

An Exploration of Culture in the UK Financial Services

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Abstract

This thesis explores dimensions of culture in the UK financial services. Through narrative interviews, it considers the experience of the industry and examines how culture can be formed through influences stemming both from the industry's internal dynamics and wider societal contexts.

The study analyses how the dimensions of culture might influence behaviours that have had an effect on the UK's economy, such as the global financial crisis of 2008. The study further questions whether the crash was the product of the culture that existed before the crisis and which persists within the industry. The overall system – consisting of consumers, firms, regulators and governments – is taken into consideration. This is a select yet focused study and the unit of analysis is individual narrative interviews, through which the study attempts to access some of the systemic dynamics that may be present in the industry. The study does not claim to define culture in a singular sense, in what is a complex and diverse industry; instead, it attempts to draw out key themes from the data set that could shed light on the dimensions of culture.

This study uses a systems psychodynamics approach, which takes into account the idea of unconscious group dynamics and open systems. Grounded theory has been employed to analyse the data and form a theoretical understanding.

Key Words: culture, financial services, bankers, regulators, drama triangle, global financial crash, money, banking, finance, organisational culture, unconscious processes, the bench, games, systems psychodynamics, Tavistock and Portman, grounded theory.

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Section 1: The Context of This Research

Chapter 1: Introduction

The aim of this study is to explore the dimensions of culture in the UK Financial Services. It further seeks to understand if these dimensions influence behaviour and the impact of this on individuals in the industry and the wider societal context.

Following the global financial crash of 2008, the behaviour of the financial services industry began to be questioned. There was speculation about the way individuals who worked in the industry exploited the system for personal gain and how the wider UK economy and society suffered as a consequence.

At the time of the crash, I was an industry worker and worked alongside many financial services professionals who in my experience did not seem to fit the archetype of the 'greedy banker' that was the popular narrative of the time. I also grew up with a father who was a banker and whose values and behaviours were diametrically opposite to what I was reading and hearing about. The industry does not exist in a vacuum and is a part of a complex system, which involves UK society. What makes the industry unique is that money is the commodity of transaction and I wondered if this in itself might cause various dynamics, both within the industry and for those who are viewing it and consuming its products from the outside.

Whilst judgements can be made based on fact and observable data, what if not all the data is observable? If the cause of the crash was indeed greed and hubris, then why is it that structural solutions such as changing reward mechanisms or policies have not been enough to regulate and manage behaviour in the industry? Financial institutions have considered these solutions as a way to regulate behaviour. However, human behaviour is complex and structural solutions on their own are not comprehensive in influencing it. Additionally, what if the behaviours we have witnessed are not only limited to the financial services industry but a product of the wider system within which the industry exists? My approach goes beyond simple descriptions of the phenomena and seeks to understand the underlying structures and processes that contribute to them.

In the years following the crash the industry has gone through remediation, fines and large-scale restructuring. However, some of the behaviours that were highlighted as a cause of the crash were still surfacing in the industry. As recently as 2016, it was found that a record £31.6 billion of car loan debt exists in the UK and analysts are predicting that these subprime car loans could be one of the triggers for the next financial crash (Collinson 2017).

A systems psychodynamic approach goes beyond some of the surface level symptoms to understand the underlying and often unseen dynamics that contribute to certain behaviours. This interdisciplinary field triangulates psychoanalysis with the concepts of group relations and the open systems theory (Fraher 2004). This takes into account an important juxtaposition of the unconscious processes, the influences of group dynamics and the boundary and task issues in open systems. By employing this modality, this study will explore how different parts of the system – in their inter- and intrapersonal relatedness – create the dynamics that produce a culture within the financial services industry. And one way of accessing these underlying dynamics of culture is through individual narratives.

It is important to stress that in no way does this study attempt to suggest that the culture of the UK financial services is monolithic. The complexity and diversity of this industry cannot be ignored. There are many facets to the system and a wide range of products, customers and employees. Additionally, this is a focused study using a representative sample, and not a large-scale analysis of the UK industry or society. What it does intend to do is to raise some questions and bring into awareness some of the unconscious material that is potentially at play. It will provide us with some possibilities that show how those who are external to the industry, but part of the wider system, can influence the culture.

This study contributes to the existing body of knowledge in a number of ways. Firstly, by using data, the study has been able to start making sense of some of the processes and dynamics at play. It has been able to move away from hypothetical constructs to using narrative accounts to explore some of these dynamics. Secondly, the study explores some of the potential systemic dynamics at play in the wider

system. From a systems psychodynamic perspective, in order to understand the culture of the FS industry, we need to understand the whole system and its interconnectedness. The study accesses the narrative of the whole system (including society and regulators) and not just the industry, through the vehicle of individual narratives. Finally, the study outlines some implications and systemic interventions for consideration. These go beyond the structural solutions in the industry to looking at systemic interventions in the whole system.

The primary aim of the research in this study is to explore the dimensions of culture in the UK financial services, what influences the culture and how it gets perpetuated. It further explores some of the systemic, unconscious dynamics that influence both individual and group behaviour in the financial services. It interrogates the implications of these dynamics for firms, regulators and society.

This report is divided into three sections. Section one outlines the context of the research. Section two outlines the research approach, methodology and findings. Finally, the third section consists of the discussion and contributions from this research study.

Chapter 2: Selecting an area for research

This chapter is a biographical account that charts my relationship with the financial services industry. It describes my curiosity about my subject matter and also my determination to find explanations for what I have witnessed and experienced in my career in this sector thus far.

My father started his career as a graduate trainee at the State Bank of India in 1974. We were not a wealthy family and on his modest income we lived in a flat above my grandparents' house in Bangalore, India. Subsequently he was transferred to an office in Mumbai and even though this was a step up, our family had to share the company accommodation – a two-bedroom flat – with another family of four. We were two families living in a two-bedroom flat. This was not an unusual experience at the time; however, it does not paint the picture of the wealthy bankers that we read about in the press today.

In the mid 1980s, foreign banks began to attract talent from the Indian financial services and my father got an offer from one such bank, changing our lives forever. We moved out of the shared accommodation and my parents were able to get a flat of their own. From then on, until the time my father retired in 2004 from the industry as the Indian head of corporate banking for one of the world's largest banks, our lives took many interesting twists and turns. We lived through market liberalisation in India when the world suddenly came into our living room, through to the big shares scam of the 1990s and then the IT bubble of the early 2000s.

My father instilled a strong value of integrity in his children; during the Hindu festival of Diwali, his clients would send him lavish presents which he would return. He was very principled about what he accepted. And even those that he did accept would be distributed to those of our friends and family who did not have an opportunity to receive such gifts.

He was extremely strict about saving and not spending what we did not have – I still remember the first passbook I had for the Bank of India. After every birthday or

festival, when we used to get small gifts of money from the family, we used to save 10 per cent, slowly seeing our savings grow.

An important lesson he taught me was around greed. When I negotiated the salary for my first job, a lot of my friends told me that I should have asked for more than the company had offered. My father had a different view; he said that there was no end to greed and if I always took the view that I should get more I would never be satisfied. As long as I believed that it was a fair transaction, I should accept the offer with good faith. It was a good lesson to give someone starting out on their career, as the psychological contract I built with that firm continued to hold me in good stead many years later.

I came to the UK in 2004 and studied Social and Organisational Psychology at the London School of Economics and Political Sciences. When I graduated, I was only one of two (that I knew of) from the batch who went on to work in the financial services. Whilst I also had a job offer from a major consulting firm, I chose to join a bank in the UK. I wonder whether a sense of the intrinsic attractiveness of the industry had been instilled in me through my early life experiences and those of my father's. Even though I was not working as a finance professional, I still chose this industry.

A number of my friends went on to work for the public sector or in the charity sector. It was at this point that I first started experiencing some of the strong emotions that were being projected into me. Freud's conceptualisation of projection (Freud 1911/1958) holds that these are thoughts, feelings and emotions that are too difficult to accept as one's own and which are then attributed to others. I experienced envy from many of my compatriots and this was displayed through divisive comments that were perhaps unconsciously intended to 'other' me and make me feel apart from the group.

I very soon became an outsider within my social circle and found that a lot of assumptions were being made about the fact that I chose to work for the financial services. There were assumptions about what I earned, and I experienced many judgements about the value of the work I did. I found myself distancing old friends

and creating new social circles. This was painful and alienating. Interestingly, within the industry as well, I found myself an outsider. In 2004 I was in a minority: an Indian gay man working in an exclusively white and seemingly heterosexual environment. I knew I was hired because of my degree from an exclusive London university. I also questioned whether I was hired for my skills or because of my apparent diversity. I was very different from the others in the bank. I was one of a handful of people of colour in the organisation. I felt that I needed to try very hard to hide my sexuality as this would be seen to be contrary to the alpha-male, testosterone-driven, heteronormative environment. In the senior meetings that I attended I often found myself silenced, and I subsequently kept my head down. It was only because of a very progressive manager and mentor that I found my voice and my confidence to perform in that environment. The need to fit in was strong and whilst I struggled to leave my old friends behind, it was a bigger struggle to be part of a new world. I was dealing with a crisis of identity: a new country, a new context and now a new world of work. I had to work hard to find my confidence and to ensure that I was able to maintain my individuality.

When the crisis hit in 2008, the world vilified bankers and their greed became the focus of public anger. This made me think a lot about my father and the values that he held so closely in how he did business and lived his life. As more and more stories emerged from the crash, I started to question whether my father was an anomaly or whether my image of him did not tally with the real person. In 2008, I was working internally as an organisation development consultant in the City of London with a mid-tier bank. None of the bankers, traders or wealth managers I came across fitted the public caricature of the greedy, narcissistic, self-serving 'fat cat' that the media had created. I went through a lot of internal dissonance about what I was hearing around me and the kind of people I was interacting with. The organisation I worked for was unwavering in its commitment to its core values. Everything they did had to stand up to the test of their core values, including the deals they sought and approved and the clients they took on. This crisis was compounded by the fact that my social circle constantly questioned my integrity, as I was working in the very industry that had seemingly debilitated the world economy.

I believe this weighed on my mind unconsciously and whilst I was working within the industry, I felt the need to distance myself from this world. I left the bank and went on to join one of the 'big four' consulting firms. My experience in banking was seen as a premium as I had first-hand knowledge of how the system worked. I was also psychologically trained to understand human dynamics and culture. However, here in the new consulting firm, I found it easier to fit in. My new colleagues did not care who I was, where I came from or whether I had a pedigree degree. They were interested in my ability and my competence. This was refreshingly different from my experience at the bank. I did not feel the need to conform and was respected for my knowledge and expertise.

In 2010, as a part of a consulting team, I was commissioned to investigate the culture of a large multinational private bank that had come under fire from the regulator. This exposed me to a very different side of the industry. We found misaligned leadership teams, a focus on commerciality over risk management and an inability to challenge the bad behaviours that were rife in the organisation and which made up the culture of the place. When I spoke to many of the bankers, I felt they had little malicious intent. However, once within the system, they seemed to end up acting and behaving in ways that were dictated by the norms and mores of the organisational context. I came across organisation after organisation in which we found similar issues; this got me thinking about the role of culture in influencing individual behaviour within the financial services. I started thinking about this complex system of the financial services that was made up of the industry, the regulators and society. I wondered about how these different entities came together to create a culture and if this process was unique to the industry.

In 2011, I was part of an investigation into rogue trading. This was a turning point for me. As we carried out our investigations, I was struck by what I observed around me. The 'rogue' trader had made significant losses for the bank; yet in the lead up to this event, whilst he was successfully making money for the organisation, no one questioned his methods. All this had happened despite watertight policies, procedures and systems. There were checks and balances in place to ensure that such incidents did not happen, but they still did. It is in the public record that the CEO

even commended his efforts and held him up as an example of a high performer in the bank. When the fraudulent trades came to light, the organisation was quick to dissociate themselves from him and condemn his behaviour. The trader was jailed, the bank was fined, and a period of remediation, restructure and sanctions followed (including reviews of organisational structures, governance, compliance and reward mechanisms). If such incidents occur despite strong policies and procedures, could the root causes be more systemic than merely structural? I began wondering if the firm was remediating a deep-rooted cultural issue with structural solutions.

When I embarked on the doctoral programme at the Tavistock and Portman NHS trust, I found that I was the only student at the time with a background in the financial services. As the first year progressed, I noticed that the projections I attracted were similar to those I had experienced before. There were many assumptions about the work I did and indirectly about the kind of person I was. Often, when I presented cases taken from my career, the group would immediately conclude that the issues were about greed and hubris rather than dealing with the material in hand. I found these dynamics very curious and this led me to start developing my research question further. I began making judgements about my fellow students' understanding of commercial organisations and their competence in this area. Moreover, I felt judged about my understanding of the public and social sectors.

I thought my colleagues were being naïve about the commercial imperatives of organisations and that as many of them were employed in the public sector and social services, they were unable to understand how business worked. As they were discounting me, and my experiences, was I doing the same to them in turn? Was I starting to develop a mindset that those outside the industry were unable to comprehend the complexity of the financial services? I felt angry when I thought of how my colleagues had benefitted from the boom periods yet now they were attacking the very industry that had provided the wealth for the economy and the resources for public services in the past. I was unable to see their points of view and became very protective of the space I worked in.

During the course of my doctoral studies, I have spent time reflecting on my practice and my own process both in my research and in my work and my personal life. I

have been in psychodynamic psychotherapy since 2015, which has given me a lens through which to interrogate my own internal process. It has helped me understand the projective processes that I am subject to. One theme that has emerged over the years is my relationship with authority as a result of having grown up in a hierarchical and authoritarian society. Through therapy, I have been able to explore how I relate to authority in the personal and professional areas of my life. This has helped me consider how I will exert my authority in conducting and presenting the research in this study.

In both my professional practice and my research, I have used the psychodynamic frame of supervision. This has been helpful in developing different positions, i.e. that of a researcher versus that of a consultant. It has helped me achieve a more nuanced view of the contexts I work in. I have been able to develop a more critical position in my research and to take into account my experiences of the industry while constantly testing and checking my assumptions.

These experiences – the incidents I have witnessed, my reactions to them and to others outside the industry – provided the impetus I needed to embark on this research journey. The external support offered by therapy and supervision was the scaffolding I required to help me build and implement this study. I started thinking about the complex interplay between the various systems within and around the industry that causes individuals to behave in certain ways. Whilst the culture of firms was being scrutinised, I started to think about the culture of society as a whole and how this had impacted the financial services.

Culture is an abstract concept; however, the forces that it creates in social and organisational situations are powerful (Schein 2010). Schein further emphasises the importance of understanding how these unconscious forces operate in order to explain the experiences of social and organisational life. What this means is that a number of unconscious forces such as defence mechanisms, group dynamics, etc. play an important role in the formation of the culture of an organisation. From this perspective, what other explanations might there be for the behaviours that we have seen in the financial services industry? Could the culture we see in the industry be a product of the wider system?

Through this study, I will provide a lens to enable an understanding of the behaviours seen in an industry that has many different players – firms, regulators, governments, consumers and society at large. Furthermore, I hope this understanding will lead to a framework that will ensure future interventions in the financial services industry are more systemic and far-reaching, and will not focus on firms finding structural, short-term fixes that do not impact the root causes of the problematic behaviours witnessed both within the industry and also in relation to society.

Chapter 3: Literature review

This chapter offers a review of the works and authorities that have engaged either directly or indirectly with my area of interest in this study of culture in UK financial services industry. In order to understand the potential impact of cultural dimensions on the UK FS industry, I was keen to understand below-the-surface dynamics and their influence on both group and individual behaviour. I therefore began by establishing a theoretical framework that would lend itself to this line of enquiry. The literature review in this chapter has been presented temporally with respect to how it evolved, focussing on the following areas:

1. Systems psychodynamics
2. Psychoanalytic theory
3. Systems theory
4. Group Dynamics
5. An exploration of financial services in the systems psychodynamic tradition
6. Organisational culture
7. Narratives

3.1 Systems psychodynamics

Systems psychodynamics is an applied field that attempts to understand the complex interactions between the systemic (i.e. structures, norms, practices, etc.) with the psychological processes (for e.g. motivation, emotions, attitudes of members (French and Simpson 1999). When selecting a theoretical paradigm as a basis for this study, I found this approach to be particularly pertinent for a number of reasons.

Firstly, it takes into account the unconscious and unseen dynamic processes at play through the use of psychoanalytic theory. This is particularly important when trying to interrogate the research aims of what lies beneath the surface and how it impacts behaviour in the industry. Secondly, it connects the idea of open systems theory with psychoanalysis to understand unconscious processes at an organisational and overall systemic level. Thirdly, it uses theories of group dynamics that enable us to

understand the unconscious dynamics prevalent in groups and group behaviour. And finally, the employment of 'feelings as data':

The analyst must turn his own unconscious like a receptive organ towards the transmitting unconscious of the patient (Freud 1912 pp115-116).

This idea of using unconscious transference material as data would bring a perspective to this thesis, that is missing from other psychological paradigms.

3.2 Psychoanalytic theory

3.2.1 The unconscious and unconscious processes

Freud's topographical model (Freud 1915) of the mind is central to the psychoanalytic framework. He suggests that our mind has three levels: conscious, preconscious and unconscious. He uses the metaphor of an iceberg to explain this: only 10 per cent is visible as the rest is submerged under water. The first level is our conscious mind or the parts that we are aware of, which, according to him, is the tip of the iceberg. He then describes a preconscious which consists of material of which we are not aware but which can easily be lifted into our conscious minds (Freud 1924) – the part that is just below the surface. These are memories or experiences that are readily available for us to recall when required. Finally, he speaks of the unconscious or that part that contains mental material, which is not easily accessible and is often repressed and not available in our pre-conscious. The unconscious, according to Freud, is a key influencer of behaviour. The way we behave, our decision-making, our intentions and feelings are influenced by the material in our unconscious.

Freud further suggests that the way in which we interact with our social world is learned through past experiences. Often, the way we experience new relationships is a result of reliving these early ones, which he labelled *transference* (Freud 1912). This was discovered in the consulting room between analysand and analyst and then applied to other relationships. Another important discovery to consider is that of *countertransference*, which relates to the analyst's emotions towards the client (Freud 1910). This original definition of countertransference has been further refined. It is now seen to be an important source of data about the patient and

reveals much about the interaction between client and analyst (Segal 1993). For me as a researcher and the author of this study, my own history with the industry, my biographical story and experiences will all form unconscious material that may impact the way in which I work with the data and also interact with the research participants. Understanding the transferential and counter transferential processes in this research, both in the experience of data collection and the material itself, will be important in employing 'feelings as data'.

3.2.2 Extending Freud: Klein – infant and adult development

Melanie Klein extended Freud's thinking and psychoanalytic understanding of the unconscious. She found that infant and early childhood experiences (Klein 1923) had an impact on the development of our adult emotional functioning. I found the Kleinian view compelling in understanding how we come to make sense of the world around us and the impact of early experiences. She suggested that we internalise aspects of significant people in our lives as 'objects' in our inner, mental world (Klein 1946). An object in psychoanalysis is an internalised representation of something in the lived world. In the early stages of development, the infant feels persecuted by its environment or the mother (primary object), who can both be nourishing or persecuting in not providing nourishment. The ability of the mother to hold her baby's anxiety, tolerate it and thereby alleviate it without offering a premature solution is what has been termed as reverie (Bion 1960). This is a crucial part of the development of the baby's psyche.

The infant splits both the self and its primary object into good and bad with little or no integration between the two. Freud thought that the baby's initial internal conflict was one of life versus death. However, Klein suggested that the conflict was more about love and hate. This is a paranoid schizoid state of mind. Klein goes on to say that bad experiences get denied where possible and good experiences get exaggerated. There develops a sense of omnipotence and invincibility. Klein's contributions to the development of psychoanalytic theory – especially an understanding of defences such as splitting and projective identification – are deemed to be influential in the field. I find these particularly interesting because of their relevance to organisational dynamics. For example, feelings of loyalty, love and hatred towards the organisation

come from these primal feelings as the organisation can become both the object of persecution and gratification. The concept of omnipotence has been related back to what happens in the FS industry (Stein 2011). Some of these ideas may be useful in understanding the dynamics of the system I am studying through this research. Additionally, could an organisation become the idealised object to which the employee develops a libidinal relationship? What would this mean for the organisational and industrial system?

However, in reading Klein's work I was struck by what I felt were persecutory ideas. What I mean by this is that, for example, her concepts of projective identification are in relation to the client's responses to the analyst. It feels as though these processes are a product of what happens to the individual by an external entity, e.g. the mother, the analyst or the group. I started thinking about what was happening in the space between client and analyst. What is missing for me is the idea of intersubjectivity, i.e. *the space of the relations between the 'oneself' and the external to 'self'* (Bourguignon and Katz-Gilbert 2018). Kleinian theoretical frames are not typically related to this approach though they suggest this implicitly (Brown 2010). This changes the nature of the psychic processes from being one sided to a product of what happens in this intersubjective space. This approach suggests that roles develop in relationship to each other and intersubjectivity is the recognition of this relationship (Long 2006). And, with this in mind, I will consider the role of the individual and the role of the system in co-creating the unconscious dynamics.

3.2.3 Phantasy and the phantastic object

The Oxford English dictionary defines the word fantasy as;

the process or the faculty of forming mental representations of things not actually present.

These are conscious imaginings that are born out of wishes and desires. In contrast, *phantasy* is the unconscious driving force behind human subjective experience. It is an imaginative process of fulfilling conscious or unconscious desires. The idea can be traced back to Freud who suggests that it is a

Wish-fulfilling activity that can arise when an instinctual wish is frustrated (Bott Spillius 2001 p17)

He suggested that unconscious phantasy – and thus phantasising – was an evolutionary mechanism of the human mind. Klein took this idea and expanded it in her work with children. Her idea of the unconscious (Klein 1923) is predicated on the phantasy life of the infant. She suggests that phantasy dominates an individual's mental life, starting at the earliest period of infancy. According to Klein, phantasy is the expression of impulses (both aggressive and libidinal) and also the defences against those impulses (Bott Spillius, Milton et al. 2011).

As described earlier, an object is an internalised representation of something in the lived world. A phantastic object is one whose qualities are determined by an individual's unconscious beliefs or phantasies about that object.

Klein's conceptualisation of the depressive and paranoid-schizoid states of mind helps us to understand our relationship with the phantastic object (Klein 1946). In the paranoid-schizoid state of mind, the good and bad parts of the object are not integrated and are seen to be separate. It is too painful to consider both the good and bad parts as belonging to the same object. In this state, the quest for the phantastic object trumps realistic judgements (Eshraghi and Richard 2009); whereas in a depressive state, we see others as being more like ourselves – which is that we are both good and bad. In the paranoid-schizoid state we split off the bad parts of the object and seek out the good parts that enable us to fulfil our desire. David Tuckett and Richard Taffler write about the internet stock bubble (Taffler and Tuckett 2003) using the idea of phantastic objects to explain this:

The phantastic object is thus defined as 'a mental representation of something (or someone) which in an imagined scene fulfils the protagonist's deepest desires to have exactly what she wants exactly when she wants it' (Tuckett 2011 p17) .

In his book *Minding the Markets* (Tuckett 2011) there is a further exploration of this idea of the phantastic object by linking it to financial instruments. I will refer to this later in this chapter. This study uses this concept to develop the understanding of the FS industry as a phantastic object, and what this means for those people who wish to join it and for other parts of the system. The intersubjective stance here is the shared unconscious phantasy (Brown 2010) between the parts of the system. This made me start thinking about the idea of co-creation and the role of both the individual and the system in creating any systemic dynamics.

3.2.4 Attachment theory

Reading Klein made me curious about how relationships – especially primary relations – are formed and how these develop into adult life. John Bowlby's attachment theory (Bowlby 1958) helped me understand how individuals form relationships to the organisations and organisational systems that they belong to. I was still looking for an understanding of how processes in infancy have an impact on how we relate and connect to others in adulthood. Attachments are 'lasting psychological connectedness between human beings' (Bowlby 1969). We form attachments to our primary caregivers as we grow up, looking to them for security and to keep us safe. Based on these early relationships, we form different attachment styles which can be anxious, avoidant, ambivalent or secure. An extension of Bowlby's work was the Learning Theory of attachment (Dollard and Miller 1950). They proposed that attachment is made up of a set of learned behaviours. This was a behaviourist theory that suggests attachment is based on the reinforcement that the child receives through being fed and comfort, a process of classical conditioning. They bring the caregiver into the equation by suggesting that the caregiver should also learn how to comfort the infant. As I read about these theoretical concepts, I began to apply them to organisational settings. I could see how the idea of attachment might play out in organisations where leaders create a secure base for their teams, thereby increasing the sense of safety in the environment that will allow their teams to perform successfully. A secure base, therefore, is an individual or object that protects, provides safety and care and inspiration for risk-taking, creativity and seeking challenge (Kohlrieser, Goldsworthy et al. 2016). However, I was not convinced that learning theory could be applied in

the manner in which it was described. According to the theory, in the case of an infant the fulfilment of primary needs creates attachments. However, individuals look for more than just having their primary needs met when forming attachments with the organisations they work for. Millennials,¹ for example, look for things such as shared values, loyalty, long-term options, family and social impact as key priorities when choosing a potential employer (Zimmerman 2107).

3.2.5 Holding and containment

I looked for what other processes could assist in the process of forming attachments. In object relations theory, the self exists and develops in relation to other objects both internal and external. The theory of holding (Winnicott 1953) suggests that through a process of care and empathy provided by the primary caregiver, a child is able to develop its ability to be autonomous. The primary caregiver provides the nurturing environment that allows the child to develop. A linked idea that is similar yet different is containment (Bion 1960). This is a process whereby a child projects often painful and intolerable feelings onto the mother. Without taking away the feelings from the child, the mother then enables the child to own and reintegrate these emotions. Once again, the focus is on the primary caregiver's ability to create an environment where the child is able to deal with the difficult and unbearable emotions yet feel safe and adapt to its environment. These ideas of containment and holding help us to understand the relationship between primary caregiver and infant and ideas of development. More recently research has focussed on the importance of the infant as being recognised as a separate and unique being. They go on to speak about the idea of mentalisation which links attachment theory with psychoanalysis by enabling the caregiver to understand the infants internal world (Fonagy 2014).

Psychoanalytic theory gave me a good understanding of the concept of the unconscious and unconscious dynamics between individuals. This left me thinking about how this framework could be applied to the relationship that individuals have to organisations and organisational systems.

¹ Anyone born between 1981 and 1996

3.3 Systems theory

General systems theory (von Bertalanffy 1968) suggests that systems are a collection of interdependent, interrelated and interacting entities that make up an integrated whole. Systems are influenced by their context and the environment they are in. They are defined by their structures, the way they are organised and the functions they perform. An intervention in one part of the system can affect other parts of the system or the whole system. And these patterns of behaviour may become predictable over a period of time.

3.3.1 Organisations as open systems

Kurt Lewin first applied the concept of open systems theory to human systems (Lewin 1947). This was further developed in order to understand the interrelationships between parts and other parts and the environment (Miller and Rice 1967). Organisations are complex open systems made up of a number of subsystems that constantly interact with the environment, take in inputs, process them and then release outputs back into the environment. However, these exchanges need to be regulated in order to achieve the task. Hence there is a need to manage the boundaries of the organisation.

Boundaries are an important part of systems as they define and demarcate the various areas and territories. Whether through task, territories or time, boundaries play an important part in organisational life and the negotiation of these boundaries is critical. Boundaries become a container for systems and support the achievement of tasks (Green and Molenkamp 2005). They are created in order to separate what is within from what is outside; however, they are permeable in a regulated way that ensures the integrity of the organism (Roberts 2019). This idea proves useful for understanding the boundaries of the complex financial services industry and how material flows across the boundaries. It offers insight into how people come to be a part of the industry and how they leave it.

The idea of the *primary task*, i.e. that which the organisation is there to perform in order to ensure its survival (Rice 1963), is critical to this understanding. Boundaries are regulated in order to ensure that resources are allocated and prioritised to fulfil

the primary task. This concept of the primary task (Lawrence 1977) was further developed to suggest that there are three types of primary tasks: normative (what is formally suggested as the task of the organisation), the existential primary task (the task the organisation and those in it believe they are performing) and finally the phenomenal – which is what can be inferred from people's behaviours yet which lies out of their awareness (Roberts 2019).

These ideas have enabled me to understand the interdependence, connectedness and therefore complex interactions between the different parts of the system(s) that I am researching in this study.

3.3.2 Socio-technical systems

The concept of socio-technical systems is about the relationship between social and technical aspects in organisations (Trist and Bamforth 1951). Technical here does not only mean technology but includes knowledge related to procedures and technical aspects of the work. The theory talks about the concept of joint optimisation which suggests that the interaction between the social and technical creates the space for optimal organisational performance. It is about designing the two systems in a way in which they can work harmoniously together. The idea was of interest to me as I am keen to understand the juxtaposition of complex technical knowledge and the social and psychological aspects of this within the UK financial services. The industry is seen to be highly diverse and with a high level of complexity. I started wondering what function this complexity served for the industry.

3.4 Groups and group life

Groups and group dynamics form a key component of the systems psychodynamic approach. Central to an understanding of group dynamics is Bion's concept of basic assumption functioning (Bion 1961), as it offers an understanding of some of the unconscious, unseen processes that exist in groups. Bion suggests that in any group there are two parallel processes occurring: a work group that is concerned with the primary task and a basic assumptions group that behaves 'as if' they had another purpose. In basic assumption functioning, while the group is engaged in a task, an unconscious process of how they relate to each other emerges.

When anxiety in groups is high, the basic assumption functioning is heightened. Bion identified three basic assumptions (Bion 1961):

- a. pairing, where two members of the group emerge as a strong creative pair to take on the anxiety of the group
- b. dependency, where the group becomes dependent on a leader
- c. fight/flight where the group either attacks or flees (either physically or emotionally) from the anxiety provoking situation.

It is important to note that these are unconscious dynamics, attempting to relieve the group of the immediate anxiety they are facing. Two further basic assumptions of oneness (an attack on differentiation) (Turquet 1975) and me-ness (the group questioning the notion of the existence of a group in the first place) (Lawrence 2000) have been identified.

Valency, a linked concept and a term originally borrowed from chemistry, is the propensity of elements to be attracted to each other. Psychoanalytically, valency (Bion 1961) is an individual's capacity to combine with certain kinds of projections. Valency always exists in relation to the prevalent group dynamics. It is these dynamics that activate individuals' valences to act in certain ways and get recruited into roles within the group. I was really struck by this idea as it left me thinking about my own valency in groups, my valency within the industry and how it determined the roles that I took up.

3.4.1 Group defences against anxiety

Groups can collectively defend against anxiety in order to get on with the primary task. It was initially proposed that one of the elements that binds people together is the defence against anxiety (Jacques 1951). Another view was that these defensive processes are intrinsic to the primary task of organisations (Menzies Lyth, 1960). I found Menzies Lyth's seminal study fascinating. Her research in hospitals examined the behaviours of nurses who were caring for terminally ill patients. It was illuminating to see how nurses in the study acted in ways to diffuse the anxiety experienced by individual nurses in relation to an entire system. Through the

creation of hierarchies, roles and routines, the nurses were able to defend against the anxiety of dealing with patients who were at the end of their life. The defence mechanisms they established, however, took them away from the primary task that they were there to perform i.e. caring for patients. And it also impaired their ability to engage in sophisticated forms of dealing with the anxiety.

Menzies Lyth felt that these defence mechanisms were activated by the nature of the work that organisations undertook and was not 'imported' into the organisation by the psychopathologies of its members.

This led me to consider what behaviours in the FS industry are a response to the anxieties that are elicited by being in the system. However, first it would be important for me to identify the primary anxiet(ies) in the system. The idea of defences would prove useful for understanding how the system then deals with these primary anxieties.

3.5 The financial services

Working with a systems psychodynamic framework I began searching the databases for systems psychodynamic literature on the financial services. An initial search for the keywords 'systems psychodynamics' and 'financial services' produced 12,994 records on EBSCO Host. Further refinement between the years of 2008 and 2016² yielded 5765 records.³ A further search using the key words 'banking' and 'systems psychodynamics' yielded 530 records. I reflected on this second search and realised that the search was conflating the complex sector of financial services into one small area of banking. I therefore abandoned this approach and went back to my original search.

