Managing from the echo chamber
Employee dismay and leadership detachment in the British banking and insurance crisis

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Abstract

Purpose – This paper aims to explore the culture of working life in British financial services multinationals in the period leading up to the financial crisis of 2007-2008.

Design/methodology/approach – Informed by labour process theory, the paper is based on a questionnaire survey and in-depth interviews with technicians and junior managers in British insurance and banking MNCs.

Findings – The data demonstrate widespread employee disaffection with a new culture of corporate life that has emerged in the last two decades. Employees faced work intensification and were highly critical of what they saw as detached, ruthless, and often incompetent top leadership. Senior management is described as operating in an “echo chamber”, insulated from the “realities” of the workplace.

Research limitations/implications – The paper argues that the unpleasant work culture experienced by employees at middle and lower levels closely mirrors the broader excesses and failings of banks and insurance firms during the recent financial crisis. Excessive risk-taking, short-termism, and inattention to detail are widely given as causes of the crisis. This paper argues that senior leadership failings are also manifest in short-sighted, undignified, and ethically unsound treatment of staff, leading to severe problems with staff morale.

Originality/value – The paper provides detailed qualitative data on the realities of working life in financial services before the recent financial crisis, and suggests ways for labour process theory to consider how restructuring is not only challenging for employees but can also be debilitating for the organisation itself.

Keywords Financial services, Financial crisis, Labour process theory, Leadership failure, Quality of working life

Paper type Research paper

Introduction

Much of the blame for the recent financial crisis has been laid at the door of senior leadership figures in Anglo-Saxon banking and insurance multinationals such as Dick Fuld at Lehman Brothers or Fred Goodwin at RBS. Many accounts of the global financial crisis (GFC) have described the leadership styles of senior bankers in terms of arrogance, greed, aggression, recklessness, and hubris (Sorkin, 2009; Tett, 2009; Weitzner and Darroch, 2009). Excessive risk-taking, a bonus culture and “rewards for failure” have become focal points for media scorn. Broader accounts suggest that the...
excessively liberal and deregulated Anglo-Saxon system has become “tarnished” (Whitley, 2009) or that the failed financial system has triggered a “systematic” failure of neoliberalism (Gamble, 2008; Kotz, 2009). Attention has mostly been paid, therefore, to failings of senior firm leadership or government regulators, or to the inherent turbulence of new financial instruments. This macro focus, however, leaves out many other potentially interesting areas in which the financial crisis, and the broader questions it raises, can be explored. Much can be learned, for example, by looking deeper inside banking and insurance multinationals, particularly to issues of work and employment for those in their middle and lower reaches. What happened to the culture and practice of banking and insurance work in regimes established under these so-called “toxic leaders” (Reed, 2004)?

This paper takes a sociology of work approach to exploring leadership failures in the lead-up to the GFC. Based on interview and survey data, it sheds light on the everyday working worlds of insurance and banking employees. It demonstrates that banking and insurance workplaces have gone through significant change, and appear to have been remodelled in the image of ruthless and aggressive senior management. In doing so, the paper reveals and highlights significant forms of employee critique of this situation, suggesting the existence of employee resentment and contempt towards (if not for overt resistance to) management actions and policies. The paper recognises the diversity and complexity of forms of control, resistance and accommodation within organisations, noting that only extremely limited forms of employee resistance have been reported in prior studies of the sector (such as by Knights and McCabe, 1998, 2000; McCabe, 2007). However, this paper points to substantial employee criticism. In addition to reporting widespread employee concerns about work intensification, it is also argued that new working practices have damaged the professional culture of banking and finance organisations. Particular and sharp criticism was aimed at a detached, incompetent, and out-of-touch senior leadership by employees.

Banking and insurance companies have been through significant organisational change in recent decades, in keeping with the trends affecting multinational corporations (MNCs) in other sectors of the economy. MNCs (especially in the Anglo-Saxon context) have become increasingly responsive to “shareholder value logic” (Lazonick and O’Sullivan, 2000) as they have increasingly drawn on capital markets for their funding. Markets for corporate control have flourished as active and powerful investors such as wealthy individuals, pension funds and hedge funds have demanded increased returns from their shareholdings in public firms, sometimes gaining the power to unseat senior managers (Hutton, 1995; O’Sullivan, 2000; Useem, 1996). Company managements have responded to the threats of takeover and shareholder activism by cutting costs and focusing on “core competences” (Prahalad and Hamel, 1990; Rappaport, 1998).

These pressures have often led to the “unbundling” of large firms by selling off and closing down non-essential parts of the business in order to appear “lean”, flexible, responsive to investors, and competitive (Froud et al., 2006). As a result employees have experienced job losses through downsizing, offshoring of labour to cheaper regions, and through recruitment freezes (Ackroyd, 2002; Cascio, 2002; Osterman et al., 2001). Organisations have flattened their managerial hierarchies in order to make them more “flexible” and “fast moving” (Hassard et al., 2009), meaning that career tracks for white-collar managers and professionals have become attenuated, with internal labour...
markets eroded and job security threatened (Hassard et al., 2012; Osterman, 1996). Workplace norms have also changed drastically, away from an “entitlement culture” of loyalty and stable employment to a culture of competitive relations between staff and robust performance management, often involving metrics, targets, and bonuses (Hassard et al., 2009; Howcroft and Richardson, 2012; McCann, 2010). The majority of staff becomes accounted for as costs to be managed, whereas the more senior management “talent” is rewarded handsomely with bonuses and stock options.

