruments. Also they drew upon ongoing regulation, established ‘practices’, ‘policies’ and ‘cultures’ which were widely accepted by regulators, shareholders, boards and credit reference agencies (Whittle and Mueller, 2012). They created the story where nobody was to blame and where the complexity in the financial market was leading to an unpredictable break down.

In the creation of those discourses reflexive practice is being suppressed since it creates a narrative where the moral self doesn’t get triggered. The narrative is a discourse which is taken into account in the process of identity work, which tries to create an stable and congruent picture of comfort in the status quo. The ‘banker’ was ‘victim’ of a so called system failure or financial tsunami, there was nothing wrong with their moral self. Therefore examination of their moral identity is left out. People working in the sector are helped by this story of the senior bankers in their self-narration and in making sense of the financial disaster. Also, the rising pressure on the bankers increased due to the financial breakdown. Therefore self-legitimacy was keenly sought. Maclean and others (2011) suggest that elite business leaders ‘relate to and shape systems of meaning’, in their practice of justifying their privileges and rewards (Maclean, et al., 2012). In the end, how you identify and self-legitimise as victim or villain in an event like the financial crisis has implications on how you make decisions. To illustrate this I would like to draw in the next section on ‘sensemaking’ theory.

2.2.3 Sensemaking and identity

There is no single agreed definition of ‘sensemaking’. There is, though, an emergent consensus that sensemaking refers generally to those processes by which people seek to
understand ambiguous, equivocal or confusing issues or events (Colville, Brown, & Pye, 2012; Maitlis, 2005; Weick, 1995). Brown, et al. (2014) state that sensemaking involves not merely interpretation and meaning production but the active authoring of the situations in which reflexive actors are embedded and which they are attempting to comprehend. People engage in partially overlapping processes in their lives in which they construct ‘realities’ and then retrospectively make sense of them in a continuing dialogue of discovery. In this continuing dialogue and discovery the invention of identities and social worlds are concomitantly referenced and fabricated (Brown, et al., 2014). Some scholars regard sensemaking as occurring on a daily or even moment-to-moment basis, and relevant to every mundane interaction and event (Patriotta & Brown, 2011), for others it is triggered by much rarer cues that occur most notably in times of crisis or puzzlement (Weick et al., 2005). How sensemaking is happening in relation to identity and reflexivity is made clear by Weick (1995).

Weick (1995, p. 20) famously recognized that not only are sensemakers concerned both to make sense of themselves and their external worlds, but that their sensemaking in both cases is interdependent and dynamic:

“Whenever I define self, I define ‘it’, but to define it is also to define self. Once I know who I am then I know what is out there. But the direction of causality flows just as often from the situation to a definition of self as it does the other way.”

Making sense of the external environment is therefore also a process of making sense of yourself. Questioning who you are, means questioning how you think and evaluate the events happening around you. A good example of how this plays out in organizational life came from Karreman and Alvesson (2001) They conducted an in-depth ethnographic study of a seemingly unremarkable meeting. Individuals who appear to be discussing their work are shown in fact to be also constructing or making sense (through discourse) of their (dynamic and flexible) multiple social, group, professional and organizational identities: ‘...organizing can be seen as constructing and maintaining identities to facilitate collective action’ (Karreman & Alvesson, 2001, p. 80).
As a critique on identity work, I would like to put emphasize on is the recent theory of ‘teflonic identity manoeuvering’ and ‘identity minimalism’ by Alvesson and Robertson (2016). In their research they conducted long term (20 months) interviews with six investment bankers in London. The study illustrates the possibility that identity may not, on occasion, be a key concern even to well-paid professionals. Some individuals may be more focused on earning money than worrying about their preferred sense of self and maintaining a consistent identity narrative. In societies where customer/client orientation often means that success at work requires prioritizing customers’ demands and feelings, rather than subjectivity, individuals may develop self-regulating processes which help to assuage any tensions that this might create (Alvesson & Roberson, 2016). In their study the question of ‘who am I?’ did not seem relevant to the participants. A reflexive self-understanding also did not surface, at least not outside the sphere of the imperatives that one follows. Reflexivity and working through identity are bypassed; imperatives rather than personal meaning predominate (Alvesson & Roberson, 2016). In this thesis I want to keep in mind that in the banking sector in London the concepts of identity and identity work do not have to play a big role in defining the organizing process.

**Conclusion**

To sum up, identity work can be seen as the occasional and/or ongoing, reflexive activity that an individual undertakes – or because of a variety of forces has to undertake – in constructing an understanding of self. It is in situations/contexts which generate doubt, negative experiences and/or choice that identity is a theme for reflection (Alvesson & Roberts, 2016). The questions of who you are and who you want to be are central in triggering reflexive practice. How you define yourself has influence on how you define the environment. This process of identity work is dynamic and interdependent with your environment and your self. How you make sense is crucial in evaluating the impact on others of your decisions. Also the interaction with the dominant discourses influences your identity. Those dominant discourses are embedded in organizational culture, which I will further discuss in the next chapter. Although much is written about identity and identity work, the concept of identity
minimalism shows that there is not always a reflexive self-understanding which will surface in the process of research by academics.

2.3 Organizational culture

The second concept I want to draw upon to explain reflexivity blockades is organizational culture. According to a socio-anthropological tradition identity is not always the best starting point for analysing people-related processes. Next to identity there should also be an focus on the ‘personhood’ to clarify that who we are, even as subjectively understood, is not ‘closed in’ but has multiple social dimensions - historical, economic, political and legal (Weber, 1930). To understand the ‘trajectory’ of an individual, it is necessary to have detailed knowledge of the field in which that trajectory is accomplished. In this section we focus particularly on the concept of organizational culture and how this culture creates social norms which determine and define the correct way to perceive, think, and feel about reality.

2.3.1 Organizational culture

Over the past decades, a growing body of research has investigated how culture management seeks to shape, influence, and control employees’ “hearts and minds” (Alvesson & Willmott, 2002; Barley & Kunda, 1992; Casey, 1995; Kunda, 1992; Parker, 2000; Van Maanen, 1991). Control is concerned with the orchestration and mobilization of resources, outputs, and individuals toward certain ends. What is specific to control through culture management is how it tries to indirectly mold employee selves through instilling certain norms, values, and beliefs (Costas, 2012). Organizational culture is generally seen by organizational scholars as composed of ideational and material elements (Pratt, et al., 2016). According to Schein 1985, those elements are manifested in the frames and knowledge structures that people use to enact their organizational reality. Schein illustrates that those elements (assumptions, frames, schemas and categories, ect.) define “the correct way to perceive, think, and feel” about this reality (Schein, 1985). “These ideational elements are in turn manifested in various cultural forms (symbols and artefacts, stories, language, rituals, etc.), formal practices (policies, structures, and systems), and informal practices (unwritten norms and conventions) that shape behavior within an organization” (Pratt, et al., 2016). In this way culture and power are very intertwined. One could argue that culture is a product of power in the example that the people in power positions, leaders or informal leaders are deciding on which behaviour and which
rituals, symbols, beliefs and stories are important and which not. But at the same time one could also argue that power is a product of culture. Everyone can get power if they play the rules of the organizational culture well.

Alvesson and Spicer (2016) write critically in their book ‘The Stupidity Paradox’ how a culture has influence on limitations on broader thinking:

“When firms have a shared culture, it can mean that people think and behave in the same way, they talk in the same kind of language, and celebrate a shared identity. This creates consensus, positivity and strong communal bonds, and facilitates a shared sense of purpose. But it also comes with increased conformity and limitations on thinking. Identities are secured and strengthened when people start to define themselves in closed, secure and stable ways. This happens when people confidently state thing like: ‘I am a leader’, ‘I am a great communicator’, ‘I’m a change agent’, or: ‘I am part of an elite firm which only employs the best and the brightest’. In an increasingly fragmented world, the identities we try to build for ourselves are often not as reliable as they seem. … The best and brightest may be seen by outsiders as brainwashed organisational automatons (Alvesson & Spicer, 2016)”.

This same kind of belief system and strong shared identity can lead to a decreased reflexivity in the means that thinking differently than the mainstream thought in an organisation can lead to problems like isolation and not being taken serious. Also Kunda (1992) illustrates in an inspirational study how strong cultures or ideologies, in Kunda’s vocabulary, may interfere with the development of a sense of self. Kunda’s study highlights the problem with high-intensity identity regulation through enforced ideology: on the one hand, this kind of identity regulation has some positive coordinating effects; on the other it also leads to cynical and opportunistic conduct that distorts and disrupts social relations. From a critical stance, it may undermine organizational members’ capacity to craft selves that are not colonized by organizational ideology. This argument is in line with the theory of functional stupidity which I discussed earlier in section of reflexivity (2.1). It seems that some organisations are made up of ‘strong cultures’ in which like minded thinking is normalized in order to organize in a more structured and efficient way. Here a strong faith in the system is placed in which reflexive practice on the underlying assumptions is left out. This strong faith in the system is
sometimes already created in the for example accounting studies where there is not always time and/or space for ethical reflection and or reflexivity on the broader system we live in. Recent study reveals for example that MA accounting textbooks show very marginal integrated ethical considerations (Van der Kolk, 2018).

