Banking compliance and dependence corruption: towards an attachment perspective

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Abstract

Why did banking compliance fail so badly in the recent financial crisis and why, according to many, does it continue to do so? Rather than point to the lack of oversight of individuals in bank compliance roles, as many commentators do, in this paper I examine in depth the organizational context that surrounded people in such roles. I focus on those compliance personnel who did speak out about risky practices in their banks, who were forced to escalate the problem and 'whistle-blow' to external parties, and who were punished for doing so. Drawing on recent empirical data from a wider study, I argue that the concept of dependence corruption is useful in this setting, and that it can be extended to encompass interpersonal attachments. This, in turn, problematizes the concept of dependence corruption because interpersonal attachments in organizational settings are inevitable. The paper engages with recent debates on whether institutional corruption is an appropriate lens for studying private sector organizations by arguing for a focus on roles, rather than remaining at the level of institutional fields or individual organizations. Finally, the paper contributes to studies on banking compliance in the context of the recent crisis; without a deeper understanding of those who were forced to extremes to simply do their jobs, reform of the banking sector will prove difficult.

Introduction: A compliance manager who spoke up

Eugene McErlean was a former solicitor and had worked with Ireland's AIB bank for eleven years. From 1997 to 2002 he held the senior post of group Internal Auditor. A quiet-spoken man from Northern Ireland, he took his job very seriously. This diligence was to lead to significant problems for him.

McErlean led a team whose remit was to monitor AIB's risk management, governance and internal control processes and assess whether they were operating effectively.

In 2001 he began to hear some worrying stories from colleagues at the bank. Anecdotes circulated that featured certain branch managers overcharging their business clients for time spent giving advice to them. McErlean decided to investigate. He began an in-depth investigation that encompassed all branches of the bank. An audit of this size and scope was unusual but as McErlean later reported, he had an excellent team.

McErlean learned that branch managers had become stressed about new targets for 'management time charging'. These targets were set by regional managers and specified the amount of income that a branch manager must earn through applying a discretionary charge to business clients. Branch managers would often struggle to meet their targets. Under this pressure, figures would be conjured up and added to clients' bills here and there, amounts just small enough so as not to be noticed by a business. McErlean gives the example of a manager who billed a customer for three hours of his professional time, based on a game of golf that they had played together[1]. He recalled how branch managers tended to pick customers who

[1] Joint Committee on Economic Regulatory Affairs, Dail Eireann, 24th March 2009. Questions to Eugene McErlean.

were unlikely to argue about the charges even if they did spot them, including customers who owed significant amounts of money to the bank and felt themselves to be in a weak position.

In later reflections, McErlean was careful to point out that there were many bank managers who would not take part, people he described as 'highly honourable and upright'[2]. They were under the same pressure from head office however, and many such managers would record on paper that they had applied an extra charge to customers, but did not deduct the money from their customers' accounts. Learning about this group, McErlean began to realize that the problem was not simply about one or two greedy managers giving into temptation, but rather it was a systemic one. The system was set up in such a way that it almost forced people to rip off their clients. Concluding their assessment, the team reported that approximately 65million euro had been wrongly billed to AIB business clients.

A copy of the completed 'Special Issue Audit Report on Fees and Charges' was sent to AIB's senior management, and another to the then regulatory authority, the Central Bank of Ireland[3]. In the weeks that followed, McErlean was pleased to hear that the report had been taken seriously by the Head of the bank in Ireland. A number of commitments were made; the practice by which discretionary overcharging of clients by branch managers was facilitated, would be abolished, a complete review of AIB's business clients in Ireland would begin, and the bank would refund customers immediately.

About three months later, McErlean's audit team carried out a standard progress review of these changes. However, nothing had happened; no process for

[2] ibid
[3] Sunday Business Post, Did the Regulator fail to act on AIB?, 05 April 2009, by Kathleen Barrington

repaying clients had been initiated. Meanwhile unusual things began to happen that made him worry. McErlean's own audit department was demoted in a management restructure of the organization. This was a very unusual move within a major bank; McErlean recalled: "I was extremely concerned about that because it broke all sorts of Basle guidelines as to how the audit function should be placed in an organization." An audit team weakened in this way would struggle to carry out future investigations.

McErlean could not remain silent about the disastrous implications as he foresaw them, although he intuited that the response might not be supportive, "I wrote a memo about [the potential consequences of the restructure], knowing what the reaction would be". He met and had 'several discussions' with the head of AIB in Ireland regarding his concerns about the bank's compliance functions, in particular its failure to initiate a review of client overcharging and subsequent repayments. He also met with the Chairman of AIB's audit committee about these matters[4] in 2002.

In less than six months, McErlean was removed as head of Internal Audit. Shortly after, he departed from the bank, although the exact terms of his departure remain unclear because of a confidentiality agreement that was later entered into with AIB[5].

Banking organizations and the financial crisis

The recent economic crisis has had profound and crippling consequences for economies and societies across the world. Commentators have pointed to the role played by a culture of silence within banking organizations, as professional people

[4] Testimony at Irish Government's Joint Committee on Economic and Regulatory Affairs on 24th March 2009.

[5] McErlean was restricted from discussing AIB and the context of his departure. He obtained permission to break this confidentiality agreement, temporarily, in order to give evidence to the Irish Government's Joint Committee on Economic and Regulatory Affairs on 24th March 2009. See Ross (2009: 66) on this.

turned a blind eye to, or failed to speak out about, perceived problems (House of Commons, 2013; Nyberg, 2011). The reform of existing banking organizations and the development of more open, transparent environments are key policy issues for governments today. Before successful changes can be made however, greater research-based understanding of the nature of work within banking organizations is urgently required.

Scholars interested in this question have focused on a variety of topics, from the activity of ratings agencies (Youngdahl, 2013), regulation and legislation that applies to banks and financial institutions (Fields, 2013; O'Brien, 2007; 2009), executive compensation in financial firms (Salter, 2013), and the role of the media in framing public understanding of the activities of banks and bankers (Hartz 2012; McKenna and Rooney 2012). Relevant to the present paper, poor compliance practices have also been identified as key (O'Brien, 2003; 2007; 2009; O'Brien and Gilligan, 2013). Less common are in-depth, qualitative studies from the point of view of compliance personnel 'on the ground', such as Eugene McErlean, who attempted to do their job and speak out about problems they perceived, and who were prevented from doing so. Such individuals form the focus of this paper.