The above changes are often explained in relation to a shift from “managerial capitalism” to “investor capitalism”. The former describes a stable environment dominated by company insiders, the latter a more competitive and more ruthless era where firms exist solely to satisfy outsiders (Hassard et al., 2012; Khurana, 2002; Smith and Walter, 2006; Useem, 1996). A global industry (academic and “popular”) has sprung up promoting a new organisational ideology deemed suitable for the new era of investor capitalism, in which companies change from the stability and bureaucratic strictness of the managerial capitalism age and towards a new culture of the lean and flexible firm that is intolerant of waste, embraces change and encourages responsible autonomy and creativity of staff (see, for example, Fleming and Spicer, 2008; Hammer and Champy, 1993; Knights and McCabe, 1998; Peters, 1992; Sturdy et al., 2010). Boltanski and Chiapello (2005), for example, discuss these ideological trends as “the third spirit of capitalism”, which has moved beyond the stability of the “second spirit” (or managerial capitalism), and which attempts to inculcate staff into accepting change, instability and flexibility as aspects of a new working culture. In this spirit, employees are expected to embrace change and disruption, not to fear or resist it (see also Sennett, 2006).

A large research literature has explored the impacts of these new trends on employees of large firms. It is well known that white-collar workers, such as middle managers, have been exposed to work intensification, job insecurity, and career stagnation (Osterman, 2009; McCann et al., 2008; Thomas and Dunkerley, 1999). However, front-line workers have borne the brunt of downsizings and redundancies, and have increasingly been forced into temporary or otherwise contingent work (Quinlan et al., 2001; Standing, 2010). This picture is broadly supportive of the predictions of labour process theory, in that company management, in search of higher profits, subject their employees to work intensification, job insecurity, and arguably also in some instances, deskilling. Alongside some clear efforts by management to introduce “robust” systems aimed at controlling costs and the labour process more tightly, the banking sector has also widely seen new forms of “cultural control” being established, which introduces a certain complexity and diversity to the dynamics of “control and resistance” at these workplaces (Knights and McCabe, 1998; McCabe, 2007; McCabe, 2011; Sturdy et al., 2010).

This paper, which draws on the findings of a study of the viewpoints of banking and insurance employees, while strongly confirming a familiar picture of work intensification, also demonstrates the complexity of employees’ reactions to workplace change. These responses include forms of accommodation and acceptance, but also resistance to and critique of new workplace cultures. The in-depth interviews undertaken in this research particularly highlight the complex situation that has arisen as a result of changes to the organisation and culture of UK banking and insurance multinationals. These changes are not only unpleasant for lower-level employees, but
also have potentially self-defeating results for senior management. The changed
culture of the banking and insurance firms has encouraged excessive risk-taking, a
cavalier attitude towards detail amongst managers, combined with low employee
morale, and a deeply alienating work environment for lower-level employees.
Ambitious senior managers detach themselves from the details of everyday mundane
work and engage in high-profile projects that many staff regard as self-promoting,
divisive and irrelevant to the company’s core interests. Powerful metaphors were used
by many interviewees contacted in this research to describe an ugly combination of
ruthlessness and incompetence on the part of senior leadership. These developments
are clearly in some ways actively dysfunctional and can be traced back to changes in
response to the demands of activist investors. They therefore connect to macro-level
explanations of the strategic outlook of senior managers, which also had a role in
producing the financial crisis.

While this paper does not attach any causal relationship between middle- and
lower-level work attitudes and behaviour in bringing about the financial crisis, it does
suggest that the problematic everyday work culture now found in financial
organisations mirrors the macro-level failures in the industry in terms of its ethical and
practical limitations. In this research, the reckless and detached attitude of senior
figures in failed banks and insurance houses was found to be reflected at lower levels
of employment in the sector, in the resentment and dismay found among employees.
Data for this research were collected in 2007-2008, in the months immediately prior to
the onset of the financial crisis. The paper argues that labour process theory can shed
light not just on long-held employee complaints about work intensification, but also on
employee concerns about how the ethos of their firms have changed for the worse. The
work regimes found in the organisations of the employees studied here had not only
made employment conditions harder for junior and middle-ranked staff, but also
reflected wider ethical failings that were so heavily criticised following the crash.

The paper proceeds through five further sections. Firstly a brief discussion is
provided of labour process theory, noting how this approach has increasingly devoted
its attention to workplace culture in recent years. It argues that this thread of critique
could be broadened to incorporate staff critique about the effects of change not just on
themselves, but also on the wider culture of their firms. The paper introduces the
concept of “the management echo chamber” – in which management rhetoric becomes
a self-contained discourse constantly reiterated by senior leadership and ambitious
middle management, but which is detached from employees’ needs and concerns. In the
echo chamber, managers mistake their own outlook and opinions which are repeated
back to them as the real opinion of employees. Secondly, the methodology of the paper
is presented. The third and fourth sections of the paper engage in an extended
discussion of the views of financial services workers about their conditions of working
life. Conclusions are then drawn, in which the paper suggests that labour process
theory provides a useful theoretical tradition with which to further explore the
phenomenon of the detachment and isolation of senior leadership in their own,
self-referential world.