2.3.2 Subcultures

Culture is, arguably, more complex than the way it commonly portrayed. Organizations are often made up of multiple and overlapping subcultures. In any of those subcultures there are different values, beliefs and norms (Willmot, 2011). For example in one company you have a sales team which values are more driven by competition and growth, whereas in that same company you have the human resource team where values like political correctness and professionalism are praised. Many of those values and norms are based upon, specialist training, social background, occupational affiliation, and so on. Within each subculture there are there are fostered rituals, symbols and sometimes even own way of talking to each other. Next to the company culture also people have subcultures outside of the company. Values and beliefs coming from family, church, and other social groups interfere sometimes with the belief and values from the company where you are working at. In this way culture is a balance of values and beliefs made up in a system of social structures. Culture is therefore very hard to quantify or to study in a stable way. Anthropologist, who study cultures around the world, have learn a specific way of looking at cultures and open themselves up to the interpretations of the culture they study. To be able to study the culture is open up and to critically reflect on the assumptions you have before entering the culture of study. The key is to dive in to their world and discover the relations between people and the interpretations they use to define their world (Braun & Kramer, 2015).

Conclusion

To conclude, it can be said that many organisational factors like organisational scripts, structures and cultural norms play a role in undermining practice of reflexivity. Next to organisational factors also motivational and individual factors play a role in the lack of reflexivity in organisations. Especially, identity work and the questions of who you are and who you want to be are central in triggering reflexive practice. How you define yourself has influence on how you define the environment. The second factor this theoretical framework
highlights is the role of organizational culture. Organizational culture can be seen as a composed structure of ideational and material elements. Schein illustrates that those elements (assumptions, frames, schemas and categories, etc.) define “the correct way to perceive, think, and feel” about this reality (Schein, 1985). If we want to understand how reflexive practice is blocked, we have to get a deeper understanding how those elements are constructed and how this leads to influencing the behaviour of the people working in the banking sector. In the next chapter, we will look deeper into the culture and identity forming process to get an better understanding of the reflexivity blockades.
3. Voices of finance

Using the explained concepts from the last chapter, we will focus on the stories of the bankers from the interviews done by Luyendijk. Those stories will help to understand the individual intentions, interpretations and sensemaking of the bankers in London. The aim of this section is not to create stable and static categories that constitute the “blockades” of reflexivity. Rather, the stories will be used to empirically ground the idea/concept of “reflexivity blockades”. Especially the role of culture and identity will be highlighted through the stories of the bankers. This chapter starts with the the creation of certain values and beliefs at university through stories of students and interns. Then there will be the explanation of the banking bubble and how extreme working hours and the ‘zero job security’ are contributing to the reflexivity blockades. In the third section there will be put emphasize on identity and how the stable identity is contributing to a lack of reflexive practice. At last, the existence of reflexivity will be illustrated through examples of ex-bankers. Also there will be examples of direct and indirect blockades of reflexivity.

3.1 The creation of values and beliefs

The internalization of the values and the beliefs of the banking world starts already at university. Here, banks are already present in the ambition of most students: “Banking was where everybody wanted to go and all my university friends ended up there. The banker was the number one role model” (former salesperson on a trading floor). Also, big banks sponsor especially those student associations which are related to the financial sector. “They may give them, say, £3,000, and in exchange they get a speaker” (prospective intern in mathematical finance).

Also the banks organize different events, like career fairs and networking dinners. At these events you get the time as a student to find yourself an interview for an internship at a big bank. At those networking dinners there is also time for nice stories: “At one networking dinner I was at the table with a trader at a major bank. She told us what happened on the day of the 7/7 bombings, the terrorist attacks in London. Of course everyone was in a state of panic, her mother was on the phone all worried, everyone was saying how awful it was. Then she got the order: we are going to short sell [speculate on a drop in share prices]. It was
their most profitable day in the whole year” (prospective intern in mathematical finance). Those kind of stories are the first building blocks of a certain culture. The stories aren’t innocent, but they tell you indirectly how you need to make sense of reality and how you have to perceive the world if you want to be in banking.

Another story is told by a friend and is a story which is re-told among other students: “Another time a friend of mine was in a group of students being given a tour at an investment bank in London. A vice-president brought them to an empty floor and said: ‘Last week we fired everyone who was working here’. He said nothing more, just continued the tour” (prospective intern in mathematical finance). Next to creating fear of not being good enough there is also the promise of being part of the elite culture.

An economy professor at one of the universities where many bankers go to, tells the story of the internships where the nineteen year old students go to. “So, there they are, studying economics in their first year and then it's summer time; time for the Square Mile. To be sure, some go off travelling or do a different kind of internship. But most of my students will go to a major bank. And there the change begins. Three weeks into the internship they have already spoken to someone who makes £600,000 a year. They see the cars in the car park. One day someone in the office says, let's go to the vintage champagne party and they get to join in. So there they are, having vintage champagne with established bankers, the alcohol loosens people up and stories start to flow. 'Did you see Jimmy's Lamorghini? You haven't? Come on, let's go check out Jimmy's Lamorghini. You know what, come on let's smear chocolate on it. Let's smear chocolate on Jimmy's Lamorghini'” (oxbridge professor of economics). The stories of the bankers are being internalized by students in a very early stage in university. Once they are hooked on the ambition to become a banker, the university becomes simply a place where they need to pass. As one professor in London names it: “They aren't here to learn, they're here to pass” (economics professor in London). The grades become the main focus in order to get accepted to the major banks. They will do everything to get the highest grades: “The grades we give students determine if they are going to get that job in a bank and some don't hesitate to pass on the pressure, so to speak. I get students saying 'if I don't get that grade, my career is over’. I tell them that's rubbish, but this is how they are made to feel by the recruitment circus that banks and financial firms roll out” (economics professor in London).
Once they are intern at a major bank, the students are for the first time exposed to their future working place. They enter the banks and become part of the banking culture. In this culture, as in most cultures, rituals and hierarchical structures are very important. Anthropologists study those practices and speak for example about a ‘rite of passage’: rituals that mark the change of status in a culture. Since the young bankers enter the bank for the first time, there exist certain rituals to get them in line with the banks’ structures, hierarchy, values etc. One of those values is the working ethos. One intern tells about the absolutely crazy working hours: “M&A has divided up the business world into sections; consumer, pharma, energy, automotive (...) I am in one of these. Every section has its characteristics. 'Consumer' has absolutely crazy hours; they will be working till 3am and on weekends, standard. Sometimes they'll be in till 7 am. I never have to work beyond 3am. What happens when you work till 7am? You go home to shower and change –you don't want to show that you pulled an all-nighter” (banking intern).

Another example from that same intern: “How it works: there's a staffer allocating work to the interns who all sit together in one place called the 'Kids' Corner'. It makes sense to put the interns together. We are always the last to leave, so then at least you're not sitting alone. Why we are the last to leave? Because we have the most work to do” (banking intern). Not only is here another example of the value of hard work but also the language that is used to describe the place where the interns work says a lot about the hierarchy, which is very important in their culture. As an intern you are nothing more than a ‘kid’ to us who has to earn its way into our team’.

Yet another intern tells about how in the interviews for an intern position, they are emotionally tested for six hours: “As you'd expect, there are numerical tests, and there are brain-teasers where you aren't expected to know the answer, but you have to demonstrate that you can think on your feet under pressure, to improvise in response to questions like 'how many footballs could you fit inside a Boeing 747?', or someone throws you a Blackberry phone and says: 'Sell me this, you have two minutes and twenty-four seconds. Go.' Six hours of that leaves anyone emotionally knackered” (investment bank intern).
3.2 Entering the banking bubble