Records were then refined further in terms of their relevant subject areas: psychology, psychoanalysis, interviewing, research methods, qualitative research, professional practice, thematic analysis, culture (n=918). A further refinement of eligibility down to the categories of psychoanalysis, business, psychodynamics and

² The year when the literature review was first conducted

³ This was done deliberately in order to restrict the findings to post crash i.e. 2008

qualitative research narrowed the search by reducing the number of records (n= 69). Further refinement and elimination of categories that pertained to the clinical application of psychoanalysis left me with 14 items. This was surprising and I wondered why there was so little written in the systems psychodynamic frame about the UK financial services. I decided to work at the level above (n=69) as I felt that there could be much to learn from the clinical application of this modality. The lack of publications that deal with this sector has also been commented upon by others:

...publications that explicitly deal with money of the world of finance from a psychodynamic or socioanalytic perspective are seen to be scarce so far
(Long and Sievers 2012 p3).

One suggestion is that this sector has not been interrogated fully in this way because it may serve as a *'container for the toxicity in the world at large'* and this may be too difficult for us to face into (Sievers 2009).

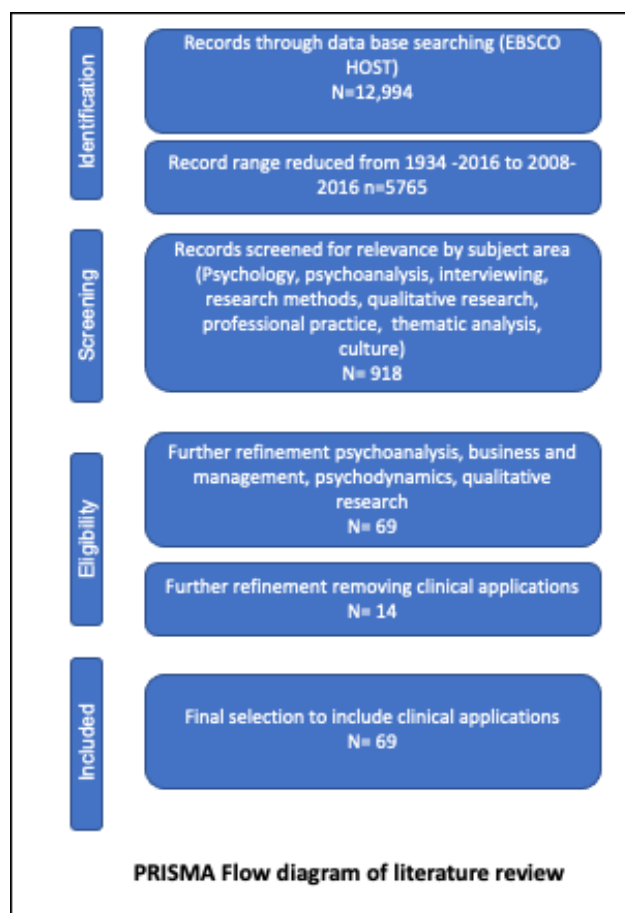


Figure 1: PRISMA flow diagram

Public discourse on the financial services has been mainly limited to an economic and political approach (Sievers 2009). A number of commentators have put forward various hypothesis and theories on why and how the crash happened. Some talk about individual contribution, such as excessive hubris (Jain 2009), and others write about the role of greed that impacted global markets and caused a catastrophe (Tett 2009). The book *Flashboys* talks about how individualism trumps collectivism:

Everyone's trying to show how good their individual contribution to the team is. Because the team does not get the bonus, the individual does (Lewis 2013 p143).

Others talk about organisational contribution to these behaviours. The role of functions such as accounting and auditing have been investigated (Sikka 2009) (Mc Sweeney 2009). The regulators have constantly focused on the role of regulation and compliance in regulating the industry. The Financial Conduct Authority has defined its 5 rules of conduct and applied them to all financial services individuals in firms (FCA 2018). The role of compliance officers in defining working practices in firms has also been studied (Lenglet 2012). Others have studied how trading was corrupt at Goldman Sachs (Pignot 2015). Lewis says that the environment at Goldman Sachs was such that it did not foster good collaborative behaviours (Lewis 2013).

The role of risk and risk management in the financial services is critical (Woollen 2012), (Pelzer 2012), (Blomberg 2012). However, to focus only on the role of risk management locates the problem with a part of the system and suggests that managing risk and regulations are the path to changing behaviours. Currently the focus of firms and the regulators is on ensuring good conduct and consumer outcomes. The Financial Conduct Authority explicitly states:

All firms must be able to show consistently that fair treatment of customers is at the heart of their business model (FCA 2015).

A paper entitled 'Beneath the financial crisis' attempts to explore various psychoanalytic theoretical concepts and their application to the financial crisis (Sievers 2009). This paper raises important questions about whether the financial system may act as a container and scapegoat for different parts of the system. It also helped me to contextualise some of the papers and texts listed earlier in the systems psychodynamic frame.

Stein is one of the most prolific writers in this field. He has described a culture of mania in financial services, where vulnerability gets denied and there is a great need to celebrate success and thereby show superiority (Stein 2011). He also uses the systems psychodynamic model to describe the collapse of Enron (Stein 2007) and of Barings Bank (Stein 2000). These are all seminal and key papers in the area. They framed my thinking about the financial services in this theoretical field. One question I had was about the nature of Stein's work being based on desktop research rather than field research, and I wondered whether my research could take some of his very valuable contributions and explore these dynamics with field data.

Long has spoken about organisational perversion (Long 2008) and how these perverse dynamics lead to corrupt behaviours. Her book *Socioanalysis of Money, Finance and capitalism* (Long and Sievers 2012) was another important source of material using this theoretical framework. The collection of papers in this book goes a long way towards describing the psychological components of the financial crash. The papers point to various psychosocial processes that help to develop an understanding of the unconscious dynamics of the financial sector, albeit the global financial sector in this instance.

In a study into why senior leaders from across the industry failed to prevent the crises (Gill and Sher 2012), the authors interviewed a number of participants from across the industry, in an approach similar to the one that I intended to undertake. The aim of their study was to uncover the dynamics that contributed to the crash. Their study concludes that their participants were unable to take into account how human psychological factors had played role in how people took up their roles in the financial crisis. I found this paper pertinent as the authors set out their study in a similar manner to my own approach. What I found missing was the societal

perspective and the fact that the system is also made up of those who are not a part of the industry. It also does not go far enough to explain how people end up in the positions they take up, in the industry, in the first place.

The nature of money and its role in the system has been commented on by some authors. The link between time and money was made by Richard Morgan-Jones to show how the culture of speculative banking and trading has impacted this relationship (Morgan-Jones 2012). The paper suggests that speculative methods in 'real-time' trading kills off the quality of money as being a time bound, contained form of exchange. Money has been suggested to be a fantasy (Shafer 2012) and also a fetish that has served to dehumanise relationships as it is experienced as a sensation filled with lust (Nagel 2012). In another paper Claudia Nagel suggested that money is the phantastic object (Nagel 2012) and whilst I do not disagree with this idea, I wonder whether this can be extended even further. Money exists in various contexts and in the context of the financial services industry, money is the commodity of transaction; so could it be that it loses its phantastic qualities in this context as it is so easily graspable? Might it be that the industry itself has a phantastic quality, as it is the place where money is produced and transacted?

There is limited systems psychodynamic literature on the financial services in the UK. The literature that does exist in this field is far reaching and does not interrogate the specific circumstances of the UK system. Stein's work is excellent, and he postulates some very interesting and important concepts with relation to this sector more globally than specific to the UK. Tuckett's work (described above in relation to phantastic objects) is based on field research; however this is very specifically pertaining to hedge funds or internet stocks context. Tuckett and Taffler's work, exploring the idea of financial instruments as a phantastic object, has been instrumental in framing my thinking. This research attempts to extend and add to the existing literature by bringing in data from the system in the UK and using that to generate new hypotheses about this complex and multifaceted system.

3.4 An understanding of culture

The word culture has its roots in the Latin word *colere* (to inhabit, to cultivate, or to honour). In general, it refers to human activity and various definitions of culture

reflect perspectives for understanding, or criteria for evaluating, human activity. Culture is a term that has been debated a lot in recent years, especially with regard to the financial services industry. The Financial Conduct Authority recently published a series of essays on the culture of the industry (FCA 2018, FCA 2020) in which commentators were invited to debate the definition of culture and what this meant to the FS industry. Of the many definitions of culture, I find the one espoused by Edgar Schein to be the most comprehensive. He says that culture is:

A pattern of shared basic assumptions that a group has learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein 2010 p 18).

In this definition, basic assumptions are the untold, unconscious ways of engagement that everyone lives by, which evolve over time as the group adapts to its external environment whilst managing its internal reality. These are the unconscious codes of conduct, as opposed to the explicit values of the organisation. The values are explicit, codified ways of behaviour, along with artefacts of the culture that are more tangible. In this context, basic assumptions are unconscious yet nevertheless powerful in determining how things are done within an organisation.

The two concepts of external adaptation and internal integration are important as they relate to organisational survival and perpetuation. The robustness of a culture will enable an organisation to deal with the changes, volatility and pressures in its external context. The ability of the culture to adapt to a changing context is crucial for organisational survival. In terms of internal integration, a strong culture will enable organisations to manage their internal boundaries. A common language, identity, the nature of authority and relationships, allocation of rewards and status will all determine how an organisation's people pull together in order to achieve the strategic objectives of the organisation.

According to Schein, there are three levels to culture (Schein 2010). This model can be mapped back to the topographical model postulated by Freud. The figure below brings the two models together.

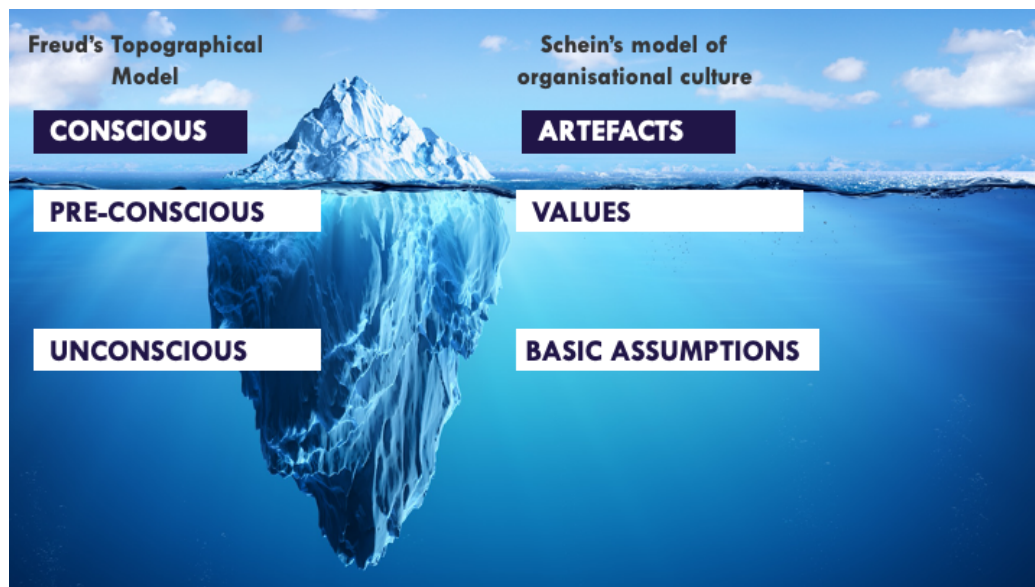


Figure 2: Comparing Freud's topographical model to Schein's model of culture

At the top, above the waterline, are artefacts, which can be physical, such as the infrastructure, the architecture and the layout of the organisation, etc. The next level down are values, which form the meaning system of the organisation. Often values are written on the walls or printed on items in the physical office space. Though they may spell out the organisation's values, these are merely artefactual representations and there is no guarantee that individuals will embody these values. Values are the shared beliefs of how things should be in the organisation and are positioned around the waterline. Then, at an unconscious level, lie the basic assumptions. These differ from the definition of basic assumptions suggested by Bion (Bion 1960). In Schein's definition, these are beliefs that are so ingrained in the organisation that they become part of the organisational narrative and fabric. These basic assumptions are unconscious yet strong and any contravention may lead to excommunication from the organisational system. Basic assumptions integrate the values and the artefacts in the organisation in order to make up organisational culture.

Another definition of culture refers to the collective mental programming of people in an environment (Hofstede 1980). Just as the personality of an individual is made up of emotions, behaviours and cognitions, the culture of a group is made up of the experiences of individuals (socialisation, education, socio economic background, etc.) in a group context. It is therefore correct to say that any particular group possesses its own distinct cultural attributes. Hofstede's approach has been criticised mainly that it is dated and the context does not apply to today's environment (Holden 2002). Additionally, he makes many generalisations about national cultures which stand the risk of stereotyping and also suggests that there is a uniform national culture (McSweeney 2002).

Understanding the impact of British society and the influences it has on the FS industry in the UK is important if we are to better understand the wider socio-cultural contexts within which organisations operate. Whilst cultural norms, values and artefacts impact behaviour, they also create the boundaries of experience and what is negotiable and what is not (Hoggett 2006). The UK has strong social structures such as the class system, which is a cultural artefact and a system of values. These values find their way into society and various social and professional groups. British organisations reproduce attitudes rooted in a long history of class conflict (Morgan 1997).

Stein alludes to this interplay between systems and the impact of social forces when describing the case of Enron (Stein, 2007). Individuals from different cultural backgrounds will have different ways of thinking, reasoning and perceiving the world around them. Therefore, two individuals from different cultures may perceive the same situations, rituals or symbols in diametrically opposite ways. Two individuals from the same culture may share certain similar values and constructs; however, they will have unique individual predispositions. This is a useful framework to hold in this study, where the research participant groups come from both different and similar groups.

As described previously, Menzies Lyth has talked about how the culture forms a defence against the anxieties (which are intrinsic to the work that the organisation

does) held by groups (Menzies Lyth 1960). These anxieties could be formed due to a set of unconscious beliefs and values that determine behaviour, perception, thought and feeling (Schein 2010). Schein goes on to say that:

Any challenge or questioning of a basic assumption will release anxiety and defensiveness (p. 29).

It is these beliefs that are held both by the individuals and the organisational system that make up the culture of the group. I am interested in the dimensions of culture that are prevalent in the FS system and this tradition provides me with a suitable lens through which to study it. Schein (2010) also says that:

Cultures tell their members who they are, how to behave toward each other, and how to feel good about themselves (p. 29).

This conceptualisation will be explored further to understand what social dynamics the culture of FS creates and perpetuates. To access the culture, it will be important to understand the narratives held by individuals in the system:

Individuals in a group both generate and are affected by conscious and unconscious processes of relating among members of the group (de Gooijer 2013 p 240).

Understanding these narratives may in turn shed light on some of the social dynamics in the system. These stories will reveal the mores and norms that the group learns to abide by in order to survive with the culture.

3.5 Narratives

Stories and narratives are fundamental to the social fabric of any society and they play a pivotal role in enabling individuals to make sense of the environment and events around them. A large portion of the history of human civilisation can be traced to how we have engaged these forms of representation to create a world for ourselves using the richness of storytelling and imagination (Czarniawska-Joerges

1998). All humans are essentially storytellers who have a natural capacity for recognising the coherence and fidelity of the stories they tell and experience (Fisher 1987).

Stories play an important role in enabling an understanding of social order. They are often accounts of agents whose personality, integrity and destiny unfolds through a series of actions and events. The ability of stories and narratives to elicit an emotional, sometimes visceral, response from the audience allows them to hold an important position, enabling us to construct our social reality:

Stories are one of the main ways we give meaning to life and make sense of and judge the truth about our observations of an inherently uncertain world
(Tuckett 2011 p 58).

I am interested in understanding the stories that are constructed by different parts of the system. I am also curious about the impact that these stories have on different aspects of culture.

3.6 Summary: a critical view

As stated, this study aims to explore elements of culture in the UK financial services. It aims to contribute to the understanding of the systemic causes for behaviours in the financial services industry. To that end, I have reviewed literature across a number of subject areas.

Literature on psychoanalytic theory has helped me to develop my understanding of some of the unconscious dynamics at play. Systems theory has helped me to conceptualise organisational systems and the complex system of the financial services. It has been useful in understanding that whilst diverse and complex, the financial services industry can still be conceptualised as one large system within the context of its UK environment.

The systems psychodynamic paradigm has legitimacy in research and theoretical analysis, even though it is not positivist and does not lend itself to easy quantitative

scrutiny. Critics of this framework suggest that it is not sufficiently objective and that the unconscious itself is a difficult concept to harness. However, what is important is the tenet that researchers are enmeshed with the phenomena that they are studying and this is difficult to escape (Alderfer 1982).

The research questions in this study go beyond the existing explanations for behaviour. The current explanations do not fully explain the nature of the behaviours, why they occur nor why they continue to present themselves in the industry, despite repeated attempts to check and remediate them. A systems psychodynamic perspective attempts to uncover some of the unconscious drivers of behaviour that may further answer the questions that this research study attempts to address. My review of existing theoretical literature on this paradigm has created a solid foundation on which to explore the dynamics arising from the interview experiences, transference feelings in the interviews and unconscious material in the data and how this may influence the interpretation of the material.

The current systems psychodynamic literature on the financial services does not fully answer why the behaviours or characteristics evident in the UK industry exist in the first place, nor how they came to be present in the system, nor which roles the members of the system play in perpetuating these behaviours. Yet they point to the symptoms of what may be a much more deep-rooted dynamic in the industry. What the framework does provide are some principles through which I can examine my data.

Interrogating what sits below the surface in the system will be important if we wish to understand:

The psychic reality of the organisation, discernible through the felt experiences of its members (de Gooijer 2013 p 238)

in order to make sense of the culture and influences on the underlying social dynamics and behaviour in the financial services system.

Edgar Schein's definition of culture is pertinent to this study because of his employment of the idea of basic assumptions, i.e. the unconscious thoughts, beliefs,

perceptions and feelings that are a driver for behaviours. This links with the systems psychodynamic perspective. Most importantly, his idea of how these basic assumptions get transmitted to new members in order to determine behaviour is particularly pertinent.

What was missing from the available literature was an integrated interrogation of the narratives in overall system, i.e., individual workers, firms, governments, regulators and society using a systems psychodynamic lens. Culture is a large and abstract topic and by employing the vehicle of individual narratives, this study will explore aspects of culture in the UK financial services and some of the underlying dynamics at play.

Section 2: The Research

Chapter 4: Approach and methodology

In this chapter, I will describe my research aims, epistemological position and the design, sampling and ethical considerations for this research. This chapter then describes the methods for data collection, coding and analysis.

4.1 Aim and research questions

The primary aim of this research project is to explore aspects of culture in the UK financial services industry and, more specifically, to reveal potential influences on behaviour in the UK FS industry. There has been an industry-wide focus on changing behaviours in the financial services with a steer from the regulatory bodies:

We expect firms to foster cultures which support the spirit of regulation in preventing harm to consumers and markets. These kinds of healthy cultures can also complement and support businesses' financial performance.

- Jonathan Davidson, Director of Supervision, Retail and Authorisations (FCA 2018)

However, firms and individuals continue to be sanctioned and stories of misconduct seem to emerge on a regular basis. In the 2016/17 annual performance report of the enforcement division of the FCA, it was reported that the number of criminal convictions were unchanged – with a 15 per cent increase in prohibition orders (Steward 2017).

This study aims to explore the dimensions of culture and factors that may impact behaviour in the FS industry. This, in turn, could have implications for consultancy and other interventions, as it would allow us to know more about what possibly drives behaviours in this system. It is my hope that it would also add to the existing established literature in the systems psychodynamic understanding of the UK financial services.

The UK financial services is a complex, multi-faceted and diverse industry. It would not be right to suggest that a singular uniform definition of culture of this industry

could apply. However, could it be possible that there may be some common themes and strands that cut across the diversity of the industry? My research questions in this study attempt to explore if and what these common strands might be.

The research questions

1. What is the dominant culture of the financial services?
 - a. What influences the creation and perpetuation of this culture?
 - b. In what way is this culture impacted by the socio-cultural system it exists within?
2. What are the systemic forces in the culture that influence the social dynamics (individual and group behaviour) in the financial services?
 - a. Who are the main stakeholders? Who has influence? Who is impacted?
 - b. What unconscious dynamics are present amongst the players and in the system?
 - c. What psycho-social pressures are at play?
 - d. What are the implications for firms, individuals, regulators, the government and consumers?

Once I framed these initial questions, a number of other questions began to emerge, which were both reflective and introspective.

At first, I started thinking about people who were joining the industry, given the current circumstances and narratives post-crash. What drew them to the industry? What were their parental influences? What was the dominant narrative for them whilst on the outside? Was this narrative confirmed once they joined the industry? I also began thinking about those individuals who worked in the industry as ancillary workers and not necessarily as bankers or finance professionals. Did the industry have the same draw for them as those who took on professional roles?

I began reflecting on my own passion and commitment to the subject. Was I engaging in this research study as a way to justify my own career choices? What did

it mean to me to work in the industry – albeit as a consultant? How was I dealing with the projections and judgements made by others on my work?

Whilst I could have pursued these lines of enquiry, I realised that it was important for me to narrow my focus around the questions I was going to research. This would maintain the integrity of the study and also provide me with a manageable project within the confines of the doctoral programme. I also wished to use my experiences whilst collecting and analysing the data as data in itself. As this study is dealing with unconscious processes, my experiences whilst collecting and analysing the data will be incorporated as data in itself. The concept of ‘feelings as data’ is an important aspect of the systems psychodynamic paradigm and the experience of conducting the interviews, and my own process during supervision and therapy would yield information that adds to the picture.

4.2 Research assumptions and considerations

One of the research assumptions is that organisational culture, or aspects of organisational culture, has an impact on behaviour. This research study aims to explore which aspects of culture might contribute to an understanding of the behaviours that have been prevalent in the FS industry.

It is imperative not to suggest that the UK financial services industry is homogenous; hence a distinction between culture and ‘the’ culture is important. The UK financial services is a complex and multifaceted industry. However, what this study aims to do is to explore whether there are any dimensions of ‘culture’ that may help us to better understand some of the repetitive behaviours that we have seen in the industry since 2008.

An important consideration is my ontological position: ontology describes one’s view of reality and hence the researcher’s relationship with the study. I have worked in the industry previously and currently work on the boundaries of it as a consultant. Being on the boundary means that I am not entirely a naïve observer and I have beliefs, knowledge and experience of the industry with respect to the nature of its structure, processes, order and the people involved. And whilst it is difficult for me to account

for some of these implicit beliefs in an empirical objective manner, it will be important for me to take them into account in this research process. For these reasons I adopt a critical realist position, which holds that a reality exists outside of individual perception but individually is influenced by subjective interpretation and which views enquiry as an ongoing process of understanding.

A critical realist position (Bhaskar 1975) suggests that research enquiry should be an iterative process rather than an empirical identification of causal relationships. Positivism places the causal relationships at the level of the ensuing events, i.e. A causes B; whereas critical realism places them at the level of the mechanisms that create the conditions for the events to occur, i.e. the social structures, process and culture. Unlike in the physical sciences, social scientific processes such as culture are subject to far more change and this research must take into account this changing reality.

Additionally, the researcher's subjectivity will need to be reflexively attended to. That is, particular attention must be paid to what my ontological position contributes (Rutzou 2016) to the claims this study makes about the industry. These considerations were identified as important factors in designing the study.

4.3 Epistemological position

Epistemology is concerned with how knowledge is generated and how we come to know what we know (Coleman 2015). As such it is important in selecting a methodology and approach to data analysis.

Through this study, I am trying to understand more about phenomena that I am witnessing and experiencing in the UK financial services industry, from a critical realist standpoint. To do this, I sought a method that would facilitate an enquiry into the social processes that impact behaviour and interaction. It needed to be ontologically reflexive (Archer, Decoteau et al. 2012) and make space for me to consider my own position relative to the research.

Using the narratives of participants in different parts of the system as the units of investigation would enable me to do three things: a. collect accounts of the behaviours and events from different positions, b. look for deeper connections and interactions between parts of the system, and c. use my reflexivity to supplement the data. This is in line with the critical realist view of social scientific research – that the social structures being studied are evolving and changing based on the participants' constructed reality. The nature of narratives is that they are loaded with the emotional, perceptual and subjective data of the participants and it is therefore difficult to analyse such narratives from an empirical or positive stance that suggests a singular reality.

As a researcher, I was clear that this study would not attempt to absolve the industry of the behaviours and events that have occurred, nor would it seek to hold the industry to account. This research is concerned with the nature of the behaviours witnessed in the UK financial services industry and the underlying cultural dimensions that may contribute to them. As Archer et al state, this will enable me to move from describing the social phenomenon to constructing a theoretical frame that may be able to account for that phenomena at the level of hypothesis.

4.4 Ethical considerations

Prior to my embarking on this project, ethical approval was received (See Appendix 1) from TREC.⁴ Data safety and protection guidelines were following according to the University Data Protection Policy.

All participants approached were sent full disclosure about the nature and purpose of the study, and the intended use of their materials. Full anonymity both organisationally and individually were strictly maintained.

I was aware that what might be revealed through this process could be potentially exposing to some participants. I could be dealing with sensitive information regarding critical incidents within organisations. An additional line around the FS regulation was inserted into the participant agreement upon consultation with a solicitor. This

⁴ Tavistock and Portman Research Ethics Committee

was done to protect the participant, myself, the researcher and the University as the sponsor of this research:

As this interview is recorded and used for the purposes for research, I would like to remind you that I may be obliged to report any information disclosed by you and considered to be a breach of any financial services regulations, including, but not limited to money laundering, anti-bribery and corruption, to the relevant authorities in compliance or even the police with all applicable laws and regulations.

Particular care was taken to make participants aware of any support that may be available should the interview cause any distress for them. Details of the UKCP were provided to direct them towards resources.

4.5 Grounded theory: the analytical frame

Having established my ontological position, it was clear that the idea of an objective reality and a passive observer who is neutral would be impossible to reconcile with the approach in this study. And any analytic frame would have to take into consideration the researcher's (i.e. my) position (including my unique perspectives, iterations and engagement with the data) as a part of the research space. The frame would also have to take into account some of the conditions of the research process that may be out of awareness of the researcher and which they have no control over. Grounded theory offered these possibilities in analysing the data.

4.5.1 Development and background

In 1967, the sociologists Barney Glaser and Anselm Strauss published their paper 'The Discovery of Grounded Theory; Strategies for Qualitative Research' (Glaser and Strauss 1967). The concept of grounded theory was born out of their work on death and dying in hospitals in the US (Glaser and Strauss 1965). They used this method to study death in different hospital settings and how patients and staff handled the news of death. Their analysis produced 'theoretical analyses of the social organisation and temporal order of dying' (Charmaz 2014). Their exploration of the data involved exchanging dialogue and field observations. They developed a

transferable methodological approach, suggesting that a new theory could be generated through systematic and logical qualitative analysis.

This original conceptualisation of grounded theory was developed from a realist and positivist view (Sutcliffe 2016). Positivism was gaining strength in the development of sociological research methods in the US. Some suggested that grounded theory could be used as a method of verification (Strauss and Corbin 1990). They deemphasised the idea of theoretical categories emerging from the data. The criticism they received was that they were forcing the data and analysis into predetermined categories, rather than honouring the idea of theoretical emergence from the data.

Social constructionism takes into account that the same event or phenomena can be described in different ways by the person describing it and by other people (Berger and Luckmann 1967). And this gives rise to multiple ways of understanding it. This constructionist view of the use of grounded theory became popular, moving it away from the original positivist view (Bryant 2002).

4.6 Sampling

When the study was being conceptualised three groups of participants were envisaged. The concept was to divide the sample into the following three categories:

- Industry: wealth management, banking and insurance
- Controllers: government and regulator
- Consumer: general public

I was aware that the three groups are not distinct categories. Those in the Industry and in the Controller categories will also form a part of the Consumer category as everyone would be a consumer of some form of financial service. I was also aware that those in the Controller category may have at some point been in the Industry grouping or vice versa.

Following my first two interviews, I presented the data to a group of participants at

the doctoral research seminar at the Tavistock. I wanted to get an ‘outsider’s’ perspective of my data. Two groups were given an excerpt from a different interview each and asked to free associate with the interview. Participants were not told anything about the biography of the interviewees. I was considering employing this method to all my data and used this opportunity to test the concept. The free association task yielded data that was no different to the prevalent discourse of greed and arrogance. This was particularly strong in relation to the interview with one of the traders.

Additionally, participants spoke from their position and experience of being outside the industry and as retail consumers.⁵ It became clear that the notion of a consumer group would become redundant in this study as, in reality, consumers of the financial services also include people who work in corporate organisations and financial institutions. I felt that the participants of this study, whether from the Industry or the Controller categories, were also a part of the wider societal context and I would be able to elicit this narrative through their interviews.

This enabled me to revise my design and rethink my conceptualisation of the ‘system’. I dropped the ‘Consumer’ category and proceeded with two sets of participants: those from financial services firms and those from regulators. Of the sample, four were from firms (specifically from the various sectors of trading, banking and insurance) and two were from the regulators.

As I was recruiting participants from my network, care was taken to ensure that there was sufficient distance from each individual. I was aware of the potential contamination of the input of research participants particularly if they were current clients or where I had personal relationships with them. Care had to be taken to ensure anonymity of the participants as the organisations they work for could be easily identified. Even in the quotes that have been presented in this thesis, identifying characteristics such as organisation’s names have been redacted.

In all, six participants were selected from a wide pool. The study does not aim to be representative but an intensive interrogation from which certain hypotheses can be

⁵ Their experiences with the industry being through current accounts, savings, mortgages etc.

generated in order to address the research question proposed.

4.7 Data collection

I considered a number of qualitative techniques initially. Episodic interviewing is a technique that is focussed on eliciting narratives around a particular episode or critical incident. I thought this approach might potentially help me understand why a critical incident occurred in the first place and also what some of the cultural factors were that could have caused it. I reflected on my previous experience of conducting cultural investigations and realised that on most occasions we only came up with a surface level explanation of the incident. Individuals were only willing to name or describe the incident without engaging in the narrative around it due to the anxiety surrounding the incident. This is one of the disadvantages of the episodic interview technique (Flick 2000).

Another option that I looked at was the Biographical Narrative Interpretive Method, known as BNIM. One of the merits of the BNIM approach is that it is rooted in the psycho-social context and enables an exploration of these dynamics. The BNIM methodology requires spending considerable amounts of time with participants. My knowledge and experience of financial services workers made me anxious that I would not get the sufficient time commitment required from them to respect the BNIM process. Time is perceived to be a precious resource within the industry where markets move fast and decisions are time bound. This realisation was also a piece of data that was recorded and used later in the analysis. The industry's attitude towards time is particularly important when engaging with senior executives, who may object to engaging in unstructured, non-task oriented discussions and are notorious at allocating less time than is requested (Charmaz 2014).

I decided that the best way was to elicit more broad narratives from participants. The narrative interviewing technique enables interviewees to engage in a narrative description of a social context, which I felt was important for this study (Jovchelovitch and Bauer 2000). Using an in-depth narrative interview, it is possible to gain maximum insight into individual experience and also move away from the traditional question–answer type of interview. Through this process, a picture of the system in

the mind of each participant may be elicited. Aligned with the principles of grounded theory, a space to follow up on any additional pieces of data⁶ was also catered for.

4.7.1 The narrative interview

Each interview was designed to last up to a maximum of 90 minutes. This temporal boundary allowed for the participants to prepare their schedules for the interview and be fully present through the process. Participants were sent an information pack (see Appendix 2) prior to the interview that explained the purpose of the interview, the confidentiality agreement and the interview format. I told the participants in advance that I wished to understand their experience in their own words without imposing my view on it and that I would ask them for more detail as we proceeded. All interviews were conducted in a similar format and began with the same introduction.

The interviews then covered the following topics:

- Biographical information about the participant.
- The participant's history with the FS industry.
- The critical points of interaction with FS in the participant's life.
- Perceptions of other participants in the system.

I recorded every interview on a Dictaphone, and the interview experience was captured through an active journaling process.⁷

4.7.2 Testing the method

The two initial interviews afforded me an awareness of my own process during the interviews. I felt that the participants were not seeing me as a naïve interviewer, and perhaps this held them back from making detailed explanations of the jobs they did. I had to work hard to elicit this, which I thought was important as I was seeking to understand the narrative and the models that informed their thoughts. This could have been due to their assumptions of my prior knowledge, which meant that I would miss out on important data. Gathering rich data was important if I wished to gain a fresh perspective on the world I was researching:

⁶Data that was raised by the participant during the course of the interview.