Bank compliance and appropriate dependencies

Compliance is a distinct responsibility within a banking institution[6]. Officers are tasked with overseeing day-to-day operations and with ensuring that all laws and regulations are complied with. Activities include monitoring practices of lending, accounting methods and investment strategies, along with keeping abreast of new regulations and legal innovations. In most organizations the job description is clear

[6] Compliance has become an industry in itself, with emergent companies offering formalized programmes for governance, risk and compliance. See for example Thomson Reuters' Accelus Compliance Complete.

and the role is well-understood by those occupying it. Compliance officers have a legal obligation to uphold state and industry regulations within their organizations; the role has a clear responsibility of upholding the ‘fiduciary duties’ (Newhouse, 2013) owed by directors to regulatory authorities. Ostensibly at least, the responsibility of a compliance officer is unambiguous; they must ensure that the rules are obeyed. Given this clarity, why was failure by individuals occupying this position so widespread in recent years? For examples, see the role of internal compliance system failures in the context of Enron’s collapse (Froud et al., 2004; O’Brien, 2003), and the recent securitization debacle that lead to the global financial crisis (O’Brien, 2009).

To answer this question, it is helpful to turn to the area of institutional ethics. Scholars investigate situations in which people in organizations find themselves acting in corrupt ways, despite not engaging themselves in personal corruption or in activities that contribute to their own taking of resources illegally. This area of study developed in relation to corruption within government and public sector organizations but has lately been applied to private sector settings such as the banks that feature in this paper (see Newhouse, 2013 for a discussion).

So what is ‘institutional corruption’? Thompson (1995) describes how certain sets of circumstances can arise that make people more vulnerable to acting in their own personal interests, rather than in the long-term interest of their organization, their colleagues or society. He distinguishes this phenomenon of ‘institutional corruption’ from the more familiar individual kind. In such settings, even ostensibly ‘good’, well-meaning individuals can find themselves seriously compromised. This was exemplified in the 2013 sentencing of Credit Suisse trader Kareem Serageldin for his inflation of mortgage bond values during the recent house price collapse. Granting a relatively lenient sentence, the judge explained that Serageldin was part of a wider 'toxic culture'; his crime was a 'small piece of an overall evil climate inside that bank and many other banks.' (New York Times, 2013)

'Dependence corruption' (Lessig, 2011), is a related concept that has been useful in analyses of the banking crisis. This arises where an individual or an institution finds itself with dual dependencies, each of which represents competing interests. Examples relevant to banking and finance include the dual responsibilities of credit rating agencies (responsible both to investors buying risky securities, and the investment banks that sell them), the double-sided dependencies of members of Congress who receive vital Wall Street donations despite having responsibilities for governance of these organizations (Fields, 2013; Lessig, 2011), the conflicting obligations of financial industry lawyers- both to their clients and to the public interest (Froud et al., 2004; Kershaw and Moorhead, 2013; McBarnet, 2010) and, in the case of this paper, the dependence of a compliance manager on banking rules and regulations. In each case certain dependencies are *appropriate* to the institution or individual, while others are not.

In some settings however this appropriate dependency comes to be compromised. This can occur where institutional arrangements are such that it becomes difficult to adhere to one's appropriate dependency. What Lessig terms a particular 'economy of influence' (2011), which can include performance measurement, pay systems and bonus structures, can arise and effectively encourage people and organizations to act in ostensibly corrupt ways. Related to this, Rossouw and Van Vuuren (2003) offer a useful overview of the dominant ethics management strategies used by corporations today, and how these impact upon peoples' behaviour. As an example relevant to the current paper, a re-distribution of power within banking saw compliance functions, perceived as 'cost centres', moving to a position of subservience in relation to profit centres. This contributed to an emergent 'economy of influence' which placed pressure on compliance staff to acquiesce to the wish of sales and investment personnel[7] (O'Brien, 2003).

Of course, such a situation can be lawful. It need not encompass an individual acting in a traditionally 'corrupt' way, that is, acquiring resources in an illegal manner (Thompson, 1995). Regardless, the overall effect is such that it weakens the capacity of the institution or person in question to achieve its primary purpose.

We can see that the core concern and emphasis within this line of thinking is on the system: the conditions it gives rise to, and the tendencies for corrupt outcomes that it enables (Lessig: 2013: 6), rather than focusing on any one person. It follows therefore that if our interest is in the role of compliance personnel in banks, we should investigate how a clear and stated 'appropriate dependency', that is, their responsibility for following banking laws and regulations, conflicts with others in a way that effectively hampers the long-term interests of the banks, their shareholders and society more generally. How best to do so?

From this, it follows that if we wish to study a particular organizational setting, it is important to pay attention to the nuances of the workings of the system itself: to the subtle ways in which dependency can be manipulated and swayed as the people in question go about their work, day-to-day. This suggests two things: first, the value of exploring new methodological avenues when studying instances of institutional corruption, ones that enable a deeper understanding of the specific 'procedures and purposes' (Thompson, 2013: 12), that characterize a particular institutional setting.

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[7] Moore, Carter and Associates (2009). The RiskMinds 2009 Risk Manager's survey: The causes and implications of the 2008 banking crisis. Available: XXX. Survey of risk professionals found that the single most important perceived contributor to the banking crisis was the prioritization of sales over risk practices.

Second, it suggests that we may need to go beyond the traditional levels of focus for scholars of institutional corruption: institutional fields and individual organizations and instead examine the level of *role.* Organizations are complex and heterogeneous entities, made up of diverse groups of people, all of whom have different needs, agendas and commitments (Buchanan and Badham, 1999). From this we cannot assume that a particular 'appropriate dependency' will be shared by people with very different roles and responsibilities, even though they may work for the same organization.

Given these observations, in this paper I adopt an in-depth, qualitative approach and focus on cases of bank compliance managers who found themselves subject to dual dependencies within their work practices. I go on to analyze this data and draw out implications for studies of institutional corruption and organizations more generally.

Before introducing the empirical section of the paper, I first turn to literature from organization studies to introduce a concept that will be helpful in the analysis of the data: 'affective attachments'.

Affective Attachments

For many years organization scholars have been concerned with the question of how particular norms persist in organizational settings. How do they operate, such that people find themselves adhering to certain workplace ideals, for example, of what it is to be a 'manager' (Roberts, 2005) or a 'female academic'? (Fotaki, 2013). How, for example, do norms of silence and acquiescence persist among bank compliance personnel whose job descriptions clearly require the opposite?

Such questions have long concerned scholars interested in the proliferation of societal norms (Bourdieu, 1990), for example in the context of market projects (Fligstein and Dauter, 2007). In examining this difficult issue, many organization scholars have lately drawn inspiration from psychoanalysis and cultural studies to propose that affective attachments to normative frameworks are a key element (Harding, 2007; Fotaki et al., 2012; Kenny, 2010; 2012; Voronov and Vince, 2012).