Into the echo chamber – labour process theory and managerial detachment
Labour process theory (LPT) attempts to apply Marxian concepts concerning the “laws
of motion” of capitalism by close analysis of the organisation of work, work structures
and work relationships. Central to LPT are the twin concepts of the labour process and valorisation. The first concerns the process by which value is created, whilst the second considers the processes by which employers extract surplus value from their workforces. Harry Braverman, in *Labour and Monopoly Capital* (Braverman, 1988), provided one of the most well-cited accounts of valorisation, which forms a cornerstone of LPT literature and is clearly based on the model of industrial work. The enormity of economic and social change since Braverman's writing has been reflected in a large volume of newer LPT writings which have updated the context but maintained the focus on the underlying concepts of the LPT canon. LPT has been widely used in studies of contemporary organisational restructuring (Ackroyd, 2009; Hassard et al., 2009; Thompson and Smith, 2010). Today, effective valorisation requires the constant re-configuration of the labour process, and the introduction of new workplace organisational forms and cultures are an excellent example of just this kind of change. More recent LPT contributions have reacted to these changes by exploring various kinds of service, professional, and managerial work (Ackroyd, 2009; Bolton and Houlihan, 2005; Grugulis and Bozkurt, 2011; Korczynski, 2002).

The wider context has also changed. Paul Thompson (2003) proposed the concept of “disconnected capitalism”, in which neoliberal deregulation, decentralisation, intensified competition, and new possibilities for outsourcing have all grown, reducing the number of “levers” managers can pull at their workplaces (Thompson, 2003, p. 371). The concept of financialisation has also risen to prominence in recent years (Froud et al., 2006; Lazonick and O’Sullivan, 2000; Willmott, 2010; and see the discussion in other papers in this Special Issue), in which similar claims are made, of a deterritorialized, highly leveraged and risky capitalism, driven by “shareholder value logic” (SVL) which demands that senior leadership of MNCs have to increasingly demonstrate the leaness, flexibility, brand value, and responsiveness of their firms.

Within this context, the paper notes the external drivers of firm restructuring, locating them in the incessant demands of international competition and the need to satisfy short-term demands of capital markets. The pursuit of SVL-driven cost-control produces unpleasant results for employees in the form of reduced employment security, reduced staffing, and tougher workloads and reduced support, which is clearly demonstrated in the data presented in this paper. However, the paper also suggests that organisational transformation and culture change in the banking sector in the lead-up to the GFC contained elements of seemingly needless dysfunctionality that were also strongly criticised by middle and junior-ranked staff. Senior leadership, housed in the echo chamber of SVL, have become desensitized to the risks of running large operations with such limited resources devoted to the line.

**Methods and sample**

This paper is based on data derived from an electronic questionnaire survey of members of the trade union Unite employed in large UK financial institutions, and from face-to-face interviews with a sub-sample of these staff. The survey was relatively small in scale and was designed to capture a snapshot of the views of members of Unite’s financial services section about organisational restructuring and quality of working life. The survey was hosted on a third-party internet site to which members of Unite’s Finance Section were given access. A note containing information about this study was included in Unite’s fortnightly e-mail to members of its Finance Section in...
June 2007. In total 112 useable responses were received from staff working in insurance and banking firms, recorded between June and August 2007. Survey data were aggregated with the aid of spreadsheet software, simply to calculate descriptive statistics relating to the sample including the frequencies of different responses to questions as well as the means and standard deviations of responses. Of these 112 survey respondents, 20 agreed to meet for follow-up interviews. 20 in-depth, semi-structured interviews were then conducted between January and September 2008 in times and places of the respondents’ choosing (in every case away from work settings). Twelve of the 20 interviews were recorded and transcribed, whereas in the other eight cases, the researcher took notes that were then written up as fully as possible the following day. The transcripts were read multiple times, in order to identify common themes relating to key aspects of workplace culture, dignity at work, and managerial behaviour.

Although not fully apparent at the time the study was conducted, it transpired that the months in which the study was conducted was the immediate period leading up to the collapse of Lehman Brothers in the USA – regarded by some as the trigger-point for the 2008 financial crisis. Because of the topicality of the finance industry, the findings from the research (especially from the follow-up interviews) provided rich data on working life in the sector where the crisis emerged (banking and insurance industries). Table I provides basic demographic details on the interview respondents. Many of the respondents were highly critical of the management and its practices in their organisations. The extent and vehemence of this was unexpected.