⁷ During the course of each interview notes I made notes about my experience of the participant, of conducting the interview and also the nonverbal reactions of the participant.

Let the world appear anew through your data. Gathering rich data will give you solid material for building a significant analysis. Rich data are detailed, focussed, and full. They reveal participants' views, feelings, intentions, and actions as well as the contexts and structures of their lives (Charmaz 2014 p23).

This realisation helped me refine my approach in subsequent interviews, where I asked participants to clarify technical terms and pushed them to explain their roles and details of what they did. Instead of uttering acknowledgements or nods, I started asking further probing questions, such as “Can you tell me more about that?” or “Can you help me understand that a bit more?” This helped to elicit detailed accounts and narratives from participants.

I also maintained a journal on my own thoughts, feelings and emotions as well as the participants' dispositions. This would enable me to record my own process and, when it came to data analysis, would help me to understand the intra and interpersonal dynamics as the narratives unfolded and challenge my subjectivity.

4.8 Data analysis

The complexity of analysis considered the various components of the data set: the individual experiences of each of the participants, of the researcher in conducting the research with these participants and the context of the data. In reading the data, I employed the interpretive or hermeneutical circle, i.e. establishing the relationship between the reader, the text and the context (Schön 1983). This was to ensure that an understanding of the data was established by analysing the relationships between the various parts of the data, my own process and the context within which the data sat.

I transcribed each interview immediately so as not to lose the emotional material. I feared that a delay may cause me to forget the experience and in turn lose valuable data. Each interview was read and re-read on an individual basis. This enabled me to interrogate both the content of the data and also the lived experience of the participants in relation to the narratives. During my first review of it, I annotated the

data with my own phenomenological experiences during the interviews. For an example of this first reading process, see the figure below. Figure 3 demonstrates how I transferred my active journaling notes into the interview transcript.

	it feels like you are not particularly important. So, it depends on whether the market is benign or important. If its active you are important and if its benign no one wants to hear from you.	
AM	<u>And.. so..</u> if I ask you a completely naïve question, how would you explain what it is that you actually do	I feel nervous and incompetent in asking this
ML	Um.... Ok I can explain that um... credit value adjustments is a or they now have various <u>various</u> 'x' value adjustments is an accounting concept whereby the fair value of a derivative and we work with OTC derivative is the value of the security minus or take away the riskiness of the person who you are doing business with. So... on your balance sheet the value of the security is... should we say um... <u>haircutted</u> by a value of what you perceive the riskiness of the participants so you and me. (pauses and looks at me)	Takes on a patronising tone. Starts drawing on a blank sheet
AM	Buyer and seller then?	
ML	(Nods in agreement) Buyer and seller... So, just buy setting up that paradigm you have extremely complicated sets of interactions because you have a derivative which has many <u>many</u> pricing functions and models to calculate it. And, then you are saying that a portion of that value is attributed to the credit worthiness... (pauses and looks at me)	I am feeling tested, I am feeling anxious to keep up with this
AM	Right... Ok	
ML	And, that can move depending on what <u>you..</u> the person doing the deal or your <u>counterparts</u> creditworthiness is and it has to be market observable. And <u>so</u> the value of this fair value adjustment, this accounting adjustment goes up and down	
AM	In real time...	
ML	In real time (nods in agreement) so if you are dealing with extremely good guys or fantastically rated the value of your subtraction is minimal. As soon as you get anywhere near being risky the value of your derivative or your asset is now more determined by this adjustment than the actual value of the security itself. So that value of that adjustment which fluctuates up and down in the market is the majority of the risk that you run. Our desk manages that risk and that risk is basically... I hedge that risk with interest rate products, <u>fx</u> products, credit rate products um... to make sure that a variety of things happen. One... um... the volatility is reduced... um... because it is a direct hit to the <u>PNL</u> so it deducts for a massive value and goes straight into the accounts. And I also look at default so if the counterparty goes <u>away</u> we would <u>lose</u> money so if there is <u>someway</u> in which we can protect	I feel validated

Recording of personal experience of conducting the interview

Figure 3: First reading of the text

Using MS Word to record the interviews meant that there was no easy way to cross reference and tag the pieces of data. NVivo, on the other hand, had the functionality to enable me to read across the data for interrogation and I could do this manually. All interviews were imported into the NVivo software. I found this process particularly useful as NVivo enabled me to keep all my data in one place and afforded easy cross referencing. I used the manual features of the software and created the codes myself rather than enabling the software to do this automatically. This was done deliberately to truly grapple with the data. NVivo merely became a database for me to store my data in one place. It enabled easy searches of key words and phrases which was helpful whilst going back and forth during the coding phase.

4.8.1 Coding

The coding process employed the steps outlined in the figure below:

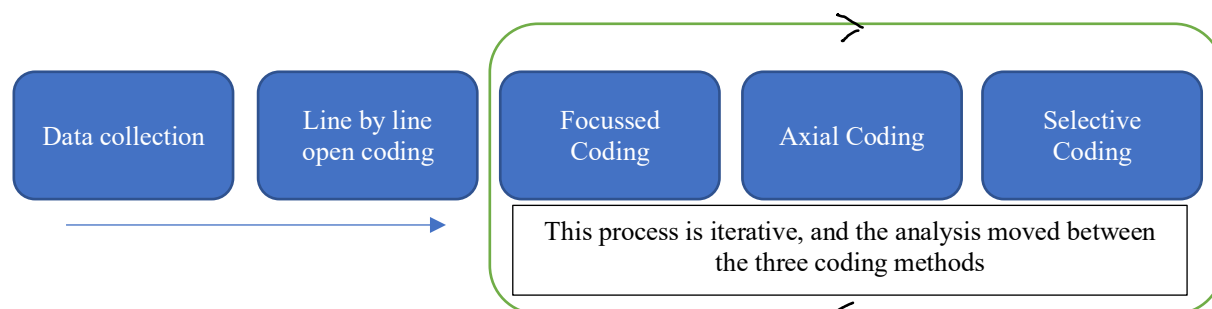


Figure 4: Non-linear process of data analysis

4.8.2 Line-by-line open coding

In grounded theory, coding is the process of understanding and defining what the data is about. Grounded theory coding has two main phases (Charmaz 2014):

- a. Naming each word, line, or segment of data
- b. Using the initial codes to sort, integrate and organise the data.

A line-by-line coding method was used where each code was a label given to a segment of the data. Table 1, below, demonstrates how the line-by-line coding method was employed in a single interview.

	Data to be coded	Initial set of codes
AM	What draws you to financial services?	
JH	Umm... so I think it is possible to face the question as what has kept me in financial services. Um... because I am not sure I will stay in financial services for much longer. And what's kept me in financial services or in the business of the regulation of financial services has been that need or desire to join everything up to try and get the holistic picture, to try to be the most effective and efficient that we can be. And the thing that has kept me there for so long has been the fact that we haven't been there. And I could train my path to make it better to make it more coherent. Um... and probably some of the change that I have set about doing is not rocket science. But I have paved the way for some of the rocket scientists to come after me. So I have done a lot of the basic fundamentals if you were working in a commercial organisation you would be surprised that we didn't have. So things like the sector views in the business of regulation they are ground breaking no other financial regulator in the world does the sort of analysis that we do. And I have spoken anecdotally to lots of other regulators like the utilities regulator and they don't do it either. But if you worked for Mars or Nestle or any other big commercial organisation that you can think of in the world, they couldn't imagine not having something like that. And, so, what's kept me in financial services has been the sense that I know what the problem is, and I can play a part in making that better.	<p>Will not stay in FS forever</p> <p>Need and desire to get the holistic picture</p> <p>Stayed on for long as this has not been achieved</p> <p>Is nonchalant about the changes that she has achieved</p> <p>Feels she has paved the way for others</p> <p>Sector views were ground-breaking and pioneering</p> <p>Did something others did not do</p> <p>Commercial organisations would not do what she did</p> <p>Playing a part in making things better</p>

TABLE 1: EXAMPLE OF LINE-BY-LINE CODING

I was careful to build the codes from the data rather than to ascribe them to predetermined codes. In this first review, data was labelled as closely as possible to the initial text that reflected the action. A second reading of each interview enabled a further interrogation of the data and checking the first order codes. This process enabled me to cover the descriptions of critical incidents, biographical stories and the explanations for these. This was particularly useful for close examination of the data and analysis of the component parts. Through the process of line-by-line coding a large set of initial codes (907 references) was created from all six interviews. The grounded theory methodology differs from quantitative analysis, which accords predetermined categories for analysis. In this methodology, care was taken to name the codes using words that came from the data without applying judgements or labels to the initial codes. From table 1 you can see that codes were assigned that attempted to reflect the participants' actions.

4.8.3 Focussed and axial coding

In the second phase, I employed a more focussed coding approach. Codes that appeared more often than others were highlighted. Focussed codes advance the theoretical direction of the research work (Glaser 1978). This process also helped in synthesising, analysing and conceptualising the data.

For example, the table below shows how the initial coding was conducted across interviews.

Data Point	Initial Code
<i>'It's like I'm seeing money. I'm seeing quick money. I'm seeing it happening now. I need to capture that.'</i> - Irfan	Need to be quick and capture the money
<i>'In the most senior financial service companies, they all need short-term gains, short-term wins, short-term successes to sustain them in their roles.'</i> - Linda	Focus on short-term successes
<i>'I think it happens much more in financial services than elsewhere, and I think that contributes a bit to the, grab the big rewards when they're available because you</i>	Grabbing the rewards now

<i>don't know how long the fairground ride's going to last for you.' - Gary</i>	
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TABLE 2: EXAMPLE OF INITIAL CODING

The actions in all three pieces of data suggest that participants were witnessing behaviour where short-termism was prevalent. There was a consumption of what was on offer in the immediate present. All three initial codes were then combined to form a focussed code labelled 'Short-term gain'. The initial line by line coding book was in this way reduced to a set of 130 focussed codes. (See Appendix 3 for the full list.)

Axial coding helped me to relate categories and subcategories of the focussed codes. For example, consider the following data points:

Data Point	Initial Code	Focussed Code	Axial Code
<i>'And I was completely doubting myself. I had completely pinned my ... you know... [name] had said to me "apply for this head of department role" and I had said to her, "What? Me? A head of department? I don't think so."' And there was lots of self-doubt in there despite having done a good job.'</i> - Linda	Self-doubt	Confidence about competence	Impact of the industry on those who work there
<i>'I qualified as an accountant, but it wasn't easy for me, particularly with the statistical side and so on. I lacked confidence in my numeracy, so I don't ever see myself as a trader or anything like that because I just didn't feel that that was my bag.'</i> - Maureen	Lack of confidence	Confidence about competence	Impact of the industry on those who work there
<i>'And therefore, having that self-belief and that self-confidence was very important.'</i> – Gary	Importance of self-confidence	Confidence about competence	Impact of the industry on those who work there
<i>'...And I had the support of the bank through it, they didn't fire me, but I did wonder on a number of occasions whether they'd get rid of me.'</i> - Harold	Fear of getting fired	If you fail, you are out	Impact of the industry on those who work there
<i>'You simply don't want to make mistakes. So, you are very triple cautious about what you present. Um... there are many people who are walking around in the street who can do the job better than we can. So, the ability to get rid of us and give someone else a go'</i> - Tony	Fear of mistakes	If you fail, you are out	Impact of the industry on those who work there
<i>'...if they keep giving you stuff and some of it topples, then, well, he was hopeless, wasn't he? And here's a big cheque, disappear, and we'll get someone else in.'</i> - Gary	Replaced for not performing	If you fail, you are out	Impact of the industry on those who work there

TABLE 3: PROCESS OF REFINING THE CODES

The table above describes the progression from data points to line by line coding, then to focussed codes and finally to axial coding categories. The boxes in blue

pertain to the focussed code '*Confidence about competence*' and the boxes in grey pertain to the code '*If you fail, you are out*'. Both these focussed codes relate to the overall axial code '*Impact of the industry on those to work there*'. In this way, through refinement and axial coding, the final resultant list of codes consisted of 12 categories with a number of subcategories. At all stages of analysis, the data was reviewed by my supervisor. This was to help me test my assumptions and provide a platform to check for any bias, given my ontological position (as discussed previously) to the research, and to ensure that the theoretical picture was emergent from the data.

Table 4, below, describes the 12 categories and the associated number of focus codes and references.

Code	Description	No of focussed codes	No of references
Impact of the industry on those who work there	The experiences of workers such as survival anxiety, pace, frenzy etc	32	196
The role of different players and their relationships	Relatedness of the different parts of the system to each other	22	155
A culture of entitlement	Experiences such arrogance, Short term gain, being the chosen one	15	111
Desensitised to the value of money	The value of money lost meaning	9	91
Belief systems	The beliefs and values that were held around purpose and meaning in the work they did	7	85
Controlled by a few	Who controlled what happened in the industry	6	78
Distance from the consumer	Disconnectedness from the end consumer	5	56
Career by chance and not choice	Not actively choosing to join FS as a career	8	41
A world of opportunity	The FS was seen to provide participants with numerous opportunities	5	34
Gender roles in the industry	Masculinity of the industry	2	28
Complexity of the financial system	High levels of complexity and diversity in the financial services	3	23
Parental expectations	Influences from parental figures	1	9
		115	907

TABLE 4: KEY THEMES, DESCRIPTIONS AND NUMBER OF REFERENCES

The following table describes where the data originated from. It shows the total number of references per participant.

	Linda	Maureen	Harold	Tony	Gary	Irfan	Total No of references
References per interview	150	181	106	133	159	178	907

TABLE 5: DATA CONTRIBUTION BY PARTICIPANT

Harold was the lowest contributor, but this could also be attributed to the fact that his interview was the shortest (60 mins compared to 90 mins) and therefore had relatively less content than the others.

4.9 Developing a theoretical framework

The process of building up the analysis through grounded theory has been helpful in developing a story from the data, rather than applying a pre-determined lens to it. The line-by-line coding approach enabled hypotheses to emerge which could be further tested against new emerging codes. This was a multi-layered process both across and within participants' narratives. Along with this, the phenomenological experience of the researcher was also layered into the data. The findings section in this thesis demonstrates how this was done. Similarities and differences between participants were also recorded, providing another level of detail in the analysis.

As I developed the data set and engaged in analysis and comparison, this was presented in supervision and my own assumptions and potential biases were tested and checked. Where biases were prevalent this was raised and worked with as data to understand what this meant for the process. For example, I was constantly questioned by my supervisor on what the data was telling me versus what I was perhaps overlaying onto the data because of my experience in the industry. It was challenging not to get pulled into my own expectations and assumptions. This was an important process as this meant I was sticking to what the data was revealing and not adding preconceived ideas based on my experience of the industry. This process was difficult, and I had developed a heuristic around this. Every time I came up with a hypothesis, I asked myself which pieces of data pointed to this hypothesis. Whilst

frustrating, this approach really helped me to go back to the data each time. It also revealed surprising ideas that I had not considered before. For example, I had not considered that perhaps those in the financial services were potentially dealing with a strong survival anxiety. My personal experience of hypermasculine trading floors would not have revealed that perhaps what sat behind those strong exteriors was a fear of losing everything. Yet the data was beginning to reveal this; In the following chapters I will describe the performance anxiety I felt whilst interviewing Tony. His demeanour and the experience of the interaction made me feel incompetent and patronised. However, as I read the interview multiple time this sentence really stood out:

... what shall I say... trapped. I am in a reasonably comfortable situation where I have lots of obligations so I can't be particularly flamboyant about my choices.

– Tony

As Tony spoke these words, I sensed sadness in his voice, but I also had an association of him being in a gilded cage. He was trapped but if he broke out of the cage it would be dangerous for him and his family. This enabled me to create a space in which to develop new hypotheses and new thinking. I was able to make inferences and consider all possible explanations and form and test hypothesis before arriving at the most plausible explanation for observed data.

For example, what emerged was that the two interviews with the regulators did not have any data that links to the code 'Desensitised to money'. However, the code 'A culture of entitlement' was shared by both groups, industry workers and regulators. This threw up some additional questions such as:

- Are processes of desensitisation prevalent only in firms?
- Do regulators not experience this phenomenon?

Constructing a theoretical framework from the resultant code categories may help to answer the questions posed by this research study. I was aware that I am only

working with 2 participants in the regulatory category; however, this was a surprising finding. Whilst no generalisations can be made, these questions threw up further lines of enquiry.

4.10 Reflexivity during coding and analysis

Whilst writing this section I am reminded how difficult this process was. The interviews were intense as what was being elicited was both cognitive and emotional data. The phenomenological experience of the interviews also yielded data which I was becoming attuned to with the help of supervision. I read and re-read the interviews multiple times while wanting to find meaning quickly in the data. I made numerous notes and tried to make sense of the data that I was being presented with (see Appendix 4). I was consumed by the anxiety that I would not achieve this and was trying hard to find the key themes across the interviews. I had been advised to print out my interviews and to use colour references to help with the coding. Thinking that this was the 'right' way to do it, I struggled and ended up with missing pages and mixed-up notes.

At one of my supervision sessions, I began to realise that I was engaging in a parallel process with my data that was similar to the findings of the data itself. The anxiety I was feeling and the level of self-persecution I was experiencing were not unlike what the data was revealing about the participants and the FS industry. This was a turning point for me. I began to consider what I was missing by engaging with the material too speedily. My internal scripts of performance were being activated by the process of collecting this data. Epistemologically this meant that I would need to review my methods of data analysis. I considered that this experience of performance anxiety would also contribute to the analysis of what my data was presenting.

4.11 A critical evaluation of the approach

A critical examination of this approach could suggest that the sample was not representative of a diverse and complex population. However, this study does not

attempt to be a representative study and is intended to be an in-depth exploration rather than in-breadth. It could lay the foundations for further research in this field.

The selection of narrative interviews over other methods, given my understanding of the participants' working environment, could be regarded as a bias. However, taking up a critical realist stance meant that I was able to use my reflexivity to the advantage of the research. This was also validated by multiple supervisors whom I consulted to ascertain the validity of the approach and to counter any personal bias that I as the researcher may bring. It was an effective way to access the narratives of the participants within this context.

Care was taken to select participants who were at an arm's length from me.

Following the first two interviews, I considered whether the interpretation of the data might be influenced by my ontological position. This was carefully reviewed, and the approach was revised in subsequent interviews. This was done in two ways: a. maintaining a stronger neutral stance in questioning and b. ensuring the capture of transferential dynamics in the context of the interview (through journaling).

4.12 Summary

This study is not intended to be a comprehensive study of a complex and diverse industry. It is intended to raise questions and create hypotheses regarding the causes of behaviours in the industry; it offers an exploration of the culture in the UK financial services. An assumption I held is that culture plays a significant role in impacting behaviours and this study attempts to explore if certain dimensions of culture in financial services could explain the behaviours that are being witnessed.

The method of semi-structured narrative interviews was appropriate for the purpose of this research study. I do not believe I would have gained the depth of narrative using the BNIM method with this group of participants and it is possible that the BNIM methodology could have raised their defences. It was my assumption that the participants would respond to a loose structure and this approach would also not lead the interviewee. This was tested in the initial interviews; when the questions were very open and wide-ranging, participants found it difficult to engage with them

in depth. The structure proved to be a safe enough container for them as they were able to engage in the process of responding within the loose frame of the question. It also enabled me to probe and get the participants to explain concepts in their own words.

My background and experience would have played a role in the way participants responded to me. Knowing that I worked in the industry, albeit in a non-financial role, participants assumed prior knowledge and experience. The participants lacked an understanding of the psychoanalytic frame which may have meant that they felt I was analysing them. This was revealed a few times at the end of the interviews after the recording was stopped with throwaway comments such as 'Analyse that' or 'So, what do you make of that?'

The use of a critical realist stance allowed me to separate my own existing knowledge and build up the narrative from the data. I did not feel I was confirming or disconfirming a hypothesis. Thus, I was not following any particular path and was able to keep an open mind about the data I was gathering. However, the method was challenging as it forced me to take a more considered look at my data rather than succumbing to my own internal processes, past experience and to the desire to rush to find meaning.

907 data references were distilled into 130 focussed codes and these were then recategorised into 12 axial codes. The findings will be described in this analytical framework in chapter 6.

Chapter 5: Participant pen portraits

In this section I will sketch a pen portrait of each of my participants. I will also describe my internal process pre, during and post interviews which formed a part of the data gathering given at the end of this chapter. My participants were not recruited through an anonymous advertisement. Participants were approached through my existing network, though a professional and personal distance was maintained by my not recruiting anyone with whom I had a personal relationship.

I have and still work in the industry as a consultant, but, as previously mentioned, I see myself as being more on the boundary of the industry rather than in it. I was sensitive to the fact that my experience might colour my ability to maintain an openness during data collection. What I mean by this is that my understanding of the industry could mobilise my participants to engage in shorthand or abbreviated conversations. I wondered if there would also be an expectation of me to understand their language and circumstances. I was also cognisant of what this meant in terms of projective processes in these interactions. I kept asking myself if participants were giving me the answers that they thought I was looking for. This meant I had to be particularly open to asking seemingly naïve questions. And to taking a more curious approach to the data that was being presented.

5.1 Participant 1: Linda, Director, Regulatory Body

Linda and I had worked together briefly in 2013 and I approached her long after concluding our professional relationship. Linda was 38 years old and held a senior position at one of the FS regulators. She was passionate about her role and extremely passionate about working for a regulator. She came from a modest background, went to a comprehensive school and did not have a university education. Her father was a telecom engineer and she had had no exposure to the financial services industry while growing up.

She had begun her career working in retail management and then decided that she wanted a more purposeful role, so she went to work as a financial advisor. She enjoyed the ability to interact with the consumers but very soon found that the

pressurised sales environment was problematic for her. It was particularly hard because she felt she was selling products that the consumers did not really need. The nature of the industry was changing as the self-regulating authorities were then being formed into the Financial Services Authority⁸ and she became very interested in regulations. She realised that her driving force and purpose were about remediating what was wrong for consumers. As her career progressed, she felt she was becoming a voice for the consumer and led some major ground-breaking cases. However, she did not feel she was really making a difference. At this point, Linda also suffered from severe mental illness and coped with this by switching jobs to join one of the big banks. Very soon she realised that she was unable to have an impact and that she felt she was only protecting the firm from the regulator. With this realisation, she moved back to her former line of work and continued to build her regulatory career.

She shared a story about the discrimination that she had faced and how she had rebelled against it. She spoke with much excitement about this particular incident even though she was undermined during it, as it transpired that her analysis was right and that the other party was forced to apologise. Linda went on to become a director at this organisation and impacted the course of the organisation's strategy and how it regulated the industry. She had strong opinions on what was wrong with the industry and what needed to be done to change the behaviours in it.

5.2 Participant 2: Tony, Credit Value Adjustment Trader, Banking

Tony was introduced to me by a colleague at a social gathering. I told him about my research and asked if he would be interested in participating. He agreed instantly but went on to quiz me on the topic of culture and how it impacts firms. He said he was unconvinced that culture was the problem, and that individual behaviour was driven by the personal motive of financial gain. I went to meet Tony at his offices in London and was ushered into a meeting room. From the moment I met him I felt anxious and a sense of urgency. He was very task-focussed, wanting to start the interview almost

⁸ The Financial Services Authority was the predecessor to the current Financial Conduct Authority

immediately after a few cursory pleasantries. I felt like I was being judged on how I conducted the interview, and a sense of performance anxiety began taking over me.

Tony is in his early forties; his father was a scientist, and he had no family background in the financial services. When I asked him about his career and how he came to do what he did, he said that he had always wanted to be a banker. He studied Science in school but then pursued higher education in Finance and joined the financial services. He says he had a meandering career and ended up where he was without a plan. Tony worked in a complex part of the organisation and proudly told me that there were probably only 200 people in the world who could do the job he did. The specialised nature of what he did also meant that he could impact the balance sheet of the bank where he worked significantly. He went on to describe the importance of personal relationships in the industry and how this had helped him through his career. He said that it was not necessarily about skill but about relationships and experience. He also spoke about how quickly one can become indifferent to numbers behind a screen. Tony spoke of being trapped in a lifestyle that the industry had afforded him and how he had to work hard to maintain this.

5.3 Participant 3: Maureen, CEO, Regulatory Body

I came across Maureen whilst working in the same organisation as her as a consultant many years prior to starting my doctoral studies. I sent her a prospective email with details of the study and she readily agreed to participate. Maureen started her story by describing the training that was most relevant to her role. However, as the interview progressed, she spoke of her undergraduate studies in Classics at Oxford University. This was the time of the 'Big Bang' in financial services under the Thatcher government and she witnessed all her friends going into well paid jobs in the City of London. She was interested in this too and felt she needed a professional qualification to follow suit. Maureen qualified as an accountant and went to work for one for the big accounting firms. She said she was drawn to the industry as it was at the cutting edge of innovation.

She felt that the front office, i.e. client facing work, was not particularly interesting to her. Advisory and regulatory services seemed more intellectually challenging, which

she attributes to her experience at the accounting firm. Maureen has had a long and successful career in regulations. She has found her career immensely rewarding and has witnessed the development of the industry over the years, from 1984 to the present. During her career, she has witnessed the creation of new regulatory bodies; she was at the centre of the regulatory world during the financial crisis of 2008 and at the time of this interview. She felt her biggest achievement was to sanction firms and individuals who were engaged in wrongdoing. Maureen is very heavily involved in politics and is married to a politician. She is also religiously minded and talked passionately about her work supporting a Church charity.

5.4 Participant 4: Gary, Human Resource Director, Insurance

I selected Gary as I wanted to include the voice of a non-finance professional who worked in the financial services industry. As the Head of Human Resources, I felt he may be able to provide me with data that would be rich in the human side of the industry.

Gary was introduced to me by a colleague and I conducted the interview with him at his offices. Gary was very welcoming and was keen to show me around the building. I resisted this by suggesting we took a tour after the interview as I did not want to be primed by what I experienced in the physical space of the organisation. Gary started his career in public service as a mediator. Towards the end of his time in the public sector, he found that he was mediating a number of cases in the private sector but being paid public sector rates and this was an impetus for him to move.

Gary came from a humble working-class background and spoke of his brother, who is an electrician and is very far away from the financial services world. He constantly alluded to the fact that though he has been in the industry for many years he is still surprised by the amount of wealth and the levels of pay. He went on to note that his secretary is paid well over the average wage in the UK. It felt as though Gary was speaking about the industry as an outsider even though he was not one but benefitted from being in it.

He believed strongly that his background and also the fact that he did not start his career in the financial services meant that he was not desensitised to what he was experiencing around him. Gary suggested that the financial services was a small world, a *'merry go around'*: a small number of individuals moving from one organisation to another. He also spoke about how people were expendable and how quickly fortunes can change in the industry. He said that people are constantly protecting themselves and their positions within the industry. I felt that as Gary recounted these incidents, there was dissonance with his own set of values. However, he did speak proudly of how his organisation had helped a consumer during a time of great distress and need. He said insurance can be a *'fourth emergency service'*, and this gave him great energy.

5.5 Participant 5: Irfan, Trader, Banking

I first met Irfan at a leadership conference many years prior to this study. Irfan is in his early forties, a mixed-race French national working in the UK financial services as a senior trader. It took some time to set up the interview as Irfan was extremely busy and it was difficult for him to take time off the trading floor during market hours. I met Irfan at his office for the interview. At first, I was anxious and had a similar association with the interview as I had done with Tony. However, Irfan was much more open to being interviewed and I found that the conversation flowed well, with relatively little intervention from my side.

Irfan had studied Finance and Economics in Paris at the Sorbonne, and he felt that a natural route for him was into the financial services. At first, he interviewed with the big accounting firms as he felt that, in France, they offered more career stability than the banks did. However, banks seemed to be an exciting place to be. He joined one of the French banks owned by the French government as a junior analyst. He took pride in telling me that the bank was founded by Napoleon Bonaparte. He recalled how very early on in his career he was charged with investing over 3 billion dollars. By the age of 28, he was managing 12 billion dollars of assets. When asked how he felt about this, he said he was under a lot of pressure and told me of times he would go home on the tube in tears. Irfan then got involved in trading instruments that finally went on to be one of the critical elements that led to the financial crises. He

spoke about how he was part of an exclusive small club of individuals who were beginning to deal in these instruments. Irfan was acutely aware of his difference, especially when he was in the French bank.

Irfan was opportunistic throughout his career and found points to exit organisations when he felt that there was a potential misconduct issue. He found that the people with whom he was associating were not the people he wanted to continue relationships with, due to the nature of the work they were involved in. He also faced several critical incidents in his life – from losing his father to being dumped by his fiancé in a short space – and it was then that he felt that he was alone. He said that he did not have any friends or any enemies; he just knew people with common interests.

5.6 Participant 6: Harold, Corporate Banker, Banking (retired)

Harold was introduced to me by an associate. She had worked with Harold many years ago and was his manager. It was very hard to set up a meeting with Harold as he had very limited days to meet. I had offered to travel to the town where he lived, but he insisted that I meet him in London. I had suggested that I could come to his offices; however, due to various circumstances we ended up meeting at a coffee shop near London Bridge station just before his commute home.

Harold started his story from when he was 18. He steadfastly stuck to his career and did not reveal much about his personal life. He left school at 18 after having completed his A levels in the mid 1970s. He decided not to go to university but said that, with the benefit of hindsight, he wished he had. He had studied Maths, French and Economics and said he fancied international banking. His father knew someone in Barclays and at 18 he joined a branch in the City. He described his first job as mundane. Harold worked through many roles and then, when he was 26 in 1984, he moved into corporate banking. He left the banking industry in 2016 as he got fed up with the way the bank was not helping its customers.

Harold talks passionately about some of the customers he worked with. He says he derived a lot of value and satisfaction from watching his customers flourish. Harold

had witnessed the industry change over his career – regulatory, technologically and structurally. He kept going back to how this impacted the customer and how this irritated him. He described a strong sense of doing right by his customers and the value of the relationships he built in the industry.

5.7 The experience of conducting the interviews

Throughout the interview process I maintained an active journal in which I recorded my countertransference and associations. This section consists of a summary of each of the interview experiences.

Linda: From the moment the interview began it was evident that Linda wanted to tell me her story. She remarked how important she felt this research was, as she fundamentally believed that the industry needed to be overhauled. Her passion and enthusiasm were forefront, but I was left wondering what she was not saying. It felt like it was her against the world and that she was out to fight this battle on her own. I found it difficult to keep up with her narrative during the interview due to her frenetic energy.

Tony: The interview with Tony was very difficult; it felt staccato and that he was unable to sufficiently explore the question without my probing. Men often find intensive interviewing threatening as these occur in a one-to-one relationship and force self-disclosure, leading to a loss of the persona they hold publicly (Schwalbe and Wolkomir 2002). Towards the end of the interview as the recording was stopped, he began quizzing me on the value of studying culture and whether the ‘soft stuff’ really mattered in a commercial organisation. I tried hard not to engage in the conversation and left feeling persecuted and incompetent.

Maureen: Similar to the interview with Tony, the meeting with Maureen felt rushed and also staccato, where I found myself needing to probe a lot. Interestingly, I did not feel an anxiety to perform and found myself truly present and curious about her experiences. Maureen managed the time boundary strictly and at one point reminded me that we had 10 minutes left.

Gary: I found myself identifying with Gary as the interview progressed. Similar to me, he was a non-finance professional working in the financial services. This made me curious and on further introspection I wondered if we had had similar projections on us by others.

Irfan: I found myself becoming caught up in the frenetic nature of Irfan's story. What he was describing was how popular culture had portrayed the industry. I was also aware that this was firstly one experience and also an experience from only a part of the industry. As he spoke, I felt myself being enamoured by and drawn into his narrative. After the interview, as we were walking out of the building, he said to me flippantly:

Do you want to know why I really joined the financial services? My father was a fighter pilot and I was not allowed to join the air force. I wanted to do something as cool with as much adrenaline, so I joined the financial services.

Harold: I was instantly drawn to Harold's biography and I was reminded of my father. His story was close to my father's journey when he started his first job and counted cash in the back rooms of the State Bank of India. I wondered about any transferential feelings I may have carried during the interview and towards the data.

