Formality at Work: Organisational Discourses of Formality in Everyday Management Practices at a Swiss Private Bank

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The University of St. Gallen, Graduate School of Business Administration, Economics, Law and Social Sciences (HSG) hereby consents to the printing of the present dissertation, without hereby expressing any opinion on the views herein expressed.

St. Gallen, May 19, 2009

The President:

Prof. Ernst Mohr, PhD
To Nathalie, Amélie and my parents
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In the course of the investigation into ‘formality at work’, I worked alongside the managers at the researched bank and spent a lot of time talking to them both informally and in formal interviews. Those managers are the principal actors in my study and my most important source of inspiration. Unfortunately, because of my commitment to confidentiality and anonymity, I cannot thank them all by name. Nevertheless, I am very grateful for their willingness to talk openly about their everyday experiences.

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Schwyz, July 2009

Roland Pfyl
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Abstract

This study explores the social construction of formality – such as rules, procedures or standards – at work. Formality at work has a double meaning. On the one hand it refers to how people enact formalities in everyday practices and, on the other hand, it refers to how formalities are at work themselves. Reflecting the practice turn in organisational theory, the concept of formality at work merges this omnipresent agency-structure dualism in social theory into the single concept of practice.

Based on an extensive discourse analysis of in-depth interviews with managers at a Swiss private bank, the study identifies four distinctive formalising discourses: the rationality, the myth, the game and the ceremony discourses. Each discourse is characterised by its distinct normativity with respect to formality. A two-dimensional framework is proposed which orders the four normativities according to their conception of the capacity of formal structure to influence everyday practice and according to their conception of the flexibility of human agency in everyday practices in relation to formalities.

An important finding of the study is that the four discourses are simultaneously omnipresent in everyday practice. The study shows that despite contradictory normativities, each manager engages in all four discourses without an obvious sense of rupture in his or her line of argumentation. However, this leads to discursive tensions in everyday practices. Grounded in a social constructionist understanding of practices, the study draws on Mikhail Bakhtin’s concept of heteroglossia for conceptualising the discursive tensions in everyday encounters with formality. The study defines heteroglossia as the simultaneous presence of contradictory but mutually constitutive discourses structuring formality at work.

The study shows that the heteroglossic nature of formality at work is reflected in a continuous endeavour to reconcile the hegemonic rationality logic, as manifest in general and abstract formalities, with the here and now of everyday practices. The dissociation of general and abstract formalities from the here and now of everyday practices is a key discursive mechanism, first, for reconciling open contradictions between complex everyday practices and abstract formalities and, second, for maintaining the hegemonic position of the rationality discourse. However, the study shows that for each discourse this dissociation is also the source of unintended or even paradoxical consequences of formalities in everyday working practices.
Zusammenfassung


Eine wichtige Feststellung ist, dass die vier Diskurse in der Alltagspraxis allgegenwärtig sind. Trotz widersprüchlichen Normativitäten bewegen sich alle Manager in allen vier Diskursen ohne offensichtlichen Bruch in der Argumentation. Dies führt jedoch zu diskursiven Spannungen. Basierend auf einem sozialkonstruktivistischen Verständnis konzeptionalisiert die Studie die diskursiven Spannungen mit Mikhail Bakhtin’s Ansatz der Heteroglossia. Die Studie definiert Heteroglossia als die gleichzeitige Präsenz von widersprüchlichen aber sich gegenseitig konstituierenden Diskursen, die Formales im Arbeitsalltag strukturieren.

In today’s banking industry, formalities such as regulations, internal rules, professional standards, work manuals or control procedures permeate everyday practices. All aspects of everyday banking practices tend to be structured and controlled by various types of formalities. Formality is at work.

As an internal auditor in a major financial banking group, I have developed a thorough understanding of the workings of formalities over the years. Formalities have been the ‘bread and butter’ of my daily work. My main task was checking whether all of the various types of formalities were implemented appropriately in practice. The good thing about audit work nowadays is that formalities are abundant in a modern financial corporate organisation; thus, you never run out of work. Two things struck me, however, in my everyday work as an auditor. First, people feel ambivalence toward these formalities. While virtually everyone complains about the burden of formal requirements in everyday practice, there is an omnipresent call for more formalities in cases where problems arise in the organisation. This call for more formalisation is not limited to auditors but can be observed across all functions, as well as in the entire banking industry. For example, there have been numerous calls for tighter regulation in response to the US sub-prime mortgage crisis and the subsequent international financial and economic crises.

What is also striking is that the detailed requirements specified in formalities rarely correspond exactly to what people do in practice. Above all, formalities portray only a very limited picture of the variety of everyday practices. During my work as an auditor, I observed numerous practices that were not provided in the Bank’s formalities even though those practices were arguably constitutive of the Bank’s organisation. Furthermore, I regularly observed people interpreting and adapting their implementation of formalities beyond the intention expressed in the formal procedural blueprints. Obviously, formalities can never match the complexity of everyday practices and need to be adapted in everyday practices. However, I noticed that formalities are more than neutral control mechanisms simply adapted to everyday situations. There are practices that are a distortion of the original intent of formality. Formalities regularly had unintended effects in practice that did not reflect the essence of the applied formality. I even noticed paradoxical effects of formalities. In other words, the picture drawn in procedure
manuals, organisational charts and general regulations provides only a sketchy and often distorted picture of the constitutive elements of a bank’s organisation.

Taking the example of my personal work environment, there was a practice of informal reporting between auditors and auditees that involved far more than casual coffee talk. Reporting practices were regularly established during audit work which were not included in formal procedures, but which proved essential for auditing. I was occasionally asked to report on ‘the things you don’t write in a report or don’t discuss in a formal close-out meeting’. These are findings that are formally considered as minor or lie outside the scope of an audit and include personal impressions, feelings and other soft factors that are important to managers but are not provided for in auditing handbooks and standards. There were also findings that are politically too delicate to write in a report, but are all the more important to managers. This shadow reporting often took at least as much time in an auditor-auditee relationship as the formal reporting process. Management frequently confirmed that these informal conversations were at least as important to them as the formal reporting process, which typically consisted largely of standard formulations with little substance.

Aside from shadow practices running in parallel to formal procedures, I also observed some side effects of formalities that were not intended by the underlying formal requirements. For instance, a colleague stated that he had reduced phone calls or face-to-face conversations in his daily work to a minimum. Instead, he was using e-mailing as much as possible. Communication via e-mail, he argued, provided efficient and bullet-proof documentation of his work, whereas oral communication left no ‘paper trail’ which could be checked afterwards. This practice demonstrates that formal requirements can affect practices in ways that go far beyond their initial intentions. The colleague transferred omnipresent documentation requirements to a sphere of everyday interactions that was not intentionally included in the focus of the respective regulations.

As a final example, a legal specialist pointed out to me that formalisation can even have the very opposite effect of what was initially intended. He ascertained that the increasingly detailed formalisation of work made the company more – not less – vulnerable to legal complaints. The number of detailed rules to be followed in everyday work, he reasoned, increased the probability that a rule would not be thoroughly applied and, as a result, the likelihood of legal charges against the bank based on a lack of due diligence had increased due to more detailed and tighter formalisation – the very opposite of what internal regulation aimed to achieve.
As the three examples suggest, formality is not a neutral representation of everyday practice. On the one hand, everyday practice varies according to how people conceive of formalities. On the other hand, formalities can generate effects beyond their initial intentions. In the face of such a dynamic conception of formality, the logic of auditing proved difficult in practice. Underlying audit work is an understanding of formalities as a mechanism for unidirectional and unambiguous control of everyday practices. A focus on compliance with formal requirements determined the auditing work agenda. However, I have encountered various informal practices that were essential for the organisation, but were not mapped in the formal structure. That insight was the motivation for this study.

**Research focus**

Based on my work experience, I have been interested in exploring how people engage creatively with formalities at work as well as in exploring the effects formalities have on everyday practice that go beyond their underlying intentions. These two aspects are reflected in the double meaning of the title ‘formality at work’. This double meaning of how people enact formalities in everyday practices and of how formalities are at work themselves is also the focus of my study.

To investigate formality at work, I based my study on the following research agenda. The first research interest refers to the dominant presence of formalisation in the organisation. I investigate which discursive resources managers draw upon in order to make sense of formality in everyday practice. The identification of organisational discourses that structure everyday encounters with formality provides the basis for the analysis of formality at work. The second research interest refers to the interactional and systemic effects of formality in everyday practice. I explore how organisational discourses structure everyday practices and, particularly, what effects interdiscursive tensions have on everyday practices.

Methodologically, my research is based on a case study of a medium-sized Swiss private bank – referred to as the ‘Bank’ hereafter. Based on a discourse analysis of manager narratives about everyday practices, I investigate the discursive patterns in making sense of formality. I examine how everyday activities and interactions come to assume a formalised character. By revealing the variety of manifestations of formality in everyday work activities, I show that formality is more than an external apparatus acting upon organisational life. Rather, I argue that formality is an omnipresent feature of everyday practice.
Formality is seen as embedded in everyday routines and emerging from everyday interactions. Formality is a constituent of everyday practice. Formality as a practice reflects the complexities and varieties of everyday activities, which it structures and from which it emerges at the same time. In other words, formality is (re-)constructed in every activity resonating with organisational discourses. As a result, formality has a multifaceted and often contradictory nature that reflects the variety of social life. I argue that in this unsettled nature lies both the strength and weakness of formality. While formality is a key ingredient for successful organisational life, it simultaneously embodies potential conflicts and failures. For that reason, formality is typically revered and reviled in the organisation.

With respect to academia, this study adds to the scarce empirical research in the field. Although formality has become the dominant organisational principle in modern organisations (Beck 1992; Power 1999; Brunsson and Jacobsson 2000), there is a lack of empirical research on the subject. In particular, there is little research focusing on how formalities are enacted in everyday practices. The study also adds to the understanding of the workings of formality. Examining the underlying discourses that structure formalities in practice helps to further our understanding of organising in the context of increasing regulation. In addition, this study proposes an analytic framework for the further analysis of formality. For practitioners, this study underscores the complex and omnipresent nature of the formality of everyday work settings. It provides an analytical tool for better understanding formality at work.

There are two aspects of the concept of formality at work that are worth highlighting at the outset. First, formality at work has a practice focus. This study observes people in their microenvironment of everyday practice. The focus is on what people do. Second, formality at work has a double meaning. On the one hand, it refers to formality as a static concept composed of formal rules, standards, manuals, concepts and the like which people encounter at their workplace. On the other hand, formality at work refers to the dynamic aspect of formality: formality as a practice. Formality is doing work itself in that it structures how people conceive of everyday interactions. With this double meaning, formality at work embodies the paradoxical nature of embedded agency in organisation theory (DiMaggio and Powell 1991; Friedland and Alford 1991; Sewell 1992; Holm 1995; Seo and Creed 2002). Embedded agency carries a dynamic view encompassing agency of people and the agency of formal structure. In my research, this double meaning of formality revealed itself to be a key dynamic that is pervasive in the organisation.
In the introductory section, I lay out the foundations for my research. First, I examine the literature in the field of organisation theory that deals with formality at work. Reflecting the ‘practice turn’ (Schatzki et al. 2001) in organisation theory, I start by reviewing how organisation theory accounts for the dynamic nature of formality at work. The dynamic nature of formality in everyday practice does not fit into a neatly defined strand in the wide body of organisation theory. The unifying characteristic of studies in organisation theory that are relevant to my study is the double focus on practice and formality.

Second, I ground my study epistemologically and ontologically. The study adopts a social constructionist approach. I lay out the theoretical basis and embed my approach in the broad field of organisational discourse. The presentation of organisational discourse attaches particular value to developing the understanding of the concepts of reality and agency in organisational discourse. In order to frame the dynamic nature of formality at work, I introduce a Bakhtinian concept of organisational discourse that focuses on everyday practices and embodies the multifaceted and often contradictory nature of formality at work. Based on the conceptual discussion, I finally attempt to define the concept of formality.

Third, I discuss the methodological consequences of choosing a discourse-based research approach and present my proceedings in some detail. I introduce the empirical basis of my study and discuss the interview method applied. I also present my approach to discourse analysis. In the final part of the introduction, I step back and reflect on my role as a researcher in this study.
Formality at work and organisational theory

Formality at work is not a topic new to organisation theory. The discussion of how work processes are formally structured has been studied since the very beginning of organisation theory. Consequently, an attempt to introduce how organisation theory treats formality is far beyond the possible scope of this literature review. There is no single common grounding of the notion of formality in organisation theory. In the 1960s, James G. March (1965) noted in his introduction to the Handbook of Organizations: ‘[T]he study of organizations has a history but not a pedigree’ (ibid.: ix). Since then, the variety of approaches to study formality has further increased. Numerous scholars over the years have maintained that organisation theory is a disjointed field and a contested terrain (e.g. Westwood and Clegg 2003; Burrell and Morgan 1979; Perrow 1973; Clegg and Hardy 1999). In this unsettled context, I limit the exposition of the literature review to the various streams of organisation theory that treat formality as a socially constructed practice. Formality at work as a socially constructed practice cannot be included in any single field in organisation studies. There are a number of scholars in the wide field of organisation theory that have engaged with similar questions about the dynamic (re-)construction of formality in everyday practice. Thus, the unifying characteristic of the studies I review is the double focus on practice and formality.

The practice turn in organisational theory

Conceiving of formality at work as the dynamic (re-)construction process in everyday interactions relies on a focus on practice. The focus on practice fits with a wider ‘practice turn’ in contemporary social theory (Schatzki et al. 2001). Traditionally, organisation theory has treated formality as a means to an end. In the Weberian tradition of the legal-rational organisation, formalisation was often equated with organising. Increasingly, however, formality is also seen as a practice. Formality is something people do. The ‘practice turn’ redirects the attention to everyday processes of work internal to organisations.

Practice approaches have only recently gained momentum in organisation theory. One striking development has been the re-conceptualisation of strategy as organisational practice (e.g. Chia 2004; Whittington 2006; Jarzabkowski et. al 2007). Practice approaches are not only found in strategy research but also in other fields of organisational research such as organisational learning (Brown and Duguid, 1991; Lave and Wenger, 1991) or technology management (Orlikowski, 2000). Particularly relevant for my study is practice research that deals
with the dynamic aspects of formality at work such as research in accounting (Hopwood and Miller, 1994; Miller, 2001; Young 2003), law and organisation (Sitkin and Bies 1994a), risk management in general (Perrow 1984; Vaughan 1996, 2005), and auditing and risk management as professions (Pentland 1993, 2000; Van Maanen and Pentland 1994; Power 1996, 1999, 2003).

Central to the ‘practice turn’ is the effort to move beyond problematic dualisms in social theory and merge them – such as agency and structure – into the single concept of practice. Schatzki et al. (2001) trace the intellectual roots of the ‘practice turn’ to thinkers sharing an ‘uneasiness’ (Bernstein 1983: 1) regarding standard dualisms and the desire to resolve their oppositional nature in a single concept of practice. Wittgenstein (1958) is among the most prominent philosophical thinkers in this area. His concept of ‘Sprachspiele’, for example, implies that practices underlie subjects and objects at the same time. He thus overcomes the pervasive subject-object dualism in social theory. Social scientists such as Bourdieu (1977; 1990) and Giddens (1979; 1984) both seek to replace the transcendent action–structure opposition with the concept of practice. This intellectual project reflects the simultaneous desire to both free everyday actions from the grasp of objectified structures and replace individual actions as the building blocks of social phenomena.

Finally, cultural theorists, such as Foucault (1977a, 1979) and Lyotard (1984, 1988), point to the importance of language in relation to practice. They hold that the notion of practice is the reflection of language as discursive activity and not as a mere structural element of organisations. As a result, cultural theorists conflate the agency-structure dualism into the single concept of language. Epistemologically and ontologically, my study subscribes to such a language-centred understanding of practice.

Considering this broad intellectual basis, it is not surprising that there is no established and unified approach to practice. Schatzki (2001: 2) identifies a central core of practice theorists conceiving of ‘practices as embodied, materially mediated arrays of human activity centrally organized around shared practical understanding.’ The conception of the individual components of this practice composite, however, varies considerably. The conception of activity or the understanding of connections between activities varies across studies. For example, posthumanists extend practices beyond human activity to include nonhumans such as machines (e.g. Kallinikos and Nardi 2007; Latour 1988; Callon and Law 1989). Some scholars also expand practical understanding to preconscious moments as in aesthetics or emotions (e.g. White 2006). It would be beyond the scope of this study to discuss the subtleties of the various understandings of practice. Central
to my study is the understanding of practices as human activity organised around *shared practical understanding*. Such an understanding moves beyond the agency-structure dualism in organisation theory. Human activity organised around shared practical understanding resonates in the notion of embedded agency. The concept of embedded agency emphasises the mutually constitutive nature of structure and agency. I investigate the concept of embedded agency in the section on conceptual groundings. Having discussed the practice turn in social theory, I now turn to reviewing studies of formality at work with such an underlying practice focus.

**Formality at work in the literature**

Formality at work does not fall under a unified academic stream. Studies focusing on the dynamic aspects of formality in everyday practices draw on a wide variety of disciplines. The literature review focuses on research on how formality is (re-)constructed in practice. A particular focus is put on studies on unintended effects of formality in everyday practice. I structure the literature review according to five overarching themes of practice research that I have identified. The five themes are not meant to be a mutually exclusive and exhaustive typology. Rather, the categorisation is a heuristic attempt to provide order to the unordered and dispersed body of literature on formality at work. The five recurring themes are related to professional formalising practices, practices of legalisation in organisations, documentation practices, expert language and practices of (non-)compliance.

*Professionals’ formalising work*

A first set of studies focus on conscious formalising by professionals. The strongest interest in conscious practices of formalising is found within institutionalism, where formality is typically subsumed under the notion of institutions. Within institutionalism, professional practices of formalising are most commonly treated under the label of ‘institutional entrepreneurship’ (DiMaggio 1988; Eisenstadt 1980) or ‘institutional work’ (Lawrence and Suddaby 2006). Studies in this field have focused ‘on understanding the role of actors in effecting, transforming, and maintaining institutions and fields’ (ibid.: 215). Lawrence and Suddaby (2006) provide a broad overview of studies focusing on the practice of creating, maintaining and disrupting institutions. An example of a formalising practice in the banking sector is the study of Fox-Wolfgramm, Boal and Hunt (1998). They show how formalisation has been facilitated by the construction of definitional
categories of compliance by bank examiners. A similar practice of conscious formalising is highlighted by Greenwood and his colleagues (2002: 60) in their study on how professionals formalise work through the ‘development and specification of abstract categories’.

Studies on institutional entrepreneurship or institutional work mainly focus on professional practices in institutional fields. Also, in other fields of organisation theory, professional practices of examiners, auditors, risk managers and legal specialists and their impact on increased formalisation seem to be a widely researched aspect of formality at work. Professional practices and formalisation are portrayed as mutually constitutive in organising. In the area of auditing and risk management research, Power (1996; 1999; 2004) describes formalisation as the legitimating basis of professional practices. For instance, he (1996: 291) shows how an increase in auditing activities goes along with making the organisation more auditable:

‘[A]uditing actively constructs the legitimacy of its own knowledge base and seeks to create the environments in which this knowledge base will be successful. Auditing knowledge in this systemic sense does not emerge from the experimentally isolated cognitive judgements of practitioners in relation to sets of cues in the outside world, as the tradition of audit judgement research would have it (Felix and Kinney 1982). Audit plays a decisive role in constituting the environment of cues itself (Kirkham 1992: 296) and its techniques are part of a system of knowledge which is driven by the imperative of ‘making things auditable’.’

Power (1996) argues that the process of ‘making things auditable’ has two prime facets. First, making things auditable depends on creating an environment of ‘measurable facts’. Creating measurable facts means making controls visible by formally documenting them and applying ‘generally accepted’ control standards. Frameworks, such as those proposed by COSO1, are the typical reference point for auditing. These aspects of ‘making things auditable’ accompany formalisation. In a similar vein, Flint (1988) argues that auditing is not possible without ‘auditable’ standards of control performance.

Second, ‘making things auditable’ also means negotiating auditability. In a study of changes to audit practices, Fischer (1996) concludes that due to the ‘unknowability of audit quality’, audit practice is a social construction. Consensus in the

1 COSO: Private sector organisation dedicated to improving the quality of financial reporting through business ethics, effective internal controls, and corporate governance. COSO is jointly sponsored by the five major financial professional associations in the United States, including the Institute of Internal Auditors (IIA). (cf. www.coso.org)
profession is essential before a new practice can count as legitimate knowledge. The negotiation process is also the focal point in Pentland’s (1993) study of interactions in the auditing process. He argues that the legitimacy of auditing is a social construction accomplished, built from, and reproduced by micro-interactions. He emphasises the function of impression management in the production of legitimate auditing. Impression management works through formalised work rituals, behaviours, appearances, use of professional language and working papers. Pentland sees this formalisation of micro-level interactions as central displays for legitimising auditing. Power (2003: 385) states: ‘The specificity of organizational … systems is filtered through the lens of standard techniques. Only as organizational ‘noise’ is reduced can legitimacy be exported from the audit process’. Pentland and Carlile (1996) show that these standard techniques are part of the collective order that professionals appeal to in their everyday practices of making inferences and negotiating. Other studies show how this collective order is typically protected in practice through blame allocation and particularisation (Fogarty 1996) and through the suppression of alternative interpretations (McNair 1991).

Silent legalisation of organisations

Besides professional formalising practices, a second important driver for formalisation can be identified in the literature: the legalisation of society in general and organisations in particular. Whereas the first theme discussed above focussed on conscious formalising activities by professionals, the set of studies presented here examine silent social mechanisms that lead to increased formalising through dynamic mechanisms of legalisation. The legalisation of organisation is a central topic in organisational research on formality. Sitkin and Bies (1994b: 21) define legalisation as ‘a process that encompasses the diffusion of legalistic reasoning, procedures, and structures as a means of sustaining or enhancing the legitimacy of the organization (or an organizational subunit) with critical internal or external constituencies (Meyer 1983; Sitkin and Bies 1993).’ Edelman and Suchman (1997) provide a good literature overview of the research on legal aspects in organisations. They conclude from their broad literature review that there is a general process toward increasingly organising everyday interactions in a legalistic logic.

Scott (1994) brings up the institutionalist argument that legalisation is not an isolated organisational phenomenon, but that the symbolic system of the social environment has been reproduced within organisations. As legality plays a major role in Western societies, he argues, the symbolic system of the legal environ-
ment is also reflected in organisations. Broader interest in the effects of the legal environment on the structure and functioning of individual organisation only started in the 1980s (e.g. Carrol et al. 1988; Meyer 1983; Scott and Meyer 1983, 1991).

This institutionalist account of legalisation as an isomorphism for societal systems echoes Beck’s and Giddens’s arguments of modernisation. Giddens (1990: 34) notes that with modernity the belief in rational technicity has emerged in place of religious cosmologies and, in parallel, the notion of risk has to a large extent replaced the notion of fate. Central to the legalisation trends is their account of the rise of ‘expert systems’ as the result of a loss of interpersonal trust in modernity (Giddens 1991; Putnam 2000). Interpersonal trust has lost ground to impersonal trust in standardised expert systems such as law, professional education or audit (Luhmann 1988; Giddens 1990, 1991; Beck 1992; Brunsson and Jacobsson 2000). Expert systems are seen as the key formaliser in society and thus also in organisations. As a result, high reliance is put on expert systems to frame organisational questions and to solve organisational problems.

Beck (1992) argues that with the reliance on standardised expert systems in modern societies, legalisation has become the reconnection of organisations to a social reference unit, i.e., the expert system of law and regulation. The system of law and regulation is placed in the centre for the legitimacy of practices in organisations. Similarly, Rose and Miller (1992) assert that the rise of auditing has happened more or less regardless of any demonstrable technical efficacy of audit itself. They draw attention to the assumption that auditing is effective in providing assurance of the effectiveness of control systems. Rose and Miller maintain that, in essence, the call for auditing has much to do with the dominant ‘rationality of government’ in the modern world. Similarly, Miller (1994) asserts that auditing has become a key element of the myth structure of rationalised societies due to the shift to reliance on impersonal trust in standardised expert systems.

Studying the Swiss banking sector, Zufferey (2004) observes similar tendencies. He shows how financial institutions tend to introduce a high level of internal formalisation initiated by professional bodies – typically under the heading of self-regulation – independent of state regulatory activity. This reflects the social trends toward legalisation even in the absence of direct regulatory coercion. Related to this self-regulatory phenomenon is a widely observed practice of standardisation. In their book ‘A world of standards’, Brunsson and Jacobsson (2000) show how organisational standardisation reflects similar isomorphic mechanisms whereby corporate organisations try to meet foremost societal expectations rather than organisational needs. Another example is Guler, Guillen and MacPherson’s
(2002) analysis of the diffusion of ISO 9000 practices. They document the early diffusion of ISO 9000 in manufacturing that occurred through the work of engineers and production managers in creating a normative network aimed at promoting manufacturing standards and practices.

A central insight for practice research of studies on legalisation is the recognition that a legalistic logic of formality privileges process controls and stresses procedures over outcome (e.g. Feldman and Levy 1994; Sitkin and Bies 1994b). Neo-institutionalists show how this focus on process aims at conforming to the institutional environment and not necessarily at making organisations more efficient (Scott and Meyer 1983; DiMaggio and Powell 1983).

Considering the increasingly dominant status of legalistic reasoning in everyday practice, researchers highlight the consequences on everyday interactions. The increasingly observed importance of legalistic reasoning in organisations is not seen as neutral. There is growing evidence in the literature that organisational decisions are often dominated by a concern for what regulations and standards say at the expense of humanistic and social considerations, such as justice and fairness (Barney et al. 1992; Ewing 1989; Randall and Baker 1994; Van Maanen and Pentland 1994). Based on such evidence, Sitkin and Bies (1994b) conclude that professional judgements relying on legalistic reasoning may lead in practice to a justice paradox – to ‘law without justice’. The paradox refers to an often-observed divergence between reasoning ‘by the letter of the law’ and reasoning ‘by the spirit of the law’ (Bies and Sitkin 1992, 1993). This legalistic process focus is also reflected in documentation practices, which are discussed below.

**Documenting practices**

Related to formalising work of professionals and to the legalisation of organisation is the importance attributed to formal documenting. In the context of auditing practices, Power (2003: 380) observes: ‘Audits produce paper, and quite a lot of it’. Power draws attention to practices of documenting as a central mechanism in producing legitimacy of both auditors and auditees. Linked to the general tendency to make organisations auditable is an increase in documentation (Power 1996). Johnson (1994: 379), for instance, observes in the context of universities that

> ‘it is far more important that they [professors] have produced plans for their courses, bibliographies, outlines of this, that and the other, in short all the paraphernalia of futile bureaucratization required for assessors who come from on high like emissaries from Kafka’s castle.’
Similarly, Van Maanen and Pentland (1994) underscore the importance of documenting in their research on the rhetorical role of records of police officers and auditors. Van Maanen and Pentland hold that while the presumed objectivity of records has a crucial rhetorical role in organisations, records are fundamentally self-conscious and self-interested. They conclude (ibid.: 53):

‘What is recorded is never simply ‘what happened’ because, first, no event can be fully or exhaustively described and, second, all records, as institutionalized forms, represent the collective wisdom of those who are trained to keep them. Records are not neutral, factual, technical documents alone, although when serving legitimate ends they must appear this way, and when serving illegitimate ones even more so. They are designed – implicitly or explicitly – to produce an effect in some kind of audience, which itself actively uses records to interpret events.’

Van Maanen and Pentland (1994) show that papers are often ‘cleaned up’ and ‘edited’ in order to comply with stakeholders’ expectations and to be able to hold up in the case of adversarial confrontation. Papers are a reflection of a great deal of ‘impression management and ritual respect involved in audit work’ (Van Maanen and Pentland 1994: 65).

In another study, Pentland (1993) summarises that a close look at everyday practice suggests that professional practices may sometimes be more a matter of form than function. In a similar vein, Francis (1994) argues that in the legalistic environment of modern organisation, documents need to produce a discourse that can hold up in court in case of litigation. He observes, for example, that audit professionals often tend to be more focused on the production of working papers than on ‘doing’ an audit. In the case of auditors, Francis (ibid.: 260) states that ‘working papers become the discursive representation of the auditor’s deliberation, discernment and judgement’ and not mere ‘working papers’ in the sense of an unordered collection of thoughts and findings. Working papers are ‘the secret and sacred texts of the auditing world’. These scholars all underscore that documenting is thus more than a simple reflection of everyday practice, but that it is an important organisational practice itself – documenting is work. Central to the effect of documents is language, i.e., expert language. This is the theme of the next section.

Use of expert language

Another theme of formality at work is the language in use. Various studies show the importance of expert language as a resource in everyday interactions. Young (2003), for example, argues that the mastery of legalistic language brings about
valuable discursive resources. In his study of the Financial Accounting Standards Board (FASB), he shows how professional bodies employ rhetorical strategies in the standard setting process. Drawing on the underlying modern values, the FASB ‘...constructs standards as technical products and thereby also works to maintain the myth of accounting objectivity’ (ibid.: 621). Power (2003) similarly underscores that the value of objectivity is continuously reproduced in everyday professional practice by invoking professional language.

Moving beyond the conception of expert language as a resource, researchers show that the increasing reliance on regulatory expert systems in modern organisations has led to legalistic thinking and structuring of situations (Meyer 1983; Selznick et. al. 1969; Sitkin and Bies 1993; Yudof 1981). Stutman and Putnam (1994) show how legalistic formal structures have become more than a simple option for addressing problems. They show how legality has become a metaphor for how to think about problems: ‘The process is circular: Recourse to legal means in our society leads to an infiltration of legal language into organisations; the language creates a conventional metaphor, which then structures how individuals think about situations in the workplace and increasing reliance on legal or legalistic processes’ (ibid.: 287). Sitkin and Bies (1994b) show how professionals and managers are both enveloped in the legalistic discourse and are thus biased toward decisions that are clearly justifiable and enforceable in legalistic terms. With a Foucauldian line of reasoning, Shore and Wright (2000) conclude that the establishment of auditing as a professional expert system leads to a formalising practice in that essentially political issues are typically removed ‘from the realm of political discourse’, and recast ‘in the neutral language of science’ (Dreyfus and Rabinow 1982: 196).

Practices of (non)compliance

The final aspect of formality at work is probably the most obvious aspect of formality at work: The practice of complying with formal requirements. In organisation studies, compliance can be conceived of as the continuous reproduction of formality in everyday practice. That continuous reproduction relies first and foremost on the practices identified above. Professionalism, legalisation of organisations, practices of documentation as well as expert language are all conducive to reproducing formality in everyday practice.

Lawrence and Suddaby (2006) argue, however, that compliance is more than a simple organisational consequence of formal structures and related practices; rather, it requires institutional work to ensure it. Scott (2001: 110) also ascer-
tained that there has been significantly less attention to the practices of compliance than to practices of creating or disrupting formality. Lawrence and Suddaby (2006) conducted a large literature review on institutional work. They categorise practices devoted to ensure compliance into six types of practices. The first type of practice revolves around enabling work in which conditions are created that facilitate, supplement and support institutions. Examples are the introduction of standards (Guler et al. 2002) or professional associations (Greenwood et al. 2002; Galvin 2002) that both contribute to and ensure the adherence to formal requirements.

The second type of compliance practice is referred to as policing work. Policing involves both sanctions and inducements (Russo 2001; Scott 1994). Auditing and monitoring practices are the main strategies to ensure compliance in modern organisations. As introduced above, studies of professional practices are numerous in organisational research. The third type of compliance work refers to deterrence work. Deterrence ‘involves a threat of coercion to inculcate the conscious obedience of institutional actors’ (Lawrence and Suddaby 2006: 232). An example of deterrence work is Thornton’s (2002) study of parent corporations’ accounting practices in the publishing industry.

The fourth type of compliance practice works through the valorising of good reference examples and demonising bad practices. An example is Angus’s (1993) study of the Christian Brothers College in Australia. Angus’s study is also a referred to as a good example of the fifth practice of ensuring compliance through mythologising the past. The final compliance practice is labelled embedding and reutilising. Formality is seen as being ‘maintained and reproduced through the stabilizing influence of embedded routines and repetitive practices such as training, education, hiring and certification routines and ceremonies of celebration’ (Lawrence and Suddaby 2006: 233). An example is Townley’s (1997) study on performance appraisals at UK universities.

Lawrence and Suddaby’s (2006) overview summarises the practice of compliance understood as a practice of reproducing formality in everyday practice. Their extensive review does not, however, discuss what compliance means in everyday practice. Focusing on the concept of compliance itself, some studies underscore the pre- eminent position of compliance in an organisation’s value system. Power’s (1994, 1996, 1999, 2003, 2004) work repeatedly shows how compliance with procedures has become a value in itself in organisations and how the value of compliance nourishes auditing and risk management practices. In a similar vein, Sitkin and Sutcliffe (1991) observe that managerial choices are increasingly justified with the adherence to law-like procedures in their decision
making process instead of justifying them by the desired outcome. In particular, when delivering bad news or defending a decision, managers often tend to refer to the strict adherence to procedures during their decision-making process instead of bringing up substantial arguments (Feldman and March 1981; Bies 2001).

The value of compliance is, however, not simply neutral to interactions and organisational systems. As various scholars highlight, the practice of compliance does not make sense in the absence of formal reference units. However, the formality space is fragmented and includes competing and often incompatible requirements (e.g. Feldman and Levy 1994; Browning and Folger 1994). Abzug and Mezias (1993) show how professionals, who are literate in the legal system, strategically comply with selected formalities and not with others. They argue that fragmented regulations leave considerable room for interpretation and selection from among constraints. Similarly, Edelman (1977) argues that professionals offer the illusion of responsible actions through ‘selective compliance’ with competing or even incompatible regulatory requirements.

Sitkin and Bies (1994b) point to possible paradoxical effects in practice as a result of the high value attributed to compliance with formality. First, they observe a power paradox in modern organisations. Underlying this paradox is a shift of power within organisations from managers to professional actors such as internal auditors, risk managers or legal specialists. While the rationale of using legalistic procedures in organisation lies in constraining the arbitrary use of power, the actual effect can often be contrary to the intended protection against abuse of power. For example, Browning and Folger (1994) show how adherence to proper procedures can serve as effective protection for almost any action taken. The strategic adherence to formal procedure allows plausible deniability of responsibility, or as Edelman (1990) illustrates, in the context of the civil rights movement, the imposition of legalistic procedural rules was easily used as a legitimating cover for those who continued discriminating. Likewise, Van Maanen and Pentland’s (1994) study of police officers and auditors shows how following generally accepted procedures helps to cleanse their records retroactively.

Sitkin and Bies (1994a) point to another paradoxical effect of strict adherence to procedural rules. They show how strict adherence to procedural rules can undermine the rationality of organisational actions as authority for decisions is displaced in previously specified rules or procedures. Instead of a rational deliberation on a specific situation, they argue, managers often strictly follow procedures. Flexibility of managerial decisions thus becomes limited by the rules and can re-
sult in badly adapted decisions. Sitkin and Bies refer to this phenomenon as the rationality paradox.

Another important aspect of compliance practices appears in Perrow's (1984) study of 'normal accidents'. Perrow argues that there are inevitable accidents that are the result of a combination of control system complexity and human error. He shows, for example, how everyday accidents may be inevitable, not because people do not comply with formal requirements, but because people fully comply with formal demands.

On the other hand, Perrow (1984) also draws our attention to practices of non-compliance due to, for example, time pressure. Practices of non-compliance have been a major theme in organisational research. Extensive research has provided evidence of substantial discrepancies between what formal requirements portray, on the one hand, and what people do in everyday practice, on the other (Kaplan 1964; Weick 1976; Meyer and Rowan 1977; Argyris and Schön 1978; Van Maanen and Pentland 1994; Brunsson 1995). Practices of non-compliance are also investigated by Vaughan (1996; 2005). In her study on the Challenger launch decision, Vaughan (1996) describes how non-compliance was incrementally transformed into acceptable behaviour – a process she refers to as the normalisation of deviance. Perrow and Vaughan both point to the complexities of everyday practices that set compliance in an environment of scarcity and competition, of bargaining in decision making, of uncertain technology, of incremental developments, of complex patterns of information flows, and of routinisation. These studies show how the value of compliance is limited and how formality in a complex environment can at best be an incomplete simplification of an unknowable world.

**Situating the study in organisational theory**

The literature review of formality at work portrays a fragmented and unsettled research field. Common to the literature reviewed is a focus on encounters with formality in everyday organisational practice. There is also a shared view of complex and dynamic interrelationships between the effects of formality on everyday practices and the role of individual agency in everyday practices. Various aspects, however, remain poorly researched. First, the inconspicuous phenomenon of everyday reproduction of formality at work remains a relatively unstudied field. While relatively broad research activity was identified in relation to the creation and diffusion of institutions (e.g. Scott 2001; Lawrence and Suddaby 2006), legalistic structures (e.g. Sitkin and Bies 1994a), and diffusion of professional practices (e.g. Power 1994; 2004), the phenomenon of how formality is
reproduced in everyday activity has been given little attention in organisational research. Lawrence and Suddaby (2006: 234) conclude from their extensive literature review on institutional work that

‘the work required to maintain institutions remains a relatively unstudied phenomenon. We clearly need to focus more attention on the ways in which institutions reproduce themselves. Indeed, this may be a more fundamental question for institutional research, in many respects, than the question of how institutions are created. While institutional entrepreneurs are interesting because of the scale and scope of the product of their actions, the real mystery of institutions is how social structures can be made to be self-replicating and persist beyond the life-span of their creators.’

My study aims at improving our understanding of the mystery of the reproduction of formality in everyday practice.

Second, the literature review shows a preponderance of descriptive accounts of formality at work (Argyris 1994). Conceptual frameworks to map formality at work in organisational practice are rare in the literature. However, to overcome the often paradoxical nature of formality at work described above, the underlying logic of formalising needs to be delineated. Argyris (1994), for example, argues that in organisations strategies to bypass formal requirements as well as to go blindly by the book have paradoxical effects because these unwanted strategies ‘are undiscussable and their undiscussability is undiscussable’ (ibid.: 352). This study aims at contributing to breaking down the barrier of ‘undiscussability.’ I provide a framework conceptualising the reproductive as well as paradoxical effects of formality at work. This framework can provide a starting point for bringing organisational paradoxes on managers’ agenda.

Third, empirical studies in organisations dominated by professionals – such as banks – are rare. The main reason is the difficulty of gaining access to firms for social research (Power 2003). In his unsuccessful attempt to do social research in auditing firms, Gendron (2000: 176) comes to the conclusion that professionals are

‘policing the development of academic knowledge on the part of ‘gatekeepers’ who strive to encourage researchers to work on technicalities, thereby minimising the risk that research may generate results inconsistent with the public image of the ‘professional’ auditor.’

While empirical studies of professional practices are relatively rare, empirical studies of formality at work of ‘normal’ managers are virtually absent. The literature review shows a predominance of studies of professional practices of auditing, risk management and legal practices. The contribution of everyday practices
of non-professionals is rarely a theme in the literature. My study also adds to this scarcely researched empirical field of study.
Conceptual grounding

The practice focus of my study is conceptually grounded in a social-constructionist understanding of formality as discursive practice. Formality as discursive practice embodies both theory and method. In theory, formality as discursive practice is embedded in a social-constructionist understanding of (re-)constructing formality in everyday practice through discourses. Therefore, I ground my study in research under the heading of organisational discourse. Methodologically, conceiving formality as discursive practice encompasses a focus on language for analysing formality at work. Taking language as a starting point for the analysis, I conducted interviews and applied discourse analysis practices to ground my study methodologically.

Formality is a notion that is difficult to grasp. It has neither the clarity, nor the coherence, nor the autonomy that is typically implied by formal blueprints of rules and regulations. As the literature review showed, formality takes various shapes in everyday practices that often go beyond their explicit intentions. As a consequence, a conception of practice as the direct and unbiased result of formal requirements would omit a great deal of the variety observed in everyday practice. However, the practice turn in social theory also means overcoming the omnipresent dualities in social theory, such as the practice-structure dichotomy.

Instead of simply investigating differences between formal structures and everyday practices, a practice focus involves investigating formality as practice. Formality as practice refers to the dynamic interdependencies of formalities and practice, i.e., a conception of formality and practice as mutually constitutive. As I regularly observed in my auditing work, the mutually constitutive nature of formality and practice manifests itself in the difficulty of conceiving of the one or the other in isolation: On the one hand, managers acting in the absence of a formal grounding are typically frowned upon and, on the other, a rule without a practical expression is considered to be at best mere ‘paper’. Investigating formality at work therefore necessitates an epistemological and ontological grounding that allows us to understand formality and practice as mutually constitutive elements and thus allows us to overcome the traditional dichotomy. This succeeds with the conception of formality as practice.

Epistemologically and ontologically, a social constructionist approach fits such a conception of formality as practice. Underlying a social constructionist\(^2\) understanding
standing is the view that people’s practices are socially constructed and embedded in organisational discourses. Formality as discursive practice is interpreted, constructed, enacted and maintained through organisational discourses (cf. Berger and Luckmann 1966; Weick 1979). To ground the understanding of formality as discursive practice, I will first introduce the academic field of organisational discourse. To clarify the ontological and epistemological stance of my work, I will also position my research with respect to the relationship between discourse and reality as well as discourse and agency. Based on the understanding of organisational discourse introduced I will delineate a Bakhtinian concept of discourse that establishes the discourse analytic foundation for my study. Before starting the empirical part, I will conclude with the difficult but central task of defining formality within the conceptual field defined in this introduction.

Organisational discourse

In order to trace the presence and consequences of formality in everyday practice, it is important to understand how formality is experienced and interpreted by managers in everyday practice as they engage with, avoid or resist formality. Social constructionist research on formality at work can be embedded within the broader field of organisational discourse. Organisational discourse has become a veritable ‘cottage industry’ (Mumby 2004). An exponential growth of published articles and books has been observed in the last few years (e.g. Alvesson and Kärreman 2000b, Keenoy et al. 2000; Putnam and Fairhurst 2001; Phillips and Hardy 2002; Putnam and Coorem 2004; Grant et al. 2004a). Researchers have applied a wide range of discourse analytic approaches to organisations. On the one hand, the wide variety can be partly attributed to the variety of disciplines researchers draw on, i.e., most importantly sociology, ethnography, communication studies, linguistics, philosophy, political science, and social psychology (Alvesson and Kärreman 2000a). On the other hand, the variety stems from fundamentally different ontological and epistemological understandings of researchers applying organisational discourse analysis. As Van Dijk (1997a: 3, quoted in Grant et al. 2004b: 2) put it: ‘[G]iven the different philosophies, approaches and methods in their various ‘mother disciplines’, the various developments of discourse analysis [have] hardly produced a unified enterprise’. Mapping the field of organisational discourse in detail would go beyond the scope of this research.

structivists the process of world construction is psychological; it takes place “in the head”. In contrast, for social constructionists what we take to be real is an outcome of social relationships.’ As my study puts emphasis on social relationships as the central factor, it adheres to the concept of constructionism.
For an overview of the diverse field of organisational discourse, see, for example, Putnam and Coorem (2004) or Grant et al. (2004a).

Organisational discourse in a social constructionist sense – and as I use it in my research – has nothing to do with discourse about organisations or what goes on within organisations. Organisations are conceived of as discursively constructed. Organisational discourse is about bringing into existence, maintaining and developing ‘organised’ states – such as formalities. The term ‘organisation’ does not refer to an extra-linguistic reality, but to a discursively constructed state. The ‘organised’ states are reflected in regularisation and routinisation of social interactions. This regularisation of social interactions involves (re-)producing shared codes of behaviour and understandings, which are institutionalised as organisational discourses (Chia 2000).

Key to the notion of discourse is its focus on language as the locus of knowledge. An increasing focus on language in the social sciences is famously referred to as ‘linguistic turn’. The ‘linguistic turn’ refers to an understanding that ‘societies, social institutions, identities, and even cultures may be viewed as discursively constructed ensembles of texts.’ (Alvesson and Kärreman 2000a: 137).

Discourse is a multifaceted concept in the literature and there is no generally accepted definition of it. Grant et al. (1998) note that organisational discourse remains ‘poorly defined’ (ibid.: 1) and that its ‘variegated roots’ expose it to the accusation that it is ‘all things to all people’ (ibid.: 2). In this study, discourse refers to a socially constructed and interrelated set of texts that ‘systematically form the objects of which they speak’ (Foucault 1977a: 49). In this sense, discourse is more than a linguistic or semiotic mechanism (Potter and Wetherell 1987). Discourse is a coherent mode of thinking.

Most important to my study is the conception of discourse as practice. As Van Dijk (1997b) highlights that discourses ‘are also a practical, social and cultural, phenomenon.’ (ibid: 2; emphasis in original). In that sense, discourses as everyday practice are 'a manifestation of human sensemaking (Weick 1995). The making of text corresponds to how organizational members reflexively (Giddens 1984) and retrospectively (Weick 1995) monitor, rationalize, and engender the action of organizing’ (Taylor and Robichaud 2004: 396-7). Discourse conceived of as practice amalgamates the practice turn and the linguistic turn in organisational research. As Swidler (2001: 75) points out:

‘Practice theory moves the level of sociological attention ‘down’ from conscious ideas and values to the physical and the habitual. But this move is complemented by a move ‘up’, from ideas located in individual consciousness to the impersonal arena of ‘discourse’.
This amalgamation of discourse and practice is central to my study. In Foucault’s (1972) terms, discourses create a normalizing gaze as they provide the categories, notions, gestures and symbols for valuation of everyday encounters with formality in practice. In that sense, power acts through normalisation, i.e., the method of identification of norms and the comparison of organisational forms and everyday activities to these norms. Normalisation delineates what is normal behaviour and what is not. Deviating from the norm implies being at risk or failing and therefore individuals strive to behave within the boundaries of normal behaviour that is established in a discourse. Through the mechanism of normalisation, formality and everyday practices are both enveloped in organisational discourses.

To base my research on a solid epistemological and ontological foundation, it is particularly important to clarify the conception of ‘reality’ and ‘agency’ in the understanding of discourse. The variety of ontological and epistemological conceptions in the field of organisational discourse mainly comes down to different understandings of the relationship between first, discourses and reality and second, discourse and agency. The positioning of one’s understanding of discourse in relation to the conception of reality and agency is key for grounding the methodology chosen. I will consider both aspects in turn.

**Discourse and reality**

A first fundamental dimension of the variety of social-constructionist approaches is the understanding of what ‘reality’ is. In social constructionism, what we commonly call ‘reality’ is socially constructed through interaction and communication. ‘Reality’ is always the attribution of sense created in social processes. As Blau (1977: 1) noted: ‘The fundamental fact about social life is precisely that it is social – that human beings do not live in isolation but associate with other human beings.’ ‘Reality’ is relationally constructed and continuously reconstructed (Magala 2002), or, as Phillips and Hardy (2002: 2) state:

‘*The things that make up the social world – including our very identities – appear out of discourse. [...] Without discourse, there is no social reality, and without understanding discourse, we cannot understand our reality, our experience, or ourselves.*’

Despite the continuous reconstruction of reality through social interaction, reality is remarkably stable. It is typically conceived of as ‘objective reality’, which an individual may curse, but not make disappear. At the same time, reality is historically contingent. It is the result of a series of interactions and experiences (Eberle 2000: 243). Berger and Luckmann (1966) attribute its stability to the institutionali-
sation of habitualised actions. Habitualised actions become institutionalised when they are shared in an organisation as the right way of doing something. This shared understanding of the right way of doing something becomes objective reality in the form of an organisational discourse. Organisational discourse builds the basis for legitimating actions in everyday practices. In repeating the institutionalised way of doing, institutionalised organisational discourses are repeatedly reconstructed and thus maintained. Finally, processes of socialisation ensure that new members of an organisation are embedded in institutionalised organisational discourses. The processes of institutionalisation, legitimation and socialisation also include an element of social control through the normalisation of practices through discourse. This normalisation mechanism contributes to the relative stability of organisational discourses, and thus of organisational ‘reality’.

**Discourse and agency**

A second fundamental dimension of the variety of social-constructionist approaches is their positioning of discourses in the structure-agency dualism. Traditionally, organisational discourse approaches differ in their relative focus on the agency-structure continuum. Following the practice turn in organisation theory, this study aims at overcoming this dualism in the concept of practice. A defining characteristic of practice approaches is the enveloping of the structure-agency dualism in the single concept of ‘embedded agency’.

The paradoxical nature of embedded agency is one of the central issues in current debates about formality at work (DiMaggio and Powell 1991; Sewell 1992; Seo and Creed 2002; Garud et al. 2007). Holm (1995: 398) clarifies the paradox by asking, ‘[h]ow can actors change institutions if their actions, intentions, and rationality are all conditioned by the very institutions they wish to change?’ This study follows institutionalist theorists who take the concept of practice as the answer to this paradox (e.g. Seo and Creed 2002; Garud et al. 2007). A practice approach embeds agency within the discursive organisational structure itself. When agency is embedded in organisational discursive structures, the structures themselves are not simply conceived of as a constraint to agency, but simultaneously provide resources for unfolding purposive individual activities in everyday practice. A particularly helpful definition of the concept of embedded agency is developed by Emirbayer and Mische (1998) in their article ‘What is agency’. They (ibid: 970) define agency as

> 'the temporally constructed engagement by actors of different structural environments – the temporal-relational contexts of action – which, through the interplay of habit, imagination, and judgement, both reproduces and trans-
forms those structures in interactive response to the problems posed by changing historical situations.'

This definition combines the central concepts of my theoretical approach to formality at work. It puts the focus on the here and now of everyday practices. Formality only comes alive in relation to particular situations. In this sense, agency is not considered as predetermined and stable but dependent on the temporal-relational contexts of actions. As a result, its positioning on the agency-structure continuum varies from the passive end, where organisational actors function as mere ‘consumer[s] of discourses’ to the active end, where the actors function as ‘construction workers’ continuously shaping formality. While people’s identities, relationships, knowledge and beliefs are constructed through discourses, people are also actively participating in the construction process and selectively using discourses for their own purposes (Burr 1995).