The idea is that although we may be unaware of doing so, we tend to be psychically invested in certain norms (Parker, 2005). This works because, at the level of the psyche, human subjects fundamentally require recognition from other subjects[8]. This recognition represents affirmation that one is seen as a 'viable subject', that is, as a person who is recognizable under the dominant norms and assumptions within a particular social setting. We actively desire this recognition; we need it in order feel as though we are ontologically valid human beings. So for example if someone adheres closely to the accepted ideals of how a 'manager' behaves, this can offer a comforting sense of being recognized in a workplace setting, both by one's colleagues and also by the social norms in place (see Roberts, 2005, for example).

Here we see the power of norms; to find oneself outside of them and therefore unrecognizable is catastrophic for the subject on an psychic level, such subjects are un-representable and can find themselves abjected: denied a valid ontological status (Butler, 2004: 31). Subjects will avoid this situation at all costs and hence our psychic desire for recognition leads us to identify with certain dominant norms, but also to overlook contradictions or problematic aspects of these norms. People therefore find themselves identifying with aspects of their social (or organizational) milieu that they find disagreeable or know to be incorrect, or indeed that may hurt them (Butler, 1993). Identification can thus be ambivalent: 'called by an injurious name, I come

[8] An idea that draws on Hegel's master-slave dialectic, see Butler (1997)

into social being… I am led to embrace the terms that injure me because they constitute me socially' (Butler, 1997: 104).

This identification can be seen in our 'passionate', that is affective, attachments to these norms (Butler, 1997: 8; see also Stavrakakis, 2002; 2008; 2010). When seeking to understand how psychic attachments operate in a given social setting therefore, scholars call for an attentiveness to affect and emotion: to the 'passion and grief and rage we feel, all of which tear us from ourselves, bind us to others, transport us, undo us' (Butler, 2004: 20, see also Parker, 2005).

This idea of passionate identification with norms that can potentially cause us injury has been influential within organization studies of late, and has yielded valuable insights into why even a problematic status quo can persist for years in a particular workplace setting. The concept was useful in understanding the empirical data gathered for this paper, as will be described later.

Research methods

This study draws upon data from a larger research project on the experiences of whistleblowers in the banking sector (Kenny, 2014 forthcoming). During this study it emerged that many such individuals were in fact compliance managers who had been prevented from raising issues internally about problematic banking practices, and had been forced to go outside the organization.

I conducted a qualitative and interpretive study. The advantage of this approach is that it avoids imposing pre-formulated ideas and categories upon the data, but rather enables people's experiences to emerge in their own words. Qualitative, interpretive methods have long been an important part of organizational research.

Data collection

15 cases of incidents of speaking out in banks across the UK, Ireland, Switzerland and the U.S., were compiled using a multi-method design (Yin, 2003). The principle source of data was multiple in-depth qualitative interviews with informants in which they were invited to reflect upon their own experiences (Miles & Huberman, 1994). The selection of participants was determined by the willingness of informants to engage with the study, and a snowball sampling technique was used. Open-ended questions are useful for investigating social processes (Judd, Smith & Kidder, 1991) and these were employed to facilitate informants' recollection and sharing of their perspectives on their organizations, along with processes of meaning construction in relation to their experiences. All informants had been senior decision-makers within their organizations (see Table 1 for details).

Interviews were conducted between April 2011 and December 2012 and each lasted between 45 minutes and 2 hours. All were recorded, transcribed verbatim and checked for accuracy by the author[9]. These interviews were supplemented with data including secondary accounts in interview, book and article format, transcripts of parliamentary debates and public inquiries and publicly available submissions to these events, interviews with industry experts, and items from various media sources. Finally, the author was continually embedded in the research setting, attending industry events and consulting with whistleblower advocacy groups in Ireland and the UK. See Table 1 for summaries of each participant, the nature of their experiences

[9] In some cases, respondents were restricted in what they could say due to pending court cases, or settlement agreements with their organizations. With some participants, evidence such as testimony to public hearings on the banking crisis have been removed from the public domain, despite other parts of these hearings being available. In other cases, potential respondents dropped out for reasons of stress. The personal testimony included in this paper has been agreed through the signing of consent forms as part of my university's ethics protocol, or it comes from the public domain.

and relevant sources. Analysis of the data was organized into three stages and based on case study analysis drawing on the principles of grounded theory (Eisenhardt, 1989; Miles and Huberman, 1994; Strauss and Corbin, 1990), with full details provided in *Appendix 1*. Overall, the process involved two months of iterative analysis between transcripts, data codes and literature in order to develop a robust understanding of the topic.

Findings

Peoples' accounts shared a number of similarities in terms of the features of the environments they had worked in. All reported the emergence of new norms in their organizations around the late 1990s- early 2000s; banks began to focus on profits at the expense of appropriate risk management, as is well-documented elsewhere (House of Commons, 2013). Growth, quantity and scale were prioritized over safety and regulations. Compounding this, the checks and balances that should have prevented excessive risks from being taken: government regulation and organizational codes of ethics, were all found lacking (FCIC, 2011). These features made the compliance manager's life quite difficult. However, all the people represented in this study had persisted in doing their jobs to the best of their ability, regardless of the pressure of the social norms that surrounded them. What follows draws from their experiences of overcoming this conflict.

Part 1: A (structural) economy of influence

Organizational structure, as a concept, refers to the formal systems in place such as reporting relationships and incentive structures, the allocation and coordination of work, and the way that control is exercised (Buchanan and

Huczynski, 2004). Certain structural features appeared to act as obstacles to compliance managers being able to simply do their jobs.

A lowly position in the organizational structure

Despite the importance of compliance for the survival of the bank itself, compliance personnel are typically placed at a relatively low level in the organization's hierarchy. Banks tend to operate under a strict hierarchy. If you have a position that is lower down, your opportunities to make your views known to the decision makers, for example those on the board of management, are few indeed.

What this means is that compliance individuals and teams are often charged with reporting their findings directly to the person above them: their line manager. This individual can then decide whether to raise the issue further up the hierarchy or not. Many problems will never reach the Board of Management, under such a structure.

Even though Paul Moore, for example, occupied the vital role of *Head of Group Regulatory Risk*, a position that was created in direct response to cautions from the regulator in relation to risky practices in his bank, he did not have a seat on the board at HBOS. He had to go through his managers and the appropriate formal channels if he wished to raise an issue[10].