Once you enter the world of finance you are no longer a student, now you work in the banking sector. The sector is a complex world which is made up of many different kind of companies. You have consumer banks which is basically the oldest form of banking, this is where you store your money. But you also have investment banks like Goldman Sachs or the fallen Lehman Brothers. Those investment banks are the creators of financial products but also do deals with big corporations regarding mergers and acquisitions. Also the trading of shares or financial products is happening on the trading floor of those investment banks. Last, there are ‘mega banks’ which are a combination of those two banks. Together with equity firms, insurance companies, and many other small specialized financial companies they form the City. Every bank is different, but also every department is different. Inside the City many bankers are hired and rehired between banks, although many stay in the financial heard of London. After work many bankers meet in the same pubs and go out in the same clubs. After work they talk about their latest deals and about how many they might earn on the deal they are currently making. In this section we dive deeper into the banking bubble to understand how this bubble is creating its own culture with its own beliefs, norms and rightness behaviour. Part of this is ‘the amorality of the culture’, which basically means that something being good or bad is not part of the discussion. How to behave and how to learn to survive in this amoral world is already taught in university. But as trainees enter the company, the adaption to the culture seems to become imminent, since they make from their jobs their life. Jackall (2009) calls this the ‘process of self-rationalization’, which creates the deepest internalization of organizational goals, creating at the same time relatively enclosed social worlds that allow people to bracket moralities to which they might adhere in their homes, churches, or other social settings. One former-banker described this as: "When I started out, our group of trainees fell into two groups. For people like me it was a job, but for others it quickly became their life. Some started using the same expressions as their bosses, the same body language... It was like seeing a robot being programmed before your eyes. Then there was us, resisting all that and needing more and more drink and drugs not to feel our misery. The programmed lot did not go for the drugs. They didn't need to. They were addicted to fitness though" (ex-city boy).
Also a former IT salesman tells an extraordinary story about how they were taken to Las Vegas to celebrate: “At some point the entire global sales force was flown to Las Vegas. The best performers would be invited to come on to the podium to be honoured. But first we were shown about 10 minutes of a war movie, when this guy stepped forward and began shouting: 'We are gonna rip the skin off competitor X!' And we'd be expected to go, fists pumping in the air, 'yeah!' Next he shouted: 'we are gonna fuck over competitor Y' and we'd go 'yeah!' The world of finance is not alone in its excesses. But IT hasn't had its comeuppance, not yet’” (former IT salesman). Later in the interview he states how this ‘American mindset’ influenced the way they had to think about problems or how they should address criticism. “In part I blame the American mindset that took hold in my company after 2000. It became all about targets, every problem was a 'challenge' and criticism became taboo. We are a team, remember, we are gonna rip the competitors' skin off! We'd be working on a system due to go live in a week and discovered a serious flaw. But if you flagged it up, you'd be blamed for lack of motivation, for 'not thinking in solutions but in problems' blah, blah” (former IT salesman). Thinking in war terms and watching war movies together can do something to the feeling of who you are in the context of a team and to the overall feeling of who we are as a team. Defining yourself as a business marine corps can undermine the critical thinking (Alvesson & Spicer, 2016). In state of war you are less likely to oversee the more long term oriented problems. The shared identity can blindfold you in seeing anything else than your targets and the competition. It also puts critical questions in the ‘box of Pandora’ which is not meant to be opened.

3.2.1 Insane working hours

Part of the bubble are the insane working hours that became the standard in most mega banks and investment banks. Many interviewees talk about how crazy the hours are. Some find it very exciting since it gives them the feeling they are playing in the “Champions League” or the they are part of the “best and the brightest” (Ex-mergers and acquisitions banker). Others find it hard to deal with since there is no life besides finance anymore. In this section, I will put emphasis on the meaning people give to the insane working hours and how those hours are in their turn contributing to the reflexivity blockades.

A trader provides his interpretation of how the insane hours are contributing to the way he started thinking: “When you are in finance, you enter a bubble and very soon it's
difficult to imagine life outside it. You lose touch. I worked long hours, at least 14 hours a day including the commute, and all day I would be surrounded by people who made the same career choice. You start thinking in bonus terms, lose perspective. You see seniors get even more, so your own salary becomes normal” (former salesperson on a trading floor). Another trader also explains how he saw his colleagues more than his partner: "It's hard, I worked between 10 and 15 hours a day, spending more time with colleagues than with friends or my partner. You become part of the fabric of the place. Then they dispose of you. In the US it's even worse” (former trader). Also in mergers and acquisitions they make those hours: "In the first year I would work from 9.30 am till 3am, every day. You keep telling yourself, this is going to get better. But it doesn't, not really. Compared with my years in university I have learned so much more in the past two years, so much more. Then again, given my 18-hour work days, these were actually four years. Basically M&A teaches you to truly understand a company; to analyse it the way a doctor would with a human body” (ex-mergers and acquisitions banker).

After the insane hours, many flee to the pubs to feel alive and make friends which you need if you want to get higher up through the game of office politics: “As a young banker in M&A, you have no social life, I mean, none. A work week has seven days. There’s no time for friends, and when you have a few hours off, you try to maximise it. Drink really hard, party wild, and you get confronted with drugs – which seems to be a taboo although many do it. You need to feel in those few moments that you're still alive. On Sundays, following one of these binges, I would wake up feeling so rotten, so empty” (ex-mergers and acquisitions banker). The drinking is a way out of all the insanity at work. Also a former treasurer describes the numbing of your thinking through lots of alcohol: “I never thought I was stressed. There just wasn't any time for self-reflection. I ended up drinking huge amounts. Alcohol is a quick mood changer, it stops you from thinking and dulls you down. Not that I was aware of that at the time” (former treasurer at a collapsed bank). In this lifestyle - as many call it - there is restricted space for reflexivity. There is this constant rush in which you to take quick decisions under immense time pressure. To be able to be reflexive about your job or about which impact it has on you or on the rest of the world, you need some perspective. This is how a coach/therapist describes it in an interview: “Investment bankers can be very high on adrenaline in their work. The work can be highly exhilarating. Some people love this intensity, but it's very hard to come down from, especially because we
never truly switch off; our smartphones are a second away at all times. In the end you cannot run from negative feelings without damaging your overall emotional equilibrium. You need to sit down, listen in silence to what the inner turmoil is trying to communicate to you ... Instead of endlessly trying to numb the symptoms” (coach/therapist).

3.1.2 Zero job security

Zero job security refers to the hire and fire culture which is very strong but rarely talked about in the sector. The strong belief in meritocracy is shared among many interviewees but also in the sector as a whole. Many interviewees give this as one of the reasons why they want to work in banking; to become part of the ‘elite’ or the ‘best and the brightest’. This strong belief in meritocracy is strongly manifested in the hire and fire culture. In this section the zero job security is portrait through the stories of the bankers and is seen as contributing to reflexivity blockades. The redundancy process is first described by an ‘employee relation manager’ and will then be explained by employees who have been sitting on the other side of the table. The interview with the employee relation manager is a reduced version of the whole interview. It not only describes the formal process but also highlights the emotions around this formal process.

Employee relation manager:

"It is amazing how fast news of a round of redundancies spreads. It's like this tidal wave of panic washes across a trading floor. People just go missing. They know that we need to deliver the message personally, and as long as we haven't done that, they can't be officially 'put at risk of redundancy'. People disappear from their desks, stop answering their phones”.

"When they come up, their face has this deeply apprehensive look. Some of them bring a bag with their belongings that they have packed once they received 'the call'. People break down in tears, or they get very angry, they shout, or act really confused. All these years they thought this happened only to other people. Their wife may be pregnant, or they have children in university, or huge school fees, huge mortgages. Often they have already spent the bonus they were expecting after New Year”.

"After our conversation, which typically lasts five minutes, they will be led out of the building by security. Especially with people who have access to sensitive stuff, they can't
touch their desks, their phones. We have caught people trying to copy files to a USB stick, sending them to a private email account. 'They've got me now'.

"People might refuse to shake my hand, refuse to look at me. It's much easier to take out your anger on someone from HR whom you don't know, rather than on your manager you've worked with for any number of years. Managers will often join in the act, and blame everything on HR. Managers really hate this part of their job. Often they don't show up for the preparatory meeting. Can you imagine how annoying that is?

"How it works in the UK is that we offer people more than those £400 for each year, in exchange for which they must sign this document that they're not going to sue. It's a form a blackmail and we call it 'enhanced severance'.

"It can be quite arbitrary, the redundancies. Maybe someone in HQ has decided to reduce headcount by 5%, just like that. I go over the list with managers. Women on maternity leave are often the first to go. People who are absent due to illness. Ideally personal likes and dislikes should not play a role. In reality they do. It does help if your manager likes you”.

"Since my bank operates across the globe, redundancies worldwide must be announced in one 24-hour period. I may have 15 meetings in one day. It's exhausting. I become robotic. Saying literally the same thing in every session. Managers comment on that, sometimes, but I'm like, what do you want me to do? The message needs to come across, and this is the best way to say what I have to say. “

“I have to be on my toes the whole time. Well, being 'notified' as we call it, this is a life event for many people. If they are foreign, on a work-related visa, they sometimes have 30 days to leave the country. Now imagine how that works – these people have friends, girlfriends, boyfriends …”

"I need a glass of wine, after a day like that. God, my job sounds awful when put like this. But I do love it, the adrenaline, the challenges, a good tussle with an exceptionally good employment lawyer. Intellectual chess. Some of the most exceptional people in the world work in finance”. (employee relations manager at a major bank)

The interviews illustrate how hard the banking sector can be. The interviewee got adapted to the way things are done in the banks and legitimated her actions. While she oversees her actions and and the impact she might make on others she still loves her job. The rationality of the banking culture and how she adapted to the norms has close relations to the ‘moral
sleeping pill’ which Bauman describes in his article on the ‘modernity and the holocaust’ (Bauman, 1989).

Now I will try to explain how the lived anxiety and fear for losing your job contributed to the reflexivity blockades. A former trader explains - when he talks about the quarterly redundancies - how there is a constant discussion of the scale what is about to come. ‘‘Do you think it’s Tuesday? It could be the day. Who do you think will go?’ People sound their managers out when a new round is coming. ‘Should I be preparing for anything?’ Nobody feels safe, and it’s not healthy. Morale is shit’’ (former trader). Also a junior in sales training explains: ‘‘I have seen it happen. My boss – let’s call him John – one day he simply disappeared. I was doing some work for him, or rather for a client of his, and I was going: ’Where’s John? Why is he not answering his email?’ It is really like this: somebody gets a phone call at his desk. He gets up and never comes back’’ (junior in sales training).