Embedded agency becomes particularly interesting considering that no organisation is made up of any singular and unique discourse. Rather, organisations are an arena of multiple and often conflicting discourses. In the context of multiple discourses, a discourse not only functions as a sense-making mechanism but also as a legitimating one (Giddens 1984). Embodying potentially conflicting views of reality, the legitimating mechanism of certain discourses in organisational interaction may become power confrontations in everyday practice (Heracleous 2004). In these power confrontations the concept of embedded agency becomes visible. Agency is only powerful if the organisational structure provides powerful discursive resources such as hierarchic rank, sanction mechanisms or standards. Berger and Luckmann (1966: 127) express it most succinctly: ‘H[e] who has the bigger stick has the better chance of imposing his definition of reality’.

The dynamic interplay of agency and structure is also reflected in Gergen’s (1989) idea of ‘warranting voice’. Gergen argues that all organisational actors wish to impose their own version of events to prevail against competing versions. Desiring their ‘voice’ to be heard, organisational actors therefore present accounts of the events that are most likely to ‘warrant voice’. To be ‘warranted voice’, however, organisational actors need to construct accounts of events by using representations that are widely conceived as legitimate, i.e., that draw on dominant organisational discourses, or by rendering alternative voices illegitimate.

The process of warranting voice does not, however, mean that discourses can be reduced to simple resources to be employed at will. In the process of socialisation and habitualisation, organisational actors are not just using discourses but
incorporating them (Berger and Luckmann 1966). Eberle (2005) introduces the notion of 'embodied discourse,' which I think is particularly helpful for conceptualising embedded agency. In that sense, organisational actors are conceived as 'carriers' of socialised and habitualised discourses. Eberle (ibid: 165) argues convincingly that embodied discourses constitute an integral part of people’s identity. The embodied discourses become socially visible through people warranting voice in emotional and passionate ways, rather than in solely calculating ways if we understand people as mere discourse users. In this way embodied discourses are a central element of the notion of embedded agency.

**A Bakhtinian notion of discourse**

I have established that my study is conceptually influenced by the practice turn in social theory, that it is based on a social constructionist understanding of organising and that it amalgamates the structures-agency dualism in the single concept of embedded discourse. Within the wide and dispersed field of organisational discourse, such a conceptual approach is well reflected in a Bakhtinian understanding of discourse.

Mikhail Bakhtin (1981; 1986) was not an organisation theorist, but a literary theorist. He analysed how in novels different genres and social languages are inherent in the speech of characters in their everyday interactions (Skinner et al. 2001). Bakhtin’s ideas about literary analysis have been borrowed by numerous scholars for analysing discursive patterns in various contexts. For extensive discussions of Bakhtin’s theoretical contributions to discursive analysis, see, for example, Holquist (1990), Wertsch (1991) and Holland and Lave (2001).

Bakhtin’s approach combines a practice focus with a notion of embedded discourse and offers powerful concepts for analysing formality at work. At the heart of Bakhtin’s analysis lies the ‘everydayness’ of social action (Steyaert 2004) – the *prosaics*, in Morson and Emerson’s (1990) terms. A prosaic approach to formality at work situates the process of formalising within everyday discursive interaction. Rather than abstract model building, the focus is turned toward understanding the continuous (re-)production of formality in the mundane, the ordinary or the customary of everydayness.

The practice focus is also reflected in Bakhtin’s notion of the *chronotope*. The chronotope refers to the dynamic interplay of the creative freedom of the here and now of the everyday practice with the embeddedness in historic and situational context. Everyday practice is therefore a dialogue between what is already actualised and what is potentially within the boundaries defined by the his-
toric discursive baggage accumulated over time and the situational limits of the space. The notion of chronotope – the relatedness to time and space in everyday practice – can be interpreted as the stabilising factor of reality as introduced above. The freedom in the here and now of everyday actions is limited by a series of interactions and experiences (Eberle 2000: 243) and by the institutionalisation of habitualised actions (Berger and Luckmann 1966). The analysis of formality at work must therefore take account of its relatedness to time and space in formalising discourses.

Bakhtin establishes a similar dynamic conception of agency in everyday practice. Bakhtin’s theoretical work has contributed to overcoming the agency-structure dualism in the social sciences. Bakhtin however did not simply merge the two concepts into a single notion, but focused on their mutually constitutive – or in Bakhtin’s terms – their dialogic nature (Valsiner 1991). Dialogism reflects the notion of embedded agency by conceptualising narratives as a creative endeavour in which the speaker or writer incorporates the words and voices of others (Bakhtin 1981). In that sense, words as utterances are socially loaded and dialogically engaged with the past, the present and the future. Bakhtin (1981: 276-7) notes that any concrete discourse (utterance)

‘having taken meaning and shape at a particular historical moment in a socially specific environment, cannot fail to brush up against thousands of living dialogic threads, woven by socio-ideological consciousness around the given object of an utterance; it cannot fail to become an active participant in social dialogue. After all, the utterance arises out of this dialogue as a continuation of it and as a rejoinder to it – it does not approach the object from the sidelines.’

The social dialogue (re-)produced in everyday interactions is not homogenous, however. Everyday interactions create ‘as much mess as message’ (Steyaert 2004: 12). The mess is not something that must be avoided but a necessary ingredient for continuous dialogic interactions and thus the ingredient for upholding dynamic interactions in everyday practice.

The dialogical nature of interactions is omnipresent in everyday practice. It is also reflected in Bakhtin’s concept of heteroglossia. Heteroglossia refers to the simultaneous presence of several social ‘languages’ within one living language. Transferred into my research context, heteroglossia can be understood as the simultaneous presence of multiple discourses cohabiting formality at work. Formality conceived as an overarching ‘organisational language’ embodies multiple formalising discourses that are at once mutually constitutive but also contradictory. In Bakhtin’s terms, the multiple formalising discourses are both centrifugal
and centripetal to an overarching formalising discourse. Centripetal forces tend to standardise around a hegemonic discourse in that these forces fix and close meanings. Centrifugal forces in turn de-standardise and diversify meanings. Centrifugal forces resist discursive closure by producing anti-hegemonic worldviews. Heteroglossia alludes to the dynamic conflict between these two forces. As Bakhtin (1981: 272) notes:

‘Every concrete utterance of a speaking subject serves as a point where centrifugal as well as centripetal forces are brought to bear. The processes of centralization and decentralization, of unification and disunification, intersect in the utterance; [...] Every utterance participates in the ‘unitary language’ (in its centripetal forces and tendencies) and at the same time partakes of social and historical heteroglossia (the centrifugal, stratifying forces).’

The dynamic interrelatedness of centripetal forces around a hegemonic ‘official’ discourse and centrifugal forces of anti-hegemonic noise attach heteroglossia a political aspect. From this Bakhtinian view, formality at work is not just about (re-) production of ‘official’ formal structures, but a continuous heteroglossic struggle in everyday practice. As a result, the aim of this study goes beyond identifying various discourses structuring everyday encounters with formality. In addition, the study aims at setting the identified discourses in relation to each other by highlighting the centripetal and centrifugal forces that both reinforce and undermine the hegemonic formality discourse in the organisation.

An attempt at defining formality

I have discussed the epistemological and ontological basis for my study of formality at work; however, up to this point I have consciously foregone defining my central concept: formality. Having laid out the theoretical foundations of my study, I now turn to the difficult task of delineating formality at work. Formality, or formal structure, is a central notion in organisation theory (e.g. Irvine 1979; Walton 1980; Stinchombe 2001). Formality typically refers to organisational structure as manifested in rules, regulations, manuals, organisation charts, the division of labour and so on (Morand 1995). Formality in organisation is thus classically understood as the system of prescribed rules and work relations that ‘express what the relations of one person to another are supposed to be’ (Rothlesberger and Dickson, 1947: 559, quoted in Morand 1995: 833), or as Meyer and Rowan state (1991:42):

‘Formal structure is a blueprint for activities, which includes, first of all, the table of organization: a listing of offices, departments, positions and pro-
grams. These elements are linked by explicit goals and policies that make up a rational theory of how, and to what end, activities are to be fitted together.'

When discussing formality, the antonymic notion of informality typically resonates. Informality is often used in various senses by different authors (for an overview see Morand 1995). Dubin (1958; 1974) identifies two basic meanings in the various uses of the term informality in organisational literature. First, informality can refer to ways of doing work that are not outlined in the formal structure of the organisation. Second, informality refers to friendship relations characterised by close interpersonal social relationships. For my study, I am only interested in the first sense of informality, which is defined as a particular way of doing work outside formal prescriptions. In this first definition, Informality, broadly understood, means ‘patterns of behavior that are not part of the formal organization’ (Morand 1995: 834).

However, the distinction between formality and informality becomes blurred in a social constructionist understanding of formality. Formality and informality are two sides of the same coin. In discussing prosaic organisational experiences, managers consistently employed the term formality in a double sense during the interviews: in both a static and a dynamic sense. On the one hand, formality as static construction was understood as objectified and abstract constructs in the organisation. Formality as an idea composed of abstract constructs can be referred to as formality ‘things’ such as laws, internal rules, structure charts, templates or manuals, as well as professional education. This aspect of formality turned out to be strikingly unified across the interviews. What managers referred to as formality ‘things’ did not differ fundamentally across the interviews. On the other hand, formality’s dynamic aspect refers to the process of constructing, enacting and maintaining the ‘static’ formalities in everyday practice. This aspect refers to the formality ‘doings’, i.e. how the formal ‘things’ are (re-)constructed in everyday practice.

The aspect of formality as everyday practice also covers the notion of informality as ‘patterns of behavior that are not part of the formal organisation’ (Morand 1995: 834). Informality in the sense of doing work not outlined in the formal structure fails to recognise that the formal blueprint is a mere reification of organisational discourses. Doing work outside that formal blueprint, however, is also subsumed under organisational discourses and everyday practices. In a Bakhtinian understanding, informalities can be conceived of as the centrifugal aspects of formality discourses. In this sense, the concept of informality only makes sense in relation to formality and refers to supporting, opposing, or complementing for-
mality. Therefore, informality is an important part of the workings of formal structures through the dynamic (re-)construction and development of formality in everyday engagements with formality ‘things’. Such an engagement becomes most apparent in the context of competing, i.e., centrifugal, aspects of discourses. Informality as doing work outside the formal structure can, in the context of competing discourses, be understood as warranting voice for other discourses not reflected in the formal structure. In my research, I will not use the term informality as it misrepresents the interrelatedness of everyday practice and formal structure – between formality ‘doings’ and formality ‘things’.

The distinction between static ‘things’ and dynamic ‘doings’ remains a conceptual one, as both aspects are strongly interdependent. There is no dynamic formalising in everyday practice without the static concepts, and these static formality concepts are unthinkable without the dynamic construction process. The distinction between ‘things’ and ‘doings’ comes close to Berger and Luckmann’s (1966) duality of an objective and a subjective world. Objective reality corresponds to the ‘things’ in my study. While socially produced, the ‘things’ naturally appear to the individuals as separate and independent of their own contribution to them. The ‘doings’, in turn, represent the subjective reality that an individual lives in everyday practice. Characterised by socialising mechanisms of discourses in the individual’s experience and environment, people reconstruct the dominant discourses of their selfhood in their daily activities – in their ‘doings’.

Dachler (1992) introduces a similar conceptual distinction of two closely interrelated realities. On the one hand, he sees the ‘objective reality’ of an organisation represented in such things as rules, formal structure, people, products and technologies. On the other hand, he introduces the notion of ‘fundamental reality’, which provides the interpretative resources and values for making sense of objective reality. I will refer to the concepts of ‘subjective’ and ‘fundamental’ reality hereafter as everyday practice or as formality ‘doings’. The conceptional distinction between mutually dependent formality ‘things’ and formality ‘doings’ fits Bakhtin’s dynamic conception of the dialogic nature of individual agency and formal structures.

Formality in a social constructionist sense is understood as being constantly in the making or, in Bakhtin’s terms, in becoming (Boutaiba 2004). The objectified reality of ‘things’ is constantly reconstructed through the subjective realities in the social interactions of everyday practice – the ‘doings’. Formalities can be understood as types of ‘interaction orders’ (Goffman 1983). Discourses embody conventions that structure social interactions. Organisational discourses generate a set of conventions for interaction or ‘rules for co-mingling.’
The conventions for interactions are embedded in the normative system of discourses, which determines whether an action is rational or not. Speaking and acting rationally is thus speaking and acting according to the conventions of a particular discourse (Gergen 2001). In such a view, behaving ‘rationally’ means playing by the rules of a particular discursive situation (Gergen and Thatchenkery 1996). This also means that what is not covered by the rules of a discursive situation becomes irrelevant. Goffman (1961) refers to this discursive exclusion mechanism as the ‘rules of irrelevance’. The ‘rules of irrelevance’ are a ‘set of rules which tells us what should not be given relevance’ (ibid.: 26) while simultaneously determining ‘what we are to treat as real’ (ibid.: 26). In that sense, the discursive situation determines the value of a particular action.

From the above reasoning, one could argue that both notions of discourse and formality are one and the same thing as they are interpreted, constructed, enacted and maintained in everyday actions. However, formality only covers certain aspects of a discourse. To demarcate the notion of formality within the wider concept of discourse, I define formality as organisating made explicit in general and abstract norms as the right way of doing something and the encounters with these norms in everyday practice. This definition embodies both the static and dynamic aspects of the ‘things’ and ‘doings’ of formality, but it is narrower in focus than the understanding of discourse.

Organising refers to the structuring of interactions within a defined boundary – the corporate organisation of the Bank in my study. Organising is thus about how people construe and maintain organisational relationships and structures in their everyday activities. To become a formality in the objective world of formality ‘things’, normative interaction orders need to be made explicit in general and abstract norms.

Making an interaction order explicit refers to the re-contextualisation of formality into durable realisations (Iedema 1999). Characteristic of durable realisations are the documentation of formal requirements: Formality is typically made explicit by documenting formal rules and making them widely accessible. Framed in durable realisations, formality is a ‘reification’ (Magala 2002) of social reality, with high ‘resistivity’ (Callon and Latour 1981: 284). Reification refers to the tendency to take socially constructed formality as objective reality, which obscures the processual nature of social reality. It is also a defining character of formalities that they are framed in general and abstract terms. In turning an interaction order into a formality it is important that the formality’s applicability is not limited to single everyday activities, but generally applicable in all similar situations. In that sense, an important characteristic of formality is its impersonality. I agree with Morand
(1995) that the notion of impersonality finds behavioural expression in the very notion of formality.

The right way of doing refers to the normative aspect of formality. People construe and maintain formality, which makes interactions predictable. In that respect, formality limits or closes off possibilities with regard to what is said and done, how it is said and done, who says it or does it, and the choices people have regarding their attention and attendance. In other words, formality is about interactive closure and appears as ‘black-boxed’ discourses as formalities reach a status of ‘facts’ (Iedema 1999: 50). The normative aspects also bring about hegemonic positions of certain norms and, as a result, close off other possibilities. The closed-off possibilities find organisational expression in the anti-hegemonic centrifugal forces of formalising discourses.

Finally, the encounters with these norms in everyday practice refer, on the one hand, to the dynamic aspects of formality in the subjective reality of everyday practice and, on the other hand, to the understanding of formality as everyday practice. Formality is not conceived of as acting upon everyday practices but as everyday practice. The reconstruction of formality in everyday practice is an active and dialogic work of interpretation through engagement with organisational discourses.

Drawing on a variety of discourses formality as everyday practice functions both as a sense-making as well as a legitimating mechanism (Giddens 1984). People draw on discourses to make sense of and to legitimate their actions and identities. The consequence of re-conceptualising formality in this way is that the dichotomy of formality and everyday practices becomes blurred. If formality is understood as a constituent of social situations rather than as an independent force acting upon them, then the main interest of research shifts away from investigating causal and instrumental relationships between formality and everyday practice and toward tracing the presence and consequences of formality as everyday practice.
Methodological approach

Grounding my study in a Bakhtinian understanding of organisational discourse requires a methodological approach that shares its practice and language focus. To ensure a practice focus, I chose to focus on concrete everyday experiences in an organisational environment that is well known to me as the researcher. The familiarity with the research object allowed me to cultivate shared experiences and thus to have meaningful discussions about everyday practices. To generate these discussions, I chose interviewing as my main method of data collection. To analyse the interview data, I relied on discourse analysis as my main method of interpretation because discourse analysis shares the language focus of the theoretical concept of organisational discourse that structures my conceptual understanding.

Case study method

The basis of my study is a case study of a medium-sized Swiss private bank. The case study approach is widely used in the field of management and organisational science. Stake (1994) differentiates two types of case studies. First, intrinsic case studies are undertaken because one wants a better understanding of a particular case. The purpose is not to gain a (better) understanding of some abstract or generic mechanism. This type of case study is of little interest for my research. The second type is the instrumental case study. A particular case is examined to provide insight into an issue or to refine a theory. The case is of secondary interest and plays a supportive role, facilitating the understanding of something else. Helping to pursue an external interest, this type of case study is better suited to my study on formality at work. The case investigated is the reservoir of discourses, the foundation for my analysis, and is not a case of idiosyncratic value. Focusing on a single instrumental case study, my research aims at generating analytical generalisation (Yin 1984). The case study, as applied in my research, has the goal of generalising ‘theoretically’ rather than ‘empirically’ (ibid. 1984).

Barzelay and Campbell (2003) note that such analytical generalisations are fruitful in two ways. First, the case study simply provides a deeper understanding of the particular case studied. This is useful insofar as the reader integrates the case study with his recollection of other cases through a process sometimes referred to as naturalistic generalisation (Stake 1995). This recollection provides the ground for the powerful mental faculty of episodic memory (Sparrow 1998), which enables readers to recall the case at a later time, such as when discussing
abstractly-posed issues of management or auditing in an occupational or academic setting, or when facing specific problems in the reader’s occupational role (Barzelay and Campbell 2003).

Second, case studies may alter ‘semantic understanding’ (Sparrow 1998), understood as cognitive maps that highlight relationships among conceptual elements of an abstract experiential domain (Weick 2001). Semantic understanding may be altered, for instance, by incorporating social scientific concepts or learning about social mechanisms at work by examining beliefs that otherwise reside outside the realm of conscious awareness (Schön 1983). Generating alternative semantic understandings of formality at work is an important aspect of my research.

Interview method

I chose interviewing as my method for data collection. The interview method has been used extensively in studies based on discourse analysis, but interviews are typically constructed in a novel way compared to traditional approaches (Potter 1996: 134). Rather than a neutral questioning exercise, interviewing in a social constructionist understanding of human behaviour means an interpretively active endeavour, implying discursive constructions on the part of both interviewers and interviewees. In other words, interview ‘data’ is unavoidably collaborative (Alasuutari 1995). Holstein and Gubrium (1995) introduce the notion of the ‘active interview’ to stress that, under a social constructionist approach, ‘all interviews are reality-constructing, meaning-making occasions, whether recognized or not’ (ibid.: 4). As a result, the researcher is an active participant in the interview rather than a ‘speaking questionnaire’ (Potter and Wetherell 1987). The awareness of this construction process is crucial for the reflexive interpretation process.

Another important difference between traditional conceptions of interviewing and social constructionist interviewing lies in their goals. Whereas the main goal of traditional interviews is to detect consistency in an interviewee’s response, interviews for discourse analysis focus on variations in responses according to the discursive context. In my study, the aim is to expose the centripetal and centrifugal forces that dynamically structure formality at work.

As a consequence, my interview method is not based on a strict set of defined questions but on a conversational agenda (Holstein and Gubrium 1995). A conversational agenda allows the flexibility necessary for engaging in a construction process and predetermines, to a lower extent, the ‘data’ emerging from the inter-
view. In that sense, the research interview can be conceived of as ‘the scene for a conversation rather than a simple tool for collection of ‘data’ ’ (Alvesson and Deetz 2000: 72). That relative flexibility, however, does not mean the absence of organisation. As an interviewer, I consciously provided precedence, stimulation, restraint and perspective in the process of the interview. As Holstein and Gubrium (1995: 76) emphasise, the goal of an active approach is to ‘cultivate the respondent narrative activity.’

The conversational agenda used for the interviews was sequenced into six parts. Each part aimed at approaching formality from another perspective in order to generate variations in discursive situations. Table 1 presents the structure and underlying analytical focus of the conversational agenda.

<table>
<thead>
<tr>
<th>Sequence</th>
<th>Theme</th>
<th>Analytical focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Warm-up</td>
<td>How managers spontaneously conceive of formality. What is the ‘official version’ of formality in the organisation?</td>
<td>The ‘official story’. Important for analysis of hegemonic relationships between various discourses.</td>
</tr>
<tr>
<td>2. Formalising strategies</td>
<td>How managers rationalise about underlying formalising drivers. Why, if at all, is formality necessary?</td>
<td>Linking formality to underlying values. Important for analysing normativity of discourses.</td>
</tr>
</tbody>
</table>

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3 For the conversational agenda see appendix A – Conversational agenda
5. Future developments

| How managers see the future development of formalising. What industry-wide trends are expected? |
| Stories about what is to be avoided and how formality should be. Important for generating valuations of formalising. |

6. Additional comments

| Whatever managers would like to add at the end of the interview. |
| Reflecting on the interview situation. Important for contextualising. |

**FIGURE 1: CONVERSATIONAL AGENDA**

The conversational agenda aims at promoting multivocality, or ‘multivoicedness’ as Bouwen and Steyaert (1999) call it. Multivoicedness is not only realised across various interviews, but also within each interview text. During the interviews, I consciously encouraged interviewees to shift narrative positions and to take different perspectives. Holstein and Gubrium (1995: 77) maintain that: ‘Asking the respondent to address a topic from one point of view, then another, is a way of activating the respondent’s stock of knowledge, of exploring the various ways that the respondent attaches meaning to the phenomena under investigation’.

During my fieldwork, I conducted 25 interviews along the lines of the conversational agenda. I limited my sample to managers of the company and did not include employees without managerial responsibility. I limited my set of interviewees to managers due to their central position in interpreting formality in everyday practices. As the research question predominantly focuses on everyday practices and not on suppressed discourses, I decided to include managers exclusively as the opinion leaders in the work environment with the most impact on both what is internally formalised in rules and regulations and how these formalities are interpreted in everyday practice.

The sample of interviewees included, first, general managers at the strategic apex of the company who ultimately bear management responsibility for any formalisation. Second, I interviewed what I call formality professionals: individuals who are experts with professional qualifications in the fields of auditing, risk management or legal counselling. They are responsible for assessing, designing, implementing or monitoring the Bank’s formal control environment. Third, I interviewed managers of operations teams, who are the main addressees of the control activities. The operators are typically those whose everyday practices are
affected most by formal regulations and monitoring practices. Finally, I inter-
viewed customer relationship managers who are responsible for selling the
Bank’s products to clients in a competitive market environment. This broad mix of
managers provided ample stories of lived experiences and everyday practices.
Interviewing people from four different areas and two different locations provided
a broad variation in discourses. In addition, the conscious encouraging of shifting
narrative positions also proved to be invaluable in adding variation.4

Discourse analysis
After having completed the interviews, I was overwhelmed by the sheer amount
of data and, to be honest, by its seeming meaninglessness. With over 25 hours
of interviews, which eventually amounted to over 300 pages of transcription,
dozens of field notes and innumerable impressions, I struggled to find a mean-
ingful starting point. Having chosen a discourse analytic approach without clear
analytic categories or a clearly defined interpretative framework, I was uncertain
of how to proceed.

I finally developed a research approach which could be divided into four phases.
First, I textualised the interviews by taking notes after each interview and by tran-
scribing the interview audio tapes. Second, I performed an in-depth analysis of
three interviews to generate a first set of interpretative patterns and codes for
further analysis. Third, I extended the analysis to the other interviews. Fourth, I
explored for discursive patterns across all coded interview transcripts and syn-
thesised the discursive patterns into a coherent set of formalising discourses.
Figure 2 outlines the research steps taken.

<table>
<thead>
<tr>
<th>Textualisation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Notes after each interview</td>
<td>– Writing down first thoughts after each interview. Important</td>
</tr>
<tr>
<td></td>
<td>for later contextualisation.</td>
</tr>
<tr>
<td>2. Transcribing first three</td>
<td>– Transcribing three interviews. Text was sequenced according</td>
</tr>
<tr>
<td>interview</td>
<td>to the conversational agenda and directly linked to the audio</td>
</tr>
<tr>
<td></td>
<td>file.</td>
</tr>
</tbody>
</table>

4 For the interviewee list see appendix B – Overview of interviews
In-depth analysis

3. Systemanalyse
   - Analysing three interviews following Froschauer and Lueger’s (2003) approach, labelled Systemanalyse.

4. Defining codes
   - Based on the results of the Systemanalyse, a first set of meaningful codes were identified and applied to the transcribed interviews. The codes were grouped into five categories: ‘Reference’, ‘Reason’, ‘Position’, ‘Problem’ and ‘Transfer’. The categorisation was designed to help in filtering out formalising discourses at a later stage.

Extension of analysis

5. Transcribing and (re-)coding the remaining interviews.
   - Transcription and (re-)coding of the other 19 taped interviews. After every three to four additional interviews coded, I returned to the earlier coded interviews and adapted them, if necessary, according to the latest coding structure.

Exploring for discursive patterns

6. Code Analysis
   - Analysing the patterns of codes, including an analysis of the co-coding frequency and the co-variation of codes and text sequences.

7. Contextualisation of interviews
   - Analysing the patterns of codes in relation to contextual factors, including an analysis of the co-variation of codes and organisational position and an analysis of the co-variation of codes and the relationship of interviewees to the researcher.

8. Identifying discursive patterns
   - Based on the code analysis, various discursive patterns emerged. These discursive patterns were condensed into four distinguishable discourses.

FIGURE 2: ANALYSIS PROCESS
Textualisation

The first analysis phase consisted of two parts: taking notes after each interview and transcribing the interview audio tapes. As interviewing is not a purely neutral data gathering exercise but also an intellectually challenging endeavour, it proved valuable to put down my thoughts immediately after concluding the interviews. These notes turned out to be particularly valuable during the in-depth analysis.

The main workload however consisted of transcribing the interview audio tapes. Even though the transcription of interviews was extremely time consuming, it turned out to be an invaluable basis for further analysis. Listening attentively and repeatedly to the interview sequences prepared me for later analysis. The transcribing phase brought back to mind the interview situation and allowed me to reflect on the interviews with the advantage of temporal and spatial distance.

To remain as close as possible to the interview narration, I chose two complementary strategies. First, I minimized the temporal distance between transcribing and interpreting. Instead of first transcribing all of the interviews and then interpreting the texts, I started the interpretation work immediately after transcribing a first set of three interview audio files and then after each single interview. This meant that I went through the various research steps several times. This iterative approach allowed a continuous development of my interpretative abilities. With the interpretation work of the former interviews constantly in mind, the transcription process itself increasingly became an analytically rich part of my work. Second, I linked the text directly to the interview audio file. Since I switched back and forth between the texts and the audio files while analysing the interviews, my transcription was able to remain as true to the original conversations as possible.

With respect to technology, I used the TAMS Analyzer software for transcribing, coding and analysing my interview data. TAMS Analyzer is an open source qualitative research package for Macintosh. It was designed for transcribing digital media and for conducting discourse analysis in the social and cultural sciences. TAMS Analyzer provides a wide variety of functionalities for effective analysis work. For my purposes, I used the coding and analysis functionalities in particular. Codes are shared and can be applied across all interview transcripts and can also be grouped and assembled in code sets. All coded transcripts can be searched and analysed together. TAMS Analyzer is a powerful tool which was invaluable in handling the massive amount of interview data.

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5 For details see: http://tamsys.sourceforge.net/
In-depth analysis

I decided to analyse in-depth a set of three interviews as a starting point for this research phase. This was by far the most time-consuming activity; however, it was extremely fruitful for the analysis that followed. The three interviews were not chosen randomly; rather, I chose the three that promised maximum variation in views on formality at work. This approach reflects a theoretical sampling strategy whereby it is most promising to include material expected to provide a wide variety of views and experiences (Glaser and Strauss 1998). This approach proved valuable in generating a broad variety of discursive patterns covering a wide area of the discursive field in the organisation. In other words, maximising the differences in analysing a limited number of interviews is a good method for generalising the results to the whole organisation.

To analyse the three interviews, I adapted an approach proposed by Froschauer and Lueger (2003: 142ff.) called Systemanalyse. The Systemanalyse is designed for exploring processual dynamics in complex social spaces. This interpretative approach has an epistemological basis that fits my understanding of social constructionism. Based on Froschauer and Lueger’s approach, I analysed one thematic text unit after the other in chronological order. A thematic unit typically consisted of one to three sentences and was characterised by a consistent statement on a particular matter.

For each thematic unit, I analysed both the content and the context of the text production. Figure 3 summarises the steps taken in this first analytical process.

<table>
<thead>
<tr>
<th>Paraphrase</th>
<th>Deconstruction</th>
<th>Reconstruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determine and paraphrase thematic units</td>
<td>Look for underlying assumptions</td>
<td>Speculate on interaction effects</td>
</tr>
<tr>
<td></td>
<td>Determine position towards formality</td>
<td>Speculate on systemic effects</td>
</tr>
<tr>
<td>Defines the field of formality</td>
<td>Generates discursive patterns as the building blocks of discourse</td>
<td>Define the actional and systemic components of discursive patterns</td>
</tr>
</tbody>
</table>

**Figure 3: Systemanalyse**

I first paraphrased the content of a thematic unit to generate a spontaneous interpretation. On the one hand, the spontaneous interpretation relied on the notes taken after each interview and, on the other, it drew on my in-depth experience in
the organisation and thus ensured an ethnographic grounding of the interpretation. The paraphrase provided the basis for the thematic coding of the interviews. Stating what type of formality the passage refers to provided the building blocks for constructing the space of what is seen as formality in the researched organisation. In other words, this part of the analysis generated the formality ‘things’ of the Bank.

To illustrate the analysis process, let us consider the following quotation, which formed a thematic unit:6

‘Yes, I can see the need to regulate, I can see the need to combat money laundering, I can see the need that we are not selling the people duff investments, I can see the need for being able to prove the reason for doing a transaction. But I do think somewhere the actual art of banking has been forgotten.’ (I16: 838 – 867)

The paraphrasing included first reformulating the statement in my own words, such as:

Regulation is important, but harms the important soft factors in the client relationship.

and indicating thematic cues, such as

formality means regulation, focus on client relationship management, reference to anti-money-laundering regulation, investment advice, background checks and art of banking.

Second, I deconstructed the text unit. I looked for assumptions underlying the statements. What are the taken-for-granted assumptions behind the claims of the interviewees? I also analysed what position the interviewee took in regard to this statement: Is the value of a statement taken for granted or challenged; is a statement hedged, i.e., relatively non-committal in order to ward off possible objections; is any personal commitment to it denied? Supporting the analysis of the interviewee position, I also looked for metaphors applied to the thematic units. The deconstruction part of the analysis proved important in generating discursive patterns as the building blocks of emerging discourses. For the quotation above, deconstruction was carried out as shown in Figure 4.

6 The interview texts are transcribed verbatim. Therefore the grammatical and syntactical accuracy of the statements is not ensured.
Assumptions | Positions | Metaphors
--- | --- | ---
- Key is ‘the art of banking’ not formality | - Hedge: ‘I can see the need to ..., but...’ | - combat,
- Regulation cannot substitute for individual skills / sense of responsibility | - Accepting formality in general (Supporting hegemonic position) | - duff
- Regulation harms individual skills / sense of responsibility | - Opposing specific regulations. (Art as opposite of regulation) | - art

**FIGURE 4: DISCOURSE ANALYSIS PROCESS: DECONSTRUCTION**

Third, I analysed the interactive effects and system effects of the thematic units. Starting from a social constructionist understanding, the interaction and system effects were able to be derived from the discursive patterns emerging in the text. Considering that action follows discursive patterns, I explored what consequences the discursive patterns that emerged in the thematic unit could have on the interviewee’s immediate everyday activity. Based on the potential effects on everyday activities, I further explored the presumable consequences on interaction with other persons or other subsystems. This part of the analysis was important in defining the actional components of the discursive patterns and their consequences on the social system in the researched organisation. In other words, this part of the analysis centred on the ‘doings’ of formality.

This interpretative approach is based on the reconstruction of discursive patterns emerging in interviews about everyday encounters with formality. The discursive patterns determine in turn the sphere of possible actions. Without knowing the inaccessible intentions for specific actions, I followed the approach proposed by Froschauer and Lueger (2003: 153) and consciously speculated on the effects on social interactions and social systems in order to shed light on coherent logics of everyday activities in similar situations. Figure 5 illustrates the speculation on interaction and system effect.
Interaction effects

- Defend the ‘art of banking’ in personal relationships by keeping the relationship as free as possible from formality. To shield clients from regulations.
- Interpret regulation to fit the art, i.e., the way ‘things have always been done’.

System effects

- Functional disruption: Formality is intended to structure and strengthen client relationship, but tends to harm it. (Soft skills / sense of responsibility is harmed)
- Adaptation: Regulation has a limited effect as actively ‘re-interpreted’ or even avoided in everyday practice

FIGURE 5: DISCOURSE ANALYSIS PROCESS: RECONSTRUCTION

Speculative interpretations are helpful for matching everyday practices to discursive logics. However, such speculative interpretations tend to be flawed as conclusions are drawn based on interview narrations and not on ‘neutral’ observations. This problem is controlled in the research design in two ways. On the one hand, the ethnographic background knowledge of the researcher contributes to creating an interview situation that is close to practice experiences. On the other hand, a research practice of reiterating plausibility and consistency checks within and across interview analyses was applied. Within each interview, I shifted interpretative perspectives to generate variation in the narration of any single interview. To control the findings across interviews, I selected interviewees from a wide variety of management functions and backgrounds. I also systematically took into account the interview context with respect to the personal relationship between researcher and interviewee and with respect to the organisational expectations to which the interviewee is subject.

The in-depth Systemanalyse resulted in three extensive spreadsheets, with abundant comments and references in all three analytic categories paraphrase, deconstruction and reconstruction. As a next step I condensed the wide variety of comments and references to codes. In total, I produced over 80 different codes for the three analytic categories. I consciously worked with as many codes as I could identify in order not to narrow the analytic breadth at this early stage of the interpretative work. For the paraphrasing part, I included all references to a particular type of formality. For example, a reference to financial market regulation in general was coded {Ref_MarketReg} and a reference to specific market regulations such as anti-money-laundering regulation (AML) was coded {Ref_MarketReg>AML}. Employing the same logic, I coded references to paperwork as {Ref_Paperwork} or references to professional practices
For the deconstruction phase, I generated two categories of codes related to underlying reasons for formalising and to the interviewee’s position towards formality. The underlying assumption that formality makes work more efficient was coded as {Reason_Efficiency} and the assumption that formality renders things transparent was coded {Reason_Transparency}. With regard to the interviewee’s position, I coded, for instance, the conception of formality as a resource that can be skilfully employed for pursuing personal goals as {Pos_Resource}, the position that formality has to be passively accepted as {Pos_Accept}, the position that formality is a system that needs to ensure efficient and consistent work activities as {Pos_Assert} and the position that formality has to be opposed as {Pos_Oppose}. I did not generate any codes for metaphors as they turned out to be closely linked to underlying assumptions and positions interviewees took.

Finally, the in-depth analysis also generated codes for interactional and system effects. I combined both types of effects for the sake of simplicity in the same coding categories. However, I disentangled the two types of effects again in the interpretive analysis. For example, a story of reports that had been intended to improve knowledge-sharing in the organisation but which were simply drafted for compliance was coded as a goal displacement {Effect_GoalDisplace}; or a formal requirement that had been intended to enhance background knowledge about clients, but resulted in more distant client relationship with less private information available, was coded as a functional disruption {Effect_FunctDisrupt}. As a final illustrative example, I coded a situation in which formality was transferred successfully into an unstructured environment as a successful transfer {Effect_SuccTransfer}. Having generated this code set through the in-depth Systemanalyse, I transferred the codes from the spreadsheet to the transcripts on the TAMS Analyzer file. Having filled the repository of codes of the TAMS Analyzer, I started to apply the codes to each of the three interviews in the TAMS Analyzer.

Turning back to our example, the codes were applied as follows:

{Ref_Professional-Practice}{Ref_ClientRel} and to client relationship management {Ref_ClientRel}.

Yes, I can see the need to regulate, I can see the need to combat money laundering, I can see the need that we are not selling the people duff investments, I can see the need for being able to prove the reason for doing a transaction. But I do think somewhere the actual art of banking has been forgotten.
Besides the codes, I also sequenced each interview according to my conversational agenda, which structured the interviews. The subdivision into sequences was helpful in analysing the development of discourses during the interviews and the discursive reaction to the stimuli provided during interview conversations.

**Extension of analysis**

After having transcribed, analysed and coded the first three interviews, I transcribed and coded another four interviews to enlarge the basis for interpretation. I directly coded the transcripts with the codes developed during the in-depth analysis of the first three interviews. This is not to suggest, however, that the possibilities of coding ended after the analysis of three interviews. While the categories of codes developed remained the same, I added further codes to the analysis as deemed appropriate. After I coded the additional four interviews, I returned to the first set of interviews and examined whether some of the additional codes were also applicable to those transcripts. I then transcribed, analysed and coded the remaining interviews and, after every additional set of four interviews, reiterated the recoding of the earlier coded interviews.

**Exploring for discursive patterns**

The next step of the research process was to move beyond the analysis of thematic units within single interview texts and to search for discursive patterns across texts. The coding allowed systematically exploring interview transcripts for discursive patterns. Supported by the software, I examined the interviews in three ways. First, I examined each interview individually to identify clusters of different codes that were recurrent. I took notes and put them in my analysis file. Second, I looked at codes as they are used across interviews. The software allowed filtering out all text passages with the same codes. Again, I wrote down some thoughts regarding what seemed to be patterns in argumentation. Third, I ran pre-defined analysis functions in the TAMS Analyzer software to generate co-coding frequencies. These functions show which codes are frequently used together and which codes are rarely applied to similar thematic units.
That analysis yielded numerous discursive patterns. I reiteratively checked emerging discursive patterns for overlaps in central aspects of underlying assumptions, positions and interactional effects to condense the patterns in order to obtain more clearly distinguishable and coherent discourses. The process yielded four different discourses that I could identify across the interviews. I labelled the four emerging discourses rationality discourse, myth discourse, game discourse and ceremony discourse.

Figure 7 summarises the typical assumptions, positions and effects of the four discursive patterns.

<table>
<thead>
<tr>
<th>Discourse</th>
<th>Assumption</th>
<th>Position</th>
<th>Interaction and system effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationality</td>
<td>- Formality as logic, the ‘raison d’être’ of organising, the rational way of doing things&lt;br&gt;- Congruence between practice and formal structure</td>
<td>- Supporting, complying out of conviction&lt;br&gt;- Stress on consistency, efficiency, transparency and clarity&lt;br&gt;- Blame poor compliance for failures</td>
<td>- Organising means formalising&lt;br&gt;- Typical reaction to problems is adding formality&lt;br&gt;- Might lead to over-reliance on formality, lack of flexibility to adapt to needs</td>
</tr>
<tr>
<td>Game</td>
<td>- Formality as a resource, the rules of a game, the boundaries of the playing ground&lt;br&gt;- Practice determines the application of formality not vice versa</td>
<td>- Asserting, skilfully playing&lt;br&gt;- Stress on incentives and benefits, on responsibility and individual ability, on flexibility, importance of negotiating&lt;br&gt;- Blame wrong incentives, personal inability, or too narrow scope for organisational failures</td>
<td>- Organising means competing for the right interpretation of formality&lt;br&gt;- Typical reaction to problems is to enhance personal abilities, to improve incentive structures, or to seek powerful alliances&lt;br&gt;- Might lead to internal conflicts over the right interpretation and, as a result, organisational deadlocks</td>
</tr>
<tr>
<td>Myth</td>
<td></td>
<td>Ceremony</td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>----------------</td>
<td>---------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>- Formality as 'myth', formality at best loosely coupled with everyday practice.</td>
<td>- Formality as the irrefutable fact of life. People have to do what they are told to do</td>
<td>- Organising means complying to formality</td>
<td></td>
</tr>
<tr>
<td>- Formality does not determine but adds to normal everyday activity in that it requires upholding the myths of formality</td>
<td>- Formality structures everyday activity without leeway for self-organising. Generally ineffective to avoid failures</td>
<td>- Reactions to problems are on an ad hoc basis to mitigate adverse situations</td>
<td></td>
</tr>
<tr>
<td>- Common sense determines activities rather than formality.</td>
<td>- Justifying, pretend compliance and do what you think it right in your everyday work</td>
<td>- Might lead to inertia, inability to adapt to changes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Distinction between insider and outsider, importance of social interaction within team as opposed to formal interaction with outsiders</td>
<td>- Complaining and complying by the letter of the rule; blind compliance. Resignation about personal influence on how everyday work is done</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Stress on window dressing: building a 'perfect world' to the outsiders, on personal competence to do your everyday activity, on teamwork</td>
<td>- Stress on inefficiencies of formality, on powerlessness</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Blame bad impression management, bad team dynamics or personal incompetence</td>
<td>- Blame formality or the ‘fickle finger of fate’ for failures</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Organising means close cooperation with your immediate team and managing the needs of outside stakeholders</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Reaction to problems is to keep reporting compliance and try to adapt internal activities to correct problem</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Might lead to sweeping problems under the carpet and, as a result, to unresolved problems</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FIGURE 6: ASSUMPTIONS, POSITIONS AND INTERACTION EFFECTS**
After having condensed the various discursive clusters into these four distinguishable discourses, I returned to the transcripts and completed the coding scheme with four discourse codes. A (or several) discourse code(s) was thus added to each thematic unit in all interview transcripts. Our running example was categorised as myth discourse and thus completed with the respective code {Discourse_Myth}. In a myth discourse logic, formality is portrayed as fixed prescriptions imposed from the outside, but only loosely coupled to everyday practice. Formality is understood as harming the common sense notion implied in the highly valued ‘art of banking.’ The four discursive patterns, their system and interaction effects and the interdiscursive dynamics are treated in detail in the remainder of this thesis. Before delving into the details of the discourse, however, let us first reflect on the theoretical and methodological choices taken in the process of the research.
Reflections on theory and method

Qualitative research is interpretative research, and interpretation is not neutral, but depends on the context of the researched organisation, on personal experiences and values, and on the relationship between the researcher and the participants in the study. As a consequence, the impossibility of perfectly neutral and objective research needs to be addressed in the research design through contextualisation and reflexivity. Contextualisation and reflexivity have been intensively discussed in organisational research. For a general discussion of contextualisation in organisational research, see, for example, Rousseau and Fried (2001) and Buchanan and Bryman (2007). For a discussion of reflexivity in qualitative research, see, for example, Alvesson and Sköldberg (2000).

Contextualisation of the research

My research is based on a single case study of a medium-sized Swiss private bank – simply referred to as the ‘Bank’ in this study. Why is a case study of this bank particularly relevant for analysing formality at work? While modern private banking achieves a high level of process formalisation, many other sectors such as health, consumer goods, construction or insurance are characterised by an equal or even higher level of formalisation (Zufferey 2004). However, there are good reasons for choosing this particular private bank as a potentially insightful case for my research project.

First, banking in general has a high number of institutionalised formality drivers. Whereas formality in most other sectors is mainly driven by regulatory activity, the sources of formality in private banking are more diverse. As Zufferey (2004) notes, financial institutions tend to adopt a high level of internal formalisation or self-regularisation by professional bodies independent of state regulatory activity. This makes the banking sector a particularly interesting environment as it provides a variety of sources of formality.

Second, private banking is characterised by a very close and trust-based client relationship – allegedly, the opposite of a highly formalised organisation. Private banking is typically portrayed as a ‘trust business.’ The combination of an informal trust element on the sales side with a high level of formality promises an interesting reservoir of discursive variations and tensions, which is largely unmatched by other business sectors.

Third, the organisation is familiar to me and offered virtually unlimited research access. I worked in the organisation as an internal auditor for over five years. In
that role, I was involved in all major parts of the Bank and had regular contact with a wide variety of managers. That first-hand work experience provides me with valuable insights, which one could rarely expect as an ‘outsider’. In addition, I was in a privileged position of having almost unlimited access for my research activity. This allowed me to overcome one of the major stumbling blocks in empirical management research: access problems (Alvesson and Deetz 2000).

The combination of a multifaceted setting and privileged access provided a good basis for valuable research. To allow an adequate contextualisation, I will not start the presentation of my results with the discourse analysis, but rather with a thick description of the Bank. In Part II, I will introduce the case through extensive quotations. This allows me to ‘set the scene’ with as little interpretative work as possible. In this way, I let the organisation speak first and allow the reader to become familiar with the case studied. The thick description thus provides the grounding for the subsequent discourse analysis. A descriptive introduction of the case is a sound way to contextualise my analysis (Rousseau and Fried 2001).

**Reflexivity on the researcher’s role**

The most important point of reflexivity is the researcher’s relationship to the case chosen. Studying the organisation I had worked in as an internal auditor provided advantages in relation to access, data availability and background understanding but raises difficult ethical issues. Studying the immediate work setting, what Glesne and Peschkin (1992) term ‘backyard research’, often leads to compromises in the researcher’s ability to disclose information and raises difficult power issues. In relation to ‘backyard research,’ Creswell (2003: 184) notes that ‘[a]lthough data collection may be convenient and easy, the problems of reporting data that are biased, incomplete, or compromised are legend’. To reduce such problems, I controlled my results through the following research strategies.

First and foremost, I decided to provide extensive interview quotations to allow readers to make sense of formality themselves, thus opening up the accounts for alternative interpretations. Second, I included interview subjects I know personally as well as some I did not, and importantly, considered the implications. Taking the relationship into account in the interpretation allowed me to control the relationship factor to a degree. Third, I included two corporate sites in the study: the corporate centre and a branch. While sharing the same organisational background, the branch’s interactions with the corporate centre is mainly limited to formalised work processes. Therefore, the interviews from the branch introduced important validating insights. Finally, I ended my work relationship with the com-
pany when I started to write up my conclusions. This further alleviated me from any potential conflict of interest arising from a work relationship.

Overall, I am convinced that the problems of doing research in a personal environment were more than compensated for by the fact that I was able to lead interview conversations at a much more informed level and that I was able to establish interview conversations in a much more informal way about everyday experiences than anyone external to the organisation would have been able to. The number of abbreviations, references to projects and processes, to generally known organisational events and people that were cited during the interviews would have represented a major barrier for anyone external to the organisation. An external individual would also likely have faced a barrier due to lack of trust, something that I did not face.

The background knowledge gained through my work experience was an invaluable resource for interviewing. This was particularly true when applying discourse analysis as the method of choice; in-depth background knowledge of the organisation is beneficial (Alvesson and Sköldberg 2000). Being familiar with the company’s cultural and interpretative circumstances helps in understanding each interviewee’s perspectives and interpretations. It is also a way of cultivating shared knowledge as the basis for an interview conversation (Holstein and Gubrium 1995). As Smith (1987) notes, it is important to engage interview partners in meaningful conversations about their everyday world and the circumstances of their lived experiences. In particular, the previously gained insights allowed me to move from abstract discussions to concrete lived experiences. This move beyond abstract discussions proved crucial for ensuring a practice focus.

The problem of doing ‘backyard research’ is further reduced by my research focus. My study does not provide closed interpretations of specific cases, but offers various perspectives on formality. In that sense, I understand myself as a ‘bricoleur’ piecing together a richer, more varied picture of the Bank.

The structure of presentation

This thesis is divided into five parts. The introductory section developed the research question and then presented a literature review on formality at work. Further, the research design to approach formality at work is grounded in a social constructionist understanding of formality as organisational discourse and in a discourse analytic methodology. The second part introduces the case, a medium-sized Swiss bank, through extensive quotations of managers’ interview nar-
narratives on everyday encounters with formality. This section is purely descriptive and aims at reconstructing the organisation through managers’ narratives on formality at work. It lays the empirical groundwork for the subsequent discourse analysis.

The third part introduces the four emerging discourses of formality at work. Each discourse is based on a distinct normativity. After analysing the normativities, I turn in the fourth part to the interaction and system effects. Following a Bakhtinian notion of discourse, I investigate centripetal and centrifugal forces in everyday practice of each of the four discourses. The fifth part shifts the focus away from individual discourses and aims at reconciling what has been presented as being fundamentally different. I will propose a two-dimensional framework to conceptualise the four discourses of formality at work. The framework will allow reconciling the heteroglossic nature of formality at work.
Part II: A narrative presentation of the Bank

After introducing the theoretical and methodological grounding of my study in an abstract way, it is now time to let the organisation speak. A medium-sized and internationally active Swiss private bank provides the discursive reservoir of my study. Hereafter, it is referred to as ‘the Bank’ (with a capital letter). This chapter aims to reconstruct the Bank through narratives by managers. Untypically for a social constructionist study, I start with a case description of the ‘objective reality’ of the formal structure of the Bank – the formality ‘things’. What discernible formal entities are invoked when managers talk about everyday encounters with formality? More typical of a social constructionist study, I do not describe the Bank myself, but let the managers of the Bank talk about encounters with formality in their everyday practice. Obviously, I still chose which quotations to include in the presentation of the case. However, by quoting managers extensively, I invite the reader to participate actively in jointly reconstructing the formal structure, the formality ‘things’, of the Bank.

As introduced above, the formality ‘things’ refer to the organisational blueprint manifested in such ‘things’ as tables of organisation, departments, positions, programmes, processes and policies (Meyer and Rowan 1991). The ‘things’ correspond to Berger and Luckmann’s (1966) ‘objective world’ or to Dachler’s (1992) ‘objective reality’. From a social constructionist perspective, ‘things’ refer to objectified and reified concepts of formality that are re-contextualised into durable realisations such as paper or digital codes (Iedema 1999). While socially constructed, these ‘things’ are typically understood by managers as independent of personal contribution and are characterised by high ‘resistivity’ (Callon and Latour 1981: 284).