The majority of members who responded to the survey worked in large organisations, typically high-street banks or large insurance firms. The unionized nature of the sample might mean that the employees surveyed and interviewed are

<table>
<thead>
<tr>
<th>Job title</th>
<th>Seniority at most recent employer</th>
<th>Employer</th>
<th>Gender</th>
</tr>
</thead>
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<tr>
<td>Project Manager, Change Team</td>
<td>37 years</td>
<td>Insure2</td>
<td>Female</td>
</tr>
<tr>
<td>Business Unit Leader</td>
<td>34 years</td>
<td>Insure2</td>
<td>Female</td>
</tr>
<tr>
<td>Union Chair (retired)</td>
<td>30 years</td>
<td>Formerly Bank2</td>
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<tr>
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<td>25 years</td>
<td>Bank3</td>
<td>Female</td>
</tr>
<tr>
<td>Customer Services Representative</td>
<td>15 years</td>
<td>Bank2</td>
<td>Female</td>
</tr>
<tr>
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<td>34 years</td>
<td>Bank1</td>
<td>Female</td>
</tr>
<tr>
<td>Customer Service Officer</td>
<td>2 years</td>
<td>Bank4</td>
<td>Male</td>
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<tr>
<td>Liability Claims Specialist</td>
<td>24 years</td>
<td>Insure2</td>
<td>Male</td>
</tr>
<tr>
<td>Middle Manager (retired)</td>
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<td>Formerly Insure6</td>
<td>Male</td>
</tr>
<tr>
<td>Assistant Manager</td>
<td>23 years</td>
<td>Bank1</td>
<td>Female</td>
</tr>
<tr>
<td>Household claims specialist and surveyor</td>
<td>23 years</td>
<td>Insure2</td>
<td>Female</td>
</tr>
<tr>
<td>Loss Adjuster, Household Claims</td>
<td>21 years</td>
<td>Insure2</td>
<td>Female</td>
</tr>
<tr>
<td>Full-time Seconded Union Rep</td>
<td>21 years</td>
<td>Insure2</td>
<td>Male</td>
</tr>
<tr>
<td>Risk Consultant</td>
<td>18 years</td>
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<td>Female</td>
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<tr>
<td>Full-time Seconded Union Rep</td>
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<td>Male</td>
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<tr>
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<td>12 years</td>
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<td>10 years</td>
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<tr>
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<td>8 years</td>
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<td>Male</td>
</tr>
<tr>
<td>Team Leader, Household Claims</td>
<td>7 years</td>
<td>Insure2</td>
<td>Male</td>
</tr>
<tr>
<td>Lead Union Rep and IT Specialist</td>
<td>6 years</td>
<td>Insure4</td>
<td>Male</td>
</tr>
</tbody>
</table>

Table I. Interview sample
likely to be sceptical of new managerial policies and interventions because of their affiliation, and this is likely to influence their responses. However, it is also a highly experienced sample, with the majority having worked for at least a decade in the financial sector. The respondents were therefore knowledgeable about and had extensive experience of managerial systems and practices. Their age profile possibly also contributes to the pessimism of the views expressed and the criticism being offered by many of the sample as regards new managerial interventions. These interventions were widely seen to threaten traditional ways of working.

This study does not try to make any claims about the generalizability of its findings, but the fact that employees with critical views were found is arguably significant. The interviews that form the main basis of the paper’s empirical contribution are, by their nature, subjective and rhetorical and as such must be the subject of contextualisation and interpretation. However, the fact that some highly vociferous and far-reaching criticism was voiced by employees in this industry is new. We may, for example, contrast the willingness of the respondents in this sample to voice criticism with the findings of McCabe (2007) amongst UK bank employees, who found that employees – in his case interviewed in a work context – evinced a marked reluctance to express criticism. When they did, it took on minor forms that served only to “lubricate the machine in that they provide an outlet for staff anxiety, creating limited job interest, whilst only slightly frustrating supervisors/managers” (McCabe, 2007, p. 129). He also reported that workers found the union to be irrelevant, “othered” and almost invisible (McCabe, 2007, pp. 208-17). By contrast, the data reported in this paper contains considerable criticism of senior management and some signs of more robust forms of resistance. In some cases the language is damning and highly emotive.

It is quite probable that differences in the context in which the data was collected explains some of the variation in responses between the two studies. In both confidentiality was promised, but in the present research study the survey was obviously private, being carried out through the auspices of the union without company involvement. The interviews were conducted off work premises during employee’s own time. This, as well as the union affiliation, may explain why the data reveals much stronger forms of critique than were found in McCabe’s (2007) study. It is precisely these kinds of differences that require elucidation and interpretation if we are to understand the problematic and contested ways in which employees have experienced and responded to changes to the working culture of UK banking/insurance.

The substantive findings of this research are considered in more detail in the two sections which follow. Firstly data relating to the harshening conditions of working life, such as heavy workloads, bullying, and tougher performance monitoring are discussed. Secondly, interview data is explored which discusses the detachment of senior leadership from everyday, mundane matters and how, in the view of these respondents, it contributes to a perceived culture of carelessness and dysfunctionality, symptomatic of wider, much-publicised failings in the industry.

Restructuring the working culture of UK financial services
The survey asked respondents to focus on changes they have perceived over the previous five years (i.e. between 2002 and 2007). A consensus emerged that employment security was in decline. On a scale of 1-5 (with 1 meaning “decreased
substantially” and 5 meaning “increased substantially”), staff gave a mean answer of 2.16. Pressure to perform had risen (4.52) and workloads had grown (4.21) over the last five years. There was also very strong agreement that these changes were carried out in order to increase profitability (4.66), reduce staffing costs (4.68), and to deliver value to shareholders (4.31).