‘Executions’ is the name of those sudden layoffs, and there is another category too.

Investment banks like Goldman Sachs and JPMorgan fire every year the worst performing employees - even in the years with major profits. This is called ‘the cull’, the same word is used to clean out the sick cows on a farm. A young dealmaker tells the story of his bank: ”My bank does so-called ’360 degree’ internal reviews. This means that every six months everybody reviews everybody’s performance, after which people are placed in brackets: ’excellent performer’, ’met expectations’, all the way down to the lowest rank. If there are redundancies, the bottom part gets chopped off” (ex-mergers and acquisitions banker). A recruiter who met regularly with Luyendijk describes your first layoff as a rite of passage, a ritual that you have to join to be part of the group. Luyendijk makes the comparison with the mafia: think about a young soldier at the mafia who gets arrested for the first time. You should hold your back straight and than you are part of the family (Luyendijk, 2015). Another dealmaker agrees on this and puts it like this: ”The unnecessary stress and the work is really a rite of passage, I think. My superiors seemed to think: ’I went through this, so why wouldn’t you?’ It makes you wonder: what are the investment bankers like who come through a system like this? Are they filtering out people for maximum endurance? Obedience?’” (former M&A banker)

A consequence of the cull and quarterly layoffs is the creation of a constant fear of losing your job. The feeling that you can lose your job at all times restrains open dialogue and honesty. But also asking the right questions and conduct more rigorous research in misdoing.
A compliance officer whose job it is to make sure that the banks are not crossing any borders of regulations describes this as following: “There's the fear factor, absolutely. 'Think about your paycheck' is a standing expression. You don't want to rock the boat too hard. Everyone has stories about someone they know who has been looking for a job for months and months. You should see some of the men after they've been made redundant. Their biggest fear? Telling their wives” (risk and compliance consultant at major bank). Another example of her is when she went to her first meeting: “I remember the first time I went into a meeting with people from the business area we were going to run some routine tests on. I brought out my notebook, and my boss said: ‘What are you doing?’ I said, ‘well, making notes.’ ‘Don't', he said, 'People will clamp up. You don't make notes in front of people. You write them later from memory!’” (risk and compliance consultant at major bank). A second recommendation also followed: “Another thing I was told in my first few weeks: don't delete any emails. You want to form a trail so when something goes wrong you're covered. I was like, well, when I make a mistake I don't mind taking responsibility for it, why be so defensive? But arse-covering is a major element if you want to survive in finance. Even when you've done nothing wrong, people may point the finger at you. Then you need your trail” (risk and compliance consultant at major bank).

Also an IT analyst who worked at a mega bank tells about the zero job security: “There is no job security here. I work at a department with maybe 500 people in it, and perhaps 40 per cent might be gone by Christmas. Just the other day we needed to test a new system, and I said, 'Let's get Natalie, this girl from Europe, to run the tests. She's really rude so she'll give us honest feedback.' My colleague shook his head and I go: 'Come on, she's difficult but she is honest!' Then came the reply: 'Natalie is not here anymore'. By choice? No, was the answer. This is how you find out that somebody has been laid off. People just disappear. They're called in, fired and led out of the building by security. And you don't get info on who has been made redundant…” (IT business analyst (vice president level)) At her department/bank this has lead to an intensely political environment. “You need to worry constantly whether something you say can be taken out of context and used against you. Another thing is people sounding you out about others: 'So what do you think of so-and-so? (IT business analyst (vice president level)).

The fear of losing your job is therefore creating the opposite of an open dialogue between people. It has let to a constant play of power games in order to survive for yourself.
At last, also a coach is reflecting on this kind of culture and on the insecurities she hears from her clients: “The culture at banks, and every other type of company, can be toxic – of course not everywhere and not for everyone, but it can be. Clients often come back to the word ‘insecurity'; they don't feel safe at the bank where they work. They experience no trust, and how can there be? At some banks you can be asked to pack up and leave at any time. For trust to develop people need to feel safe enough to express their genuine truths. Then, others reciprocate and a nurturing climate might emerge” (coach/therapist).

3.3 Stable identity vs critical self

In this section the topic of identity and identity work will be discussed through the stories of the bankers. The question underlying the concept of identity is ‘who are we?’ or ‘who am I?’. Defining yourself means defining your environment and therefore your decisions. The main discourses around you influence the way you see yourself and how you make sense of certain events. First, we will look at how defining yourself in a stable way (elite, best and brightest) is contributing to reflexivity blockades. Then we will look at stories of people who critically reflected on who they had/have become in the sector and how that influenced their live.

3.3.1 Glamour, money, girls and rock and roll (without the guitars)

Defining yourself in a stable and untouchable ways is something that can just be an appearance for the outside world, like a coach/therapist explains about her clients: “Clients actually talk about their 'corporate coat' or 'business persona'. 'I wear my fake face as soon as I enter the workplace; I pretend all is fine while inside I am stressed and unhappy' (coach/therapist). But especially in investment banking you have people who truly believe in their identity as the best and the brightest. This derivatives trader talks about why he is in banking and what is important to him: “Why trading? There was the glamour of it. You know, the money, the girls, rock and roll without the guitars. Another thing is, in trading you get to define yourself from an early age. You come in at 22 and you can prove yourself right away. I know guys making £1m a year at 25. This doesn't happen a lot, but it does happen and that's such a contrast with other jobs” (derivatives trader). These people have internalized the goals of the company and are true believers of meritocracy. Another trader truly believes in the financial system and makes comparisons with his work and the work of God: “It's really hard to convey what makes a trading floor such a mesmerising place. Guys jumping up and down,
shouting ‘yours’ or ‘mine’ ... bam bam bam. You ask if it’s about power? Well, the financial markets are an important part of the mechanisms that enforce capitalism. Politicians may say all what they want, but the interest rates of their sovereign debt have large economic consequences for their countries. And the dealings in the City are part of the process establishing these rates. The same applies to foreign exchange rates. In this way the system rebalances and self-corrections. Perhaps that’s what Lloyd Blankfein of Goldman Sachs meant when he said: ‘We are doing God’s work.’” (former trader) This unquestionable faith is manifested in the interviews with Luyendijk. Luyendijk talks about a certain personage which he labels: ‘Masters of the Universe’. When he poses a critical question about the banking sector, the so-called ‘Masters of the Universe’ would immediately react defensive and personally attacked. For every flaw in the system they have a quick explanation. When Luyendijk asks about a series of recent scandals at the banks they would react: Those are just ‘rotten apples’. When Luyendijk asks a quant about the recent crisis he reacts: The crash? Just a one time event; ‘a perfect storm’ caused by the regulations of the politicians and the incompetence of an insurance company (Luyendijk, 2015). If you define yourself in such stable ways, then reflexive practice becomes almost impossible. You define the world around you through your own perceptions. You then act on those perceptions and those perceptions become true. You start to make sense of the world in stable ways. In that way you will keep a narrow focus, unable to see the complexity.

The constant ranking and comparing of people is very strong in the banking sector. Questions like ‘How many trades have you made? How much money did the bank get with your deal last month? How much do you think our boss is making?’ make your job like an endless competition. If you participate in the competition of the ‘best and the brightest’, you receive endless external validation in the form of bonuses, promotions and compliments from the boss. This reinforces your perception of reality and strengthens the faith in the system. But once you are out of the ‘game’ your identity falls apart. The coach/therapist reflects on the way the banks offer an identity to their employees: “The banking sector is very good at offering people the promise of emotional security. The tall and shiny buildings, the suits, the expensive extras, the CVs ... What banks are offering people is an identity, and with it the illusion of self-esteem. But when these trappings fall away, lose their power or are trampled on in the media, some people are left feeling empty. Their confidence crashes” (coach/therapist).
3.3.2 Leaving the bubble

In the interviews with the bankers a distinction can be made between the bankers who are out of the banking sector and the people who are still in the sector. Once they left the bubble there is suddenly time to think and reflect on their practices. Something for which there is no time if you are working from 9 p.m. till 3 a.m. As the coach explains: “their confidence crashes”. Their stable ways of thinking are suddenly questioned. Brown (2015) explains that identity work becomes more necessary and intense in situations where strains, tensions and surprises are prevalent, as these prompt feelings of confusion, contradiction and self-doubt, which in turn tends to lead to an examination of the self. Many former bankers in this section look back and reflect on who they are/were and what has changed them. This former treasurer tells about how things change when you leave the bubble: “It's weird how your perspective changes once you are out. I realised I had lost all pleasure in life. The birds singing, mucking about with the kids ... When you're working so hard you just don't expose yourself to these things and over time you forget they exist. I know now that I had become not a nice person. The kindness you show to your parents ... I stopped doing that. And I wasn't aware that I had stopped doing that. I had my mates. They were like me. I was like them” (former treasurer at a collapsed bank).