To structure the exposition of the formality ‘things’, I simply gathered the main themes together that emerged during the interviews. I consciously left this narrative as open as possible. Obviously, the exposition of the Bank does not seek completeness in all details. The description of the organisation will be very sketchy. The goal of this part is not to give an objective and exact description of the Bank as it is, but to let the readers themselves build their version of the organisation. This personal reconstruction will form the grounding for analysing encounters with formality in everyday practices – formality at work – in the remaining chapters.
I structure this chapter into six parts. First, I lay out references to the structural units of the Bank. In this sense, I reconstruct the organisational chart through the interview accounts. Second, I turn to the processes of the Bank, which are conceived of as the activities within the Bank. Third, I turn to what is considered as the regulatory aspects of the Bank. This includes the formal rules applicable in the Bank as well as the processes aimed at establishing them and monitoring compliance to them. Fourth, the Bank’s documentation is highlighted. Documenting is an important connection between everyday activities and regulatory aspects. Fifth, I introduce references to the Bank’s information technology, referring to formalising as automating work processes. Finally, I complete my descriptive exposition with aspects of professional practices of auditors, legal specialists and risk managers.

The Bank’s organisational structure

With respect to the organisation of the Bank, managers consistently refer to functional departments as actors and to everyday work as banking processes. The Bank is not seen as a homogenous unit, but as an assembly of various organisational entities and processes constituting an overarching organisation. The boundaries delimiting the Bank from the outside world as well as the boundaries around organisational entities are very stable across all interview accounts. Similarly, the references to processes are consistent across managers’ interview accounts. Illustrative of the conception of organisational entities and the processual conception of work is the following quotation:7


Managers clearly refer to functional units and processes as constitutive entities of the Bank. Figure 8 summarises the main organisational entities regularly referred to during interviews.

7 The interview texts are transcribed verbatim. Therefore the grammatical and syntactical accuracy of the statements is not ensured.
<table>
<thead>
<tr>
<th>Label</th>
<th>Variation</th>
<th>Description of the entity and sub-units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Bank</td>
<td>Front, Business, Relationship Management</td>
<td>The client-facing part of the Bank. Organised in teams named after their marketing regions such as Swiss team, UK Team, Eastern Europe Team or Middle East Team. A relationship manager is often referred to as private banker, or, in its abbreviated form, as PB.</td>
</tr>
<tr>
<td>Operations</td>
<td>Back office</td>
<td>The processing part of the Bank. Subunits of Operations are labelled according to their functions such as Payment, Securities, Trading, Finance, Credit, Account Opening, Human Resources or IT.</td>
</tr>
<tr>
<td>Risk, Audit, Legal</td>
<td>Control, formality professionals</td>
<td>The departments with monitoring and control tasks in the organisation: Sub-units are Enterprise Risk, Organisational Risk, Regulatory Risk, Compliance, Credit, Market Risk, Internal Audit and Legal.</td>
</tr>
<tr>
<td>Management</td>
<td>Leaders</td>
<td>The organisational apex, such as the Executive Committee, Board of Directors, Steering Committees, the CEO.</td>
</tr>
<tr>
<td>The Group</td>
<td>The ‘mother’</td>
<td>The owner of the Bank. References to functions inside the Group but outside the Bank generally have the same nametag allocated as the functions within the Bank. There terms Group Risk, Group Operations, and Group Management are also used.</td>
</tr>
</tbody>
</table>

**FIGURE 7: THE BANK’S ORGANISATIONAL UNITS**

This short synopsis of organisational units corresponds to a large extent to the Bank’s organisational chart. For references to an organisational entity, I use again capital initial letters. However, the functional boundaries are less clear-cut than portrayed in the Bank’s manuals. For instance, Credit is partly referred to as the Operations Unit and partly as the Risk Unit, depending on whether its administration or sanctioning role is emphasised. Audit and Risk as a general category of monitoring and control functions are often used interchangeably. Functional labels that were replaced in the official naming of organisational units are still employed in parallel with the newer terms. The terms Operational Risk or

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8 Abbreviation for chief executive officer
Compliance, for example, are still used, whereas on the organisational charts they are now referred to as Enterprise Risk and Regulatory Risk, respectively.

As the quotations in this chapter will show, these units are typically seen as actors in organising. Rather than referring to individuals, managers refer with consistency to these abstract units as active entities. Only the most prominent persons in the Bank are regularly referred to in personal rather than functional terms. The chief executive officer, for instance, is often referred to with his forename. Besides the Bank’s organisational structure, processes emerged as the main discursive entities for describing everyday work. In fact, talking about banking turned out to be talking about processes.

The Bank’s processes

Across all interviews, everyday practices were consistently conceived of as processes. Whereas organisational units were considered rigid, processes were seen as activities within the rigid organisational poles. I start my presentation of processes with the so-called account-opening process. I will then introduce the client relationship management process and, finally, the credit process. The presentation of these three processes is not an exhaustive presentation of what has been referred to as process. On the contrary, almost any activity was seen as part of some kind of process. As a consequence, there will be numerous references to other processes in the remaining sections of this chapter. Moreover, processes were typically considered as part of overarching processes and they were divided into sub-processes without clear delimitations. The three processes chosen have thus to be taken as illustrative accounts of the processual understanding of the Bank.

Account opening

Account opening refers to the establishment of new client relationships. A recurrent concern in the Bank is the formal requirements necessary to approve a new client.

‘Der Private Banker versucht eine Akquisition eines Kunden zu machen. Das geht recht lange, bis man einen hat. Und ist vielleicht noch nicht so formalistisch kontrolliert, sondern da spielen andere Faktoren mit: Persönliche Kontakte, Präferenzen, Regionen und Märkte […]. Dann übergibt er diesen Kunden der Bank. […] Dann starten wir, formalistisch zu werden. Dann gibt
The defining characteristic of a client is the holding of an account. In other words, the opening of an account is the rite of passage in becoming a client. The client acquisition and the resulting account opening are described as a formal process involving various departments within the organisation. The quotation also shows the account opening as the point of entry into the Bank. A wealthy person is ‘acquired’, turned into a ‘client’ and thus becomes part of the organisation.

At the point of setting up a relationship, major importance is attributed to securing the ‘right’ clients. Often managers referred to the account opening as the most important aspect of banking, as it predetermines any future dealings.

‘Where I take all the comfort is the client selection process in the first place. If we are selecting the clients properly on day one, then you stand a much better chance of avoiding any problems in the future. We may not have 100% of a client's financial circumstances, but at the end of the day, if we got it 80% right, then the vast majority of the time we are going to be fine, because most clients are honest, decent people. They are not going to try and rip the bank off.’ (I10: 1914 – 1960)

There were a number of requirements invoked during the interviews in order to ensure that the Bank only takes on honest, decent people as clients:

‘There is certainly a minimum of requirements that you have to have as regards information and structure to comply with the laws and practices of the business […]. There is clearly a minimum level of documentation that we need to have, a minimum level of information we need to have for taking […] decisions, a certain due diligence to take the client on board in the first place […]. So I think if you are going to manage the client’s money, you expect to be a wealth manager in the broadest sense of the way we see it. Then we need a certain level of information about that client. We can't possibly claim to provide the client the best advice if we haven't fully understood his financial circumstances. There are different levels of information requirements, undoubtedly, from the base level, which is absolutely mandatory for legal and regulatory requirements, to the levels that you need to have to provide proper advice, to do your job as well as you can.’ (I10: 2564 – 2717)

Central importance is attributed to information about the client, first, because it is legally required and second, because it is considered absolutely necessary for banking. This dichotomy between regulatory requirement and common sense practice is recurrent in the interviewee’s understanding of banking. Both, however, have formal character to a large extent. While this dichotomy is often ex-
pressed, the delimitation between regulatory requirement and common sense practice is varying and the distinction between the two concepts is often blurred, if not largely overlapping.

Another interesting aspect of the concept of information is its vagueness. While regulation prescribes the need for good information, there is a sense that only the professional judgement can define what good information means. Information requirements represent a good example of a formality ‘thing’ that is conceived of as something outside the reach of managers. However, when it comes down to making sense of the formal requirement, then often common sense notions of everyday practices are invoked.

‘Certainly where our work is concerned there is a need to get down in writing exactly the basis on which the decisions are taken, what the expectations are. I think a lot of that is driven by legal demands, but it is in terms of common sense really.’ (I10: 2350-2381)

The dynamic between legal demands and common sense is a common theme in the interviews. While reference to common sense is typically not explained any further, legal demands are a central topic in the interviews.

**Client relationship management**

The logical continuation of the account opening process is the client relationship management process. The central element of the client relationship between the Bank and the client remains the personal contact between the relationship manager and the client – often referred to as the key aspect of Swiss private banking.

‘The relationship with the client perhaps [has changed] less so, because at the end of the day, the client is still being looked after by human beings, not by machines. Here in Switzerland we still have the service model, which is you have got a private banker and that is your prime point of contact. […] I would like [the client] to know [my assistant] […]. So when they come through, I tend to introduce her and certainly they will have spoken to her on the phone, so it's a voice they know […]. I mean, if I can, I will also introduce other colleagues, so they get a feeling it is a team as well. Because they are dealing with an individual, it is a much more positive experience, […]. I think that is the one good thing that we have as a model here in Switzerland, we still tend – I hesitate to say selling ourselves – but there is an element of that. […] That is really what it is all about. As much as the delivery on the whole tends to be through one person, then [formality] has less of an effect on the clients than it might do. But clients still do feel it; they can still sense it, you know, when you have to go asking for another piece of paper.’ (I16: 883 – 1067)
Whereas there was a sense of strict formal procedures in internal dealings, the client relationship is considered much less formally predetermined, however, and comes down to individual contacts. The informality is reflected in the type of location in which client contacts occur. It is considered more informal to meet a client outside the Bank’s premises.


While less formally prescribed, many procedures depend on the manager–client relationship. As mentioned above, the relationship builds the basis for information as the key ingredient for banking.

‘The private bankers themselves of course are in a difficult position sitting in front of a client and they are expected to get a certain level of information on that client. Do they always verify it? Or is the information we find on our internal information system always 100% correct? Is the client always going to release all of his personal information? I suspect the answer is ‘no’.’ (I10: 1872 – 1903)

However, the relationship between relationship managers and clients is not kept completely free of organisational formalities.

‘The key issue is, [formalities] are becoming an increasing part of any banker’s life, whether you like it or not. In many cases, the view is: they are hindrances to doing business. In many cases I actually think they are hindrances to doing business. The ones that are best in terms of formality are those that are sellable to the clients as being a valid protection […] Or, those, which are designed just to verify that the client is comfortable with the level of risk in the investment that you are proposing to him. If you can sell those requirements along those lines, then those are the ones that work best, because they tend to dovetail with the client’s own aspirations […]. He doesn’t expect the Bank to pay out money unless he tells them to do so. He doesn’t expect the Bank to buy securities, unless he [tells them to do so], he doesn’t expect the private bank to sell him investments he would not necessarily be comfortable with. All of those [regulations] are fine, but anything else tends to be a barrier to doing business.’ (I16: 29 – 139)

Similar to the account opening process, managers underscore both the formal rigidity of the process and need for managerial discretion. Both processes high-
light the information needed in order to meet the client’s expectations. This characteristic of a formality-driven process with a high level of personal contribution is also typical for the third process presented – the credit process.

Credit process

The credit process typically overlaps with the client relationship management processes. The credit process was referred to in relation to money loaned to clients and the related internal sanctioning and monitoring activities. Again, managers underscore the high level of formal demands.

‘Der Private Banker oder der Kunde möchte einen Kredit, aber die Kreditabteilung möchte dann natürlich einen Haufen wissen. Also wird es formalistisch, es wird schwerfällig.’ (I7: 1379 – 1391)

Along the same line, another manager reported on the complexity of the credit process. Besides the formal requirements, he also discusses the need for considering the risks related to credit.

‘It is very difficult for a private banker, because they are faced with a whole host of rules […]. That’s one reason why, of course, we don’t allow private bankers to take credit decisions […]. We expect that the private bankers will have regular meetings with their clients, will ascertain if there are any issues that come to light with those clients in regard to their personal financial circumstances, events or facts that may adversely impact the client’s ability to service the debt with us. We expect [them] to notify us should that occur. What we can’t necessarily expect [the relationship managers] to know is the […] ins and outs of the derivatives policy, for instance. But we are the ones who approve the request within that policy. We may say we expect you to ensure that this is a diversified portfolio, because they are the ones who deal with the clients day to day, they are the ones who execute client instructions. […] We do need to expect him to be familiar with the credit rules, but they cannot possibly understand every single rule in the organisation.’ (I10: 2024 – 2182)

The above quotation draws a typical picture of the dynamics between the various departments and the formal requirements involved. The main concern in the interview is the formalised interrelationship between the Bank and the clients. It is in this interrelationship where formalities become most visible. Internally, it also shows that the departmental delimitations are formal constructs with limited relevance in practice. Everyday work happens in interaction between the various entities. In these interactions, there are also conflicting goals that come into play.

This quotation brings up an often cited conflict between efficiency and formal requirements in the Bank. Formal requirements are typically conceived of as harming the efficiency of banking. On the other side, formal requirements are also seen as necessary ingredients to any process. Formal requirements are the theme of the next section – the Bank’s regulation.

The Bank’s regulations

Discussing processes often led to discussing regulations, regulators and risk management. Processes in the Bank are typically viewed as a regulated sequence of activities. In that sense, the following section on the Bank’s regulation is the continuation of presenting the Bank’s processes but from another perspective.

Regulations

Talking about banking in abstract terms, regulations have been omnipresent. Regulation was understood in a broad sense to include federal and international laws, Federal Banking Commission ordinances and circulars, Swiss Bankers Association guidelines⁹, recommendations and agreements, as well as Group rules, internal rules, manuals and codes of conduct. Regulations were consistently one

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⁹ The Swiss banking industry has a long tradition of self-regulation. In collaboration with the Federal Banking Commission (FBC), their regulatory authority, the Swiss Bankers Association draws up binding codes of conduct which define what constitutes good industry practice. An important example of a code of conduct is the Agreement on Due Diligence (CDB) (cf. http://www.swissbanking.org/en/home/allgemein.htm)
of the first things interviewees referred to when asked about everyday work. Regulations are portrayed as omnipresent in the organisation.


In respect of the importance of the various types of regulations, there is a clear sense of hierarchy. At the top are external regulations issued by the state regulators. These cascade down into internal regulations within the Group, and further down to the local internal rules of the Bank's entities.


Regulations are portrayed as pervasive in the Bank and not limited to the account opening process. A key focus of banking regulation – both internal and external – is money transfers, also often referred to as the payment process. Reflecting on regulations governing the money transfer process, a manager concludes:


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10 Abbreviation for ‘Vereinbarung über die Standesregeln zur Sorgfaltspflicht der Banken’. This is an agreement between the Swiss banks on the banks’ code of conduct with regard to the exercise of due diligence (CDB). The latest revised version of the CDB came into force on 1 July 2003. The CDB obliges banks to know their customers’ background in some detail.
The quotation is representative of managers’ thoughts about regulation. First, the importance of regulating the money transfer process in a very detailed manner is widely accepted. Second, there is also a shared concern about striking the right balance between the risks involved in the money transfer process and the costs of controlling it. Third, the quotation also shows that regulations are typically conceived of in processual terms. In this sense, looking at the Bank through the lens of regulation comes close to looking at the Bank through the lens of processes. General Manager 6 shared such a processual view of banking:

‘So how do I deal with a client? I am mindful of those things [regulations] as they [initiate a] transaction they know and we know, they have to follow certain things. That we can talk about a transfer of some money, but if it comes to it, I would prefer to have a piece of paper with the payment instruction written down and signed. So that we have followed the process, and that a second person can check it back against the available funds and signatures. So I can deal very informally and I can talk to somebody very informally about their accounts in some ways. But there comes a point when you are really talking about their business or transaction affairs where you must follow the process. If you don’t, it normally comes back to bite us. With all of the costs of an operational loss, or a dissatisfied client will leave us, in which case we lose the income flow.’ (I6: 1573 – 1644)

As the above quotation illustrates, managers generally take regulations framed as processual requirements as an essential ingredient of everyday work practices. The process as a discursive entity is understood as a sequence of predefined work practices that are regulated. The Bank itself is typically portrayed as a bundle of regulated processes.

Among the various processes, the money transfer process was referred to as one of the most regulated processes in the Bank. Within the money transfer process, one of the major concerns emerging across most interviews was the Bank’s dual callback requirement in accepting client payment orders.

‘Was uns jeden Tag wieder aufs Neue beschäftigt ist der Dual Callback. Ich meine, das ist eine rein interne Weisung, das hat nichts mit dem externen Regulator zu tun und erst ab 500'000 Schweizer Franken Gegenwert [anzuwenden]. Ab dann müssen den Kunden zwei Leute anrufen und verifizieren, ob der Kunde uns wirklich den Auftrag gegeben hat, selbst wenn er es schriftlich per Brief mitteilt, müssen zwei Leute ihn zurückrufen und fragen, ob das stimmt.’ (I8: 152 – 181)

It was explained that the dual callback rule requires two people to independently call back a client to confirm the authenticity of a payment order. After the payment order has been confirmed is then forwarded to Operations. Operations
checks whether the relationship managers have filled in the order instruction correctly and whether all required controls have been documented. Operations Manager 12 highlights signature controls in particular as a central formal control in the payment process:


Besides processual controls, the above quotations refer to various sources of regulations, internal as well as external ones.

**Regulatory bodies**

With respect to sources of regulations, there is a clear sense of hierarchy. This sense of hierarchy is reflected in the powerful position attributed to state regulatory bodies. A quasi-official status of a regulatory body is also attributed to the Group. The quotation before last, which addressed dual callbacks, shows this sense of hierarchy of regulations:

‘Was uns jeden Tag wieder aufs Neue beschäftigt ist der Dual Callback. Ich meine, das ist eine rein interne Weisung, das hat nichts mit dem externen Regulator zu tun.’ (I8: 152 – 163)

Managers consider state regulatory bodies throughout the interviews as the most influential on the Bank’s formal structure.

‘[N]atürlich von Gesetzgebung her, von aufsichtsrechtlichen Vorschriften getrieben. [...] Wir sind in einer hoch regulierten Branche und das ist einfach ein Teil des Preises, den wir bezahlen.’ (I3: 2689 – 2706)

However, there is not a single regulatory body that dominates the formalising activities in the Bank. As an internationally active bank, a variety of regulatory regimes have a degree of influence. These are most notably the Federal Banking Commission and the Swiss Bankers Association as well as the British Financial Service Authority, the European Union regulations and the United States’ regulatory bodies. The complexity arising from the combination of these various international regulations and its consequences on everyday practices is illustrated in the following quotation:

‘Es ist das ganze regulatorische Framework, in dem die Banken arbeiten. Und sicherlich auch der starke Einfluss der Gruppe, der EU, der USA. Wir
sahen dies auch [...], dass man natürlich nicht die Mutter in Bedrängnis bringen will, wenn jetzt ein so spezieller Deal nicht so laufen würde, wie man sich das vorstellt [...]. Die [Gruppe] hat in Amerika grosse Interessen und [...] dann mit den Amerikanischen Aufsichtsbehörten ein Problem. Wenn wir eine liechtensteinische Bank wären oder eine Bank in Monaco, total lokal, dann wäre dies ein viel kleineres Problem. Wenn man in einem internationalen Verbund ist, ist es sehr wichtig, dass wir eine weisse Weste haben. Das ist oftmals auch noch ein wichtiger Einflussfaktor.’ (I13: 1107 – 1176)

As this quotation shows, integration into an international group structure results in a more complex regulatory framework. Besides the state regulatory regimes, the influence of the Group was unanimously portrayed as very dominant. On the one hand – as argued in the above quotation – the Bank has to be cognisant of the regulatory and political concerns of the Group. On the other hand, managers experience a direct impact of the Group’s internal regulatory activities on their everyday practice. Formality Professional 10 states:

‘The Swiss Bank itself has of course various by-laws and internal rules within which we have to operate [...]. We have two parallel streams, what we can do here in Switzerland [...] Swiss banking law and [...] That has to match with the separate stream, which is the Group. We all have this dual reporting line [...]. You report, on the one hand, through the Swiss business through the chief risk officer to the board and then I report up through the functional line into [the Group]. And we have always got to make sure that we are working within both structures, keeping both lines of reporting properly informed about what is going on, making sure we do not breach any of the requirements. That is the formal structure within which I operate here.’ (I10: 291 – 377)

The formal interweaving of various entities also manifests itself in this quotation on the dual reporting lines. Within this complex regulatory environment of state regulatory bodies and the Group, managers typically attribute a pivotal position to Risk functions.

**The Bank’s risk management functions**

Managers experience the regulatory influence mainly via the relationship with risk management functions. Risk management functions and related control and monitoring process are a key component in managers’ understanding of the Bank. Pervading the whole organisation, risk management functions are typically portrayed as a mediating agent between formality ‘things’ and everyday practices in that they have to ensure that the formal blueprints of the organisation are cor-
rectly put in practice. In this mediating role, risk management functions have
gained a status which leaves them with a large interpretative authority in the or-
ganisation.

Risk management functions are found at both the Group and Bank levels. The
boundary between Bank and Group is not always clear. The Bank’s risk man-
gagement functions are conceived of as tightly linked to their counterparts in the
Group and the interrelationships are described as blurred. Often managers just
refer to ‘Risk’ meaning both the risk management functions within the Bank and
the risk management functions within the Group. This blurred understanding of
Risk can be illustrated in the following quotation:

‘Bei uns in der Gruppe, […] die extrem Risiko Management fokussiert ist, ist
es sicher so, dass die Einflussnahme von Risikobereiche, Legal und
Compliance, […] so ist, dass man sagt, wir wollen uns immer mit dem Re-
gulatorium bewegen, eher sogar noch überregulieren und sehr eng ausle-
gen. Wohingegen das Business […] dies eher auf der anderen Seite sehen
und dies viel offener und flexibler auslegen möchten. […] Die Bank ist sehr
Risiko-Management-lastig, was zum Teil in Geschäftsverhinderung ausar-
tet, weil man sehr eng die rechtlichen Auslegungen betrachten will. Das
Business, […] versucht auszuloten, wie weit sind diese Grenzen, wie weit
sind sie überhaupt vom Gesetzgeber her, oder fast schlimmer, wie weit
kann ich gehen mit unseren internen Stellen.’ (I15: 1683 – 1775)

The quotation conceptualises Risk as the counterpart to the Business. In other
words, risk management functions are described as more or less a coherent set
of organisational entities that are clearly distinguishable from the Business, i.e.,
the client-facing entities.

Another interesting aspect which comes up in the above quotation is the role of
risk management functions as negotiating partners. This reflects a dynamic un-
derstanding of formality ‘things’ in everyday practice. Risk management functions
are portrayed as heavily involved in everyday practices in various roles. First, to
risk management functions is attributed a substantial influence in defining how
external rules and regulation are translated into internal regulations and proc-
esses. Their interpretation sets important boundaries for everyday work. Second,
risk management functions monitor the compliance to rules and regulations in
everyday working practices. Through its monitoring activities, Risk functions
claim an important interpretative authority in the Bank. Third, Risk is also as-
cribed an important role in business decisions. Based on their interpretative au-
thority, risk management functions are in a privileged position of influencing the
application of formality ‘things’ itself. Based on these roles, risk management
functions represent an important part of reconstructing formalities in practice.
Besides the privileged position of risk management functions in with respect to formality at work, there is also a shared understanding that the importance of Risk has been substantially increasing over the last decade. While specialist functions such as Market Risk and Credit Risk have a long tradition in banking, the risk management focus was reported as much wider today. As Formality Professional 11 observed, the risk management focus on formalising and monitoring business operations – the so-called operational risk management – has gained momentum over the last several years.


Supporting this observation, all interviewees, without exception, underscored the crucial position of the risk management function in all modern banking processes. The observation of Risk functions pervading everyday practices often leads to a sense of being overly concerned with risk management, as Operations Manager 17 notes:

This sense of an expensive system of omnipresent Risk, Audit and Legal specialists in everyday practices is widely shared. However, the dominant presence felt in everyday practice also puts Risk in a power position. In reference to how to succeed in everyday practice, managers often stressed the importance of actively involving Risk functions in everyday work. The following account is exemplary:

‘Well I think from being disappointed that we haven’t always got the support that we want on some risk matters, it’s quite obvious that it is important to try and find a buddy in Risk and bring them into your discussions on things like markets or customers, or countries you want to do business in, ways of doing business and business practices in different markets in as early as possible. […] They have pretty good experience either from being able to draw an analysis with another market that we have already looked at or from […] experience from other institutions […] So they can give us input at an early stage. And if they do that, it means when it comes up for later approval, they have already bought in, they have a piece of – they had their own stake in the solution. Therefore, it is easier for them to approve it or concur. So I think it is very important.’ (I7: 1803 – 1894)

The quotation underscores an important role of Risk in everyday practice that goes beyond a role of setting formal requirements and controlling them: Risk is regularly portrayed as a key player in business decisions. Operations Manager 1 complains that Risk often takes decisions that go far beyond what he sees as their role.


The quotation underscores the pivotal position of Risk in banking practices. This pivotal position is also reflected in the Bank’s documentation practices.

The Bank’s documentation

The regulatory impact in the account opening and client relationship management and the interweaving between relationship managers and Risk functions is most apparent when considering information requirements. The Bank is obliged
to gather sufficient background information, with the stated goal that the Bank only deals with ‘honest decent people’ (I10: 1957). In particular, the Bank has to avoid coming into contact with money that can be associated with criminal activities such as money laundering or financing terrorism. In the banking jargon, this information requirement is typically referred to as KYC, which stands for ‘Know Your Client’. In practice, KYC in the Bank environment does not mean there should be a close and friendly relationship between a bank and a client; rather, it manifests itself through a process of documentation and making that client information available to other units within Bank.

‘I think we are quite strict on account opening documentation. But that's because we want to get it right. And serious clients should understand that we are a serious bank. And we have our paperwork to do. And we must know things like their address, verify their passports and know where they made this money.’ (I5: 530 – 557)

However, it is not just because of regulatory requirement that you need to know your clients; it is also important for internal processes. Relationship Manager 5 asserts:

‘To make sure there is sufficient background detail on clients. Know your client is a very big driver. You really have to know your clients, when filling in meeting notes that they are correctly done, so that if the private banker is no longer at his position or her position, because they are promoted or transferred, they are sick or they die, or they've been fired or whatever, that person going into the system can see enough about the client to know him or her very, very well. So that's the driver; we should as a bank know our clients very, very well. And it should not come just down to the one individual who thinks that [those are his personal] client. These are clients of the Bank and therefore all the information should be down in our [marketing] system or on our [operating] system about the client. And that is full details, personal details. You would be surprised how bad [it was] in the old days. Information was given to the Bank, where Private Bankers would keep these details very much to themselves. This is very, very bad for the Bank, for the client. And I think private bankers realise that clients belong to the Bank and that they are more likely to stay than to follow them if they go to another bank. So it's very, very important that we have a full profile of the client, full details of all their meeting notes, full details of what they want, what they like so that we can really improve our service. And […] that there is not just one contact the client has with the Bank, but that he would have several. We in my team, we share our clients so that many of the big clients know one or two of us. Very nice and open, that's the way everybody should be, so that I wouldn't like to hear: ‘I don't want you to talk to my cli-
ent.’ That would be a very bad thing I would hear. I would be very cross with that.’ (I5: 179-305)

Formalising the process of getting to know a client is accompanied by a depersonalisation of the client relationship. Instead of a relationship between a relationship manager and the client, the counterpart of the client becomes simply the ‘Bank’. This depersonalisation becomes visible in that information is only considered valuable to the Bank if it exists in the systems and not strictly in people’s heads. Client background information is considered a fundamental business need for reducing errors and increasing efficiency.

‘Well, obviously the more details I put into the system and the more I can read about, the more efficient and less likely [errors happen]. Efficiency is reduction of errors and squeezing as much income out of our client as possible within reason. If there is more information in the system, it would be less likely that there are errors. And if all papers are processed correctly and if there are two sets of eyes looking at payments, with everything else there will be less chance of errors. Less error makes more efficiency. There are not just errors, […]. If we know what our client wants, then we won’t waste our time on things he doesn’t like. So that’s it really. It’s quite heavy, but it's necessary.’ (I5: 365 – 416)

While the claim that information about clients is the ‘bread and butter’ of banking, there is also a shared sense that the formal requirements around the information requirements are too burdensome.

‘Also wenn ein Kunde in eine Geschäftsbeziehung mit der Bank treten will, dann hat er durch ein Prozedere zu gehen, das mit Kundenfreundlichkeit relativ wenig zu tun hat, indem er mit einem Berg von Formularen konfrontiert wird, und er gutwillig und im besten Glauben mehr oder weniger blind unterschreibt und wir nachher hintendrein noch [die Details] ausfüllen.’ (I1: 685-712)

‘[W]enn Sie Kontoeröffnungen anschauen. Der Kunde muss glaube ich be- stimmt zehn Blätter unterschreiben, und noch zwanzigmal irgendwo seinen Haken dran machen. Die Frage, die sich mir stellt, ist sicher eine des gesunden Menschenverstands. Der Private Banker ist mit dem Kunden knapp eine Stunde zusammen, letztendlich weiss der Kunde sowieso nicht, was er gemacht hat. Spätestens nach der zwölfen Box, die er auch noch irgendwo abzeichnen muss, fragen sie nicht mehr nach.’ (I8: 279-320)

Operations Manager 1 and General Manager 8 both refer to heavy documentation requirements. Papers have to be completed and signed during the account opening process.
A related recurrent theme in the interviews is the signing or stamping of documents. Signing or stamping documents is seen as the process of elevating a paper to an objective reality.


The quotation underscores the importance of documenting work practices. Particularly, signing or stamping documents is a central practice of the formal structure of the Bank. Formality Professional 18 even maintains that work is completed only if the completion of the work is documented. He provocatively states that, from a Risk perspective, nothing has been done unless it has been documented. In this sense the auditability of work is important in ensuring the pivotal role of Risk in everyday banking practices.

A good illustration of the importance of documentation in the banking process is the Account Opening Team. For opening accounts, the Bank dedicates a specialist team to control whether all required documentation is available and whether all required signatures and stamps are on the documents.

‘Wir haben eine Abteilung, die macht nur Account Openings, […], nur Kontoeröffnungen bearbeiten. […] [Die Vorsteherin] hat dankenswerterweise mal ein Büchlein herausgegeben für Private Banker, wo zu dem Zeitpunkt alle Vorgaben, mal da waren, wie die verschiedenen Möglichkeiten für lega-
The quotations in this section highlight, formal documentation has become a central element in the Bank. A well-regulated process typically now means a documented process. Documentation allows elevating an individual and ephemeral activity into a depersonalised, objective and endurable entity. Similar characteristics are found in the application of information technology in the Bank, the topic of the next section.

The Bank’s information technology

Information technology, often referred to as the ‘system’, was attributed a key role in almost all activities in the organisation. The notion of the ‘system’ subsumes all types of information technology involved in everyday banking practices. Most interesting for my study is the dynamic interrelationship between formalities in everyday practices and information technology. Information technology is not simply portrayed as a neutral tool, but is seen as an enabler for formalising.

‘Es ist klar. Es ist vieles vom System her vorgegeben. Das jetzige System ist nicht sehr flexibel wenn es darum geht zusätzliche Arbeitsschritte einzubauen. Das ist eine Vorgabe, da muss man sich einfach daran halten.’
(I4: 783 – 802)

It is emphasised that information technology requires clearly engineered processes in order to work. Typically, these engineered functionalities limit – by design – the variation of possibilities of a system; the work practices have to be adapted to the technology. However, information technology is not only seen as a formaliser due to its built-in controls. On the contrary, Formality Professional 10 makes the point that information technology can also be a driver for formalisation due to its potential for new functionalities.

‘The way I personally see it is that formality of the Bank and the business is only likely to increase the complexity of what we do. It is likely to increase the complexity of systems we operate; [it] will continue to increase. […] The technical advances […] require new rules and regulations. […] If you go
back ten years lots of those client confidentiality aspects just didn't exist because the technology wasn't there. So each time technology develops to a new level, then you need new levels of formality to tackle that particular aspect, for instance, to ensure that we are properly respecting client confidentiality.’ (I10: 2732 – 2812)

Interestingly, it is noted that technology and its concomitant formalisation have a dialectic impact on everyday practices. On the one hand, technology requires a high degree of formalisation as every single step needs to be programmed in detail; otherwise, technology does not work. In the process of automating, however, people have a sense of being liberated from formalities. This sense of freeing up people to do the work technology cannot do becomes an important element of organisational life. As a counterpart to sophisticated technology, managers value the importance of professional practice.

‘Wenn wir Systeme haben, die schon sehr vieles abfangen, dann brauchen wir eigentlich nicht mehr viel zusätzlicher Formalismus, weil es schon automatisiert vorgegeben ist.’ (I11: 751 – 762)

Or as Operations Manager 4 states:


Similarly to documentation, information technology turns individual and ephemeral activities into depersonalised, objective and endurable entities. Information technology, however, increases depersonalisation in everyday practices, as individual influence on automated processes is felt to be low. However, as Operations Manager 4 points out, automation refocuses everyday practices on the handling of exceptions. Exceptions refer to situations where formal requirements or automated processes do not offer any viable solutions. These are situations where a professional practice is required – the topic of the next section.
Professional practices in the Bank

Professional practice is valued beyond the field of information technology. The following quotation emphasises the importance of people who are ‘thinking’ while doing their everyday job and do not just follow the tick-list in the manual.


General Manager 8 highlights that formalisation has its limits. For complex situations, professional practices are required. Professional practice in this sense is portrayed as complementary need for successful banking.

Another aspect of professional practice is highlighted by General Manager 6. He points out that professional practice is not only necessary in situations where formal requirements stop short of any concrete solution, but also in situations where everyday work depends on the decision of other managers. To be successful in everyday work, he claims, it is necessary to have informal networks to make sure that the formal processes successfully lead to the desired outcome.

‘There is a formal way of passing transactions back into the operations area and that needs to be followed. There is a process for us here; it goes through the Middle Office. Then it goes out from the Middle Office to the operations area […]. But we also develop – keep an informal network. We make sure that [head of Operations] comes to our Christmas Party and [the Operations manager], who is the assigned Operations person for [the branch]. […] She is invited to the monthly brunch meetings and attends a number of them. […] So she is familiar with what we are doing and we get first-hand feedback on particular issues. […] Well, there is a process to follow and we should have read the operations manual and if it got changed somebody should send us an e-mail, then we should go to page 372 and look at the change. And then we must follow it and then put a blue sticker rather than a red sticker […]. But by using the informal communication network […], you make sure that we are aware of changes they are aware of issues and if it really causes us problems, we have a point of influence and we can explain it to her, and the blue stickers which were going to be changed to red we can now change to checkered green or something. So that it really complies with everything we really believe in. If we didn’t have that way of communicating, we just are going to receive the memo and then
we write back and say that we are not going to like doing that and it gets stuck [going back and forth].’ (I6: 1659 – 1799)

Professional practice is conceived of as complimentary or supportive to formalised processes as a result of both incomplete information being available to decision-makers and incomplete formal requirements being in place to meet the complexity of everyday practice. In that sense, professional practice completes the presentation of the other themes in this chapter.

This chapter has confined itself to a narrative description of the Bank. The bundling of various topics in the interviews into six themes was thought as an aid and not as a conceptual framework. As a result, the narrative presentation of the Bank invited the reader to become accustomed to the organisation under study, but did not offer any conceptual grounding in the topic of formality at work. Both formality and everyday practice remain blurred and ambiguous. Grounded in this narrative presentation, the remaining chapters aim to clarify the underlying assumptions and the dynamics of formality at work.
Part III: Formalising discourses

The descriptive presentation of the Bank’s structure, processes, regulations, documentation and technology has provided a glimpse into everyday encounters with formality. It was certainly been helpful to introduce the Bank’s terminology and formal entities. However, it adds little to our understanding of how people make sense of formality in everyday practice. I only scratched the surface; I did not examine the underlying assumptions of the narratives. This is the objective of the section at hand.

In order to trace the presence and consequences of formality in everyday practice, it is important to understand how formality is experienced and interpreted by the managers in everyday practice as they engage with, avoid or resist formality. As formality is constructed discursively, I first investigated the discursive patterns that emerged during the interview analysis. During the interview analysis, I started with numerous discursive elements. I then tried to assemble the recurrent discursive elements into coherent patterns. The various trials of grouping the discursive elements into coherent patterns turned out to be an onerous but analytically very valuable process. It allowed me to gain a high level of familiarity with the various interview accounts. Striving toward an ideal of mutually exclusive but jointly exhaustive discursive patterns, I repeatedly checked the various attempts at assembling the emerging discursive elements for overlaps in central aspects of underlying assumptions, positions and interactional effects.

During my analysis, I grouped the multiple underlying assumptions, positions and interactional effects around various normativities. The very nature of a discourse is that it imbues social interactions with meaning. In that sense, any account of everyday encounters with formality is not just a description of a practice, but also includes – at least implicitly – the reasons for them and the normative ground whereby everyday activities may be justified (Giddens 1984: 30). Normativity refers to beliefs that discourses carry and that people invoke in reasoning about everyday work. The normative grounds of formalities inform everyday work and are at the same time revealed by the interviewees’ decisions to invoke formalities and in their evaluations of formal processes. To make sense of people’s normative grounds in their reasoning about everyday practices is the main objective of this part.
I discerned four normative groundings, which allowed me to group the discursive elements into four coherent discourses. First, I identified a normativity of ‘impersonality’ that could be condensed into a first discourse labelled ‘rationality discourse’. Notions of ‘common sense’ built the normative grounding of the second discourse, the ‘myth discourse’. The third emerging normativity can be summarised under the term of ‘partiality’. The ‘game discourse’ encompasses the related discourses. Finally, a series of interview accounts were characterised by absence of a proper normativity. These narratives are based on a view of the world as unpredictable and chaotic. ‘Fate’ takes the position of normativity. The related discourse is labelled ‘ceremony discourse’. I analyse each of the four discourses with their underlying normativity in turn.
Rationality discourse

The first identified discourse is labelled rationality discourse. Before delving into normative considerations, let me first illustrate the Bank’s rationality discourse with an interview quotation. Asked about positive experiences of formality in everyday work, Formality Professional 2 brings up the example of crisis management:

‘Yes, on crisis management. My last job had a fair degree of crisis management involved in it. And it was curious to see how a very strict leadership approach […] really got very fast results which were absolutely right. It’s quite a blunt tool, but it worked very effectively. So Cayman Hurricane for example. […] We didn’t know whether the people were alive or dead when it happened. But the process in [the Group] for dealing with incidents like this is documented and rehearsed and rehearsed and rehearsed. So I knew exactly who to call, who to get hold of, what information I needed to give them. And within two hours – less than two hours – of the initial discussion about the situation, we had a full blown incident management call out with some very senior decision makers from the Group. It is […] a very strict follow-through, every meeting was minuted, every action was agreed on and documented, every action was followed up – very, very process driven. […] What we were doing was very, very efficient and unambiguous.’

(I2: 966 – 1073)

Later in the interview, Formality Professional 2 returns to the theme of formality in crisis management and reinforces further:

‘The way [the Group] manages crisis is very much based on military- and police-type procedures, having very strong command and control structures and very well rehearsed arrangements. So they are not dealing with ambiguity in processes while there is ambiguity in situations. And that seems to work particularly well. We learned a lot from outside people in designing the Bank’s control structures for major incidence. I have to say it’s incredibly impressive. […] The information flow is very efficient. People understand what their role is and they must do what is expected of them, and just drop everything else. Everything else comes second if you are in an incident, including eating, you know, you have to turn up at those meetings, you have to provide this information, and whether you like it or not, this is what you do and you are driven by it. And most people find it quite exciting. Even if you are dealing with life and death situations, the common drive on the common task really gets people doing some quite exceptional things. Somehow, it works very well. And people feel confident in making difficult
decisions. There is a much better prioritisation of effort and resource’. (I2: 2116 – 2225)

She continues:

‘It’s interesting. I think it is particularly valuable. And I don’t know anybody who thinks the very process-driven approach to incident management is unhelpful. […] When we designed it after 9/11, we weren’t really sure about it. […] As we tested it, we got more comfortable with it and we enhanced it. The first time we really used it, it was absolutely awesome. So that sort of experience stays with you. And then of course, having had one great success, everybody involved in that and everyone touching that believes then in the process. […] Cayman [Hurricane] was the first live use. First live invocation of the structure, as it had been re-established after 9/11. Of course it was swiftly followed by a number of other instances including the 7/11, 7/7 bombs in London and that sort of thing. Big IT incidents, all this sort of stuff. It became well rehearsed, everyone knew their role. It's good.’ (I2: 2281 – 2357)

The opening vignette brings out some clear themes surrounding formalities as the rational way of dealing with organisational tasks. There is a clearly positive, if not enthusiastic, view of what formality can do at work. Formalities are portrayed as the logical way of organising work. Rationality leaves room for actively contributing to the changing and adapting of rules, while it postulates a tight coupling between formal requirements and practice. Formality is positively portrayed, as it is actively chosen for good reasons in order to ensure effectiveness, fast results and clarity. It is not just because formalities exist that one applies them, but rather, because it is the rational way to do work. The notion of rationality here reflects the congruence between the qualities people value and the qualities that formality ‘things’ claim for themselves.

**Impersonality**

The Bank’s rationality discourse starts with the assumption that there is an objectively definable ‘best way’ of doing everyday work which is independent of any personal adaptation. In this sense, formality ‘things’ reflect the scientific aspiration of generally applicable rules in organising. Managers have a double role with respect to formalising. Managers are viewed as being on a continuous search for the objective best way of doing a certain process. The aim of this search is to establish the objective best practice for all similar situations. These best practices are impersonalised by turning them into formality ‘things’ designed to structure everyday practice. The following excerpt from the above quotation exemplifies the view of formality as an impersonal ‘thing’:
‘It was curious to see a very strict leadership approach and process really got very fast results which were absolutely right. It's quite a blunt tool, but it worked very effectively.’ (I2: 980 – 1002)

The rationality discourse embodies a view that once formality ‘things’ are rationally designed and institutionally established, they take on a life of their own as they are conceived of as impersonal representations of objective truths that are independent of the ‘author’ and the ‘user’. In this sense, formality ‘things’ are conceived of as depersonalised and reified in general and abstract terms.

The notion of impersonality is key to understanding the Bank’s rationality discourse. There is an objectively best way of doing things – independent of any subjective factor. In this understanding there is a complete ‘absence of a historical, biographical, and socially located, and thus ‘interested’, self’ (Ewick and Silbey 1998: 83). Formality is dissociated from personal needs and relationships. Formality is experienced as existing outside the sphere of personal discretion and is reified as objective reality. Reification is a defining character of formality. The rationality discourse clearly conceives formalities as reified, but it understands the reified formalities as the result of a process of researching or calculating ‘the’ objectively best way to achieve valuable goals.

The rationality discourse portrays reification both as a process and as a result. This reflects Berger and Pullberg’s (1965: 201; quoted in Ewick and Silbey, 1998: 78) notion of reification as a process that ‘converts the concrete into the abstract, then in turn concretizes the abstract.’ Converting the concrete into the abstract refers to the rational process of designing formality ‘things’ by searching for the objectively defined best practice. Concretizing the abstract, in turn, refers to the application of formality ‘things’ in everyday practices. In both processes, impersonality is manifested in that managers are considered interchangeable. Whoever systematically investigates the best way of doing certain practices would come to the same result – the objective truth. Similarly, whoever works in a certain formal structure would do a certain process the same way – the rationally established way as reified in formal blueprints. The rationality discourse conceives both the search for the best way as well as everyday practice as independent of distinct individual persons.

The attribution of high value to impersonality is also reflected in the continuous endeavour to make everyday practice less dependent on the knowledge and
skills of certain managers. A good illustration of this view is the following example regarding the implementation of Sarbanes-Oxley regulation\textsuperscript{11} in the Bank:


The claim for impersonal formalities in general and abstract terms is not just understood in rationalistic terms of efficient organisation, but also shifts the focus from the individual to the collective. Impersonality is thus understood as working in the best interests of the organisation and not for any personal gain. Arguing for the need for formalities is therefore typically framed in terms of public or at least organisational interest. Such a concern for public interest is apparent in the following quotation. Formality Professional 3 conceives of the function of market regulation as protection of public goods:

‘Je nachdem […] Anlegerschutz, Marktschutz, Wettbewerb schützen, Reputationsrisiken und so weiter. Es sind alle die – in juristischer Terminologie – Rechtsgüter, die geschützt werden müssen. Im Prinzip muss dies politisch ausgetragen werden, weil dies unsere Güter sind, die wir schützen müssen […] Das bildet sich ab in der Gesetzgebung.’ (I3: 2706 – 2729)

Justifying formalities in terms of a collective benefit is typical of the rationality discourse. The concept of collective benefit in turn is taken for granted and not specified in any detail. In that sense, there is a very public focus underlying the rationality discourse. Impersonal regulation brings about the idea of formality as guarantor of the public interest against individual advantages.

The notion of time

The understanding of formality ‘things’ as reified and impersonal contains a notion of formality as timeless and transcendent, clearly distinguishable from the dynamic situations in the here and now of everyday practices. In the Bank’s ra-

\textsuperscript{11} Sarbanes Oxley refers to the Sarbanes-Oxley Act, a United States federal law enacted on the 30th of July 2002, also known as the Public Company Accounting Reform and Investor Protection Act of 2002 and commonly called SOX or Sarbox. The act was the legislative response to a series of major corporate accounting scandals including those affecting Enron and WorldCom.
tionality discourse there is a sense that the formalities are untouchable in everyday situations. General Manager 6 mentions:

‘Well, to the extent that they [formalities] are embedded in my processes, I know that they hugely affect everything I do, but I don’t necessarily feel it, think about it – thinking about it in terms of regulation or anything like that; because they are within our day-to-day processes.’ (I6: 1232 – 1255)

An interesting aspect of the quotation is the impersonal reference to formalities as ‘they’. He does not keep the processual nature of formalising in the front of his head, but considers formalities as something fixed in his everyday work. Encountering formalities in everyday practices, people conceive of formalities as timeless. While everyday practices are viewed as bound to a certain time with a start and an end, formalities transcend these practices. This does not mean that managers do not understand that formalities change and develop. There were in fact repeated references to changes in the formal structures. However, the process of changing formalities is subject to a reified and timeless formal structure in the view of the rationality discourse. With respect to changes in banking regulations, he also highlights that,

‘as new ones come out, there is a process to make sure they get thought about and internal rules and regulations and so forth get updated and changed to reflect those changes in regulations. So for me, I know it affects my daily life a lot. But it is not something that I think about a lot. […] But you know we also have a process, it is a formal process, where those sorts of things get looked at by an area in Risk where they to analyse the different issues and they would feed it out. [When] it comes to me it would have probably gone through one or two layers of people thinking about that. […] I actually rely on them to do that sort of analysis.’ (I6: 1255 – 1348)

The formalisation of changing formality ‘things’ also highlights a defining characteristic of time in the rationality discourse. Formality itself determines the pace and scope of changes – and thus closes off the available possibilities for changes and makes them costly. What marks everyday practices as formalised is this closure and the conception of costs for changing formality ‘things’. In that sense, formality ‘things’ induce a certain rigidity over time.

The rigidity of formality ‘things’ finds material expression in the importance attributed to documentation and to technology. Both documentation and technology lift everyday practices out of the evanescence of the present and into durability. The rationality discourse emphasises the importance of documenting for two reasons, which are both time related. First, documenting how things must be done on paper as, for example, in work manuals, ensures consistency over time. Second,
documenting how things have been done ensures the possibility of re-
constructing and understanding everyday practice at a point in time in the future. This is the basis for the auditability of actions, a key concept of the rationality logic. Similarly, automation is essential for unbinding practices from contingencies of individual moments in time and making them traceable in the future.

Risk and Risk Management

Discussing normativity in the apparent absence of personal judgement and in the absence of idiosyncratic contingencies might seem paradoxical. The very logic of the rationality discourse does not leave room for a variety of possibilities that individuals can freely choose from in a particular everyday situation. This does not mean that there remain no uncertainties in everyday practice. Uncertainties themselves are depersonalised and objectified into the notion of risk. General Manager 8 refers to risk as the key driver for formalising work practices:

‘Bei uns in der Bank ist der Haupttreiber ganz klar, die Bank vor jeglicher Art von Risiko zu schützen. Ganz klar nichts anderes.’ (I8: 639 – 650)

Risk is conceived of as the objective unit of measurement for legitimising almost any sort of formality ‘thing’. Risk is treated as objectively measurable and therefore independent of personal judgment. Consequently, deciding how things are best done is the result of pondering various risks rather than making a judgement. This prominent position of risk in the rationality discourse is extensively developed in sociology. Ulrich Beck’s (1992) ‘risk society’ thesis, in which ‘…society has come to understand itself and its problems in terms of....risk’ (Ewald 1990: 147) and Anthony Giddens’ (1990; 1991) contribution to the self-creation of identity through the reflexive construction of biographical patterns are the most influential accounts of risk in late modernity. Beck’s and Giddens’s works overlap remarkably in their theories of modernisation and the conception of risk. Giddens (1990) notes that with modernity, the belief in rational technicity has emerged in place of the religious cosmologies and, in parallel, the notion of risk has to a large extent replaced the notion of fate.

The belief in rational technicity leaves little space for human creativity in establishing formalities. Instead, the Bank’s rationality discourse understands formalising as an explorative or investigative act of finding the objectively best ways of doing things. These best ways are seen as existing in an objective reality. They are not a matter of personal interpretation. It is a question of finding the best way through scientific methods, such as mathematic calculations. Uncertainties are captured in the concept of risk. Risk in turn is expressed in numbers reflecting
probabilities and potential impacts. The human contribution is limited to a mechanical application of scientific tools free of any personal judgement. A good example of this notion of calculability of uncertainties in terms of risk is the following quotation:

‘If we can do something that produces any hundreds of dollars at any cost, true, we should do it, but if it gives us a potential risk of another 3000, we perhaps better not do it. It's more than simply cost. We need to be able to operate and process it.

R: So the main driver for formality is to control risk?

I6: Yeah, I think [...] it's the risk-balanced bottom line. Because it isn't simply the financial return. [...] So there needs to be some analysis of the risk of implementing or of changing processes or procedures or whatever it may be. [...] But it is very much a management process. [...] It is a management process of understanding and controlling those changes and those new things.’ (I6: 1119 – 1219)

The quotation underscores that everyday decisions are often perceived as being free of any personal judgment. Instead, they revolve around calculating or pondering the relevant variables to establish an objective best solution. General Manager 6 explicitly highlights that it is not a question of personal liking, but an analysis process of understanding and controlling. In this decision process he puts management before leadership and attaches higher value to the professional process of evaluating risk than to management judgement.