Work intensification seemed to have contributed to a collapse of morale, and a high degree of stress was reported. A very high mean of 4.30 was recorded for the question “Do you ever find your job stressful?” (with a score of 1 for “never” and 5 for “very frequently”). Respondents were asked to give their reasons for the causes of these feelings of stress. The mean agreement with “Fear of job loss” as a stressor was 3.25. For “Uncertainty about the future” it was 3.15. For “Declining morale” and “Increase in workload” it was 4.15 and 4.48, respectively. In total, 50 per cent of the sample claimed to experience stress “very frequently”, 33 per cent “frequently”, 13 per cent “sometimes”, and just 4 per cent “infrequently” or “never”. Fifty-three per cent stated that morale had “fallen drastically” over the last five years, with 31 per cent stating that it had “fallen significantly”.

These concerns were supported by interview data. For example, a project manager at “Insure2” described her workload thus:

I get on average 120 e-mails per day. All active ones. I had 164 on Tuesday. If there’s 1,100 staff they can all give you questions. […] It’s like a computer game; I’ve managed all this, now I get to the next stage! I know that sounds sad! (Project manager, female, Insure2).

Bullying was also highlighted as a major problem in some cases. One worker in a high-street bank wrote in a comment box in the survey that the introduction of new performance management systems implied much stronger monitoring of staff behaviour:

At [Bank1] there is now constant threats to staff of all levels in branches for the slightest transgression of any of the smallest details of all tasks undertaken by staff. Also the stress of “performance contracts” most branch staff are having to live with, which have the aim of sacking you if you do not hit your sales targets each day. There is also an embedded culture of bullying throughout the [Bank1] branch hierarchy, not just towards staff in branches, but you also hear of branch area managers suffering from bullying.

Survey respondents reported robust performance target systems operating in their workplaces. The demands set by these systems could be very intense, such as at Insure3, where there were targets for 100 per cent on capacity utilisation and 95 per cent on quality measures. On the other hand, much of the survey sample felt they had some moderate autonomy over their work. On a scale of 1-5 the mean level of autonomy was 2.81. For enjoyment of work it was 2.80. Staff generally did not feel especially valued. The mean figure for the answer to question “How valued do you feel as an employee of your company?” (with 1 being “not at all valuable” and 5 being “extremely valuable”) was 2.19.

Many of these performance targets were regarded as illogical and counter-productive. Some staff kept their own records in parallel to the officially recorded numbers, in case conflict came to a head with management. One interviewee felt that she was being treated unfairly by the inconsistent application of her company’s management information (MI) system:
It’s the manner in which some of this is done that is upsetting. We have technical managers, they are experts in the field, and they keep us abreast of what is going on. But now everything they do goes through our manager. He’d then sift through it, deciding what to send out to us or what not to send out to us. It’s very overbearing and controlling. [...] [Administrators] change the MI without us knowing. She will change the MI and hours, our budgeted hours, and she never answers e-mail when you ask what is going on. The monthly performance management has errors in it. My MI last month showed a failure on TQM, but I’ve seen my reports on these and I passed all six of them this year. But it’s showing me at 80 per cent. For this I’d fail my appraisal! Who’s checking this? They put the info in, but leave it to us to check that they are OK. There is no support for us (Risk consultant, female, Insure2).

The data reported above provide a strong indication of the ratcheting of work pressure across the UK insurance and banking sector. Such unpleasant features of working life are well known in survey and interview studies of contemporary working life. However, the interview segment above also provides clues into another, perhaps less well-known angle, that of employee resentment and dismay about the ways in which their companies were being run. Many described a culture of senior management detachment and inattention towards the everyday operations of the companies, which, they suggest, has contributed to these companies’ failures. The following section of the paper explores this issue in more depth.

“Raise the bar!” (but neglect the “dross”): employees’ critiques of the new culture of work

On top of the issues with workload and morale, many of the interviewees pointed to managerial incompetence, lack of attention to detail, and lack of interest in their duty of care to employees. Top management’s attitude was widely criticised by members of this sample of middle-ranking staff. Below, for example, an IT worker in an insurance firm (given the pseudonym Insure4), who is the lead Unite union rep on the site, describes one of many conflicts between staff and management. The company had recently been acquired by a large general outsourcing firm (“B2B”) which was said to have little history, expertise, or genuine interest in the insurance sector. He describes a situation where B2B management started to force some Insure4 workers into doing the least rewarding and most stressful call-centre work, which triggered resentment and resistance from employees:

[T]hey just started to say “You, you and you – you are going on the phones and the rest of you aren’t” and people just refused to do it and we [Unite the union] got involved in that. They [B2B management] were arguing that it was contractual and we were saying “It may or may not be contractual but they are just going to go sick”. [...] With [B2B] it is only the legal arguments they want but I want moral arguments and they just don’t countenance those kinds of discussions. For them the only question is whether it makes money. But there was also the individuals saying to me “Well I will be off, [...] if you make me do that I will just go sick” and there were all sorts of incidences of screaming matches in the office where we actually sat down with the Head of Personnel Services, [...] who assured us that nobody would be compelled to work in a call centre and simultaneously a team was being told “The four of you have just volunteered”. [...] So that was the first major battle (Unite lead rep and IT specialist, male, Insure4).