One former head of structuring equity derivatives got asked by Luyendijk why he quitted: "So why did I quit? It was like the story of Dr Faustus, where you sell your soul to the devil. I sold my soul for worldly riches. The price the devil demanded was my moral bankruptcy. For a long time I was OK with that, until I wasn't. What triggered this change of heart? There was not one particular moment. You have to look yourself in the mirror every morning. I imagined a future son or daughter ask me, daddy what do you do for a living? What was I going to say? 'Well, sweetie, daddy rips clients off?' I began to wonder what people would say at my funeral speech. I am an atheist you know, I believe that this life is it” (head of structuring equity derivatives). When self-understandings and social ideals promoted through discourse are in contradiction, questions start to arise. Questions of who you are and who you want to be are enlarged through the contradicting events or discourses. People start to look in the mirror and start asking questions.

The former treasurer at a collapsed bank regrets that he was not strong enough to look himself in the mirror. His bank collapsed and then the questions came: "Anybody can get out.
You might say, I was weak for jumping out. You might say, I was strong in making this point. What would I say to somebody reading this who is in the position I was in for a long time? Look in the mirror and ask yourself: 'Is the City turning me into a nasty person?' Then again, since people lose the ability for self-reflection, I wonder if anybody would look in that mirror” (former treasurer at a collapsed bank). Also the ex-managing director in equity capital markets started to think back about the people he saw in the tube: “I have known so many middle-aged men who went to private schools, well educated, and yet they were working in this horrible environment, putting in the hours, travelling on the tube, rarely seeing their family ... For what? So their children can go to private school, too, and the cycle continues” (ex-managing director in equity capital markets).

Although many negative observations came out of the people who left the bank, also positive memories came out. Identity work is not merely about seeing the negative and reflect on that, also identity work is about who you are and want to be and which values you want to pursue. This ex-mergers and acquisitions banker wrote how he changed and became a stronger personality through reflection: “I used to be the kind of person who enjoys life, who gets up in the morning eager for another day. The past two years I found myself changing. I lost my interest in politics, in sports ... I began to wonder: what’s happening to me?” He continues in his interview: “We've been discussing mostly my negative experiences. I am really, really happy to have done this for a few years. Very proud to have survived among the best and brightest. It's like bootcamp in the army. I am coming out of this much stronger. It pushed me to go back to the basics; to what is really important for me, as a human being. I have discovered what my values are, and now I am acting on them. I am leaving banking.” (ex-mergers and acquisitions banker).

3.4 Reflexivity in the banking sector

In the last section of voices of finance I will shine light on reflexivity in the banking sector. Most of the people who I am describing in this section as reflexive have left the banking sector and look back on the things they had taken for granted and what impact that had. Some of them were already reflexive and brought up questions during the time they worked at the bank. But when being reflexive while working at the bank, they have been pushed back in direct and indirect ways. This section has two aims. One is to illustrate how reflexivity in the
definition of Cunliffe would look like in the context of the banking culture as I have come to understand it. The second is to show how strong the strategies and forces are in blocking the reflexive practice.

3.4.1 Reflexive practices among ex-bankers

Part of the definition of reflexivity of Cunliffe is to question what we have taken for granted and to examine the impact this might have. This is sometimes hard, for example if you are still part of a culture in which there are taboos on questioning the taken for granted things. A former IT salesman shows how he is now able to reflect on those taken for granted practices, like the competitive spirit, and what impact that had: “The competitive spirit does something to you. There was the time I came out of a sales pitch to find a colleague from a competitor weeping in the parking lot. ‘Please don't steal this client or I'll get fired’ he begged me and all I remember is thinking 'yes, yes, yes we're gonna win this account'. And we did. It's amazing how you can get caught up in that bubble, I understand entirely how the same happens to bankers” (former IT salesman).

Also, when a former trader reflected on another trader who also didn’t see how the taken for granted focus on money was such a narrow view that he didn’t oversee, he was causing tragedy in order to profit from it: “I remember when we had a Thai sovereign debt position. This was before speculation was curbed due to Thai central bank regulation. There were riots with Muslim separatists in the south of Thailand. Several deaths, many wounded. This kind of fizzled out and some of the guys seemed genuinely disappointed the scale was minor and it didn't continue. The reason: we were very short on these Thai bonds [speculated on a fall in price]. It didn't seem to occur to the guy that he was hoping for tragedy in order to profit from it” (former trader). This is a good example to show that the definition of reflexivity is not only to question what you might be taking for granted but also what others might be taking for granted.

A former treasurer at a collapsed bank is questioning the amorality which is embedded in the system: “For this system ever to get truly better, you'd have to untangle the inherent tendency to amorality. And that tendency is embedded in the system. Regulation to keep the City in check? Don't hold your breath. No matter what rules you put in place, they'll always find ways around it. It's like prohibition” (former treasurer at a collapsed bank).
Questioning what we have taken for granted doesn’t stop at values, traits or assumptions, but stretches also to critical thinking about organizational practices, policies, social structures, and knowledge bases. This risk and compliance officer questions the short-selling and the impact on our pensions: “What I find truly scandalous in how short-selling works is the impact on the real pension fund investors. The pension fund managers invest your and my pension contributions in shares because they believe they will go up. The fund manager then lends the stock to a hedge fund that is trying to drive down the price. How can that be in my best interests? These pension funds are my money! Now, you may argue that these pension funds receive a fee from stock lending which boosts returns. This is true and brings me to my second point: who gets those fees? Often it’s the investment bank facilitating the short-selling and the pension fund manager. The investor might receive only 20% of the fee, the rest goes to the intermediaries, the commission takers” (Risk and compliance officer). Also the economics professor in London sees the lack of reflexive practice and puts emphasis on the narrow profit oriented thinking of senior management: “What we need are people in senior management who know what questions to ask: about the assumptions underlying the model. About the model’s vulnerability to yet unknown and unknowable factors. About the data set of the past 10 years used to project the product’s revenue. But what senior management hears is this: we have this great product, and had we had it 10 years ago, we all would have made a lot of money” (economics professor in London).

Another part of reflexivity is connected to your senses; it includes listening to the things around you, reading between the lines and sensing the things that are not said. Talking about taboo’s or ‘elephants in the room’ can lead to open dialogues and reflexive practice. This ex-mergers and acquisitions banker tells about this feeling of insecurity which he senses in the world of banking: “My flatmate is in finance too. I've seen him coming home crying, from exhaustion, from something that happened to him. Why are we doing this to ourselves? My sense is that the majority of the people in finance have an urge to prove themselves. And banks offer a platform where they can do so. I feel there's a particular kind of insecurity to many bankers, a form of neediness and a deep desire to compensate. Love?” (ex-mergers and acquisitions banker)
3.4.2 Blockades of reflexive practice

The interesting point about the reflexive practice which was described in the last section is that it was mostly ex-bankers who could strongly reflect on their time at the bank and the banks policies, processes and structures. Once they are out it seemed easier to reflect. In this section I shine light on more direct blockades of reflexivity. The examples are merely an illustration of how reflexive practice could be blocked, rather than revealing that those examples are the standard.

The first example is the example of a taboo on reflexive practice. A taboo is some word, action or subject which is avoided for religious or social reasons. Taboo’s are manifestations of the culture but also of the power relations in a society or organization (Braun & Kramer, 2015). Taboo’s are there to keep the taken for granted power relations in their place. Questioning those taken for granted power relations can lead to resistant behaviour or exclusion. The following examples illustrate the power of taboo’s.

The first example is from a risk and compliance consultant at a major bank. When he asked about the ‘PFI-deals’ in his first weeks in the bank, he was clearly reminded that those questions are not the questions that are supposed to be asked in the bank: “I remember in my first few weeks I sat down one of the structured products guys, to explain to me what it really was they're doing. He was selling so-called PFI-deals, where local authorities buy a very complicated financial instrument to pay for, say, a hospital. It took me a while to figure out how these PFI-deals worked, but when I did, I asked him: where's the benefit for the local authorities in this? He was aghast. 'What are you, a socialist?', he said. For him this was something the bank could make money off and that was it’” (risk and compliance consultant at major bank).

Another example comes from an ex-girlfriend of an investment banker. She also asks about the further implications of his job as an investment banker in the African market: “I thought people in finance would be really intelligent. They definitely are, though only in a narrow sense. Their overall intelligence, or understanding of the world, is often quite limited. I once had a very open chat with an analyst at an investment firm, he was managing hedge funds/investments in the cocoa industry. I asked him if he ever thought of the consequences of his decisions for cocoa pickers and farmers in African countries. He looked at me a bit confused and literally said that this was none of his business. He only did the analysis, he
was a numbers guy. It just didn't occur to him that decisions made in his office, based on his analyses, influence the lives of thousands of workers in Africa” (Investment Banker’s ex-girlfriend).