5.8 Summary

As I reached out to recruit people for this study, I started noticing a pattern in the gender split across the participants. It was difficult for me to find and recruit female participants from the industry. I made contact and followed up a number of times with a senior wealth manager, who ultimately was unavailable to participate in this study. Both my participants from the regulatory group were women and similarly I tried to recruit a male participant from this group who, after multiple follow-up emails, did not participate in this study.

Another theme that emerged from the narratives was the view of the 'other'. I felt that there was an elevation of self in how the narratives were presented to me. Each of

the participants, wherever they were in the system, held strong views about other parts of the system – whether industry, society or regulators.

Reflecting on my experience, I was struck by the performance anxiety that I experienced whilst conducting some of these interviews. I wondered what this told me both about the system but also about roles the individuals held within the system. Recording these experiences has helped me to make sense of some of the data gathered in this study.

Chapter 6: Findings

This chapter lays out the key findings from the research study. It is structured according to the analytic frame of the data. Each of the 12 axial codes are presented, including focussed codes, and finally I summarise a record of my reflexive data. In subsequent chapters, these findings will be further scrutinised to address the research questions. The results in this section are to be taken more as exploratory hypotheses than as conclusive findings.

The following table recaps the key themes, their descriptions and the number of references that can be attributed to each theme from the data set. It also shows the density of codes from each respondent ranging from light red (low) to dark red (high). The codes have been arranged in order of the number of data references from high to low.

Axial Code	Description	No of focussed codes	No of references	Regulator		Firm				Example Data Point
				Linda	Maureen	Harold	Tony	Gary	Irfan	
The role of different players and their relationships	Relatedness of the different parts of the system to each other	22	155	17	79	12	26	4	17	<i>They are actually much responsible as we are creating those kinds of product as much as actually the regulator seeing this happening and not taking action.</i>
A culture of entitlement	Experiences such arrogance, Short term gain, being the chosen one	15	111	8	6	4	7	47	39	<i>Money drives it to a certain point, but then it's that being told you're good for so long.</i>
Desensitised to the value of money	The value of money lost meaning	9	91	0	0	21	13	43	14	<i>So the money's a big driver, but then the money gets lost in how I'm perceived, how I'm valued, how others value me.</i>
Belief Systems	The beliefs and values that were held around purpose and meaning in the work they did	7	85	37	16	12	6	11	3	<i>But also there is that Robin Hood thing about punching the bad people and giving back to the good.</i>
Controlled by a few	Who controlled what happened in the industry	6	78	12	0	11	14	6	35	<i>Also if I tell you that most of the people trading those assets in 2005 could fit in this room, it was actually the case.</i>
Distance from the consumer	Disconnectedness from the end consumer	5	56	13	12	15	8	6	2	<i>I genuinely don't think they actually see the privileged position they're in and sometimes the abuse and the inequity of the way we're able to live our lives compared to many other people.</i>
Career by chance and not choice	Not actively choosing to join FS as a career	8	41	3	17	4	14	1	2	<i>when I arrived at [REDACTED] was really just by accident in that there happened to be a lot of financial services clients.</i>
A world of opportunity	The FS was seen to provide participants with numerous opportunities	5	34	2	13	4	6	6	3	<i>I was fascinated by it and it captured me in terms of being at the leading edge of where things were happening.</i>
Gender roles in the industry	Masculinity of the industry	2	28	18	0	0	0	0	10	<i>I have been told on many occasions that I am the token woman and that I am there to make up the numbers (pause) and something in my drives me to say 'but I am not done' and that sense of right and wrong overrules those sorts of things.</i>
Complexity of the financial system	High levels of complexity and diversity in the financial services	3	23	3	5	0	11	2	2	<i>it isn't only that they're complex and they deal with the parts of their life that perhaps they don't want to think about yet.</i>
Parental Expectations	Influences from parental figures	1	9	2	3	2	2	0	0	<i>My mother will tell you that she thinks the only job a classicist can do are being librarians or teachers</i>
		115	907	150	181	106	133	159	178	

TABLE 6: CODES, DESCRIPTIONS AND PARTICIPANT SOURCE

6.1 The 12 axial codes

The 12 codes are laid out in this section, with focussed codes and references to the data points. The codes are arranged according to Table 6 and are ordered according to the number of references from the overall data set. Table 7 describes the contribution to each code by participant. Red indicates high contribution and blue indicates low. The colour range is from deep red to dark blue.

	Impact of the industry on those who work there	The role of different players and their	A culture of entitlement	Desensitised to the value of money	Belief Systems	Controlled by a few	Distance from the consumer	Career by chance and not choice	A world of opportunity	Gender roles in the industry	Complexity of the financial system	Parental Expectations
Linda	35	17	8	0	37	12	13	3	2	18	3	2
Maureen	30	79	6	0	16	0	12	17	13	0	5	3
Harold	21	12	4	21	12	11	15	4	4	0	0	2
Tony	26	26	7	13	6	14	8	14	6	0	11	2
Gary	33	4	47	43	11	6	6	1	6	0	2	0
Irfan	51	17	39	14	3	35	2	2	3	10	2	0

TABLE 7: CODE CONTRIBUTION BY PARTICIPANT

Each section below describes the code, its make-up and also the sources from where the information came from in the data set. The tables in each section will show the components of the code, i.e., the sub codes through the line by line coding that made up the axial code.

6.1.1 *Impact of the industry on those who work there*

This code had the maximum contribution from all participants both in terms of total contribution and also by participant (196 references). This code was made up of the largest number of focussed codes (32). It outlines the impact the industry has on individuals who work there, whether in firms or for the regulators. This was interesting data as it led me to consider how impactful the industry had been in the lives of my participants and what this meant for them and for the industry.

		No of references
Axial Code	Impact of the industry on those who work there	196
Focussed Codes	Confidence about competence	
	Attitude to coaching and Development	
	Feeling disenfranchised	
	Feelings of pace, excitement and energy	
	Caught in in the frenzy	
	High pressure and stress environment	
	Highly scrutinised	
	Organisation suppressing 'speak up'	
	Not knowing how to challenge bad behaviour	
	Playing games	
	Feeling used by the organisation	
	Being set up	
	Not clear about the organisational intent	
	Relationship to the organisation	
	Role of the line manager	
	Misaligned Leadership	
	Survival Anxiety	
	Fear of making a mistake	
	Focus on performance	
	Hit the ground running	
	If you fail you are out	
	Need to protect oneself	
	Noone is indispensable	
	Personal attributes	
	Pressure to perform	
	Protecting oneself	
Proving one's worth		
Self Promotion		
Shame of failure		
The price to pay for success		
Your value can change really fast		
The industry changes you very quickly		

TABLE 8: MAKE-UP OF AXIAL CODE: THE IMPACT OF THE INDUSTRY ON THOSE WHO WORK THERE

What stood out were the fears and anxieties that participants raised. Participants commented on the fear of making a mistake and what the consequences were. In the following story, the participant is talking about how a member of her team didn't work out in his role and had to leave. She goes on to describe how he was then shamed in industry circles with a view to eject him from the system.

They said, 'Oh yeah, yeah, the last person who we had here didn't work out well and we blackballed him in compliance circles.' Now even if that was a joke, she believes that. 'They couldn't get a job in the UK in financial services', that was the comment.

- Linda

Participants suggested that performance focus and the pressure to perform was very high. Participants spoke of being highly scrutinised in their roles and of performance as being a key driver of behaviour.

For me, at that point in my life, was coming to work at 6:30 and leaving when I was done 8 to 9 o'clock. Three times a week I was crying on the tube when I was going home because the pressure was too big.

- Irfan

I hated the pressurised sales that were required. So, I was not considered to be doing a good job unless I hit certain targets.

- Linda

They spoke of this leading them to prove their own worth constantly. One's value in the industry seems to be determined by the amount of revenue one brings in. The value that one brings to the organisations is highly rewarded (this will be discussed in subsequent sections). Whilst the experience of survival anxiety is high and there is little security, participants report high levels of reward if performance is good. However, this value can also change very fast and this relates to a later finding of short-termism.

Furthermore, what emerged was that individuals feel the need to constantly prove their worth. Participants spoke about the need for self-promotion:

So, you market you self permanently, you market your business permanently, you market your boss permanently, your employer permanently.

- Irfan

And in doing so they also create various mechanisms to protect themselves once they are of value:

You have been told not to do something and then you want to make sure that that email is in my box and I have that to sort of protect myself a little bit.

- Tony

The idea that no one is indispensable is prevalent in the system. For example, when asked about a low point in his career the participant he says:

...when I was at [REDACTED], I was an Executive Director, so a board director. There were 12 of us. And within a 12-month period, all 12 of the directors had left the organisation or been forced out of the organisation. And in fact, when I joined, I was introduced to someone, and I said my name and shook his hand. And he said, 'I won't bother to remember because you guys are on a merry-go-round anyway, and you just change every couple of years.'

- Gary

In this next quote from Gary, he was talking about how the industry seems to have an effect and changes people who join. He spoke with sadness as he recounted the story of community work that his firm was involved with:

...we take from places like [REDACTED], who specialise in taking children from disadvantaged backgrounds and bringing them into the city. But even they get caught up fairly quickly.

6.1.2 The role of different players and their relationships

There are multiple players in this complex system and the data offers some insights into their roles in relation to each other. This code had the second largest number of references (155) from the data set and a total of 24 focussed codes. It describes the interconnected nature of the overall system made up of the industry, governments, regulators and society.

		No of references
Axial Code	The role of different players and their relationships	155
Focussed Codes	Outsiders experience of FS	
	Bankers is a bad word	
	Consumer experience	
	Perceptions of the industry	
	Popular narrative of the FS industry	
	Trust in FS	
	Regulatory impact on consumer experience	
	Relationship between the industry and the regulator	
	Capability of the regulators	
	Commercial value of the regulators	
	Industry using regulatory competence	
	Industry's experience of the regulator	
	Regulators looking for what has gone wrong	
	Regulators playing catch-up	
	The role of the government	
	Change in regulatory focus	
	Lobbying power of business	
	Lobbying power of consumers	
	The behaviour of politicians	
	The power government gives regulators	
The role of the regulator		
Inability to deliver what is promised		
Limitations of regulations		
Setting the standards and enforcing them		

TABLE 9: MAKE-UP OF AXIAL CODE: THE ROLE OF DIFFERENT PLAYERS AND THEIR RELATIONSHIPS

A few participants reported their experiences of associating and disassociating from the identity of a banker after the crash:

I think 'bankers' have become more of a dirty word in recent times, down there maybe with estate agents and suchlike. I feel it a little unfair inasmuch as a lot of the bankers that people castigate are really more the investment bankers. I feel very sorry for people doing a hard day's work in retail branches, and a lot of people in corporate banking as well, who get castigated as these bankers are all on big bonuses, and the press doesn't differentiate between different types of banking, or it doesn't seem to me to be like that.

- Harold

That they visualise, picture when you tell them about trading, is actually the big bad wolf... mean, put it this way, you are actually guilty even before anything happened, right. Why? Because you're actually labelled finance. Yes.

- Irfan

Over the past decade we have seen the popular discourse reduce a complex and multifaceted industry into ‘the bankers’, a single monolithic category making it easier for a wider system to grasp hold of it. This has also helped society at large to hold a group to account, in mind, for the disastrous events of the global financial crises. Bankers became the category that could be easily scapegoated for the event (Nagel 2012).

As an industry again, I go back to this point that banking is many, many different services. So, when you say financial services that's like saying you know... there's a million different things, different businesses, different types of things.

- Tony

In the following interview excerpt, Harold laughed ironically as he told his story, but I also felt a sense of pain in that he had to withhold an identity that was so core to who he was and that had defined his career:

I think they just see you all as a banker. I remember going for an operation a couple of years ago, lying on the table just about to have the pre-med, go under general anaesthetic, and the surgeon or anaesthetist said, ‘What do you do for a living?’ I'd rather not say, just put me out. It's a bit like being a double-glazing salesman or estate agent; it's the sense that everybody likes to point their finger at.

- Harold

What started emerging was this caricature of the industry as a hedonistic, immoral place and that the judgements on the outside were that you were guilty as you were a part of it. Irfan says that he feels that the industry does not help itself by perpetuating some of the behaviours.

There is also kind of like trying to caricature the business industry. And then obviously like all those guys that we have within the industry that are actually not helping us by behaving poorly.

- Irfan

A theme that emerged was the trust that people had in the sector. Linda tells this story of her aged grandparents:

My grandfather died on the 3rd of October, he was 88/89, leaving behind my grandmother who is 90. Um... the experience of sorting out his affairs has been so varied from organisation to organisation that the impact on her has been fascinating. So, with her bank she went in with his death certificate and they said, 'Okay, you are going to need an appointment for this' and it was only that the right advisor stuck their head out of the office door and said, 'You don't need an appointment – come and see me now.' She popped around; name change on the accounts done. Brilliant experience. She is of the attitude 'I am going to bank with them forever, they looked after me, I trust them, great experience.' Her insurance for a small 15p a week insurance policy have asked for a £70 admin charge to deliver on that and seven weeks in still haven't resolved the issues around it – to the point now where she is thinking of giving up because she knows that the value of this policy is about £3000... So, her trust in some ends of the financial services industry is through the floor. So, some of those more complex longer-term investments she won't go near anymore.

In her story, she highlights how due to differing consumer experiences her grandmother's trust in the overall financial services system is diminished. Others talk about how major incidents and events have had an impact on public trust in FS:

It's also that there is a fundamental lack of trust or decline or has been a decline in trust in financial services and pensions is part of that. And I'm

absolutely clear that things like BHS⁹ or Carillion do not add to confidence in workplace pensions.

- Maureen

Another theme that started emerging was the role of the regulator and its relationship to the industry. The relationship was seen to be a difficult and tenuous one:

I think they have an extremely difficult situation because people will only really participate with them directly in a positive way if it is beneficial for them. So, there's always this kind of natural sort of... barrier and caution because you don't want to say anything that puts anyone in trouble or make claims that aren't really true or make mistakes.

- Tony

The perception of the industry workers was that the smartest people would work in the industry, which meant the regulators were always playing catch-up.

But regulators – I don't think they're doing enough. Actually, can they do anything? Put it this way, right, if you're the smartest kid in school and you have the bank coming and you have the regulator coming, who are you going to go to? To the bank right, to a hedge fund. Which means that when are you going to understand how the regulator works?

- Irfan

...you know, I mean, if they were experts, banks would hire them at quadruple the salaries.

- Tony

The role of the regulator in this system is to set the standards and to enforce them:

⁹ British Home Stores.

And the post as described was to look at UK standards and through audit was to try to implement them at a global scale.

- Linda

It's about being involved in a body which sets the standards and then polices against those standards.

- Maureen

There was emerging data about the influence of other parts of the system on the authority of the regulators. An important finding was the role of the government in the system. Participant Maureen says:

So, you have the politicians of government that sets the parameters; you have the regulators that play within the parameters of what the politicians allow them to play.

I can only do codes and guidance... I have to rely on [REDACTED GOVERNMENT DEPARTMENT] for the rules to be set in law. So that's an interesting difference.

What was striking was that participants reported the lobbying powers of the consumers and the lobbying powers of the firms. On separating the themes based according to their source, a pattern emerged in terms of how those working in firms perceived the workings of the regulators. They felt that the regulators were constantly playing catch-up with them:

You are always the expert and there is always this barrier from the fact that they are trying to find out and understand what has gone wrong and truly fix it.

- Tony

6.1.3 A culture of entitlement

This code was made up of 13 focussed codes and had 111 references in the data set.

		No of references
Axial Code	A culture of entitlement	111
Focussed Codes	Arrogance	
	Being the chosen one	
	Egos play a big role	
	Finding a way around the regulations	
	Incentives rewarding poor behaviour	
	Seeking perceived equity for the work	
	Sense of self worth and value	
	Short term gain	
	Need to grab the benefits	
	The big scandals	
	Tweaking the model	
	Value of the work you do in the industry	
	You can get away with anything if you bring in the money	

TABLE 10: MAKE-UP OF AXIAL CODE: A CULTURE OF ENTITLEMENT

Participants reported a high level of experienced arrogance in the system. Some described this as being the 'chosen' ones. Others spoke of the reinforcing messages that organisations gave recruits who has crossed the boundary into the industry that created this feeling of being 'special'.

...they come in and they're told, 'You're really special because you beat all these other people.'

- Gary

Some participants reported feeling special as though they were 'chosen' for the role. They described how people are 'built up' through feedback and make to feel special in their roles:

And what's worse than that, there was a culture, which I've come across a lot in financial services, of people are built up and told how great they are, and they get to the top positions.

- Gary

At the time the whole book was €50bn like all across the team and there were only four of us and we were picked for that reason.

- Irfan

Irfan spoke about how some traders were manipulating the system. He went on to say:

What those two guys were doing, they were tweaking the model. In other words, when I was buying from you, I was making the model more favourable to me. When I was selling it to this guy, I was tweaking the model to show him exactly the same bond but a price actually higher than where I bought it from you...so, it was all about playing around with numbers in models. I mean some of the people were stupid enough to actually buy that, which is fine, right.

The stories seemed to be revealing a shadow side of the industry and the incidents that arose from such behaviour.

[REDACTED] was served notice that they were under investigation for the sale of a particular asset backed products. These were known as the [REDACTED].

- Linda

I'm trying to remember back, but it's things like [REDACTED], it's things like [REDACTED], so it's the scandals at the time.

- Maureen

And Gary furthermore explained manipulation when he was talking about how bonuses are calculated:

So why would any of us stop that system from running because we might be the next one out the door? And someone can go with six, seven times their annual salary as their payoff because they get paid up bonuses which have been deferred. So the [REDACTED] say have deferred the bonuses, but they get them anyway because they're regarded as a good leaver.

In Gary's story, he talked about how even though bonuses are meant to be deferred, the system can be manipulated to show that someone is a 'good leaver' to ensure they get their bonuses when they are asked to leave a firm. It becomes an incentive through which the organisation can remove people.

Along with this, participants also reported a sense of short-termism, and hence a need to take hold of the benefits whilst they were available. Theoretically, Stein speaks about the Klein's concept of manic state (Klein 1935) of hyper activity as a feature of the culture. This idea of manic consumption because of short-term gain in the immediate present showed up in my data as well. There was a sense that things could change very quickly from one moment to another. Tony worked in a team where only 200 people in the world knew what he did. In response to how he felt being part of this small group he said:

Well, depends on the good days and the bad days. The good days you feel like it's important and it's something that matters. On the bad days you know you are ignored. And it feels like you are not particularly important. So, it depends on whether the market is benign or important. If it's active, you are important and if it's benign, no one wants to hear from you.

Linked with this was the idea that value was attributed to the amount of money that you earned for the firm, which entitled you to behave in ways that you wished.

...so, you can literally get away with Wolf of Wall Street type stuff. Appalling behaviour, but you can't be touched because you're making a lot of money.... So, there's a perceived value of these people because they bring in money.

- Gary

6.1.4 Desensitised to the value of money

This code describes the loss of meaning for the value of money. It consists of 91 references and 9 sub codes.

		No of references
Axial Code	Desensitised to the value of money	91
Focussed Codes	Castles in the air	
	Difficult to differentiate	
	FS has the money to solve problems	
	High levels of salaries	
	Money as a driver	
	Money equals to value and status	
	Reward for good performance	
	The value of reward	
	Trapped by the lifestyle	

TABLE 11: MAKE-UP OF AXIAL CODE: DESENSITISED TO THE VALUE OF MONEY

What started emerging from the interview data was how numbers were just digits on a page or a screen and their value had seemed to have disappeared. Participants spoke of large amounts of wealth dispassionately and in a matter-of-fact manner.

We're talking about pre-crisis level where a billionaire was a billionaire. Today a billionaire is just another guy among many.

- Irfan

You put them in front of a spreadsheet, they will tell you the total number is 50 million. I say, 'Okay, 50 million right.' So, he said, 'Small'... The guys tell you... Like the person sounded like it's a small number.

- Irfan

Participants reported that money was used as an object in the FS in order to drive behaviours. Salaries are high in the financial services and it was a reason why one of the participants joined this industry. He says he specifically moved from the public sector in order to double his salary. The industry is able to afford larger salaries than most others.

And banking salaries are high compared to not central London but generally outside. When I gave up banking, I wanted to try and get a job locally, just a part-time job maybe, but unless you had a professional qualification like accountancy or law, working at [REDACTED] in West Kent, you're going to

get paid peanuts compared to what banking offers in central London, it's just the way it is.

- Harold

What emerged was that the value of money was becoming diminished:

So in other words going out and spending two and a half grand wasn't an issue on a night.

- Irfan

Gary puts this in perspective when he compares this to non-FS jobs:

Like, my secretary did a good job last year and I'll say, 'Here's £5,000 extra as a bonus', which seems very little compared to some of the bonuses that I give out. However, my brother's an electrician, and his bonus for 16 years was a bottle of whisky from his employer. And then they went for a four-year period where they said, 'Sorry, we can't afford the bottles of whisky at Christmas.'

The ability of the financial services to use money as a mechanism to solve problems started emerging from the stories. As a human resources director, Gary explained how, numerous times, he had witnessed firms paying off people who were considered to be difficult or problematic:

And that's why it's different from other industries, because in lots of other industries, if you're in retail or something, there's no way they can afford to just hand out one or two years' money or more to people all the time.

Some participants also reported being trapped by the lifestyle that was afforded to them by the high levels of reward that they were able to command in the industry. As discussed before, Tony speaks about this with respect to his inability to do other work as he seems to be stuck in a lifestyle that the industry affords him, which means he is unable to pursue what truly interests him:

I have probably stayed too long in these businesses that I am good, I have experience at, but I am not enthralled with. So it feels a little bit like a waste of time. I would like to be doing something else, but I am not doing it... I suppose right now you would say frustrating because I am not doing what I wanted to do and I am here to um... because I am kind of... what shall I say... trapped. I am in a reasonably comfortable situation where I have lots of obligations so I can't be particularly flamboyant about my choices.

Participants suggested an inability to link the consequences of the actions in the industry to the consumer down the line. Tony said that he doesn't believe his people have any idea how their actions affect the 'man on the street' even though there was an indirect and long-term impact. Linda describes a myopic view of the work that is done in order to meet one's objectives set by the organisation:

...if I think about the trading floor you are not thinking about the end consumer or the right or wrong of that; all you are thinking about on the trading floor is meeting your targets.

6.1.4 Belief systems

This theme describes the strong belief systems that participants held, especially around the purpose of their work, the meaning that it gave them and the importance of doing the right thing. This theme consists of 5 focussed codes and 85 data references.

		No of references
Axial Code	Belief systems	85
Focussed Codes	Doing the right thing	
	Finding meaning in work	
	Regulation had more intellectual challenge	
	Making an impact	
	Focus on the consumer	

TABLE 12: MAKE-UP OF AXIAL CODE: BELIEF SYSTEMS

One common theme that cuts across both the groups was around the strong belief systems that participants held. There was a strong narrative of making an impact, whether from a regulatory standpoint or from that of an industry worker.

One of the participants, Gary, who works in insurance, said:

This is in times of really great need and devastation in people's life. Their loved ones died. Their house has been swept away by a flood. They're really at the bottom of the lifecycle of where they could be in their lives, and we help lift them up and rebuild.

Similarly, with other participants they spoke with real determination about the work that they were doing and how they felt it had a strong purpose:

It was about spotting what had gone wrong, spelling that out so that it was very clear so that other could learn from it.

- Linda

And whilst all the reasons were not necessarily altruistic, they were aligned to a purpose and a need to add value. This idea of a strong belief system started shadowing the narrative of greed and hubris as a motive for people to join or to stay in the industry. Some participants who moved careers to join FS reported that the move provided them with more meaning and purpose in the work that they were doing. Linda spoke about how she moved from the regulator into the FS industry and then back as she didn't feel the FS firm was truly serving the end consumer and this was very important for her.

6.1.5 Controlled by a few

This code describes the nature of the industry as being made up of small groups and cliques that control what is going on. The code is made up of 6 focussed codes and has 78 data references.

		No of references
Axial Code	Controlled by a few	78
Subcodes	A small club	
	Controlled by a small group	
	FS made them an outsider	
	Insiders and Outsiders	
	Personal relationships	
	Technically niche	

TABLE 13: MAKE-UP OF AXIAL CODE: CONTROLLED BY A FEW

One recurring theme that emerged was that the industry was seen to be a ‘small club’, a ‘merry-go-around’ in a highly networked terrain. Personal relationships are seen to be key to surviving in the industry. For example, after a difficult few years in the US, Irfan described how he was in Singapore and then travelled to South Africa:

Then go to South Africa for the World Cup [sic]. Meet a South African girl. Call my friend [REDACTED] who was heading up [REDACTED]. I said I want a job with [REDACTED], he said, ‘I don’t have.’ And then I said it’s for South Africa, so he sends me to South Africa.

Multiple examples of the power of networking in the industry were emerging from the interviews. The following example shows how relationships enable people to move within the industry:

So, going back to my point, my, my, my [sic]... friend, my boss was hired to do this role with no experience whatsoever in this field. It was his buddies that he had worked with in the past with which got him his role. That’s because he could go hire a whole lot of people who knew what they were talking about. Their point was I have worked with this guy, he is a good guy, a nice safe pair of hands, no one in the industry knows how to navigate the bank and he knows how to hire the best to do the work.

- Tony

Tony’s hesitation was remarkable. His boss was also his friend and it was this close relationship that enabled him to get the job. Other examples of this notion of a small, networked group started to emerge:

People who work here used to work there, will next work there. I mean, my last four jobs have been within 800 yards of where we're sitting... So of course, everyone knows everyone else, and there is a bit of a merry-go-round.

- Gary

I think trying to work in isolation doesn't foster good relationships either way, and I came to this a little bit late, realising it, but building up a good network across the bank can be invaluable.

- Harold

Through Bion's work on groups we know that groups work hard to reinforce their boundaries (Bion 1961). What is the role of cliques and networks in reinforcing these boundaries in the industry? What purpose do they serve?

6.1.6 Distance from the consumer

This code pertains to participants' associations and experience of the industry being very far from the end consumer. What this means is that there is very little appreciation or awareness of the implications on the consumer and, in effect, on wider society. This code has 5 subcodes and 56 references in the data.

Axial Code	Distance from the consumer	No of references
		56
Focussed codes	Balancing the needs of the consumer and the organisation	
	Inability to connect with the non FS world	
	Industry's perception of the public	
	Not considering the needs of the consumer	
	The role of the FS industry	

TABLE 14: MAKE-UP OF AXIAL CODE: DISTANCE FROM THE CONSUMER

The idea of a single consumer is problematic in this context as the consumers of financial services range from retail to large institutional consumers. However, the idea of not aligning to the interests of the consumer was nevertheless a strong theme that began to emerge. Harold had been a corporate banker all his life and he

recounted this anecdote with sadness. I experienced a sense of grief when I heard him describe his experience:

By the time I left the bank in 2016, I'd got a bit fed up with the way that I felt the bank wasn't helping customers in the way it could do, which you might go into; and I left at age 58 in 2016, and when I left, I was dealing with 30 large corporate customers all in financial services – probably 50 per cent were listed and mainly based in the UK and Europe, mainly in stockbroking, investment banking, exchanges, clearinghouses.

- Harold

Harold's position seemed to be more connected to the consumer. Other participants appeared less sympathetic. One quote particularly stood out for me:

Joe Public in the street – I think what their perception is firstly their bank direct. So, banking to them is either the hole in the wall or loans or current account. Do they really understand the markets part, the derivatives part, would they perceive it? I don't think people would care... People in the industry care, but the people on the street, would they care?

- Tony

Participants spoke about how difficult it was to balance the needs of the customer whilst ensuring that the decisions they were making were commercially viable. Some spoke with unease as to how this was a difficult position for them to be in:

...if you are front-line branch staff – and I have been that when I was an IFA – if you are front line branch staff you are right up close to the customer. So, you have the weight of the policies, the processes and the machine behind you that ... you know... the emotional impact of the customer that stands in front of you that you have to balance. That can be quite stressful when you can't marry up those two sets of expectations. The customer comes in with a set of expectations, the organisation has a set of expectations for how you are

going to deal with that, and if you can't marry those two things up it can be quite stressful.

- Linda

This links with an earlier finding where participants spoke about their own value and performance anxiety. This is a highly scrutinised, performative environment where they are judged on the value they add to the organisation. And these decisions are even more difficult, as highlighted in the quote above, as they push the consumer further away in order for the participants to ensure they are meeting their performance targets.

6.1.7 A career by chance and not by choice

This code describes how participants found themselves working in the financial services. The code is made up of 8 focussed codes and 41 data references.

		No of references
Axial Code	Career by chance and not design	41
Focussed codes	Developed a career	
	Entered financial services by chance	
	Felt a professional qualification was essential entry point	
	First job out of qualification	
	Realised the need for a professional qualification	
	Thorough understanding of the industry	
	Value of experience over technical skills	
	Original education was different from career	

TABLE 15: MAKE-UP OF AXIAL CODE: CAREER BY CHOICE AND NOT DESIGN

All but one participant in this study suggested that they found themselves in the financial services without it being a deliberate choice. Tony said that he knew he wanted to be a banker all his life. He spoke about how he was always the banker when playing monopoly as a child. However, curiously his first degree was in science and he did finance 'on the side'.

Other participants all reported a variety of early qualifications that were not in finance. These ranged from studying classics at Oxford and degrees in science to

leaving education after their A levels. However, they felt that they needed to requalify in order to be taken credibly in the industry:

I was by no means qualified to go work in enforcement. My educational background stopped at A levels and extends to all the necessary qualifications to be a financial advisor.

- Linda

Most of the participants in this study all stated that they did not start out their careers seeking out the financial services but found themselves in the industry by chance and not by choice.

6.1.8 A world of opportunity

This code describes the opportunities that the industry has provided or is perceived to provide those who join it. The code is made up of 5 focussed codes and 34 references from the data set.

		No of references
Axial Code	A world of opportunity	34
Focussed codes	Always wanted to be in finance	
	Drawn to the industry	
	FS seen as phantasmagorical	
	Pace of growth in the public sector is slower	
	Provided a good, solid career	

TABLE 16: MAKE-UP OF AXIAL CODE: A WORLD OF OPPORTUNITY

Participants in the study talked of the industry as a world of opportunity. The industry represents a space where individuals are able to pursue meaningful, creative and cutting-edge work. For example:

I was fascinated by it and it captured me in terms of being at the leading edge of where things were happening.

- Maureen

Along with this, the FS industry was seen as the place where individuals are able to fulfil their desires – especially in monetary terms. High salaries, rewards and high

status are associated with the industry. One participant reported moving from the public sector to FS specifically to change his earning potential. Along with this he also reported that the pace of change and the potential to advance his career was better in the financial services:

I came in at an executive level in civil service, always had great appraisals. Everyone said, you're going to do really well, but you have to sit and wait your turn. So, in 20 years in the civil service, I had three promotions. So you're waiting about seven years for each promotion.

- Gary

Others said that the opportunity for stability was compelling. The pace, the energy and ability to innovate was also reported as a reason for which participants were drawn to the industry.

6.1.9 Gender roles in the industry

This code pertains to the perception of gender roles in the industry. The code is made up of 2 subcodes and 28 references. However, what was surprising was that these references were made by only 2 of the 6 participants, one male and one female. I am curious why this did not come up in other participant interviews.

		No of references
Axial Code	Gender roles in the industry	28
Focussed Codes	Masculinity of the industry	
	Women in the industry	

TABLE 17: MAKE-UP OF AXIAL CODE: GENDER ROLES IN THE INDUSTRY

One participant reported the lack of strong female role models in senior positions:

So, I have had the female experience of financial services. Very male dominated environment. I think back to my times at [REDACTED] when I was championing 'I think I know what the answer is'. I was championing that in very senior wholly male audiences who didn't want to hear me, who were looking at me as the token woman in the room.

- Linda

Another commented on how the industry was particularly male oriented in the areas where he worked:

My first boss was a woman... and that's actually pretty rare because the environment we were in at the time was actually only men.

There was a link to a previous code around self-belief and self-worth. Participant Linda spoke about how, in her experience, it was difficult for women in financial services due to a lack of role models:

I think the self-doubt is particularly prevalent in women, but it is particularly amplified in financial services for women. Because there are not that many role models at senior levels and it can be a very male dominated environment. It is difficult to get a different perspective across.