Martin Woods, an anti-money laundering officer at Wachovia, whose whistleblowing led to the biggest charges ever brought against a bank under the Bank Secrecy Act of 1970, was also a compliance manager. He describes the impact of his position in the organization's structure on his role:

> Well my line of supervision was: I had an American lawyer who was my head of compliance and he was… both my gateway and my obstacle to the board.

[10] Paul Moore, 'Memo to Treasury Select Committee,' Westminster, 10 February 2009

> So there were times I was allowed to communicate, and indeed I had to communicate. I presented to the board regularly on issues, but I recall once asking him if I could inform the board of a certain issue. And he said, no, I wasn't allowed to, which is a really serious move[11].

He described the impact that this kind of hierarchical arrangement could have:

> In a vertical line of management… and many firms have been criticised for having vertical whistle blowing processes, it's almost a pointless thing to do. …So you are going to blow the whistle to your manager about a problem in his department or her department? That's probably not going to go down too well, because who is in charge of that department and who therefore does that impact and reflect upon?[12]

Gareth Salter observed similar features when discussing his experiences as an internal auditor at a large UK retail bank:

> I was conscious that within the audit management in my department: really I think one could say their main priority was to keep the directors happy. The ideal subordinate is somebody who deals with the problem so that it never reaches you. If you have got a subordinate, who might be your head director of audit, who is constantly coming to you with big problems, those are things that you then have to deal with. So that doesn't necessarily….you know, that's going to make the person raising the problem pretty unpopular.[13]

As Salter points out, a manager concerned with maintaining their likeability in the organization, perhaps hoping for promotion some day, might be sorely tempted to

[11] Research interview
[12] ibid
[13] ibid

avoid troubling his or her own bosses with complaints arising from lower levels. The strong temptation is not to do this.

In short therefore, the hierarchical structure in place appeared to militate against the successful raising of issues to one's superiors.

Formal complaint procedures: An absence of help

All those interviewed had gone through formal processes of highlighting their complaints. As already described, the formal complaint procedure typically involves reporting issues to a person's immediate line manager. In many cases it stops there, for example where a manager is reluctant to go further in case it reflects poorly on them[14].

At this point, according to the compliance officers interviewed for this project, people often did not know what to do next. There was little clear guidance on how to escalate complaints, and compliance personnel in this position often spent months, and sometimes years, trying to figure out what the appropriate actions were, and how to behave. This was Sherry Hunt's experience, when raising issues at her mortgage retail bank:

> 'I set up an appointment with human resources and ethics and told them everything,' Sherry recalled in a telephone interview. 'They did some cursory investigation. The sad part is, they never ever told me, "Sherry, you were right," or "Sherry, you're looking at this wrong." There were no assurances.'[15]

With the absence of support from departments such as Human Resources that might be expected to provide it, people generally reported having to 'make things up' as

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[14] This lead to the wider problem of low levels of misconduct reporting in UK banks more generally, according to the recent Parliamentary Commission on Banking Standards (House of Commons, 2013).
[15] 'Sherry Hunt, Citigroup Whistleblower: "I have no regrets"', by Jonathan Stempel. Huffington Post/ Reuters, February 16th 2012.

they went along. As Swiss whistleblower Rudolf Elmer, who spoke out against large-scale tax evasion in an offshore branch of Julius Baer bank notes:

> It's a 'learning by doing'. I'm not very smart, but sufficient to handle the matter and to make right moves. Because there is no school for whistleblowers. A lot of things happened by chance[16].

Rudolf went on to note how he had made a number of mistakes along the way. Eugene McErlean of Ireland's AIB reports that he also made mistakes, even though as a compliance officer, he was simply doing his job by taking his complaint about bank overcharging of clients to the regulatory authority:

> I was merely doing my job… but even in those circumstances I found a complete absence of anyone that I could turn to for advice about what was the best way to handle the situation. In the absence of that, I made a number of mistakes along the way as to the best way to handle it, which is why it took so long eventually for the story [to be heard][17]

Many interviewees lamented the lack of help or support available, and noted that they had made mistakes. Most commonly, these included spending too much time and energy on the technical and specific points of their cases, trying to obtain meeting minutes for example, or in-house documents which took very long to arrive. When they did, they were often altered anyway. Eugene McErlean commented:

> One of the mistakes I made was trying to spend years trying to get a copy of those minutes (of an important meeting), and eventually after a very long time,

[16] Research interview
[17] Panel contribution at Transparency International Ireland's *Alternative to Silence* seminar. Dublin, 19th January 2010.

> I received a redacted version of them. A lot of my own words are excised from that note[18].

This was a common feature among peoples' experiences. Often the delay in gaining access to documents and key evidence meant that as time passed, the danger of the person running out of money, patience or indeed time to legally file a claim, increased. Confusion and ambiguity continue to characterize procedures for reporting wrongdoing in financial services organizations in 2013, even after the introduction of new legislation governing this area[19].

Compromised through compensation

Just as with other bank staff, compliance officers can find themselves to be further compromised where their compensation is linked to their organization's performance. Returning to Martin Woods, he notes how the presence of bonuses impacted upon his boss, whose function was also in compliance.

> The bonus quite rightly can be used as an incentive for people selling, and [it] is based upon the profit and loss of the division they work in, or their own sales. But within compliance and other areas including risk, all too often it's not used as an incentive; it's used to compromise you. [The bank] had one

[18] Radio Interview, RTE's *Marian Finucane Show.* 3rd December 2012.
[19] Osborne Clarke 2008 Whistleblowing- sword or shield. Osborne Clarke. Survey of 32 representatives of London city firms with responsibility for whistleblowing policy. Over one quarter of firms had no internal policy, while one in three had one but it remained unused. See also Liyanarachchi, G and Adler, R (2011) Accountants' whistle-blowing intentions: The impact of retaliation, age and gender. Australian Accounting Review 57(21-2): 167-182. Survey of certified accountants in Australia shows that a full 60% did not have, or did not know of, the internal whistleblowing procedures in their organization (p176). See also Labaton Sucharow 2012 WallStreetFleetStreetMainStreet: Corporate integrity at a crossroads. United States and United Kingdom Financial Services Industry Survey. New York: Labaton Sucharow. Survey of 500 industry professionals showed that fewer than half of the financial services employees surveyed were aware of new SEC (in the U.S.) or SFO (in the UK) rules in place. Only one in four were confident that these would be effective.

> single control mechanism for [compliance] staff, and that was money… I do not believe that compliances officers should be part of a bonus structure[20].