Also, a coach/therapist of bankers reflects on the problem of closed ways of communication. “This is very different from how some clients describe their workplace. There's no way I could tell my manager that I'm stressed and that my workload is too much,' I hear. Saying you don't want to sell this product to your clients, because you would never want to buy it yourself, is a no-go. There is no open, constructive dialogue, and many fear for their job in this economic climate. So they sell the product anyway, swallow their concerns and show a fake smile to their managers. At huge cost to their own wellbeing” (coach/therapist).

The last example blocks reflexive practice in a more structured but indirect way. It is the story of an ex-Moody’s senior analyst, his company was an important player in causing the banking crisis in 2008. Moody's is one of the five most important rating agencies. They give financial packages, for example mortgages, a rating of stability and risk. They would get money for the rating by the bank that wants to sell those packages. Giving a so-called ‘triple A’ rating was only for the safest products normally. But due to the competition among the rating agencies they started to give even super unstable financial packages ‘triple A’ too, which in the end let the financial bubble explode. He describes how reflexive practice was kept at a distance from the core business and therefore the money making: “Over time the system broke down. Management began to promote those analysts who kept the machine running, who didn't push back against bankers. At the same time they hired more and more junior analysts who were cheaper. These junior analysts were impressive in their own right, just probably too inexperienced by, say, 10 years. (...) More and more it was the bankers who drove the process. They became bolder, as they discovered that they'd get their rating without having to improve an instrument. In 2004 you could still talk back and stop a deal. That was gone by 2006. It became: work your tail off, and at some point management would say, 'Time's up, let's convene in a committee and we'll all vote "yes"'. Issues brought up by analysts in committee would be dismissed, or management would park them, saying 'Let's make a note of that'. Or: 'I am glad you're raising it' – nothing would happen. You knew that while management talked the talk in the committees and big group meetings, they would have
agreed to other things with the bankers earlier. Again, it was never rubber-stamping. Most analysts did not go on autopilot. It was more subtle” (Ex-Moody's analyst).
4. Discussion

There is intertwined complexity in what may seem like a simple activity. “Questioning what we, and others, might be taking for granted—what is being said and not said—and examining the impact this has or might have” seems like something which should be easy to do and something which could be normalized. Yet, if we take the critical case of the banking sector in London the opposite seems to be true. In this thesis, the importance of culture and identity (work) is underlined in the perspective of reflexivity. The discussion is divided into the three most influential factors I found on reflexivity blockades in the banking world. The first two factors are culture and identity, and were previously stated in the research question (section 1.3), the third factor ‘zero job security’ has been added to the thesis during the process of the research.

4.1 Reflexivity blockades

4.1.1 The influence of organizational culture

One can see that in the process of entering the banking world bankers are already exposed to a certain set of values. As a former trader said about most of the students in his university: “The banker was the number one role model” (Former trader). Stories about how amazing the banking sector was, were told at networking dinners or through little company trips to the banking sector. Values like ‘work hard play hard’ and a strong belief in meritocracy are communicated when they encounter the elite lifestyle including the Lamborghinis, champagne parties, and expensive suits. According to Schein (1985) those values are “ideational elements that people use to interpret their organizational reality (variously referred to as beliefs, assumptions, frames, categories, schematas, etc.) and define the correct way to perceive, think, and feel about this reality”. One example of the communication of these values comes from a story which is told at one of the networking dinners at university, when a trader tells about what happened on the day of the 7/7 bombings. They made it the most profitable day in the whole year. This frames the terrible terrorist attacks as something that needs to be seen as a money making event. It tells the implicite story: if you want to work at our bank, you need to see the world in profit or lose. Reflexive practice and therefore
the evaluation of the impact on the ‘other’ is left out. Therefore, the stories that are told and
the frames that are put on reality create reflexivity blockades. Also rituals are part of a culture
and tell the members of the culture what is important in that specific culture. Especially ‘rites
of passage’ are important: rituals which mark the change of status in a culture. When bankers
enter the bank for the first time as an employee, there are certain rituals to make them
conform to the banks’ structures, hierarchy, values etc. They have to change towards their
‘new identity’ in order to fit in. This is seen in for example the story of an intern who had to
sit in the ‘kid’s corner’ with all the other interns and make working days of more than 12
hours a day. Costas (2012), who studied extensive work regimes, illustrates how the steering
of a culture leads indirectly employee selves through instilling certain norms, values, and
beliefs. Going through those rituals and accepting the terms of the rituals gives you the right
to be part of the group within this culture. Therefore you agree to the norms which are in
place and behave according to what is seen as ‘normal’.

Once they make their first step in the sector, the process of self-rationalization - which
creates the deepest internalization of organizational goals - starts. Especially in the
investment banking sector, insane working hours and zero job security lead to internalization
of the organizational goals. Jackall (2009) states that “relatively enclosed social worlds allow
people to bracket moralities to which they might adhere in their homes, churches, or other
social settings”. This phenomenon is seen in the banking sector in London. The enclosed
social worlds are observable in the stories of the bankers too. One former trader said: “I
worked long hours, at least 14 hours a day including the commute, and all day I would be
surrounded by people who made the same career choice” (former trader). Being surrounded
by the same people all day, creates a bubble in which the feeling for the outside world gets
lost. Even the most rare things start to become normal if everyone around you is doing it.
Jackall states: “The objectification of the self that self-rationalization requires becomes an
enduring habit of mind and frames and paces one’s stance to practical matters and other
people alike” (Jackall, 2009). “Occupational rules-in-use gain ascendancy over more general
moral and ethical standards. Moral choices become inextricably tied to organizational fates”
(Jackall, 2009). In the banking stories there is an extreme belief in meritocracy; many bankers
love being alongside the best and the brightest and belonging to the elite. But this belief of
being the best was mostly tied to money making. Questions like: ‘How many trades have you
made?’ and ‘how much money did the bank get with you deal last month?’ became the
endless competition in proving your worth as a banker. This meritocracy was almost always tied to the organizational fates, leaving out more general, moral and ethical standards. Alvesson and Spicer (2012) argue that social structures like a so-called ‘strong culture’ can repress or marginalize doubt and block communicative action. They state that “in turn this ‘strong culture’ will structure individuals’ internal conversations in ways that emphasize positive and coherent narratives and marginalize more negative or ambiguous ones” (Alvesson & Spicer, 2012). Therefore, reflexivity and questioning the taken for granted is undermined.

The trip to Las Vegas, which an IT salesman describes, is an event which strongly emphasizes a correct way of thinking and in the same time marginalizing ambiguous thoughts. “The best performers would be invited to come on to the podium to be honoured. But first we were shown about 10 minutes of a war movie, when this guy stepped forward and began shouting: ‘We are gonna rip the skin off competitor X’” (IT salesman). The framing of the sales activities as activities of war, creates a state of mind where there is a no place reflexivity but only for survival and conquering.

Reflexive practice needs time in which you can reflect upon your own values, beliefs and who you are. Also, reflecting on how exactly your or others’ actions have impact on the ‘other’, cost time in order to see through the black and white framework. As a coach describes: "Investment bankers can be very high on adrenaline in their work. Some people love this intensity, but it's very hard to come down from, especially because we never truly switch off" (coach/therapist). The constant adrenaline and the insane working hours are in that sense blocking the reflexivity. They are narrowing the focus towards the organisational goal of making profit. This narrow focus on profit and targets blocks the opening up towards the rest of the world and to the moral dilemmas which are entangled in the everyday decisions.

4.1.2 The influence of zero job security

Another important contribution to the blockades of reflexivity in the banking sector is the fear and anxiety which is created through the ‘zero job security’. Zero job security refers to the hire and fire culture which is very strong but rarely talked about in the sector. The zero job security is a strong power in the subjectification of the bankers. At an early stage, they are confronted with the notion of hire and fire. They got told: only the best of you will make it.
As one intern tells the story which went around in his university: "Another time a friend of mine was in a group of students being given a tour at an investment bank in London. A vice-president brought them to an empty floor and said: 'Last week we fired everyone who was working here’. He said nothing more, just continued the tour’" (prospective intern in mathematical finance). Even before joining the banking sector, students get infused with the notion of complicity to the norms of the sector. ‘If you don’t make enough money, you are out’. ‘If you ask to much questions, you are out’. This compliance to the norms is kept in place since when they enter the sector they will be controlled by their peers in for example 360 degrees interviews. If you are part of the worst performers, you are out. This young dealmaker explains how this process goes: "My bank does so-called '360 degree' internal reviews. This means that every six months everybody reviews everybody's performance, after which people are placed in brackets: 'excellent performer', 'met expectations', all the way down to the lowest rank. If there are redundancies, the bottom part gets chopped off’" (ex-mergers and acquisitions banker).