I felt it important to capture this code as it also links with a previous finding about a small club and cliques and groups, which seems to suggest that the boundaries of who is in and who is out may exist on a number of different dimensions. For example, a finding by the UK Government's Social Mobility Commission in 2016 found that most investment banks still created a high barrier to entry with a preference to hire a certain type of individual from a particular socio-economic status.

6.1.10 Complexity of the financial system

This code speaks about the complex nature of the industry and its products. The code has 3 focussed codes and 23 references.

		No of references
Axial Code	Complexity of financial services	23
Focussed codes	Diversity and complexity of the industry	
	High levels of complexity	
	Organisational complexity	

TABLE 18: MAKE UP OF AXIAL CODE: COMPLEXITY OF THE FINANCIAL SERVICES

Participants reported a perception that what goes on in the industry is highly complex and difficult to understand:

Most consumers in the UK lack the financial capability that they need to manage their day-to-day affairs. And what that means is they lack confidence in their financial affairs, and they lack trust in the industry that is there to serve them. And so, if you look at some of the research and things I've done, for example, we know that a lot more of the younger generation are now renting rather than buying. But a lot of those renters wouldn't consider the need for contents insurance until something goes wrong.

- Linda

Linked to this finding, The Financial Lives Survey run by the FCA (FCA 2018) was a large scale study taking into account the opinions of 13,000 adult participants across the UK. According to the survey, 97 per cent of UK adults using banking services; however, only 16 per cent believe they are knowledgeable and 37 per cent say they are confident about financial matters. This data continues to support the hypothesis that the industry is mystified yet intrinsic to our lives in the UK.

We have huge issues about consumers finding pensions difficult to engage with. But it isn't only that they're complex and they deal with the parts of their life that perhaps they don't want to think about yet.

- Maureen

Even within the industry, the levels of complexity were often referred to by the different participants. Tony spoke of the complexity of the industry in which only 200 people did what he does. Irfan also suggested something similar:

Also, if I tell you that most of the people trading those assets could fit in this room, it was actually the case.

In both their stories, the participants suggested that the work they engaged in was so complex that very few people understood it or had the technical competence to complete it. The investigation into the UBS rogue trader, Kweku Adoboli found that

not everyone in the organisation clearly understood the complexity of the trades he was undertaking (Furtado 2015) and similarly, in the case of Tom Hayes (the trader who was found to be rigging the LIBOR¹⁰ rates), no one questioned the complex transactions that he was undertaking:

Hayes's job was to make his employer as much money as possible buying and selling derivatives. How exactly he did that – the special concoction of strategies, skills and tricks that make up a trader's DNA – was largely left up to him (Vaughan and Finch 2017 p21).

However, the fact still remains that in both Hayes's and Adoboli's cases, they were not questioned, and the complexity of their work went unchallenged.

6.1.11 Parental expectations

This code pertains to the parental influences on individuals. The code has only 1 sub code and 9 references.

		No of references
Axial Code	Parental expectations	9
Focussed code	No family background in FS	

TABLE 19: MAKE-UP OF AXIAL CODE: COMPLEXITY OF THE FINANCIAL SERVICES

The participants in this study also talked about the influence of their parents on their academic and career choices. No one mentioned whether it was their parents' desire for them to join the financial services.

For example:

My family had always been in public service. So, my father was a policeman and my mother worked for the water authority.

- *Maureen*

¹⁰ The London Interbank Offered Rate (LIBOR) is a global benchmark interest rate that determines borrowing costs between banks. Major global banks use this rate to lend to each other on what is called the interbank market.

Whilst Maureen did join the financial services, she still stayed within the public service part of the industry and joined and stayed with the regulator. Hers was a similar path to Linda's, whose father was an apprentice mechanic and who worked up the ranks in a large telecom firm. Linda herself stopped studying after A levels and when she joined the regulatory body she was employed by (at the time of the interview), she worked her way up the ranks. Tony studied science and his father was a scientist and whilst he could have joined any part of the industry, Tony found himself working in a very complex scientific part of the industry.

The most curious interview in this respect was with Irfan, who after the interview had stopped told me that the real reason he joined banking was that his father was an air force pilot and had forbidden him from joining the air force. He wanted to do something as 'cool' and so he joined the financial services.

6.2 Reflexivity and transferential data

I have mentioned previously that I maintained an active journal throughout the research process. In this section, I outline some of the transferential and associative material that emerged during the process.

Throughout the interview process I noticed that – along with getting caught up in the frenetic nature of some of the interviews – I was experiencing a lot of performance anxiety. I particularly felt during the interviews with Tony and Maureen that I had to perform and that I was being evaluated. Whilst trying to analyse the data, I was struck by how difficult the process was and that I was pushing myself hard to reach conclusions and findings.

Tony and Irfan used technical jargon throughout their interview. I found that I had written 'I am really confused but scared to ask him to explain further' in one of my interview notes. This was my experience as a researcher, and I wondered what this meant for others (non-finance professionals) who worked in the industry but found the complexity difficult to understand. My entire education has been in psychology and like my participants I did not have a background in this sector when I started working here. In the early years of my career consulting to a large banking group, I

felt like an imposter as I had no background in the business. I spent many hours reading and learning about how the sector works so that I would have the language to work credibly in the organisation.

I was curious about my participants' reasons for joining the sector. For example, whilst speaking to Irfan, I found myself surprised when he said that he initially wanted to join consulting firms but then moved into banking where it was more exciting for him. I was reflecting on how successful he had been in his career and the sums of money that he was disclosing to me. Initially, it seemed that he had chased the money but as the interview went on, I found myself drawn into his story: the pace, the excitement and the energy were palpable.

As I heard about the reasons why participants selected this industry as a career choice and how they ended up here, I was reminded of my own story. Growing up in India and studying Psychology in the 1990s was not an easy experience for me. Societal pressures in India meant that a good career equated to Law, Medicine or Accountancy. It was not looked on favourably for males to studying humanities unless the subject was Economics. My parents did not have strong expectations for me to follow in their paths. However, I did study Economics like my father in my early years at university – until I developed a passion for Psychology.

I remembered when I was deciding upon my master's degree and I really wanted to study Clinical Psychology. I was advised to visit the King Edward Memorial Hospital in Mumbai to get a feel of what it would be like to work on a psychiatric ward. I remember the experience being both frightening and depressing. I then spent a summer in a large automobile manufacturing firm on a project to understand what motivated students from the top universities in India while selecting their jobs. I found the work interesting and energetic. It was fast paced, and I was drawn to working in the world of organisations. Many years later, I had to make a choice between joining a bank or an FMCG,¹¹ and I chose the bank as it was exciting to be in the heart of the City of London and to work in the Square Mile. The choice was not about the money as there was not much of a difference financially between the two job offers.

¹¹ Fast Moving Consumer Goods

However, it was much more about the excitement of working at the bank. I reflected on my experience being similar to the stories I was hearing from my participants and began wondering if there was any truth to the fact that people choose this line of work for reasons other than just money and greed.

As I went through the notes and my own process during the interviews and the coding, I began to reflect on the reasons why I selected this particular study. I questioned whether at some level my selection of this topic was about the idea of what opportunities the thesis would produce for me. I explored my own motivations around this. Whilst I have described my biographical story and how it led me to the research, I wonder whether unconsciously there was also a pull towards the idea that this research would open up doors and create opportunity for me. This was a revelation to me as I hadn't consciously thought about this when I embarked on this journey.

6.3 Summary

This chapter is not intended to be a discussion of the key themes in this study; nor is it meant to analyse or draw conclusions on the findings. The findings have been reported and described as they emerged over the 12 axial codes. These codes were made up of a total of 115 focussed codes and 907 data references from across the data set. Some of the data points presented in this chapter are referenced in the discussion to support the development of a theoretical framework.

As I captured and wrote up my findings, a further refinement of the codes emerged. Using a grounded theory framework enables the researcher to engage in answering 'why' over and above merely the 'what' and 'how' questions (Charmaz 2014). This is particularly important for me as I am trying to understand why people were behaving in the way that they did. Furthermore, selective coding takes the axial coding process to a high level of analysis to enable the formulation of a narrative of the data set (Flick 2009).

With this in mind, further selective analyses of the 12 axial codes led to a re-categorisation into three meta categories: codes that pertained to an individual's

experiences and perceptions when outside the industry (Industry from the outside); those that were pertinent to individual's experience when inside the industry (Industry from the inside); and finally, those that dealt with the impact on individual behaviour (Impact on behaviour). These have been outlined in Table 20 below.

Meta theme 1 <i>Industry from the outside</i>	Meta theme 2 <i>Industry from within</i>	Meta theme 3 <i>Impact on behaviour</i>
A world of opportunity	A culture of entitlement	Impact of the industry on those who work there
Career by chance and not choice	Complexity of the financial system	The role of different players and their relationships
Parental Expectations	Desensitised to the value of money	Distance from the consumer
Belief Systems	Gender roles in the industry	
	Controlled by a few	

TABLE 20: DEVELOPMENT OF META THEMES

This aim of this research is to explore culture in the UK financial services. The themes that have emerged in this study describe some potential dimensions of the culture such as entitlement, complexity, desensitisation and control by a few. The study further seeks to understand the influences of culture on behaviour. Once again themes that have emerged suggests that there could be an impact on the behaviour of individuals and groups.

In the following chapters I will make these connections and suggest a potential theoretical frame to understand these findings.

Section 3: Discussion

Setting the scene

As the findings emerged from the data, I was left thinking about what the participants believed that the industry could provide for them: stability, more money, intellectual stimulation and challenge. Whilst my participants were able to achieve all this in their careers in FS, they also reported a myriad of dynamics that they were subject to.

Gary moved jobs to increase his income and then speaks of the shame of being associated with financial services:

...and then that's when you don't want to be at a dinner party saying, 'I work in financial services', because everyone's, 'You greedy bankers!' and all of that comes out.

Irfan also speaks of his income but acknowledges the personal cost. He says:

I was paid decently, especially from someone who didn't know what he wanted to do; so, yeah, I knew it was the price to pay.

Linda speaks about being very purpose-driven and needing to make a difference in society. She talks about getting a job at a big bank where her role was to assist with a fraud investigation. When she joined, she says she made a deal with the organisation that they would act upon her recommendations:

I will do it, but I will do it on the basis that you will use this for good. So, if I find that you have a problem here, I am doing this on the basis that you will get on the front foot with it.

However, soon after she conducted her investigation, the firm decided to act differently. She says:

And I just knew I had to get out. I knew I was not going to make any difference in this organisation; I knew that they did not value my skills; I knew that I wasn't going to get the end result for the consumers out of that piece of work.

Irfan speaks of a similar experience of how perceptions on the outside did not match the experience on the inside:

And on the other hand, the banks, it was a happening place – you know, it was flowing fast. You can think differently, you can be different; there was no such thing as a matrix – you just have to be driven. In other words, if you have the energy, you are smart enough – you will make it. What was interesting is that from the outside it was looking like this, but when you dig a little bit more it was like, hang on a second, I can be a structure, I can be a sales guy, I am talking about front-office position because I was not interested in back office or middle office or support.

The repetitive pattern in these stories was that there was an idea or an incentive as to what the industry would provide the participants. However, once they were on the inside, the attainment of their goals either came at a price or not in the manner anticipated from the outside.

This reminded me of the story of the Koh-i-Noor, a diamond that was once touted to be the largest in the world. The story that I remembered from my school days was that the British stole the diamond from the king of the Punjab. Many years later, I travelled to London and I had the opportunity to view the diamond on display at the Tower of London. I was disappointed by what I saw. The story of the diamond I grew up with had conjured up a fantasy of an object so precious and so mysterious that the real thing did not do it any justice. I decided to research the history of the diamond, which led me to develop an understanding of why it meant so much to the Indian people.

The story of the Koh-i-Noor is far from peaceful. The earliest records of it date back to the 1500s, when the Mughal ruler Babur had it in his possession. In his diaries, known as the *Baburnama*, he notes that the diamond is valued at two and a half days food for the whole world. After Babur's death the diamond begins an often-bloody journey, passing through the hands of various Indian and Persian rulers. It

adorned the famous Peacock Throne belonging to the Mughal emperor Shahjahan, who is credited with building the Taj Mahal. The diamond was taken by his son Aurangzeb to Lahore in modern-day Pakistan. It was then plundered by Nadir Shah in 1739 in a bloody and savage looting and taken to Persia. From there, the diamond travelled back to the Punjab to the kingdom of the Sikh king Maharajah Ranjit Singh, who obtained it in a deal to help secure the Afghan throne. He wore the diamond as a symbol of his power and strength. The diamond then passed down his family line, leaving a trail of bloodshed behind it. It finally landed up with the boy king Maharajah Duleep Singh who was barely five years old when he was anointed and became the owner of what was then one of the most coveted gemstones in the world. Following betrayal and bloodshed within his inner circles and a lost Anglo-Sikh battle, Maharajah Duleep Singh found himself signing away the Koh-i-Noor to the British in return for protection. The diamond was then transferred to the British Empire and presented to Queen Victoria. It remains a possession of Britain today as a centre piece in the monarch's crown.

When I read the history of the stone, one recurring theme became evident. The diamond was an object that was deemed to give the possessor all they wished for. However, once they possessed it, they carried the burden and misfortunes that came with it. Owning the diamond does not always fulfil the vision of what possessing it would be like.

I was left with a number of questions: what drove people to covet the diamond? It was not only financial gain as the diamond also gave them status. Secondly, once possessed, what happened to the owners of the diamond that led them to behave in particular ways? The idea of the phantastic object (Tuckett 2011) also started helping me form a narrative of what would possibly be going on in the FS industry.

Over the next three chapters, I will attempt to describe the dynamics of the UK financial services in light of the data. This is in reference to the way people enter the industry and what happens to them once they are in. Much of this does not seem dissimilar to those who chased after and finally owned the Koh-i-Noor.

Chapter 7: An exploration of culture in UK financial services

The next three chapters in this section deal with the research questions. This chapter explores the first research question and its component parts:

1. What is the dominant culture of the financial services?
 - a. What influences the creation and perpetuation of this culture?
 - b. In what way is this culture impacted by the socio-cultural system it exists within?

This section draws data from Meta themes one and two as laid out in the table below:

Meta theme 1 <i>Industry from the outside</i>	Meta theme 2 <i>Industry from within</i>
A world of opportunity	A culture of entitlement
Career by chance and not choice	Complexity of the financial system
Parental expectations	Desensitised to the value of money
Belief systems	Gender roles in the industry
	Controlled by a few

TABLE 21: SOURCE CODES FOR AN EXPLORATION OF CULTURE IN UK FINANCIAL SERVICES

The following dimensions of the culture are hypotheses formed based on the findings of this study. While the sample size of the study means that they cannot be viewed as conclusive, they help to form build some hypotheses about the dimensions of the culture in FS in the UK.

7.1 Aspects of culture in the financial services

The findings lead me to believe that the idea of a dominant culture may be a fallacy, given the complexity and diversity of the industry. However, dimensions of culture seem to be emerging from this study, which are described in this section.

7.1.1 Setting up strong boundaries

We know from the work of Bion (Bion 1961) that groups are strong entities that are larger than the individual participants. Groups work hard to maintain their boundaries and to reinforce them. The existence of boundaries functions to contain the anxiety of the group. The financial services are notorious for putting up boundaries. The UK government's 2016 Social Mobility report¹² showed how barriers to entry in investment banks were high. They were so strong that people were judged by the colour of the shoes they wore and were precluded from jobs on this basis. These barriers to entry extend themselves to social class and sometimes even gender; for example, high-performing derivative traders at the French bank Société Générale were recruited from elite French engineering and mathematical schools, and were known in the 1980s as *les moines-soldats* – the soldier monks (Luyendijk 2015). Boundaries are perpetuated by hiring individuals with similar backgrounds into these roles (Gapper 2011). Study participant Gary suggests that in the graduate programme that he runs, he sees candidates progress when they have a family background in the insurance business:

So, you have to be really good to get in [unclear], and we've won awards for our graduate scheme. Really proud of the scheme we do. But no, they come in and they're told, 'You're really special because you beat all these other people.' And a lot of them have family who've worked in the business before. They know what their career path is.

¹² The Social Mobility Commission is an advisory non-departmental public body established under the Life Chances Act 2010 as modified by the Welfare Reform and Work Act 2016. The commission presented the paper entitled 'State of the Nation 2016: Social Mobility in Great Britain in 2016'. This was presented to Parliament pursuant to section 8B(6) of the Life Chances Act 2010 by the Social Mobility

In a paper entitled *'Beyond the individual: Reframing blame and responsibility for 'rogue' behaviour in the financial services industry'* I have further explored what difference has meant in the industry. Examining four 'rogue' traders; Nick Leeson¹³, Jérôme Kerviel¹⁴, Kweku Adoboli and Tom Hayes, it is of note that they were all 'outsiders', like many others (Gapper 2011).

Nick Leeson, for example, was - untypically for the milieu - the son of a plasterer and hairdresser, Jérôme Kerviel's father was a blacksmith from Brittany. Kweku Adoboli was an outsider in a number of ways, from his Ghanaian roots to his non-elitist education, and because he came into the trading environment via the back office, rather than coming directly to the trading floor. He nevertheless rose from a job as a summer intern in 2002 to be a director with a salary of £110,000 by 2010. Tom Hayes also had a modest education and came from the back office. Furthermore, his aloofness and awkwardness (explained later by a diagnosis of Asperger's syndrome) made him stick out: his colleagues nicknamed him 'Rain Man' (after Dustin Hoffman's 1998 autistic film character) or 'Tommy Chocolate' because of his habit of ordering hot chocolate when he went drinking with them. He too was extremely successful and generated a profit of £170m for the bank in three years.

- (Menon 2019 p 230)

Human beings have a strong need for affiliation and belonging (Baumeister and Leary 1995). Could it be that these points of difference with others on the trading floor could have led these traders to take higher risks? Could it be that they engaged in behaviours that were perhaps outside the law, in order to prove themselves worthy of being members of this 'elite' group? As the boundaries are so strong, could it be that once they are on the inside, do individuals are unconsciously compelled to engage in certain ways in order to maintain their positions?

In this study, another theme that emerged was the complexity of the financial services. I began to wonder what this complexity served to function. For example,

¹³ Nick Leeson was linked to the collapse of Baring's bank

¹⁴ Jérôme Kerviel was convicted of offences in relation to Société Générale

nearly 17 million UK adults with motor insurance do not know what the term ‘no claims protection’ means (FCA 2017). There seems to be two roles this plays. Firstly, it serves as a sort of boundary where FS is so complicated that only a certain segment of the population can understand what it is all about.

I think they are baffled by the jargon; I think they are baffled by complexity of some of the products that should really be simple. Terms and conditions, disclosure, the stuff we throw their way is horrendous to try and compute – and we try to throw it at them at the wrong time.

- Linda

The complexity of FS is described as being experienced in the whole system. If FS acts as the object of phantasy in society, then the easy access takes away the mystique surrounding it. I wonder if this is an unconscious process that is played out by the system to maintain the unattainable position of the phantasy. (In later sections in this study, the idea of complexity is explored within the industry and its role in perpetuating the phantasy.)

The boundary is also held through close relationships within the industry. These help participants move around the industry and survive in this highly normative yet closed system. In order to gain access, one must have a relationship which becomes the currency of survival in the industry:

I think trying to work in isolation doesn't foster good relationships either way, and I came to this a little bit late, realising it, but building up a good network across the bank can be invaluable. A very good example of that is my first year in the bank in Eleventh Street branch: they had somebody, he wasn't an intern but he was an A-level student, just working in the [unclear] room for school holidays – he actually joined the bank the following year. I'd say I know him. I said hello to him, worked in the same building quite a lot. I've never worked with him per se, but, 'Hello, Vince, how are you, blah-blah-blah.' And then I was stuck with a particular problem at the back end of 2015 where a customer was saying, 'If you don't do XYZ, we're going to take our business away', and I knew this guy who dealt with large corporate customers who

might have a similar problem. And I just saw him on the floor on Christmas Eve 2015 and said, 'Have you had this problem, how'd you get around it?' And he said, 'If you go and talk to so-and-so and put a case this way, then you can probably get approval for it.' That's a great network. I worked with this guy in 1976. The first time I picked his brain was December 2015 and I got what I wanted out of him.

- Harold

In selecting my participants for this study, I had to be very careful as the degrees of separation in the industry are not very high. I was struck by how difficult it was recruit female participants for this study. As mentioned previously, Gender was also a theme that came up in the data.

I have been told on many occasions that I am the token woman and that I am there to make up the numbers ...

- Linda

Initiatives exist such as The Women in Finance Charter, a commitment by HM Treasury and signatory firms to build a more diverse, balanced and equal industry. Firms who sign up to this charter commit to helping female executives progress into senior positions, address the gender pay gap and report on the firm's progress against these metrics. Whilst that is a structural solution, could it be that the boundary is more unconscious and despite creating quotas at board level, they play out across the organisation?

As human beings, the need to affiliate and be accepted by others is said to be as basic to our psychological make-up as hunger is to our physical make-up (Baumeister and Leary 1995). The strong boundaries of FS may serve to enable affiliation and therefore internal integration, as defined previously by Schein. However, for those who are on the outside or those who join the industry and 'feel' on the outside, integration is difficult. One of the participants in this study describes himself as an outsider in the UK financial services and then says:

Now bear in mind it's a French bank owned by the state. They are all French French French – I am the only funny connotation named working in the bank at the time. I am handling the balance sheet and I am educating all French people on a financial product. Now put that back into [laughs] into the whole mix, right? It is not something you will have. I think the equivalent for me is an Indian guy in the UK or former colony guy in the UK explaining to ... whichever administration or bank how things should be done.

- Irfan

In earlier chapters, I have described how I felt 'othered' at the Tavistock. This was possibly a way in which the group defence kept me from being one of them, as I perhaps represented the shadow side of what they desired. My experience was one of being denied affiliation and my response was to further reject the group in return.

The industry creates some strong boundaries around who is in and who is out based on various criteria. However, if you find that you are 'in', then you are somehow protected by the relationships that you have formed in order to navigate the system. We can look at this through the lens of open systems theory (Miller and Rice 1967). An open system survives by interacting with its environment, exchanging materials for nourishment and expelling by-products and waste. Boundaries are created in order to separate what is inside from what is outside. Boundaries are strong so as to not create any leakage; however, they are permeable in a regulated way that ensures the integrity of the organism (Roberts 2019).

This is a biological analogy, yet organisations function in similar ways. There is constant exchange and interaction with the environmental context in which organisations exist. Exchange occurs both in terms of physical material and also in terms of innovative ideas and thought. This enables organisations to engage in the task of production and performance. What does not belong to the organisational system gets expelled, such as bad individuals, ideas or products.

Boundaries in the industry are strong but not impenetrable. However, there are strong processes (both conscious and unconscious) that control who crosses these

boundaries. The danger is of these boundaries becoming impenetrable, which could close off the system completely from its environment. Whilst this may increase the attraction to the unattainable phantastic object, it stands the risk of 'dying' if not open to external contribution. The more the industry is closed, the more it becomes distanced from the rest of the wider system.

7.1.2 Entitlement and invincibility

The history of the Koh-i-Noor shows that the owners of the diamond made as much use of their power and status as they could when they were in possession of the gemstone. A similar sort of entitlement has been seen in the FS industry.

Stein has talked about a culture of mania and how this led to the financial crisis in 2008 (Stein 2011). In his work, he suggests that major ruptures in western society caused considerable anxiety amongst leaders. These leaders then responded to this through manic and omnipotent defences. This process contributed to the culture and set the conditions for the crash.

I want to extend this argument with the idea that the way the industry is positioned in the wider system sets the conditions for a culture of invincibility to emerge. When one joins the industry, there is the phantasy of attaining the phantastic object. There then ensues a period of euphoria, a feeling of victory; the sense that 'I have made it'. The phantasy becomes the reality for individuals once they cross the boundary:

...it's this Disney World that exists, and I think financial services, or certainly, the financial services that I work in, [REDACTED], it really is this almost fantasy world that you get pulled into, and it becomes your reality.

- Gary

From early childhood, we develop an extensive repertoire of defences against the anxiety and pain of loss. These can be, in their most primitive forms, belief in one's omnipotence, denial, splitting and projections (Wadell 2002). In the following interview excerpt, the participant is describing his actions following a question from

senior executives. He was asked to look into his manager's trading book as there was a feeling that his manager was not performing. This allowed the respondent to exercise his omnipotence and show up his manager, leading to the latter's downfall. Of his own admission, the participant was 31 and arrogant, with his arrogance being fuelled by the conditions created by the senior managers:

And what I did actually is that I bought the whole book. Financially... I bought the book in December, I sold everything in February, and I made €7mn on that. So, I made my boss to look like a moron. There I was, 31 years old, umm.... I was arrogant as hell... I told everyone that he should not be the boss and that I should be the one.

- Irfan

In this state, there is an absolute denial of vulnerability and individuals are possessed with a sense of invincibility where anything is achievable. Similarly, in Adoboli's case, there is a story of his being upheld as a model trader. He was singled out as a star performer, whilst all the while the organisation was not aware and did not entirely understand what he was really doing:

Management was holding a town-hall meeting and employees were crowded around the glass barriers looking down at where he sat. Adoboli and Hughes (his colleague) were singled out for the profits they were raking in. The rest of the traders were encouraged to work more like them. This just added on the pressure (Furtado 2015).

The sense of invincibility displayed here is given further impetus by the behaviour of leaders. Just as children model the behaviour of their parents, employees and teams often model their leader's behaviour. Individuals negotiate the world of work by watching their leaders, and noticing which behaviours are valued and which are not. These form the norms and the unconscious assumptions of the organisation referred to earlier. It has been said that leadership is the management of culture (Schein 2010). If leaders themselves are experiencing these feelings of invincibility, this gets transmitted across the organisation and forms another factor that contributes to the culture:

The boss I was reporting to, I didn't respect him. I didn't respect him because... we were calling him Super Mario. We were calling him Super Mario because he was tweaking his PNL every day. In other words, you know how Super Mario has those keys, that's why we were calling him this. That guy was a French engineer in his 40s, more structured than a trader, and he had, like, a multitude of books¹⁵. And what he was doing was permanently re-shifting stuff from one book to the other one. He was kind of, like, cooking the books, right.

- Irfan

Irfan is describing a sense of triumphalism and a feeling of superiority which characterises a culture of mania (Stein 2011). And in this state, the data suggests, that collusion occurs:

...because instead of calling it out, it's hushed up and it's paid off in many ways. And one of the challenges I had, when I was at [REDACTED], was a guy who'd behaved incredibly badly in a bullying manner and actually picked up a heavy chair like this and threw it at one of his team's heads on one occasion. And everyone said nothing about what happened to him because he earned so much money for the bank.

- Gary

In the above example, the organisation is not only colluding with the behaviour but in paying the perpetrator off, they are condoning it by inadvertently rewarding the behaviour. As discussed previously, the idea of value creation assists in the process of idealisation. The idealised individual is allowed to contravene codes of conduct and behave as they desire. They then develop a sense of invincibility as a result of this idealisation. It is an unconscious interpersonal dynamic, which all begins with the idea of what it means to be valued in these organisations.

¹⁵ A book, in trading language, is a record of all the positions a trader holds.

Such a sense of invincibility need not necessarily be expressed in an arrogant way. It sometimes showed up in the regulator group's interviews in the form of the attempt to drive value for the consumer. The idea of protecting the end consumer came up numerous times in this subgroup's interviews:

But also, there is that Robin Hood thing about punching the bad people and giving back to the good.

- Linda

I felt it was so important to get these two guys out for the sake of the consumers. I called some colleagues in the US because they were operating in the US, they were both US citizens – they had ownership of firms in the US. The way that they structured some of their operations were through US companies, um... so... about 18 months ago now they were arrested in New York and are currently being prosecuted by the state prosecutor in New York for their crimes and misdemeanours. And if found guilty it's an automatic out here in the UK.

- Linda

...you get to this point where you try to regulate everything, precisely what you can and can't do.

- Maureen

The texture of the narratives suggests that the regulatory sector could also experience this sense of invincibility, because they police the industry in order to keep it in check. They seem to be suggesting a sense of superiority, where this subgroup is ultimately in charge of protecting consumers and ensuring the industry is working in a safe way.

7.1.3 The primary anxiety; persecution and survival

For an object to become phantastic, it needs to attract the phantasies of the beholder. Inanimate objects like the Koh-i-Noor diamond have held their allure as nothing 'better' has been found. In terms of the industry, I wonder if this sort of phantastic quality serves a purpose and enables the system to survive. The system

engages in certain unconscious processes in order to preserve its phantastic qualities. What I mean by this is that, as described earlier, the system engenders desire in individuals around various dimensions such as status, power, wealth or success. Individuals then become dependent on the system in order to fulfil their conscious and unconscious desires. For example:

And the worst example of it was a previous firm I was at where, three years after I had left, I found that one of the people who I'd been working with had been acting fraudulently, or at least, in a sense, against the rules, to manipulate his own bonus. And this is someone who was averaging 5 to 6 million pounds a year bonus and had done so for 20 years. So this person's taken over 100 million just in bonuses out of the system. It can't have been about the money. I don't even think it was greed. I think it was the market had turned. The 5 or 6 million had dropped to 2 or 3 million. So how can I manipulate the funds in order to take it back up to...

- Gary

This dependency also creates an anxiety of loss or a survival anxiety (Klein 1946). The feelings of *'If I am not good enough, I will be out'* are in the system. This is constantly reinforced through leadership messages, reward systems and the popular narrative. The environment becomes one of high pressure and stress as individuals are constantly battling with the need to defend themselves against the anxieties of survival and persecution. These anxieties may be heightened and have different intensities depending on the role. However, it is my hypothesis from both the interviews and from my experience that anxiety is prevalent at both a conscious and unconscious level across the industry:

It is a stressful environment and high-pressured environment sometimes, and it, perhaps, needs a certain type of person to cope.

- Gary

Gary's comment leads me to think that this also becomes a filter point in the environment, i.e. the system engages in processes that eject those who are unable

to survive the environment. This is done either by individuals self-selecting to leave or the industry asking them to do so. After all, in order to maintain its phantastic nature, it requires individuals to perpetuate a culture that reinforces this. There are many stories of organisations operating a 'cull' to get rid of their low-performing employees (Luyendijk 2015).

The organisation becomes the idealised object (Freud 1914), which can get split into two parts: a. the ideal and gratifying, and b. the persecutory. This is confirmed by gratifying experiences such as the payment of financial incentives or the opportunities that one gets in the industry:

Because these people have their basic needs met from day one when they come on the Grad Scheme, and they're earning 30,000 as a 22-year-old grad.

- Gary

Immensely rewarding in the sense of the challenges it's given me, the opportunities it's given me. The chance to see an industry that has changed profoundly since the point at which I walked into it in 1984 from, as you say, the things like [the] Big Bang, the introduction of statutory regulation, the whole development of new products and new markets.

- Maureen

The anxiety of persecution is experienced through deprivation and pain, the biggest source of which in the FS industry is losing one's job. My data suggests that the anxiety of persecution due to poor performance is high in these organisations. The Script (Berne 1961) of 'I am not good enough' becomes insidious where employees are relatively rated against each other in performance management processes. The anxiety of persecution is born from this; i.e. *'I am not good enough, so the organisation is going to kill me off.'* The primary anxiety, then, is a persecutory one: a survival anxiety.

In the financial services fear of failure could possibly be a mechanism of control that contributes to the persecutory anxiety:

There were certain transactions through an account of a company, which I opened the account, that weren't what they should be, and the bank got involved in a longwinded, probably very expensive court case, which I believe was settled out of court for not too much at the end of the day, but probably [unclear]. And I had the support of the bank through it, they didn't fire me, but I did wonder on a number of occasions whether they'd get rid of me.

- Harold

You simply don't want to make mistakes. So, you are very triple cautious about what you present.

- Tony

They said, 'Oh yeah, yeah, the last person who we had here didn't work out well and we blackballed him in compliance circles.' Now even if that was a joke, she believes that. 'They couldn't get a job in the UK in financial service' that was the comment.

- Linda

But at some stage, if they keep giving you stuff and some of it topples, then, well – he was hopeless, wasn't he?

- Gary

I think the low point for me was losing money. That was the great financial crisis where I lost 15 million dollars, 15! And for me it was so heavy that I felt that I had something on my chest every night when I was sleeping. I felt that I was actually sinking in my bed because of the weight of the whole thing.