Framing problems in terms of risks and thus excluding them from management judgement are typical of the rationality discourse. The rationalistic approach to managing risk has a strong position in the Bank. This position is based on a strong legitimating power of professional expert systems observed in the Bank. Giddens (1990; 1991) notes that the ascendancy of abstract risk management and auditing systems means the end of broader moral orders – the ‘evaporation of morality’. He (1991: 145) states that ‘moral principles run counter to the concept of risk and to the mobilizing dynamics of control.’

Risk management and Audit and Legal functions play a central role in the accounts on formalisation during the interviews. I subsume these three functions in the Bank under the notion of ‘expert systems’ (Luhmann 1988; Giddens 1990, 1991; Beck 1992; Brunsson and Jacobsson 2000). In the impersonal world of the rationality discourse, people typically justify their actions by referring to the professional ‘expert systems’ rather than by one’s rank in the organisation. The reliance on ‘expert systems’ is a key aspect of Giddens’ notion of ‘modernity’ and Beck’s ‘risk society’. In a post-traditional environment, individuals turn towards
formalised expert systems, such as law, science, risk management and their related professions. As a result, high reliance is put on ‘expert systems’ as filtered through the practices of the trained professionals of these systems to frame organisational questions and to solve problems. In other words, expert systems and their respective normative standards serve as point of reference for minimising complexity in the Bank and for managing risks.

The most important expert systems embedded in the Bank are Law, Audit and Risk management. These systems and related professions are omnipresent in people’s stories of everyday practices. Particular attention is given to Risk management functions:


The expert systems and professions of Law, Risk management or Audit embody important values of the rationality discourse, i.e., the scientific ideals of independence, accountability and consistency (Goode 1957; Greenwood 1957; Wilensky 1964; Abbot 1988). Professional expert systems also draw their main legitimacy from their impersonality. Professionals such as lawyers, auditors or risk managers do not invoke their level of education and/or experiences but refer to impersonal values such as neutrality or professional standards. Manager 15 makes a clear statement in that respect:

In this account the expert system is clearly put in the centre. People become interchangeable. Everyday practices are determined by the professional standards of auditing. Interestingly, the quotation does not refer to the quality of the output. Good quality is seen as the logical result of following professional practices.

The ubiquitous perception of risk and the belief in technicity calls for rational control systems. Building and monitoring these control systems is the task of Risk Management and Audit. These functions are key ingredients in the concept of organising under the rationality discourse. Even though all of the different practices of audit and risk management might be differentiated according to whether they are done ex-post, ex-ante or coterminous or whether they are ‘assessment’, ‘monitoring’, ‘review’ or ‘verification’, they mostly share common characteristics and share the underlying logic of a ‘control of controls’. The practices of auditing and risk management, which the interviewees referred to, go far beyond the financial accounts; they also cover ‘second level’ controls across all major work processes in the Bank.\(^{12}\) For the purpose of this research, there is benefit to differentiating all subtleties of the various types of risk management and audit.

Risk management in the Bank is typically seen as a three-way process: First, designing a process including robust formal controls; second, monitoring the effectiveness of the controls; and third, correcting or completing the control structure if the process is found to be deficient. This three-way process is highlighted in the following quotation about implementing a robust payment process:

(I11: 2108 – 2157)

\(^{12}\) The concept of auditing nowadays is generally understood as a ‘third level control’. In such a conception, auditing relies on risk management functions to provide assurance on an organisation’s control environment. In practice, however, this distinction has not been very effective. Both functions, risk management and auditing, typically focus directly on the same first level controls for their assessment. They might vary in the intensity and regularity of control assessment, but not in the very mode of working. As I am interested in the everyday practices and not in schoolbook distinctions, I will treat both functions together.
This three-way process refers to management in the terms of risk calculations. Instead of judgements, this account refers to monitoring and measuring processes and taking actions based on the results of these activities. It exudes the impersonal technicity of the rationality discourse. At the same time, it alludes to professional practices of risk managers.

Mirroring the privileged standing of professionals in Law, Risk and Audit, the importance attributed to formal education is regularly underscored.


(I17: 2257 – 2298)

Similarly to the underlying assumption of processual controls in everyday practices, the standardised process of professional education is also thought to generate valuable output in terms of qualified people.

Upholding the value of impersonality, other aspects of human personality such as personal character, intelligence, family background or sex are typically excluded. In that sense, people are conceived of in commodity-like terms: People can be put in on the one side of the education system and they come out on the other side with a standard body of knowledge. Formal education is understood as a way to ensure that people work in the desired way. In this sense, everyday work practices are also formalised by educating people.


(I7: 463 – 538)

Professional training is particularly seen as important with respect to one’s ability to calculate risks. Reflecting the rationalistic underpinning, professionals tend to be trained in increasingly uniform programmes to comply with professional stan-
dards. Therefore, the formalisation of work is seen as an industry-wide phenomenon, as Operations Manager 17 notes:


The internationalisation of best practices and uniformisation of professional practices corresponds to the logic of the Bank’s rationality discourse. Michel Callon (1998) makes a powerful case with respect to the influence of a professional discipline to shape and convey frames of reference that have direct impact on everyday work practices. He asserts how ‘calculating tools’ developed by economics as a discipline contribute to the ‘performation’ of the economy. Socially constructed ‘calculating tools’, such as standards or risk frameworks, determine what is measured and – at the same time – ‘they contribute powerfully to shaping, simply by measuring it, the reality that they measure’ (ibid.: 23).

**Hegemonic position of the rationality discourse**

The rationality discourse enjoys a privileged position in the Bank. The rationality discourse is the discourse by which formality ‘things’ find expression. It is the formality ‘things” own story. This privileged position is reflected in a hegemonic nature of the rationality discourse in the Bank. The concept of hegemony has an important dialectical aspect. Managers are not simply passively dominated by the hegemonic rationality discourse but actively contribute in varying degrees to the (re-) production or transformation of the hegemonic position (Fairclough 1992). Mumby (2004) offers a pertinent definition of the concept of hegemony in an organisational context. Inspired by Gramsci (1971), he (ibid.: 329) sees hegemony as

‘not simply consent to, and active support of, a dominant system of meaning, but rather involves complex articulations of discourses that represent and embody efforts to fix meanings in particular ways over and against other possible discursive articulations.’

The hegemonic position is thus not conceived of as being deployed by overt force, but by (re-)constructing discourses and by integrating rather than dominat-
ing, or as Foucault (1977b; 1979) put it: by enveloping participants in discourses. The hegemonic power of rationality is based on a ‘normalising gaze’.

The hegemonic position of the rationality discourse is manifest in all of the interview accounts. Analysing interview texts sequentially showed a bias for arguing along a rationality discourse logic at the beginning of the interview conversations. This effect was most visible with managers I did not known from my work in the Bank. Starting off an interview in a rational discourse logic reveals the dominant position of the Bank’s rationality discourse in the Bank. This conclusion is based on the understanding that people tend to draw on hegemonic discourses in unknown interactional situations, such as, for example, with an unknown interviewer, in order to insure against interactional conflicts. Deviating from hegemonic discourses always implies interactional risks. Corroborating this insight is the finding that personally known managers tended to emphasis the rationality discourse logic much less, but invoked the other three discourses in a less cautious way. Common to all of the interviews was a gradual opening up of the discursive field toward the other three discourses during the course of the interview. To make interviewees move beyond the safety sphere of the hegemonic rationality discourse, I drew on shared experiences at the Bank. The background knowledge gained through my work experience was an invaluable resource for cultivating shared knowledge as the basis for the interview conversations. In particular, the previously gained insights allowed moving from abstract discussions to concrete, lived experiences. This work experience was crucial for engaging managers in meaningful conversations about their everyday practice and going beyond the abstract discussions relating to abstract examples.

I began the interviews by directly asking respondents about what comes to mind in relation to formalities, and the managers typically provided a rationalistic schoolbook answer regarding how to organise. Discussing formalities in the abstract brought up a surprisingly unified view. This unified view reified a strong sense of a rationalistic underpinning of formality ‘things’. The following answers to the opening question illustrate the rationality logic in response to what managers spontaneously consider when questioned about formalities:

‘Structured and defined work. No ambiguity, clear reporting lines, clear step-by-step processes.’ (I2: 29 – 43)


‘Was mir sehr spontan in den Sinn kam, [...] das sind sicherlich mal Gesetze, gesetzliche Vorgaben, die wir haben, dann unsere interne Regulatoren, das beginnt beim Organisationsreglement, bei unseren Statuten, die bei uns durchschlagen, unser Prozessmanual, Weisungen, das geht bis runter zu Balanced Business Scorecards, die gewisse Leitlinien vorgeben, [...] in welche Richtung man gehen will. Dies ist mal der Rahmen, den man gibt. Mit Formalität assoziere ich dann auch diverse andere Sachen wie Formalien, Kontrollen als solches et cetera.’ (I18: 7 – 82)

In all of these accounts, managers refer exclusively to formality ‘things’ in isolation from everyday practice. Managers unanimously take formalities in organising for granted. In these opening statements, formality embodies a strong sense of impersonal prescription with an undisputed capacity to structure everyday practice. While this strong capacity to structure everyday practice is at least implicitly present in all of the accounts, managers do not refer to particular everyday situations but talk about formalities at an abstract level. The rationality discourse elevates formality ‘things’ to an objective and transcendent sphere independent of everyday enactment of formalities in practice.

To sum up, the rationality discourse sees the process of formalisation as a process of rationalising (in Weber’s terms) or disciplining (in Foucault’s terms) behaviours and relationships in everyday practices. In this sense it closes off the available possibilities in everyday practices. The central mechanism identified for closing off possibilities in everyday practice and establishing the ‘one best way of doing things’ is the depersonalisation of everyday practices. Depersonalisation is reflected in the understanding of formality as timeless and transcendent. Everyday practices are tightly coupled with and thus determined by formality ‘things’. Depersonalisation is also reflected in the conceptualisation of uncertainties as risks. Risks are objectified and measured with scientific methods and, therefore, the rationality discourse does not leave ample room for personal judgement. In that logic of establishing management scenarios framed as risk, the professions of Risk management and Audit obtain a central power position in the Bank. Depersonalisation also finds material expression in the importance of documentation and information technology in the Bank.
Taking that logic of depersonalisation further, one could speak of the evaporation of the self. What remains are the formality ‘things’. The encounters with these formality ‘things’ come down to behaving as programmed, i.e., as rationalised or disciplined by the rationality discourse. A sense of limitation is virtually absent in the quotations that reflect the Bank’s rationality discourse. This absence of a sense of limitation underscores the congruence of the underlying discourse of formality ‘things’ and the discourses enveloping everyday encounters with formalities in practice, the ‘doings’. The notion of rationality here reflects the congruence between the qualities people value and the qualities that formal institutions claim for themselves. This is at the same time the formalities’ own story as well as the interviewees’ story. Incongruence between these two aspects of formality is a defining character of the other three discourses presented in the next three chapters.
Myth discourse

The second discourse which emerged during the interviews is labelled myth discourse. Discussing regulations and internal processes, Relationship Manager 16 voices some concerns in dealing with formality ‘things’ in his everyday practice.

‘The sad thing [...] is that all that regulation does and all the processes that we put in place do, what it means is that we tick boxes or we fill out forms. We fill out forms to an acceptable standard to say we have done our due diligence. But somewhere along the line what we are losing is the fact that in the old days, [...] what used to be important is that I could sit across the table from someone called Roland Pflyl and look him in the eyes and say: This guy is telling me the truth or he isn't telling me the truth. I trust this guy or I don't trust this guy. Nowadays, for me to say I trust this guy what I mean is that I have a copy of a utility bill and a copy of your passport. All of these things, let's be honest, if I was faced with a fraudster or a money launderer, the first thing you can be sure they will have up from scratch is the passport copy and the address verification. [...] But what is missing is the bit that goes beyond, that is filling in all the soft details, that creates a picture, consistent picture that makes sense to someone, so that I actually can say I do trust this guy.’ (I16: 596 – 704)

The relationship manager clearly brings up the main beliefs inherent in the Bank’s myth discourse. He underscores that it is impossible to fully control everyday practices with formalities. What is important is to work according to common sense in everyday practice and to build up trust with clients and colleagues. In the notions of common sense and trust there is a focus on interactions with one’s peers in the immediate working environment in, building up a proper way of working and not building on formality ‘things’. I will discuss these elements of the myth discourse in detail under the following section on normativity.

This chapter looks at the values and beliefs – the normativity – of myth discourse. I will put ‘common sense’ in the centre of the normative structure of the discourse. Based on the central value of common sense in everyday practice, I will argue that the myth discourse puts high value on personal interaction in the group. Common sense thus refers to commonly constructed values and beliefs in the working relationship. The time aspect of formality reflects the decoupling of formality from everyday practices. The myth discourse sees the time of formality as incongruous with everyday practice. Put simply, there is a time for work and a time for formality. Similarly, the effectiveness of risk management is seen as limited in the myth discourse. It is rather a matter of cultivating a myth than a matter of reducing risks in everyday practice.
Common sense

Formality ‘things’ are attributed a low impact on everyday practices. Formality ‘things’ are not necessarily reflected in everyday work. Everyday practice is determined by common sense rather than by formality ‘things’. The formality ‘things’ represent an additional workload to comply with, with little relation to the ‘proper’ work people do. There is no strong linkage seen between the formality ‘things’ and the formality ‘doings’, or in Karl Weick’s (1976) terms, formal structure and everyday practices are conceived of as loosely coupled. As explicitly stated in the opening quotation, formalities are understood as mere exercises of ticking boxes and filling in forms. The required ticks and forms will be delivered. It is not a matter of interpretation, but a clear requirement. In that sense formality ‘things’ are seen as fixed and their contents are not up for discussion.

The first defining characteristic of the myth discourse is the understanding that the origin of formality ‘things’ lies outside the scope of everyday practice. Formalities have to be taken and lived with as they are. There is no contribution possible to influence those formality ‘things’. Drawing on the myth discourse, the interviewees typically distanced themselves from formality ‘things’, as the following quotation illustrates:

‘Ich persönlich hätte lieber eine Weisung, die sagt, wir versuchen einen Kunden so gut wie möglich zu identifizieren und ihn zu verstehen – seinen wirtschaftlichen Background zu verstehen. Da wäre die Weisung für mich abgeschlossen. Da nehme ich die Private Banker viel stärker in die Verantwortung. Wenn ich aber sage, um den Kunden zu verstehen muss ich von ihm Passkopie, bladibladibladibladibladibladibla haben, was macht der Private Banker, was macht jeder Mensch, er holt sich bladibladibladibladibladiblabla ein, tut dies alles schön dokumentieren, dass er das alles hat, aber versteht [den Kunden] deswegen nicht.’ (I8: 1360 – 1409)

This distancing in everyday practice is not guided by formalities but by notions of common sense and trust. Unlike in the rationality discourse, common sense does not equal formality, but is at best slightly overlapping with formality ‘things’. Similarly, trust is not placed in impersonal and objective rules but in common sense resulting from close and personal interactions in everyday practice. This shift from trust in objective formality ‘things’ toward common sense is reflected by the discursive pattern that formalities are not discussed or interpreted, but simply accepted as a necessary ‘evil’. Again, the opening quotation reflects this distancing.
The second defining characteristic of the myth discourse is the loose coupling of formality ‘things’ and everyday practice. Formality ‘things’ are attributed little relevance for doing a good job. Everyday interactions are not determined by trust in expert systems, but by trust in people. Relationship Manager 16 criticises the formalisation of what is conceived to be a trust relationship.

‘Nowadays, for me to say I trust this guy, what I mean is that I have a copy of a utility bill and a copy of your passport.’ (I16: 662 – 671)

The Manager asserts that this kind of trust in formality ‘things’ is not what is needed in everyday practice. More important is trust in personal judgement based on common sense. He continues.

‘All of these things, let's be honest, if I was faced with a fraudster or a money launderer the first thing you can be sure they will have up from scratch is the passport copy and the address verification. That they will have done. But what is missing is the bit that goes beyond, that is filling in all the soft details, that creates a picture, a consistent picture that makes sense to someone, so that I actually can say I do trust this guy.’ (I16: 671 – 704)

Relationship Manager 16 clearly dissociates formalities from the logic of everyday practices. This dissociation is a current theme in the interview accounts embedded in the myth discourse. There is a view that formality ‘things’ have little to do with how things are best done in everyday practice. They are decoupled. The decoupling finds expression in observations that formality ‘things’ are generally insufficient and inefficient. That is not because formalisation is badly done, but simply because it is impossible to sufficiently formalise the complexities of everyday practices in the Bank.

Similarly to Relationship Manager 16 above, General Manager 8 also draws attention to the insufficiency of formalities in the account-opening context. He relies on the team’s responsibility in making good judgements:

This quotation also shows the dissociation of two practices, a practice to do everyday work and a practice to show compliance with formality ‘things’. The balancing act between these two dissociated practices is a common theme in interview accounts. Formality Professional 3 also draws on a similar logic. He refers to the paradoxical situation between pretending compliance to formal requirements and following the practical requirements of everyday work.

‘Was man auch sieht, ist, dass der […] Anspruch an saubere Corporate Governance […] immer wichtiger wird. Wir schreiben immer mehr Papier, dass wir alles einhielten. Aber dass man dies eigentlich gar nicht kann, diese Diskrepanz, diese Spannung besteht nach wie vor und ich sehe es momentan nicht, dass dies in näherer oder mittlerer Zukunft abnimmt.’

(I3: 3971 – 4000)

Formality Professional 3 trenchantly remarks that the dissociation comes down to the impossibility of formalising everyday practices to the degree that the formality ‘things’ pretend to be able to do. The impossibility of formalities’ effectiveness is also reflected in the sheer number of formalities at the Bank, which makes it impossible to know all of them, not to mention to comply fully with them, as he further notes:


He reinforces this discrepancy between a very tight formal structure and everyday practices guided mainly by common sense. Observing a low level of active knowledge of the formality ‘things’, he doubts the effectiveness of formalities in everyday practices.

‘Wenn man dann in der Praxis – und zwar vom letzten Hilfsarbeiter im Archiv bis zum Generaldirektor –[…] nicht schwierige Sachen fragt, ganz grundlegende Sachen, dann ist es furchtbar ernüchternd und erschreckend:
Eine totale Unkenntnis selbst von grundlegenden Sachen.’ (I3: 4261 – 4280)

The underlying reason for people’s insufficient knowledge about formal requirements is typically due to the understanding of formalities as something external and inflexible over which one has no influence. This externality of formality makes the transfer into everyday practice particularly difficult, as the formalities are often not considered congruent with the requirements of everyday work. Formalities typically reflect the needs of those establishing the formalities and not the needs of those who are supposed to apply them. In that sense, there is often observed a systemic difficulty in its application. Most telling are examples coming from information technology requirements, which are framed in a technical terminology that is not part of the body of knowledge of those who are supposed to apply them. Relationship Manager 16 testifies to such an understanding in relation to the process for requesting system accesses:

‘We have got this awful thing to fill in. I can’t remember the name of the form […] which is a pain in the butt. Not that it says very much, no one knows how to fill it out anyway. You are asked to tell them what your user profile is. Do I know that? I just use the bloody stuff, and don’t do an audit of [it].’ (I16: 1492 – 1535)

Again this quotation reflects the common understanding of the myth discourse: that formalities can only be loosely coupled to everyday life, as it is simply impossible for formality ‘things’ to match the complexities of everyday practices, and if it were possible, people could not cope with such detailed formalisation. What ultimately counts is the common sense of those doing the work. General Manager 8 makes a strong case in that respect:


Along with the notion of impossibility, he refers to the key normativity of the myth discourse, common sense. In distinction to the rationality discourse, value is not placed in formal processes but in the ‘common good’.

The fundamental assumption of the rationality discourse, that following formal processes inextricably leads to the expected results, is contrary to the myth discourse logic. The Bank’s myth discourse holds that meeting all formal requirements is insufficient for ensuring the achievement of an underlying goal. Taking the introductory example of the client accepting process, the myth discourse clearly holds that obtaining all of the required documentation for opening a new
client relationship does not necessarily lead to accepting only good clients with good standing and intentions. What is underscored as important is understanding the client and building up a trusting relationship. Simply ticking boxes when checking all of the required documents is not enough.

The understanding of responsibility clearly differs in the myth discourse from the understanding of responsibility in the rationality discourse, which underscores responsibility for compliance. That responsibility is framed in the conception of accountability, which is central to audit and risk management systems. The myth discourse, in contrast, elevates responsibility for the common good above compliance and accountability. In that sense, the myth discourse embodies the spirit of the law but not to the letter, while the rationality discourse completely merges the spirit and letter of the law into one and the same thing. The origin of motivation to do well is therefore placed in common sense rather than in the formalities themselves.

The notion of common sense is also seen as the central mechanism for controlling behaviours. A relationship manager emphasises that the risk of failure is low not because the risk of failure is controlled by formalities but because nobody wants to harm the Bank:

‘Ich glaube, dass dieses Risiko im Allgemeinen relativ klein ist, weil jeder von uns selbst auch kein Interesse hat, gegen irgendetwas zu verstossen. Von der relativ guten Ausbildung der meisten Mitarbeiter her, wissen diese auch, was man darf und was nicht und wie muss man sich verhalten. Ich glaube, dass wir gut ausgebildete, sensible Mitarbeiter haben, denen man auch Vertrauen entgegen bringen darf. Dies ist eines der grossen Probleme, dass es 99 Mal gut geht und einmal kann uns jemand reinlegen. Das ist die grosse Schwierigkeit, dass man einen mit verbrecherischer Ader erkennen und aussondern kann. Aber man sagt dies ist die absolute Ausnahme, die einmal passieren kann. […] Aber ich bin überzeugt, dass ein normaler Mitarbeiter überhaupt kein Interesse hat irgendeines nicht recht zu machen, ob es in internen Vorschriften steht oder nicht.’ (I1: 1816 – 1928)

The quotation underscores a sense of working for the common good for the Bank as the motivational driver. Therefore, the locus of agency is placed in common sense and not in formalities. The myth of the effectiveness of formalities in turn is ensured according to the above quotation in that people do a good job independent of formality ‘things’. In other words, the myth of formalities depends on the common sense of people ensuring that the spirit of the law is lived in everyday practice.
What then does common sense mean in the myth discourse? In the myth discourse narratives, common sense is understood as behavioural patterns learned in everyday practice. Common sense is portrayed as a crystallisation of experiences made in interactions with colleagues, superiors, and other organisational actors. The myth discourse sees the patterns of everyday practice as the result of such common interactions. These patterns are seen as depending on learning and experience. Based on learning and experience, people make sense of everyday situations and act accordingly. The formality ‘things’, as argued above, are seen as exogenous and therefore not as the result of these interactions. The myth discourse thus puts these social interaction processes before the formal structure. Consequently, people mainly draw on these common sense notions in encountering formality ‘things’ in everyday practice.

Illustrating the working of common sense, Operations Manager 12 appeals to individual managers’ sense of responsibility in dealing with incoming payment orders.

‘Einer, der grössere Zahlungen visieren muss, dort muss ich schon an die Verantwortung appellieren, dass er sich bewusst ist, was er wirklich visiert. Ich habe da auch eine Meinung eines Team Managers gehört, dass er wirklich den Auftrag anschaut und sich Gedanken macht, passt dies ins Kundenprofil. Deshalb sage ich, es kommt auf jeden persönlich an, wie er diese Verantwortung sieht. Es gibt vermutlich andere, die dann nur noch den Haken drauf machen […]. Aber da kommt es auf den Betreuer, respektive seinen Chef an, wie man diese Verantwortung wahrnimmt.’ (I12: 2297 – 2348)

Relationship managers are expected to act according to their experience and to what is considered as common sense in their activities. There is no standardised approach to everyday practice, but the practice involves both interaction with others and individual judgement. This focus on social interaction rather than on formal requirements is characteristic of the notion of common sense in the myth discourse.

A lucid example of the underlying logic of common sense is an account on the ‘together ahead’ initiative of the Bank. This initiative tries to foster the sense of responsibility in the Bank through two-day workshops that all staff members have to attend. The output of these workshops is – among other things – codes of conduct that are published on posters in the Bank. The impact of the codes of conduct on everyday practice is described as very limited due to the discrepancy

13 The name ‘together ahead’ was invented by the author.
between what is said on the posters and what is experienced in the organisation in everyday practice.

‘Du hast gefragt, wieso es nicht funktioniert hat. Wer immer man da draussen fragt, konkret fragt, dann heisst es, dass [das Management] nicht glaubwürdig ist. Weil sie selber nicht machen, was auf den Plakaten steht. [...] Weil die Leute nicht wirklich glauben, dass es ihnen ernst ist und sie nicht spüren, dass sie es leben.’ (I14: 2523 – 2552)


The quotation asserts how common sense based on experiences and not formal requirements determines everyday practices. In the above example, it is argued that the programme failed because the formal requirements resulting from it did not correspond to people’s experiences at the Bank.

This discrepancy between common sense and formalities also has a conserving function for the myth of formality’s effectiveness. The ‘together ahead’ programme was designed to institutionalise a practice of continuously questioning the value of formalities and thus to improve continuously the Bank’s formal structure. In other words, the programme was a formal attempt to challenge formality ‘things’. Based on a rationality discourse logic, this programme was expected to expose weaknesses in the formal structure. Based on a myth discourse logic, however, people were cautious about openly challenging the formal structure as they were penalised for doing so. As a consequence, there are only a small number of challenges to the existing formal structure resulting from the ‘together ahead’ programme. The small number of challenges in turn fosters the myth of the effectiveness of the formal structure to the outside. That is an example of how the myth is upheld in everyday practice by the intermediary of common sense. Operations Manager 14 shows this mechanism in the above example.

The ‘together ahead’ example also points to the importance of building up common sense in a group of colleagues. Operations Manager 14 notes high level of trust within his close group of colleagues. Close ties to colleagues bring the group into a position of being insiders. This group of insiders in turn is confronted
with others who do not share their sense of intimacy from direct interaction and therefore are considered outsiders. This differentiation between outsiders and insiders is important to the myth discourse. There is a strong sense of ‘us’ against ‘others’. The boundary between the ‘us’ and the ‘others’ is typically built by formalities. Whereas interactions between insiders of a group are understood as free from formality ‘things’, interactions with outsiders is typically structured by formality ‘things’. Encounters with formality in everyday practice are situated at the border between insiders and outsiders. Upholding the myth in everyday encounters therefore means increasing the legitimacy toward ‘outsiders’. Operations Manager 14 made a strong case for upholding the myth of properly working formal structures. In doing so, he strengthens his survival prospects in the Bank, whereas challenging formalities would put his position in danger. The strengthening of his survival perspective is understood as independent of the immediate efficacy of the formalities in the everyday practice of doing his work. In other words, common sense requires nourishing the expectations of one’s work environment regardless of the demands of one’s everyday activities.

In regard to the interaction within the group, from the inside point of view, formality ‘things’ are at best negligible if not harmful. Formality is replaced by trust. The myth discourse understands trust as the interactional glue. While affirming the formal control to the outside, managers often trust their colleagues and forego the actual exercise of the formal requirement. Operations Manager 12 brought up the practice of blindly putting the second signature on payment order instructions if a colleague had already signed:


The dissociation between what is formally reported and actually done is typically explained by the central notion of trust in the personal interaction in everyday practice. This notion of trust is also seen as a key sales argument in interactions with clients. The common understanding is that the client needs to feel like an insider to the group. Consequently, the relationship should be guided by trust, not by formalities.
‘I think that is the one good thing that we have as a model here in Switzerland, we still tend – I hesitate to say to be selling ourselves – but there is an element of that. […] What the clients are looking for is that the guy is going be there on the other end of the phone in three years time, when I ring him up.’ (I16: 1006 – 1033)

Introducing formalities into the client relationships is, in turn, seen as harming the trust basis of interactions. In the myth discourse logic, introducing formalities signifies a distancing from the client. Formalities change the interactional logic from an insider-insider to an insider-outsider relationship. Common sense in everyday practice therefore replaces formalities in order to make clients feel like trusted insiders to the group. However, formalities do not disappear all together:

‘But clients still do feel it, they can still sense it. You know when you occasionally have to go […] asking yet for another piece of paper.’ (I16: 1053 – 1067)


The focus on keeping clients as insiders reveals the key value of the myth discourse – trust in common sense. The focus is on common interactions with people guided by common sense and trust. Formality ‘things’ are reduced to structuring devices for interactions with outsiders where trust is replaced by formal proofs such as signatures, passport copies or certificates. That is not to suggest that formality ‘things’ are seen as unnecessary. The myth discourse however underscores their limitations. Given the view that formalities cannot control all of the complexities of everyday practices, common sense is all the more important.

The notion of time and space

The decoupling of everyday practice and formality ‘things’ is also reflected in the underlying notion of time and space in the myth discourse. Similarly to the rationality discourse, the Bank’s myth discourse contains a notion of formality as timeless and transcendent, clearly distinguishable from the dynamic situations in the here and now of everyday practices. However, as distinct from the rationality discourse, the myth discourse does not attribute to formality ‘things’ the capacity to determine the pace and scope of everyday practice. While the rationality discourse sees everyday practice as synchronous to formality, the myth discourse
dissociates a time for practice and a time for formality ‘things’. There is a sense of separating everyday practices from formality ‘things’.

‘No, nobody is hindered; I don’t think somebody can say I can’t do marketing because I had to fill out all these pieces of paper. There is plenty of time during the year. There is not time everyday and obviously, as a team leader I do have a lot more time taken up by non-marketing activity. That’s part of my role. So I take away all of that from my private bankers to free up their time. For instance, I have a senior private banker who travels an awful lot. He is away two or three days every week, and that’s fantastic. He doesn’t have to do the admin; he doesn’t have to attend some of the meetings, internal meetings. And that’s really good. I am taking away from him the burden, so he can go into the market place. I want my private bankers to go fishing as often as possible.’ (I5: 969 – 1028)

In that sense, formalities are seen as something one is doing at another time. Most striking were examples in the context of project management, where interviewees referred to the need to have a separate team for reporting compliance to formal requirements. In other words, one can even observe a physical separation from those doing the ‘work’ and those upholding the myth.

‘Wenn es formalisiert ist, braucht es ein Team, das nur das Reporting macht. Das sich nur mit dem befasst.’ (I1: 1504 – 1510)

Another spatial aspect of the myth discourse is the value attributed to personal interactions and the team. While the Bank’s rationality discourse sees depersonalisation of everyday activities as the central reason for formalising, the myth discourse sees formalising rather as a necessary evil for depersonalised relationships where people cannot closely interact. Comparing the work practices of the local audit function in Switzerland with the audit function in London, Formality Professional 15 observed:

‘Wir haben [zwar] einen gewissen Formalismus, aber wir handeln hier direkt viel, viel informeller, weil wir alles lokal haben. […] Was ich feststelle ist, dass im täglichen Leben, durch dass wir alles im gleichen Gebäude und aufeinander haben, sehr viel Informelles, Kurzfristiges, Ungeplantes dazwischen kommt, wo aber sehr konstruktiv wirken kann, wo man sehr viel Positives rausnehmen kann. Dies erstaunt immer wieder die aus der Gruppe kommenden Leute, die mit der Nähe nicht so vertraut sind bei uns. Die sind völlig erstaunt, wie man so arbeiten kann. Dass man nicht drei Wochen im Voraus einen Termin vereinbaren muss, sondern dass man entweder ineinander reinlaufen kann, sei es auf dem Gang, beim Kaffee, oder beim Essen. Oder dass man in ein Büro reinplatzen kann, ohne Voranmeldung und einfach ein Gespräch beginnen kann, was völlig ungewohnt ist für die-
The understanding of formalities as a substitute for closeness reflects the underlying logic of the myth discourse. Formality ‘things’ as a substitute for closeness works as a kind of bridge between teams in the absence of direct personal interactions, namely, as bridge over spatial distance but also over time difference. Whereas direct interactions require the presence of all participants at the very same moment, formality ‘things’ allow interacting in an asynchronous way.

**Risk and Risk management**

With a critical view of the dominant position of risk in framing organisational problems, Douglas and Wildavsky (1982: 1) trenchantly remark: ‘Can we know the risks we face, now or in the future? No, we cannot: but yes, we must act as if we do.’ The view of risk management – as of formality ‘things’ in general – is characterised by this discrepancy between aim of formality and its potential. With its underlying rationality discourse, the blueprint of Risk Management aims at expressing uncertainties in terms of risk and making them measurable and therefore manageable. The results, however, are widely conceived of as rather sobering. Formality Professional 11 discerns the interesting phenomenon that in spite of a substantial increase in risk management staff and tools, the same problems recur:

‘Das ist auch ein interessantes Symptom in dieser Gruppe. Dass man extrem viel investiert in die Risiko Funktionen, man hat extrem viele Leute aufgebaut in diesem Bereich und die Organisation hat immer wieder […] ganz grosse Fehler, die passieren. […] Ich führe dies darauf zurück, dass die Leute ihre Spannebreite, die sie haben zum vielleicht ein wenig lügen, zu flunkern, die Nutzen sie völlig aus, da sie sonst gar nicht weiterkommen können. Weil sie gar nicht die Zeit haben […], aber auch nicht wollen, das Gesicht zu verlieren. Das ist so das Spiel, das da geht.’ (I11: 1949 – 1997)

The myth discourse sees the underlying reason for the discrepancy between Risk Management’s broad aim and Risk Management’s limited possibility in the impossibility of being able to capture uncertainties in terms of risk. The myth discourse relies in everyday practice on personal experience as expressed in common sense. This common sense also tells people to uphold the myth of effective formalities by fibbing and tampering with compliance reporting. In a myth logic, the submission of flattering compliance reports is not due to bad intentions but
simply due to the apparent impossibility of following formality ‘things’ to the letter in everyday practice.

In addition, Formality Professional 11 also underscores that it is simply not possible to review all activities, so the relationship between the relationship manager and the client, for example, remains the area where the Bank has to rely to a great extent on the relationship manager’s account of what the client has stated. While the client relationship is formalised in guidelines and internal rules, there is no proper Risk Management or Audit review possible. These gaps in the formal structure are framed as residual risks in the Bank.

‘Vielleicht ein aktuelles Beispiel. Vor Jahren hat man [...] gesagt, man muss eine ‘Residual Risk Database’ bauen. Das sind alle die Risiken, welche die Unternehmung bereit ist zu tragen, weil sie sich aus dem Geschäft heraus ergeben. Ein aktuelles Beispiel [...] ist, dass eine intensive Beziehung zwischen dem Kunden und dem Private Banker besteht und wir können diese Beziehung, was die schwatzen miteinander, was die abmachen miteinander nicht permanent aufzeichnen können. [E]s hat eine gewisse Intimität in dieser Beziehung. Aber der Private Banker führt dann im Innenverhältnis in der Bank gewisse Aufträge aus, bei denen er sagt, er habe sie vom Kunden bekommen [...] Er ist das einzige Bindeglied. Das ist für mich ein klassisches Residual Risk für das Private Banking, das man einfach nicht eliminieren kann. Weil das ist die Art und Weise, wie der Kunde diese Dienstleistung haben will. Und wenn wir diese nicht so anbieten könne, sind wir aus dem Geschäft.’ (I11: 2299 – 2379)

Monitoring the residual risks on a dedicated database also relates to Douglas and Wildavsky’s introductory quotation on the limits of risk management. Risk management cannot really monitor all of the risks in the business, but they act as if they do. The discrepancy between the promise of risk management and audit and what these professional functions are effectively able to provide is known as the ‘expectation gap’ (Kaplan 1987) – i.e., the gap between the official story of risk management and audit to provide assurance for good control and their modest results – which underpins a major part of his work. Power (1999: 13) maintains that ‘[m]any audit reports communicate little more than the fact that an audit has been done and the reader is left to decode specialized and cautious expressions of opinion.’ For the case of auditing, Rose and Miller (1992) assert that the rise of auditing has happened almost regardless of any demonstrable technical efficacy of audit itself. They draw attention to the taken-for-granted assumption that auditing is effective in providing assurance on the effectiveness of control systems. Rose and Miller (ibid.) maintain that, in essence, the call for auditing rather has much to do with the dominant ‘rationality of government’ in the modern
world. Similarly, Miller (1994) asserts that auditing has become a key element of the myth structure of rationalised societies due to the shift to reliance on impersonal trust in standardised expert systems – the underlying normativity of the rationality discourse.

The so-called ‘expectation gap’ is often observed by the interviewees. General Manager 8, for example, affirmed that in the international regulatory environment it is simply impossible for a risk function to know all the relevant regulations, not to mention the question of whether or not organisations are complying with them.

‘Wenn ich jetzt sage, ich bin eine mittelgrosse Bank, die Kunden in 100 Ländern dieser Erde betreut, dann kann meine Risikofunktion nicht die gleichen Aufgaben wahrnehmen, die sie wahrnehmen könnte, wenn wir nur in der Schweiz tätig wären. Sie kann gar nicht in diesem Detaillierungsgrad wissen, was die regulatorischen Vorraussetzungen in anderen Ländern sind. Ich glaube das ist selbstverständlich. [...] Wenn ich sage, ich brauche, um einen Markt zu verstehen fünf Leute, dann brauche ich für 3 Märkte zu verstehen schon 15 Leute. Aber ich habe trotzdem nur fünf Leute zur Verfügung. Und dann kommen sie in diese Spirale: diese fünf Leute sollen wissen, was in Deutschland wichtig ist, was in England wichtig ist, was in Amerika wichtig ist, was man in der Schweiz tun und lassen darf und noch 15 andere Märkte. [...] Das wären dann wohl alles Supermänner und Superfrauen, wenn sie sich da auskennen würden. [...] Aber unsere Risk-Funktionen sind einfach nicht in der Lage zu sagen, letztendlich interessiert mich nicht, was ihr in Russland macht. Haltet euch an den gesunden Menschenverstand und den ungefähren Regeln und dann ist gut.’ (I8: 1909 – 2033)

The ‘expectation gap’ is at the core of the myth discourse. Whereas the rationality discourse attributes a high potential to formalisation, the myth discourse is more pessimistic about formalisation. Instead, the myth discourse puts more confidence in common sense.
Game discourse

The third discourse understands the formal structure as an arena of contest in which people struggle in the pursuit of self-interest – formality ‘doings’ as a game. In the following quotation, Formality Professional 3 draws on a game discourse logic while reasoning about how to handle exceptions to formal requirements. He portrays formalities as an organisational arena where skilful play is necessary to achieve the best outcome.


The quotation exemplifies the central aspects of the game discourse at the Bank. Formalising in the game discourse means moving strategically within the available formality ‘things’ in pursue of self-interest. Both the production and the application of formalities are experienced as leaving room for influencing and interpreting as one may see fit. Formality ‘things’ are seen as the rules of the game that set the cornerstone, but they are not experienced as independently determine everyday work. Truly decisive are people’s skills in strategically manoeuvring through the options of the game.

Partiality

Games do not leave room for altruistic behaviour, but expect players to act selfishly, for their own or their organisation’s interest. The central importance attributed to managers’ individual interest is reflected in the underlying normativity of the game discourse: partiality. In contrast to the central value attributed to impersonality in the rationality discourse, the Bank’s game discourse sees formalities as the structural field on which one can compete for one’s personal interest.
against other interests. Therefore, everyday interactions are essentially partial in the sense of pursuing a certain interest against other interests. Thus, the notion of competition is also central to the game discourse. Unlike with the myth discourse, there is no generally accepted common good needing to be defended against the influence of formal structures. Rather, there is a constant political struggle to impose one’s own interpretation of formalities on others. The concept of game offers a good metaphor for such a view.

Formality ‘doings’ as game has a number of defining features. Games are interactive and they require certain skills for playing. Formality ‘things’ as the rules of the games are the only relevant reference points in interactions. Finally, the Bank does not consist of a single game. There are multiple playing fields and multiple sets of rules – and both the multiple fields and multiple rules are often overlapping. I investigate these characteristics in the following.

**Interactional focus**

Formality conceptualised as game focuses on interactions. In the interview accounts drawing on the game discourse, there was typically – implicitly or explicitly – a competitor present. When managers discussed moving within a formal structure or when they spoke of using formalities, it was typically in relation to others. There was reference to individual opponents, groups of people or organisations whose interests and actions determined the managers’ focus. In the opening quotation, direct reference is made to Risk Management as a possible opponent to keep in mind in deciding on how exceptions are handled. In short, games imply partiality and therefore games only make sense under the presumption of more than one competing party. In the game discourse, formality is inextricably embedded in a network of relationships out of which interests and strategic options grow.

In a similar vein, Formality Professional 11 explicitly refers to formal interactions as a game. In relation to reporting up the hierarchy, he points to the everyday considerations to strengthening one’s position to those higher up in the hierarchy:

‘Es ist ein wenig ein Spielchen. […] In Hierarchien, wo die höhere Stufe gar nicht abschätzen kann, was unten passiert, muss man sich Sicherheiten verschaffen, dass alles in Ordnung ist. […] So geht man hin und sagt: Schreib mir ein Report oder ein Papier, das im Prinzip ausdrückt, es ist alles ok bei dir. Dann kommt es darauf an, wie weit kann derjenige unten gehen in seinem Report, wie weit lehnt er sich zum Fenster heraus, um zu sagen, es ist alles in Ordnung. Er setzt immer seine Reputation aufs Spiel.'
Similar to the opening quotation, formality is seen as personal engagement, as conflict and as resource in practice and not as a reified exogenous ‘thing’. As a consequence, everyday work is not seen as simply following the rules, but as a constant engagement with formalities in interaction with others. In this sense, daily work can be understood as a constant negotiating process to achieve personal goals:

‘Man muss eine gewisse Offenheit haben, etwas zu besprechen, Lösungen zu suchen, und Lösungen in Gemeinschaft mit den Leuten zu implementieren zu können; um ihnen auch Sicherheit zu vermitteln und zu sagen, dass ist richtig, was du machst, so können wir es in den Griff bekommen. […] Das schafft Vertrauen, so werden die Leute auch wieder kommen und wenn sie irgendein Problem haben, dann rufen sie an […]. Ich glaube da beginnt das echte Risk Management. Dass man den Dialog pflegt und als Consultant wahrgenommen wird, der beim Problem helfen kann oder eine andere Sichtweise einbringen kann.’ (I11: 1728 – 1783)

The negotiation process in everyday practice underscores the interactional focus of the game discourse. Contrary to the myth discourse’s understanding of formality ‘things’ as objective and reified in the organisational world, the game discourse conceives of formality ‘things’ as malleable and adaptable to everyday situations. People can only make sense of formality ‘things’ in relation to particular everyday actions. That is not to say that there are no stable rules in the game discourse, but rather that these rules leave room for negotiating the right interpretation in specific situations. Formality ‘things’ are constantly renegotiated in everyday practice according to situational or strategic needs. In this sense, formality ‘things’ are understood as the structural mould into which managers cast their everyday practices. The game discourse therefore understands managing as the craft of working with these moulds rather than as a passive fulfilment of objective requirements.

The interactional negotiating process also introduces a strong sense of contingency into the game discourse. There is no result possible that is independent of the players’ contribution. Results of everyday practice are contingent on the particular interactional situation of a practice. The particular relationships and interactions influence the outcome. Formalities in the game discourse thus provide the framework but do not determine the outcome of everyday practices. This indeterminacy is expressed clearly in the opening quotation in that a decision is not clearly attributable to a distinct formal requirement. More important is a cautious
pondering of possible consequences of various interpretations of formality ‘things’.

‘Dann muss man einfach einen Entscheid fällen im Wissen aller möglichen Konsequenzen. Wenn man dann aber Entscheide fällt und Ausnahmen gibt, bei denen man mangels Kenntnisse […] gar nicht sieht, um was es geht – dann ist es unvorsichtig.’ (I3: 1593 – 1706)

The aspects of negotiation and pondering also mean that players do not act neutrally. The above quotations clearly show that people act purposively to achieve personal goals – they are partial.

_Purposive action_

Engagement with others on a given formal playing field is done for a purpose. The interests and options emerging out of relationships concede an important role to agency. Pursuing personal interests and the choice among multiple options are defining characteristics of the game discourse. In the opening quotation, for example, Formality Professional 3 invokes the need to document strategically business decisions for the Bank’s protection. His use of ‘should’ instead of ‘must’ underscores the importance of agency in the game discourse. A manager always has multiple options to choose from in everyday practice.

Self-interest serves as a guide through the multiple options of everyday practices. There are two main strategies discernible in negotiating the right interpretation of formality ‘things’. There is an offence and a defence strategy. Managers pursuing an offence strategy are expressing a will to win. They conceive of themselves as ‘institutional entrepreneurs’ (DiMaggio 1988) in dealing with formalities. Managers on the offensive strive to move within the formal playing fields in order to maximise their personal gains. Part of an offence strategy is deliberate risk taking that may include bending formalities up to the point that the players have to fear substantial consequences which might endanger their personal interests. General Manager 8’s following statement is exemplary of such an offence strategy:

The quotation highlights the weighing of business opportunities against the risk of potential non-compliance. While the example shows an offence strategy, there is also a series of interview accounts of defence strategies in interactions. While offence strategies aim at maximising personal gains, defence strategies aim at minimising potential loss. Defence strategies focus on a sense of security. Formalities not only create entrepreneurial space for everyday practice, but they also provide a safety net to secure personal positions in everyday practice. The typical goal of defence strategies is to build up protection against possible future challenges to one’s actions. A lucid example of the mechanisms of a defence strategy is the following description of a business decision process:


(I3: 1777 – 1853)

The quotation highlights the notion of formality as a resource for personal protection. This has several important aspects. First, personal risk is depersonalised by seeking somebody else’s approval in the form of a signature or a document. In the case of future challenges, the organisational actor would then be able to deny any personal responsibility. Similarly, Formality Professional 3 asserts that he is providing approval only with appropriate ‘qualifications and reservations’ to protect himself against future challenges. Underlying defensive practices is the understanding that a manager can only be blamed legitimately for failures if he contravenes formal requirements. This implies that as long as proper procedures are followed, managers are safe. In other words, the adherence to proper procedures can serve as effective personal insurance, since it allows ‘plausible denial’ of responsibility for almost any action taken (cf. Browning and Folger 1994).

Second, by strategically involving professionals such as Legal or Risk specialists, managers do not only shift responsibility to the professional body, but they also enhance the legitimacy of their acts. Developing the game metaphor further, the
professionals take on the role of the referee. Getting their support therefore signifies a legitimating cover for almost any action. This example of personal protection by following proper procedures refers to another important characteristic of the game discourse: The exclusive focus on formalities as a legitimate basis for everyday practices. Everything else is irrelevant.

*Rules of irrelevance*

Central to the game discourse is what Goffman (1961) calls the ‘rules of irrelevance’. In the context of my study, the ‘rules of irrelevance’ are based on the understanding that for everyday practice only the explicit formality ‘things’ designed for particular situations are relevant for structuring an interaction. Conversely, any other norm is viewed as irrelevant for a particular interaction. The ‘rules of irrelevance’ are thus a derivative of formality ‘things’ and include a ‘set of rules which tells us what should not be given relevance’ while simultaneously determining ‘what we are to treat as real’ (ibid.: 26). A typical example for the rules of irrelevance is the value of documentation in the interaction between risk functions on the one side and business functions on the other. Interactions between Risk and Business are exposed to numerous Management, Risk and Audit reviews. In order to render such ex-post reviews possible, interactions are required to be formally documented. In a review logic, a control practice has not happened if it has not been documented:

‘Aus einer Risikosicht hat eine Kontrolle nicht stattgefunden sofern sie nicht dokumentiert ist.’ (I18: 4400 – 4410)

Therefore, interactions are often determined by documenting requirements. What is defined as relevant for documentation remains important. Other aspects of interactions such as the spoken word, experience or trust become irrelevant. A similar valuation of documentation as a relevant representation of everyday practice was expressed in the opening quotation to this chapter. The documentation closes the negotiation process in that it determines what has to be considered relevant. Illustrative are cases of exceptions to formal requirement in everyday practices.

‘Man kann Ausnahmen geben […]. Wenn man Ausnahmen gibt, muss man diese sauber [dokumentieren]. Gesetzesverstösse sollte man nicht sanktionieren und wenn man [einen Gesetzesverstoss] einmal aus unternehmerischen Gründen nimmt, dann ist es relativ dumm, wenn gerade der CEO […] diesen gibt. Dann schickt man jemanden anders, der dies bewilligen lässt, oder dokumentiert dies nicht so offensichtlich. […] Es sollte in speziellen Umständen über die Gesamtabwägung fallen, wenn es widersprüchli-
This quotation exemplifies the rules of irrelevance. Presenting interactions as compliant with the rules is the strategic option to choose. Similarly, it refers to a strategy to protect the most important players, such as the CEO, from possible sanctions. Ethical considerations such as honesty and sincerity, in contrast, are irrelevant. The apparent absence of ethical consideration is particularly interesting in the game discourse. Exclusive focus is put on applicable rules. In distinction from the myth discourse, managers do not focus on upholding the myth of compliance, but they take calculated risks in adapting or interpreting the formal rules with their own goals in mind. ‘Real’ life seems suspended in these interactions. Ethical principles seem to be meaningless unless specified in the rules of the game itself. The formality ‘things’ designed for certain interactions are therefore the only legitimate normative framework for those interactions. Arthur Leff noted:

‘The means of play are not open to question in any non-game terms – justness, for instance, or legitimacy or efficiency – for [the rules of the game] do not so much regulate the activity as constitute it.’ (Leff 1978: 1000, quoted in Ewick and Silbey: 136)

The game discourse thus sees formalities as double edged in everyday practices. The set of rules established for structuring certain types of interactions determine what aspects are relevant. Declaring certain aspects as relevant renders all other aspects of everyday life irrelevant.