Other studies have highlighted the influence that bonuses and compensation plans continues to have on this industry sector, with almost one third of financial services professionals experiencing pressures to break the law or engage in ethically problematic practices, for these reasons[21]. Here we see that the tying of peoples' work to high levels of compensation and bonus can compromise peoples' willingness to take seriously their compliance roles and raise issues. We see structural features such as compliance officers' lower position in the organizational hierarchy and a related confusion around how to go about escalating complaints. These features resonate with Lessig's (2011) concept of an economy of influence. As he notes, certain 'structural' elements that characterize an organizational setting, such as pay and status, can compromise one's appropriate dependency, in this case the adherence of compliance managers to the rules and regulations they are tasked with upholding.

These insights are helpful in answering the question at hand; what is the nature of the struggle engaged in by well-meaning compliance officers as they strive to overcome norms of silence and conformity in order to highlight internal problems. On closer examination of the data however it appears that a further dynamic is at work in the nuances of day-to-day life in the compliance function.

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[20] Research interview

[21] Labaton Sucharow 2012 WallStreetFleetStreetMainStreet: Corporate integrity at a crossroads. United States and United Kingdom Financial Services Industry Survey. New York: Labaton Sucharow. Survey of 500 industry professionals noted a slight difference between UK (32%) and US (28%) respondents in relation to these pressures. See also Which? (2013) Here to help? Bank staff reveal the truth about working for Britain's Big Banks. A Which? Consumer insight publication. Survey of 500 frontline staff at high street banks reveals 40% of staff with sales targets to meet report feeling pressure to mis-sell products to customers. Half report knowing colleagues who have done so, in order to meet targets.

Part 2: Appropriate attachments?

In addition to having 'structural' responsibilities and rights in their organizations, compliance officers were naturally embedded in networks of interpersonal attachments in their immediate workplace surroundings. These are outlined next.

Compliance personnel: Perceived as the "party-spoilers"

Alongside relegation to an inappropriately low position in the organization's formal hierarchy, compliance officers were often subject to informal, often subtle, disdain from their colleagues.

Martin Woods had spent 18 years working as a police officer before joining the banking world. He was shocked by the difference between how compliance people in banking were perceived, compared to compliance people in policing:

> Ordinarily in banks, the compliance officers – and it's a standing joke – are seen as the business prevention officers! [When the opportunity arises to make money from questionable practices], there are bankers queuing up to take that money. And what, therefore, they want is a compliance officer who will facilitate that business. What they don't want is a compliance officer who gets in the way of that business[22].

Tasked with trying to enforce legal guidelines regarding risk behaviour; the compliance role involves warning people to be careful and not cut corners. Against a backdrop of fast growth and generous incentives, this activity was not always welcomed. Compliance personnel and those involved in internal audit often attracted disdain from their colleagues.

[22] Research interview

> It is more difficult when you are an auditor, because in a sense, it's your job to find a problem. And on top of that people think of internal auditors as potentially finding things they have done wrong or, you know, things they should have done that they didn't do as well as they might have done. So there is an automatic problem... [23]

Gareth Salter describes the general attitude to internal auditors, in the major UK retail bank in which he worked:

> Other people in the company can be pretty defensive in their approach to an auditor, you know, which can range from being just not as helpful as they could be, to downright obstruction. And that can even happen at the highest levels in a company.[24]

This sense of defensiveness among peoples' colleagues was a commonly held perspective by those interviewed for this study. Andreas Sievers, an internal compliance officer at a large foreign-owned bank subsidiary in Ireland describes a similar phenomenon. The group was small in size and so, somewhat unusually, he worked in the same open plan office as the traders he was supposed to be monitoring. He notes that, as the compliance officer:

> I was soon enough perceived to be the person who was going to interrupt everybody's party, because everybody was in the game of making it look ok. And because I am who I am, and I was hired to do a job. Especially when Irish law imposes prison sentences for failing to do the job[25].

Being perceived as the person who was going to "spoil the party" was a common reflection among the compliance managers I spoke to. This informal lack of status

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[23] Research interview
[24] ibid
[25] Research interview

and respect meant that it was difficult for people who held such positions to be taken seriously, and it was therefore difficult to do their jobs.

Paul Moore describes the attitude towards him and his Risk Management division at the Halifax, as one of antipathy at best and sometimes outright aggression. Moore's bank had been advised by the regulator, the FSA, to investigate the worrying culture that was developing in its sales division: one in which growth and volume were prioritized over risk management. As head of risk, Moore was tasked with carrying out a thorough review of the problem. Working with focus groups and interview data, he carried out an in-depth study of the bank's culture. Moore concluded that there were real problems within his bank's Sales department.

These findings did not gather many supporters among his senior colleagues; Moore struggled for months to draw attention to his report. He was keenly aware of the FSA's monitoring of the Halifax, and also of the serious risk that an over-heated sales culture represented to the long-term interests of the bank and its shareholders. Moore was repeatedly blocked from presenting his findings and was prevented from addressing the bank's Board of Directors in person. At a meeting with senior Sales personnel to discuss his report into their department's culture, he was told by a Head of Sales, 'I'm warning you, don't you make a f****ing enemy of me'.

In an email to his Chief Financial Officer, he appealed to this superior for help. He pointed out that his division, risk management, could simply not do its job, in the current climate:

> [There exists a] sentiment that constantly questions the competence and intentions of GRR carrying out its formal accountabilities for oversight, plus the ever-present need to be able to prove beyond reasonable doubt as if we

> were operating in a formal judicial environment. (House of Commons, 2009a: 437)

For Moore, the attitudes of colleagues in the bank were spiraling out of control, morphing into an aggressive atmosphere characterized by high emotion and personal attacks.

> The more we adopt this approach, the more adversarial it all becomes, the more emotional it becomes, the more personal it becomes and the worse the relationship becomes. It becomes a vicious circle which needs to be broken.

In one of the largest mortgage providers in the United States, this disrespect for audit personnel had become almost institutionalized. Sherry Hunt, a whistleblower who won an SEC-backed case against her employer in 2012, talks about how it was her job to spot defects in mortgage loan applications. This role stood in contrast to her colleagues' goals; their bonuses and salaries were linked to the number of mortgages that passed inspection. People like Sherry who were charged with the job of spotting illegalities and misinformation, were not hugely popular.

