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Gentlemen, players and re-moralisation of banking: solution or diversion?

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ABSTRACT

In this chapter, 'A return to gentlemanly banking: solution or diversion?' the authors focus on proposals for changes in institutional culture in the field of banking and finance in order to address issues of what has been called 'shameful' and 'dishonourable' behaviour by individual bankers. They pose the following questions: in what ways can 'culture change' be conceptualised and understood in the context of banking; and to what extent is such proposed change feasible in the context of a neoliberal-dominated political economy? Using the field of banking in Scotland as an example, the authors trace the overthrow of the traditional gentlemanly bankers by a new guard of modernisers. The collapse of the Scottish banks in 2009 and the lack of any legal accountability has led to calls in the popular press and elsewhere for a return to what we take to be a quasi-imaginary past, in which banking was a gentlemanly profession conducted, at senior levels at least, by and between honourable gentlemen. The chapter concludes with a discussion and critique of what this might imply.

In the aftermath of the Global Financial Crisis (GFC), the contribution of the British banks to the crisis has been the subject of a number of official and semi-official investigations. In the context of the crisis, in the UK the major relevant banks involved were Royal Bank of Scotland (RBS), HBOS (Halifax Bank of Scotland), Lloyds-TSB, HSBC, and Barclays. Of these, RBS declared a loss of £24.1 billion in 2009 and was bought out by the UK government, HBOS declared a loss of £10.8 billion and, encouraged by the government, was merged with Lloyds-TSB, while Barclays raised a massive loan from Qatari financial sources. In addition, certain other, smaller banks, e.g. Northern Rock, Bradford and Bingley, and the Dunfermline Building Society, collapsed (Lanchester 2009, Perman 2012, Martin 2013, Fraser 2014).

Investigations into these banks' contribution to the GFC have identified problematic behaviours at all levels of these organisations, many of which have continued long after the onset of the crisis; and indeed, more worryingly, unethical behaviours have continued to emerge post-crisis at banks including RBS again, HSBC, Standard Chartered, and the Co-op. To date, criticisms have been levelled at bank executives both individually and as a class, including the managers and staff at the branch office level responsible for 'mis-selling' products such as Payment Protection Insurance (see Peston 2011); derivative dealers and investment bankers; currency dealers (as LIBOR setters); mortgage and property lenders (offering interest rate swaps to small businesses); and foreign exchange (forex) traders (Chrispin 2015).

In the UK, official responses to these problems include the Turner review's 'Regulatory response' (Financial Services Authority 2009), the Financial Services Authority's report on RBS (FSA 2011), the Vickers report on banking standards (Independent Commission on Banking 2011), the Wheatley review of the London Interbank Offered rate (LIBOR) fixing scandal (HM Treasury 2012), and the Tyrie Commission's report on banking standards (the Parliamentary Commission on Banking Standards 2013). Non-official recommendations include the *Daily Mail*'s prescription of 'moral capitalism' (e.g., Heffer 2012) and the think-tank ResPublica's report, prescribing a return to what they call 'virtuous banking' (ResPublica 2014). Such responses and recommendations can, we think, be categorised under two general headings: (1) improved state or supra-national regulation, e.g., increased capital ratios, the break-up of retail and investment operations, or the ring-fencing of 'casino banking', and (2) a change in institutional culture, with the latter being seen as either in addition to, or as an alternative to, regulation (HM Treasury, Bank of England and Financial Conduct Authority, 2015).

In this chapter we focus on prescriptions of the second type in order to address the following questions: in what ways can 'culture change' be conceptualised and understood in the context of banking; and to what extent is such proposed change feasible in the context of a neoliberal-dominated political economy? These questions arise from our supposition that changes in banking and finance in the UK cannot be divorced from changes in the social environment in which those organisations operate (following Bourdieu 1996). This sociological perspective allows us to critically examine these proposals and their presuppositions, in particular the way these appear to prescribe a return to what we take to be a quasi-imaginary past, in which banking was a gentlemanly profession conducted, at senior levels at least, by and between 'honourable gentlemen'.