The allegation that B2B management was only interested in financial arguments or legal justifications was further developed. In what became a tirade against amoral,
uninterested, and incompetent management, the respondent developed a powerful rejection of the new working culture of his organisation. Mentioning two famous British TV characters, he said that the B2B:

...management style is a cross between David Brent and Alan B'Stard – it is that David Brent ineptitude and brashness and everything else, but with the Thatcherite edge from the 1980s: “This is what we are going to do, just get it done” [...] they have got that “Just get on with it!” edge to everything that they do. It is probably because the management is all quite short-term, they all kind of dotting about the place so by the time you get in the door, you have been in the door for three months and you are already thinking about moving on. But no attempt to justify it on any sort of moral basis [...] You will see people wandering around the building who are just walking fast but with a Post-it. It is that kind of mentality, as long as you are seen to be moving and doing something, you are always having total quality initiatives and as long as you are doing all that kind of stuff and as long as you seem to be addressing all those issues. But [...] you don’t actually do any work (Unite lead rep and IT specialist, male, Insure4).

Interviewees often characterised senior managers as callously indifferent to staff concerns. Top managers seemed to exist in their own echo chamber of “values”, “visions” and “excellence” while mundane yet important issues were ignored. Another interviewee spoke at great length about unfair treatment at work amid an extremely unpleasant work environment at “Bank1”. Troubles began when her previous employer was taken over in a leveraged buyout by a smaller, more aggressive rival which then inserted new managerial elites to lead the new organisation. The new firm was described as much more ruthless, intolerant, pushy, and uncivilised in its general management style:

I’ve worked at Bank1 for 23 years. I started on a secretarial basis. But following all the restructures and changes, my role changed to that of an assistant manager role, with project management responsibilities. I don’t enjoy it, I find it very stressful. It was a different scenario up until 2002, I was working as a secretary in a PA role, and this is what I’ve always done, and been trained for. What happened was, the Senior Manager I worked for retired and a new Senior Manager came in from [Bank making the takeover]. He immediately restructured the area I worked in. He put me into Project Management. There was no consultation on this with any of the individuals involved, and it caused a lot of anxiety. [...] I’ve seen a distinct change of culture since that [takeover]. The culture is a bullying-type culture. There’s a lot of subliminal bullying. [...] There was a perception that everyone had to be taken out of their “comfort zone”, and put into a “stretch zone”. I came over as negative to management, as not wanting to come out of my “comfort zone”. [...] I felt in the wilderness on a [recent] training course. It was all about “where do you want your career to go?”. There was no room for non-career climbers. All I want is to be a good PA, a good secretary. That’s it. But for saying this I was made to feel like a freak. I went on one day of “assertiveness and confidence” training, but with management constantly moving the goalposts, it was worthless (Assistant Manager, female, Bank1).

Her critique suggests that the new working culture of her organisation is not only unfair on staff, but also deeply problematic, in that the all-important but unglamorous work – what she called “the dross” – was neglected. If any staff – including middle managers – queried the shortcomings of this new work culture they ran the risk of becoming sidelined:
On the surface people went along with it. I heard a lot about “you’ve just got to play the game.” But I don’t want to play games. I want to come here, put in a good day’s work and be appropriately rewarded and recognised for it. The culture of performance [...] we have these KRAs and PDPs – Key Reward Areas and Personal Development Plans. On a daily basis you were supposed to keep records of what you were doing and how it relates to your personal development. They weren’t interested in the minutiae of what I’d done, of how I’ve got from “A” to “B”, but all they cared about was how I achieved “B”. I’ve seen this done very well. It’s all about showing that you do things that bring kudos, your name up in lights. But the dross, the stuff that is needed to keep the organisation working, this is left behind. I spoke at length to one manager who was actually listening to me, who was very sympathetic. He was one of the few people who tried to help me. [...] I told him that a person here was working so quickly, she was trying to be the quickest ever, but she was not doing it thoroughly – it was surface only. People like him were left to pick up the residue. [...] He’d raise a problem like this, but they didn’t want to know – he’d then be labelled as “aggressive” (Assistant Manager, female, Bank1).

Another respondent noted a similar sea-change in his insurance company when it was acquired by a giant American MNC. Dramatic changes were brought in. The new culture contained some horrific examples of the use of bullying and public humiliation as management tools:

The middle/top management in the first year they decimated it [...] “just get the headcount down”, getting rid of people, cost-cutting right the way through, until we lost I think about 15 senior managers. By the time they finished they had three. Not necessarily the best ones. [...] we had a production manager who ran the whole field force – about 300 consultants working as life inspectors as they were still then, he did that single-handedly. We were going to meetings with these American people and they would sit scribbling notes and what have you and he was an important man, he was hugely experienced, he brought in an awful lot of business from very successful people. So he asked them what they were writing and they wouldn’t tell him, so he got a bit irate and he said “Look, I am the field force manager, I insist that you tell me what you are writing about” and his name was Stewart [Surname] – [...] everybody called him Mr [Surname], not these Americans, they called him “Stew”, which he hated. [...] He said “I insist you tell me” – he had come to a bit of a boiling point [...] “You insist Stewie baby” they called him and in front of all of his middle management who were sitting there: “If you want to know, we think you are antiquated” and that is what they said, in front of everybody. [...] they changed him from a very popular and able person and made him a nervous wreck. They kept him on for a year before they got rid of him and they completely destroyed him as a person (Retired Middle Manager, male, Formerly of Insure6).