- Irfan

Secondly, this could lead to a feeling that 'no one is safe', which means the need to protect oneself is high in this environment. Moving from the individual to the overall system, from a systems psychodynamics perspective, a phantastic object is infallible

and cannot be vulnerable. Mistakes are therefore seen as a sign of weakness, one that the phantastic object cannot afford in order to maintain its phantastic qualities.

Um... there are many people who are walking around in the street who can do the job better than we can. So, the ability to get rid of us and give someone else a go... should I be able to be replaced? Yes, if I am not good enough. Um... do I worry about it? Yes, absolutely, because I have a mortgage and I have to pay my bills. I am under no delusion that I am special, therefore I am the only one.

- Tony

...the way that people are dispensable. So, when I was at, and I know you anonymise the firms and that, so when I was at [REDACTED], I was an Executive Director, so a board director. There were 12 of us. And within a 12-month period, all 12 of the directors had left the organisation or been forced out of the organisation. I joined, I was introduced to someone, and I said my name and shook his hand. And he said, I won't bother to remember because you guys are on a merry-go-round anyway, and you just change every couple of years. So, it's really distasteful, this sense of people are just expendable [sic].

- Gary

There is a point of view that pursuits such as risk-taking in the financial markets are exciting and energising, and that there can be a more positive, creative view of anxiety (Hirschhorn and Horowitz 2014). Whilst that may be a valid conceptualisation of anxiety, in this context, survival and a fear of persecution are the primary concerns.

7.1.4 Belief systems

A code that consistently showed up in all the interviews related to the strong belief systems that individuals held. Whilst major conclusions cannot be drawn from such a select sample of interviewees, it can be hypothesised that individuals do not primarily join the industry to do wrong. Often those who get into trouble are cast off as 'rotten apples', but this is only to attend to part of their stories. I have written about rogue

traders and their possible unconscious motivations before (Menon 2019). For example, I have examined the case of Kwaku Adoboli, the UBS rogue trader who was imprisoned in 2012 for having lost \$2.3 billion dollars of UBS's money. Adoboli was described by his university friends as someone who always wanted to do good and work for the community. And this attitude was something that Adoboli carried into his work life at UBS as well. There is a story about a senior manager who came to him to say that he had forgotten to book a trade, which would cost them \$1.5 million of losses. Apparently, Adoboli did all he could to help the senior manager recoup the losses. At his trial, he said:

I was found guilty under criminal law, so according to the law I was wrong. I don't want to cause pain to anyone. In fact, that's the tragedy of all this. The pain was the result of trying really hard not to cause the pain.

(Furtado 2015)

The participants in this study expressed varied responses to the idea of a belief system. However, all of them spoke about finding meaning in their work and being driven by a strong sense of purpose.

The reported value systems in this study pointed to the participants' strong sense of purpose, and strong beliefs around doing the right thing and finding meaning in the work they do. So, a question I am left with concerns how my participants, like Adoboli, held strong beliefs about right and wrong, yet Adoboli ended up in the position he is in now. What was different between them and what was in the culture that created the conditions for Adoboli to engage in the behaviour he ultimately did? What differentiates him, if anything, from my participants? I grappled with these considerations as I analysed the data. I will discuss some of these systemic influences in the next chapter.

7.2 Influences on the creation and perpetuation of the culture

From a systems psychodynamic perspective, the culture of the industry will inevitably be impacted by the wider system within which it exists. This section explores some

of the aspects of the societal narrative around FS and what could possibly contribute to the phantastic nature of the industry.

7.2.1 The popular discourse

Many financial products are an integral part of our lives – from bank accounts to pensions. Many individuals may only ever deal with a bank branch or a cash machine, which is also currently on the decline as we move to virtual and online banking. However, it is my hypothesis that society's perception of the FS industry is formed by both the popular narrative and their experiences of the industry and the media.

I can sit here and bang my chest and hum, and everyone will know that's from the Wolf of Wall Street. So, it's kind of... okay; you know that sort of extravagance has been publicised well and people are familiar that, that's what... that's the perception of what bankers got up to.

- Tony

That they visualise, picture, when you tell them about trading is actually the big bad wolf... So you obviously still seem like as a vampire, like a bloodsucker, which is – I don't know [sic].

- Irfan

I was struck by how I was drawn into these characterisations of the industry. They conjured up this image of a hedonistic, fast-paced and unscrupulous world. And some of the experiences of consumers seemed to support this:

We've just had a fundraising effort to raise money to rehang our bells, we raised £80,000 this year.[REDACTED] wrote to me last week and said that because we'd had more than £100,000 going through our charity community account, which we have free banking with them, we'd lose the free banking. And we'd be having banking charges of £500 a year. Do you really want to do that, because we were raising money to rehang our bells for the anniversary of the armistice? Don't think you really want to do that, do you [REDACTED]?

I'm waiting to hear. The latest thing I get back is they won't look at my letter because only I signed it, not another co-signatory as well.

- Maureen

And you'll get some people who genuinely believed that insurance companies exist to not pay any claims, so however genuine your claim, they will find a reason to turn it down. And this is pop talk you hear all the time: 'Oh, they'll find a way to get out of it.'

- Gary

What struck me was the emotionally charged nature of the anecdotes. There are two key features of this: the emotionality comes from the fact that the industry deals with individuals' money, which is the commodity of value that we hold in society. Whether savings, pensions or investments, these represent the monetary value of individual's lives. And the industry plays a critical function in managing, storing and facilitating this. However, the popular discourse is one of greed and excess. The dissonance is great; the same object that is central to helping us manage our monetary concerns is also involved in a range of negative behaviours. This probably causes a great deal of confusion for society. The behaviours of the industry that get exposure legitimise the view that society holds. The following quote supports this view:

There is also kind of, like, trying to caricature the business industry. And then obviously, like, all those guys that we have within the industry that are actually not helping us by behaving poorly. They're just adding oil to the fire, you know.

- Irfan

What gets projected onto the industry are the split-off feelings of greed and excess. This is then unconsciously played out by the industry, which carries these feelings on behalf of society. Even though the public narrative is based on a view of FS as being a hedonistic and greed-driven industry, this could be the shadow side of societal ambition. Yet whilst it represents the seemingly dark side of society in the UK, it is also one that is desired. I hypothesise that the desire garners shame and hence a

defence against this shame is to attack the industry. Pre-crash, the industry could be approached to help you with the financial means to do what you needed:

If you're looking back 15 to 20 years and a customer says, 'I'd like you to lend me some money', you'd go to a credit committee, say, 'The customer wants, I don't know, £5 million to build a factory', or whatever it is, and you'd get credit approval.

- Harold

Post-crash, this has changed, and credit decisions are heavily scrutinised. Regulations are stricter around how banks lend money and how much regulatory capital¹⁶ they hold. All this impacts the consumer and society's ability to get easy credit and the associated financial instruments as they were used to accessing previously. At the same time, the stories abound about 'bankers' getting big financial rewards and pay-outs.

This possibly causes dissonance as there is a gap between how 'bankers' are able to live their lives whilst others are restricted by the very same industry. The idea of the phantastic object becomes clearer; i.e., the industry is able to provide us with something we desire and lack. The difference is that there is a perception and to some extent this is informed by the reality that a few can access while others cannot.

7.2.2 The draw of the industry

The City of London and extensions of it have been associated with the financial services industry and has for long been known as the world leader and epicentre of global finance. The mythology of the City is:

...a destination paved with gold, a place to make fortunes and to rub shoulders with the successful and the powerful (Kahn 2017 p6).

¹⁶ Regulatory capital or capital adequacy is the amount is the amount of capital a financial institution is mandated to have by the regulator.

This narrative was strongly prevalent in the interviews that were conducted for this study. The idea that the City is a 'destination' had multiple connotations. In terms of the phantastic nature, it was able, at some level, to fulfil some of the conscious and unconscious desires that the individual participants held.

Some saw this as a destination in which to engage in cutting-edge, innovative work. Maureen says:

A lot of people who did my subject would have gone into the civil service. I didn't want to because I didn't feel that at the time it was sufficiently exciting or innovative.

Gary admits that what the industry meant to him was the opportunity to double his salary. He switched over from the public sector and was drawn to the industry due to the salaries that were offered:

I think probably finance had something to do with it because what would have attracted me to apply for that particular role was the fact that it was the doubling of salary.

Others were drawn by status, success or the draw of an industry where anything was possible. The phantasy that was conjured up by the financial services has at some level fuelled the decision to join the industry for most participants in this study. Tony maintained that he had always wanted to be a banker as long as he could remember. He could not point to any explicit motivation to wanting to join the industry:

...my mother will recount the tale of saying, you know I wasn't the fireman, I wasn't the police officer, I wasn't the superhero... I said I would be the banker.

Finally, there was also a desire for security, as suggested by Harold:

My A-levels were Maths, French, and Economics, and Maths and Economics, I enjoyed both of those. French A-level, to be honest, I just did for a bit of variety, really, and I enjoyed it. And it was like, well, where do you go with those qualifications? And banking seemed fairly sensible. I fell into it that way, really. It was my decision – that I thought banking seemed to be at that stage a good solid career, something you could get on in, big enough structures and organisations that you can move on.”

Financial services form a fundamental part of the capitalist society of the UK. In a recent study by the British Academy¹⁷ it was found that the UK has one of the most extreme forms of capitalism in the world (Mayer 2019). Could it be that the industry served as the equivalent of a Koh-i-Noor for UK society: a gemstone worth possessing in order to establish and maintain control and status on the world stage? In the late 1980s, when London was falling behind other global centres such as New York, the Thatcher government changed the stock market rules.¹⁸ This led to the Big Bang, a dramatic increase in market activity which reinstated London as the leader of the financial services globally once again. The phantasies conjured up by the industry extended itself into the households of the UK, as easy credit made it possible to purchase goods and homes with negligible collateral. It afforded people lives and lifestyles that were previously out of reach.

Another hypothesis is that those who join the FS industry have been able to fulfil both their conscious and unconscious wishes. A majority of the interviewees suggest that this was a career by chance and not by choice. I question whether what is being seen as chance is actually the unconscious desire that led them to the industry in the first place:

I read classics at Oxford and I felt I needed to do a professional qualification to support that... When I arrived at [REDACTED] was really just by accident in that there happened to be a lot of financial services clients.

- Maureen

¹⁷ The British Academy is the UK's national body for the humanities and social science.

¹⁸ Financial Services Act, 1986

I did science at university. I wasn't particularly good at it but throughout that I did finance as my sort of bit on the side. I don't know why I didn't do it as an actual academic study, but I did financial um... studies all the way through... on the side of my bachelor's... and to be fair I'd probably say where I have ended up is no master plan. I mean, I think it is fair to say I have meandered through the sort of banking industry, started in risk management for a European bank, joined a Swiss bank and spent 10 years there.

- Tony

I didn't know what I wanted to do, I am not going to lie to you. I interviewed at the Big Five. So, [REDACTED] and all those guys and then at banks as well. French banks mostly. And to be honest I like, what I liked about the Big Five was the fact that from the outside it was very stable but at the same time the drag was that it seemed to be very procedural. It came through in the interviews – like you go through a whole screening, right, including actually having a lunch with someone to see how you are behaving and all that stuff. And on the other hand, the banks, it was a happening place, you know – it was flowing fast.

- Irfan

So...I think...after my first faltering steps in... in kind of... retail management, I was seeking a more purposeful role in life and from that I stepped into working as a financial advisor.

- Linda

However, if we follow the line of thought in which the industry represents some sort of phantastic object, ultimately their career paths may be the outcome of their valency. Even though the industry may be a phantastic object for society, only a certain population end up aspiring to and joining the industry.

It could be that those who enter the financial services have an innate propensity to be drawn to this world. This is determined by the dimensions of the phantasy they are attracted to: status, power, wealth and/or success. And the industry has the

ability to offer all this to its participants, and all of the participants are seeking something they lack. The desire for something more than what they had drew them to the industry. Even the participant who says he studied science but did banking on the side; there was a reason why he did this on the side, perhaps an unconscious draw to the industry right from a very young age. He refers to Captain Mainwaring from the television series *Dad's Army*. As a bank manager, he says, Mainwaring was looked up to in the community and a pivotal figure in society. This was a status that the participant perhaps unconsciously desired and found through playing the role of the banker in childhood games and ultimately joining the profession.

The idea of valency (Bion 1961) became even clearer as the respondents were able to articulate why they located themselves in different parts of the industry. For example, Irfan was drawn to the excitement of the trading world, perhaps an unconscious desire to re-create the adrenaline-fuelled career his father had as a fighter pilot. Others such as Maureen were seeking out intellectual stimulation and challenge in their work but felt the public sector would not provide this sufficiently. It is almost as though they were recruited by the system to take up certain roles because of their valency (Bion 1961).

I began reflecting on my own valency and the role that I had played in the industry. As an organisational psychologist, I could have located myself in any industry, but I chose to go with the financial services. I had the opportunity to go into corporate consulting, but I chose to join a bank. This marked a profound moment of introspection for me. Whilst on the surface I could attribute my choice to my experiences of the industry growing up, I started wondering what aspect of the phantasy I was chasing.

7.2.3 Perpetuating the culture

The most interesting part of Schein's definition of culture is how it is transmitted and passed down to new members who join groups. No matter how you join the group, its basic assumptions¹⁹ will be unconsciously transmitted to you in order for you to survive within the system, and any contravention to these basic assumptions will

¹⁹ Used here in the Scheinian sense and not Bion's (1961) concept of basic assumption group functioning.

lead to excommunication. The basic assumptions are unconsciously 'taught' to new members as the 'correct way' to think and act within this group context:

The others we take from places like [REDACTED], who specialise in taking children from disadvantaged backgrounds and bringing them into the city. But even they get caught up fairly quickly because, 'When do I get to be a full underwriter? When do I start earning the bonuses? When do I...?' So, the money's a big driver, but then the money gets lost in how I'm perceived, how I'm valued, how others value me.

- Gary

This raised a number of questions for me. It could be that individuals who join the FS industry (whether regulators or firms) are already primed by their valency to join and be part of the phantastic system. Once they join, the unconscious dynamics could be so strong that those individuals are forced to act within this culture's basic assumptions or lose the phantastic object that they have longed for unconsciously. In this way, it could be that the culture of FS strongly determines how individuals act within the system, while any contravention of these basic assumptions leads to the individual being annihilated. This idea really struck me in terms of my own valence in joining the industry and why I have stayed, albeit on the boundary, for so long. As much as I have denied it, I believe working in this area has set me apart from my contemporaries, whether positively or negatively. This position has afforded me opportunities that I would have perhaps not have enjoyed as an organisational consultant in any other industry.

7.3 Summary

This chapter addresses the first research question:

What is the dominant culture of the financial services?

- a. What influences the creation and perpetuation of this culture?
- b. In what way is this culture impacted by the socio-cultural system it exists within?

The idea of a dominant culture is problematic due to the diversity and complexity of the FS industry. I am interested in exploring the aspects of culture that appear to be prevalent in the industry, such as strong boundaries, invincibility and entitlement, strong belief systems and persecutory anxiety. (These hypothetical aspects are, of course, based on the findings of this select study and are not presented as conclusive.) Employing the idea of unconscious phantasy, the industry is able to fulfil a number of desires for both wider society and those who join the industry. Power, status, stability and long-term safety are some of these. This starts to position the industry as the phantastic object within the socio-cultural system of the UK. The next chapter will start to explore some the systemic forces in the culture that influences individual and group behaviour in the financial services.

Chapter 8: Systemic influences on behaviour

The previous chapter described certain aspects of culture in the UK FS industry, including mechanisms through which aspects of culture could be created and perpetuated. This chapter explores the dynamics at play within the industry. It will address the second research question: what are the systemic forces in the culture that influence the social dynamics (individual and group behaviour) in the financial services industry?

Certain dimensions of culture, as described in the previous chapter, are characteristics of the environment within UK financial services. This section outlines the potential impact of those characteristics on individual and group behaviours. This section will draw data from Meta theme 2 and 3 as per the following table:

Meta theme 2 <i>Industry from within</i>	Meta theme 3 <i>Impact on behaviour</i>
A culture of entitlement	Impact of the industry on those who work there
Complexity of the financial system	The role of different players and their relationships
Desensitised to the value of money	Distance from the consumer
Gender roles in the industry	
Controlled by a few	

TABLE 22: SOURCE CODES FOR SYSTEMIC INFLUENCES ON BEHAVIOUR

The impact of these dimensions on individuals in the industry can be significant as so much of their lives are entwined in and dependent on the work they do. Primitive defences begin to be engaged in order for individuals to protect themselves against the anxieties that arise as a consequence of these dimensions. As with young infants and their relationship to the mother, there is little integration between the good and

bad sides of the object – in this case, the organisation. This is paranoid-schizoid functioning where the organisation is able to both persecute and nourish, to be hated and loved. Idealisation (Freud 1914) is an important dimension of this process and the organisation becomes an idealised object. Bad experiences are denied wherever possible as it is too painful to face the fact that the object can be the source of persecution. Good experiences become idealised and exaggerated in order to defend against the notion of persecution (Klein 1946). The volatility of the environment, the fact that things can change very quickly and that no one is indispensable can all lead to individuals focusing on the short term.

8.1 Immediacy and short-termism

The anxiety of losing the phantastic object (that they seem to have acquired) leads individuals to ensure they can benefit from it as much as possible while they can. My participants report similar experiences:

So, if you look at the senior people of the FTSE 100 companies but also in the most senior financial service companies, they all need short-term gains, short-term wins, short-term successes to sustain them in their roles. So, making that choice to invest in the long term is a massive potentially career limiting decision.

- Linda

Especially since individuals' positions are fragile, the need to cash in, in the immediate, is high. The speed at which market transactions occur in this industry are almost instantaneous and the amounts can be large. The pace can create an insecurity, causing people to focus on the immediate (Gill and Sher 2012):

There was a guy at the time for Goldman Sachs, he was on the EM side. He cashed in repeatedly between 50 to 75 million dollars a year between 2002 and 2006. Fifty and... boom, boom, boom. I mean it is kind of mind-blowing, right? So, the drive was here. It's like I'm seeing money. I'm seeing quick money. I'm seeing it happening now. I need to capture that. I need to be part of this thing; it doesn't matter if it lasts or not. I just need to be quick.

- Irfan

I think it happens much more in financial services than elsewhere, and I think that contributes a bit to the, grab the big rewards when they're available because you don't know how long the fairground ride's going to last for you. So, I think there's a sense of, I've got to make the money now because who knows how long this is going to go on for?

- Gary

This links to the idea of manic consumption (Stein 2011) where there is hyper activity and instant gratification.

8.2 Denial of reality

Another feature of individual behaviour in these circumstances is turning a blind eye (Steiner 1985). In this situation one seemingly has access to knowledge and information but chooses consciously or unconsciously ignore it. This is because the situation serves a purpose. The denial of reality occurs in various forms across the organisation, where individuals turn a 'blind eye' to behaviours that are inappropriate. There are multiple situations where individuals have turned a blind eye to activities that were dangerous and fraudulent yet highly profitable (Menon 2018). The data suggests that there are individuals who have been ignored although they were displaying a range of disruptive behaviours – from bullying to sexism – largely because they are 'bringing in the money'. These individuals carry the burden of performance and are unconsciously rewarded by being allowed to behave as they wish. The data also suggests this:

And every company you go to, there will be... we'll call him Fred. There will be a Fred who, if you say to the staff, who can't be sacked. They say it's Fred over there because he owns the money, or he knows too much or whatever. And that's one of the things in financial services you've got to root out: the protection of people who everyone knows are not good people. But they're tolerated because they add value to the firm.

- Gary

In Gary's quote, the 'Fred' he speaks about is almost untouchable due to the 'value' that he brings to the firm. The perception of adding value enables the individual to be idealised by the organisation and in turn could give rise to feelings of invincibility in the individual, perpetuating bad behaviour, which is then tolerated by the group, as the individual is the idealised object.

This idealisation and sense of invincibility could also lead to the idea of the 'castles in the air' approach (Long 2008) or Keynesian beauty contest (Keynes 1936). These approaches suggest that it is not about the intrinsic value of the stock, but what one is prepared to pay for it. This approach involves understanding how investors will respond to the price. Therefore, it is focussed far more on human psychology rather than market value:

What those two guys were doing, they were tweaking the model. In other words, when I was buying from you, I was making the model more favourable to me. When I was selling it to this guy, I was tweaking the model to show him exactly the same but a price actually higher than where I bought it from you [sic].

- Irfan

Amongst stories that emerged following the crash were numerous narratives of this type of behaviour. For example, in the case of Tom Hayes there are stories where he would not complete his compulsory compliance training or that he would get one of his juniors to complete it on his behalf and his boss would excuse this behaviour:

The revelation that one of their top traders was trying to rig LIBOR doesn't appear to have rung any alarm bells with UBS's senior managers, who seemed more interested in Hayes's trading prowess. Hayes was promised another multimillion dollar bonus and received a series of fawning calls from executives. (Vaughan and Finch 2017 p 82).

More recently, in 2019, allegations of sexism and bullying emerged in the Lloyd's of London insurance market. An independent survey carried out by the Banking Standards Board found that approximately 8 per cent of staff had seen harassment

over the past 12 months. However, these actions had gone unreported and unspoken of. It was reported that up to 22 per cent of people in the organisation had ignored this sort of behaviour (BBC 2019). Irfan's comment below demonstrates the mental states of those in these situations:

So, people don't ask because they don't want to be perceived and seen as weak.

- Irfan

8.3 Exploring complexity as a defence

Social defences (Menzies Lyth 1960) are socially constructed ways in which a system copes with anxiety (Armstrong and Rustin 2015). These become embedded in the 'culture' of the organisation, a part of the normative ways of functioning. These behaviours are also passed on to those who are recruited into the system and who are expected to behave in these normative ways. The defences become so normalised that they become a part of the narrative and are accepted as being part of the culture of the organisation.

My research data leads me to consider if the complexity of the financial services is a defence against this anxiety. This complexity serves multiple purposes. As previously established, it creates a barrier to entry, i.e. organisations need to recruit individuals with specialist skills. This helps to maintain the mystical nature of the phantastic object by creating a sort of intellectual elitism:

...in an area where very few people will ... you know... shall we say less than 200 people globally know what's going on or actually care to be fair.

- Tony

And enforcement is the kind of place where you can feel like that. It's a unique club and plays by its own rules. And I had two and a half really fun and interesting years in enforcement leading on new types of cases.

- Linda

Complexity here enables the industry to strongly reinforce its boundaries. It therefore enables the perpetuation of the phantasy of the object and helps to maintain its phantastic, almost unattainable qualities. As a mechanism for boundary management, it contains the dilution of the phantastic object.

Secondly, the complexity also helps individuals within the boundaries to defend themselves against the anxiety of persecution. Where only a small number of people have the capacity and capability to deal with the complexity, these individuals become protected against annihilation as they are needed by the organisation:

So hey, when, I mean, I will tell you this story, it's pretty crazy. So, ABS and CDOs²⁰ developed in 2004. Discussion was head of trading at [REDACTED], at [REDACTED], myself, head of trading at [REDACTED], on the beach in Barcelona, sitting on those um... chairs and the guys were like, 'Okay, we are doing this in the US – we are going to do this, we want to bring this to Europe. [REDACTED] is already aligned; do you guys have any objections?' No, we don't. 'Okay, done – boom!' So that's how the things were actually done. Which is pretty crazy. The guys down the line didn't know about that. The guy to whom you were selling the stuff didn't know about it.

- Irfan

Could it be that teams and organisations unconsciously or consciously create this complexity as a way to deal with the survival anxiety? It helps to manage the anxiety of annihilation by creating indispensable capability that becomes crucial to help organisations navigate complexity. And this is perhaps not only within organisations but also inter organisational within the system. In the following quote Irfan talks about this at an industry level.

If you look at some segments of the market, so like niche businesses, you can see, and you can feel that there are two or three hedge funds driving the whole industry.

²⁰ ABS is asset-backed security which is a financial security like a bond that is backed by a pool of assets like loans, credit card debts etc. CDOs are collateralised debt obligations which are financial tools that were used to repackage individual loans such as mortgages into a single product and then sold on to investors in a secondary market.

8.4 The role of activity and frenzy

As mentioned, key features of the FS environment are energy and speed. This was a consistent theme in the interviews. Extreme work environments are a response to the volatility in the environment. They have been described as environments where the stakes are high, the significance of decisions and their consequences are high and bad decisions are irreversible (Hirschhorn and Horowitz 2014). In this interview excerpt, Irfan describes how he worked at pace in order to keep his managers up to speed with what they missed in the markets over short periods of time:

The trick is not to read everything but how quickly you can [unclear] everything in a very short format, in one line only for the guys to know at the end of the day with the morning ,what is relevant to them, what happened in the past four hours that they didn't see.

The short-termism described earlier contributes to the frenzy. As discussed previously, the volatility of the markets requires individuals to make decisions quickly. The quality of these decisions, however, is a different matter:

It was fast, it was pacey [sic]. You had to come to decisions quickly, but I saw some really rotten investors out there.

- Linda

The speed and freneticism contribute to individuals being in a state of hyper arousal, focussed entirely on the task:

So, Dec 2006 was the first December of my life where I was at work the whole month and where the whole industry was at work. Wall Street was actually pumping. Christmas, New Year – it didn't actually matter and didn't happen that year.

- Irfan

In the following excerpt, Linda speaks about her pregnancy whilst at work. She talks about not having the space to even think about motherhood during her pregnancy:

But I walked away from that going into mumhood having not thought at all about being a mother while I was pregnant even... You know... Just to make you smile... I bumped into an old manager who I had worked with 5 or 6 years ago a month before I went on maternity leave and she looked at me and said 'Oh congratulations' – in a very French way – 'Congratulations I did not know you were pregnant. How far along are you?' And I looked at her and went 'Pardon?' And she gave me that moment of kind of ... 'Oh my God, I have made a terrible mistake and I went, 'Oh no, no, no – I am, I am, I have a month to go.' I hadn't kinda considered that as I had got so engrossed in what I was doing. But I came away from work and went on maternity leave.

- Linda

This brings me to wonder what role the frenzy and pace play. Perhaps on the one hand, they form a defence against the weight of the decisions that rest with these individuals, especially around the large transactions they are dealing with. Additionally, I wonder if they also serve as an unconscious filtering mechanism, i.e. success is based on the ability to survive in this environment. If it is a dimension of the culture and if one is unable to work within this dimension, the system ejects you. Gary sums up this point:

And it is a stressful environment and high-pressured environment sometimes, and it perhaps needs a certain type of person to cope.

8.5 Desensitisation of money as a defence

In Menzies-Lyth's study, the nurses created complex systems and processes to protect them against facing the anxiety that was associated with working with terminally-ill patients. In the FS industry, money becomes a commodity of transaction and members of the industry may be able to distance themselves from this value by becoming desensitised to it. The purpose this serves is to enable them to manage

their anxiety that they are dealing in such large sums that the consequences of something going wrong are unfathomable:

Well, put it this way, if I screw up there is no way I can repay. I mean, you can sue me all you want – I can't repay that! [Laughs.] No normal human being can repay that stuff, right?

- Irfan

You become very indifferent about digits, right, because you start in thousands and then millions. Any report you run now is either in thousands or millions. So, when I go, '1', most people will go, 'That's 1 million.' But we have desensitised it to 1. And it is convenient because it's reporting and you have to show management but you have changed it from saying it's a big number to not a big number, and especially when you are dealing with billions all the time. A million is quite a lot, but it just doesn't feel like that because you see that every day. I mean, our business has been up 8 digits and then down 8 digits. And we have moved 8 digits in a day. So, when ... that was an extreme event and that's happened, and you know that's a scary moment. So, that scares you – a few 1000 doesn't, but it should.

- Tony

On further questioning, Tony revealed that the fear was of losing one's job. It came back to a persecutory anxiety of being annihilated if a mistake was made. And in order to defend against that anxiety, an easy way was to distance themselves from the value of the number in order to deal with the transaction at hand. However, this desensitisation had a further role to play it also enables the industry to distance themselves from the end consumer and understand the impact of these transactions on the rest of the system.

This desensitisation goes even further than the transactions that individuals are engaging in. For example, in the following quote where the system is able to inflate the value of a commodity (the individual employee in consideration) in order to deal with the anxiety of loss:

Or someone gets her pay increase of 15, 20, 30, £40,000, or sometimes even £150,000 pay increase because we don't want to lose them to a competitor. And the numbers start to become a bit meaningless.

- Gary

It is also perhaps how at a retail bank level, the tellers, cashiers and phone operators are able to deal with large cash transactions without hesitation. They distance themselves from the value of the transaction and see it as numbers on a screen in order to deal with the anxiety of handling large volumes of money.

8.6 Distance from the consumer

Participants in this study described the industry as being distant from the consumer. In fact, the idea of a single consumer is problematic in the industry, as there are many diverse and varied types of consumers – from retail to institutional consumers. This distance was described on a number of dimensions; for example, the complexity of the products and services:

I think consumers really don't understand what they need. I think they are baffled by the jargon; I think they are baffled by complexity of some of the products that should really be simple.

- Linda

Another example was that of accessibility:

I think also closing branches – it is going to be an issue because of a whole swathe of population, who don't use online, are quite elderly people who just like using it. And I know my in-laws are in their eighties; they don't even really want to use a credit card, it's just the way they're used to banking.

- Harold

And a further reason was the difficulty of balancing the needs of the customer with that of the organisation. As the object of persecution that was driving performance was the organisation itself, decisions tend to favour the organisation:

And I know one of my colleagues had some customers with banks 10, 15, 20 years, and they said, 'No, it's not a good business case, we're not getting adequate return on this. While this is a longstanding customer relationship and will continue to be, yes, but it doesn't make sense for us.' And customers found that more difficult to understand.

- Harold

When I asked Tony whether his team knew and understood the impact of their decisions on the wider economic system, he looked at me incredulously and said:

That's quite self-aware – to be able to actually feel as though you have impacted society as a whole and know where it is hitting; simply because it's extremely complicated and you know when these things are accounting measures, when are these things real.

It would seem that the system creates an environment where there is pressure to perform and this performance is the yardstick by which individuals are measured. Lack of performance means individuals are ejected from the system. It could therefore be that this problematic relationship with consumers is a product of this dynamic. It could be that the system creates unconscious processes to keep the consumer at a distance, yet at the same time still connected. For example, by creating complexity, the industry creates dependency, as consumers need industry professionals to help them make sense of the products. At the same time, decisions that are made by the industry that impact the consumer; for example, credit decisions are made to the commercial benefit of the organisation – as in Harold's case. However, if the market changes or a bad decision is made, the industry works to protect itself and maintain its phantastic quality:

But if you have a market correction, which is pretty severe or like very deep, you close the gate. You protect your house. If all the houses are burning around you, you actually close your gates. You make sure you don't have any contagion coming in.

- Irfan

8.7 Summary: bringing it all together

This section has explored some of the systemic forces in the culture that influence the social dynamics in UK financial services as they have emerged from this data set. My data suggests that organisations in this industry are able to both nourish and annihilate with equal ferocity. It is my hypothesis that individuals are constantly seeking to avoid the pain of annihilation in this system and defend against this anxiety. In terms of the basic assumption group (Bion 1961), this is probably a fight-or-flight basic assumption. Various defence apparatuses such as scapegoating or turning a blind eye are then deployed. As a system, organisations employ social defences to help their members manage this anxiety and the excessive complexity by creating high stress and frenzied environments. All this is born out of the fear of persecution and the survival anxiety that is prevalent in firms and regulators across the industry.

In the previous chapter I laid out the conditions by which people enter this system. An important notion here is that the culture of the industry existed before the crash of 2008 and continues to exist post-crash. Despite attempts at remediation and changing our regulatory regimes, we continue to see bad behaviour of various kinds showing up in the industry. Could it be that these past interventions have not fully focussed on impacting some of these deep, unconscious systemic forces and have tried to remediate the symptoms of the problem? The next chapter will explore the position of the industry in the wider social context in the UK. This should help us to understand the complex interplay with other parts of the system.

Chapter 9: Making sense of the system

In previous chapters, I have described how the FS industry is potentially positioned within the wider systemic context of the UK as a phantastic object. This chapter will explore what this means for the different parts of the system. I will try to deconstruct the relationship between the component parts and highlight the dynamics that are playing out at a systemic level. This chapter attempts to address the following components of the second research question:

- Who are the main stakeholders? Who has influence? Who is impacted?
- What unconscious dynamics are present amongst the players and in the system?
- What psycho-social pressures are at play?