In so doing, we also hope to shed light on the conservative moderniser's dilemma of how to hold together a society that marketisation is fragmenting, while at the same time promoting further marketisation: that is, what social equivalent of gravity will counteract the centrifugal force of the market by situating the moral subject in a framework of values? However, first we briefly summarise the historical events leading to the crash of 2008, focusing on changes in the field of banking and finance in Scotland that might help us to understand the major contribution of the Scottish banks, namely RBS and HBOS, to the crisis and, in particular, the contributory role of what has been understood as a culture change in the banking industry in the 1980s, which saw 'gentlemanly' values and behaviours being replaced by an acquisitive and competitive individualism (see Kerr and Robinson 2012).

FROM THE BIG BANG TO THE CRASH

The environment in which the UK banks operated changed during the 1980s. This was the period of Margaret Thatcher's ideological revolution (Hall 1988), which challenged the traditional establishment authority of the old Conservative ('Tory') elite, in favour of 'meritocracy'. Thatcherite reforms, what we now know as neoliberalism, included the 'Big Bang' deregulation of the City of London in 1986, which permitted commercial banks and investment banks to operate together in one institution, and the UK Financial Services Act (1986), which deregulated the British financial services industry, allowing, for example, building societies to demutualise and compete with the established banks for custom (Ingham 2004, Brender and Pisani 2009). This meant that the often locally embedded high-street banks began to move away from their social role as relationship-based banks, to become increasingly transactional-based 'universal banks' that, as they expanded and globalised, incorporated investment banking sections and speculation in financial instruments, allowing them to participate in high-risk 'casino banking' (Robinson and Kerr 2012).

In this period the Scottish banking and financial sector, based in Edinburgh, was the sixth biggest in Europe. Before 1990 the senior management of the major Scottish banks, namely the Bank of Scotland and RBS, had been dominated by an 'old guard' of traditionalists, moderate in ethos and conservative in outlook (Saville 1996). Senior managers followed a 'traditional' Anglo-Scottish gentlemanly social trajectory from a Scottish independent preparatory school to an English 'public' school (e.g., Eton, Harrow, Rugby, Winchester), then Oxbridge, and often, post-World War Two, a period of military service as one of the 'officer class'. These senior bankers and financiers shared a background with the dominant landed aristocratic Tory and Unionist political class of Scotland in the 1950s and 1960s. However, in addition to this traditional elite, senior management could accommodate a small number of 'bootstrap boys', who, joining the bank at 16, were socialised through and into the bank, with a few reaching senior positions (see Kerr and Robinson 2011).

As Fourcade (2009, 33) notes, social distinction in England has been traditionally attained through ‘social class and passage through an elite educational institution’, plus the cultivation of ‘interpersonal networks’, rather than through formal qualifications *per se*. These elite institutions – the public schools, Oxford and Cambridge Universities, the armed forces – can be seen as having inculcated a sense of *noblesse oblige* or ‘public spirited elitism’ in social agents (Bourdieu 1989, Fourcade 2009, 33). This ethos is that of traditional ‘gentlemanly capitalism’ in England (see Augar 2002, Buchan 2003) and by extension, in the Anglo-Scottish world of the Edinburgh banks, in which behaving honourably was a supreme value, ‘*dictum meum pactum’* (my word is my bond) being the motto of the London Stock Exchange.

In Scotland, individual exemplars of this traditional trajectory include Bruce Pattullo, Governor of the Bank of Scotland 1991–1998, and Michael Herries of the Royal Bank of Scotland (Oxford University Press 2009; Kerr and Robinson 2012). Pattullo’s trajectory traversed Belhaven Scotland Hill School (an Edinburgh private school), Rugby (the English public school), Oxford University (Hertford College) and then the British army. Herries also followed this traditional Anglo-Scottish trajectory, educated at Eton and Cambridge (Trinity), followed by army service, with a detour as *taipan* of the Jardine Matheson trading house in Hong Kong. Pattullo’s and Herries’s leisure activities included those of the traditional Scottish landed elite, such as shooting (Herries) and hill walking (both). Both Herries and Pattullo were members of the Caledonian and New clubs in Edinburgh, elite social spaces that promote networking and exclusivity of social capital (see Wacquant 2002, 139).