One thing what layoffs are creating is the constant fear of losing your job. The feeling of losing your job at all times, not only restrains open dialogue and honesty but also asking the right questions and conduct more rigorous research in misdoings. This constant fear narrows your focus towards the targets and the goals which you need to meet. You fully internalize the goals of the organization instead of opening up towards the context in which those goals and targets are placed. The longer you are placed in this narrow focus, the more this becomes your new ‘truth’. You start to believe that meritocracy is the only way the world works and that reaching your targets is the righteous thing to do. Even the people which need to oversee if the banks are not crossing any border of regulations, are held back by this fear of losing their job. A compliance officer describes this as follows: ‘There's the fear factor, absolutely. 'Think about your paycheck' is a standing expression. You don't want to rock the boat too hard. Everyone has stories about someone they know who has been looking for a job for months and months. You should see some of the men after they've been made redundant. Their biggest fear? Telling their wives’” (risk and compliance consultant at major bank). Kate Kenny (2019), who did research on the whistleblowing practices in the banks in America and London, confirms this fear of retaliation as one of the influences of blocking people to speak up about misdoings or unethical practices. Also she writes about the ‘wall of silence’ which
she names a normative construct in the world of finance. This wall of silence has very big implications for the practice of reflexivity, because it silences reflexive thoughts.

4.1.3 The influence of identity

Besides the banking culture and the fear created through the zero job security, also identity plays a role in the contribution to reflexivity blockades. The underlying question underneath the concept of identity is: ‘who are we?’ or ‘who am I?’. Defining yourself means defining your environment and therefore your decisions. The main discourses around you influence the way you see yourself and how you make sense of certain events. Alvesson and Spicer write critically about how identities are secured and strengthened when people start to define themselves in closed, secure and stable ways. “This happens when people confidently state things like: ‘I am a leader’, ‘I am a great communicator’, ‘I’m a change agent’, or: ‘I am part of an elite firm which only employs the best and the brightest’” (Alvesson & Spicer, 2016). Also Kate Kenny writes critically about the implications this has for finance and regulations. She writes in her book about whistleblowing how some traders feel special and in some way evolutionarily and intellectually superior to those outside of finance. She states that this stable way of identifying is supporting the view that banks must regulate themselves. The bankers are likely to think that they are smarter and more knowledgeable than others and are therefore entitled to regulate themselves. Also, “it justifies the huge bonusness and the idea that rules, including those prohibiting silence about wrongdoing, can be gamed” (Kenny, 2019). I will draw on the empirical data to illustrate how this undermines reflexive practice.

This closed and stable way of identification is manifested in the elite culture in the banking sector. Being part of the best and the brightest is numerously named as one of the reasons why people choose for their job at the bank. ‘Playing in the champions league of banking’ is how some bankers define their job. Even one banker referred back to a statement made by a famous banker of Goldman Sachs: “we are doing God’s work”. Also Joris Luyendijk, the author of the banking blog that I use, names a category of bankers the ‘masters of the universe’ (Luyendijk, 2015). In his interviews, when he asks about a series of recent scandals at the banks, they would react: those are just ‘rotten apples’. When Luyendijk asks a quant about the recent crisis he reacts: the crash? Just a one time event; ‘a perfect storm’ caused by the regulations of the politicians and the incompetence of an insurance company (Luyendijk, 2015). Defining yourself in such stable ways makes reflexive practices almost
impossible. The world around you is defined through your perceptions. You then act on those perceptions and those perceptions become true. You start to make sense of the world in stable ways. In that way you will keep a narrow focus, unable to see the complexity of the reality you live and act in. A coach/therapist concludes in her interview about the implications of these stable ways of identifying yourself: "The banking sector is very good at offering people the promise of emotional security. The tall and shiny buildings, the suits, the expensive extras, the CVs ... What banks are offering people is an identity, and with it the illusion of self-esteem. But when these trappings fall away, lose their power or are trampled on in the media, some people are left feeling empty. Their confidence crashes" (coach/therapist). Those identifications are according to Kenny (2010) “not merely self-identification but are embedded in the sociality which provides us with, to put it simplistically, normative injunctions of how to behave, and what to identify with”. In that way it relates to the earlier described influence of culture. Both are infused with power on how to behave and how to define your environment.

Interestingly, when bankers left the banking culture and were disconnected from the norms and beliefs of the bank, their perspective on the banks started to change. No longer were they surrounded by people with the same thoughts and beliefs. This banker explained how his perspective changed since he was out of the sector: “It’s weird how your perspective changes once you are out. I realised I had lost all pleasure in life. The birds singing, mucking about with the kids ... When you’re working so hard you just don’t expose yourself to these things and over time you forget they exist. ... I wasn’t aware that I had stopped doing that. I had my mates. They were like me. I was like them.” (former treasurer at a collapsed bank). The same banker also reflects on how being in banking refrained him from self-reflection: "Anybody can get out. You might say, I was weak for jumping out. You might say, I was strong in making this point. What would I say to somebody reading this who is in the position I was in for a long time? Look in the mirror and ask yourself: 'Is the City turning me into a nasty person?' Then again, since people lose the ability for self-reflection, I wonder if anybody would look in that mirror” (former treasurer at a collapsed bank). Especially this point of self-reflection is part of the practice of reflexivity. To be able to reflect on your own values and what impact those have.

Brown (2015) explains that “identity work - and therefore the reflection - becomes more necessary and intense in situations where strains, tensions and surprises are prevalent,
as these prompt feelings of confusion, contradiction and self-doubt, which in turn tend to lead to an examination of the self”. This is in direct contradiction with the stable identity which is offered by the banks. People are ought to think about their work in ‘black and white’ as one trader explains it. You make money or you don’t. It is afterwards when people leave the bank that the contradiction and self-doubt starts. Slowly people start to realise that the situation they were in for a long time might be in conflict with their (moral) self, then the questions start to arise. In the next section, there will be emphasize on these practices of questioning the self and the policies, structures and values you are in.

4.1.4 The importance of reflexivity

Most of the reflexive practice is done by the people who left the banking sector. In chapter 3.4.1 is illustrated how certain aspects of reflexivity are practiced by bankers. This strengthens the idea that the ‘strong’ culture and the stable ways of identifying yourself are influencing the reflexivity practice and therefore can be called reflexivity blockades. In this last section I will reflect on how reflexivity is practiced and how this is embedded in a system of social structures as explained by Alvesson and Spicer in their theory of functional stupidity.

Reflexivity is described by Cunliffe as: “Questioning what we, and others, might be taking for granted—what is being said and not said—and examining the impact this has or might have” (Cunliffe, 2016: 741) She adds that reflexivity works at two levels: first, being self-reflexive about your own beliefs, values, the nature of your relationships with others, what you say, and how you treat them. And at the second level: being critically reflexive about organizational practices, policies, social structures, and knowledge bases. Both self-and critical-reflexivity are important in working toward ethical, responsive, and responsible organizations (Cunliffe, 2014). In the former section I explained how the stable identity offered by the banks is contributing to the blocking of identity work. This also refers to the first level of reflexivity which Cunliffe describes as being self-reflexive about your own beliefs, values and the nature of your relationships with others. The second level which is described is by Cunliffe as being critically reflexive about organizational practices, policies, social structures and knowledge bases is partially blocked through the fear and anxiety of losing your job at all times. Also the culture of silence and the strong complicity towards these norms refrains from questioning the taken for granted practices and values underlying
the policies and social structures. Kate Kenny (2019) confirms this when she talks about ‘silence in the city’ and how there is a ‘wall of silence’ surrounding any speaking about misdoings and unethical practices.

Also, two other forms of blockades of reflexivity were brought forward by the bankers. One form of the blockades can be seen as taboos which are manifestations of the culture. Taboos can keep certain power relations in place in a society or organization (Braun & Kramer, 2015). A taboo is some word, action or subject which is avoided for religious or social reasons. The empirical examples describe how the power of taboo’s can undermine the open dialogue and questioning the taken for granted. One risk and compliance consultant at a major bank asked in his first weeks about the benefits for the local authorities. Then his colleague reacted with aghast: “What are you, a socialist?” The main focus of the banking sector is around making money for the bank. Everything else, like the impact on others, is not talked about. Another example comes from an ex-girlfriend from a banker when she asks an investment banker about the consequences of his decisions for the cocoa pickers and farmers in African countries: “He looked at me a bit confused and literally said that this was none of his business. He only did the analysis”. Alvesson and Spicer (2012) explain how social structures like this repress or marginalize doubt and block communicative action. Dialogue about moral ambiguity is therefore neglected. In the end, this will influence the individuals’ internal dialogue towards a positive narrative about their conduct, and at the same time the negative or more critical thoughts are being marginalized.

The last form of blockades is a more structural one. This is the process of maintaining the power relations as they are, not letting critical people who could change the system get higher in the hierarchy. One of these ways to keep the machine of non-reflexivity running are shown in the conversation with the ex-Moody employee. At Moody they wanted to keep the money flowing in and they wanted to keep the critical questions as low as possible. “Management began to promote those analysts who kept the machine running, who didn't push back against bankers. At the same time they hired more and more junior analysts who were cheaper”. To really understand the complex CDO’s and to be able to critically reflect on those practices you needed some experience. But when they saw you were starting to ask questions, you would never get in a position where you could change the systems. The power relations would stay intact and the company would keep on earning money with unethical and dangerous practices. In the end Moody’s was one of the main players who polluted the
financial system so much that the financial bubble burst. This is what happens if reflexivity is being suppressed. This form of blocking reflexivity is the most conscious one. It has less to do with the culture, and more with a small group of powerful individuals who are purposely trying to earn more money and gain power at the cost of unethical practices and irresponsible risks.