On one occasion, her department held an awards ceremony in 2011[26]. About a thousand staff attended the gala event. At the awards night, the company would honour and award the "star players": people who had challenged the defects that Sherry's quality control team had spotted, and pushed through the mortgage loan regardless. In turn, the quality control personnel were ritually humiliated in front of their colleagues. Sherry recalls:

> Three people won this award -- they stood up, everyone applauded, and they [were told that] they effectively rebutted Quality Assurance's findings. That

[26] Citigroup Whistle-Blower Says Bank's 'Brute Force' Hid Bad Loans From U.S. by Bob Ivry, Donal Griffin and Andrew Harris. Bloomberg News. February 16th 2012.

> statement made my team members and other team members feel like morons: that they were making bad decisions, when they were not[27].

Overall therefore we see that compliance personnel can be the subjects of a general sense of disdain and disrespect. Their allegiance is to the rules and regulations of banking, and this can lead to their being ostracized within their banking environments.

Temptation to avoid conflict and keep the peace

Sherry Hunt, Andreas Sievers, Paul Moore and the other whistleblowers I met whose jobs involved 'standing up' for compliance, and who had persisted to the end in doing so, were somewhat unusual. These people told me that what normally happens is that compliance professionals tend to try and maintain the status quo. In relation to the internal audit function, a similar dynamic was observed by Gareth Salter:

> I found that [at my firm], [internal] auditors deal with [risky behaviour] as best they can. They have got a job to do, but then they want to do it without putting peoples' backs out and without causing problems[28].

He describes how auditors devise different strategies to try and avoid such problems, on a day-to-day basis:

> So they perhaps have a tendency to, you know, to compromise more, to not put things in sort of black and white terms. They kind of try and negotiate change, 'either we ought to be doing this rather than that', you know. And they try to kind of get things done without causing a problem either for themselves or others. And I mean that is perfectly understandable and on one

[27] 'Sherry Hunt, Citigroup Whistleblower: "I have no regrets"', by Jonathan Stempel. Huffington Post/ Reuters, February 16th 2012.
[28] Research interview

> level, we will say, 'Well, that's just doing your job in a constructive and pleasant way.'

Here Gareth Salter describes the nuanced difficulties of the internal auditor's position; how on the one hand people genuinely and understandably try to be pleasant and helpful at work. Avoiding conflict where possible is a very human response, and especially when it comes to maintaining peace with one's colleagues at work (Senior and Swailes, 2010). In the case of those responsible for risk and compliance however, this can of course lead to serious problems.

> But you know there is a point at which […] you're not being as effective as you ought to be. There is a fine line.

Here we begin to see the difficulty of working in an environment in which one is ostracized, simply as a result of occupying a particular position. Gareth Salter describes how tempting it is to want to be 'liked' by one's colleagues, to get along with those with whom one has to work. It is tempting to try and be constructive and pleasant at work. This natural human desire has consequences in this setting; as we can see it may involve crossing a 'fine line' into being completely ineffective.

Moreover, compliance officers who overlook their duties in order to be liked or even to gain more tangible rewards such as better compensation and larger bonuses, are often operating outside of the law. As senior executives with responsibility for risk and compliance, Andreas Sievers, Eugene McErlean and others saw that to *not* report the problems they saw would have been tantamount to an illegal act. We can attest to the strength of the social norms in place in these banks; they appear strong enough to overcoming risking a potential prison sentence.

People who transgress the norm

Compounding these social pressures to conform was an awareness of what happens to people that *do* speak out. From data on compliance managers that persisted in making their views known we have a unique insight into these experiences, and can see how they would be perceived by colleagues in their banks.

Interviewees described what happened when they did transgress the norm of silence and speak out, and it was not pleasant. Speaking out tending to be associated with increasing separation and isolation from one's colleagues.

When for example Linda Almonte questioned the sale of 200m dollars of credit card judgements to outside debt collectors, arguing that the details were false and that her colleagues regularly 'robo-signed' documents without reading them, she was fired after six months. When it came time to let her colleagues know about her dismissal, her former boss and manager of operations gathered everyone in a conference room and declared that he had an announcement.

> "Under no circumstances, (he) warned, were staffers to communicate with Linda", recalls (a quality control worker) who spent 14 years at Chase. The account was confirmed by a second employee, who requested to speak anonymously. "It was an unusual statement," (she) says. "Other people had left the bank, and we were not told" to cut off contact with them[29].

Evaluations of whistleblowers' personalities were part of the separation and individualization process. After an issue had been raised, it was common for the bank to investigate it, which often involves investigating the so-called whistleblower too. In a number of cases, peoples' personality is described in the resulting reports as being problematic. An independent report was ordered into Paul Moore, for example,

[29] How a Whistleblower Halted JP Morgan Chase's Card Collection, by Jeff Horwitz. American Banker 15th March 2012.

and was carried out by a leading audit firm:

> Paul Moore expressed strong views in an overly aggressive manner, he was emotional and not reasoned, measured or coherent. His behaviour was described in different ways ranging from prickly to ranting to extra-ordinary to outrageous (House of Commons, 2009b).

This report, which has since been discredited, can be read as an exercise in demeaning Moore's character. Other colleagues attest to his strong views, passion and diligence when making a point. As many have pointed out, these are exactly the traits that might be seen as useful for a dedicated risk or compliance person, or a diligent and prudent bank employee trusted with other peoples' money, to possess. In general, in creating such investigative reports, it was rare for positive evaluations to be taken into account, even where the person in question had for years been deemed an excellent employee and in some cases, had been actively head-hunted from other organizations, as was true in a number of cases.

Finally, the issue of mental health was one of the most common arising across all cases. Most interviewees had at some point struggled with this, given the significant mental and emotional stress involved in deviating from the status quo and speaking out against one's organizations and colleagues. Such difficulties were frequently used against people, as a means to discredit their stories. Most commonly, this was seen in court cases or in media reports. This was so common that it occurred in almost every case to some extent. Respondents reported how they internalized such character assassinations, with even the strongest and most resilient people having become unsure of their own story, plagued by self-doubt.

The above features characterize the experiences of whistleblowers more generally, even outside of banking and finance (Alford, 2001; Rothschild and Miethe, 1999). For all of these reasons, it can be very difficult for people who have been through this process to ever find work in banking again.

Moreover, these situations were played out in full view of one's colleagues. Anyone working at the banks mentioned here, during this time, would have been quite aware of the consequences of persisting with a truth-telling exercise, against the wishes of one's senior management. The treatment of 'whistleblowers', or more precisely these compliance officers who were merely doing their jobs, sent a clear message to thousands of bank employees about the status of such persons and the impact of their decisions. Research shows that fear of reprisal and mistreatment is a leading cause of employees staying silent[30], particularly in financial services firms[31].