I will draw upon the theme ‘The role of the different players and their relationships’ which forms a part of Meta theme 3: Impact on behaviour. This was the second largest code, with 22 focussed codes and 155 references. The table below outlines the sources of data from the various interviews.

Code	Description	No of focussed codes	No of references	Regulator		Firm			
				Linda	Maureen	Harold	Tony	Gary	Irfan
The role of different players and their relationships	Relatedness of the different parts of the system to each other	22	155	17	79	12	26	4	17

TABLE 23: SOURCES OF DATA TO PERTAINING TO THE CODE THE ROLE OF DIFFERENT PLAYERS AND THEIR RELATIONSHIPS

9.1 Understanding the position of each of the players

The various parts of the wider system are recruited into playing different roles at different points in time, e.g. following a significant event or a financial crash. Up to this point, we have looked at three entities in the system: regulators, society and firms in the industry. I have deliberately excluded governments until now as they are transient entities; they play different roles based on their political position and are guided by the needs of the environment and context of the day.

9.1.1 Governments

Governments are temporary and are influenced by changes in societal priorities, attitudes and demands. Politicians have an important role to play in the system as they respond to the other players based on events and circumstances. Government can be influenced and lobbied by both society:

So, if you have a number of consumers who write into their MP on a number of issues relating to financial services or regulation, then the MP will listen – probably even more than they listened to business, because business doesn't in the end have a vote.

- Maureen

And firms:

The [REDACTED] was being criticised for being too hard on employers, making them pay too much into their DB pension schemes at a time when they needed to be – in George Osborne's view and so on – investing in their business, growing, all that kind of thing. So, we're back to lighter-touch regulatory regime pressure. So, in order to reflect that we were given an extra objective that we had to not impact on the sustainability of the sponsoring employer by our actions.

- Maureen

9.1.2 Regulators

Regulators are usually set up by and report into governmental departments; FCA reports to the Treasury select committee, the Pensions regulator to the Department of Work and Pensions and the PRA²¹ to the Bank of England. Regulators have hybrid positions; they are a part of the industry but controlled by the government of the day.

²¹ Prudential Regulatory Authority

The politicians don't help here because in reaction to something like BHS or Carillion they do tend to have a bit of a knee-jerk reaction. So, it's, 'Oh, the regulator needs more power.'

- Maureen

So, at that point there was this huge swinging shift to 'You have to be interested in the finance of the firm' – prudential regulation is where it's at. So, for these financial advisors, we pulled back from going out and visiting them and looking at their conduct, to spending much more desk-based time looking at their prudential returns.

- Linda

The regulators and firms have a tenuous relationship. Firms have felt stifled by regulatory intervention and this has impacted the way they have been able to do business:

I have never had the regulator coming in and saying, 'What's your best practice, what's going right? Let's pick some of the controls and things we see in your firm that we should apply to the rest of the market.' I have never been through that situation. Very rarely do you sit down and get told or taught by a regulator what they think you should be doing and from a standpoint of expert. Very rarely – and I have never had that.

- Tony

9.1.3 Firms

FS firms engage in the activity of providing financial services. This includes a wide range of services for example wealth management, banking, insurance to name a few. As discussed before the industry gets conflated into 'bankers' and a lot of the services it provides never actually come into contact with the public. As mentioned, for many people in the industry they may not make the connection with the work they do to the end customer.

9.1.4 Society

Society plays an important function in this system. It is my hypothesis that a process of splitting occurs during the good times, when the shadow side of the industry is split off by society and placed on regulatory bodies, who are seen to restrict the ability of the firms to function, to provide easy credit and service their customers. This position enables society to create good and bad objects of the industry and the regulators. The good object provides whilst the bad object restricts.

...you've also got a lot of compliance and governance, controls and checks around us these days, which also has grown, probably rightly, and that can slow down getting into a position where you can make decisions on things.

- Harold

In reality, the function of the regulator is to ensure that industry practises do not cause harm to the consumer. However, when the times change, society takes on a depressive position (Klein 1946) when there is a realisation that the very industry that is capable of providing can also become one that is persecuting.

The public have had a lot of stuff via the media and they read about big bonuses and the allegedly hedonistic lifestyle of a lot of these bankers and traders, banks, stockbrokers, and other money brokers and that sort of thing, and some of those are not in a trading function, not a lot different from bankers, really, and it's what a lot of the general public perceive.

- Harold

So the man on the street, I mean you saw what we went through with, like, 'Occupy Wall Street' and the demonstration here in London, where it was almost, like, survival mode when you're leaving your office in 2011, 2012 because of what the financial crisis did to the whole economy.

- Irfan

The realisation that the same industry that can provide can also be seen as persecutory is painful and difficult. In the next section I will describe how the various parts of the system reconcile these shifts.

9.2 The systemic dynamic: exploring intergroup relationships using the Drama Triangle

Karpman's Drama Triangle (Karpman 1968) is a model for understanding interpersonal relationships, which I applied to the data from this study to try to understand the dynamic that plays out amongst entities in the system. It was a simple yet effective model that helped me make sense of some of the dynamics at play.

The Drama Triangle was originally developed as a way of understanding the unconscious Games (Berne 1964) we play when we make others responsible for how we feel. It is a powerful tool for understanding interpersonal dynamics. There are three roles on the triangle: Victim, Persecutor and Rescuer. The role of the *Persecutor* is to criticise and blame. Persecutors keep the victim in an oppressed position. The *Victim* is affected by the Persecutor. Victims can feel persecuted by others or sometimes even by themselves and their own self-talk and narratives. Finally, the third position is the *Rescuer*, who nurtures and rescues the victim. All three roles are usually played out to meet unconscious needs and often we find that individuals perpetuate the drama in order to satisfy them.

Important features of the model are that individuals can move around the triangle and take up different roles, thereby pushing others into different positions. But the Game does not ultimately lead to the development of a healthy relationship.

The concept was initially developed as a therapy tool, although others have described how the 'Karpman Triangle' can be used in societal contexts as well (Orten 1973, Henry 1977). I will use the Drama Triangle and extend it to understand how the different entities in the system (society, the regulators and the firms) interact with each other and to describe some of the underlying dynamics in these interactions.

In the 1930s, following the Great Depression and a severe economic downturn, legislation and regulations were put in place. Governments rescued the economy

and society by applying regulations onto the financial industry. In the 1980s, London was falling behind other financial markets due to de-regulation in other parts of the world. Following the Big Bang, described earlier, an exponential increase in market activity ensued due to the change of the industry's structure. Once again, London was strengthened as the leader of the financial services.

In the aforementioned story, the role of Persecutor, Rescuer and Victim moved between governments, society and the industry. The crash impacted both society and the industry. It caused governments to rescue society by persecuting the industry and imposing regulations on them. The Big Bang rescued both society and the industry as it kick-started the economy and gave the industry the boost it required. What followed were years of easily available credit, a growing economy and the rise of the financial services industry.

Following the financial crisis, governments were compelled to bail out the large financial organisations using public money. There were consequences to this that impacted public spending. Society felt persecuted by the *'bankers'* for putting them in this position and having to endure measures of austerity. Governments, in their position of control, used regulatory bodies as mechanisms for managing the anxiety in the system. Several measures were put in place to check the behaviours of industry workers. The regulator of the time, the Financial Services Authority, published a document entitled *'Treating Customers Fairly – Culture'* (FCA 2015) which outlined clearly banks' responsibility in terms of behaviours towards their customers. Governments were seeming to rescue society and persecute the industry for what happened.

In 2010, during the time of the coalition government in the UK, we saw a transition of the regulatory environment to dual regulation. Two separate regulators were set up; one²² to focus on the amount of liquidity a bank held and a second²³ on the behaviour of banks' conduct and culture. The FCA's then CEO, Martin Wheatley, was concerned about firms' cultures and behaviours:

²² Prudential Regulatory Authority

²³ Financial Conduct Authority

What should not be difficult, however, and what clients, investors and the wider public expect, is for individuals to take responsibility for their actions. You should not – as I argued at a graduation ceremony for finance students earlier this year – need a rule book to determine right from wrong... But, for its own sake, as well as for consumers, it is an imperative for industry to reduce the frequency and scale of the problems it has encountered. And I do not think firms have the luxury of waiting a generation for that to happen (Wheatley 2014).

The FCA started defining strict conduct policies and used this to sanction a number of firms. Once again, industry was severely persecuted by governmental mechanisms. Society was still angry, and governments had to listen in order to maintain their power. However, as with Karpman's original definition of the Drama Triangle, positions are constantly moving and now the regulator gets pushed into the position of Victim as it becomes persecuted by society. This emerges from the data of this study:

...so, the regulator has to justify his existence, saying, like, 'Hang on a second, we're having the biggest blow-up in the whole history of finance' and still we still have, like, the FCA and the FSA around – but what did those guys do?

- Irfan

The regulator also finds itself persecuted by the financial services industry, such as when banks like HSBC (Wright 2015) threatened to leave the UK due to the increasing regulatory environment. The industry's ability to lobby government has been seen as a mechanism it can use to keep regulations at bay. The participants' accounts support this:

The financial industry has good lobbying and they chip away at it... and they chip away... and eventually they get back to something that is a decent enough balance.

- Tony

When Wheatley left the FCA it was widely reported that he fell out of favour with the Chancellor of the Exchequer (Fortado , Parker et al. 2015). In December 2015, the FCA announced that it was stopping plans for an inquiry into banking culture, pay and benefits. The Treasury came out publicly to deny it had any hand in this, but there was speculation that this was politically motivated. Wheatley was hired due to his reputation for being a tough regulator. However, many in the City found his ruthless style to be persecuting and it was seen as no coincidence that HSBC threatened to move its HQ from London (BBC 2015).

In this narrative, there are multiple dynamics playing out all at the same time and having a clear impact on each other indicating that multiple Drama Triangles are at play. When the crash initially happened, it is possible that these were the three positions taken up by the system. Society felt persecuted by industry and governments stepped in to rescue the situation (see Figure 5).

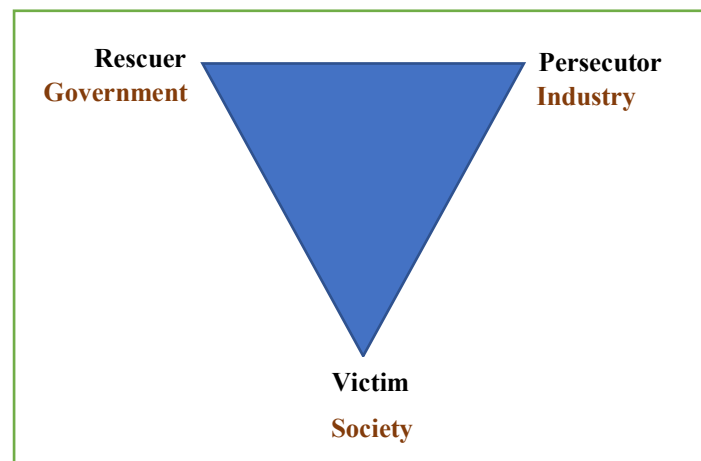


Figure 5: The Drama Triangle

The nature of Games is that they can be ongoing and they can resume after a break; also, the relationship between the entities can perpetuate the game (Hine 2019). I have tried to illustrate this in Figure 6, below. Triangle A is the original triangle that appears in Figure 5, in which society feels victimised by the industry following a significant market event and the governments step into the rescue. Things changed

very quickly when the availability of interbank credit was low, and banks had to borrow money to stay afloat. Public money was then used to help bail out financial institutions and protect the wider economy by the government (triangle B in Figure 6). The National Audit office's report estimated that at its peak the bailout was worth £1.162 trillion (Morse 2011). Public spending is impacted, and society moves from being a Victim in triangle A, to maintaining its position in triangle C. Society then starts experiencing the initial split-off emotions associated with the industry as being negative and persecutory (in triangle C) and turns again to the government for rescue. In this way, the game carries on.

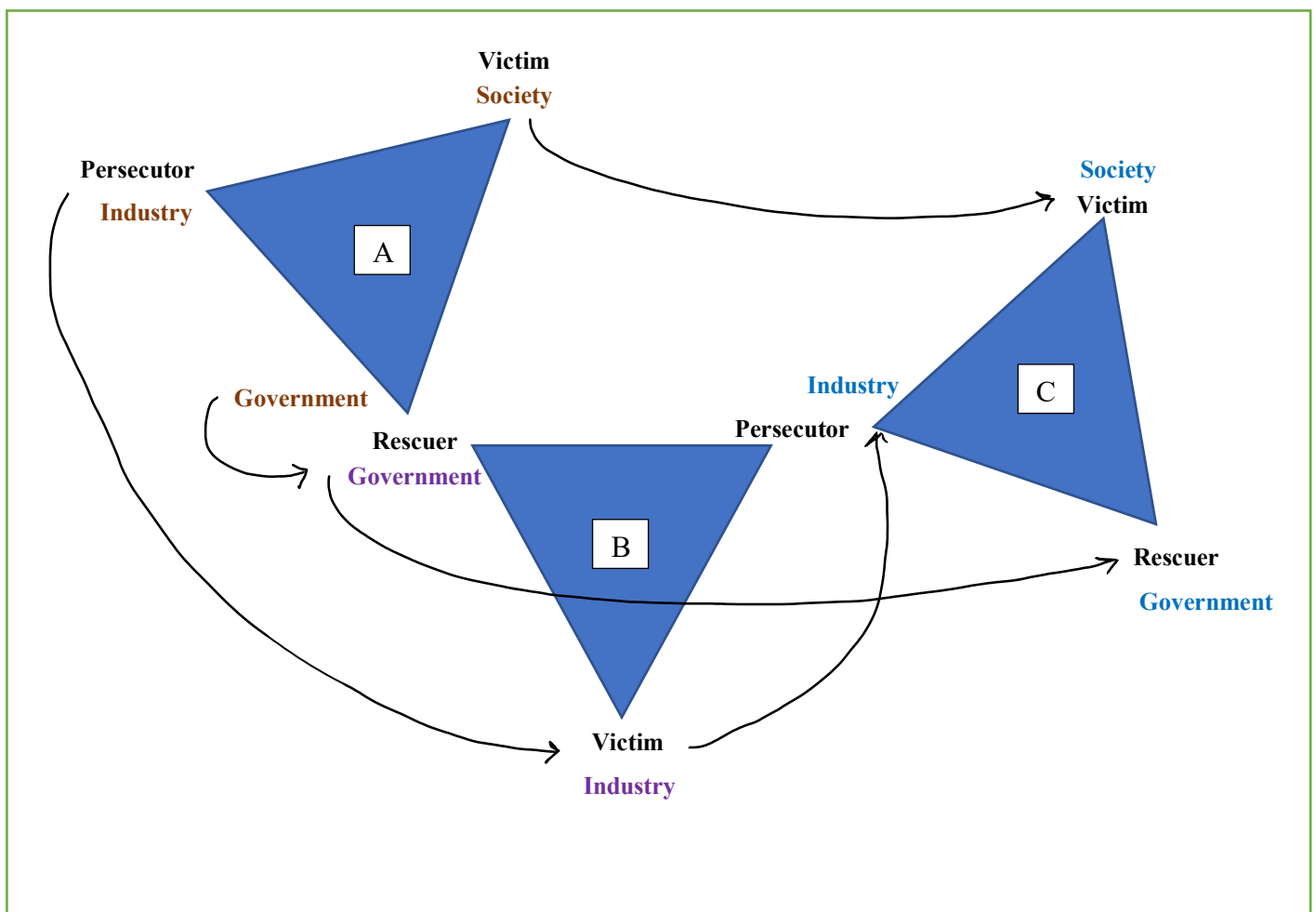


Figure 6: The ongoing game

In Karpman's original conceptualisation, there are three positions, and the players move around this. But what would happen if we had four entities? The idea has been examined using the notion of an audience of bystanders (Clarkson 1992) who

witness the Drama Triangle play out. In the original conceptualisation, bystanders take up the role outside the triangle and silently watch the drama as it unfolds:

...by their very presence, the members of the audience also agree, consent and participate response-able (Clarkson 1992 p 289).

The concept of bystander apathy is not a new one and was initially conceived in the 1960s (Latané and Darley 1968). The idea was born out of the famous case of Kitty Genovese, a 28-year-old woman who was murdered outside her home. A curious nature of the incident was that a number of people witnessed the incident but did not intervene. A total of 38 witnesses were present but no one helped the woman or called for help (Gainsberg 1964). This social psychological phenomenon came to be known as the 'bystander effect'. Through experimental studies, it was found that individuals are less likely to offer help to a victim in the presence of other people. There is an inverse relationship between the number of people present and the propensity for help to be offered. The larger the group the fewer the chances of someone offering help.

Rather than thinking of bystanders as audiences positioned outside the triangle, perhaps there exists a '4-sided triangle' – where one side is hidden yet connected? The fourth position is one that is waiting in the wings, ready to be recruited into one of the other positions. And I propose this not to be a bystander; rather, I call this position being on '*the Bench*'. As with any team sport, there are always reserves or team members who are on the bench, waiting to be called into the game. However, when they are on the bench they do not participate and are witnesses of what is going on in the playing field – pseudo bystanders. I use the term 'pseudo' because it is my hypothesis as there is no active contribution to the game until the entity is recruited into it. This idea is further elaborated in section 9.3.

Whilst society felt victimised during the crash, there was little it could do or did under the circumstances. However, in the lead up to the crash, society was very much a part of the system, benefiting from the payoff. Whilst there was manic and invincible behaviour in the industry, there was also manic consumption of the products

available. Easy loans, high interest rates etc. were features of the dangerously manic behaviour we saw pre-crash. From the Big Bang till before the crash, regulators took the Victim position in order to enable the industry and in effect boost the economy and benefit society. Deregulation allowed the industry to swap the position of the Victim with the regulator.

In the figure below (Figure 7), society takes the Bench position; it benefits from the phantastic object and does not actively participate in the game. The industry feels victimised by over-regulation (triangle A) and, as we saw in the 1980s, the Big Bang helped to boost the industry through deregulation, thereby putting the regulators into Victim position (triangle B). Government rescues the industry and persecutes the regulator. All the while, society sits on the Bench, benefitting from the payoff of a booming industry without being concerned with the game playing out on the triangle. And while consuming the products of the industry. Society turns a blind eye towards the practices of the industry, and the regulator/regulations end up being scapegoated whilst the industry continues to be idealised and its feelings of omnipotence and

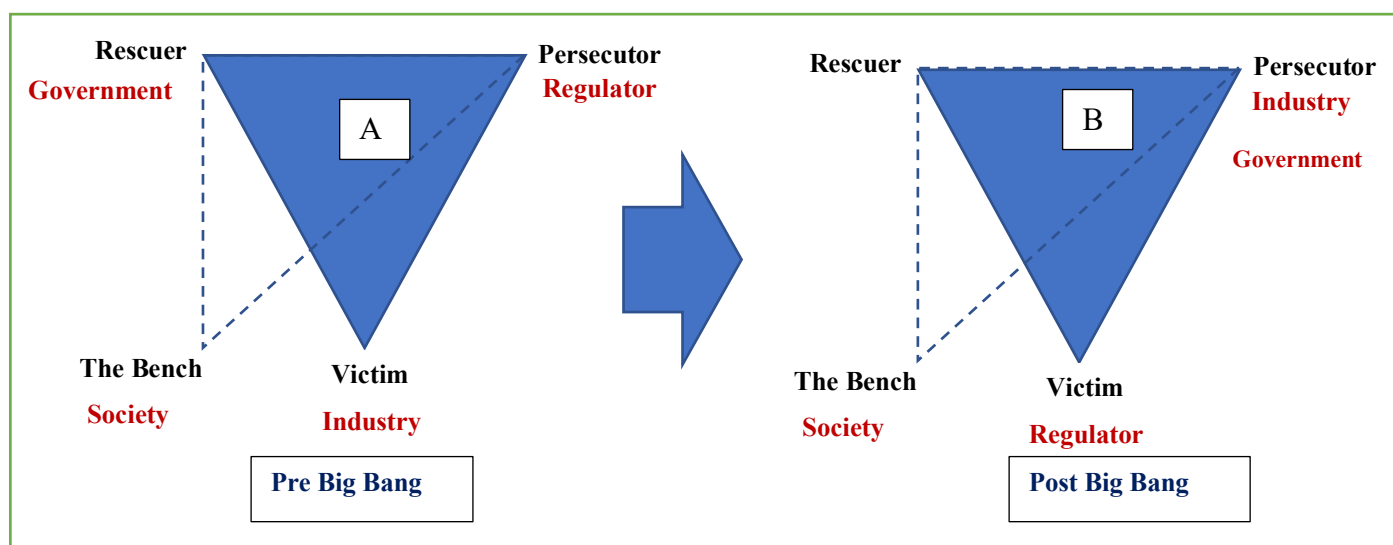


Figure 7: The Drama of the Big Bang

Under those regulatory conditions, a perfect storm occurs that escalates the previously described dynamics in the industry to a crescendo, which is the crash of 2008:

They are actually much responsible as we are, creating those kinds of product; as much as actually the regulator, seeing this happening and not taking action.

- Irfan

At this point government gets involved in both rescuing the industry and in effect protecting society against the catastrophic consequences of the crash. This means that an overinflated industry contracts, impacting society's ability to reap the same benefits that they were before. The shadow, persecuting side of the phantastic object comes into societal experience. Homes are repossessed, credit is not available, interest rates drop, and this impacts the standard of living. Government needs to bail out the banks and to do so it needs public money. This means austerity measures are put in place and society now feels victimised by the industry, the 'bad bankers'. The narrative becomes about how the public rescued the banks and projections of negative emotions such as greed, envy and hubris are rife in the system, as shown in Figure 8.

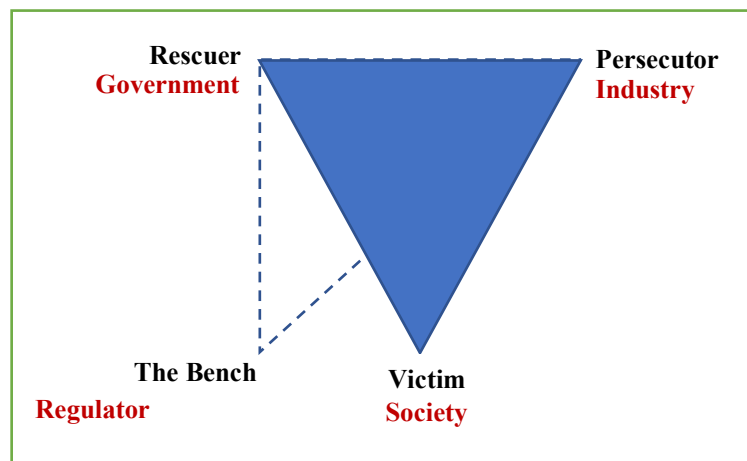


Figure 8: The Financial Crash

Very quickly, in rescuing the Victim society, the government recruits the regulator into the Persecutor role, and the industry then gets pushed into the Victim position (Figure 9, triangle A). In this case, society moves to the Bench.

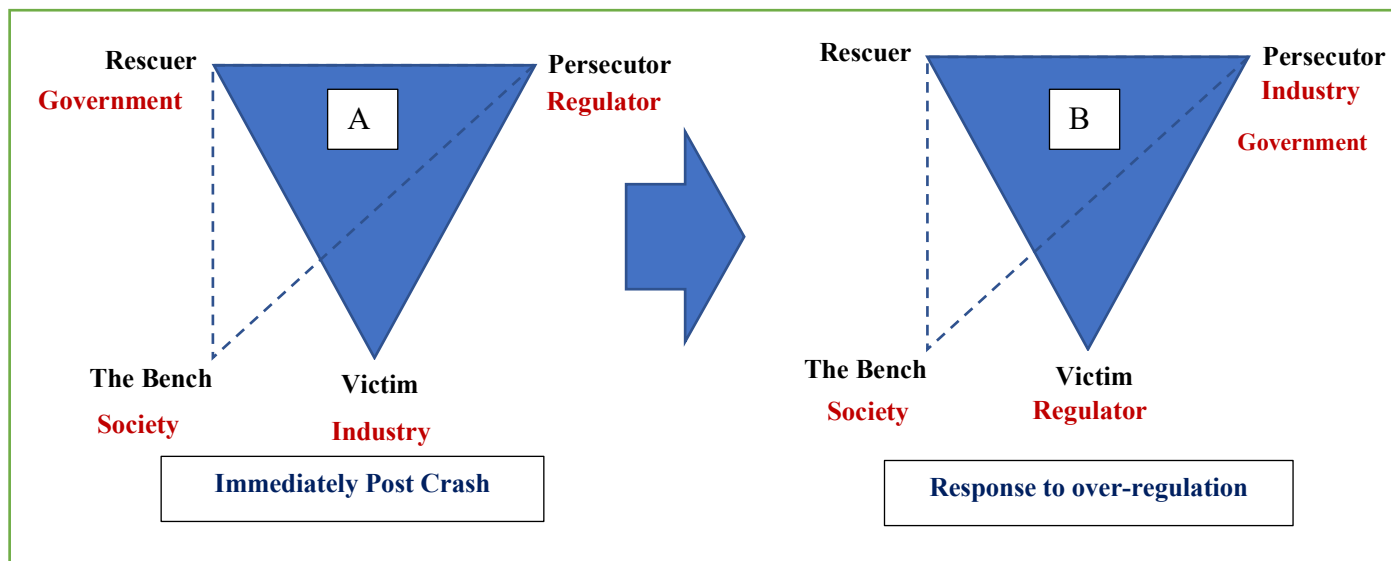


Figure 9: The Drama of the Crash of 2008

At this point, in the Victim position, the industry rebels and takes on the Persecutor role, e.g. by HSBC threatening to leave as there is too much regulation, or the backlash against DB²⁴ pension schemes that are impacting employers. History has seen examples of this behaviour in the past. For example, the East India Company, Britain's and arguably the world's first joint stock company, behaved in a similar way when it was facing regulation and taxation by the local governor of the Carnatic region.²⁵ It warned that it would move its operations, thereby affecting the livelihoods of the local weavers and merchants:

In this way, the EIC prefigured by 300 years the response of many modern corporates when faced with the regulating and taxation demands of the nation state: treat us with indulgence, they whisper, or we take our business elsewhere (Dalrymple 2019 p 35).

Once again, the government steps in to rescue the situation. Society watches from the side-lines with an anxiety of loss for the phantastic object. The regulator gets recruited into the Victim position and the focus becomes change in the regime.

²⁴ A DB pension scheme is one where the pay-out is based on the employee's tenure and salary

²⁵ A region in southern India during the Mughal Empire. This incident takes place in 1701.

So, you have the politicians of government that sets the parameters, you have the regulators that play within the parameters of what the politicians allow them to play and then the industry has to play within the boundaries of what that game is.

- Maureen

The regulators become persecuted even though they are doing exactly the work required of them. Persecution comes in the form of change and the reduction of regulatory powers.

But the former head of Hong Kong's Securities and Futures Commission did not always have the confidence of government officials, who have privately urged regulators to take a lighter approach as the economy improves and banker-bashing falls out of favour (Fortado , Parker et al. 2015).

And, in this way, the game carries on. This is also no different from the dynamic that existed pre- and post-Big Bang in the 1980s, as described earlier.

9.3 What does this mean?

Whilst the Drama Triangle proved a useful tool in this analysis, it only described the surface-level dynamics. In order to reach beyond these, I overlaid this approach with psychodynamic theory. A systems psychodynamic perspective enables the interrogation of primitive survival needs playing out in the system. In order to manage this survival anxiety, various unconscious processes are at play. Different industries end up playing different roles in society in order to deal with these anxieties; for example, the National Health Service has been called a 'keep-death-at-bay' service (Obholzer 2019). Similarly, if the anxiety is that '*if we do not have money we will perish*', do the financial services become the 'piggy bank' for the nation – the 'keep us alive' service?

Social contexts are important to consider as these have an impact on the system. The social values of right and wrong are also important contributions to the unconscious processes that are unfolding (Papadopoulos 2015). This context

changes over time and contributes to the anxiety in the system. For example, the nature of work and our working lives have changed over the years. The current context of technology has given rise to different anxieties that the system now has to deal with. The mechanisms to deal with this anxiety are not just widespread group defences but are a consequence of the changing nature of organisational life and contexts (Krantz 2015). This possibly also explains the changing nature of the FS industry and its position in the system – changing from the narrative of a grounded stalwart in society to the caricature of the greedy banker.

The multiple entities in the system are positioned in the different roles based on the context and the anxiety. Taking a view that these are primitive anxieties, could it be possible that the system has found itself in a state of paranoid-schizoid functioning, where splitting is rife? This means that different entities get positioned as seemingly good or bad objects. This is another way to describe the Persecutor and Rescuer roles on the Drama Triangle.

Whilst each entity in the system has a role to play, I will attempt to explain this dynamic from the perspective of UK society. The system employs various mechanisms to deal with anxieties and through the lens of basic assumption functioning, the idea of Fight–Flight and Dependency seemed to be emerging from the data. Take, for example, the idea of complexity as a defence, as explored earlier. Whilst complexity could possibly be one of the defences the industry employs in order to deal with the anxieties of survival and persecution, perhaps this complexity creates a dependency in the wider system. Could it be that the consumer is unable to deal with the complexity of financial products and engages in a basic assumption of dependency? This also occurs in the industry to provide a solution to the consumers' requirements, to debunk the complexity of the system and to enable them to financially be secure. At the same time, there is also dependency on the regulator to protect the consumer and keep them safe. The dependency switches from industry to regulator based on the context. This is how the roles on the Drama Triangle switch as well. Dependency on the Rescuer is in relation to who the Persecutor is. This idea comes into play that if one of these is the good object, the other must be pushed into the position of the bad.

The following diagram, Figure 10, attempts to explain how this works.

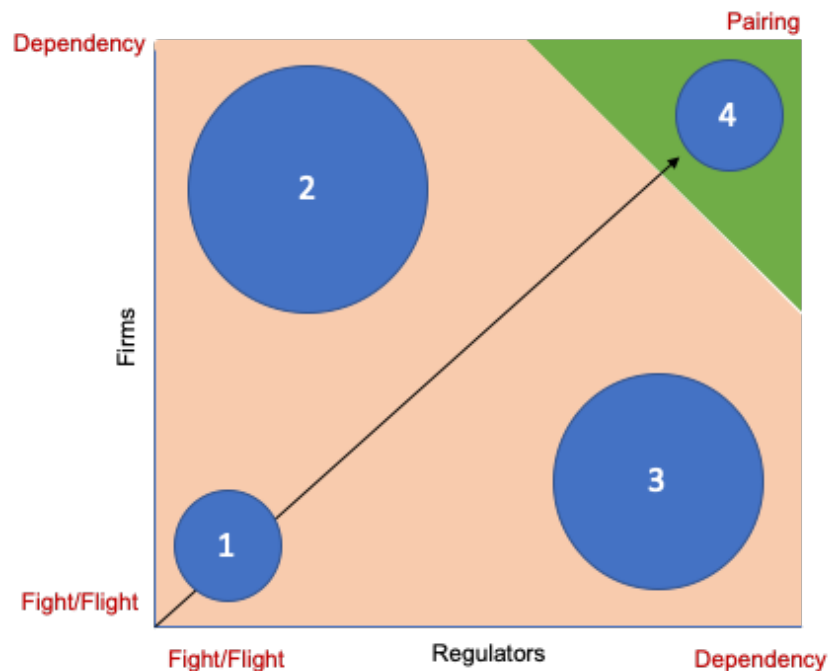


Figure 10: The playing field

In position 1, society takes on a Fight-Flight position whereby there the financial services industry (including the regulators) is seen as the bad object, with the persecutors needing to be killed off. This is what we saw immediately post-crash, when the government stepped in to rescue society by sanctioning firms and restructuring the regulatory bodies. There is a denial of societal participation and blame is entirely placed at the doors of the financial services industry (including the regulatory bodies). This makes the industry the system's scapegoat. The idea of a 'scapegoat' has its roots in biblical writings. The idea, essentially, is that a community would burden an animal, usually a goat, with its sins and misgivings and then cast the animal out into the desert. By doing this, the community sought to absolve itself of responsibility for its failings and to load this instead onto the animal. In systems psychodynamic terms, the scapegoat becomes the object onto which the rest of the system can load its negative projections.