The incoming US management team in charge of Insure6 introduced all kinds of initiatives presumably designed to represent “new thinking” and to inculcate higher performance and productivity, precisely along the lines of Boltanski and Chiapello’s (2005) “third spirit of capitalism”. But rather than having beneficial performance effects, their actual result was to lower morale and to create indignation. These were crass and poorly thought-out interventions, symbolic of incompetence, lack of imagination and absence of empathy among top management:

One of the signs was “There is a 168 work hours in the week – how many do you work?” [...] Proud of it! If you have got to work 168 hours a week then you are doing something bloody wrong but they wouldn’t see that (Retired Middle Manager, male, Formerly of Insure6).

Other interviewees in the sample also criticised a lack of fairness and collegiality in their workplaces. For example a loss adjuster at Insure2 was heavily critical of the reward and
recognition systems put into place recently at her company. These are also very reminiscent of American-style performance management and recognition/reward systems which are increasingly widespread across many industrial and service sectors:

[B]asically anybody who has got an “Outstanding” [in the annual performance appraisal] at the end of the year can be nominated by their part of the business to go to the Platinum Club dinner. It’s like an Oscars-style ceremony, [...] It was absolutely fantastic, we stayed in a five-star hotel, and me and [Husband, also Insure2 employee] got nominated [...] it was all black tie/dinner dress [...] we had a tour of the city on an open-top bus, no expense spared. [...] You then got put into categories and there was a finalist [...] “The finalists are [...]” [...] So we had “Team Player of the Year”, all this [...] I was nominated in “Team Player” and I got into the top three but I didn’t win and [Husband] got nominated for something else and he won and the prize was a five-star business class trip to Marrakesh. [...] Every day there was something going on like sand dune buggying – cost a fortune per person. Fantastic for the people who won. Great for me because I had a really good night out and I wasn’t jealous and really pleased [Husband] won. I had a brilliant day and night. But the rest of our team were pissed off. Not because we had got nominated, they were dead chuffed for us, don’t get me wrong – [but] what did they get? They had worked like Trojans. There is no balance. The company said “You should go back to your team now and effervescence about this and encourage them to want to be part of this”. I just said “What you don’t understand is I have got three girls in our team who have got kids, they can’t do anything over and above their job, they do a fantastic job at what they do but they can’t do anything over and above their job, so they are never going to get an ‘Outstanding’. So because they are never going to get an “Outstanding” they are never going to be part of the group that would ever get nominated to be part of this Platinum Club so what are they going to do for them? What about your “business as usual” people? [...] [Husband] said “I don’t want to lay it on as if I have got something that they should have got [...]” It puts us in an awkward position. [...] the team by then were so down they were saying “Well that’s great, but what about us? While you were off in Marrakesh we were doing your work for you (Household Claims Specialist and Surveyor, female, Insurance2).

Many of the interviewees appeared to share a genuine concern with equality and solidarity among staff and were critical of the inauthentic management speak of merit, bonuses, performance and “talent management”. Some staff were critical of company sloganeering and the use of “blockbuster” management texts. One interviewee specifically mentioning certain books she was given to read by her line manager. In her view management literature, masquerading as liberational self-help texts, serves to reinforce subliminally the message that top management is always right and that free thinking and rocking the boat are not encouraged. She spoke of a new “very American” suing culture and bullying culture having a “stranglehold” over the company:

When I talk to [Husband] and tell him what I’ve been told he says “that’s management speak”. I wonder how much they actually believe themselves. A lot of time they read it off textbooks. They are frightened to say what they really believe. I tell you what, they are very fearful of lawsuits. The suing culture concerns them. This general culture has got a stranglehold over things. There is no trust between employer and employee. They keep saying “Raise the bar”. A lot of this culture is very American, in my view. I’ve been given these books to read: *Feel the Fear and Do it Anyway* [Jeffers, 1991], *Emotional Intelligence* [Goleman, 1997], and this other one, what was the title? It was awful. What was it called, “we’re on a journey” they say [...]. Hang on a second I’ve got it here: *Good to Great – Jim Collins* [2001]. I wonder to myself, how can intelligent people allow themselves to be brainwashed by this stuff? My manager, the one who I took out a grievance about, she reads this book and thinks it’s great. When I read it, my feeling was fear. I don’t feel able to cope (Assistant Manager, female, Bank1).
As these data indicate, staff privately critique and resist the empty and facile management speak that circulates their organisations, but feel unable to do much to change it. The data portray an unpleasant and intolerant working culture in UK financial services. Aspirant managers are encouraged to further their careers by emulating and reproducing this new work culture. There is no room for stability and the behaviours associated with old-style “managerial capitalism”. Top management, content to sit in its echo chamber, develop fantasies about “world class performance” while turning a deaf ear to employee concerns about more mundane issues. Such problems are reminiscent of the managerial hubris that enabled banks and insurance houses to blunder into triggering the GFC. The conclusion to the paper considers this issue of top management detachment in more detail.