4.2 Limitations

In the section of limitations I will reflect on the generalizability of the thesis and how subjectivity is influencing the thesis. Looking at the aim of the thesis, which was the development of a conceptual framework for understanding the factors that work as blockades for reflexive practice in organizations, I can conclude that this aim has succeeded to some degree. As stated in the methodology, reflexivity - just as knowledge/knowing - as well as constituting “blockades”, is an ongoing process, which cannot be fully captured in static categories. This also means that the conceptual framework will never be finished and is embedded in the ongoing changes in our society. The question remains how much of these blockades say about the case of the banking sector.

The interviews are mostly done with people who stopped working at the bank; is their view generalizable for the whole banking sector or is this a typical kind of banker? I also read about bankers who still work at the bank, but still most empirical data which I used in this thesis is from former bankers. Also, the most extreme views are expressed by people working at investment banks. However, my aim was not to say something generalizable about ‘the banking sector’, but to create a tool which helps to think about reflexivity in the banking sector and in other organizations.

Also, there is the methodological limitation, as mentioned earlier in section 1.4 on methodology, that the interpretations of the empirical data is partly subjective. But, as I explained, this is inevitably tied to qualitative research into social processes.

Furthermore, I have focused on identity (work) and organisational culture as main influences on reflexivity blockades, but there are more factors which are constituting reflexivity blockades, for example incentives used in the banking sector, like bonuses, raises, etc. It would be valuable for further research to look into this and other factors that influence reflexivity blockades in organizations.
4.3 Contribution to future research.

The existence of reflexivity blockades, and the influence of culture and identity (work) on these blockades, are also present in other companies. Therefore this research is of high relevance for more investigation into this topic for other companies. The concept of reflexivity blockades is a new tool for looking critically at organizations in an ethical context. This can for example be used in the context of the emerging questions around sustainability and the responsibility of organizations or questions around social inclusion in companies. Also research into other factors that influence reflexivity blockades, like incentives and organizational structures are interesting to research in the future.
5. Conclusion

The aim of this thesis has been to develop a conceptual framework for understanding the factors that work as blockades for reflexive practice in organizations. I have taken the example of bankers in the London banking sector as a “critical case” in Flyvberg’s (2006) sense. The empirical material served to illustrate and ground empirically the idea/concept of reflexivity blockades. Building on the prior work in management and organizations studies, I have come up with a new concept which I call ‘reflexivity blockades’. This thesis analysed the social dynamics of reflexivity and used the interviews of Joris Luyendijk to investigate the implications of identity and culture on reflexive practice. The thesis aimed to answer the main question: how are identity (work) and organizational culture contributing to the concept of reflexivity blockades in the banking sector in London?

Reflexivity is defined in this thesis as “questioning what we, and others, might be taking for granted - what is being said and not said - and examining the impact this has or might have” (Cunliffe, 2016: 741). But how this is actually done in the organisational sphere is more complex. According to Alvesson and Spicer (2012) there are social structures in place which block systematically the reflexivity in organisations. In this thesis I focused on the theoretical development of the ‘blockades’ which systematically block the reflexive practice in organizations.

Reflexivity blockades are influenced by both identity (work) and organizational culture. Organizational culture is according to Schein (1985) made up of ideational elements that people use to interpret their organizational reality (variously referred to as beliefs, assumptions, frames, categories, schematas, etc.) and they define “the correct way to perceive, think, and feel about this reality”. This correct way to perceive, think and feel about the banking sector is communicated through certain rituals and stories which young bankers encounter in the process of entering the banks. These are rituals like network dinners, internships, champagne parties and societies at the university where it becomes clear what it means to be a banker. Stories which seems innocent, are often value-laden and say something about how you should interpret reality as a ‘banker’. Already in university “the ‘banker’ was the number one role model” (former trader). Alvesson and Spicer (2012) argue that social structures like a so-called ‘strong culture’ can repress or marginalize doubt and block
communicative action. They state that “in turn this ‘strong culture’ will structure individuals’ internal conversations in ways that emphasize positive and coherent narratives and marginalize more negative or ambiguous ones” (Alvesson & Spicer, 2012). 

What makes the influence of the organizational culture on the bankers even stronger, is the fact that they are almost always at their work, because of the insane working hours. Especially in the investment banking sector, days from more than 12 hours seem normal. Being surrounded by the same people all day, creates a bubble in which the feeling for the outside world gets lost. Even the most rare things start to become normal if everyone around you is doing it. This former salesperson describes how the long days effects his perception of reality.

"When you are in finance, you enter a bubble and very soon it's difficult to imagine life outside it. You lose touch. I worked long hours, at least 14 hours a day including the commute, and all day I would be surrounded by people who made the same career choice. You start thinking in bonus terms, lose perspective. You see seniors get even more, so your own salary becomes normal”" (former salesperson on a trading floor)

Jackall (2009) calls this process self-rationalization, “the deepest internalization of organizational goals, which creates relatively enclosed social worlds that allow people to bracket moralities to which they might adhere in their homes, churches, or other social settings. (...) Occupational rules-in-use gain ascendancy over more general moral and ethical standards. Moral choices become inextricably tied to organizational fates” (Jackall, 2009). The bubble - in which the bankers work - makes reflexive practice difficult since the connection to the ‘other’ is often blurred since you are living in a relatively enclosed social world. Therefore, reflexivity and questioning the taken for granted and examining the impact this might have gets undermined.

Also identity (work) influences the reflexivity blockades. Looking at the interviews one can see that bankers and especially the investment bankers defined themselves in stable, secure and untouchable ways. ‘Playing in the champions league of banking’ or ‘being part of the best and the brightest’ is how some bankers define their job. Even one banker referred back to a statement made by a famous banker of Goldman Sachs: “we are doing God's work”. Those identifications are according to Kenny (2010) “not merely self-identification but are embedded in the sociality which provides us with, to put it simplistically, normative
injunctions of how to behave, and what to identify with”. In that way it relates to the earlier described ‘influence of organizational culture’ (section 4.1.1). Both are infused with power on how to behave and how to define your environment. Defining yourself evolutionarily and intellectually superior to those outside of finance is supporting the view that banks must regulate themselves (Kenny, 2019). Also, “it justifies the huge bonuness and the idea that rules, including those prohibiting silence about wrongdoing, can be gamed” (Kenny, 2019).

Brown (2015) explains that “identity work - and therefore reflection - becomes more necessary and intense in situations where strains, tensions and surprises are prevalent, as these prompt feelings of confusion, contradiction and self-doubt, which in turn tend to lead to an examination of the self”. This process of identity work is in direct contradiction with the stable identity which is offered by the banks. People are ought to think about their work in black and white as one trader explains it. “You make money or you don’t”. Questioning what you might be taking for granted and examining the impact this has or might have becomes therefore irrelevant.

Interestingly, when bankers left the banking culture and were disconnected from the norms and beliefs of the bank, their perspective on the banks started to change. No longer were they surrounded by people with the same thoughts and beliefs. A banker explained how his perspective changed since he was out of the sector: “It's weird how your perspective changes once you are out. I realised I had lost all pleasure in life. The birds singing, mucking about with the kids” (former treasurer at a collapsed bank).

Another important contribution to the blockades of reflexivity which I discovered in the process of research, is the fear and anxiety which is created through the ‘zero job security’ in the banking sector. Zero job security refers to the hire and fire culture which is very strong but rarely talked about in the sector. This is a strong power in the subjectification of the bankers. The layoffs are creating the constant fear of losing your job. The feeling of the possibility to lose your job at all times, not only restrains open dialogue and honesty but also to ask the right questions and conduct more rigorous research in misdoings. This constant fear narrows your focus towards the targets and the goals which you need to meet. You fully internalize the goals of the organization instead of opening up towards the context in which those goals and targets are placed. Even the people who need to oversee if the banks are not crossing any border of regulations, are held back by this fear of losing their job: “There's the fear factor, absolutely. 'Think about your paycheck' is a standing expression. You don't want
to rock the boat too hard’ (risk and compliance consultant at major bank). Kate Kenny (2019), who did research on the whistleblowing practices in the banks in America and London, confirms this fear of retaliation as one of the influences of blocking people to speak up about misdoings or unethical practices.

All togheter, the influence of organiztational culture and identity (work) are contributing to the reflexivity blockades in the banking sector. Also, the constant feeling of losing your job seems to impact the practice of reflexivity among bankers. The existence of reflexivity blockades, and the influence of culture and identity (work) on these blockades, are also present in other companies. Therefore this research is of high relevance for more investigation into this topic for other companies.
6. Literature


7. Declaration in Lieu of oath

“I hereby declare, under oath, that this Master’s thesis has been written out only by the undersigned and without any assistance from third parties.

I confirm that no sources have been used in the preparation of this thesis other than those indicated in the thesis itself.

This Master’s thesis has heretofore not been submitted or published elsewhere, neither in its present form, nor in a similar version.”

Innsbruck, 09.09.2019, Signature Wouter Buursma