**Multiple options**

The game discourse becomes conspicuous in the strategic choice among different interpretations within a playing field as well as in the strategic choice of playing fields. The formality space within which everyday practices take place is fragmented and includes multiple and often competing formal requirements. The multitude and incoherence of formality spaces offers strategic options to managers in everyday interactions. In other words, while interactions are bound by specific rules, there are various sets of rules that are applicable for a similar type of interaction. It is the manager’s prerogative to give preference to certain formalities over others or to choose a particular set of rules rather than another. In the game discourse, managing is thus about enacting an advantageous interpretation of formalities in everyday practice and about moving to the playing field, which is most promising for achieving one’s own goals.
The onerous formal ‘things’ structuring the relationship between the Bank and the Group are reiterated in the various interviews as a major concern in the organisation. A variety of options in this relationship are observable.

‘Das Problem ist [...] dass wir in der Schweiz sehr stark von [der Gruppe] gesteuert werden und gar nicht alles das machen können, was wir eigentlich möchten. [...] Dann kann man es noch versuchen mit der eigenen Weisungen zu schlagen [...], dass man es so auslegt, das es auf dem Papier sicher stimmt, aber dem Sinn der Weisung nicht unbedingt entspricht. Aber die Schweiz hat sehr starke Vorgaben von [der Gruppe].' (I18: 3432 – 3525)

Multiple formality options can also be observed in interactions between the relationship manager and the client. In these interactions at least two ways of conceiving of the formal relationship are observable, and thus two sets of rules. First, there is private interaction with the client, which is based on the understanding that the client is a close and trusted partner of the relationship manager. Second, there is a formal interaction with the client, which is based on the understanding that the client is a contractor. Operations Manager 1 notes:


The private banking manager sees the client interaction under the Bank’s formal requirements as too restrictive. Therefore, he engages in a typical strategy to change the interaction type to a private interaction. This changing of playing fields brings out once more the rules of irrelevancy underlying the game discourse. Only the rules of a certain type of interaction apply; others are irrelevant. If one chooses a private type of interaction outside the Bank and away from recorded telephone lines, then the formal requirements of the Bank become irrelevant.

The fragmentation of formal requirements is also observed in internal processes. Operations Manager 1 brings up the example of project management. The Bank’s project management approach is notoriously replete with formal requirements. Options, however, are available:
Framing the same thing – a growth project – in the case of Switzerland as a business strategy and in the case of Asia as a formal project shows the availability of options in everyday practice. Skills and experience are decisive in successfully navigating through the Bank’s organisational options.

**Skills**

Developing the notion of formality ‘doings’ as a game in which actors take purposive action to achieve their personal goals, individual skills become important. Indeed, it is the very nature of a game that the winner is not known ahead of time. Otherwise, there would be no game. The outcome of interactions structured by formality is not conceived of as predetermined but as contingent on the participants’ skills. Other resources are considered irrelevant, as the game discourse calls for level playing fields, where everything outside the rules of the particular interaction is irrelevant. Social status, age, pay or hierarchic position, for instance, are irrelevant if not specifically included in the interactional rules.

Putting skills of actors at the centre of interactions locates agency squarely within the players. Formalities are seen as subject to strategic selection, interpretation and deployment in everyday practice. This implies that everyday practice is not about playing by the rules but rather playing with the rules.

Skills are typically framed in terms of experience and education. In order to group a broad set of experiences and education in a team, the importance of diversity is often stressed in interviews.

‘I think most of risk assessment is subjective, and consequently, most of the things we are asked to make decisions on are not black and white. Consequently, if you have a range of different experiences and views of the world’s attitudes to risks and qualifications, then you stand to make the most balanced view. Probably you have a big argument about it along the way. But you stand to get overall a better assessment. I think. If you have a whole bunch of Mini-Mes, if you like, […]: All have got their MBA, got their banking exams, all have worked through banking all their lives, you probably make the same conclusion and won’t be open minded enough to think there might actually be a different outcome or a different way of going about it. So I like diversity.’ (I2: 1451 – 1510)
Another manager remarks:

‘Wenn wir auf den Markt gehen und Leute suchen, […] müssen wir Leute holen, bei denen wir glauben, die haben, das rechte Skills-Set, die haben schon die richtigen Erfahrungen gemacht und dann die Lücke, die sie haben müssen wir aufbauen. Das ist das Vorgehen, wie es im Moment ist.’

(I11: 1209 – 1238)

Skills are considered as the basis for professional judgment in everyday practices. The game discourse focuses on situational judgments rather than on the one best way of doing things. In that sense, everyday interactions are conceived of as a series of situational decisions while manoeuvring through the space of multiple options. Formality Professional 10 illustrates such an understanding of work.

‘There are distinct differences between the credit protocols that we work within. […] We employ a sanctioning team and I give them discretionary powers, because I trust them to make a sensible judgement within those rules and regulations. And I expect them to interpret the rules and guidelines accordingly, where there is scope for commercial judgement. And I expect them to do that. Most of the time they do that very sensibly and they have my full support for making their decisions. Everybody that is in the lending business will know that we are all making dozens and dozens of lending decisions every day. And because of the human element to these decisions you are not going to be right all the time. You have to place trust and reliance on what you are being told.’ (I10: 1718 – 1816)

Perhaps most revealing of the understanding of formalities as a game are the frequent references to the skills of Risk, Legal and Audit professionals. Risk, Legal and Audit professionals are portrayed as those people with the best skills in manoeuvring within the formal structure as they are trained and experienced in formalising.

**The notion of risk**

As argued previously in the chapters on the rationality discourse and the myth discourse, the notion of risk takes centre stage in defining formal interactions. Underlying most formalities is an intention of managing risk. The game discourse sees risk as more than a clearly defined calculated entity. Risk depends on the evaluation of the potential outcome of a risk and ‘this evaluation is a political, aesthetic and moral matter’ (Douglas 1990: 10). In other words, risk is intrinsically determined in everyday interaction and not objectively given. As such it also
depends on the skills and strategic goals of managers. Risk management is thus conceived of as a strategic struggle of determining what the potential risks are and how to control them. Formality Professional 10 illustrates this continued struggle over formalities.

‘Well it happens everyday. Whose responsibility it is to earn money for the Bank, they want to weaken the credit conditions in terms of making a particular credit and they are going to try and pressurise us in regards to the policy requirements and push the boundaries in what we are prepared to give. Because we are always in competition with other banks, for instance. Clients will always say: ‘I can get a better lending ratio, terms of conditions, cheaper pricing from other banks.’ And it is up to us to try and balance that to ensure that on the one hand good income earning clients come into the Bank, and on the other hand, we are not pushing the boundaries too far so that in an inevitable downturn or correction in the markets we end up losing money for ourselves, but also adversely impacting the client by closing out his position at a particularly inconvenient and unattractive time for him. We end up with a lose-lose-situation potentially in those situations. So that’s why it is our responsibility to set prudent lending ratios and make sure we don’t stretch those boundaries too far. It is not easy to handle, you never going to keep everybody happy. Sometimes you could have said no, and sometimes you could cause bad feelings on the other side.’ (I10: 1067 – 1184)

The understanding of risk management as a continuous struggle over the right interpretation also reflects the interactional focus of the game discourse. Rather than an objective and measurable entity, the definition of risks is itself part of the continuous negotiation process in practice.

The notion of time and space

The nature of a game is also reflected in the understanding of time and space in the game discourse. The rationality and myth discourses contain a notion of formality as timeless and transcendent. The two first discourses conceive time as clearly distinguishable from the dynamic situations in the here and now of everyday practices. The game discourse, in turn, is based on a fundamentally different spatiotemporal understanding of formality. Managers drawing on the game discourse consider formalities as coterminous in the here and now of everyday practices. Rather than assuming transcendence and distance of formalities, formalities are continually (re-) constructed in everyday interactions. Formality takes place in the here and now of everyday interaction. While there are various playing fields with their respective sets of rules available, they only become relevant
in the very process of selecting a playing field and interpreting rules in a particular type of interaction.

Formality ‘doings’ under the game discourse are clearly delimited practices, confined in space and time. The relevant rules determine the formal beginning, turning points and endings. In other words, everyday encounters with formality offer interactional closure. Closure is ensured by the relevant formality of a particular interaction. It may be a specific period, like the business year, the passage of a certain numbers of process steps, the achievement of a certain level of quality or state, the decision of a professional with a judge-like key position in the organisation, or a decision of a regulatory body.

In the above quotations, formality is typically treated as something to be applied in everyday situations. While formality is seen as something different to everyday practice, it deploys its strength in its very application in everyday practice. Therefore, the game discourse focuses on the application of formalities in the here and now of everyday practices. Formalities are not conceived of as having a life of their own. They only make sense in a concrete application in everyday practices. Several of the above quotations refer to decisions to be taken and judgments to be made. Formality Professional 10 notes, for example:

‘Everybody that is in the lending business will know that we are all making dozens and dozens of lending decisions every day.’ (I10: 1791 – 1802)

This conception of time also becomes apparent in the textualisation of everyday interactions. The focus is not on an objective description of what happened, but on a coherent story that makes sense in the particular situation. Illustrative is the opening quotation about documenting a difficult decision at the perimeter of non-compliance:

‘Dort, wo man […] in einen Graubereich reingeht […] sollte man natürlich die Sachen so dokumentieren, dass das, was man macht, im Nachhinein eine nachvollziehbare Story ergibt.’ (I3: 193 – 1911)

The underlying normative value of partiality also comes out in the notion of time and space. As partiality is based on the assumption of a competition on a level playing field, formalities only take on a life in game-like interactions. And every play is different.
Ceremony discourse

The fourth discourse identified is the ceremony discourse. While the other three discourses concede an active role to individuals in everyday encounters with formality, the Bank’s ceremony discourse locates individuals at the passive end of the structure-agency continuum. The ceremony discourse caricatures individuals as organisational ‘automatons’. While formality ‘things’ determine everyday practices, formalities offer little room for manoeuvring. Individuals only have to do what is required in a ceremonial sense. Everyday practices happen in absence of any underlying normativity other than strict compliance. Formality ‘things’ in turn are seen as organisational fiat, out of the reach of everyday practice.

Embedded in a ceremonial discourse, Formality Professional 11 portrays everyday work as ceremonial compliance to formalities.

‘Wenn der Dialog nicht mehr stattfindet […] weil man die Zeit nicht mehr hat, weil man so viele Reports und Zeugs schreiben muss, mit den paar Leuten, die zur Verfügung stehen, […] dann ist [das Anpassen von formellen Vorgaben an den Arbeitsalltag] nicht mehr gegeben […] Vor allem wenn Arbeiten tendenziell als unsinnig betrachtet werden, Wenn zu viel Formalismus herrscht, dann haben die Leute nicht das Engagement, um ab 17.00 Uhr nochmals Vollgas zu geben und jeden Tag bis um 20.00 zu arbeiten. Weil die Lawine von Papier, die produziert werden muss, sowieso nicht abnimmt und […] weil man nie alle Erfordemisse wird erfüllen können. Es wird immer wieder etwas in den Weg geworfen. Ich glaube, dies sind so die Muster, die ich sehe.’ (I11: 1783 – 1844)

The quotation reveals a fatalistic view of encounters with formalities. Formalities are reported to be thrown in one’s way in everyday work. Encounters with formalities are seen as unpredictable and chaotic. There is no rationality visible behind formalities. Instead of creatively engaging with formalities as in the game discourse or instead of upholding formalities pro forma as in the myth discourse, the ceremony discourse introduces an understanding of fatalistic endurance of formalities in everyday life.

In a similar logic, the world is conceived of as futile and unpredictable. Risk management in an unpredictable world becomes a pure ceremonial activity as well. In general, people do not interact actively. Rather they ceremonially follow formal requirements. The ceremonial aspect is characterised by blind compliance without any sensemaking in everyday practice.
Fate

Talking about normativity in an essentially passive and pessimistic view of formalisation is precarious. In the three other discourses, there are underlying normative logics identified. The rationality discourse values depersonalised formalities that reflect an objective best way of doing, the myth discourse values common sense in everyday practice, and the game discourse elevates the pursuit of self-interest as the driving force in interactions. In the ceremonial discourse, in turn, normativity is alienated by a view of the world as unpredictable and chaotic. Fate takes the position of normativity in interaction. Personal engagement with formalities is limited to enduring its consequences.

The ceremony discourse understands the ‘fickle finger of fate’ as the main structuring logic of encounters with formalities. Formality ‘things’ such as rules and regulations are out of reach. There is no room for interpretation of formalities in everyday practice. Formalities are understood to denote precisely what is required. Operations Manager 4 explicitly refers to fate as the origin of formalities in the account-opening process.


Fate determines formalities; there is no contribution possible which would those formality ‘things’. The majority of quotations drawing on the ceremony discourse portray the formalities as fiat from the organisational field with no room for interpretation. In that sense, the origin of formality ‘things’ is located outside the scope of everyday practice. Formalities have to be accepted and lived with as they are. This reflects an understanding of formalities as the result of isomorphism with the organisational field and not the result of organisational needs.


\begin{footnote} 
14 Abbreviation for Vereinbarung über die Standesregeln zur Sorgfaltspflicht der Banken (VSB). This is an agreement among the Swiss banks on the banks’ code of conduct with regard to the exercise of due diligence (CDB). The latest revised version of the CDB came into force on 1 July 2003. \end{footnote}
Pressures from the organisational field are often typically cited as the reason for formalising.


The imposition of formalities from outside leaves people feeling powerless. In a similar logic, an undertone of resignation is often present in the interview accounts. Operations Manager 1 voices his sense of powerlessness in regard to the Group.

‘Wir sind zu unbedeutend im Rahmen der Gruppe […]. Was für die Gruppe gilt, gilt für alle. Und schaut gar nicht, ob [es] bei uns überhaupt Sinn macht.’ (I1: 626 – 646)

In addition to the sense that the content and scope of formalities are set by fate, formalities are seen to be directly coupled to everyday practice. This reinforces the feeling of powerlessness in the ceremony discourses. Individuals are left to carry out these ceremonial requirements. Formalities as fate cannot be avoided but predetermine in detail how to go about everyday practices. While in the other three discourses, rationality, common sense or self-interest function as a kind of a ‘formality-converter’ for everyday practice, this conversion mechanism seems absent in fate discourse. There is no room or need for any adaptation in every-

15 The Markets in Financial Instruments Directive (MiFID): European Union law which provides a harmonised regulatory regime for investment services across the 30 member states of the European Economic Area

16 Basel II refers to the second of the so-called Basel Accords. These accords are recommendations on banking laws and regulations issued by the Basel Committee on Banking Supervision. It aims to strengthen the security and reliability of the financial system, promoting fairer competition and providing for more comprehensive measurement of risks.

17 SOX refers to the Sarbanes-Oxley Act, a United States federal law enacted on the 30th of July 2002. Also known as the Public Company Accounting Reform and Investor Protection Act of 2002. The act was the legislative reaction to a series of major corporate accounting scandals, including those affecting Enron and WorldCom.
day practices. On the contrary, Operations Manager 4 experiences formalities as a prison that constrains any room for conversion:

‘Ja gut. Das ist ein Gefängnis, [...] in dem die Leute eingesperrt sind und sich daran halten müssen. Das ist der negative Aspekt. Man schreibt den Leuten [...] sehr genau vor, was sie zu machen haben.’ (I4: 35 – 60)

This unfiltered effect of formality ‘things’ on everyday practices is the key element of the ceremony discourse. There is no room for personal agency. The ceremony discourse conceives of people as organisational ‘automatons’. In that sense, formality ‘things’ and formality ‘doings’ are one and the same thing as there is little room for human creativity in everyday interactions. General Manager 7 brings up such a view of organisational ‘automatons’. He emphasises the importance of control through generally applicable formality ‘things’ and denies any value in controlling through untouchable values and guidelines.

‘Der Rest ist für [den Angestellten] nicht so wichtig, der benutzt einfach die Infrastruktur, so wie sie ihm vorgegeben ist. Der muss nicht lange studieren. Man muss es ihm sagen, wie es funktioniert, und das kann er. Also was soll ich noch einen Haufen Zeit darauf verwenden, um ihm all diese Values und Principles, Guidelines beizubringen, ohne das ich ihm eigentlich den Rahmen setze, und der sollte für alle gleich sein. Also ich sehe es so, dass man sich eher auf das fachspezifische Training stützt, aber dass man einen Haufen Infrastruktur hat, die für alle gelten.’ (I7: 795 – 837)

Changing the perspective, Relationship Manager 16 depicts a similar understanding of formalities’ capacity to determine everyday practice.

‘I was going to say, unfortunately, I don’t know whether we have much choice. Because many of the pressures, that arrive on our desk, come from on high. There is an element – I use the expression of JFDI – ‘just fucking do it’. For example, take the payment process, [the chief executive officer] was more or less told, get the new payment process in place, or you needn’t bother come in to work next year; that kind of thing.’ (I16: 2051 – 2099)

This element of compliance for individual survival was reiterated in the interviews. Non-compliance is not an option under ceremonial discourse. In the absence of any normative reference except fate, compliance is elevated to a normative value in itself.

Ceremonial

Elevating compliance to the normative grounding leaves individuals with roles as organisational ‘automatons’. Everyday interactions are limited to ceremonially
following formal procedures. The notion of ceremony in interaction is understood in opposition to interaction as purposive. Ceremonial interaction is devoid of rational planning, concerns for common sense or self-interest. Interactions are the unfiltered result of formalities. For instance, several Managers refer to the ceremonial aspects of interactions with clients in everyday practice:

‘Also wenn ein Kunde in eine Geschäftsbeziehung mit der Bank treten will, dann hat er durch ein Prozedere zu gehen, [...] indem er mit einem Berg von Formularen konfrontiert wird, und er gutwillig und im besten Glauben mehr oder weniger blind unterschreibt.’ (I1: 685-706)

‘[W]enn Sie Kontoeröffnungen anschauen. Der Kunde muss glaube ich bestimmt zehn Blätter unterschreiben, und noch zwanzigmal irgendwo seinen Haken dran machen [...] Letztendlich weiss der Kunde sowieso nicht, was er gemacht hat. Spätestens nach der zwölfen Box, die er auch noch irgendwo unterzeichnen muss, fragen sie nicht mehr nach.’ (I8: 279-320)

Typical of the Bank’s ceremony discourse is also the exclusive focus on the practices of compliance. Whereas the other discourses offer some room for practices of re-construction of formalities filtered through a logic of rationality, common sense or self-interest, the ceremony marginalises practices altogether. Conceived of as organisational ‘automatons’, people work in isolation in everyday practices. Interactions are structured directly by formal requirements. The ceremony discourse does not place any value in cooperation. With an underlying understanding of formalities as imposed by fate, there is no sense of abandoning the passive isolation of everyday work.

As a typical expression for the ceremonial way of everyday interaction, the above quotation also refers to the practice of ‘ticking boxes.’ the ceremony discourse elevates ticking boxes to an end in itself. Formality Professional 18 states:

‘Grundsätzlich kommen immer mehr Weisungen immer mehr Vorgaben und wir gehen immer weiter in den […] Bereich hinein, der einfach Tick-the-Box ist.’ (I18: 3548 – 3560)

Another manager observes a similar tendency:

‘The sad thing […] is that all that regulation does and all the processes that we put in place do, what it means is that we tick boxes or we fill out forms.’ (I16: 596 – 704)

The passivity in interactions reflected by the practice of ticking boxes is arguably the result of a lack of normative underpinning of the ceremony discourse. Contrary to adapting formalities according to an underlying normativity, the ceremony discourse turns to blind compliance.
The ceremonial discourse of everyday practice is reflected in a certain resignation, humour and cynicism in managers’ interview accounts. Drawing on ceremonial discourse, any value of formality is typically denied. As argued above, in the absence of substantive normative values, compliance is elevated to an end in itself. Reflecting the cynicism resulting from their own encounters with formalities, managers refer to humour and resignation as their constant companions of ceremonial interactions. Operations Manager 1, for example, observed derisive reactions to formalities in his everyday work:


Referring to how people react to the high level of formalisation, he also refers to resignation and humour:

‘Ja, zum Teil mit Ärger, zum Teil mit Resignation, zum Teil mit Lachen –wie man es halt so macht.’ (I1: 2043 – 2054)

This resignation and cynicism is reflected in a passive endurance of formalities.


Frustrating encounters with formalisation may make people passively ‘endure’ formalities. Operations Manager 14 observes a lack of intrinsic motivation. Similarly, the hierarchic relationship between the managers enforcing formalities and the subordinate enduring the enforcement is interpreted as atrophying to a purely formalistic interaction devoid of any personal connotation.

The frustration is also observed, however, in more subtle ways as the result of the amount and the complexity of formalities themselves. The sheer number of applicable formalities in a certain field may put great strain on people, as Formality Professional 11 notes:

‘Es ist so, dass man so viel Papier und Regeln schaffen kann, dass schlussendlich überhaupt niemand mehr den Überblick hat. Ich glaube, dies ist der kritische Punkt, dass die Leute unter einer permanenten Angst leiden, etwas falsch zu machen, weil sie eigentlich die Regelungen schon
In a similar vein, Operations Manager 1 argues:

‘In der Bankenwelt ist heute das Klima so, dass man sich in der zunehmenden Flut der Vorschriften an und für sich schon Mühe hat, sich zurechtzufinden. Und es will keiner den Fehler machen, dass er irgendetwas nicht gesehen hat.’ (I1: 213 – 235)

This view of people suffering from strain brought about by formality is reflected in the conception of the world according to the ceremony discourse. The absence of personal values in ceremonial interactions is the result of an understanding of the world as unpredictable and chaotic.

However, managers understand the passivity inherent in the ceremony discourses not as a natural human state. All of the above quotations start with the assumption that people, in principle, strive to actively shape their everyday work environment. Devoid of this possibility, the ceremony discourse places people in the role of victim. In the logic of the ceremony discourse, people become passive as a result of resignation or strain in the face of formalities. Ceremonial practices are thus conceived of as a way of dealing with frustrating experiences arising from encounters with formalities. The ceremony discourse becomes particular insightful if we understand frustrating experiences as interdiscursive conflicts. Frustration thus means that everyday encounters with formalities are experienced as irrational, against common sense or against personal interests. Framing the ceremony discourse as a vessel for collecting practices devoid of normative grounding explains the resulting blind compliance in the Bank’s ceremony discourse.

Futile world

As they did with the myth discourse, interviewees typically distanced themselves from formality ‘things’ in the ceremony discourse. They do not take ownership. Unlike with the myth discourse, the distancing is not guided by notions of common sense and trust but by the very absence of any normative grounding.

This absence of normative grounding is reflected in the view of the world as unpredictable and chaotic. In an unpredictable and chaotic world formalities are seen as futile. Formality Professional 11 discusses the risk of fraud in banking as a typical example of the limits of formalisation.

‘Ich denke an den Bereich des Frauds, das ein Thema ist, das nie strukturiert daherkommen wird. Also kann man es mit organisatorischen Mass-
nahmen sehr schlecht fassen. [...] Ich glaube dort hört der Formalismus auf. Man kann schon Muster [formell fassen], die man bei Frauds sah, wo Schäden entstanden sind [...]. Aber der gleiche Fraud wird selten wieder genau im gleichen Format daeherkommen. Weil das entsteht aus krimineller Kreativität, aus krimineller Handlung heraus. [...] Das kann man über Formalismus nicht unbedingt kontrollieren, weil das Formular kann man eben auch fälschen.' (II1: 624 – 687)

The quotation also refers to the common theme of organisational failure in the interview accounts. Organising is deemed prone to failure as result of an unpredictable and chaotic world. Operations Manager 12 gives the example of signature checks:


Lacking a normative reference in the world, fate discourse tends to make sense of formalities only in terms of compliance. The requirement for multiple signature checks is a good example of a practice without visible normative grounding. It is portrayed as irrational, against common sense and against personal interest. Typical for the ceremony discourse, this situation is conceived of as an unchangeable fiat. As a result, only blind compliance remains.

### Risk and Risk Management

The notions of risk and risk management are scarcely present in the interview sequences embedded in the ceremony discourse. In a futile word, risk management is an oxymoron. Understanding the world as unpredictable and chaotic is hardly reconcilable with the idea of managing risk. The view of the world as futile and ruled by the ‘fickle finger of fate’ reduces any attempt at forecasting to pure luck. Therefore, risk management is seen as an equally ceremonial and passive activity. Risk management in the ceremony discourse is seen as limited to ceremonially following monitoring activities as required in organisations. In other words, everyday practices of risk managers are equivalent to organisational
‘automatons’ as developed above. There is no privileged role afforded to risk managers as in the other three discourses.

Similar to management practice outside Risk, Audit and Legal functions, the ceremony discourse underscores isomorphism between risk management practices and the organisational field. In that sense, risk management practices are the result of standardised institutional practices in the organisational field of banking. Rather than internal formalising practices, risk management is mirroring general risk management practices. In a similar vein, Operations Manager 17 locates the reason for the increase in the numbers of risk managers in the general trend in the field.

\[\text{‘Weil es heute einfach gang und gäbe ist, weil sie einfach müssen […] von der Industrie, von der Gruppe aus, weiss eigentlich nicht. Das habe ich mich auch schon gefragt.’} \text{(I17: 1610 – 1622)}\]

The quotation simply refers to the generally accepted practice of doing risk management. He does not infuse risk management practices with any purpose other than compliance with industrial and Group formalities.

The notion of time

The understanding of formalities as imposed by fate in a futile world contains a notion of formality as a series of timeframes of stable ceremonial practices disrupted at irregular and unpredictable intervals. Fate determines when practices are changed. However, in situations of change, ceremonial discourse deviates from the underlying notion of organisational ‘automatons’. Imposing a changed regulation does not automatically lead to a change in ceremonial practices. Due to the passive nature of the ceremony discourse, the change in ceremonial practices is subjected to certain inertia. The ceremony discourse sees the necessity of an impetus from outside to change accustomed practices. Formality Professional 2, for example, asserts:

\[\text{‘I think in the early days […] there was tendency of people to try [circumventing rules], but it is just not tolerated in the organisation. So they learn to work within the system. Otherwise they don't last.’} \text{(I2: 1757 – 1773)}\]

In that sense, formalities in the ceremony discourse entail a notion of time altering between periods of ceremonial practices and disruptive change. Disruptive changes in practices are enforced from the outside. Learning in this context is understood as taking up compliant practices in time of disruption. In time of ceremonial compliance, formalities take on a timeless and transcendent nature. Formalities are understood as fixed over time. There is no sense of evolution of
formalities. Moreover, formalities and everyday ceremonial practices are understood as completely congruous in time as there is little room for creative capacity outside formalities. Fate, in turn, determines the disruptive moments in the ceremony discourse.

Summary and conclusion

Part III has developed four discourses of formality at work. Each discourse has been analysed in relation to its underlying normativity, its understanding of agency, risk and time. Figure 9 summarises the main characteristics of the four discourses.

<table>
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<tr>
<th>Discourse</th>
<th>Rationality</th>
<th>Myth</th>
<th>Game</th>
<th>Ceremony</th>
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<td>Normativity</td>
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<td>Common sense</td>
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<td>Fate</td>
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<td>Agency</td>
<td>Institutional entrepreneur</td>
<td>Actor</td>
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<td>Risk</td>
<td>Objective and calculable</td>
<td>‘Expectation gap’</td>
<td>Negotiated</td>
<td>Isomorphism</td>
</tr>
<tr>
<td>Time</td>
<td>Timeless and transcendent, synchronous</td>
<td>Timeless and transcendent, asynchronous</td>
<td>In the here and now, synchronous</td>
<td>Timeless and transcendent, disruptive</td>
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The rationality discourse establishes impersonality as its underlying normativity. Decision-making is conceived of as a rational search for an objective ‘best practice’. Managers take on a role of institutional entrepreneurs in that they continuously engage in optimising the formal structure. Accordingly, risk is seen as an objective and calculable entity to be rationally managed in practice. The formal structure is apportioned into objective and generally applicable formality ‘things’, which are timeless and transcendent. Formality ‘things’ coalesce with everyday practice. The rationality discourse has been established as the hegemonic dis-
course. The rationality discourse is the discourse by which formality ‘things’ express themselves. It is the formality ‘things’ own story.

The myth discourse is underpinned by common sense. Common sense is built on experiences in personal interaction. Formality ‘things’ are conceived of as a foreign entity in these personal interactions. Formalities are reduced to legitimating links to outsiders. Everyday work practices are dissociated from the timeless and transcendent formality ‘things’. Practices of work and practices of formalising are asynchronous. In relation to formalising, managers take on the role of organisational actors in that they establish dissociated practices to uphold the myth of compliance. This myth of compliance is reflected in an expectation gap between the aims of formality ‘things’ and their effective capacity.

The game discourse puts partiality at the centre. Everyday practices are partial in the sense that the organisational players compete for personal interests. Formality is not seen as timeless and transcendent, but repeatedly renegotiated in the here and now of everyday practices. Similarly, risks are not objectified but are framed as part of the competitive negotiation process. Characteristic of the game discourses in particular is that formality ‘things’ are not considered as a constraint, but rather as resources and guideposts in everyday actions. Moreover, the formal rules render irrelevant every consideration not explicitly included in the rules. These rules of irrelevance free up the skilful player in everyday practices to pursue his self-interest successfully.

Finally, the ceremony discourse is characterised by the absence of a proper normativity. The ceremony discourse is a vessel practices devoid of normative grounding. Fate steps in as the reference for everyday practice. Without proper normative grounding, people are conceived of as organisational ‘automatons’, ceremonially complying to the letter with formality ‘things’. The notion of risk is replaced by the notion of fate and is therefore seen as unmanageable. Risk management practices are blindly adopted in an isomorphic manner.

The four underlying normativities are fundamentally different. To frame this multitude of essentially contradictory discourses in everyday practice, Bakhtin’s (1981) concept of heteroglossia seems particularly helpful. As established in the introduction, heteroglossia alludes not simply to the co-existence of formalising discourses within everyday practice. Heteroglossia refers to a co-existence of multiple discourses in a state of tensions that are contradictory but collectively supportive of the hegemonic rationality discourse. Following Bakhtin’s concept, the contradictory but collectively supportive tensions are reflected in the coexistence of centripetal and centrifugal forces of formality at work. These forces are the topic of the next part of this study.
Part IV: Interaction and system effects

In part III, I presented in detail four discourses of formality at work. In part IV, I will turn to their interactional and systemic consequences. I analyse what consequences the underlying normativities have in everyday practices. I have conceptualised formality at work as the dynamic interplay between rationalistic formality ‘things’ and everyday practices. To analyse this dynamic interplay, I adopt a Bakhtinian notion of discourse and conceive of formality at work as a heteroglossic endeavour embedded in centripetal and centrifugal forces.

In this chapter, I analyse the centripetal and centrifugal forces for each discourse in relation to the hegemonic rationality discourse of formality ‘things’. The hegemonic rationality discourse embodies centripetal forces in that it closely aligns everyday practices with the spirit of formality ‘things’. All four formalising discourses include an element of centripetal forces in that they reconcile ample evidence of malfunctioning, irrationalities or inefficiencies of formalities in everyday practice with the hegemonic logic of the rationality discourse. The centrifugal forces in turn result in organisational paradoxes.

To ground this analysis, I start by examining the interactional patterns of each discourse. Interactional patterns are arguably the most visible in the face of organisational problems if routine practices are disrupted. Focusing on problems allows one to analyse discursive patterns with particular effect since people have to rationalise about the causes of and the solutions to these problems. Rationalising means building a coherent argumentation that draws on available formalising discourses. Focusing on organisational problems rather than organisational success stories might seem a particularly pessimistic approach to analysing system and interaction effects. However, I agree with Hood (1998: 23ff.), who adduces two weighty arguments in favour of such an approach. First, sharp thinking about how to do everyday work is typically prompted as a response to problems rather than reasoning about how to do things best on a blank slate. ‘Recipes for organizational success often amount to turning round what is seen as a recipe for disaster’ (ibid: 24). Second, the problems that prompt such discursive patterns are rarely far away. Also in my set of interviews, stories about problems and their organisational reactions are abundant.
The structure of each discourse section in this chapter follows the three aspects introduced. I start by analysing patterns of how managers react to problems, investigate then the centripetal forces leading to increased formalisation and professionalisation, and, finally, investigate unintended consequences of discourses to illustrate the centrifugal forces of formality at work.
Rationality Discourse

In part III, we established the essence of the rationality discourse. The underlying logic starts from the assumption that there is a universally applicable best way of doing things that is independent of individual actors. The rationality discourse equates formalising with organising. Under the Bank’s rationality discourse people naturally formalise their everyday work practices and interactions. The assumption is that organisations function according to their formal blueprints. Formality is typically seen as clear and precise, leaving no room for interpretation in its application – with no requirement for such room. The best way to do everyday work is by following the clear formal requirements. The focus is on consistent and efficient work procedures and planning. Underlying assumptions draw on the classic rationalistic paradigm. Formalisation is the mirror of everyday practices. There exists the assumption that if something is formalised and put down as a rule, people are conditioned to comply with them in everyday practices. What are the interactional and system consequences of this rationalistic normativity in practice?

Formalise and professionalise

In order to analyse the effects the rationality discourse deploys in everyday practice, I look at how the Bank conceives and reacts to problems. As impersonality has been established as the main normative value, the locus of problems is typically identified in too much personal discretion and the solution to them in making the practices more impersonal. What does this logic mean for organisational practice? To answer that question, I look at the organisational responses to problems.

The analysis of the interviews showed two main discursive reaction patterns to problems. First, a remedy for problems from a rationality perspective is to further formalise everyday practice. In response to problems the formal structures are typically tightened. Second, risk is the central notion with which to frame problems. The persons entrusted with dealing with the problems framed as risk are the risk professionals and not the ‘normal’ business managers. Risk professionals such as Auditors and Risk managers have a privileged position in the Bank. In addition to the two main reaction patterns, there is a third discernable organisational phenomenon that directly derives from them: The materialisation of everyday practices in documentation and technology. The dynamics of responses to problems filtered through the expert systems of audit and risk management find
material expression in the documentation and automation of work. I will look at each aspect in turn.

**Increasing formalisation**

The very logic of the rationality discourse maintains that a perfect formality structure precludes failures. As a consequence, failures are conceived of in terms of loopholes in the formal structure or badly adapted formalities rather than individual wrongdoings. Individual wrongdoings are also viewed as the result of deficient formal structures. The rationality discourse is constantly striving to enhance and to adapt better the formal structure of the Bank. Problems are typically elevated out of the distinct and concrete situation in which it has appeared into the transcendent general domain of abstract formality ‘things’. As rationality discourse attributes a high capacity to formality ‘things’, this dissociation between the concrete particular and the transcendent general is irrelevant in the discourse. Every problem must be solved in an abstract way to avoid similar problems in the future. Answering problems by changing or adding formality is thus the typical pattern in the rationality discourse. Relationship Manager 16 states succinctly:

‘Got a Problem, invent a rule. We solve problems by inventing rules.’
(I16: 2516 – 2523)

Relationship Manager 5 also underscores the importance of continuously improving formalities. He brings up the example of fraud attempts:

‘There are more and more fraudulent attempts on banks throughout the world. And I think therefore it's very important that we put in very tight procedures. We have to increase our procedures all the time, because the fraudsters are getting more and more clever. So I have to control a lot of paperwork from my other private bankers. [...] The amount of paperwork is quite tough. But that's the way it is, and it is going to be like that forever. There is no way around it.’ (I5: 67 – 106)

Another illustration of such a reactive pattern is contributed by Operations Manager 12:

‘Was mich erstaunt ist, dass man immer wieder innerhalb der Gruppe, wenn Probleme auftauchen, [...] die manchmal im Entferntesten etwas mit Zahlungsverkehr zu tun haben, dann aber die Alarmsglocken gezogen werden und es dann in der ganzen Gruppe heisst: Wir haben wieder ein Problem im Zahlungsverkehr, man muss wieder alles checken, ob man da nicht irgendwo in der Gruppe auch noch ein Loch hat. [...] Es heisst dann einfach, wir haben irgendwo eine Situation, die nicht gut ist [...]. Man könnte
This quotation sketches the pattern for solving problems under the rationality discourse. Whenever there is a problem, people look at the formal control structure to identify possible holes in it. Typical of the rationality discourse, the formal structure is reviewed at a general and abstract level. Manager 12 refers to the practice of Risk managers of theoretically analysing control structures without considering the concrete situation that initially led to the fraud situation. As everyday interactions are conceived of through formalities at a general and abstract level, the problems and solutions to problems are also conceived in general and abstract terms.

This is a typical reaction pattern of the rationality discourse. Problems are conceptualised in a formalistic way and not in a day-to-day context. The organisational aspiration is to make fraud impossible from the start. Based on the assumptions that the formal structure completely determines individual behaviour, the focus must be on closing loopholes in the formal structure. Consequently, the typical remedy for any shortcoming is tightening formalisation by further detailing procedures and regulations, adding new automated controls, increasing formal expertise and strengthening managerial oversight. The Bank has come to understand the solution to many of its problems in terms of independent control as incorporated in formalised, standardised and well-documented organisational control processes.

General Manager 8 confirms this pattern of solving problems.

‘Die Weisungen werden immer geändert, wenn irgendetwas in der Gruppe passiert. Wenn wir irgendeinen Fall haben, dass irgendwo, was schief gelaufen ist und [die Gruppe] Millionen in – was weiss ich – Nottingham Forrest verloren hat an Robin Hood, und sie feststellen, dass irgendeiner irgendetwas gemacht hat, dann müssen alle überall auf der Welt die Weisungen so anpassen, dass genau dieser Fall nicht passieren kann.’ (I8: 1015–1041)

Operations Manager 17 observes similar tendencies:

‘Da kann man jetzt ruhig offen reden. Das ist ein Problem, das wir haben, weil wir in einem grossen Konzern drin sind. Wenn der grosse Konzern irgendwo ein Problem bekommt im Zahlungsverkehr, zweimal irgende welche grosse Frauds hatte, dann muss man im ganzen Konzern diese Fraud-

\[
\text{viel mehr bewirken, wenn man die konkreten Situationen sehen würde. Dann kann man sich [besser] überlegen: Ist dies auch bei uns denkbar [...] als wenn man etwas wieder theoretisch betrachtet [...]. Es gibt nur eine oberflächliche Analyse und schlimmstenfalls hat man immer noch ein Loch an einem Ort, das man gar nicht bemerkt.}' (I12: 1236 – 1409)
This understanding of improving the Bank’s organisation by increasing formalities has come up as general theme in the organisation. Under the rationality discourse, this pattern is the logical way of approaching problems. Approaching problems by tightening the formal structure calls for formality professionals. The increased importance of professional functions such as Risk, Audit and Legal management is the topic of the next section.

*Increasing professionalism*

The call for formality professionals relies on the same logic of depersonalisation as the propensity to increase formality. As problems are typically elevated out of the concrete and particular of the local context into the transcendent and general of abstract formality ‘things’, the response to problems becomes a quasi-scientific task rather than a judgement. Formality professionals build their legitimacy on this quasi-scientific nimbus of professionalism in the rationality discourse. Professionalism embodies the rationality values of impersonality framed in terms of ‘professional expert systems’. In the impersonal world of the rationality discourse people typically legitimate their actions on the basis of professional ‘expert systems’ such as Law, Audit or Risk management. These formality professions incorporate the values of objectivity, neutrality and scienticity, which are central to the Bank’s rationality discourse. As a result, high reliance is put on ‘expert systems’ as filtered through the practices of the trained professionals.

Formality professionals typically frame the concrete and particular problems encountered in everyday life as general and abstract risks independent of everyday practice. The notion of risk in the rationality discourse can be understood as a problem uprooted from its situational context. Formality Professional 2 makes it very clear that risk determines the agenda:

‘If we got to do something very fast, because it’s a new risk identified, then it would tend to be quite brutal. And you look for the quickest possible solution. Not necessarily the most elegant solution. Just something you can implement on Monday without spending too much money or too much time and technology.’ (I2: 574 – 595)
In the face of general and abstract risk the solution to problems is typically delegated to the risk specialist in the rationality discourse. To structure interactions in a general and abstract way that outlasts the ephemeral here and now of everyday practices, professional approaches to formalising are called for instead of situational decisions. The professional approaches to formalising are framed as impersonal judgement based on industry-wide best practices rather than individual judgements. Protecting the value of impersonality is central to professional practices.

**Materialising**

The propensity of formalising and professionalising the rationality discourse manifests itself in everyday practice most visibly in another interactional pattern: The materialisation of everyday practices. The dynamics of responses to problems filtered through the expert systems of Audit and Risk find material expression in the documentation and automation of work. The virtual detachment of formality from persons and the idea of organising everyday practice in a series of logical steps are materialised in detailed documentation and high level of automation.

The importance of documentation and automation is further accentuated by auditing and risk management practices. Instead of close and direct control, auditing acts as the ‘control of control,’ intervening with temporal and often spatial distance from the organisational process on which they focus. This distance from everyday practice makes formality professionals dependent on materialised points of references. Formality Professional 10 observes:

‘I think the Bank attributes [...] an extremely high level of importance to documentation. [...] There is a need to get down in writing exactly the basis upon which the decisions are taken, what the expectations are. I think a lot of that is driven by legal demands, but it is in terms of common sense really. Making sure that the private bankers know exactly what they are expected to do. [...] Yes documentation is important.’ (I10: 2330 – 2501)

Formality Professional 10’s valuation of documentation is exemplary for the rationality discourse. He considers organising through the use of documentation as common sense. There is clearly a positive value attributed to documenting as a way of managing people. Documentation is considered necessary for ‘making sure that the relationship managers know exactly what they are expected to do.’ Documentation is also seen to be equivalent to personal instruction by a man-
ager in everyday practices. In that sense, he attributes agency in equal measure to documentation and to personal interactions.

In a similar vein, Operations Manager 4 insists that a paper checklist exonerates the people from a routine task and thus makes everyday practice easier. Against his staff’s objection that the checklist was unnecessarily bureaucratic, he argues:

‘Ich habe dann gesagt, [...] aber schaut jetzt, dies hat für euch doch auch einen Vorteil. [...] Ihr müsst nur aufs Blatt schauen, ob es visiert ist oder nicht visiert ist. Wenn es visiert ist, hat es schon jemand gemacht, und sonst muss es noch jemand machen. Es nimmt euch eigentlich eine Routine-Überwachung ab. Es macht’s einfacher.’ (I4: 2482 – 2511)

Documentation here is seen clearly as logical support in everyday practice. An interesting aspect of the quotation is his use of the impersonal ‘es’ / ‘it’ instead of ‘i’. He argues that the sheet of paper – and not he as a manager – relieves the people from their routine task.

Operations Manager 4 also points to another important aspect of documentation: The practice of signing. The signing of control sheets or papers in general is an interesting way of reifying a transitory action. Once signed, the signature carves a certain act or agreement into paper and thus depersonalises and relocates it. The signature is probably the most striking expression of the value attributed to documenting under the rationality discourse.

Written statements in general enjoy a privileged position in everyday interaction in the Bank. Formality Professional 10 states:

‘What happens if the client disputes the fact that he ever wanted a credit at all at the first place or he signed for that particular fixed advance for instance? So the more we have the client’s authority, the more [clear it is]. It is clearly documented, what the contract is between the client and the Bank, what are the arrangements for charging interests, what are the arrangement for early repayment penalties and all those sort of things. [...] Yes documentation is important.’ (I10: 2390 – 2501)

The quotation brings out the prevalence of the written over the spoken word. Based on their supposed impersonality, reified documents have a privileged position in everyday practice. Typical for that position is the view that written documents are a reliable source of information. In turn, the ephemeral nature of spoken accounts clearly carries less weight.

Another example of the importance of written documents is the recruiting process, which demands written documents such as diplomas and certificates. These documents serve as generally accepted proxies for abilities.
'Ich will auch sicherstellen jetzt bei anderen Prozessen, wie z.B. beim Anstellungsprozess, den ich vorhin erwähnt habe, dass da alles rund ablaut, dass wenn jemand anfängt, die Referenzen vorhanden sind, die volle Dokumentation [...]. Da mache ich recht strenge Vorgaben.' (I13: 1258 –1278)

Serving as proxies for abilities, the value of copies of diplomas and certificates also underscores the prevalence of objectified and measurable units, over personal judgement. In that sense, the objectivity exempts managers from personal judgements.

Similarly, Formality Professional 10 refers to the rhetorical authority of documents. Asked about how he handles people who challenge his credit decision, he states:

'It is not easy to handle. You are never going to keep everybody happy. Sometimes you could have said 'no', and sometimes you could cause bad feelings on the other side. I think it is up to us as managers to try to explain why we are taking those decisions and trying to avoid hiding behind policy. It would be very easy to say: 'it is the Bank's policy, can't change it. And therefore you are going to have to live with it.' [...] There is always an occasion you have to go back and say that though.' (I10: 1168 – 1220)

By invoking the Bank's policy, it is possible to close an interaction by depersonalizing it. The manager can reduce his role to a simple executor of the Bank’s policy with no discretion. He can thus overcome challenges in his everyday practices by invoking policies, which the other parties involved tend to accept due to the authority of written documents.

The prevalence of the written over the spoken word is also visible in the importance of documenting everyday work. Documentation of everyday work on paper is seen as a reliable measure for capturing what has been done. Again, there is the assumption of congruence between what is documented and what has effectively been done in practice. Reflecting this high regard for documentation, managing practices consist of a great deal of checking documentation. Put simply, this typically involves checking whether the correct forms have been used, whether they have been properly signed, whether the correct stamps have been used and whether the right boxes ticked. Illustrating this managing practice, Relationship Manager 5 states:

'I5: There are a lot of procedures [...]: I have to sign off on all payment forms, transfers of a certain size, which means I have to look into signature checks, whether there have been callbacks to clients and to look into where payments are going. [...] So I have to control a lot of paperwork from my other private bankers. Account openings have to be looked at as well. So I
get account openings and closings as well. The amount of paperwork is quite tough. But that's the way it is, and it is going to be like that forever. There is no way around it.' (I5: 33 – 106)

Similarly, Risk and Audit functions rely on the same type of documentation. They typically put confidence in the same signatures, stamps and ticks in order to check whether the formal requirements are correctly followed in practice. Formality Professional 18 makes a clear statement about the importance of documentation of work practices for such control activities:


The importance of documentation reflects scientific assumptions behind the effectiveness of control procedures. Documentation is the very basis for ‘objective’ compliance checks in the rationality discourse. In other words, the central position of Risk and Audit goes hand in hand with making the organisation more risk manageable and auditable through the detailed documentation of everyday practices. To meet the key values of the rationality discourse, Risk and Audit have to be ‘objective’, and ‘neutral’. Consequently, the compliance checks performed by Risk and Audit rely on the idea of independent testability of controls, i.e., controls can be tested by reference to independent evidence (Wolnizer 1987; Ruud 1989). Power (1996: 291) summarises:

‘Auditing actively constructs the legitimacy of its own knowledge base and seeks to create the environments in which this knowledge base will be successful. Auditing knowledge in this systemic sense does not emerge from the experimentally isolated cognitive judgements of practitioners in relation to sets of cues in the outside world, as the tradition of audit judgement research would have it (Felix and Kinney 1982). Audit plays a decisive role in constituting the environment of cues itself (Kirkham 1992: 296) and its techniques are part of a system of knowledge which is driven by the imperative of ‘making things auditable’.'
Making things auditable therefore depends on creating an environment of ‘measurable facts’. Creating measurable facts means making controls visible by formally documenting them. Making work visible by documenting it is a common concern in the rationality discourse. This logic extends to practices that are not in the scope of formal requirements. Operations Manager 1 points to such a tendency of documenting that is not directly derived from formal requirements:

‘Ich glaube, dass manchmal die Tendenz besteht etwas über E-Mail oder über das Telefon zu machen, aber nicht im direkten Gespräch, weil man dies danach belegen kann. […] Das Telefon wird aufgenommen, die E-Mail kann man Ablegen und dann kann man es nachher belegen. Das ist sicherlich schlecht für die Kommunikation, weil man dann nicht Mensch zu Mensch ist und die Sache auf eine normale Art löst.’ (I1: 2098 – 2134)

The authority of documents over the spoken word comes out in the above quotation. Operations Manager 1 points, however, to another important feature of the rationality discourse. Documents – or more generally formalities – can be agents as they contribute to the installation of practices in the Bank that go beyond their strict formal interpretation. There is certainly a self-reinforcing mechanism that the relationship manager observes. The logic of documenting is transferred into interactional situations which are not structured by formal requirements. It thus contributes to further formalising.

Similarly to documentation, automation embodies the central values of impersonality. Information technology embodies the promise to make everyday practices independent of human contribution. Automating everyday practices is therefore a regularly stated goal of optimising the Bank’s organisation. Manager 4 notes:


Typical of the rationality discourse is an optimistic view of technology. Technology is treated as exogenous and autonomous. It is believed to promote inevitably desirable values in the Bank such as efficiency and staff empowerment. Efficiency gains, for instance, are typically attributed to information technology in that technology becomes the locus of knowledge – another form of depersonal-
isation. In this way, everyday practices are to be delegated to technology and not to employees. In this vein, Relationship Manager 5 asserts:

‘Well, obviously the more details I put in the system and the more I can read about [it], the more efficient and less likely [errors are]. Efficiency is reduction of errors and squeezing out as much income of our client as possible within reason. If there is more information in the system, it would be less likely to be errors.’ (I5: 365 – 388)

In this statement there is an understanding of automated practices as more efficient and more reliable. There is also a determinist view of information technology manifest in that statement. Information technology is portrayed as bringing everyday practices into line with formal procedures as programmed in the system. Similarly to the view on formality ‘things’ in general, people’s behaviour can be directly influenced by programming the work processes in automated systems. General Manager 7 underscores the value of information technology in managing people:

‘Der Rest ist für [den Angestellten] nicht so wichtig, der benutzt einfach die Infrastruktur, so wie sie ihm vorgegeben ist. Der muss nicht lange studieren. Man muss es ihm sagen, wie es funktioniert, und das kann er. […] Also ich sehe es so, dass man sich eher auf das fachspezifische Training stützt, aber dass man einen Haufen Infrastruktur hat, die für alle gelten.’ (I7: 795 – 837)

Both Operations Manager 4’s observation of the increase of automation and General Manager 7’s emphasis on specialist training point to another important aspect of formalisation. They see formalisation through automation as an opportunity to free up people in their everyday practice. Employees do not have to make an effort to comply with the formal requirements of the organisation. Formal compliance is ensured through the implementation of formalities in technology. Automation is considered as the means of securing the focus on the ‘important things’ in everyday work. Similarly, Formality Professional 11 states:

‘Wenn wir Systeme haben, die schon sehr vieles abfangen, dann brauchen wir eigentlich nicht mehr viel zusätzlicher Formalismus, weil es schon automatisiert vorgegeben ist.’ (I11: 751 – 760)

The self-reinforcing forces of the rationality discourses are clearly shown in the value attributed to documentation and automation. Both are visibly material expressions of the rationality discourse. However, there are also centrifugal forces observable in the Bank’s rationality discourse.
Centrifugal forces

Discussing centrifugal forces in relation to the rationality discourse seems counterintuitive. Both everyday practices and formality ‘things’ draw on the same normative underpinning of the rationality discourse. The rationality discourse, however, is not simply self-reinforcing, but also entails paradoxical consequences in everyday practice. The paradoxical nature of the rationality discourse in everyday practice and the rationality discourse reified in formality ‘things’ is not openly contradictory, but is based on blind spots in the rationality discourse. Blind spots refer to excessive reliance on one type of discourse, thus omitting other aspects of everyday practices.