In summary, every industry has its safety officer, the person who is supposed to point out where risk-taking has become dangerous. It appears that the general disdain for regulations described above was easily shifted onto the individuals that were supposed to enforce this regulation. Compliance personnel felt apart from the rest of the organization, before ever speaking out about any wrongdoing. Moreover, the organizational structures and hierarchies that were in place supported this separation.

Discussion

Silence and acquiescence persisted even among audit personnel, who are after all charged with the task of identifying problems and highlighting them. We see how

[30] PCAW 2013. 1 in 10 workers have had a concern about corruption, danger or serious malpractice. June 28. Public Concern at Work. Respondents report barriers to raising concerns about reporting malpractice at work: fear of reprisal (22%), colleagues' potential responses (22%) and damage to one's career (21%).

[31] Labaton Sucharow 2012 WallStreetFleetStreetMainStreet: Corporate integrity at a crossroads. United States and United Kingdom Financial Services Industry Survey. New York: Labaton Sucharow. Survey of 500 industry professionals

these cases are examples of dependence corruption in action; the appropriate dependencies of compliance personnel, that is, upon the rules and regulations of banking, were compromised. When reflecting on why many of his colleagues remained silent, Paul Moore notes that: ‘although key people at (my bank) did do wrong, I am also sure that their intentions were usually good. And, in a sense, they were also caught up themselves in what the Greek tragedies would call the “ineluctability of fate”’ (House of Commons, 2009a: 435).

The problem was not an absence of good people, but that these people were working in situations that made it very difficult for them to act on their principles and values. Returning to the question posed at the outset, why was it so incredibly hard for compliance professionals to simply do the job that they had been paid to do? What were the dynamics that supported this dependence corruption?

Dependence corruption and the importance of a focus on ‘roles’

Through examining the accounts of compliance officers who were forced to speak out in public about wrongdoing they perceived at their banks, a number of interesting features can be observed. The formal, structural features of these environments supported an economy of influence that was designed, albeit unintentionally, to compromise peoples’ appropriate dependencies upon following rules and regulations. In the banking settings described here, this comprised: low formal status for compliance personnel, a confused set of procedures for escalating complaints, and a pay structure that rewarded silence and cooperation with the status quo[32].

[32] Note: Recent proposed changes to the banking industry include the provision of a line of direct reporting the board, for senior compliance personnel (House of Commons, 2013). In addition, some banking corporations have responded to the recent crisis by creating in-house units that encourage compliance and discourage risk. See for example Goldman Sach’s Global Business Intelligence Unit,

These observations add to current investigations into institutional corruption and how it operated in the recent financial crisis, by showing the value of the concept of dependence corruption in the context of banking compliance, and by enriching our understanding of how an economy of influence plays out in the day-to-day practicalities of bank work. They also suggest the importance of focusing upon, and distinguishing between, particular roles in a given institutional context. For some authors, dependence corruption is a concept that does not always apply to private sector activities like banking and finance (Newhouse, 2013). In the above cases, we saw that even within this sector, particular roles do exist in which individuals have clear responsibility for fulfilling fiduciary obligations, that imply appropriate dependency relationships. The suitability of dependence corruption as a concept therefore depends neither on institution or organization, per se, but it is influenced by the role being studied.

Dependence Corruption and Attachments

The accounts presented above also enable us to move beyond the idea of an economy of influence that is based largely on formal, structural characteristics, and towards one in which interpersonal attachments are key. These attachments appear to be central to the ways in which compliance managers, through their acquiescent behaviour and ignoring of rule-breaking, help to maintain the status quo in a banking environment where risk is commonplace.

First, we see the abject position of those who speak out when we examine the treatment of individuals who take this decision. Such people have chosen to go against the dominant norms of behaviour within their specific workplace settings: a

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which sits apart from both legal and compliance functions. Its role is to vet all deals for reputational risk and the unit reports directly to the board (O'Brien, 2007). For discussion of alternative reporting systems designed to encourage internal whistleblowing and conflict resolution, see Devine (2011) culture of silence, tolerance of rule-breaking and risk, and attempt to raise their complaints to a higher level in the bank. In doing so, they go against accepted norms of behaviour, of what it means to work in a bank. The result is that they are forced into the position of the 'abjected other' (Butler, 2004: 31); they are punished and suffer greatly. Others witness how such 'whistleblowers' are isolated, humiliated and cast out, and this is likely to reinforce their own will to not transgress, to remain within the norm.

If, inspired by theoretical approaches outlined earlier, we pay attention to the affective, emotional aspects of working in compliance among colleagues who seem to disrespect and resent the role, we can see a number of features emerge. Negative affects such as defensiveness on the part of colleagues which leads to obstruction of the compliance person's work, resentment of their role in 'spoiling the party', public humiliation of risk managers and outright aggression as we saw in the case of Paul Moore and Sherry Hunt, all marked the interactions between compliance personnel and their colleagues. These negative affects hint at the strength of the normative pull at play in these environments; they highlight the powerful aversion to those people who, by the very nature of their role, threaten their colleagues' position in the bank and their material compensations.

In addition to these negative affects we also see emotive attachments in the strong temptation for compliance managers to 'get along' with their colleagues and be liked by them. We see how this occurs even where the same compliance personnel are aware that in doing so, they are potentially risking a large fine or prison. In such cases they are aware that they risk the long-term survival of their organization and the interests of shareholders, colleagues and themselves by acquiescing and remaining silent. However, the desire for recognition within particular normative frameworks can be so powerful as to lead us to subject ourselves to positions that may cause us hurt; we 'embrace the terms that injure', as Butler notes (1997: 104). The desire to be accepted and liked as 'one of the team' in banking is a powerful one, that has serious consequences. In addition to the context of compliance managers, this dynamic can be observed in the role played, or not played, by critical academic commentators before and during the global financial crisis. Most were afraid to contradict the accepted 'great illusion' (Borio, 2009). Those that did speak out were similarly abjected; Rajan (2010) describes the reaction by leading economists to his 2005 presentation in which he questioned the craze for complex securitization: 'I felt like an early Christian who had wandered into a convention of half-starved lions… the critics seemed to be ignoring what was going on before their eyes' (2010: 3).

What can we say about affective attachments to social norms and to one's colleagues, in workplaces such as this, and organizations more generally? Are these examples of inappropriate dependencies? If so, can we envisage a situation in which people who are compromised by dual dependencies can somehow attain a situation in which they are free of interpersonal attachments that might lead them astray? We know from psychoanalysis and from sociology that such attachments are an inescapable feature of social life; to be human is to interact and form connections, both positive and otherwise, with the people we meet each day. Workplaces are no different.