In position 2 in Figure 10, there is high societal dependence on the industry and a Fight-Flight relationship with the regulatory mechanisms. When the economy booms

regulations are made the bad object as they are seen to be restrictive, both for the industry and indirectly for the wider system. Governments are mobilised to 'persecute' and dismantle regulatory mechanisms. Other group defences get deployed, such as turning a blind eye. Society, in the Bench position, utilises this defence whilst the system plays out the other roles in the Drama Triangle. Those on the Bench are 'pseudo bystanders', which means that they are not passively witnessing the dynamic but are actively choosing not to participate in it. Turning a blind eye enables them to achieve two things: it absolves them of the responsibility of the dynamic; however, it also enables them to reap benefit from it. The key element here is the choice not to participate as it serves a purpose for them not to do so. It could also give out the message that the dynamic at play is being condoned and, for all purposes, colluded with. Often information regarding the gravity of the situation is available (e.g. disclaimers that houses will be repossessed if mortgages are not repaid); however, those employing the 'blind eye' tactic could avoid reaching these difficult conclusions. This unconscious collusion serves a purpose, mainly to defend against the vulnerability that the situation presents.

In position 3 in Figure 10, there is high dependence on the regulator to Rescue society from the Persecution of the industry; for example, in the period following the financial crash. Regulators are looked upon to protect society by employing strong regulatory mechanisms that protect the consumer. Governments are mobilised here to persecute the industry through the regulatory frameworks and create societal dependence upon the regulator to protect against the bad behaviours of the firms. The role of protection is projected on to the regulator, creating a dependency and absolving society from responsible consumption.

It would appear, then, that society is in a paranoid-schizoid state, where there is persecution from one entity and security from the other (the orange area in Figure 10). The idea that the unconscious processes in the Drama Triangle are repetitive speaks to this, in that at different points in time different entities of the system are placed in the position of the good or the bad object. As societal dependency oscillates between regulators and the industry, it pushes each of the actors into different positions on the Drama Triangle. These different positions are based on the

symbolic place they occupy in the collective psyche of society (Daum 2019). However, the conceptualisation of the relationships seems to be inverted. In that, when the industry is seen to be good, omnipotent and all-providing, regulators are seen to be bad and restricting. However, when the roles change, and the industry is seen to be persecuting, the regulator takes on the role of the rescuer. And, in all this, the part that society plays in these projective processes is obscured.

Dealing with the primitive anxiety of survival keeps society in the paranoid-schizoid position. However, if industry and the regulator are able to form a formidable, sophisticated pairing and work in a collaborative way, could society be pulled into a more depressive position (the green area)? Meaning that the system may be able to integrate the good and the bad objects, in the understanding that the creation of wealth and regulation co-exist in order to protect against survival anxiety.

This chapter outlines the different stakeholders and their roles. It describes potential unconscious dynamics at play in the system. In the next chapter, I will tackle the final part of the research questions and outline some implications for different parts of the system. I will talk about how systemic interventions could bring about long-term change by dealing with the culture and dynamics I have explored in this thesis.

Chapter 10: Some implications for sustainable interventions

This chapter attends to the final part of the second research question: what are the implications of the unconscious dynamics at play for firms, individuals, regulators, the government and consumers? This subject has warranted an entire chapter as I believe these implications are important considerations for various parts of the system and for consultancy interventions.

In authoring this thesis, I have been struck by the complexity of the unconscious dynamics at play in this system. I have also been struck by the sheer speed and velocity with which events have happened over the past few decades. My research leads me to wonder if that one of the biggest problems that FS organisations face is jumping quickly to solution mode following a critical event. In the following quote Tony describes his experience with the regulator:

I have never had the regulator coming in and saying what's your best practise, what's going right? Let's pick some of the controls and things we see in your firm that we should apply to the rest of the market. I have never been through that situation... most of the time I am there picking up the pieces because we have done something wrong. Or something is broken.

The experience Tony describes points to a tension between remediation versus prevention. The reason for this could be to preserve the phantastic nature of the object and, in so doing, deny any vulnerability that it may have. And when a vulnerability is exposed it is dealt with swiftly.

This leads us to search steadfastly for a solution that will reduce the anxiety of harm to the phantastic object and not necessarily solve the actual systemic issue.

Immediate structural solutions are a fallacy as they seem to mask the systemic and underlying causes of the events that have been witnessed up till now in the industry. They provide a container for the anxiety as something is seemingly being done in order to manage the damage to the phantastic object. As mentioned previously, exposing its vulnerability takes away the phantastic qualities of the object. For

interventions to be effective, we need to peel beyond the layer of symptoms and expose the underlying root causes.

A number of interventions have taken place since the crash. The industry has been through remediation and restructuring. Individuals have been sanctioned. And there has been a lot of narrative and push from consultancy firms to work on the concept of risk culture, something I was involved with in an earlier job.

One definition of risk culture as developed by McKinsey and Company is:

The norms and behaviour for individuals and groups within an organisation that determine the collective ability to identify and understand, openly discuss and act on the organisations current and future risks (Levy, Lamarre et al. 2010).

I fundamentally disagree with the concept of risk culture. What is problematic about defining a concept such as risk culture is that it locates the problem entirely within the act of taking risk. The culture of a firm is much larger than its ability to take risks, as we have seen in this thesis. Yes, risk forms a part of the narrative; the mania and omnipotence experienced enables individuals to take on a higher threshold of risk. However, by focussing on a 'risk culture' we are only looking at an incomplete picture of what is possibly going on in the system. What matters is the organisation's overall culture and its ability to impact the organisation's ability to identify, manage and mitigate risks.

Another intervention that has been popular over the past decade is the measurement of culture in the industry. Measurement metrics have enabled boards and executive teams to have a sense of control over what is essentially an intangible construct. If culture is a combination of artefacts, values and basic assumptions, then culture is really a meaning system. The effectiveness of the meaning system can be assessed, but I would question if it is possible to measure it. The danger here is a false metric that then focusses organisational energy on bettering the metric rather than engaging in a truly systemic intervention.

Culture itself, then, is a dynamic process, and this poses serious challenges for measurement. In any determination, what is actually being measured is only as good as the measuring instrument being used, and the complex multiplicity of variables that constitutes an organisation makes it difficult fully to describe any organisation accurately, let alone to 'measure' its culture (Zimbler 2018 p 46).

Having built a narrative of the systemic forces prevalent in this space, I would like to propose three systemic interventions. These are long-range, strategic interventions, rather than remedial ones, and will impact all levels of the system. Using a systems psychodynamic lens, these would take place at the following levels of the system:

- At a societal level, to demystify the phantastic object and make it more accessible.
- At an organisational level, to create clarity around purpose for each organisation.
- At a wider systemic level, to enable the various entities to caution against perpetuating an unconscious, unproductive game.

10.1 At a societal: demystifying the phantastic object

From a very young age I had the privilege of learning, albeit informally, from my father about the financial services system. I learnt very early on about savings, about credit and about money management. This has helped me throughout my life and an understanding of the financial services has been second nature to me. I believe this has done two things: it has helped me to be less dependent on the industry for personal decisions in the long-term – I have been able to prepare myself and my family for the future – and it has also demystified the FS world for me. This links with Meta theme 1 (Industry from the outside) in this study which speaks of the mysticism surrounding the industry.

The Financial Lives Survey run by the FCA (FCA 2018) was a large scale study taking into account the opinions of 13,000 adult participants across the UK. Some key statistics from this study are:

- Only 3 per cent of UK adults are unbanked.

- Large proportions of adults use consumer credit in urban (77 per cent) and (68 per cent) rural areas.
- 3.1 million adults have high-cost loans in the UK.
- 31 per cent of adults do not have a private pension provision.
- The state is the main pension provider for 44 per cent of all retirees.
- 57 per cent of UK adults have no or less than £5000 of cash savings.
- 16 per cent of UK adults rate themselves as highly knowledgeable about financial matters.

This data, along with the participants' accounts in this study, supports the hypothesis that the industry is mystified yet intrinsic to our lives in the UK:

If you think of the American society, the first thing the guy is going to do in the morning is check the stock prices. In the UK, we're kind of getting there but not really. If you go to France the guy doesn't know what a stock is. It's only for the elite – for, like, the top of the crop, right – because those guys have actually money and they got there because they have money. But they don't teach you that in school.

- Irfan

We don't teach basics in school. But we don't teach it in Maths; we don't teach budgeting. And then we send our kids straight out of school into university where they accrue 50 grands' worth of debt, so that is normal for them when they start their fledgling adult lives.

- Linda

I'm well aware, we have huge issues about consumers finding pensions difficult to engage with. It isn't only that they're complex and they deal with the parts of their life that perhaps they don't want to think about yet.

- Maureen

It is dangerous for us to rely on a system that we don't fully understand or know about. Regulatory measures have forced employers to offer pension schemes (auto-

enrolment pension scheme²⁶) to employees on an opt-out basis. However, if employees are unable to understand the benefit or to take a long-term view, they will not engage in saving for their future.

Perhaps financial capability should be taught from a young age. This does not mean the basics of accountancy, maths or even financial planning. What I mean is helping to build the capability of the next generation to engage in a service that is integral to their lives and that will impact them forever. FS is not just for the elite. As participant Linda says: *'Young people are in debt as they begin their adult lives.'* Helping young people to understand how the financial services work will also help to bring the industry closer to the consumer or the future consumers. It will help to debunk the complexity and the fantasy of all that has been built up around the industry.

More importantly, this approach could create a more responsible relationship between the industry and society. The manic consumption that we saw pre-crash came with dire consequences. However, the dynamics of the situation were such that consumers were unable to see or ignored these consequences for the short-term benefits that they offered. Limiting access to credit will force individuals underground and create a resurgence in unregulated credit products such as payday loans. Rather than regulate behaviour post-facto, which is treating the symptom, we should shape behaviour through building capability to tackle the root causes. Providing society with the means and resources to make informed choices and decisions will lift it out of the Victim, dependent position. Helping consumers to use money as a way to develop and sustain a standard of living, rather than offering them the fantasies of wealth (Gill and Sher 2012), would be a significant step. This will enable more considered choices, especially in terms of the personal impact of financial decisions.

²⁶ A UK government initiative that mandates every employer normally working in the UK to create a workplace pension scheme and contribute towards it. Staff are able to opt out should they desire but it is the employer's responsibility to ensure that a scheme has been set up.

10.2 At an organisational level: connecting with purpose and values

This recommendation links to Meta Theme 2 in this study (Industry from within) which relates to the behaviours that are experienced within organisations. Many organisations began redefining the parameters of their culture after the crash. In 2018, the FCA conducted a transforming culture conference and many academics and experts were invited to participate and contribute. I took part in the conference and was invited to contribute to the FCA's collection of essays.²⁷

The conference and subsequent pursuits considered a variety of topics, such as focussing on behavioural science to guide incentives, the role of leadership and beyond, applying a strategic focus, creating an environment of trust and openness and applying a systems perspective.

More and more firms are now engaging in initiatives around diversity and inclusion. I referred to The Women in Finance Charter earlier. There are now other such charters with regards to race and other diversity considerations. These charters represent an encouraging starting point but do not go far enough. Creating quota systems is a good way to kick-start the process of change; however, firms need to engage in a change of mindset – not just a change in the rules.

In my consulting work, I have spoken to many executives and asked them what the purpose of their organisations was, and many have replied: *'We are a commercial organisation and we exist to make money.'* I question whether making money is an outcome rather than a purpose. The British Academy's recent work has shown how a focus on capitalism has guided many UK organisations away from their core purpose. They argue that strong corporate purposes should be about solving the problems of the people and the planet – and not the pursuit of profit:

A corporate purpose identifies how the company assists people, organisations, societies and nations to address the challenges they face,

²⁷ Discussion paper entitled DP/18 Transforming culture in the Financial Services.

while at the same time avoiding or minimising problems companies might cause and making them more resilient in the process (Mayer 2019 p 8).

I have noticed over the years how more and more younger members of the workforce are seeking out the organisation's purpose and checking whether it aligns with their personal sense of purpose. For them, climate, environment and equality are seen to be higher priorities than a large reward package and a bonus.

From a FS firm's point of view, the definition of a clear, larger purpose for the organisation and an alignment of individual goals with this purpose will be a key factor in managing some of the dynamics we can see. If individuals are constantly checking everything they do against the purpose of the firm this will allow them to self-select behaviours that contravenes the purpose. If profit is an organisation's only motive, this will fuel the omnipotent manic behaviour we have seen. Measurement of only profits generates the survival anxiety discussed earlier, whereas an alignment of performance, investment, impact and culture with fulfilling the purpose will create positive and intrinsic motivation – rather than a persecutory one. Purpose recognises the interdependent relationship with key stakeholders, rather than a dependent one (Goshal and Bartlett 1999).

Aligned with the definition of purpose is the concept of values. This brings me back to the Scheinian concept of basic assumptions that form the bedrock of an organisation's culture. In previous chapters, I have explored the way in which these unconscious assumptions play a critical role in the development of the culture. These unconscious ways of behaving are pervasive and are also unconsciously passed down through the generations of organisations. For me, what is missing from the current narrative of change interventions is a connection back to core values. Value sets are guiding principles; they allow all employees to have a clear understanding of the expectations around behaviours.

Purpose helps to paint a picture of the higher order goal and answers the question: *'Why are we doing what we do?'* Values, on the other hand, give individuals within the organisation an understanding of: *'How do we need to be and behave with each other in order to achieve this.'* One cannot regulate for values; they need to be

understood and become a part of the normative behaviour in the organisation. Value sets that are static are just that – unliveable. Firms must spend time on defining clear value sets with their employees. They must then create the environment where employees can be held to account for contravening these.

Purpose and values are two key areas that I believe organisations need to work on to deal with some of the dynamics we have seen play out and that have been discussed in this study. A clearly articulated and defined purpose along with a set of lived, embedded values will create the parameters and boundaries required for appropriate behaviour in FS organisations. These mechanisms will counteract the systemic forces at play discussed earlier, as they clearly outline the behavioural expectations for participants in the system.

10.3 At a systemic level: stepping off the Drama Triangle

Regulations are designed to create boundaries that enable businesses to conduct their affairs without unfairness, fraud and improper behaviour. Regulations exist to safeguard businesses and also the consumers they serve. For example, without food safety regulations, public health would be impacted by the inconsistent application of hygiene protocol in businesses that serve food. This application of a regulatory framework creates a level playing field, with clear expectations on how to behave and function as an industry. And, for their consumers, there is a clear expectation on what to expect from the businesses they deal with.

However, regulations alone are not enough to manage behaviour. Whilst regulations and rules are a containing factor, they can be and are circumvented – especially when there is a feeling of omnipotence and manic behaviour ensues. In many of the cases I worked on in the City during the crash, the rules and regulations were abundantly clear; however, we still saw examples of ‘bad’ behaviour.

The real question here is the role and the type of regulations that are required. Most regulations are aimed at regulating business practices; however, to what extent do regulations also enable consumers and the wider society to function within this system in a safe yet positive manner? Regulating societal consumption stands the

risk of creating an Orwellian nanny state. It may not allow members of society to function as adults with agency and ownership, creating instead a dependency on the regulators or government.

In the previous chapter, the idea of a sophisticated pairing was presented. A sophisticated pairing works in a collaborative way with the sense of there being a mutual task and shared responsibility. There are indications that the Financial Conduct Authority is engaging in this behaviour more often, by inviting firms to work together to solve the riddle of transforming culture in the financial services. What remains to be seen is whether firms are able to take up a sophisticated position of collaboration and not feel persecuted by the invitation.

Much of what I have found and discussed in this thesis refers to the unconscious systemic forces. These link with themes found in Meta Theme 3 (Impact on behaviour). The key word here being ‘unconscious’ and therefore out of awareness. When behaviour is out of awareness it is difficult to modify, as we do not know or understand the reasons for it.

A first step in this process will be to bring to consciousness some of the dynamics that are prevalent. The current narrative perpetuates the dynamic and needs to change. This discourse also stokes the flames of victimhood, enabling us to demonise the other – *‘the bad bankers’, ‘naïve consumers’* or *‘corrupt politicians’*.

And the press, like, obviously get all excited and all worked up when those things comes up, and it is what it is. I mean, put it this way, you are actually guilty even before anything happened, right. Why? Because you’re actually labelled finance.

- Irfan

In the Victim position no one takes responsibility for their part in the game. It is also difficult to do so, as the most vulnerable group in this is society as it stands to lose the most from annihilating either the containing government or the phantastic object, i.e. the financial services industry. Society plays a big part in this dynamic through

the manner in which it consumes financial services products. Consciousness is power; by bringing these dynamics into consciousness we can take agency and meaningfully change our part in the process. If these dynamics are in the realm of the unconscious, the anxiety causes us to employ various defences, thereby perpetuating the dynamic. What I am attempting to do here is to resist demonising any one group; rather I wish to call out all the entities that have a part to play in this system and its dynamics.

Chapter 11: Conclusion

The global financial crises brought to the fore the dark underbelly of the financial services. Stories of greed, excess and perversion were part of the popular discourse. Anyone who worked in the financial services began to be viewed with suspicion and, as per the accounts of some of the participants in this study, became the focus of public scorn. The system became fragmented and the industry was split off from the rest of society, with negative projections becoming located in the industry. It was difficult to see the interconnectedness of the system and provided an easy scapegoat when the anxiety was high. Incidents such as Payment Protection Insurance²⁸ or LIBOR rigging only continued to fuel the narrative.

A number of structural remediations have been put in place since 2008 in order to manage and control behaviour. However, more recently the Financial Conduct Authority outlined the requirement for:

...a shift from linear thinking about culture and conduct to a dynamic, systems perspective (FCA 2018).

This calls for an approach that moves away from the traditional cause–effect thinking – i.e., that greed and hubris caused the crash – to a more systemic one. In order to better understand the complexities of this industry, an interrogation of the interdependencies of the various parts of the system and their impact on each other need to be considered. This research study aims to do exactly that. Whilst the study cannot claim to be a comprehensive analysis due to its size and nature, the intention in it is to uncover some of these systemic dynamics for further consideration. The systems psychodynamic approach has enabled me to understand these dynamics that were in the unconscious and out of awareness.

Let us revisit the two main research questions and their sub-questions:

²⁸ This product enables consumers to ensure the repayment of credit in case the creditor is unable to do so due to illness, disability, unemployment or death.

1. What is the dominant culture of the financial services?
 - a. What influences the creation and perpetuation of this culture?
 - b. In what way is this culture impacted by the socio-cultural system it exists within?

2. What are the systemic forces in the culture that influence the social dynamics (individual and group behaviour) in the financial services?
 - a. Who are the main stakeholders? Who has influence? Who is impacted?
 - b. What unconscious dynamics are present amongst the players and in the system?
 - c. What psycho-social pressures are at play?
 - d. What are the implications for firms, individuals, regulators, the government and consumers?

I have always maintained that the UK financial services industry is a complex and multi-layered industry, and that the notion of a singular monolithic culture would be difficult to establish. Through this study, it became apparent that the notion of there being a dominant culture would be a fallacy due to this complexity. However, what has emerged (from this data set) are some dimensions of culture of the industry; aspects such as strong boundaries, feelings of invincibility and entitlement, strong belief systems, anxieties of persecution and survival emerged from this study. The idea of the phantastic object was applied to understand how these dimensions emerge in the industry. The financial services industry was regarded as an object of desire by the participants in this study. They sought out (whether consciously or unconsciously) what the industry could offer – such as status, intellectual stimulation or security – and the industry seemed to be able to provide these better than any other career choice.

The majority of individuals do not enter organisations with the intention to cause harm or to engage in destructive behaviour. More often than not, they enter wishing to progress the aims and fortunes of the companies they join (Long 2019). The accounts of the participants in this study point to some of the environmental factors

that could possibly push people into behaving in certain ways. Once on the inside, they worked hard to maintain their positions, experiencing survival anxiety in the process.

The reported high survival and paranoid anxiety creates an environment of fight/flight, a response aimed at reducing this anxiety. And individuals therefore behave in ways intended to protect themselves and reduce the anxiety. Systemic anxiety has been an important consideration, as a number of the dynamics that this research has grappled with have concerned systemic defences against this anxiety. This study does not attempt to absolve anyone of wrongdoing; however, it raises the question of environmental contributions to behaviour. Those who have committed crimes must be held to account. This study raises the important question of how the cultural environment in the UK financial services creates the conditions that both allows and, in some instances, compels individuals to engage in rogue behaviour. These are the intra systemic dynamics within the FS industry.

An inter group dynamic was explored through the use of the Drama Triangle. Here, the different parts of the system play out an unconscious game in which they take on the positions of Victim, Persecutor and Rescuer. I propose the idea of *'the Bench'*, a position that must be differentiated from that of the passive bystander to one who is waiting to be recruited into the game by the other players. The study explores how this dynamic is created and how it perpetuates.

The study raises some considerations for systemic interventions – not just to prevent events such as the crash of 2008, but to create systemic change across the wider system and not just the industry. At a societal level, this means educating all parts of the system about the financial services industry and its offerings; building the capability to deal with and understand the industry; and creating both informed consumers and industry workers. At an organisational level, it means connecting FS industry companies to a sense of purpose and to their values. This will help to create non-negotiable, self-regulated behaviours that will in turn help to develop stronger cultures. And, finally, by raising consciousness of how various parts of the system

play a role in it, we could possibly create a system in which people are consciously accountable for their actions.

The story of the Koh-i-Noor diamond has been a guiding light through this research project for me. Themes of persecution, villains, victims and heroes are key components of the story, as they have been in this research study. The narrative has everything from 'bad bankers', the 'rescuing regulators' to, as one of the participants put it, 'insurance as a fourth emergency service'. As with every good story, it is easy to be seduced into the drama and to vilify and focus on certain characters in the narrative. What this study aims to do is to raise an awareness of the different parts we all play in what is a complex, interconnected and interdependent system.

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Appendix 1: Ethics approval

The Tavistock and Portman 
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Ajit Menon

By Email

12th September 2017

Re: Research Ethics Application

Title: An exploration of culture in the UK Financial Services and its impact on behaviour

Dear Ajit,

Thank you for submitting your updated Research Ethics documentation. I am pleased to inform you that subject to formal ratification by the Trust Research Ethics Committee your application has been approved. This means you can proceed with your research.

If you have any further questions or require any clarification do not hesitate to contact me.

I am copying this communication to your supervisor.

May I take this opportunity of wishing you every success with your research.

Yours sincerely,

Best regards,

Lisa Dean
Quality Assurance Administrator
T: 020 938 2659
E: ldean@tavi-Port.nhs.uk

cc. Judith Bell, Course Lead

Appendix 2: Participant information sheet

Participant information sheet

Research Title: An exploration of culture in the UK Financial Services and its impact on behaviour

You are invited to participate in the above-named research study. It is important for you to understand why the research is being done and what it will involve. This document outlines the purpose of the study and what you can expect during the interview process. It will also outline how the research data will be used and the final outcomes of the project. This project is being sponsored by the Trust and has been approved by the Tavistock and Portman Research Ethics Committee (TREC).

Project Description

The purpose:

This is a research project being conducted through the Tavistock and Portman NHS Foundation Trust towards a doctoral degree in 'Organisations and Consultation'.

This study aims to explore the culture in the UK Financial Services industry. There have been a variety of explanations put forward to understand the financial crisis and a popular discourse has been around the behaviour of the big financial services firms particularly in terms of immorality and greed. New governments and regulators have subsequently made laws and regulations tighter in the hope that we can prevent behaviours that led to the recent events. However, despite sanctioning firms in the industry for their behaviour we find that incidents seem to be repeating themselves.

Through this research I aim to provide an explanation to the behaviour that we see in an industry that has many players – firms, regulators, governments and consumers and society at large. Furthermore, I hope that the work may lead to a framework that will ensure interventions are more systemic and not focussed only on firms developing a risk mind-set.

Your role:

Your role in the study is entirely voluntary. If you decide to proceed after reading this information sheet, I will give you a consent sign to form. You may withdraw at any point and do not have to explain your reason for withdrawing. If you choose to withdraw from the study altogether you must do this within 4 weeks of the interview. Once analysis has begun it will not be possible to exclude your data from the data set. All your information will be kept confidential and in reporting back, all data will be anonymised. You will participate in a 90-minute interview that will be recorded for research purposes. I will offer you a copy of your interview should you desire it. If you are a financial services industry worker, you will be aware of your obligations under the UK Financial Services regulations to

report any misconduct that you are aware of to your designated compliance officer. You should not use this interview to disclose previously undisclosed information relating to misconduct or fraud.

Confidentiality:

An identifiable information pertaining to you or the organisation(s) you work for will remain strictly confidential. In typing up the transcript and in written reports your information will be substituted to ensure that it is completely unidentifiable. The audio files will be encrypted and stored in a secure online location only accessible by the researcher. In line with the 5th principle of the Data Protection Act (1998), your personal data shall not be kept for longer than is necessary for the purposes for which it was collected.

As this interview is recorded and used for the purposes for research, I would like to remind you that I may be obliged to report any information disclosed by you and considered to be a breach of any financial services regulations, including, but not limited to money laundering, anti-bribery and corruption, to the relevant authorities in compliance or even the police with all applicable laws and regulations.

Results of the study:

The results of this study will be written up into a research report as a part of my doctoral programme at the Tavistock and Portman NHS Foundation Trust. Subsequently this work may be submitted to academic journals for publication and will be written into a book. All names, locations and organisations will be anonymised.

Risks and benefits of taking part:

There are very few risks of taking part in this study. It is unlikely that these interviews will cause you distress or that you will find them disturbing. I am hoping that you will find the interview experience interesting and give you an opportunity to reflect on your own journey within the Financial Services. However, should you feel distressed and require counselling support I can direct you to the United Kingdom Council for Psychotherapy where you can find the relevant resources that you may need. As a consumer, should this interview bring up issues where you require support I can provide you with the details of the Money Advice Service and the Financial Ombudsman Service. As an industry worker you should contact your compliance officer if you feel you have information that needs to be reported following this interview. Should you become distressed during the interview, you or I may end the interview without any pressure.

Ethical approval:

This project has been approved by the Tavistock and Portman Foundation Trust's Research Ethics Committee (TREC). Should you have any further questions on the conduct of this study please contact Paru Jeram, Quality Assurance Officer Tel: +44 (0)20 8938 26

Appendix 3: Focussed codes

A culture of entitlement	You can get away with anything if you bring in the money	First job out of qualification	FS has the money to solve problems	Feeling disenfranchised	Noone is indispensable	Trust in FS	The power government gives regulators	Gender roles in the industry	Tweaking the model
Arrogance	A world of opportunity	Realised the need for a professional qualification	High levels of salaries	Feeling of pace, excitement and energy	Personal attributes	Relationship between the industry and regulator	The role of the regulator	Masculinity of the industry	Value of the work you do in the industry
Arrogance	Always wanted to be in Finance	Thorough understanding of the industry	Money as a driver	Caught up in the frenzy	Pressure to perform	Capability of the regulators	Inability to deliver what is promised	Women in the industry	Felt a professional qualification was essential entry point
Predicted the GFC	Drawn to the industry	Value of experience over technical skills	Money equals to value and status	High pressure and high stress environment	Protecting oneself	Commercial value of regulators versus FS industry	Limitations of the regulators	Impact of the industry on those who work there	Entered financial services by chance
Being the chosen one	FS seen as being phantasmagorical	Original education was different from career	Reward for good performance	Highly scrutinised	Proving one's worth	Industry using regulatory competence	Setting the standards and enforcing them	Coaching and Development seen as an unnecessary overhead	Difficult to differentiate
Egos play a big role	Pace of growth in the public sector is much slower	Complexity of financial services	The value of reward	Organisations suppressing speaking up	Self promotion	Industry's experience of the regulator	The different players and their relationships	Popular narrative of the FS industry	Need to protect oneself
Finding a way around the regulations	Provided a good solid career	Diversity and complexity of the industry	Trapped by the lifestyle	Not knowing how to challenge bad behaviour	Shame of failure	Regulators looking for what has gone wrong	Outsiders experience of FS	Insiders and Outsiders	Making an impact
Incentives rewarding poor behaviour	Bankers are a bad word	High levels of complexity	Distance from the consumer	Playing games	The price to pay for success	Regulators playing catch up	Consumer experience	Personal relationships	Focus on the consumer
Seeking perceived equity for the work they do	Belief system	Organisational complexity	Balancing the needs of the consumer and the organisation	Relationship to organisations	Your value can change really fast	The role of the Government	Consumers do not have the capability	Technically niche	Strong sense of purpose
Sense of self-worth and value	Doing the right thing	Controlled by a few	Inability to connect with the non FS world	Used by the organisation	The industry changes you very quickly	Change in regulatory focus	Perceptions of the industry	Desensitised to the value of money	Career by chance and not design
Short term gain	Insurance can be a fourth emergency service	A small club	Industry's Perception of the public	Being set-up	Parental expectations	Lobbying power of business	Focus on performance	Castles in the air	Developed a career
Need to grab the benefits whilst they last	Finding meaning in work	Controlled by a small group	Not considering the needs of the consumer	Not clear about organisational intent	No family background in financial services	Lobbying power of consumers	Hit the ground running	If you fail you are out	Confidence about competence
The big scandals that had an impact	Regulation had more intellectual challenge	Embarrassed because FS made them an outsider in their community	The role of the FS industry	Role of the line manager	Regulatory impact on customer experience	The behaviour of politicians	Fear of making a mistake	Misaligned leadership	Survival Anxiety

*NB the codes are not colour coded but arranged in this manner in MS Excel

Appendix 4: Initial attempt at analysis

- Presenting as a man./strong fight. drive to succeed.
- No fantasy about where she works. (Barclays)
- Not a top manager or leader
- Story about power learning power from various players.

Depth lacks in what she says.
 Response of frustration cannot environmentally connect

The game?

AM	What draws you to financial services?	
JH	Umm... so I think it is possible to face the question as what has kept me in financial services. Um... because I am not sure I will stay in financial services for much longer. And <u>what's</u> kept me in financial services or in the business of the regulation of financial services has been that need or desire to join everything up to try and get the holistic picture, to try to be the most effective and efficient that we can be. And the thing that has kept me there for so long has been the fact that we haven't been there. And I could train my path to make it better to make it more coherent. Um... and probably some of the change that I have set about doing is not rocket science. But I have paved the way for <u>some of the rocket scientists to come after me.</u> So I have done a lot of the basic fundamentals if you were working in a commercial organisation you would be surprised that we didn't have. So things like the sector views in the business of regulation they are ground breaking no other financial regulator in the world does the sort of analysis that we do. And I have spoken anecdotally to lots of other regulators like the utilities regulator and they don't do it either. But if you worked for Mars or Nestle or any other big commercial organisation that you can think of in the world, they couldn't imagine not having something like that. And, so, <u>what's</u> kept me in financial services has been the sense that I know what the problem is and I can play part in making that better.	Control Taking a role Narcissism
AM	You have given me an incredible biographical narrative. How have you experienced this industry?	Why did I think it was incredible
JH	It's been pretty rough at times. So, I think I bring three interesting perspectives to <u>being</u> a senior leader in financial services. Or, three interesting sorts of experiences that you either find individually or collectively in financial services and that is - I bring the social mobility perspective as a fact that I am pioneering in my family. My dad was an apprentice mechanic working for BT and he was a pioneer in his own family his dad was a French polisher and his mom was a school cook. And he moved up from being an apprentice mechanic up to running the southern region facilities for BT before he retired. Um... (long pause) but with a fairly limited education with no role models in my family I am now streets ahead of <u>anyone else in</u> my family. So, how have I experienced that in financial services - I don't know what the rules of the game are. And, my <u>naivety has served me well at many points in the process as I have asked the dumb questions that nobody else from the establishment could ask.</u> That's been fantastic and painful at times. I have been made to look stupid, I have appeared stupid, I have felt stupid on many occasions.	Idea of social mobility Is this a card? Giving the momentum to move away
AM	In what way have you been made to feel stupid?	Is she looking for affirmation
JH	Oh so let me tell you, I remember this one well. When I was at school believe it or not maths was not my forte. So I really struggled and I scraped a C at GCSE for Maths. Slightly odd for somebody working in financial	

What is technical competence? What is valued in this system?