A first blind spot in the rationality discourse is the irrelevance of problems. In the rationality discourse there is no room for failure. A second blind spot is the irrelevance of managerial decisions. There is one best way to do everything, so there is no real decision to take. A third blind spot is the tendency to focus on formal processes and to marginalise outputs. I will treat each of the three blind spots in turn.

No room for failure

As developed above, the rationality discourse casts failure in terms of generic risk rather than idiosyncratic problems. To cast a failure in terms of a general risk to the Bank typically amplifies the impact of failure beyond the concrete deficient situation. Failure becomes relevant in all parts of the organisation. In the face of ample evidence of malfunctioning, irrationalities or inefficiencies of formalities in everyday practice, the amplification effect leaves an organisation fraught with failures. Recasting individual failures as generic risk thus makes the Bank a precarious place. This sense of a precarious place is reflected in the managers’ accounts of zero risk tolerance in the Bank. Managers reiterated that risk avoidance has become a dominant focus in everyday practice. Other aspects such as profit or justice are marginalised as they are considered as the logical consequence of a risk-oriented formal control system.

Focusing on failures recast as generic risks has engendered a sense in the Bank that the priority of the organisation has become avoiding risks rather than making money. In this respect, Manager 18 states:

‘Man will [...] keine Überraschungen und keine Risiken, das [heisst] einfach extrem minimiert. Kontrollen, Weisungen, Vorgaben sind die hilfreich zur
This sense of zero risk tolerance was a major theme in the interviews. General Manager 8 affirms:

‘Bei uns in der Bank ist der Haupttreiber ganz klar, die Bank vor jeglicher Art von Risiko zu schützen. Ganz klar nichts anderes.’ (I8: 639 – 650)

And he further emphasises:

‘Ich sage immer, es ist nicht wirklich Risk Management, was wir machen. [...] Man probiert Risiken zu vermeiden, oder zu eliminieren und nicht die Risiken bewusst einzugehen.’ (I8: 1624 – 1648)

Operations Manager 1 takes the same line:


In answering the question of where he sees the central driver for formalising, Operations Manager 14 states:


Most prominent in this discussion of avoiding risk in the Bank is the notion of reputational risk. Operations Manager 4 makes a clear statement of avoiding reputational risk as a key goal of formalities:

‘Wir haben natürlich schon einen Punkt, den wir nicht aus den Augen verlieren dürfen. Das ist unser reputational Risk. [...] Wenn wir einen Kunden an Bord nehmen, der sich als schwarzes Schaf herausstellt und wir kommen in der Zeitung, dann ist dies sehr unerwünscht. Das ist eigentlich schlimmer als ein finanzieller Verlust. Das ist einfach so, weil wir in einer so grossen Gruppe sind. Man muss auf einen guten Ruf erpicht sein. Wenn man irgendwo so eine Cowboy Bank in der Schweiz hat, die den Ruf kaputt macht […] dann hätten sie keine Freude.’ (I4: 2041 – 2083)

The quotation underscores the dominant position of risk in everyday management decisions. The dominant concern regarding risk reflects the rationality discourse’s belief in the capacity of science to cast the unknown as measurable and manageable risks. As risk is conceived of as impersonal, the Bank’s rationality discourse frames risks as general and abstract. In such a conception, there is no room for idiosyncratic situations not included in formalised risk considerations. In a rationality logic, failures are framed with respect to the general and abstract risk notions. As a consequence there is no room for individual failures, as this
would undermine rational decision-making. This leads us to the next blind spot of the rationality discourse: The marginalisation of managers.

**Marginalising managers**

The Bank’s rationality discourse sees managing as a quasi-scientific endeavour best done by trained professionals. The focal point of managing has become problems cast as risk and solutions cast as professional standard control systems. As a result, the rationality discourse elevates the professionally trained specialist in a privileged position in the Bank. This has a direct impact on everyday practices. Reflecting the dominant position of the rationality discourse, formality professionals have an important role in everyday management practice and the role of line managers tends to be marginalised. Operations Manager 1 notes:


General Manager 8 voices a similar concern:

‘Es ist seltsam, wenn hier eine verantwortliche Person von Risk sagt: nein wir machen es nicht, dann machen wir es nicht. Es ist nicht mehr eine Business Entscheidung.’ (I8: 1297 – 1308)

This reliance on the judgement of formality professionals is typical for the rationality discourse. The underlying logic is that the formality professional judgements are not ‘real’ decisions but rather the result of a thorough application of formalities or the quasi-scientific result of calculations. As a consequence, formality professionals are the most trusted for impersonal decisions as they are the specialists for applying rules and regulations. Even in cases where there is no relevant formal rule, the rationality discourse provides little room for managerial decisions. In the practice of formality professionals this logic is reflected in their focus on compliance with formal requirements. General Manager 8 recalls this focus on compliance in a recent experience with Audit:
‘Da wurde sehr stark auf die formalistische Einhaltung wert gelegt. Ich glau- 
be, es besteht heute die Tendenz, möglichst viele Regeln aufzustellen, die 
möglichst jeden Fall, der irgendwie auftreten kann, abdeckt.’ (I8: 112 – 127)

Mirroring the logic of the rationality discourse, the number of risk professionals in 
the organisation has sharply increased in the Bank over the last decade.

‘There has been a recent multiplication in the number of people interested 
in regulating, running or controlling the life of the private bank. In the good, 
or the bad old days, we used to have Internal Audit. Now we have got 
Regulatory Risk, Enterprise Risk, Credit Risk, Market Risk. Diversification 
of people, all of whom have a different agenda. Sometimes slightly overlap-
ning as well, which can be confusing in terms of me, the private banker.’ 
(I16: 264 – 329)

This feeling of marginalising managers and a strong increase in the number of 
formality professionals is widely shared in the Bank. There is a shared sense of 
an ‘audit explosion’ (Power 1994) and of a tendency toward the ‘risk manage-
ment of everything’ (Power 2004) as the following quotation shows:

‘Ich sage jetzt etwas, und das ist vielleicht ein wenig provokativ, und es ist 
auch nicht ganz [das Gleiche]. Wir waren Ende der 80er eine Corporate 
Bank, [...], die 800 Leute in der Schweiz hatte und wir hatten zwei Rechts-
anwälte, die uns beraten haben. [...] Heute sind wir weniger Leute, sind in 
einem Private Banking drin, wo man weniger sichtbare Risiken trägt [...], 
und heute haben wir wie viele? Fünf bis sechs Rechtsanwälte, ein 
Reg[ulatory] Risk, das ähnliche Funktionen im Account Opening wahr-
nimmt, [...] Internes und Externes Audit. Ein [Risk Assessment and Control] 
System, das wir einführten, das dasselbe wieder kontrolliert und ein Opera-
tional Risk, das auch noch gewisse Sachen kontrolliert. Wir haben [...] ei-
nen riesen Apparat, in dem alle hinter demselben herrennen.’ (I17: 1622 – 
1721)

Operations Manager 17 observes a sharp increase in the number of formality 
professionals. He also highlights that even though there is an inflation of the 
number of new risk officer roles in organisations, all of these new roles tend to be 
mere reconstructions of existing internal agents as compliance officers or internal 
auditors with a new slant. The powerful position of Audit and Risk Management 
paired with ‘avoiding risk’ as the key argument for business decisions is a mani-
festation of the rationality discourse in everyday practice. As an illustrative ex-
ample, Operations Manager 1 referred to a group of potential clients who were 
ultimately rejected. The reasoning was based on reputational risk considerations 
based on a general uneasiness with the type of business and the geographic 
location they were in – a poultry farm in Asia in this case:
‘Wir haben ein Geschäft abgelehnt, wo es darum geht, eine Geflügelfarm in Indonesien in eine Struktur aufzunehmen, weil man sagt, dass wir im Extremfall verantwortlich für die Ausbreitung vom Bird Flu sein könnten.’  
(I1: 457 – 476)

The case of the poultry farm in Asia is a good example of how idiosyncratic problems are amplified to generic risks. These risk definitions then determine managerial decisions rather than pure business considerations. The marginalisation of management is also reflected in a focus on processes rather than output.

**Irrelevance of output**

The two central assumptions of the rationality discourse – the idea that everyday work practices can be defined independently of the people doing the work and the idea that the one right way of everyday work can be determined objectively – also leads to a focus on controls over work processes rather than on outputs. The output is treated as the logical consequence of proper formal procedures. This process focus reflects the technico-scientific assumptions regarding the effectiveness of processual controls. Processes are idealised as a series of logical steps which can be encoded in formalised structures. Formality Professional 2 has underscored this focus on process in everyday practice. At the very beginning of the interview she defined formality as:

‘Structured and defined work. No ambiguity, clear reporting lines, clear step-by-step processes.’ (I2: 29 – 44)

It is implied that formalised processes lead to the desired results. Formality Professional 2 further underscores the importance of people following the process, of their knowing exactly what they have to do and of their dropping everything else.

The underlying goals of formal processes often remain tacit. The focus on formal processes in everyday practices relies on the assumptions that, first, goals are unambiguous and commonly agreed on and, second, that the goals are best achieved by having the goals translated into formalised processes which in turn lead the organisation to the desired results. Operations Manager 4 offered a telling example. He introduced formal procedures in order to ensure that people are focusing on the ‘right’ things.

‘Man kann auch unter Umständen durch die Definition von Prozessen – wie soll ich sagen – dafür sorgen, dass man sich aufs Richtige konzentriert. […] Ich gebe Ihnen ein Beispiel, das ist mein [Internes Kontrollsystem]. Als ich es eingeführt, gab es wahnsinnig Widerstand. Man muss jeden Tag abvisie-

While Operations Manager 4 was convinced that the introduction to this internal control system was the right thing, his team was not. Nevertheless he had no doubts about introducing the internal control system as he has considered the introduction of a signing routine as the logical way to ensure that his team would complete all of the necessary duties every day.

The focus on processes is reflected by the positive values attached to typical processual aspects such as control, consistency and efficiency. In the context of project work, Operations Manager 9 makes a clear statement in favour of processual controls:

‘Es ist begründet durch die Kontrollmechanismen, […] dass man früh erkennt, wo ist ein Problem, wo ist irgendwo ein Punkt, der für das Gesamtprojekt kritisch werden könnte. Wir brauchen bei uns das Ampelsystem, wo man relativ schnell etwas auf ’Amber’ stellt, wenn man ein Problem hat. Und dies erhöht dann entsprechend den Druck, dass man sich wirklich mit diesem Problem befasst. Wenn man dies nicht hätte, wäre das Risiko gross, dass das ganze Projekt einfach weiterplubbert, und irgendwann am Schluss merkt man ’Houston, we’ve got a problem’. Also es hilft sicherlich, das Projekt enger zu steuern, als wenn man dies nicht hätte. Das ist ganz sicher so.’ (I9: 675 – 720)

Similarly, the notion of consistency in organising referred to repeatedly during the interviews. Most incisively, Formality Professional 2 has advocated the value of consistency in processes. She condenses a long list of reasons why formalising is a good thing into two primary aspects: consistency and control:

‘Make sure that we undertake business consistently. Don’t get different private bankers doing things in a different way across different teams without deciding that’s what you want to do. To make sure that decisions are taken at an appropriate level. I guess it’s a long list of reasons like that – mostly around consistency and control.’ (I2: 112 – 151)
Conceiving of the output of everyday practices as the logical consequences of work practices, outputs themselves tend to be marginalised. This blind spot is particularly relevant for situations not covered in the formal rulebook. Again, this blind spot may contribute to an irrational outcome despite the rationalistic approach to everyday practices.
Myth discourse

In part III, we established that the myth discourse sees formality ‘things’ decoupled from everyday practices. The underlying logic indicates that the best way of doing things entails following common sense and not formalities. Common sense is continuously developed in everyday interactions and reflects an amalgamation of common experiences as the reservoir for guiding instruction in everyday practice. Formalities in turn are seen as external to everyday interactions and therefore only roughly tuned to the nuances of everyday practices. While formalities are understood as fixed, common sense provides individuals with leeway in everyday practices. Common sense puts trust in others before compliance with formalities. Trusting people in everyday interaction is the fundamental driver in everyday interaction. Showing compliance with formalities, however, is not a mere option but an additional duty in everyday work. In that sense, the myth discourse splits everyday practices into two separate categories: doing the job and doing formalities. The necessity of proving compliance with formal structure is itself understood as common sense as it protects the work environment from unwanted external disturbances and thus increases the survival perspectives of the team.

What does such a normative grounding mean for everyday encounters with formalities and what are its system effects? In this chapter, I again start by examining people’s reactions to problems and then speculate on how these patterns infuse systemic consequences into the Bank’s organisation. The myth discourse typically blames excessive formalisation and its related loss of trust for problems. As a remedy, the Bank’s myth discourse puts forward a double strategy reflecting the dualistic view on everyday practices and formalities. I argue that the typical reaction pattern is to mend the myth of formalities by adapting formalities to new situations or by introducing new formalities without necessarily changing everyday practices. This reaction pattern has a series of consequences on formality at work – both centrifugal and centripetal.

On the one hand, the myth discourse contributes in a centripetal way of fostering the hegemonic values of formalisation and professionalisation. Managers take on additional workload in order to mind formalities and document according to outside stakeholders’ expectations. In this respect, the myth discourse attributes high importance to formal documentation. On the other hand, the decoupling of everyday work practice from the practices of producing formal compliance to outside stakeholder is the source of centrifugal forces. The decoupling leads to a routinisation of non-compliance in everyday practices. In addition, the myth dis-
course sows the seeds for a lulling effect. For a better understanding of the centripetal and centrifugal forces, let us again start with looking at its reaction pattern in the face of problems.

Reaction to problems

Investigating the interaction and system effects of the myth discourse in everyday practice, I again turn to how the Bank reacts to problems. As argued before, the focus on problems allows us to analyse discursive patterns because people have to rationalise about the solution to these problems. Rationalizing means building a coherent argumentation by drawing on available formalising discourses.

Similar to the rationality discourse, a dissociation of the concrete particular of everyday practice and the transcendent aspect of formality ‘things’ appears in the myth discourse – but for a fundamentally different reason. While the Bank’s rationality discourse grounds this belief in the scientific foundation of social organisation, the myth discourse deploys this dissociation as a protection mechanism for common sense in everyday practice. To absorb negative effects of formalisations conceived of as contrary to common sense, the myth discourse separates local practices of everyday work from practices of proving compliance to outside stakeholders. Inside the team, the myth discourse hampers the direct application of formalities by filtering formalities through common sense. As far as the outside world is concerned, the myth discourse plays by the rules of the hegemonic rationality discourse. As formality ‘things’ are embedded in a rationality discourse logic, problems are all seen as deficiencies in the formal structure. Reactions to problems in relation to the outside therefore mirror the reaction patterns of the rationality discourse, while in everyday practice there tends to be much less impact.

This double strategy is visible in the following comment with respect to deficiencies reported by auditors – so-called audit issues. Formality Professional 15 refers to the Bank’s requirement that no audit issue remain unresolved for longer than two months.

‘Die ‘Audit Issues’ sind für mich ein extremes Beispiel […] Wenn ich es nicht so umsetzen kann wie vorgesehen, muss ich halt wieder eine Alternative finden mit dem Effekt, dass ich eigentlich parallel an zwei Lösungen arbeite – an der kurzfristigen Quick-Win Lösung, die nicht unbedingt eine Win-Situation ist, sondern einfach nur ein Zusatzaufwand, weil ich nicht mehr als zwei Monate brauchen darf und dann trotzdem und parallel mit einem Zusatzaufwand an der fixfertigen Lösung arbeiten muss, die halt vier
Doubling up work is typical for the myth discourse. On the one hand, there is work for upholding the myth of complying with the formal requirement to solve an audit issue within two months. This practice of upholding the myth is filtered through the rationality logic of the Bank’s formal expectations. On the other hand, there is a practice filtered through common sense mirroring the myth logic of everyday practice. The formality professional’s concern that the formal approach is not effective also shows a sense of a common good beyond the formal structure. This is typical of the myth discourse. The myth discourse embodies a clear sense of a more important ‘common good’ for the Bank, which must be protected against the logic of formal requirement.

The doubling of work is also more directly visible in everyday practices. Relationship Manager 16 notes that the practice of matching formal expectations takes up a large part of his everyday management duties.

‘ Probably the sad thing is that a lot of the interface with the team members is more based on chasing up missing documents, address verifications pending items, […] rather than spending time talking about business. Business if anything tends to be elevated by the guys to me. In other words, to do your job as a team manager you’re probably doing the administrative stuff and the regulatory risk related stuff with people more than you are actively managing and nurturing the business.’ (I16: 1144 – 1235)

The quotation illustrates the doubling-up of everyday practices – one for doing the ‘job’ and one for ‘administrative stuff and risk-related stuff’. This doubling-up strategy also has an important impact on the Bank’s internal structure. There is a sense of a distinct group of risk professionals who have very little to do with everyday work but rather are involved in upholding the ‘myth’ of compliance to the outside world. From a myth discourse perspective, this group of risk professionals could be referred to as the Bank’s ‘myth industry’.

The Bank’s ‘myth industry’

The practice of upholding the myth to the outside mirrors the reaction patterns of the rationality discourse. This protective mirroring of the rationality interaction pattern also results in seeking solutions to problems at the Bank level in increased formalising and professionalising. Because limited capacity is ascribed to formality ‘things’, increased formalising can be cushioned by common sense in
everyday practice. Therefore, the myth discourse also contributes to a continuous reinforcement of formalising in everyday practice. This is the centripetal force of the myth discourse.

The practice of upholding the myth of compliance is portrayed as loosely coupled with everyday work and is therefore conceived of as having a life of its own. This decoupling is seen as an organisation-wide phenomenon at various levels. This organisational phenomenon can be framed in a conception of a separate ‘myth industry’. This ‘myth industry’ particularly refers to the practices related to formality professionals, i.e., to the ‘administrative stuff’ and the ‘risk-related stuff’ that Relationship Manager 16 referred to in the above quotation. Formality professionals such as auditors or risk managers play a key role in (re-)producing of the myth of the organisation. The practice of documenting according to the organisation’s requirement as well as the practice of checking that the documentation complies with the organisation’s requirements becomes an important organisational ‘industry’ decoupled from everyday work. This Risk and Audit-dominated ‘myth industry’ is iteratively taken up in the interviews.


Operations Manager 14 clearly points out the typical pattern for solving problems through increasing formalisation.

In operational practice, formalisation mainly manifests itself in documenting and reporting practices. Documentation is intended to provide evidence that the controls in place are effective and that they correspond to ‘objective’ good practices as defined by the ‘myth industry’s’ expert systems. The formal structure’s expectation of providing positive assurance of effective work and control practices is sensible in the Bank. This is clearly voiced by Formality Professional 11. He refers to systemic difficulties when attempting to report a ‘reality’ that deviates from the formal structure’s expectations.

‘Man muss lernen, was sind die wichtigen Punkte […]. Dort muss man Prioritäten setzen und brutal genug sein zu sagen: Das haben wir einfach nicht gemacht, weil ich habe etwas materiell Wichtigeres lösen müssen in der Zwischenzeit und ich habe da die Prioritäten gesetzt. Es ist aber so, dass es doch einiges an Gespür und diplomatischem Geschick braucht, um dies
so zu überleben. Weil sehr oft muss man sagen: Sorry, dass haben wir noch nicht gemacht, da sind wir noch nicht so weit.’ (I11: 2028 – 2065)

The quotation shows the typical demarcation of ‘us’ versus ‘others’. He consistently uses ‘us’ and focuses on the interface with outsiders. He adds:


The quotation highlights another key practice in the myth discourse: formal reporting. The practice of confirming by documenting is key to the ‘myth industry’. As in the above example, the confirmation is done in writing and not simply by speaking with someone. Mirroring the fundamental value of the impersonality of the rationality discourse, documentation stands for the very opposite of what the Bank’s myth discourse values. Impersonal and objective representation is valued more highly than personalised and trust-based interactions.

The fundamental value conflict is a key aspect of the decoupling of everyday practice from the practices of formal compliance. Consequently, the myth discourse views an inherent problem of over-documentation in the Bank. Put succinctly, the myth discourse holds that what is documented is simply what the formal structure asks for and not what ‘really’ is. Formality Professional 2 voices, for example, concern of over-documentation and a mismatch between ‘reality’ and ‘formality’.

‘I think that’s very true. […] I get quite wary personally of over-documenting risks and putting too heavy burden on people. Because I think in the end, if you sit down and talk to people, they can tell you, if you ask them a load of questions, they will tell you pretty much what goes wrong. […] If you give them a checklist, they stick to the checklist and they won’t tell you what else goes wrong as well. So you kind of narrow the response you get by relying too much on checklists.’ (I2: 1802 – 1848)

As the quotation highlights, people typically report according to the expectations of the formal systems. This does not, however, imply systematic ‘sunshine reporting’, which refers to the reporting practice of systematically portraying a better situation than there is in practice. There is no exclusive positive bias observed. There is also a formal expectation that problems will occur. This formal expectation of the emergence of problems is the very legitimating basis for the
Bank’s ‘myth industry’. Detecting and solving problems is the very function of Audit and Risk management in the organisation. Therefore, the systematic bias toward the system’s expectations also engenders a certain number of problems that continuously need to be worked on as part of the Bank’s self-conception of organising.


Audit and Risk functions are at the centre of the organisational ‘myth industry’. Similarly, Audit and risk management practices are enveloped in the myth discourse. They also live dualistic practices of everyday work on the one side and practices of upholding the myth of Audit’s and Risk’s effectiveness on the other. Asking what audits produce, the rationality discourse answer would be: Assurance on the effectiveness of control systems. From a myth discourse perspective, Power (2003: 380) points to a more mischievous answer to this question: ‘Audits produce paper, and quite a lot of it’. With this provocative statement, Power draws our attention to the fact that papers are central to the production of the legitimacy of both auditors and auditees. However, they can never be a full representation of a neutral reality.

Typical of such a development is also the Sarbanes-Oxley regulation. This regulation explicitly requires documentation of work and control processes to make them transparent – and thus auditable – to outside stakeholders.

The need for meeting outside stakeholders’ expectations rather than representing the ‘reality’ of everyday work practices appears in Formality Professional 11’s account about a database of so-called residual risks. He reports the expectation that there always needs to be a certain number of items in the database regardless of whether or not they are relevant in practice. He recounts his experiences in his attempt to reconcile two separate databases containing a list of residual risks:

‘Mittlerweile haben wir zumindest versucht die beiden [Datenbanken] mit-einander abzugleichen, und habe einen Auftrag erteilt, sie sollen in der al-ten Datenbank gewisse Sachen löschen […]. Und die Antwort ist, […] noch
The quotation is another good illustration of the myth’s industry of the decoupling of work practices and practices of managing formal expectations. Everyday problems are stowed in the cotton wool of formality and thus protected against deviant practices. This mechanism is the underlying logic of the centripetal forces of the myth discourse to foster formalisation and professionalisation. The decoupling of work and myth practices, however, also embodies contradictory tensions that are manifested in paradoxical effects in the Bank. This is the topic of the next section.

Centrifugal forces

The contradictory normativities of the myth discourse and the rationality logic of formality ‘things’ also lead to paradoxical effects in the Bank. The paradoxical effects result from normative clashes between the myth discourse emphasis on common sense and the hegemonic rationality logic of impersonality. Consequently, the paradoxes must be considered centrifugal as they undermine basic assumptions of the hegemonic rationality discourse. Two types of centrifugal effects have been identified in this study: First, there is a normalisation of deviance and, second, a lulling effect observable in the Bank. I will consider both effects in turn.

Normalisation of deviance

While the rationality discourse starts with the assumption that formalities are put into practice according to ‘the letter of the law’, the myth discourse underscores that formalities are put through the riddle screen of common sense. The filtering of formalities by common sense leads to practices that are deviant from formal requirements. Two distinguishable types of deviant practices repeatedly appear in the interview accounts. First, interviewees observe a routinisation of applying formalities in an efficient way by increasingly stripping the formal requirements of time-consuming aspects. Second, interviewees observe a tendency toward active deviance if formalities are contrary to common sense.
The stripping of time-consuming aspects from formalities is typically related to the common sense aim of working efficiently. Enveloped in the myth discourse, managers excuse themselves from complying with the letter of the law in routine activities. The ahistoric and atemporal nature of formalities leads to a general assumption that if something was correct once, it will still be correct the next time. While formalities tend to be followed diligently the first few times, managers tend to limit increasingly formal compliance. As proving compliance is decoupled from everyday work, formalities tend to be eliminated from anything that is not directly linked to the myth process of proving formal compliance to the outside. Operations Manager 12, for example, observes a routinisation of checking signatures against one’s memory rather than the official signature database as required.

‘Was ich auch gut vorstellen kann [ist], dass wenn jemand einen Kunden schon länger kennt und die Unterschrift täglich für einen Zahlungsauftrag rein kommt, dass man dort schnell sagt, die Unterschrift kenne ich, die habe ich gestern schon gesehen. Dass aber vielleicht in der Zwischenzeit, die Unterschriftsberechtigung auf dem Konto geändert hat, dass der vielleicht gar nicht zeichnungsberechtigt ist auf dem Konto, das realisiert man dann unter Umständen aber nicht. Der andere Punkt, denke ich schon, dass durch die Routine jemand mit der Zeit sagt, der hat dies jetzt immer kontrolliert, wenn sie heute so aussieht, dann ist sie morgen sicherlich auch noch so, was will ich da noch gross hinterfragen. Das ist schon ein Punkt, den man miteinbeziehen muss, dass man die Routinekontrollen immer macht und diese eben zur Routine wird. Dass dann etwas passieren kann, das ausserhalb dieser Routine stattfindet, und dann macht man den Haken trotzdem drauf.’ (I12: 2180 – 2240)

The quotation shows how formalities are stripped down to the minimum necessary for proving compliance. In this example, signature checks are confirmed without the required check against the client signature on file in the database. An important aspect of the myth discourse is the notion of time and its related concept of routinisation. Contrary to the rationality discourse, the myth discourse views encounters with formalities as related to time. In that sense, the routinisation of everyday practices is reflected in the gradual substitution of compliance to the letter with compliance to experience manifested in common sense. Non-compliance is thus incrementally transformed into acceptable behaviours – a type of process Vaughan (1996) refers to as normalisation of deviance.

Another essential distinction from the rationality discourse is the myth discourse valuation of personalised relationships. The myth discourse builds interactions mainly on trust. The reliance on trust rather than compliance with the letter is an-
other facet of the routinisation of non-compliance. Operations Manager 12 continues:

‘Schlimmer wäre es wohl, wenn man sagen würde, man macht irgendein Sechs-Augen oder Acht-Augen Prinzip. Weil dann fördert man sicherlich das, dass der letzte sagt, ja die anderen drei haben es auch schon ange- schaut, was will ich da noch.’ (I12: 2240 – 2252)

As the example shows, trust leads to relying on others’ performing the same formal control. This reliance on trust further legitimates a reduction in formal compliance. Reliance on trust is a recurrent theme in the interviews. Trust is conceived of as the binding glue of the team. Trust typically takes precedence over the requirements for compliance in everyday practice. While the concept of trust is completely absent in the rationality discourse and thus also in formality ‘things’, trust is the structuring device of interaction in the myth discourse. Consequently, the attempt to foster control structures by fostering overview mechanisms within the team – what Operations Manager 12 refers to as the six-eyes or eight-eyes principle – is doomed to fail in the logic of the myth discourse. Any doubling up of similar control mechanisms tends to be made ineffective by people trusting the one who performed the check before – the first pair of eyes. Formality Professional 18 illustrates this phenomenon of trust replacing formal procedures in everyday practice.

‘Ich denke gerade im Zahlungsverkehr. Wir machen dies inzwischen mit schätzungsweise zwölf Personen, die involviert sind vom Zeitpunkt, an dem der Kunde anruft, bis zum Zeitpunkt, an dem der Kunde das Geld bei der anderen Bank hat. Persönlich glaube ich nicht, dass die dritte und vierte Person, welche die Unterschrift prüft, wirklich noch nachschaut […]. Sie schaut einfach, da haben ja schon drei andere unterschrieben und gesagt die Unterschrift sei in Ordnung und ist geprüft und dann schwups geht es weg […] Und selbstverständlich verlassen sie sich darauf, dass hinten noch die Unterschrift noch von zwei anderen angeschaut wird. Also das ist meine Erwartung, die ich habe.’ (I18: 713 – 764)

The example shows the mechanism through which second and third checks are made ineffective by trust relationships. The duality of trust and formality in interaction is a key driver of the routinisation of non-compliance and thus leads to a normalisation of deviance.

In the Bank’s myth discourse, trusting somebody is not simply an effective excuse for not performing a certain control as required. On the contrary, trust and formal controls are to a certain extent mutually exclusive concepts in interaction. Either you trust someone or you check up on him. Insisting on checking a col-
league’s work bears the risk of harming the trust relationship. Conversely, upholding trust typically means removing formal controls from personal interactions. An insightful example of this interactional pattern is the dual callback requirement in the Bank. For bigger money transfers, two relationship managers need to call the client and independently confirm the correctness of the order. This was raised repeatedly as a major concern.


Operations Manager 12 points to a loss of trust in interaction through increased formalisations due to the dual callback requirement. To preserve a kernel of trust against formalisation, the myth discourse relies on the strategy of dissociation of everyday interaction and the practice of proving compliance. Dissociating everyday practice of work from the everyday practice of upholding the myth means in practice a normalisation of deviance from formal requirements. Working with the example of the dual callback, he further notes:

‘Wenn man praxisbezogen hört, dass die Vorgabe eigentlich wäre, dass der zweite diesen [Kunden] identifizieren muss. Da bin ich überzeugt, dass der Dual-Callback so behandelt wird, dass einfach zwei zuhören, aber ich weiss wirklich nicht, ob der zweite […] wirklich den Kunden identifizieren kann.’ (I12: 528 – 549)

The quotation points to a practice of formally upholding the myth of formal compliance without effectively executing the substance of the control, i.e., a proper identification of the client.

The goal of upholding the myth of compliance is also revealed in the practice of documenting according to formality requirements without any factual grounding. Manager 18 holds the following view:

‘Ich denke auch bei den Callbacks, das habe ich schon selbst miterlebt, dass Zahlungsaufträge reinkamen und dann hiess es, ich nimm sie schnell auf den Lautsprecher, es steht noch jemand anders im Büro und dieser wurde dann gefragt, zu unterschreiben, dass es dieser Kunde sei. Nicht
The practice of confirming the completion of a control by signing based on trust rather than proper checking is often cited. Manager 18 also observes:


The quotation shows a clear pattern of reacting to apparent contradiction to common sense logic. Evasive actions are taken and formality ‘doings’ are limited to what is needed to uphold the myth of compliance. In the case of dual callbacks, team interactions and client relationships are kept as trust-based as possible. This practice of upholding the myth of compliance is based on trust relationships within the team and a sense of ‘us’ versus the ‘others,’ as outlined in the chapter on the normativity of the myth discourse.

To outside stakeholders, the dissociated practice of upholding the myth of compliance underpinned by the routinisation of non-compliance and the normalisation of behaviour leads to a lulling effect in the Bank. This is the topic of the next section.

**Lulling effects**

The myth discourse sees the most apparent systemic consequence of formalities in a lulling effect in the Bank. The apparent success of the Bank’s formal structure produced by the ‘myth industry’ may lead to complacency regarding the quality of the Bank’s everyday practices. That complacency in turn may lead to blindness and inertia with respect to the ‘real’ problems in the Bank. The lulling effect is seen as the consequence of the unrealised promise of formalities underpinned by the rationality discourse. Operations Manager 14 refers to the lulling effect in the following way:

‘Überformalisieren hat aber immer dieselbe Konsequenz. Man verlangsamt, man bürokratisiert, man nimmt Kompetenzen aus der Linie und man beginnt, sich auf die Bürokratie zu verlassen. Wenn der Formalisierungsgrad so hoch ist, dass man sicher sein kann, dass immer alles gemacht ist und zumindest kein Grund mehr hat, zu irgend etwas nein zu sagen, ab dem Punkt wird es dann kontraproduktiv.’ (I14: 211 – 241)
The quotation points out the risk of simply relying on the formal control system. Based on the rationality discourse assumption of an effective control system, managers are not thought to challenge what is documented. The rationality discourse conceives of documentation as a true representation of everyday practices. The myth discourse in turn breaks up this direct coupling between formality ‘things’ and everyday practice. The myth discourse sees the lulling effect as grounded in this flawed view of a direct coupling. Such a view excludes constitutive aspects of everyday practices. The rationalistic view may lead to problematic situations. If all aspects are portrayed as fully compliant, everyday practices are considered as equally well controlled. The rationalistic view entails management attention being exclusively turned toward what appears on the radar screen of formal reporting. This radar screen only shows a distorted picture of everyday practices.

While the rationality discourse promises complete formal control, the myth discourse considers complete formal control of everyday practices as impossible. Therefore, the effectiveness of formalities is systematically embellished. Formality Professional 3 explicitly portrays such a systematically biased view.

‘Ich nehme an, der Verwaltungsrat, das Audit Committee und auch die Geschäftsleitung glauben, wir hätten ein gutes bis sehr gutes Regelwerk. Oder zumindest tun sie so. Im Verwaltungsrat glauben sie daran, im Audit Committee tun sie so, als ob sie daran glaubten, die Geschäftsleitung schauen darauf, dass die anderen dies glauben. Ich weiss es nicht.’ (I3: 2353 – 2375)

The quotation reports a flawed understanding of the internal formal system. In a similar vein, the interviewees iteratively argued that the systematically embellished representation of the effectiveness of formalities in everyday practices leads to a distorted sense of security. This sense of security arguably distracts people’s attention from the ‘real’ problems of everyday practices and instead directs it toward the formal representation of problems. As these problems are systematically attenuated by the Bank’s myth industry, the outside stakeholders, who are distanced from everyday practices, typically reaffirm the Bank’s formal structure as adequate. This mechanism brings an inherent inertia to the formal structure of the Bank. General Manager 8 brings up the example of know your client (KYC)\textsuperscript{18} requirements.

\textsuperscript{18} The so-called ‘know your customer’ requirements are derived from the Agreement on Due Diligence. This is an agreement between the Swiss banks on the banks’ code of conduct with regard to the exercise of due diligence (CDB). The latest revised version of the CDB came into force on 1 July 2003.

The quotation refers to a flawed sense of security in the context of account opening formalities. Underlying this flawed sense of security is the formality ‘things’ promise of tight coupling.

General Manager 8 draws attention to an important distinction that the myth discourse draws between the letter and the spirit of formalities. While the rationality discourse sees the spirit of a formality automatically represented by compliance with the letter, the myth discourse equates the spirit of the law to common sense, which is often different to compliance with the letter.

General Manager 8 identifies another paradoxical effect of formalities as a nu ance of the lulling effect. In implementing detailed formal requirements in an effort to avoid fraud attempts, the very opposite can be the result. Detailed formal procedures can provide guidance for potential fraud in dealing with the Bank.

‘Ja nicht nur dies. Sondern ich glaube auch diejenigen, die ein Konto erschleichen wollen im Private Banking, dass man denen eine richtige Hand lungsanleitung in die Hand gibt, wie sie es machen können. Wenn sie dies und dies alles bringen, werden die meisten das Konto eröffnen und werden dann sagen, aber wir haben doch alles gemacht.’ (I8: 518 – 537)

The lulling effect also materialises in the formal tools applied in management. Drawing on rationality discourse logic, formal reporting practices tend to be presented in quasi-scientific terms. As introduced above, Risk draws legitimacy from applying mathematical tools to measure and map the risks involved in everyday practices. Based on the untouchable position of these tools within the Bank’s rationality discourse, the results are often taken as absolute.
The myth discourse, in turn, portrays the measurement of risks as another promise that cannot be kept in everyday practice. The myth discourse sees the numerous assumptions underlying the calculations as problematic. In particular, statistical tools are criticised for being valuable in general, but not in distinct everyday situations, a differentiation that is irrelevant in the rationality discourse. General Manager 8 refers to this problematic situation in relation to the Bank’s risk assessment:


While the reliance on an impersonal mathematical tool is key for legitimacy under the rationality discourse, the myth discourse sees such tools as unhelpful in dealing with concrete everyday situations. In the myth discourse, these tools serve mainly to formally uphold the myth of compliance. From a myth discourse logic, such quasi-scientific tools are to be criticised for wrongly concluding on concrete everyday situations from generalised standards. This risk management system exemplifies the systematic bias of formal representation and everyday practices. While statistical calculations make a statement in terms of probability or means, they can never provide any clear prediction of a particular situation. This decoupling of the formal structure from concrete everyday situations is not reflected in the formal structure of the Bank. From a myth discourse perspective, the decoupling is the main reason for the systematically biased formal representation of everyday practice and thus for the lulling effect in the Bank.
Game discourse

In part III, we established the essence of the game discourse. Reflecting the nature of games, formality can only be made sense of in the here and now of concrete situations. Managers make sense of formalities with respect to strategic needs. Related to self-interest, partiality is identified as the underlying normativity in interaction. Both the production and the application of formalities are constructed in a process of influencing and interpreting. Formality ‘things’ set the boundaries in game-like interactions. However, formality ‘things’ do not predetermine any outcome. Decisive are people’s skills in strategically manoeuvring through the options of the game. In that sense, the focus of the game discourse is on the spaces or the loopholes created by the formalities rather than on the limitations induced.

To investigate the interaction and system effects, I again begin by examining typical patterns of reaction to problems. I investigate how the metaphor of game is translated into organisational practice. The view of formality ‘things’ as the arena of everyday practice guided by self-interest has an important impact on people’s interaction as well as on the Bank’s system as a whole. The reaction to problems typically consists of strategically choosing formality ‘things’ and ‘playing fields’ that allow an individual to best achieve his self-interested objectives. Beyond choosing formality ‘things’ and ‘playing fields’, skilful actors mould formality ‘things’ to best fit personal interests.

Interaction and system effects of the game discourse are also both centripetal and centrifugal. On the one hand, the game discourse also embodies the same propensity toward increased formalisation and professionalisation. On the other hand, the game discourse also engenders system and interactional effects that are fundamentally contradictory to the underlying logic of the rationality discourse. Four different centrifugal forces emerged in the analysis. First, the game discourse brings about evolutionary rather than systematic organisational development. The focus on personal gain in the here and now of everyday practices precludes long-term rational planning as well holistic organisational planning. Second, the game discourse results in a morality paradox in the organisation. While the rationality discourse portrays formalisation as the best way to institutionalise moral values in the organisation, the Bank’s game discourse tends to render moral values irrelevant in everyday interactions. Third, the game discourse also shows a power paradox in the organisation. While the rationality discourse sees formalisation as a means to limit the power of individuals in the organisation, the game discourse at the Bank provides the formality professionals
powerful resources for leveraging their literacy in formality ‘things’ to foster their power position. Finally, there can be a documentation paradox. The goal of documenting is distorted from a fair representation of ‘reality’ in everyday practices to a strategic instrument to support strategic decisions.

Reaction to problems
Investigating the effects of the game discourse in everyday practice, I turn now to the pattern of how problems are defined and solved under this discourse. Again, I start with how people make sense of problems in everyday practice. A problem focus allows us to analyse discursive patterns because people have to rationalise the solution to these problems. Rationalising relates to building a coherent argumentation by drawing on available formalising discourses. The main concern in the interviews that draw on the game discourse is not the formality itself but the inability to skilfully deploy the formalities for one’s own interest. Skilful manoeuvring in the formality spaces is the key success factor in interacting. Operations Manager 1, for instance, criticises that the available room for manoeuvre is not used effectively in the Bank:

‘Man hat sicherlich noch gewissen Spielraum intern. Wobei dieser bei uns wenig genutzt wird.’ (I1: 380 – 392)

Formality Professional 3 identifies a similar problem in the Bank. Formalities are not strategically taken into account in everyday interactions. He observes that the top management does not systematically take account of the formality space.


The typical problem in everyday action is the lack of skills; thus, the logical solution to problems is therefore to improve interactional skills. Improving interactional skills refers to the ability to pursue personal interests very efficiently in the formal arena of the organisation, that is, to make the most of formalities.

Whereas the rationality discourse portrays formalities as limiting everyday practices, the game discourse underscores the importance of formalities in creating spaces. Interaction needs certain rules to establish a level playing field and thus to enable interaction. Based on the rules of irrelevance, every set of formalities in
a particular type of interaction creates spaces by suspending ‘real’ life. Rendering everyday concerns irrelevant, the set of formalities in the interaction produces an alternative frame of meaning. Everyday concerns, such as ethical, moral or aesthetic, become irrelevant if not included explicitly in the set of applicable formalities. This leaves room for skilful players. The driving force in interaction therefore involves making the most of the space created by formalities.

The aim of making the most of formalities in interactions was expressed in various ways in the interviews. First, the fragmentation of the formality space allows strategically choosing a playing field for the interactions that best fit self-interest. Second, a distinctive formality playing field often involves competing and also incompatible requirements. The often fragmented formality playing fields thus leave considerable room for selecting and interpreting among formal constraints. Third, to achieve personal goals successfully, managers need to build up personal networks in support of their own case. These interactional patterns contribute to the centripetal forces of increased formalisation and professionalisation. The formalisation of interactions is part of the strategic interactions in which managers engage. Underlying all of these interaction strategies is an effort to making the most of the formality space.

**Strategic choice of playing fields**

In part III, I introduced the view that there are multiple playing fields to choose from in interactions. Obviously, there is not always a choice of multiple formalities in everyday interactions. Most often, the arena of interaction is given. Routines that in place are not always questioned. However, even in the most routine banking processes, such as the payment process, there are nevertheless switches to other interaction orders in everyday practice. Formality Professional 3, for example, refers to such a move to another interaction order in the acceptance of client payment instructions. Avoiding the onerous process of confirming telephone calls – the dual callback procedure – relationship managers are noted for switching to the interaction order of written instruction.

Whereas in everyday practice, as in this quotation, changes in interaction orders can be observed, there are also examples of changing the playing field altogether. As introduced in the preceding chapters, there is a widely shared sense of overregulation in the Bank. Relationship managers in particular voiced concerns about the negative impact of internal regulation on the client relationship. As the recurring example of dual callbacks shows, the Bank is often viewed as an unattractive playing field for making the most of the client relationship. A typical reaction under the game discourse is to change the interaction order within the field. The above example shows a strategic move from a telephone to a written interaction.

Alternatively, managers can change the playing field altogether. Instead of playing with the available formalities in a particular field, there were anecdotes in interviews about managers strategically leaving a formality field to move to a more favourable one. A phenomenon that is often observed in the Bank involves client interactions being removed from the Bank and delegated to outside fund managers. With outside fund managers as intermediaries between the Bank and the client, the Bank provides banking products and processing, but does not assume any client-facing activities. With such a business model, the reach of internal regulation of the Bank is restricted to the operations aspect. The client relationship managers do not sit within the Bank, but are now with the outside fund manager and therefore freed from the Bank’s internal regulation. In the case of difficult requirements or relationships, a practice is observed to avoid internal regulation by interposing outside fund managers. There was reference to a number of relationship managers having left the Bank to continue serving the same clients with the Bank’s products as outside fund managers. Operations Manager 1 recounts:

The example of outside fund managers clearly highlights strategic choices regarding the playing field in everyday practices.

While multiple options exist on the level of everyday practices, strategic choices of playing fields are also visible in formal strategic decisions of the Bank. In the Bank’s strategy decisions, formalities are seen as an important factor for deciding courses of action. Formality Professional 3’s view that playing fields should be chosen deliberately instead of just competing on all fields is illustrative of that view:


The above quotation suggests a certain lack of thoughtful consideration of strategic choices with respect to the formal playing field. However, managers also brought up a number of examples where interactions were transferred from one formal context to another in order to optimise the Bank’s overall gains. A first example was the deliberate framing of an organisational improvement programme as a ‘business strategy’ instead of a ‘project’. As there are stricter requirements on projects, there is a tendency to avoid framing organisational actions as a project. Operations Manager 1 notes:


Another example refers to dealing with payment transactions in the context of the US-embargo against the former Yugoslavia.

There are also examples of strategic choices regarding the market regulations under which a bank establishes a financial product. As there are multiple regulatory bodies for financial products in international financial markets, there is a strategic choice of the regulator that best fits the personal needs of the Bank. Formality Professional 3 brings up the example of fund regulations:


Finally, there are also strategic choices concerning the right regulatory form in the interaction between the Group and the Bank. Again, the choice of the playing field is determined by the players’ skills in manoeuvring through the available options. In other words, successful management is determined by placing everyday practices on the right field rather than the formalities themselves. Formality Professional 18 brings up how country risk considerations can be offset by changing the regulatory body without changing the underlying assets.

‘Also wenn wir in Kasachstan sind, aber dort keine Länderlimite bekommen, weil die [Gruppe] sagt, dort gibt es nichts, dann gibt es einfach nichts. Dann kann man es noch versuchen mit den eigenen Weisungen zu schlagen, weil sie irgendwo sagen, wenn wir dann einen Fonds haben, der in Luxemburg domiziliert ist, dann muss man nicht die Aktien in Kasachstan als Risiko betrachten, sondern der Fonds in Luxemburg. Das ist für mich eigentlich eine wunderbare [Variante], um […] eine vernünftige Weisung zu umgehen, dass man es so auslegt, dass es auf dem Papier sicher stimmt, aber dem Sinn der Weisung nicht unbedingt entspricht.’ (I18: 3449 – 3525)

The choice of the right playing field is mentioned as an important option in the game discourse. However, opting out of an interactional order by moving to another playing field is seen as the exception rather than the rule. While the game discourse accords agency to individual players, it is an embedded notion of agency. The players are embedded in the formal structure, which itself provides, and limits the available options. There is therefore a dynamic interplay between the individual’s agency and the formalities. Unlike moving between playing fields,
great importance is attached to skilful selection and interpretation of formalities within a playing field.

**Strategic selection and interpretation**

The game discourse sees interactions as a dynamic interplay between organisational actors and the relevant formalities. While formalities set boundaries on interactions, in practice, there is typically a great deal of leeway in selecting and interpreting formalities. Important in the process of strategically selecting and interpreting formalities are the expectations regarding how – real or supposed – opponents will act. While the myth discourse and the rationality discourse conceive of formalities as reified and fixed, the interactional focus of the game discourse renders the encounters with formalities contingent on the interactional dynamics in everyday practice. There is no one best way to select and interpret formalities in everyday practice. Instead, formalities need to be skilfully selected and interpreted according to concrete interactional situations. The strategic selection and interpretation of formalities in the light of possible opponents is crucial for the game discourse.

Both types of interactional strategies – offence and defence – are based on a mechanism of strategically selecting and interpreting formalities in the face of possible opponents. As argued in part III, people are not organisational ‘automatons’ but undertake purposive actions. Strategic selection and interpretation of formalities therefore implies the necessity of weighing possible outcomes in the decisions on how to behave in practice. Formalities are not seen as absolute determinants of interactions but rather as reference points. More importantly, interactions are guided by weighing the potential gains against the potential negative consequences of a chosen strategy. General Manager 8 views formality as being similar to the rules of a football game. Everything is allowed as long as the referee does not see it. If, however, he does see it, the manager makes sure the advantage of having bent the rule outdoes the potential penalty incurred. He offers a fictitious example of a sale to a wealthy client and underscores the pre-eminence of achieving a personal goal. Compliance to formalities is not a value in itself.

‘Wie kann ich es zum Laufen bringen? Oder, anders frage ich, was ist das Risiko erwischen zu werden? Und was bedeutet dies? Richtiges Risiko Management: Ich fahr nach Italien verkaufe diese [strukturierte Produkte] [...] investiere 100 Millionen in [strukturierte Produkte] auf italienischen [Boden], wir verdienen 1.5 Millionen daran. Der einzige Aspekt der nicht legal ist, dass sie es auf italienischem und nicht auf schweizer Boden unterschrei-
ben. Was ist das Risiko erwischt zu werden? Oder was könnte uns den blühen, was könnten sie denn machen? Und dann wäre es eine Abwägung. Die Chance erwischt zu werden ist 1:100'000, wir verdienen 1 Million dagegen, und wenn er auffliegen würde, was wäre das Problem? Ich sage nicht, dass ich etwas Illegales machen will, aber nicht alles ist [klar geregelt] – international Private Banking ist halt oft im Graubereich.’ (I8: 1207 – 1274)

The exercise of weighing gains against negative impacts is not, however, a neutral and objective exercise as in the rationality discourse’s view of risk management. The game discourse starts with the assumption that there is no objective ‘right’ way of doing things. Instead, there is the need to convince key stakeholders in everyday practice that your interpretation is correct. While the formal structure provides the playing field, managers pointed to the importance of lobbying for the ‘right’ interpretation of a certain practice. Rather than relying on the formal structure, managers engage in actively influencing others. General Manager 6 mentions the example of the new product approval process at the Bank. He refers to the lobbying activities as key for successful management:

‘I guess, where one uses informal processes – particularly in our bank – would be to do with the design of new products. There is a formal process: I got a product idea, I give it to my boss, who fills out a piece of paper who gives it me to countersign it, that gets passed into the product champions group, that are a number of senior client partners, who sit on this plus a few others from the investment side. They debate the pluses and minuses of different product ideas. If they [think it is] a good idea, they take it forward and they go into the next phase of a business case and then they go up to the international product board. [...] However, if you are going to go down that route, it is also going to be worthwhile probably of networking directly into the investment area, [...] and talk to them about it and talk to the investment consultants what is already in the pipeline. [...] So by using the informal networks, one, save a bit of time, and, two, get some – especially if it is a product or service in which you passionately believe in – to get earlier buy-in from those people who are influences up the line in those committees I have just described. So if you got the real passionate buy-in of [key investment managers] or somebody in Compliance, [...] and they know about it, when it comes up as a cold idea, they can already understand why it is of interest to people. And they already had some of the early probing discussions, which starts them on the way to making them feel comfortable and if you don't use that mechanism, I think, it is a slower, more frustrating process.’ (I6: 328 – 495)

The quotation shows the importance of lobbying for one’s view in everyday interactions.
The same mechanisms also apply in defensive strategies. Instead of actively lobbying for a certain way of doing something, there strategies with the goal of either hiding potential wrongdoings or insuring against potential negative consequences are also employed. An example of a defensive practice is selective documentation. Managers regularly discuss selective documentation as a personal protection practice in everyday work. Formality Professional 3, for instance, asserts that from a legal liability perspective, selective documentation is crucial. He underscores that the call for transparency should not result in documenting possible contraventions to formal requirements.