It seems therefore that sociability itself, our human need for other humans and for norms by which we live our lives, contributes a complex dimension to understandings of dependence corruption. Inevitable dependencies *do* emerge in social situations, and the question remains as to what can be done about this.

Conclusion

In this paper, empirical data was drawn upon to develop an understanding of how dependence corruption plays out in practice in banking environments. The importance of role in studying dependence corruption within specific organizational settings appears to be key, as organizations are heterogeneous entities comprising a variety of roles and commitments. In addition, interpersonal attachments, an inevitable feature of working life, strongly influence our appropriate dependencies and our ability to adhere to them.

Overall, this study suggests that when we are examining cases of dependence corruption, it is often helpful to study ‘extreme’ cases such as those presented here; that is, cases in which people struggled against the odds to honour their appropriate dependencies. The dynamics of these struggles as they play out, day-to-day, in the institutions we study, can shed light on the complexity of corruption. This also suggests the value of in-depth qualitative methodologies, as they can deepen our understanding of the way people make sense of situations.

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Table 1: Case details

Person	Position	Country	Original observation	Data sources
Paul Moore	Head of risk in Halifax retail bank	UK	Overheated sales culture in mortgage departments posed serious risk to bank's stability and to customer assets.	Radio interview TV interview x 4 Newspaper articles x 12 Testimony to banking inquiry x 3 Telephone discussion
Ciaran Barratt	Branch manager, mortgage bank	Ireland	Illegal and unethical mortgage lending practices.	Interview Newspaper articles
Karl Tanner	Banker/ client manager	US/ Switzerland	Tax evasion scheme that assisted US residents to hide assets	TV interviews x 2 Interview with lawyer x 2

			in offshore accounts.	News report Radio interview Newspaper articles x 16
Jerry Milne	Head of fraud investigation officer at large mortgage lender	US	Falsification of documents and other misconduct, leading to customers being steered into taking out bad mortgages.	TV interview Public lecture Newspaper article Interview with advocacy representative Discussion with lawyer
Rupert Allcott	Adviser to clients in private wealth division of bank	UK	Unfair treatment of customers, and abuse of trust, including maximising customer charges and illegal discrimination on the basis of customers' wealth.	Interview Informal discussions Video clips Blog Testimony to banking inquiry x 2
Linda Almonte	Assistant vice president at large retail bank, credit card debt division.	US	Documents were not adequately checked and sometimes falsified, before outstanding loans were resold to debt-collection agencies.	Interview with advocacy representative Discussion with lawyer News reports x 3 Newspaper articles x 3 Court transcripts Email communications
Martin Woods	Money laundering reporting officer	UK	Billions of dollars of Mexican drug money laundered via currency exchanges in knowledge of bank.	Interview News reports video x 2 Newspaper articles x 8
Eugene McErlean	Internal auditor retail bank	Ireland	Overcharging on fees relating to management time spent with business clients. Illegal practices of trading own shares via offshore devices.	Radio interviews x 3 Panel discussion (video) Parliamentary testimony Newspaper articles x 3 Self-authored articles
Yvonne Meehan	Senior manager	Ireland	Inappropriate mortgage lending practices, and	Interview TV interviews x 2

	banking building society		false accusation of a colleague.	Book excerpts
Frank Fulton	Manager at retail mortgage bank.	U.S.	Providing misleading and falsified mortgage information to U.S. government departments.	News documentary x 2 Newspaper articles x 2 Discussion with lawyer
Rudolf Elmer	Chief operating officer in international bank's offshore location	Switzerland/ international	Bank was helping clients to evade tax in their countries of residence.	Interview TV interviews x 3 Newspaper articles x 8
Gareth Salter	Internal auditor, retail bank	UK	Auditors enabled life insurance companies conceal billions in liabilities, depriving policyholders of deserved income during a banking takeover.	Interview Newspaper articles x 6 Testimony to banking inquiry x 1 Court submission x 1
Sherry Hunt	Mortgage executive, retail banking. Role was to find defects in bad loans.	US	Supplying US government with misleading information on mortgages and home insurance.	Newspaper articles x 3 News documentaries x 2 Discussion with lawyer
Andreas Sievers	Compliance manager, international investment bank	Ireland	Repeated liquidity breaches that contravened legal requirements	Interview Informal communications Newspaper articles x 4

Appendix 1: Data analysis

The data analysis process was organised into three stages. First, data relating to all informants were analysed by the author. The transcripts were read through without making annotations to acquire a broad overview of informants' perspectives. Each transcript was then examined line by line for phrases that referred to experiences of their organizations. I wrote theoretical memos to note linkages with a-priori understandings of whistleblowers' experiences and banking organizations derived from relevant literature, and conceptual memos to note cross-references and contradictions between informants. Key excerpts from the openly-coded interviews were highlighted, copied from the transcripts and pasted into a data summary document.

Within-case analysis was then followed by cross-case analysis (Eisenhardt, 1989; Miles and Huberman, 1994) in which the excerpts were analysed, grouped and labelled with first order (axial) codes in accordance with the principles of grounded theory (Strauss and Corbin, 1990). At the second stage of analysis, after I had analysed the informant transcripts and developed a set of axial codes, I outlined a composite set of first order codes by merging common codes and putting aside marginal codes. I then compared across levels of analysis and through a process of constant comparison abstracted second order categories for the data (Nag, Corley and Gioia, 2007). To complete this stage I created a summary analytical template of my theoretical notes to guide subsequent data analysis.

I returned to the literature and noted a number of distinct features relating to the present study. I then revisited documents and media articles for each case study with the newly emergent first order codes in mind, in order to expand these and develop the data summary document. Overall, the process involved two months of iterative analysis between transcripts, data codes and literature in order to develop a robust understanding of the issue under investigation.

Author Biography

Kate Kenny is a Reader at Queen's University Belfast Management School, Northern Ireland. Her work focuses on culture and identity in organisations, particularly theories of affect, power and psychoanalysis, and has been published in *Organization, Organization Studies* and *Human Relations* among other journals. She is an editorial board member of *Organization*, the *Journal of Organizational Ethnography* and *ephemera: theory and politics of organization*. She recently published *Understanding Identity and Organizations* (Sage 2011, with A. Whittle and H. Willmott), and is currently working on *Affect at Work: The Psychosocial and Organization Studies* (Palgrave, forthcoming, with M. Fotaki). During 2013-14 Dr Kenny holds an Edmond J Safra Lab Fellowship at Harvard University. As part of this fellowship, she will draw on empirical data to examine the perspectives of whistleblowers in banking organizations in relation to their decisions to speak up about perceived problems.