Conclusion
Interview and survey data from employees in the UK financial services sector collected during this research confirms a picture of widespread organisational culture change (Boltanski and Chiapello, 2005; Sennett, 2006), and intensification of work (McCann et al., 2008; Osterman, 2009; Thomas and Dunkerley, 1999). Moreover the forms of employee critique discussed here capture something very important in that they constitute not simply complaints about heavy workloads and work intensification – they can also be interpreted as describing a sea-change in the culture and ethics of their organisations, a change staff are most uncomfortable with on a moral and practical level. Respondents wanted to see a more egalitarian, less pressured, and more genuine workplace where “mundane” work could be valued rather than ignored. An implicit argument that emanated from the interviewees’ complaints was that if firms treat their employees with dignity, and take the mundane and less exciting work seriously rather than rushing into dramatic new projects, then this could actually result in better organisational performance as well as a more humane workplace.

A subtle reordering of LPT is needed if we are to fully understand this situation. Clearly senior leadership of MNCs are pursuing restructuring in order to chase higher profits. But organisational change is often risky and senior leadership can never be sure whether such changes will actually lead to the creation and extraction of maximum surplus value. Policies of management – especially when they are so detached from the “realities” of the workplace experienced by lower- and middle-ranked employees – are not necessarily logical or coherent, and it is not safe to assume that they will secure higher profits through tighter employee control. Management often does not know the full outcome of many of the measures it has implemented. In many cases, management’s attempts to increase employee output has been undermined and counter-acted by their neglect of employee fair treatment, leading to widespread problems with motivation, stress and low morale. It is an apparent paradox that management does not view this situation with very much concern.

This view from within “the belly” of the financial services “machine” (McCabe, 2007, pp. 97-142) is not difficult to reconcile with the leadership failings widely associated with the GFC – namely managerial recklessness, aggression, and detachment from “reality”. Top management does not merely appear to reside in a self-referential echo chamber; it does to a considerable extent actually do so. With its attention focussed on those parts of banking and insurance business that are highly risky but yet also
capable or returning very high profits to the firm, there is a perfect recipe here for the relative neglect of the more routine areas of these businesses, despite the fact that these parts of the business are reliable generators of steady profit. Retail banking is in many respects a very different set of activities from the speculative and risky activities that are also now central parts of modern banking. Retail banking and insurance is well known for its very low customer turnover despite the rather poor service that is often provided. It is a prime candidate for routine management and senior management neglect. Unless and until the different activities of banks are properly separated the prospects for real improvements seem limited.

Employees often view their restructured workplaces as dysfunctional, and in the sense that the systems within which they work are not very efficient and fail to utilise the evaluative and creative capacities of employees to solve the problems that arise, they surely are. It is tempting, in the circumstances, to attribute a degree of causality to the presence of the kind of unpleasant and ineffective work culture that can now be found in many organisations, on the assumption that it should adversely affect performance. This, however, would be stretching the argument about the likely impact of the responses of workers to their work too far. On the contrary, it is precisely because the business processes of retail banking and insurance have been designed to function with a machine-like regularity and relative efficiency, largely without any creative inputs from lower-level employees, that the work is experienced as alienating and unrewarding (see Yuill, 2011, p. 113). It can be argued that such business systems actually require little in the way of sophisticated people-management, and such policies can be safely reduced to a ritualised mixture of slogans and exhortations much in the way that this research suggests actually exists.

Also today, business managers have found that, at the level of retail sales, value is now created at least as effectively by cultural manipulation as by increasing the efficiency of basic business processes. Recent “cultural economy” accounts of new ways of generating profit and shareholder value may be helpful here. Willmott (2010), for example, has recently discussed the efficacy of the creation of “value beyond the point of production”, as firms refocus their attention on investor relations and “brandisation”. In such a context, the relegation of “ordinary” and “mundane” operational issues is irksome to all managers including middle- and lower-ranking staff because they are widely seen as irrelevant to the new processes of value creation, and no longer central to senior management strategy. To paraphrase a respondent’s quotation from above, operational matters are irrelevant to senior management “as long as you are seen to be moving and doing something”. The value and purpose of work for senior figures are located and enacted in continual performances and narratives created for consumption by outsiders (Froud et al., 2006); narratives and performances of “best practice”, “brand value” and corporate “visions”. Certain senior staff embody this new work culture. On the other hand, lower level staff (especially experienced traditionalists) are alienated and resentful.

Thus, the deeply critical picture emerging from workplace-level research suggests that it would be wrong to assume that management is fully aware of the consequences of its “strategies” and its neglect of the traditional activities within their businesses. Condemnation of firms’ short-sighted focus on shareholder value logic by employees is clearly widespread. Indeed, so common is the current criticism of MNCs in the public realm, that even Jack Welch recently described maximizing shareholder value as “the
dumbest idea in the world” (Denning, 2011). It remains to be seen whether, in the fallout from the GFC, continual critique might lead to firms reconsidering their approaches, towards more stable, less ruthless, more attentive, and more ethically sound organisational forms and cultures. But it would be wise for us not to hold our breath until these changes are made.

References


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