In addition to the practice of selectively documenting for personal protection, Formality Professional 18 refers to the practice of selectively distributing the documented information. In this way, personal protection can be achieved by apparent compliance to the formal reporting requirement.


The quotation shows how everyday encounters with formalities are influenced by strategic considerations. Formalities are purposively selected and interpreted in interaction. Interactions are therefore structured to a great extent by the interests of the managers and their respective skills in handling formalities.

Most revealing of the flexible interpretation of formalities in interaction are references to possible exceptions to policy. Formality Professional 18 underscores that all formal requirements need to have a clause for exceptions.

‘Es ist wichtig: Eine Weisung, die sich eine Organisation auferlegt, […] muss immer irgendwo eine Ausnahmebestimmung haben, wie kann man dies sonst handhaben. Eine clevere Weisung hat vielleicht sogar verschiedene Stufen von Ausnahmemöglichkeiten, von Ausnahmeprozessen […] Es
From a game discourse perspective, these clauses of exception offer managers additional room for manoeuvring. The practice of granting exceptions can be carried out on a case-by-case basis or in terms of a general waiver with respect to certain formal requirements. Relationship Manager 22 refers to his earlier practice of regularly submitting a pile of exception forms to his former boss, who in turn blindly signed the forms without even knowing what exceptions had been granted. Relationship Manager 22 stated that this practice reduced certain internal regulations to absurdity. In the case of general waivers, the effect of formal requirements on interactions can be suspended without abandoning the formal requirement itself. Waivers therefore offer a powerful instrument for altering interactions under the same set of formalities. Operations Manager 14 refers to the recurring example of the dual callback for payment orders.


The introduction of waivers for dual callbacks is a good example of a skilful adaptation of formalities to the needs of everyday practice. Because it would be difficult to change the formality itself under the given organisational context, another formal mechanism, the possibility of waivers in exceptional cases, is elevated to the normal interaction order. The application of the formal requirement, in turn, has become the exception. The dual callback is an example of how frictions in
everyday practices can be reduced by leveraging certain requirements against others.

Another interaction mechanism is the exploitation of formal requirements for personal needs. A good example is the formally required relationship between the Bank and external Audit. Briefly, banking regulation assigns external auditors the duty to independently review the Bank’s compliance with key market regulations such as accounting rules, credit risk management requirements or anti-money laundering regulations. While the intended goal of external audit reviews is the provision of an independent and objective view of the state of affairs, managers have ascertained that the external audit mandate is exploited by external auditors for their own education and offers little value added to the Bank. Instead of providing a professional assessment of the Bank’s internal control system, the external audit company is criticised for sending in auditors who are inexperienced in banking. Operations General Manager 8 remarks:

‘Was gar nicht effizient ist, ist die externe Revision. [...] Die schicken jedes Jahr wieder ein paar Neue und wir müssen sie ausbilden. Das ist eine absolute Frechheit. [...] Das ist eine absolute Frechheit, was da durchgegeben wird.’ (I4: 1517 – 1547)

The quotation provides an example of external auditors exploiting market regulation for personal purposes. This fits in well with a game discourse logic. Overall, the exposition of the interaction patterns points to a strategic use of formalities in everyday practice. This strategic use of formalities engenders important centripetal and centrifugal forces in the Bank’s formality.

The (re-)production of formalisation and professionalisation

The game discourse also supports increased formalisation and professionalisation – again, for a fundamentally different reason. Whereas the three other discourses delineate formalities as limiting the space of everyday practice, the game discourse sees formalities as creating opportunities. While the rationality discourse sees formalities as the logical way to control people for a certain purpose, the game discourse rejects the idea of an organisational purpose and puts self-interest at the centre. Formalities then become the only relevant reference points of organisational interactions. Interactions need formality ‘things’ to establish a level playing field and thus to generate interaction. Based on the rules of irrelevance, every set of formalities in a particular type of interactions creates spaces in that it suspends ‘real’ life. Rendering everyday concerns irrelevant, the set of formalities in the interaction produces an alternative frame of meaning. Everyday concerns, such as ethical, moral or aesthetical, become irrelevant if
they are not explicitly included in formality ‘things’. Derived from such a logic of formalities, problems are again conceived of in terms of deficient formal structures or a lack of skill in playing within the formalities. Providing additional opportunities, the game discourse tends to seek new formalities to create organizational space.

This leaves room for skilful players to make the most out of the spaces created by formalities. Thus, the game discourse contributes to the (re)production of professionalism in the Bank. The underlying logic of the game discourse puts the skills involved in enacting the dominant interaction orders at the centre. Reflecting the hegemonic rationality discourse, interactions are structured by formality as argued above.

The game discourse sees this power position as resulting from the rules of irrelevance in organising. As established above, the ‘rules of irrelevance’ are based on the understanding of the game discourse that for everyday practice only the explicit formalities applying to a situation are relevant for structuring interactions. Moral or ethical considerations become irrelevant for a particular interaction. Establishing formalities as the only relevant reference points in everyday practice elevates formality professionals, such as Audit, Risk and Legal, to a privileged position.

Putting formalities and their skilful use as the only relevant reference for legitimating everyday action, the game discourse contributes to the (re-)production of formalisation. The exclusive focus on formalities offers formalisation as a recipe for solving any problem. Increased formalisation in turn fosters the power position of formality professionals in the Bank by offering new choices in selecting and interpreting formalities. In that sense, every new formality adds new leeway in everyday interactions. The counterintuitive logic of opening up interaction spaces for skilful professionals by increasing formalities is diametrically opposed to the other discourse’s understanding of formality as limiting interaction spaces.

General Manager 8 indicates how difficult it is to keep abreast of all of the regulations given the increasing importance of skills and the massive number of formalities.

‘Dies hat mit dieser doch sehr seltsamen Regulierungswut zu tun; und teilweise auch mit Rechtsunsicherheit [...]. Trotz allem, je mehr reguliert ist, umso grösser ist die Rechtsunsicherheit, was darf ich überhaupt machen, was darf ich nicht mehr machen.’ (I8: 2378 – 2395)

The quotation refers to the increasing formalisation as ‘Regulierungswut’ – literally a ‘rage of regulation’. The organisation is becoming increasingly saturated
with formalities. This storm of regulation is arguably fostered by the rules of irrelevance in that the game discourse stories of managers typically refer to formalities as their unique guiding principle in interactions. The exclusive reference to formalities in interactions reinforces formalistic language and thinking. Formalisation under the game discourse is more than a simple option for addressing problems. Formalities become metaphors for how to think about problems. The process is circular. The frequent use of formalities in the Bank leads to an infiltration of formal language into the organisation; the language creates a conventional metaphor, which then structures how managers and employees think about everyday practice and, as result, increasing reliance is put on formalistic processes.

According to the game discourse, formalisation therefore has an important impact on the daily work practices in the Bank. As argued above, managerial choices are typically justified by citing adherence to formal procedures instead of business or moral references. In particular, with an eye to protecting themselves when delivering bad news or defending a decision, managers refer to a strict adherence to procedures during their decision-making.

**Centrifugal forces**

Strategic play is the determining element of everyday practice in the game discourse. Let us now look into centrifugal forces of the game discourse. While supporting the (re-)production of formalisation and professionalisation, the fundamentally contradictory normativities between the game discourse and the hegemonic rationality discourse are the sources of numerous organisational paradoxes in the Bank. I have identified four centrifugal effects resulting from the game discourse. The game discourse, first, gives rise to evolutionary rather than planned organisational developments. The focus on personal gains in the here and now of everyday practices precludes long-term rational planning or planning from the point of view of the whole organisation. Second, the rules of irrelevance lead to the evaporation of the moral dimension in interactions. While the rationality discourse claims the institutionalisation of morality through formalisation, the game discourse separates formality from its moral basis. Third, the importance attributed to skills in relation to formalities provides advantages to professionals in the organisation. Particularly risk, audit and legal professionals are in a strong power position. This contradicts the rationality discourse aspiration to depersonalise everyday decisions and therefore to remove power from individuals. Finally, the game discourse entails a documentation paradox. The goal of documenting
is distorted from a fair representation of ‘reality’ in everyday practices to a strategic means to support strategic decisions.

**Evolutionary developments**

The game discourse locates formalising *within* and not *outside* interactions. Interactions are predisposed to start from the bottom up; they are not the result of planning at the Bank’s or the regulatory bodies’ strategic apex, as postulated in the rationality discourse. As a result, the game discourse furthers evolutionary developments of the formal structure rather than meticulously planned changes. Operations Manager 14 uses the metaphor of building a house to depict the development in the Bank’s information technology environment.

‘*Dann passiert das: Aus dem Anspruch, etwas [...] besser, wirksamer, effizienter, effektiver zu machen, wird plötzlich das Evolutionäre. [...] Das ist dann, wenn man beginnt, auf Sand ein Haus zu bauen, und irgendwann merkt man, dass es halt nicht genügt [...], dann baut man darauf noch den ersten Stock mit zwei überhängenden Balkonen, die man dann untern abstützen muss mit zwei Betonsäulen, damit es nicht einbricht. [...] Und am Schluss muss man noch entscheiden, was für ein Dach man darauf setzt – in der Regel ist es dann ein Strohdach, weil es darf ja nicht mehr schwer sein, weil es nicht mehr tragfähig ist. Darum strickt man dann ständig gut argumentierbare Notlösungen. Im Systemumfeld sind dies Subsysteme, die man braucht, um gewisse Probleme ein wenig besser zu lösen als das Kernsystem dies kann, aber meistens sind dies Quatschargumente, weil man gar nicht so weit denkt zu Beginn.*’ (I14: 1274 – 1337)

Due to the focus on the here and now of everyday practices, the game discourse leaves little room for long-term considerations. Contradictory interests in everyday practices make streamlined solutions, which the rationality discourse would favour, almost impossible. In this case, the result is a maze of systems and sub-systems that form the Bank’s information infrastructure rather than a rationally designed integrated system.

The above-noted practice of granting exceptions for problems rather than rethinking the formal requirements is a good illustration of the mechanisms behind such evolutionary development. While potential problems would offer the possibility for disruptive changes in formal environments, the practice of granting exceptions reifies rather than changes formalities. A concrete example can be seen in the he dual callback requirements which are avoided in everyday practices through the introduction of general exceptions, i.e., waivers for the majority of clients. There is a general sense that granting exceptions is a less onerous proc-
less than changing formality ‘things’ as far less interactions are required. Operations Manager 14 recounts the same logic in the above depiction of the evolutionary development of the Bank’s information technology environment.

**Morality paradox**

The second centrifugal effect induced by the game discourse can be labelled ‘morality paradox’. The morality paradox is based on an interdiscursive conflict between the impersonal rationality discourse of formality ‘things’ and the self-centred game discourse in everyday practice. While formality ‘things’ are seen as displaying the general good for the organisation, formality ‘things’ also provide discursive resources for successfully hiding self-interest in everyday practice. The rationality discourse strives to free up the organisation from subjective and potentially immoral decisions by employing objective decision criteria as the basis for everyday practice. Using objective decision criteria means to make organising impersonal – the central normative logic of the rationality discourse and, thus, of formality ‘things’. Subjectivity is considered harmful for the organisation as it creates moral hazard situation in which the individual acts out of a desire for personal gain and not in the best interest of the organisation. Objective formality in turn is seen as removing immoral self-interest from the realm of everyday practice. Paradoxically, the general and abstract logic of formality ‘things’ can contribute to obscuring the subjective nature of everyday decisions instead of eliminating subjectivity from everyday practice. In other words, formality offers a legitimating cover for almost any action. De-personalising everyday practice through formalising also results in allowing individual managers to shirk responsibility by offering them discursive resources from the rationality discourses to cover their self-interested goals.

Formalising as a legitimating cover for everyday practice relies on plausible deniability of responsibility in the event of adverse outcomes. Individuals can thus legitimate actions or inaction based on impersonal formality ‘things’. Personal responsibility is relegated to impersonal rules. A powerful example of such a mechanism is Formality Professional 3’s story of a new client relationship. He points out how a potentially critical decision to open a financially interesting, but politically risky, client relationship is recast in an objectified formal decision procedure to provide plausible deniability for any potential adverse situation resulting from the political exposure of this relationship.

‘Man könnte gleich ein Beispiel nehmen, einer grossen Kundenbeziehung – man sollte ja wachsen, steht unter Druck – dann schleppt jemand aus dem Private Banking eine neue Kundengruppe an aus einer aufstrebenden
The story is exemplary for the practice of maintaining plausible deniability. As argued in the game discourse chapter in part III, the exclusive relevance of formal requirements in organising leads to the evaporation of the moral dimension. Morality is replaced by a concern for plausible deniability. The whole internal decision process is not driven by a concern for whether or not a client relationship is morally acceptable, but by a concern over how they can fit the relationship into the formal requirements to avoid personal responsibility in the event that the client’s wealth turns out to be from unwanted sources. Striving for plausible deniability as a legitimating cover for potentially immoral actions is opposite to the rationality logic of ensuring morality through impersonal formality. Instead of ensuring organisational morality in the sense of objectively good practice, formality can thus also serve the opposite goal, i.e., freeing managers from personal responsibility.

The story is also exemplary of the game discourse rules of irrelevancy. Formality Professional 3 succinctly argues in terms of formal requirements and not moral considerations. At the outset of the story the relationship manager demands the client relationship be enabled. Enabling in this story is understood as making the business case fit the formalities. Aspects other than formal requirements remain tacit and are thus irrelevant. While there are moral concerns implicit in the narrative, they are not made explicit.

Power paradox

The third identified centrifugal force can be labelled ‘power paradox.’ All of the managers recognise the power position of risk professionals in Audit, Risk and
Legal. The game discourse sees this power position as the result of the rules of irrelevance and the centrality of skills in interactions. Establishing formalities as the only relevant references in everyday practice elevates formality professionals to a privileged position. Because individual skills are considered as the most important success factor in interactions, the game discourse renders formality professionals the central players in everyday practice. The strict reference to formalities in the decision-making process disguises the power of formality professionals in everyday practices. In that context, Formality Professional 2 refers to the role of risk professionals in the practice of writing formal work procedures:

‘I think Risk only does it if the business have been given the opportunity and haven't bothered. Really, Risk shouldn't be writing rules. It should be pointing out where the risk profile of the current rules might have changed or might not be delivering the results expected. Or had a gap in it, that we later identified, but in the scheme of things it shouldn't be Risk writing the procedures.

R: Turning the question around. Why do you think, there is such a reluctance of accepting risk professionals helping designing formal rules, or formalisation in general.

I2: I don't think there is reluctance in getting our help, because otherwise we wouldn't be the people, who end up doing it.’ (I2: 733 – 788)

Interestingly, Formality Professional 2 refers to the discrepancy between the formal expectation and the everyday practice of writing formal procedures. The formal expectation is that the business managers should decide on how their procedures are formalised. In practice, however, risk functions ‘end up doing it’. When applying a Foucauldian line of reasoning, the limited focus on formalities as the only relevant reference points in interactions allows formality professionals to acquire an important power position while being disguised as the gatekeepers of formalities. This is not to say that the power position of formality professionals in formalising is unidirectional. As the above quotation shows, business managers also reinforce the power position by delegating the production of formality ‘things’ to the alleged formality specialists. In Foucault’s terms, formalisation is therefore both ‘totalising’ and ‘individualising’: The rhetoric of the game discourse simultaneously conveys the imposition of formality from above and the internalisation of related norms.

This mutually reinforcing mechanism is the underlying logic of the power position of formality professionals as gatekeepers of ‘the right way of doing’ in the Bank. The following quotation from a formality professional reflects this role as gatekeeper of the ‘right’ interpretation of formalities.
‘I mean it’s up to us as managers to try to explain why we are taking those decisions and trying to avoid hiding behind policy. It would be very easy to say: ‘it is the Bank’s policy, can’t change it and therefore you have to live with it.’ Sometimes that doesn’t receive a very good response on the other side. There is always an occasion when you have to go back and say that though.’ (I10: 1184 – 1220)

The quotation shows the privileged gatekeeper position. The formality professionals claim the right of the last word in interpreting formalities. As formality professionals, they often take on a referee, or judge-like, role in interactions, which grants them the ability to decide on the right interpretation. Formality Professional 10’s reference to citing policy in order to achieve closure on interactions is exemplary. By saying ‘it’s the Bank’s policy,’ the authority of interpretation is invoked and the interaction comes to a close.

Similarly, political problems are typically advanced by removing them from the realm of the political field and by recasting them in the neutral language of professionalism. In that sense, in order to be successful in imposing one’s interest, one needs to network with formality professionals to succeed. Their powerful position thus becomes visible in interview accounts referring to the need to involve risk, audit and legal professionals in order to achieve personal goals. The gatekeeper status of the Legal professional, for example, comes out in the following statement:


The quotation refers to efforts by other managers to obtain a sign-off from a formality professional in order to leverage their own chances of succeeding. The practice of providing any sign-off only with ‘qualifications and reservations’ also nurtures the privileged position of formality professionals. By adding ‘qualifica-
tions and reservations’, Formality Professional 3 consolidates his privileged position for the ‘right’ interpretation.

The importance of networking with formality professionals is also manifest in the top management’s practice of consistently inviting the head of internal audit to top management meetings. Manager 6 underscores the importance of strategically involving key people such as audit in important cases.

‘But there is no requirement of the executive board of the Bank to invite internal audit along. But it really isn't. There is an audit committee where they can make their presentations to the supervisory board. But I am sure [the head of Internal Audit] gets invited to a lot of them. I saw her in management meetings out in Singapore. You know, we are discussing some business issues that she at some stage needs to audit. And if she saw some real concern or had other experiences she is able to contribute as any other manager of the business. But hopefully, if some change does arise out of all of that, she will be aware of, will have her own comfort already started and she can look at it from that angle rather than: Nobody told me about it and you are crazy!’ (I6: 1894 – 1960)

Summarising his reasons for involving key people in interactions, he continues:

‘[T]he continued development of an informal network is part of an executive's or manager's responsibility, because it will be their enabler. It doesn't mean to say they are going to not follow the procedures. That's probably the big thing to pick up. I think we all follow the procedure, we need to follow the procedure, but we somehow need to find those people who are checkpoints further up the line and do our best to influence them if we can. Otherwise we don't get things approved very fast.’ (I6: 2076 – 2139)

The quotations show the key role of Audit, Risk and Legal in establishing the ‘right’ interpretation of the formal structure in everyday practices.

Reinforcing the privileged position of formality professionals are also the efforts by managers to delegate individual responsibility to formalities. Reflecting the rules of irrelevance and the evaporation of morality, decisions are typically framed in a formal argumentation rather than in moral terms. Consequently, as they are based on the individuals’ concern for protecting themselves, decisions are often to be in the form of a Risk management judgement, rather than of a Business management assessment. Operations Manager 1 notes:

The privileged position leaves formality professionals with considerable discretion in the organisation under formal coverage. For formality professionals, fragmented regulations leave considerable room for interpretation and selection among constraints. In practice, an important shift in power from business managers to formality professionals is noted.

I have, up to this point, referred to formality professionals as a homogenous entity. This is not, however, to suggest that there is a unique formality professional body. Struggles over the right interpretation also take place between and within different functions of Risk, Audit and Legal. Similar to all discourses, the game discourse structures interactions at all levels of organising. Relationship Manager 16 observes:

‘Life is not held for us as Private Banker by the fact that there is quite a lot of rivalry between the various Risk functions. [...] Take another example, I referred a potential transaction to [a Regulatory Risk manager] and he gave me the agreement. I went then back to [a Legal specialist] because I felt there was a legal context attached to this particular case. [...] Instead of just giving me the legal context, [...] she spends her time questioning the in-principle-agreement given by [the Regulatory Risk manager] to remove the cash. I have seen it vice versa. It is not terribly helpful. It is a sort of internal warfare going on between these people, they spend all their time shooting at each other, [rather] than answering our questions.’ (I16: 404 – 536)

The political aspects discussed are clearly contradictory to the conception of an objective practice of formality professionals based on scientific standards which is present in the rationality discourse. A related paradoxical phenomenon is strategic documentation in everyday practice.

**Documentation paradox**

Similarly to the rationality discourse and the myth discourse, the materialisation of interactions by documentation represents an important aspect of the game discourse. Such materialisation in documents is directly related to formalisation and professionalisation logics in the Bank. Contrary to the rationality discourse logic, documents are not, however, simply neutral representations of ‘reality’. In the game discourse, documents have a crucial rhetorical role in everyday practice. Socially produced organisational records are fundamentally self-conscious and self-interested. Similarly to the ‘right of the last word’ of professionals in interpreting rules, documents reflect the skills of those drafting them. As is revealed in the quotation below, documents such as legal opinions are not neutral, factual, technical documents alone, but rather are purposely designed to produce
an effect of some kind. Formality Professional 3 portrays the important the rhetorical role of documentation in practice. He illustrates an example of strategic documentation:

‘Dort wo man dann aber gewisse Grenzen, in einen Graubereich reingeht, [...] dort [...] sollte man natürlich die Sachen so dokumentieren, dass das, was man macht im Nachhinein eine nachvollziehbare Story ergibt [...] Und das heisst dann, es ist vielleicht nicht gescheit, dass man vor allem all die Sachen, die gegen einen Entscheid gesprochen haben, aufführt, dann sagt man gescheiter, man hat dies betrachtet, die Fakten zusammengetragen, die Situation analysiert und man ist gestützt auf die Beurteilung zu dem und dem gekommen und hat dann dies gemacht. Und dann das Positive festhält und die negativen Faktoren muss man nicht unbedingt reinschreiben. Wenn man etwas macht, dann muss man nicht begründen, wieso man es eigentlich nicht hätte machen sollen. Mit dem will ich nicht sagen, man soll etwas falsch dokumentieren, [...] Und man soll auch nicht lügen, vor- und rückdatieren [...]. Es muss alles in sich formal stimmen. Aber wenn man sich entschieden hat, man nimmt diesen Kunden, mit dieser Transaktion und diesem Hintergrund, muss man es [...] nachher im Rahmen des Instrumentariums darstellen und begründen, wieso man sich so entschieden hat.’ (I3: 1893 – 1964)

The example shows the strategic use of documentation in interactions. The skilful professional should selectively choose the formalities that support his personal argumentation. Under the game discourse, documents, such as, for example, meeting minutes in support of a business decision, are conceived to produce a story that can hold up in court in the event of litigation. As Formality Professional 3 notes, documents are often cleaned up and edited in order to comply with stakeholders’ expectations and in order to provide substantial ‘evidence’ in the event of adversarial confrontation. Working papers such as meeting minutes become the ordered representation of professional deliberation and judgement and not mere working papers in the sense of an unordered collection of thoughts and findings.

Documentation is equally important in pursuing a defensive strategy in interactions. By strategically documenting interactions, managers create plausible deniability of responsibility in potential conflicts.

‘Man dokumentiert alles, weil man sich gegenüber Vorschriften, interne und externe, absichern will.’ (I1: 731 – 741)

Documenting creates lasting evidence of what has been done or considered at a certain moment in time. Documentation in that respect determines what is elevated from the ephemeral here and now of everyday practices to the durable rep-
presentation intrinsic to documents. Documents are therefore a strategic resource for reifying what is relevant. Conversely, if managers choose not to document certain type of interactions and deliberations, they redraw these interactions from future focus. Both strategic documentation and non-documentation are important aspects of the game discourse. The rationality discourse provides no room for these aspects as they fundamentally contradict the view of objectivity in formalising.
Ceremony discourse

The fourth discourse is the ceremony discourse. The discussion of the ceremony discourse in part III was noticeably shorter than the discussion of the other three types of discourse, which reflects the underlying passivity of human nature and the reduction of human agency to organisational ‘automatons’. I established that there is little room for creativity in everyday encounters with formality. In contrast to the other three discourses, the ceremony discourse concedes a minimal role to individuals in practice. Mirroring such a passive view of the individual, everyday encounters with formalities take on a ceremonial nature.

Despite the passive nature of everyday practice, the ceremony discourse also breeds the (re-)production of formalisation and professionalisation – the centripetal forces of formalities in the Bank. On the other hand, centrifugal forces also emerge. Before discussing the centripetal and centrifugal forces, I start this chapter by again examining typical patterns in identifying and reacting to problems. The unpredictability of a futile world renders the search for solutions to problems obsolete. The ceremony discourse portrays the view that every formalisation imposed upon the organisation is prone to failure. In that sense, problems are solved by ceremonially following formal practices themselves rather than through an active search for a good solution. This facilitates further formalisation and professionalisation in the Bank.

Although the ceremony discourse lacks a proper normativity beyond blind compliance, paradoxical organisational effects arise in encounters with formality ‘things’ in everyday practice. Instead of contradictory normativities, the centrifugal effects originate from stripping formalities of their rational normativity. The ceremony discourse leaves formalities isolated from their normative grounding and thus exposes everyday interactions to unintended consequences. The passivity of human agency and the absence of a normative frame of reference beyond formal compliance engender blind compliance in interactions. Formalities are followed to the letter, but the spirit is lost. The loss of the spirit – the loss of the underlying intentions of formalities – paves the way for functional disruptions in everyday practices. Functional disruption refers to paradoxical organisational phenomena in which strict compliance with formal requirements might jeopardise the original intentions of the very same formal requirement.

Reaction to problems

In the previous chapters, I began the analysis of interaction effects by investigating how the Bank reacts to problems. As argued before, focusing on problems
allows us to analyse discursive patterns since people have to rationalise about problems by drawing on the available formalising discourses. Again, the ceremony discourse fundamentally differs from the other three discourses due to the absence of a normative anchor. While the other three discourses rely on rationality, common sense or self-interest, the ceremony discourse has no guiding principle for interaction except compliance. The logic of the ceremony discourse does not provide any normative strand to tackle down problems. Consequently, the ceremony discourse does not provide any normative reference for viewing a particular situation as a problem. The conception of a situation as a problem comes from outside. Illustrating this point, Formality Professional 3 locates the impetus to change in everyday practices outside everyday practices:

‘Von der Dynamik her [sind Neuerungen] vielfach von aussen her aufgezwungen. [Es gibt] wenig Eigeninitiative, [die Arbeitsprozesse] von sich aus effizienter zu machen, besser zu machen, [...] in sich konsistent zu machen. Es ist mehr: Ah, wir haben ein Problem, ah wir haben Druck von aussen, ah wir haben eine Group Policy, machen wir also eine interne Weisung oder passen wir eine an.’ (I3: 3306 – 3328)

While the ceremony discourse lacks a normative linchpin for problems, the same applies to solutions. Comprehending the world as unpredictable precludes any possibility of a viable solution. Consequently, the unpredictability of a futile world renders the search for solutions to problems meaningless. Underlying the ceremony discourse is a fundamentally pessimistic view of the effectiveness of formalities and therefore also of the effectiveness of possible formal solutions. Rather than looking for solutions to problems, the ceremony discourse asserts that there is a problem for every solution. The ceremony discourse portrays a view that every formalisation imposed upon the organisation is prone to failure. As an illustration, Formality Professional 10 provides telling examples of how new technology is accompanied by new problems.

‘The way I personally see it is that formality of the Bank and the business is only likely to increase the complexity of what we do; is likely to increase the complexity of systems we operate [...]. The technical advances, which require new rules and regulations. The classic illustration is the debate over the use of blackberries. How long blackberries have been around? I don't know, but if you go back ten years lots of those client confidentiality aspects just didn't exist because the technology wasn't there. So each time technology develops to a new level, then you need new levels of formality to tackle that particular aspect for instance, to insure that we are properly respecting client confidentiality.’ (I10: 2732 – 2812)
Similarly, he notes opportunities to lose money in the context of the introduction of new products rather than focusing on opportunities to make money. This reflects the typical pessimistic approach of the ceremony discourse.

‘The opportunities to lose money are only likely to increase in the future, as we get involved in new products; complicated products, derivative based instruments, new emerging markets risks that the Bank takes on board. […] If you look at the new [discretionary investment management] approach that is introducing new asset classes within the investment proposition of the Bank. And those all imply new levels of risk.’ (I10: 2923 – 2975)

The manager’s distancing himself from what he recounts is revealing. He does not take any ownership, but seems to play the role of observer. This critical observer status is typical for the ceremony discourse.

Focusing on problems rather than solutions, the ceremony discourse shows the same pattern of ceremonial compliance in encounters with problems in everyday practice. In the absence of viable solutions, ceremonial patterns of everyday practices are transferred to interactions centred on problem solving. Rather than actively striving to change everyday practices in reaction to problems, the problems themselves are shrouded in ceremonial practices. In that sense, problems are re-contextualised in formality ‘things’. A typical pattern is the shaping of problems on paper such as for example, in the form of concepts or new rules. Reflecting the passive nature of individuals in the ceremony discourse, there is a tendency to apply existing ceremonial patterns such as report writing rather than creatively seeking more suitable practices. Formality Professional 11 notes:

‘Wir glauben, dass wir im Moment zu viel Papier produzieren. Sehr oft ist es auf Unsicherheiten zurückzuführen. […] Sehr oft […] wälzen wir Probleme über Papier ab, und somit produzieren wir tendenziell zu viel Papier, was uns in eine Situation bringt, in der man fast ein bisschen die Übersicht verliert.’ (I11: 1258 – 1328)

Ceremonially producing reports is probably the typical reaction pattern to problems under the ceremony discourse. He further states:

‘Wir produzieren tonnenweise Papier und ich habe noch nie eine Konklusion, irgendein Assessment aus dem heraus, was wir gemacht haben, gesehen, das retour kam und wo uns gesagt wurde, da und da ist ein Problem. Das tendiert [dazu], ein gewisses Frustrationslevel einzubringen. Es gibt Leute, die finden, wieso schicke ich soviel Informationen, aber zurückkommen tue ich nie etwas. Es wird immer schwieriger, um die Leute zu motivieren. […] Das ist etwas, das schwierig zu bewältigen ist.’ (I11: 235 – 282)
Another pattern is the multiplication of existing practices as a reaction to problems. Adding a similar ceremonial practice to another was also mentioned as a possible reaction to problems without abandoning the ceremonial habit. As an example, the multiplication of risk assessment tools in the Bank can be interpreted as a ceremonial reaction pattern to problems due to the assumed impossibility of risk management in a futile world.


The quotation highlights ceremonial practices of adding more of the same in the event of problems. This is a reaction pattern that reflects the passive conception of the individual’s agency under the ceremony discourse.

Centripetal forces

The reaction pattern which has developed underscores the general propensity to formalisation and professionalisation in the Bank. While the comprehension of the world as unpredictable precludes any possibility of viable solutions to problems, the ceremony discourse shows the same pattern of ceremonial compliance in encounters with problems as in everyday practice. On the one hand, the ceremony discourse takes on new formalities imposed upon individuals in a ceremonial way. On the other hand, ceremonial patterns of everyday practices are transferred to interactions centred on problem solving. Rather than actively seeking to change everyday practices in reaction to problems, problems are cloaked with ceremonial practices themselves. In that sense, problems are re-contextualised in formality ‘things’. Again, the continuous reinforcement of formalising in everyday interaction is supported. The ceremony discourse also (re-) produces professionalisation. Mirroring the mechanism shown in increasing formalisation, the passive nature of the ceremony discourse also enacts the professional logic in everyday interactions. Professional patterns of everyday practices are blindly re-contextualised in approaches to problems.

As an indication of the propensity toward ceremonial formalisation, General Manager 8 refers to a ceremonial routine of adding formal requirements.

‘Ich habe es noch nie erlebt, dass man eine Weisung insofern angepasst hat, dass sie hinterher dünner wurde. Sie wird eher dicker. […] Ein Beispiel
The originators of changes are located outside the Bank. Pressures from the globalised banking field in particular are often referred to in the interviews as the driver behind increasing formalities. Formality Professional 18, for example, sees the ever-increasing formalisation of the organisational field as one of the main challenges the Bank faces.

‘Das ist eine der grossen Herausforderungen, dass wir nicht immer mehr Weisungen haben von den Regulators, von den Organisationen selber von den Branchenverbänden, von all den Sachen wie SOX, wo sie es uns quasi auferlegen.’ (I18: 3599 – 3619)

In such an environment, the ceremony discourse tends to ceremonially accept changing or additional formalities in everyday practices.

While the changed or additional formalities are actively imposed from the outside, they are not fundamentally challenged or moulded to fit common sense or personal interests. The ceremony discourse absorbs new formalities unfiltered and transfers them to the letter into everyday practice. At a system level, this leads to further reinforcement of formalising as the ceremony discourse does not offer any normative screen for deflecting formalising pressures. The absence of any sense-making under the ceremony discourse does not necessitate the adoption of formalities in a specific sense. Formalities are blindly adopted in the absence of any underlying sense-making. Operations Manager 17 brings up the example of the over-formalisation of stock exchange transactions:

‘Das ist einfach eine Riesenaufblähung des Apparats und wir haben viele Prozesse, die wir einfach verlangsamen, weil wir irgendwelche Steps dazwischen haben, oder irgendwelche Papierkriege mache müssen für einen Prozess der 08/15 ist. Ich meine, einen Börsenauftrag, den man im System verfolgen kann, wer was gemacht hat, wenn man diesen dann noch ausdrucken muss, einen Stempel drauf, Zeit, und alles das, was man eigentlich schon im System hat nochmals draufschreiben muss […], dann ist [dies] doch einfach doppelt genäh. Und irgend jemand produziert dann noch eine Liste und irgend jemand kontrolliert dann noch aufgrund der Liste, ob alle Aufträge auch da sind und wenn nicht, wo sie sind. Dabei kann er im System schauen, wo sie sind.’ (I17: 1443 – 1500)

The quotation points to an increase in formalisation without any reference to an underlying reason for it. The requirement of printing out an order and stamping it is portrayed as purely formalistic without any added value. The requirement sim-
ply has to be followed. Ceremonially following formality ‘things’ to the letter, however, has an effect on the effectiveness of the formalities themselves. Depriving formalities of the normative logics under which they were initially conceived tends to lead to their functional disruptions. This is the driver for centrifugal effects in the Bank.

**Centrifugal forces**

The ceremony discourse is characterised by the individual’s passivity, which results in ceremonial compliance to formalities devoid of a normative underpinning. Passive, however, does not mean neutral in its effects. Despite its passivity, the ceremony discourse has observable effects in the Bank. The absence of a normative linchpin in the ceremony discourse puts formalities at risk of functional disruption in everyday practice.

The passivity in interactions is mirrored in the individual’s blindly following formalities. ‘Blind’ is understood in the sense that there is no normative reference to imbue formalities with a certain spirit. What remains is compliance to the letter. In the other three discourses, formality ‘things’ rely on a discursive conversion mechanism of formality ‘things’ into formality ‘doings’. This discursive conversion mechanism adapts formality ‘things’ to the normativity of the respective discursive situation. The ceremony discourse lacks such a conversion mechanism. Discarding the rational normativity of formality ‘things’ without replacing it with another normative value makes the result of interactions unpredictable. Formalities in everyday practice cannot rely on a stabilizing alternative discursive logic. In the other three discourses, this stabilising logic is characterised by a sense of responsibility according to the underlying normativity. The loss of this sense of responsibility in interactions is highlighted as the major concern related to the ceremony discourse.

‘Die erfahrenen Private Banker finden es natürlich nicht schön, finden es sehr mühsam und schimpfen drüber, aber die haben noch eine gewisse Verantwortung. Ich habe einfach die Angst, dass wir die Jungen […] darin trainieren, dass sie einfach irgendwelche Sachen ausfüllen und nicht mehr drüber nachdenken, was sie eigentlich machen.’ (I8: 570 – 592)

The interactional consequence is a loss of the ability to adapt to problems. As soon as something needs to be dealt with in everyday practice that deviates from the routine ceremonial practice, it is expected that it will result in failure.

The lack of the capacity to adapt to unexpected events is particularly crucial against the background of an unpredictable and chaotic conception of the world. The lack of adaptive capacity therefore reinforces the pessimistic view of the ceremony discourse. General Manager 8 refers to this lack of adaptability resulting from people turning off their thought processes in the face of formalities.

‘Das grösste Paradox ist schon, dass man versucht das Bankengeschäft sicherer zu machen, und am Ende schafft man das grössere inhärente Risiko, weil die Leute anfangen, den Kopf abzustellen.’ (I8: 2219 – 2237)

This paradox is mainly due to a goal displacement from compliance to the spirit towards compliance to the letter of formality ‘things’. Goal displacement refers to the process in which an instrumental value evolves into a terminal value. In the absence of any normative underpinning, the instrumental value of formal compliance becomes the terminal value of the ceremony discourse. This sense of goal displacement toward complying blindly with the letter of the law can be observed in various contexts. Operations Manager 14 refers to the example of blindly implementing Group policies in the Bank’s payment process in the absence of any rational reason for doing so except for the simple call for compliance:


Applying standards for compliance’s sake is a recurring concern in the Bank. In this context, the account opening process was a regular theme. Observing tendencies toward blind compliance in the account opening process, Relationship Manager 16 expresses concerns about losing sight of the real goal of formalities in the ‘Know Your Client’ process – abbreviated KYC:

‘The danger is that the younger people don’t learn anything other than you have got to fill in your KYC and this box has to have a ‘yes’ and this box has to have a ‘no’. Because there is a lot of that in the manuals. But [...] if you looked at KYCs, how many would you say have been filled in to an ac-
ceptable standard? Not very many. But we are still owning the bloody accounts, are we? I see it myself. Because at the end of the day, the KYC has now become another bloody form you have to fill in to get the account open, amidst your internal account opening form, your discretionary investment form, your this, your that, the other. So you are not actually paying the right degree of attention to it, because it is just a means to an end, rather than what it should have been, which was the linchpin of the relationship: Know your clients.' (I16: 754 – 818)

The quotation criticises blindly following formal requirement in the process of getting to know your client (KYC). It is argued that the underlying sense of this process has been lost because of the proliferation of formalities in everyday practices which are followed without thinking. In the context of credit, he continues:

‘The latest […] is the volume of paper involved in credit work. […] It is a fairly chunky piece of paper. And unless you have got clients that sign it just on the nod: ‘This is just what you need to sign, so I can give you a credit card or should you ever need a loan from me’. The vast majority of the clients do tend to sign like that. But this is still kind of unsatisfactory, because really they should be reading the bloody thing through. But on the other, you don't want to impose on a client to sit there and read four pages of closed typed paper because they might possibly want a credit facility. It doesn't work.’ (I16: 1128 – 1067)

The example shows how formalities may lose their underlying intention and become purely ceremonial. Other stories refer to situations where the original intention has not simply been lost, but even turned upside down. In other words, the ceremony discourse has led to the very opposite of what was initially intended. Formality Professional 18 refers to the example of property valuation, where a formal requirement intending to ensure a certain quality standard led to the rejection of the best valuer for a certain local market.


¹⁹ SVIT stands for Schweizerischer Verband der Immobilienwirtschaft and is a leading professional organisation in Switzerland for real estate professionals, including valuers.
Instead of ensuring quality, adhering to a formal requirement bore the risk to hiring a valuer with little local knowledge or to abandoning the deal altogether. Both options fundamentally clash with the initial intention of the formality to ensure a professional quality of valuing.

Similar types of functional disruption were cited in interview accounts. Moreover, there was a sense in the interviews of functional disruption of the formal structure to the point that formalities might lead to frustrating the Bank’s organisation as a whole. Certain interviewees expressed a fear that over-formalisation might paralyse the Bank. Formality Professional 3 cites an example related to credit procedures in the Bank. He notes a ceremonial changing and adding of formalities to the point of frustrating the credit system as a whole.

‘Nehmen wir den Kredit, was traditionell immer etwas hoch Geregeltes [ist]. Weil man Bewilligungsprozesse und Kredit im Griff haben muss, hatte man früher [...] ein Geschäftsreglement mit einem Anhang zur Kreditkompetenzen. Dies ist dann überlagert worden mit viel engeren Kreditkompetenzen von der Gruppe her. [...] Jetzt wurde aber die Gruppenanforderung so umfangreich, dass man dies gestoppt hat, gelöscht oder was auch immer gemacht hat, und hat dann begonnen ein Kreditmanual zu schreiben. Ein Kreditmanual, das bis jetzt nicht fertig ist [...] Ein ganz langes Dokument. [...] Jetzt hat man ein riesen Kreditmanual, das ständig im Entstehen ist, das nie fertig wird. Man will da die hinterletzten Dokumente einbauen und bis man diese eingebaut hat, sind die ersten wieder veraltet. Mit anderen Worten, da ist man letztlich am Regelungsanspruch gescheitert. Das ist ein Beispiel von einer Situation, die dann letztlich zu einer Unsicherheit führt […] , was gilt eigentlich, was ist abgemacht. [...] Wenn es – wie Juristen sagen – allgemeines Preussisches Landrecht wird, wo man einfach die ganze Welt darin regeln will, dann scheitem wir dran.’ (I3: 535 – 715)

Rather than providing guidance in interactions, the formalisation of credit in the Bank is seen as confusing – the very opposite of the rational intention of a manual.

In a more general sense, he sees the banking field as a whole at risk of being strangled by regulations in the future. He states:


A pessimistic view of formalities in a futile world is revealed in the above quotations. As formalities are inherently conceived of as ineffective, the effects on in-
teractions and the organisational system are consequently seen as equally ineffective. The underlying intentions of formalities therefore tend to be missed or even turned upside down.

Summary and conclusion

While part III focused on working out the underlying normativity of the identified discourses of formality at work, part IV turned to investigating the interactional and system effects of these normative logics in everyday practice. To ground the analysis, I started by analysing the reaction to emerging problems for each discourse. Focusing on problems represented a fruitful approach to analyse discursive patterns since people have to rationalise the causes of and the solutions to these problems. Rationalising means building a coherent argumentation that draws on the available formalising discourses.

The analysis of interactional and system effects was based on a Bakhtinian notion of formality at work. Formality at work was conceptualised as a heteroglossic endeavour embedded in centripetal and centrifugal forces. The chapter showed how each discourse embodies centripetal forces in that it closely aligns everyday practices with the expectations of the hegemonic rationality discourse underpinning of formality ‘things’. Centripetal refers to the propensity of each discourse to mimic the hegemonic rationality logic without employing the underlying normativities. The first centripetal discursive pattern observed is conceiving the solution to problems in terms of adding or changing formal structures. Reflecting the hegemonic position of the rationality discourse logic of formality ‘things’, all four discourses contribute to an increasing formalisation in everyday interaction. The continuous reliance on formalising imbues interactions with formalistic language and thinking. Formalising appears as more than a simple option for addressing problems in the Bank. Formality ‘things’ have become the dominant metaphor for how to think about problems. The process is circular. Recourse to formalising in the Bank reinforces the infiltration of the rationality logic in interaction. The rationality logic of formality ‘things’ in turn structures how individuals view situations in the workplace. Put succinctly, while the various discourses offer fundamentally different normative resources for formalising, they all tend to seek solutions in terms of formalising interactions. This combined interactive effect can be highlighted by the shared propensity to formalise based on fundamentally opposing normativities.
A second centripetal discursive pattern in the Bank is to view solutions in terms of a professional process of organising. Reflecting the hegemonic position of the rationality discourse, the four formalising discourses tend to strengthen the position of formality professionals in everyday practice. With the establishment of Legal, Audit and Risk as professional expert systems, essentially political issues are typically removed ‘from the realm of political discourse’, and recast ‘in the neutral language of science’ (Dreyfus and Rabinow 1982: 196). Professional logics are often applied in combination with formalisations. The central value of impersonality in the rationality discourse is reflected in the professional values of objectivity and neutrality. The continuous reliance on these professional values entails the skills of the formality professions taking centre stage in interactions. Interactions are framed in professional language and thinking. Similar to formalisation, professionalism is portrayed as more than a simple option for addressing problems in the Bank. Professional standards offer a dominant legitimating basis for how to think about problems and how to structure solutions. Again, the process is self-reinforcing. Recourse to professionalism reinforces the infiltration of professional ways of interacting. Professional standards in turn structure how individuals conceive of situations in everyday practice. All four discourses mutually contribute to a continuous reinforcement of the formality professionals’ power position. While the four formalising discourses entail fundamentally different normativities in everyday interactions, they all portray the recourse to professionalism as one of the viable methods of organising in the face of problems. This centripetal interaction effect can be shown by the power position of professionalism in all four discourses. All four discourses rely on the professional values of objectivity and neutrality in solving problems. However, each of the four formalising discourses has a fundamentally different normative underpinning in relying on professional processes.

While the centripetal forces reconcile contradictory normativities in everyday interactions with the dominant rationality logic of formality ‘things’, the centrifugal forces of competing formalising normativities also result in effects undermining the rationality logic of formality ‘things’. As the discourse analysis showed, everyday practices never follow a single normative logic, but are imbued with multiple discourses. The dominant presence of the rationality normativity creates a constant discursive tension in everyday practices. As the four discourse chapters show, everyday practice represents a continuous endeavour of reconciling the rationalistic logic of impersonality as manifested in general and abstract formality ‘things’ with the here and now of personal interactions in everyday practice. The rationality discourse resolves this discursive tension by strictly following the impersonal formal process in everyday practice. The myth discourses solves the
discursive tension by dissociating everyday work practices from practices of upholding the myth of formality ‘things’. The game discourse resolves the tension by creatively fitting formality ‘things’ to meet self-interest rather than the spirit of the formality. The ceremony discourse solves this tension by removing everyday practice from any normativity besides blind compliance.

These ‘solutions’ to discursive tensions, however, are not neutral with respect to organising. On the contrary, they are the source of centripetal forces. Centripetal forces reflect the contradictory but interdependent nature of formality at work. For each discourse typical centrifugal patterns were observed. The generic logic of the observed centrifugal patterns is twofold. On the negative side, while formality ‘things’ are based on generally accepted organisational goals such as efficiency, risk protection or fairness, everyday practice can undermine such goals. On the positive side, the very goals of rationalistically conceived formality ‘things’ can be ensured by drawing on apparently contradictory normativities such as in the myth or game discourses to save the general and abstract goals in concrete situations.
Part V: Reconciling the irreconcilable

In parts III and IV, I investigated four discourses, which emerged during interviews with managers in the Bank. Each discourse was treated in isolation for analytical purposes. The complexity of discursive patterns in everyday life was condensed into four ideal-typical discourses of formalising and their dynamic struggles with the hegemonic rationality discourse of formality ‘things’. Obviously, such an approach inevitably leads to a simplification of the complexity of everyday practices. The separate treatment of the four discourses separates what is experienced in an integrated manner. Separating the discourses means ignoring the dynamic interconnections of the discourses observed in everyday practice.

The aim of this chapter is to put this heuristic device of disconnection aside. I now turn to re-connecting the four discourses and examine the boundaries between the discourses rather than their inner workings. First, I will propose a two-dimensional framework to reconcile the four identified discourses. This framework orders the four discourses according to their conception of the *capacity* of formality ‘things’ to influence everyday practice and according to their conception of *flexibility* of everyday practices in relation to formality ‘things’. Ordering the discourses along these two underlying discriminants elevates the four discourses of formality at work from a seemingly random ensemble to a theoretical framework of exhaustive and mutually exclusive categories.

Based on the theoretical framework for formality at work, I turn to analysing discursive variety within and across the interview narratives. The discursive variety is also reflected in the varied conceptions of agency across interviews. After establishing a broad variety within and across all narratives, I will explore the underlying logic of the heteroglossic nature of formality at work. I will show how the simultaneous presence of contradictory discourses is rendered unproblematic by discursively dissociating formality ‘things’ and formality ‘doings’.
A two-dimensional framework for formality discourses

As discussed in parts III and IV, the discourse analysis revealed four types of discourses of formality at work. For each discourse I showed a coherent normativity with its interactional and systemic consequences in everyday practice. However, I was hesitant to draw boundaries between the discourses. In other words, drawing up four discourses may well be an empirically worthwhile task, but it fails to contribute to a sound theoretical development of Organisation Theory. In order to elevate the four discourses from a seemingly random ensemble of discourses into a sound theoretical framework, I further explored the underlying assumptions with regard to potential demarcating lines between the four heuristically emerging discourses.

I identified two discriminants for categorising the four discourses. The discourses are found to differ according to their conception of the flexibility of formality in everyday practice and according to the capacity of formality to structure everyday practice. The two dimensions refer each to one of the two meanings of ‘formality at work’. Flexibility is the qualifier for the conception of how formality ‘things’ are enacted in everyday work and, capacity is the qualifier for how formality ‘things’ are at work themselves.

On the one hand, the discourses appeared to vary according to their conception of the flexibility of ‘formality’ things. Flexibility refers to the degree to which formality ‘things’ are conceived of as being adaptable to the needs of everyday situations. High flexibility implies an understanding of formality ‘things’ as offering room for interpretation or as being malleable enough to respond to the needs of everyday practices. Low flexibility, in turn, implies that formality ‘things’ are fixed and do not leave any room for adaptation or interpretation in everyday work situations. Discourses attributing low flexibility in everyday encounters with formality ‘things’ conceive these formality ‘things’ as lying outside the sphere of personal influence. They are reified constructs.

On the other hand, the discourses appeared to differ according to their conception of the capacity of formality ‘things’. Capacity defines the extent to which everyday practice is constrained by formality ‘things’ in advance. In Karl Weick’s (1976) terms, capacity refers to whether formality ‘things’ are understood as loosely or tightly coupled to everyday practice. High capacity discourses conceive of formality ‘things’ as directly translating into everyday practice, i.e., as tightly coupled. High capacity therefore means that everyday practice is directly structured by the interactional orders of formality ‘things’. Low capacity, in turn, means that formality ‘things’ are loosely coupled to everyday practices. Instead
of being mainly guided by formality ‘things’, low capacity discourses view every-
day practices as intermingled with other normative guiding principles.

The combination of the two discriminants flexibility and capacity provides four
discourses of formality at work – the four ideal-types of organisational encounters
with formalities, namely, the rationality discourse (high flexibility, high capacity),
myth discourse (low flexibility, low capacity), game discourse (high flexibility, low
capacity), and ceremony discourse (low flexibility, high capacity). Figure 10 com-
bines the two dimensions of capacity and flexibility.

<table>
<thead>
<tr>
<th>Formalising discourses</th>
<th>Flexibility</th>
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<tbody>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>High</td>
<td>Ceremony</td>
</tr>
<tr>
<td></td>
<td>Fate</td>
</tr>
<tr>
<td>Low</td>
<td>Myth</td>
</tr>
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<td></td>
<td>Common sense</td>
</tr>
</tbody>
</table>

FIGURE 9: TWO-DIMENSIONAL FRAMEWORK FOR FORMALISING DISCOURSES

The variation with respect to their conception of the flexibility and capacity of
formality is reflected in the different underlying normativities inherent in the four
discourses and discussed at length in part III. The rationality discourse sees the
essence of formality as high in both flexibility and capacity. High flexibility means
that formalities are not God-given, so to speak, but man-made. Formalities can
therefore be changed and adapted if need be. High capacity in turn refers to the
conception of a direct and unbiased impact of formality ‘things’ on everyday prac-
tices. People are not left to work in an ad hoc way, but everyday practices are
conceived as directly structured by the formalities of the organisational structure.
There is a direct linkage between formality ‘things’ and the formality ‘doings’, or
in Karl Weick’s (1976) terms, the formal structure and everyday practices are
tightly coupled.

The position of the rationality discourse in the framework is also reflected in its
underlying normativity. The rationality discourse underscores impersonality as
the central value in everyday interaction. The rationality discourse starts with the
assumption that there is an objective best way of doing everyday work, which is independent of any personal adaptation. In that sense, formality ‘things’ reflect the scientific goals of generally applicable rules in organising. Managers have a double role with respect to formalising. Managers are viewed as being on a continuous search for the objective best way of doing a certain process. The aim of this search is to rationally establish the objective best practice for all similar situations. Best practices are impersonalised by turning them into formality ‘things’ designed to structure everyday practice. In other words, formality ‘things’ are considered flexible in that they can be changed and adapted, but once they are put in power, they are tightly coupled and thus structure everyday practice as designed in the formal blueprint.

The myth discourse is placed at the opposite corner of the two-dimensional framework. The myth discourse sees the essence of formality as low in both flexibility and capacity. Low flexibility means that formalities are out of reach for those who are ‘doing the work’. The originator of the rules is seen as exogenous to the group. Formality ‘things’ are imposed. Low capacity in turn refers to the low effect formalities have on everyday practices. Formality ‘things’ are seen as loosely coupled to what managers do in everyday practice and therefore do not amply reflect everyday work.

In contrast to the rationality discourse, trust is not placed in impersonal and objective rules but in common sense resulting from close and personal interactions in everyday practice. Everyday practice is therefore only influenced by formality ‘things’ to a degree. Instead, the myth discourse tends to decouple the everyday practice of doing the ‘normal’ work from the practices of upholding the myth of compliance. In that sense, formality ‘things’ are conceived of as an additional workload to comply with rather than as being part of ‘proper’ work.

The game discourse sees the essence of formality at work as high in flexibility and low in capacity. High flexibility means that formality ‘things’ are malleable enough to best fit one’s strategic needs. Both the production and the application of formalities are seen as leaving room for influencing and interpreting as one may see fit. Low capacity in turn refers to the loose coupling of formalities with what is done in everyday work. Formality ‘things’ are the rules of the game that establish the cornerstones, but they do not independently determine everyday work. Decisive are people’s skills in strategically manoeuvring through the options of the game. There is a direct linkage between the formality ‘things’ and the formality ‘doings’ only when the formality ‘things’ are deployed by skilful organisational actors to achieve individual goals.
In contrast to the rationality discourse value of impersonality or the myth discourse value of common sense, the game discourse puts personal interests first. The game discourse sees formality ‘things’ as the structural field on which one can compete for one’s personal interest against other interests. Accordingly, the game discourse sees partiality as the central normativity in interactions. The game discourse conceives of managers as skilful players in the organisation. The notion of competition is central to the game discourse. Contrary to the myth discourse, there is no generally accepted common good which must be defended in the face of the influence of formal structures. Rather, there is a constant political struggle to impose one’s own interpretation on others.

Finally, the ceremony discourse sees the essence of formality as low in flexibility and high in capacity. Low flexibility means that formality ‘things’ are out of the reach of individuals. High capacity in turn refers to the direct linkage between formality ‘things’ and everyday practices. Everyday practices are structured by the formality ‘things’ of the organisational field. Formality ‘things’ and formality ‘doings’ are seen as directly coupled. The ceremony discourse puts fate at the centre of interactions. Normativity is alienated by a view of the world as unpredictable and chaotic. Fate takes the position of normativity in interaction. The personal engagement with formalities is limited to passively enduring its consequences. The notion of fate is reflected in the combination of the view of formalities as inflexible and tightly coupled.

The framework covers the two key relationships of ‘formality at work’ and offers a categorisation of the four discourses according to their conception of how tightly formality ‘things’ are coupled to everyday practice and of how malleable formality ‘things’ can be fitted to the need of everyday practice. The various conceptions along these two lines do not only manifest themselves in the underlying normativities of the four discourses but also in interaction. The four different normativities result in four different types of agency interaction.

**Agency at work**

In an analysis of the variation of formalising discourses in everyday practices, the various notions of agency are revealing. As mentioned above, formality at work has a double meaning. It refers first to how formality ‘things’ are enacted in everyday work and, second, to how formality ‘things’ are at work themselves. In that sense, formality at work portrays a notion of embedded agency as developed in the introductory part. Embedded agency carries a dynamic view between the
agency of people and the agency of formal structure. The dynamic view is manifested in the variation of relative agency with the variation of discourses. Instead of locating agency at a certain point on the people-structure continuum, I keep agency as a variable in my framework. Each discourse has a different notion of agency.

The conception of agency can be directly deduced from the position on the two-dimensional framework. In other words, the relative position of a discourse in my two-dimensional framework defines the conception of agency. Each of the four discourses contains a specific conception of agency depending on its conception of flexibility and capacity. Figure 11 summarises the four types of agency underlying the four formalising discourses identified in the Bank.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Flexibility</th>
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<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Organisational automaton (Ceremony)</td>
<td>High Capacity</td>
</tr>
<tr>
<td>Institutional entrepreneur (Rationality)</td>
<td>Low Capacity</td>
</tr>
<tr>
<td>Actor (Myth)</td>
<td></td>
</tr>
</tbody>
</table>

Figure 10: Agency in everyday encounters with formality

If we consider formality ‘things’ as inflexible and ascribing to them high capacity in determining everyday practice, the ceremony discourse leaves little room for personal contribution in everyday practice. Consequently, the type of agency underlying the normative grounding can be labelled organisational ‘automaton’. Agency is almost completely located in formality ‘things’ and not in people. At the other end of the continuum, conceiving of formality ‘things’ as high in flexibility and low in their capacity, the game discourse offers a vast leeway for individuals in everyday practice. The appropriate metaphor for this type of agency is a player. A player aims at winning by skilfully moving within the goalposts of formality ‘things’. Any other non-formal rules such as morality are irrelevant for a player.
A third type of agency provides the rationality discourse. Conceiving of formality ‘things’ as flexible but with high capacity, individuals engage as institutional entrepreneurs. With little room in everyday practice, individual agency focuses on fitting the formalities to fit everyday practice. In other words, people engage in an entrepreneurial spirit to build the best possible formal structure to ensure suitable everyday work practices. Conversely, agency in the myth discourse focuses on everyday work practices and not on formality ‘things’. While formality ‘things’ are considered as inflexible, their low capacity leaves ample room for fitting everyday practice to common sense. The relationship to formality ‘things’, in turn, is characterised by an act of play. People pretend to follow formality ‘things’ to the letter, but they often do it differently in everyday practice. People’s agency in relation to formality can therefore be conceptualised as actor.

Talking about people’s agency does not imply that every interviewee exclusively adopted one of the four discourses. On the contrary, I observed great variation of discursive patterns within interview narratives as well as between interview narratives.

The heteroglossic nature of everyday practices

While the two underlying dimensions of the four formalising discourses have been shown, the contingency question still lingers. Do the four identified categories truly represent four organisational discourses, or are the discourses merely representations of idiosyncratic situations or individual persons. To investigate the heteroglossic nature of formality at work, I investigated discursive variation. On the one hand, I looked at the variation of discourses drawn upon within single interview sequences. On the other hand, I also investigated the variation across interviews in relation to similar types of discursive situations or interactions.

During the investigation of heteroglossic variety within single interviews, it was not possible to match any one manager neatly within one type of discourse. On the contrary, common to all interviews is that all four discourses appeared during the course of every single interview. While the discursive emphases vary between managers, there is no manager who does not draw on each discourse at least once. The following quotation illustrates the multitude of discourses appearing in a single line of argumentation.

The manager here, for example, starts with a myth discourse logic, arguing that documentation is often the production of an illusion rather than a reflection of reality.

Enquiring for the reason why people keep documenting in the organisation in the face of such an ineffective practice, he replies from a ceremony discourse angle:

‘Natürlich von der Gesetzgebung her, von aufsichtsrechtlichen Vorschriften getrieben. [...] Wir sind in einer hoch regulierten Branche und das ist einfach ein Teil des Preises, den wir bezahlen.’ (I3: 2689 – 2706)

Further enquiring for the reasons why formalisations are the chosen strategy by regulators, he argues from a rationality discourse point of view that formalisations are done for risk protection reasons:

‘Je nachdem: [...] Anlegerschutz, Marktschutz, Wettbewerb schützen, Reputationsrisiken und so weiter. Es sind alle diese [...] Rechtsgüter, die geschützt werden müssen. Im Prinzip muss dies politisch ausgetragen werden, welche sind unsere Güter, die wir schützen müssen [...] Das bildet sich dann in der Gesetzgebung ab [...] Anleger zu schützen, das Funktionieren des Finanzplatzes und seiner Wirtschaft zu schützen, den Ruf [zu schützen], die Terrorismusbekämpfung, [dies] ist der Flavour von diesem Jahrzehnt.’ (I3: 2706 – 2796)

Having introduced the ‘official’ rationalistic arguments, he immediately – in a ceremony discourse logic – cautions about the true level of effectiveness of regulations experienced in practice:


Pondering the effectiveness, he admits with a rationality discourse logic that regulations did indeed have positive effects:

‘Auf der anderen Seite ist mir auch recht, dass man nicht mehr kofferweise Dollarnoten mit Heroinspuren und Bluttropfen darauf am Paradeplatz in Zürich wechseln kann. Das war wirklich eine Schweinerei.’ (I3: 2883 – 2894)
Continuing on about the underlying reasons why regulations have been put in place, he also refers to the game-like characteristics of formalising practices:

‘Da war die Frage, wieso hat man dies überhaupt extern [reguliert]. Das ist [...] auch der politische Druck. Wenn man die Regulierungswelle betrachtet, böse gesagt, die Amerikaner finden heraus, wie man auf schmu...kreativ-graue Art ein wenig Geld macht, dann ’it becomes a habit’ und dann verbieten sie es bei ihnen. Bis dann hat man es in England und in Europa gelernt und dann macht man es auch. Dann beginnen sie es einem zu verbieten. Dann kommt gewisser Druck – aber das ist jetzt natürlich sehr vereinfacht.’

(I3: 2897 – 2929)

Finally, he employs a myth discourse rationale, arguing that regulations have often led to absurdity in that they require highly complex documentation, which even specialised professionals scarcely understand:


This interview sequence, which refers to the reasons for regulation, is a good example of how various discourses appear as well as how interviewees switch from one discourse to another in the same line of argumentation. A web of formalising discourses is woven through the organisational field and reproduced in daily interactions. In everyday situations people engage with various discourses to make sense of everyday encounters with formalities.

Engaging with various discourses means employing contradictory normativities within the same account. In the above example, there are contradictory normativities employed even within the same line of reasoning. Describing the process of establishing regulation as a rational process to ensure the protection of investors, markets and reputation, the manager quoted attributes high capacity to regulations in everyday practices. At the same time, reflecting a myth discourse logic, he fundamentally challenges the capacity of anti-money laundering regulation and investor protection regulation. He also invokes a ceremonial logic with respect to the powerless stance of the Bank in the face of market regulations. Openly contradicting the ceremonial logic, he portrays how regulations can be fitted to personal interests in a game-like manner in everyday practices, paralysing the capacity of regulation.
The interview sequence shows how various discourses are enacted in the same line of argumentation without displaying an obvious sense of rupture in the argumentation. The apparent absence of discursive coherence in reasoning about formality was found to be a defining characteristic of formality at work. Considering the contradictory normativities of the present discourses, the heteroglossic nature of formality at work is not only characterised by the mere co-existence of formalising discourses within everyday practice, but by co-existence in a state of contradictory tensions.

While a discourse does not neatly correspond to a specific interview narrative, it also does not correspond neatly to a specific organisational situation. The analysis showed that a certain type of discourse is not contingent on a certain type of situational or interactional pattern. Talking about the same type of everyday practice, managers vary their discursive logics across interviews. The same organisational situation can be and was rationalised with various discourses.

An often recurring example of an everyday practice was the Bank’s callback procedure. This procedure was rationalised with all four discourses. Drawing on the rationality discourse, Operations Manager 12 attributes to the callback procedure the capacity to protect the Bank. Typical of the rationality discourse, he refers to ‘we,’ indicating personal identification with the particular formal requirement. The ‘we’ underscores the integrative process of a planned project rather than coercion from ‘outside’.


Talking about the same interactional situation of a callback, Formality Professional 3 challenges the capacity of the formal procedures. Drawing on a game discourse logic, he refers to the practice of switching the interactional field instead of proceeding to a proper callback. The switching of formal playing fields refers to the possibility of avoiding a particular formal requirement – the callback procedure in this case – and to applying another type of interactional rule and thus to another set of formal requirements. The following quotation refers to the practice of reframing a particular client instruction received by telephone in a practice of written client instructions to accommodate the internal control process.

‘Wenn man sagt, irgendwie, Zahlungsaufträge in einer gewissen Größen müssen schriftlich reinkommen oder man muss Callbacks machen führen

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einfach dazu, dass gewisse Private Bankers – gestützt auf Ausführungen, die ich gehört habe [...] dann einfach einen Stapel voll Blanko-Unterschriften der Kunden in der Schublade haben. Und dann wird das einfach ausgefüllt […], was man dann für den internen Kontrollprozess braucht. Das bringt der Bank ja eigentlich nicht mehr Sicherheit, das ist ein Beispiel.’ (I3: 1204 – 1240)

Similarly, the ceremony discourse logic was also invoked in relation to callback situations. The following quotation refers to a callback interaction where the formal procedure is formally followed to the letter, but where the spirit of the callback procedure is lost as the callback has become an end in itself instead of a means of ensuring the authenticity of an instruction.

‘Wenn man praxisbezogen hört, dass die Vorgabe eigentlich wäre, dass der zweite diesen [Kunden] identifizieren muss. Da bin ich überzeugt, dass der Dual-Callback so behandelt wird, dass einfach zwei zuhören, aber ich weiss wirklich nicht, ob der zweite […] wirklich den Kunden identifizieren kann.’ (I12: 528 – 549)

Finally, a myth discourse logic also appeared in the same context. Working according to common sense in interaction with clients, the callback procedure simply led to an additional practice of confirming compliance without effectively executing the callback. The formal requirement of calling clients back is simply separated into two parts. The formal part is dissociated from the client interaction toward which the formal procedure is formally aimed. In short, there is a time to talk with the client, and there is a time to ‘do formalities’.


The variety of discourses underlying similar interactional situations is typical for the heteroglossic nature of formality at work. While there is a shared sense of a very constrained scope of discretion in the face of the formal requirements of the Bank – the formality ‘things’ – the discursive variety observed portrays remarkable latitude in how people deal with particular situations – in the formality ‘doings’.
Agency revisited

Combining the insight that all discourses bear a different notion of agency with the insight that all of the managers keep engaging with all four discourses sheds light on the concept of embedded agency. The paradox of embedded agency can be resolved in the heteroglossic nature of everyday practice.

Instead of positioning the concept of agency at a certain point on the structure-agency continuum, the heteroglossic nature of formality at work conceives of agency itself as a variable. Ranging from a structure pole in the ceremony discourse to a nearly pure agency pole in the game discourse, the various positions are submerged in the overarching heteroglossic conception of formality at work. As argued above, the concept of formality at work embeds agency within the formalising discourses. Embedding agency in the formalising discourse, formality ‘things’ do not simply constrain agency in everyday practice but simultaneously provide resources for unfolding purposive individual activities.

The embeddedness becomes visible in the practice focus of my research. Formality at work puts the focus on the here and now of everyday practices. In this sense, formality ‘things’ only take on life in relation to particular situations. The role of the manager is not considered as passive or a mere consumer of discourses but as an active ‘construction worker’ who continuously shapes formality in a dynamic interplay with his own experiences and structural demands. People’s experience and behaviour are more than manifestations of prevailing discourses. While their identities, relationships, knowledge and beliefs are constructed through discourses, people are also actively participating in the construction process and selectively using discourses for their own purposes (Burr 1995).

Conceiving of the concept of embedded agency as oscillating on the agency-structure continuum results in a situation of contradictory tensions in everyday practice. Surprisingly, however, the study shows that despite contradictory normativities, managers enact all four discourses in everyday practices without an obvious sense of contradiction. On the contrary, as argued above, the omnipresent multiplicity of discourses and the apparent absence of coherence in reasoning about formality were found to be a defining character of formality at work. In the face of this paradoxical nature of formality at work, there arises the question of how the rationality discourse can maintain its hegemonic position within the concept of formality at work. This is the topic of the next section.
Dissociating formality ‘things’ and ‘doings’

In part III, I established that the rationality discourse is the hegemonic formality discourse. However, I also showed how the other three discourses have fundamentally different normativities. Moreover, I demonstrated in part IV how all four discourses have interaction and system effects that undermine the rationalistic basis of formality. In the first section of part V, I showed how discourses vary both within and across managers’ accounts of everyday practice. In those chapters there was also ample evidence that the rationalistic logic of formality ‘things’ is typically not reflected in an unbiased manner in everyday practice. Investigating everyday practices in the light of the rationality discourse, there is ample evidence of deviance, malfunctioning, irrationalities or inefficiencies. The insistence of the rationality discourse on formality as an impersonal and independent best way of doing something can scarcely hold up in the face of ample evidence to the contrary. Interestingly though, the discourse analysis showed that the rationality discourse basis is consistently accepted throughout the interviews and there is rarely any attempt to fundamentally challenge formality ‘things’ as a rationalistic organisational concept.

In the analysis of the interview statements, a discursive practice of dissociation of formality ‘things’ and formality ‘doings’ appeared as a typical pattern for reconciling interdiscursive conflicts. Managers consistently upheld the rationalistic concept of generally applicable formality ‘things’ when they talked about abstract organisational themes. Discussing concrete particular situations of everyday practices, managers switched discourses and drew on contradictory normativities. This dissociation of the general and abstract formality ‘things’ and concrete and particular formality ‘doings’ is, for example, apparent when managers hedge while recounting everyday experiences that openly contradict the rationality logic of the formal structure. Operations Manager 4 states:

‘Aber dass man Prozesse braucht und diese formalisiert sein müssen, das ist allen klar. Aber es ist so, dass man sich in gewissen Fällen fragt: Ist denn das auch noch nötig?’ (I4: 861 – 876)

Or as another manager states:

‘Yes, I can see the need to regulate, I can see the need to combat money laundering, I can see the need that we are not selling the people duff investments, I can see the need for being able to prove the reason for doing a transaction. But I do think somewhere the actual art of banking has been forgotten.’ (I16: 838 – 867)
The discursive hedges in these quotations underscore that the general and abstract formality ‘things’ are not fundamentally put in question, even though they are in open conflict with everyday experiences. Moreover, the defence of formality ‘things’ in the face of open contradiction to everyday practices is a strong sign of the hegemonic position of the rationality discourse.

Another form of dissociation of everyday practice from the impersonal realm of formality ‘things’ can be found in managers’ ascribing a deficiency to a concrete everyday practice instead of putting the underlying rationality logic of the formal structure in question. Again, this discursive pattern underscores the hegemonic position of the rationality discourse. Comparing the practice of ‘how it is’ to ‘how it should be’ is a typical topos in managers’ accounts on formality at work.


The establishment of the ‘good’ rationalistic reference structure and the ‘bad’ actual situation in everyday practice again elevates formality ‘things’ to an untouchable hegemonic position.

This open contradiction between discursive patterns in everyday practice and the respected status of the rationality discourse of formality ‘things’ is central for understanding formality at work. The study found that the dissociation of formality ‘things’ from everyday ‘doings’ is a key discursive mechanism for reconciling the open contradictions between everyday practice and formality ‘things’. The dissociation reinforces the hegemonic position of the rationality discourse. Arguably, this dissociation is the very source of the hegemonic power of the rationality discourse in formalising. The saying ‘the exception proves the rule’ represents the everyday expression of this dissociation of formality ‘things’ and ‘doings’. Evidence contradicting the hegemonic logic of formality ‘things’ is typically declared to be irrelevant or an idiosyncratic aspect that does not disprove the value of formality ‘things’. On the contrary, in their study on the hegemonic position of law in American society, Ewick and Silbey (1998: 230) make a powerful point by indicating that disconnecting everyday experience from an objective and transcendent truth strengthens the hegemonic position of a discourse:
‘[A] general, ahistorical truth is constructed alongside, but as essentially incomparable to, particular and local practices. In this way, firsthand evidence and experience that might potentially contradict that general truth is excluded as largely irrelevant. By effacing the connections between the concrete particular and the transcendent general, hegemonic ideologies conceal social organization. As a consequence, power and privilege are preserved through what appears to be the irreconcilability of the particular and the general.’

The discursive mechanism of dissociating general and abstract formality ‘things’ from concrete particular ‘doings’ is grounded in the rationality discourse itself. The rationality discourse starts with the assumption that there is an objective best way of doing everyday work which is independent of any personal adaptation. Formality ‘things’ embody the scientific objective of general and abstract rules in organising. Once formality ‘things’ are established, they are thought to take on a life of their own as they are conceived of as an impersonal representation of an objective truth that is independent of any manager’s contribution. Its discursive mechanism of depersonalisation and of ‘de-concretisation’ leaves the rationality discourse an untouchable truth despite the ‘reality’ of concrete and particular prosaic experiences undermining the goal of a general ‘one best way of doing’.

**Reconnecting formality ‘doings’ and ‘things’**

The dissociation of formality ‘things’ from everyday practice was established as a cover mechanism for the hegemonic position of the rationality discourse. Dissociating formality ‘things’ from everyday practices may, however, explain how discursive challenges can be warded off, but does not offer any explanation of how formality ‘things’ remain at all relevant in everyday practice. In other words, how can everyday practices be reconnected to formality ‘things’ in the face of apparent dissociation?

This reconnection is arguably the main underlying function of all four discourses in the formality ‘doings’. In everyday practice all four discourses mainly serve to reconcile apparent deviances, malfunctioning, irrationalities or inefficiencies of formalities with the logic of the rationality discourse. Paradoxically, the counter-hegemonic seeds in the game, myth and ceremony discourses tend to be supportive of the rationality discourse. The counter-hegemonic seeds help to reconcile contradictory evidence rather than to fundamentally challenge the hegemonic rationality discourse. This conclusion is supported by the absence of fundamen-
tal challenges to formality ‘things’ as the central element of organising. However, managers criticised formality for not being constructed or applied correctly, as I have shown above. The following quotation is representative of a supposedly counter-hegemonic criticism of formality ‘things’ that is, in essence, a reconciliation of non-rational discourses with the rationality logic of formality ‘things’.


The quotation shows how trust is imported into a formalising discourse. Trust is not, however, conceived of as a counter-hegemonic element, but as an element in support of rational decision-making – the very basis of the rationality discourse. In other words, trust as an element of an external and counter-hegemonic discourse is integrated into a narrative of formalising that supports the rationality discourse logic. Trust is viewed as a control mechanism for rational behaviour in everyday practice.

The integration of supposedly contradictory normativities is key to reconciling apparent deviances with formality ‘things’. In everyday practice, engagement with formality ‘things’ is always embedded in a web of non-rational discourses. The central position of common sense in the myth discourse and self-interest in the game discourse represents reconnections to normativities outside the realm of rationalistic formality. The plurality of normativities allows a flexible reconnection of the complexities of everyday experiences with the rationality of formality ‘things’.

In this sense, the dissociation of formality ‘things’ and ‘doings’ does not simply protect the rationality discourse against counter-hegemonic discourses, but also leaves everyday practices open to counter-hegemonic discourses. This openness stabilises or even strengthens the hegemonic position of formality ‘things’. The heteroglossic nature of formality at work allows the flexible handling of deviances, malfunctioning, irrationalities or inefficiencies of formality at work. As a
consequence the formal ‘rationalistic’ organisation of the Bank directly depends on the ‘irrationalities’ of the game, myth and ceremony discourses.

This conclusion is supported by the coexistence of the centripetal and centrifugal forces of each discourse, as shown in part IV. For all four discourses, the discourse analysis shows centripetal forces which reconcile ample evidence of irrationalities of formality ‘things’ in everyday practice with the rationality logic of formality ‘things’. Centripetal forces thus tighten formality around the hegemonic rationality discourse and closely align everyday practices to the spirit of rationalistic formality ‘things’.

Centrifugal forces in turn undermine the hegemonic logic of the rationality discourses in everyday practice. As shown in part IV, the myth discourse produces centrifugal forces by dissociating everyday work practices from a practice of upholding the myth of formality ‘things’. The game discourse is centrifugal in that formality ‘things’ are creatively fitted to meet self-interest rather than the spirit of rationalistic formality ‘things’. The ceremonial discourse produces a centrifugal force by separating everyday practices from any normativity except for blind compliance. Finally, the rationality discourse itself embodies some centripetal forces in that the depersonalisation underlying the rationality logic might stifle the necessary freedom for individual discretion in everyday practice.

Formality at work is thus characterised by the complex nature of centripetal and centrifugal forces. Revolving around a hegemonic rationality discourse, everyday practices embody a multiplicity of discourses. Every interview sequence exists at the intersection of centripetal and centrifugal forces. As a result, every interview account reproduces within itself the heteroglossic diversity, which characterises the everyday encounters with formality at work.
Part VI: Conclusion

When I started my research project on formality at work in 2005, the banking industry was thriving. Since then, things have changed. As I write this conclusion in October 2008, the worst crisis since 1929 has struck the industry. A number of supposedly robust banks have come close to collapsing. Governments, national banks and regulatory bodies have stepped in to recapitalise many financial corporations. The classical investment bank model has even disappeared in the turmoil. The online edition of The Economist (economist.com 2008) wrote:

‘As if too ashamed to go on after the humbling of the country’s mortgage agencies and its largest insurer, the ‘bulge-bracket’ brokerage model has collapsed in on itself. Even more humiliating for the erstwhile masters of the universe, the new force in finance is now the government.’

Regulation – or the lack thereof – seems to have failed. A knock-on effect started by problems in the sub-prime mortgage section has spread to insurance companies and investment banks. As a consequence of the market failures, major changes on the regulatory front are to be expected. Joseph Stiglitz (guardian.co.uk 2008) noted:

‘Our financial system has failed us. Part of the reason it has performed so poorly is inadequate regulations and regulatory structures.’

The quotation shows the typical response: Tighter, i.e., better, regulation is called for. While at the beginning of my research there was a widely shared sense of overregulation of the financial sector, there has now emerged a sense of under- or mis-regulation. What remains, though, is the central position of regulation and its derived formalities in the discussion of banking.

The issue of formality at work thus remains highly topical in today’s banking environment. My research investigated how people engage with formalities at work as well as what effects formalities have on everyday practice. These two aspects are reflected in the double meaning of the research title ‘Formality at Work’. This double reference to how people enact formalities in everyday practices and how formalities are at work themselves also represents the focus of my study. It refers to a fundamental discursive dissociation of formality ‘things’ as reified in abstract and impersonal formalities, on the one hand, and formality ‘doings’ as the everyday encounters with those formality ‘things’ in practice, on the other.
To investigate formality at work, I based my study on the following research agenda. The first research interest was to investigate which discursive resources managers draw on in order to make sense of formality in everyday practice. The second research interest focused on the unintended effects of formality in everyday practice. I explored how discourses structure everyday interactions and how interdiscursive dynamics find their manifestation in everyday practice. The answers to both questions were combined in the model of heteroglossic formality at work.

**Heteroglossic formality at work revisited**

Grounded in a social constructionist understanding of social interactions, my study drew on the Bakhtinian concept of ‘heteroglossia’ for conceptualising the dynamic tension of formality at work. ‘Heteroglossia’ in this research context is understood as the simultaneous presence of multiple discourses cohabiting formality at work. Formality at work conceived of as an overarching ‘organisational language’ was found to embody four formalising discourses which are mutually constitutive, but also contradictory. In Bakhtin’s terms, the four formalising discourses are both centrifugal from and centripetal toward an overarching hegemonic rationality discourse of formality. Centripetal forces tend to standardise practices around the hegemonic rationality discourse as these forces fix and close meanings in its support. Centrifugal forces, in turn, de-standardise and diversify practices. Centrifugal forces resist discursive closure by producing anti-hegemonic resources. ‘Heteroglossia’ alludes to the dynamic conflicts between the two forces.

The study also showed that the variety of discursive patterns in the organisation were not arbitrary. The discourses fundamentally differ in how they conceive of the *flexibility* and *capacity* of formality ‘things’. Flexibility refers to the degree to which formality ‘things’ are understood as being adaptive to the needs of everyday situations, either by interpreting or by adapting formal requirements. High flexibility implies an understanding of formality ‘things’ as offering room for interpretation or as being malleable to the needs of everyday practices. Low flexibility, in turn, implies that formality ‘things’ are fixed and do not leave any room for adaptation or interpretation in everyday work situations. Low flexibility locates formality ‘things’ outside the sphere of personal influence. They are seen as reified constructs with which people have to live.
Capacity in turn signifies the degree to which formality ‘things’ determine everyday practices. Capacity defines the extent to which everyday practices are in advance constrained by formality ‘things’. High capacity refers to the conception of formalities as being tightly coupled to everyday practice. Low capacity, in turn, means that formality ‘things’ are only loosely coupled to everyday practices. Loosely coupled practices are not exclusively determined by formality ‘things’ but follow alternative normativities such as common sense or self-interest. Figure 12 summarises the heteroglossic model of formality at work.

<table>
<thead>
<tr>
<th>Formalising discourses</th>
<th>Flexibility</th>
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<tbody>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>High Capacity</td>
<td>Ceremony</td>
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<tr>
<td></td>
<td>Fate</td>
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<tr>
<td>Low</td>
<td>Myth</td>
</tr>
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<td></td>
<td>Common sense</td>
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**Figure 11: Two-dimensional framework for formalising discourses**

All four discourses were present in each interview narrative. Managers switched back and forth between all four discourses during the interviews. Interestingly, discursive patterns similar to those shown in my study were present when I followed the extensive coverage of the global economic crisis in the media. All four discourses identified in my study regularly emerged in reflections on the crisis. As I have argued, discursive patterns are most visible in the presence of problems, i.e. if routine practices are disrupted. When facing problems, people have to rationalise about the causes of and the solutions to these problems, which involves building lines of reasoning that draw on available formalising discourses.

Reports on problems are abundant in the present financial crisis. The four discursive patterns are reflected in what was identified as the reason for the crisis. First, poor regulation were often cited as the primary cause, and a series of deficiencies in the regulatory system was identified. Playing a prominent role in discussions was, for instance, the issue of the alleged weakness of regulatory oversight of investment banks. Discussions of gaps in the regulatory system are typi-
cally enveloped in a rationality discourse. The rationality discourse draws on a rationalistic understanding of formality and puts good regulation at the centre. Individual behaviour is conceived of as being tightly coupled to the formal structure; therefore, the solution lies in the formal structure. Attempts to solve problems focus on the quasi-scientific search for the generally applicable and objective best way of doing things. This logic is particularly apparent in the calls for better regulation as a panacea for solving the crisis and for stabilising the banking system in the long run.

Second, the bad behaviour of bankers and brokers was often blamed for the crisis. For example, bankers have been accused of exploiting product market opportunities to maximise individual gains by leveraging underlying assets. Normal mortgage contracts were securitised and sold to third parties. Simply put, securitisation was abused in order to turn bad credit contracts into good money-making opportunities. The discursive pattern typically underlying this type of rationalising conceives of formality as the rules and resources to an interactional game. Formality 'things' are seen as the only relevant reference points in everyday interactions. Self-interest is the major driving force. Other aspects such as morality tend to be treated as irrelevant. This is the conception of the 'game' discourse. Contrary to the rationality discourse, formality 'things' are viewed as loosely coupled to everyday practice. Individual actors mould formality to fit their own interest.

Third, whitewashed information about the underlying risks of products was also regularly mentioned as an underlying cause of the crisis. For instance, rating agencies are blamed for having systematically overstated the value of products and corporations. Similarly, so-called 'capital-protected' products turned out to be 'junk' investments. The quality tags on such investment products misrepresented underlying asset security. The consequence was an industry-wide 'lulling effect'. Such a dissociation of 'reality' from its formal representation reflects a 'myth' discourse logic. Similar to the game discourse, the 'myth' discourse sees formality as loosely coupled to the 'reality' of everyday practice. Formality 'things' leave ample room for working according to common sense rather than formal requirements. Contrary to the game discourse, however, formality is not conceived of as highly adaptive to the needs of everyday practice. As a result, the game discourse consequently dissociates the practice of 'doing work' of a practice of 'reporting compliance'. Compliance is reported according to what is formally required and not according to what is effectively done in practice. Therefore, formal representations, such as product ratings or 'capital protection' labels, are simply isomorphic responses to the environment's expectations.
Fourth, systemic irrational behaviour were reported as the underlying cause of much of the crisis. Former U.S. Federal Reserve Chairman Alan Greenspan (2008) claimed that a ‘credit tsunami’ had shaken up the financial system. The expression ‘credit tsunami’ refers to an irrational knock-on effect. Regulatory requirements such as mark-to-market accounting rules are also blamed for provoking forced sales and write-downs, which exacerbated the crisis and which allegedly worked against the very intent of the formal requirements themselves. The underlying discursive pattern of such an argument conceives of formality as regulatory fiat with which companies in the financial industry must comply – whether it makes sense or not. This conception fits the ceremony discourse. The ceremony discourse is fundamentally pessimistic about the room for human agency in everyday practice. Based on a view of the world as chaotic and unpredictable, the ceremony discourse stresses unintended consequences of formality as the rule rather than the exception. The ‘credit tsunami’ is a good example of such unintended consequences.

These four examples are at best a crude mapping of my framework to anecdotal evidence from the financial crisis. To establish the presence of theses discourses in a methodologically sound way would require further analysis. However, they are a good illustration of the analytic value of the framework. From a social constructionist perspective discourses are typically not limited to distinct organizational settings, but embedded in wider social discourses. Observing the same discourses in the discussions about the present financial crisis indicates analytical value beyond the specific setting of the Bank under study. In that sense, the case study can be seen as an excerpt of the bigger banking field rather than an isolated case.

To highlight that the banking field is imbued with multiple discourses does add valuable insights to the discussion. It is even more interesting, however, to highlight the ‘heteroglossic’ nature of the four seemingly disjointed discourses. My study showed that despite contradictory normativities managers enacted all four discourses in everyday practices without an obvious sense of rupture. Indeed, an important conclusion of the study is the omnipresent multiplicity of discourses and the apparent absence of normative coherence in reasoning about formality. At the same time, the variety of discourses was found to mutually reinforce formalisation in the organisation. In accordance with Bakhtin’s concept of ‘heteroglossia’, the study shows that the four discourses simultaneously develop contradictory but collectively supportive tensions, which are reflected in the coexistence of centripetal and centrifugal forces.
Each of the formalising discourses includes an element of centripetal forces in that it closely aligns everyday practices with the expectations of the hegemonic rationality discourse. Centripetal thus refers to the propensity of each discourse to mimic the hegemonic rationality logic without taking on its underlying normativity. The centripetal forces reinforce the typical discursive patterns of the rationality discourses. Centripetal forces of all four discourses contribute to patterns of responding to problems by adding or amending formality ‘things’, they all reinforce the rationalistic value of professionalism, and they all are supportive of the materialisation of organisational practices through documenting and automating.

While the centripetal forces reconcile contradictory normativities in everyday interactions with the dominant rationality logic of formality ‘things’, the centrifugal forces of competing formalising normativities result in unintended consequences and organisational paradoxes. As my analysis showed, everyday practices never follow only a single normative logic, but are imbied with multiple discourses. The hegemonic presence of the rationality discourse normativity, in particular, creates omnipresent discursive tensions. The study showed that everyday practice represents a continuous effort to reconcile rationalistic logic of impersonality as manifested in general and abstract formality ‘things’ with the here and now of personal interactions in everyday practice. The rationality discourse resolves this discursive tension by strictly following the impersonal formal process in everyday practice. The myth discourse resolves this tension by dissociating everyday work practices from practices of upholding the myth of formality ‘things’. The game discourse resolves this tension as formality ‘things’ are fitted creatively to meet self-interest rather than the spirit of the formality. The ceremony discourse resolves this tension as everyday practice is detached from any normativity except for blind compliance. These ‘solutions’ to discursive tensions are the source of unintended consequences and organisational paradoxes.

Revolving around the hegemonic rationality discourse embodied in formality ‘things’, the discursive dissociation of rationalistic formality ‘things’ from everyday ‘doings’ represents a key aspect of the above-mentioned solutions. My study concluded that the dissociation of formality ‘things’ from everyday ‘doings’ is a key discursive mechanism for reconciling the open contradictions between everyday practices and formality ‘things’. Evidence contradicting the hegemonic rationality of formality ‘things’ has been typically characterised by interviewees as irrelevant or an idiosyncratic aspect. The study argued that disconnecting everyday experience from an objective and transcendent truth strengthens the hegemonic position of the rationality discourse. Arguably, this dissociation is the very source of the hegemonic power of the rationality discourse in formalising. The
saying ‘the exception proves the rule’ is the everyday expression of this dissociation of formality ‘things’ and ‘doings’.

The heteroglossic nature of formality at work is supported by the anecdotal evidence provided by discussions of the financial crisis. Discussions switch between the four underlying discourses without an obvious sense of contradiction. The dissociation of formality ‘things’ and formality ‘doings,’ in particular, was also observed. Discussing problems, managers often referred to everyday experiences; discussing solutions, managers typically disconnected themselves from specific practices. Following the hegemonic rationality discourse, arguments rely on impersonal and general applicable formalities. Omnipresent calls for tightening state regulation reflects such a rationalistic logic underlying which is the rationalistic assumption of a tight coupling of formality ‘things’ and formality ‘doings’.

The discursive mechanism of dissociating general and abstract formality ‘things’ from concrete particular ‘doings’ is grounded in the rationality discourse itself. The rationality discourse starts with the assumption that there is an objective best way of doing everyday work which is independent of any personal adaptation. Formality ‘things’ reflect the rationalistic objective of general and abstract rules in organising. Once formality ‘things’ are established, they are thought to take on a life of their own as they are conceived of as an impersonal representation of an objective truth, independent of any manager’s contribution. Its discursive mechanism of depersonalisation and of ‘de-concretisation’ leaves the rationality discourse as an untouchable truth despite the ‘reality’ of concrete prosaic experiences undermining the goal of a general ‘one best way of doing’.

**Contribution to organisational theory**

The conceptual framework is the study’s main contribution to organisational theory. The heteroglossic conception of formality at work is a powerful explanatory framework. It is valuable for analysing how people engage with or are enacted by formality ‘things’ such as laws, internal rules, structure charts, templates or professional standards in everyday practices. The literature review provided a preponderance of descriptive accounts of formality at work. Conceptual frameworks to map formality at work in organisational practice are rare in the literature. In order to understand the often paradoxical nature of formality at work described in the literature, the underlying logics of formalising need to be revealed. Argyris (1994), for example, argued that organisational strategies to bypass formal requirements as well as going blindly by the book had continued paradoxical ef-
fects because these unwanted strategies were ‘undiscussable and their undiscussability is undiscussable’ (ibid.: 352). The theoretical framework contributes to breaking down this barrier of undiscussability. The conception of the heteroglossic nature of formality at work encompasses both the reproductive as well as the paradoxical effects of everyday practice.

This framework can thus help to put undiscussable discursive patterns on the agendas of researchers, regulators and managers. In the face of the present financial crisis, my heteroglossic framework could contribute to a better understanding of the complexity of regulation in everyday practice. Shedding light on centripetal and centrifugal discursive mechanisms of formality at work may help to prevent the typical pitfalls of rationalistic formalisations shown in this study. Having established that everyday practices are enveloped in multiple formalising discourses, regulatory aspirations need to be made more modest. In that sense, the framework also has practical relevance. It is therefore not simply a model for ‘voyeurs’ of management but equally for practitioners. Conceptualising formality at work as heteroglossic arguably offers a much richer starting point for thinking about formalising than the rationalistic decision-making models that dominate the curricula of business education.

Making undiscussable discursive patterns discussable depends on the practice focus of the heteroglossic conception of formality at work. The practice focus takes the often irrational and paradoxical discursive patterns, which are frequently ignored in the literature, seriously. Instead of striving to resolve such empirical impurities, the heteroglossic framework integrates them as a key part of the model. Contradictory tensions are framed as the driving forces of everyday practice. Similarly, the paradox of embedded agency can be dissolved in the heteroglossic nature of everyday practice. Instead of positioning the concept of agency at a certain point in the structure-agency continuum, the heteroglossic nature of formality at work conceives of agency itself as a variable. Ranging from a structure pole in the ceremony discourse to an agency pole in the game discourse, the various positions are submerged in the overarching heteroglossic conception of formality at work. The concept of formality at work embeds agency within the formalising discourses. Embedding agency in the formalising discourse, formality ‘things’ do not simply constrain agency in everyday practice but simultaneously provide resources for developing purposive individual activities. Conceiving of the concept of embedded agency as oscillating on the agency-structure continuum results in a situation of contradictory tensions in everyday practice. Surprisingly, however, the study shows that despite contradictory normativities managers enact all four discourses in everyday practices without an
obvious sense of contradiction. The simultaneous presence of contradictory discourses and the apparent absence of coherence in reasoning about formality is a defining character of formality at work.

However, the heteroglossic framework’s goal of covering all possible discursive patterns in the organisation researched might give rise to criticism. The framework might be criticised as being tautological in the sense that it explains everything but does not predict anything. This claim might be targeted at the heteroglossic framework as there are potentially unlimited numbers of discursive situations covered by it. Thus, the heteroglossic framework could be criticised for allowing adjustments to any particular situations by drawing on a different discourse. The framework, however, should not be interpreted as being ‘everything to everybody’. The heteroglossic framework of formality at work provides clear statements about hierarchical relationships of discourses and their relative power. The concept of hegemony is key in this respect. Thus, discursive interactions are less malleable than the model might suggest at first glance. Applying the concept of hegemony, the framework is also capable of predicting distinctive patterns of discursive practices and excluding others. Above all, centripetal and centrifugal forces to the hegemonic rationality discourse offer a good basis for analytical predictions. Based on these predictions, the heteroglossic framework is vulnerable to falsification and is thus not tautological.

Besides possible suggestions of tautology, the framework might also be criticised for relativism due to its social constructionist underpinning. Social constructionist conceptions are particularly difficult to reconcile with empirical research methods. This objection cannot be dismissed lightly. However, if we accept that social constructionist epistemology and ontology come closer to mapping how social interactions are structured than alternative rationalistic models, then it would be difficult to claim that we should apply a rationalistic model because it would be methodologically easier to apply. This would introduce a conceptual flaw that cannot be compensated for by any rigorous methodology. The objection of relativism is however valid as the researcher is left with a number of challenges when doing empirical research under a social constructionist paradigm, but they are neither insurmountable nor negative in social constructionist understanding.

The challenges of reflexivity and contextualisation are discussed in the introduction. For a researcher in social settings, it is impossible to be an objective observer. The researcher is always part of the discursive (re-)construction process. In addition, considerable discretion is left to the researcher in choosing particular aspects and rejecting others as well as in what the interpretation focuses on and what it leaves unsaid. I designed my research to rise to the challenges of reflex-
ivity and contextualisation. Above all, I provided extensive interview quotations to allow the readers themselves to make sense of formality and thus open up opportunities for alternative interpretations. However, it is undoubtedly a very limited picture of the complexities of everyday practices in organisations. In that sense, the research invites future research to build on, to add to, or to refute my conclusions.

**Future research agenda**

While I have developed an analytical framework of formality at work, a series of questions remain unanswered. Moreover, the model itself generates a number of questions derived from its heteroglossic underpinning. First, the empirical basis is limited to a specific corporate organisation in a specific cultural, social and economic environment. The conclusions drawn in this study as well as the model itself thus need to be viewed with its context in mind. It might be possible, or even very likely, that in other contexts, other discursive patterns would prevail. For instance, analysing judicial or sport practices might well mark the game discourse as hegemonic, with all its heteroglossic consequences for centripetal and centrifugal forces in interactions. Further research in different contexts would therefore be valuable for sharpening the understanding of formality at work. Comparative research across organisational settings, in particular, would also offer good research potential.

Second, while focusing on a single case study, the scope of my research is nevertheless very broad. I included a very wide range of banking practices in my research. This might have been at the expense of some depth in the analysis of specific practices or distinct organisational subunits. In-depth analysis of discursive patterns of specific practices or organisational subunits would therefore be necessary to validate my conclusions.

Third, the practical implications of my conclusion also offer an interesting field for future research. The heteroglossic model of formality at work is a good analytical tool, but provides limited guidance for practitioners. The question of what implications can be drawn for practices of amending rules and regulations remains, to a large extent, unanswered. My conclusions provide alternative strategies of formalising. Taking the heteroglossic nature of formality at work into consideration, one could infer that discursively balanced approaches to regulation might be most promising. Thus, for example, formalised work practices in managing risks might be complemented by an orientation toward ‘dirtier’ data processing (Marx
1984) based on *ad hoc* sources of information, such as, for example, in institutionalised opportunities for whistle-blowing (Vinten 1995). The practice of documentation might also be actively balanced against alternative practices, such as, for example, analysing organisational rumours, rather than taking the value of documentation for granted. Similarly, the side effects of professionalisation might be alleviated by including employees and managers with a variety of backgrounds. While these suggestions represent just a few options for finding more balanced ways of formalising everyday practices, they offer a number of ideas for future research.
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Appendices
### A – Conversational agenda

<table>
<thead>
<tr>
<th>1. Warm-Up</th>
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<tbody>
<tr>
<td>- Talking about formality: what comes spontaneously to your mind?</td>
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<thead>
<tr>
<th>2. Formalising strategies</th>
<th></th>
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<tbody>
<tr>
<td>- What are the main advantages of formalised work procedures? Why do we formalise work procedures at all? What are the main drivers?</td>
<td></td>
</tr>
<tr>
<td>- Do you have an example of where formalisation works / worked well?</td>
<td></td>
</tr>
<tr>
<td>- What are the main disadvantages?</td>
<td></td>
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<tr>
<td>- Do you have an example of where it works/worked badly?</td>
<td></td>
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<tr>
<td>- As a result, what would be the optimal level of work formalisation?</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>3. Positioning</th>
<th></th>
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<tbody>
<tr>
<td>- How are formalised work procedures accepted?</td>
<td></td>
</tr>
<tr>
<td>- Who has the most influence on whether and how formalisation, e.g., internal rules and procedures, are implemented?</td>
<td></td>
</tr>
<tr>
<td>- Who normally loses out in and/or opposes formalising processes?</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Reflections and challenges</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>- What are the main challenges for formalising work processes?</td>
<td></td>
</tr>
<tr>
<td>- How do you deal with those challenges?</td>
<td></td>
</tr>
<tr>
<td>- What would you do differently in your daily work, if there were no formalised requirements?</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Future developments</th>
<th></th>
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<tbody>
<tr>
<td>- What trends do you see in respect of work formalisation?</td>
<td></td>
</tr>
<tr>
<td>- What could be done differently? How?</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>6. Conclusion</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Anything you would like to add?</td>
<td></td>
</tr>
<tr>
<td>- Anybody else you could recommend for an interview on formalisation?</td>
<td></td>
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## B – Overview of interviews

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<tr>
<th>Ref.</th>
<th>Area</th>
<th>Relationship to researcher</th>
<th>Date of interview</th>
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<td>4.</td>
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<td>Relationship Management</td>
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<td>25.</td>
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</table>
Curriculum Vitae

Name: Roland Pfyl
Date of birth: 27th January 1976
Residence: Schwyz (Switzerland)

Education
2000 – 2001 London School of Economics and Political Science, MSc Public Administration and Public Policy
1997 – 2000 University of Geneva, Licence in political science
1991 – 1996 Kantonsschule Kollegium Schwyz, Matura Typus A

Work experience
2007 – present Cantonal administration of Schwyz, policy evaluator
2002 – 2007 Major international banking group, internal auditor
2001 – 2002 Swiss private bank, graduate trainee
1997 – 2000 Various internships in banking and consulting

Activities
2008 – present Member of the executive board of the Swiss Evaluation Society (SEVAL)
2008 – present Member of the executive council of the town of Schwyz, Head of Finance