This banking old guard can now be seen as moderates: their traditional approach to banking, their shared ethos, has been characterized as ‘sticking to the knitting’ and ‘don’t bet the bank’, i.e. avoiding speculation and risk (Saville, 1996, p. 808). The long-term strategy of the group was to protect Scottish banking independence, particularly from the City of London, through a focus on the long term, on building local communities and developing local Scottish human capital (Saville 1996). In Scotland, this old guard of gentlemanly bankers embodied the traditional ‘Scottish’ banking values of prudence, propriety, caution, discretion, and ‘a highly sceptical view of fashion’ (Capie 1996; Saville 1996). Thus, according to George Graboys, CEO of the Rhode Island-based Citizens Bank: ‘Sir Michael (Herries) was an honourable man and we shared the same values about prudence in banking. This was part of Scotland's reputation' (quoted by Kemp 2011).

But within the 'dog-eat-dog' economic environment encouraged by Thatcherite neoliberalism and increasing globalisation, there came a turn away from the old Anglo-Scottish elite formation, towards an Americanised form of managerialism promoted by a new generation of general managers (Carroll 2009). Representatives of this new guard of 'modernisers' include George Mathewson, who became CEO of RBS in 1992. Mathewson came from a non-elite background, with degrees in maths and physics from Dundee (then not a university in its own right), and an MBA from a US college. Through a career trajectory, via the aerospace industry in the US and then the oil industry in Scotland, Mathewson acquired the cultural capital of the transnational general manager who could then take on an insurgent role, importing 'modern' US management ideas into what he considered the 'dependency culture' of 'traditional' Scotland (Jamieson and Flanagan 2005).

Managerialist modernisers such as Mathewson, because they had no investment in 'the traditional culture of banking' (Fincham 2000, 186), could form 'an enlightened avant-garde, able to conceive, desire, and direct the change necessary' (Bourdieu 1979, 319). They were then able to revolutionize their organisations, in the RBS case by 'transforming the branch structure into something nearer a series of sales outlets' (Fincham 2000, 186) and 'replacing all-purpose branch managers with specialists in customer service' (Fincham 2000, 185). For banking leaders such as Mathewson and his protégé Fred Goodwin, the implication of these changes was to adapt to an 'eat or be eaten' competitive environment, through predatory expansion strategies, in the name of both self-interest and corporate interest (Kerr and Robinson 2011).

This change in elite composition from old guard to modernizers is linked to changes in what capitals count in the field. What counted in Scotland was no longer the elite cultural capital acquired in England – the shared British elite formation – but a post-Thatcher 'meritocracy' of Scottish management generalists, MBAs, cost cutters and risk takers, some formed by Thatcherite practices such as privatization, This was Fred Goodwin's trajectory (Kerr and Robinson 2011). A key example of the 'new generation' of banking leaders, Goodwin was educated in Scotland, upwardly mobile, educated at fee-paying Paisley Grammar School. He was the first of his family to go to university, studying at Glasgow University, after which he operated as an accountant and management consultant and was involved in the privatisations and liquidations of the Thatcher period (Kerr and Robinson 2012). His reputation, made in takeovers and associated cost cutting, was one captured by his popular nickname ‘Fred the shred’ (i.e. shredder of jobs).

In 2000 Goodwin, until then deputy CEO, succeeded Sir George Mathewson as CEO of RBS (Warner 2002). This process of succession followed on the acquisition by RBS of the much larger London-based NatWest bank, a struggle in which RBS had defeated its great historic Scottish competitor, Bank of Scotland, making RBS a banking power within the UK (Kerr and Robinson 2012; see also Garfield 1999; Martin 2013; Fraser 2014). This takeover, and the subsequent integration of the RBS and NatWest operations, was widely considered to be a triumph for Goodwin: see, e.g., the Harvard Business School case study ‘Masters of integration’ (Nohria and Weber 2003) and the award of ‘Businessman of the year 2002’ and ‘The world’s greatest banker’, by Forbes (Morais 2003, Koenig 2003, Reid 2007). This prestige, or symbolic capital in Bourdieu’s terms, was further confirmed by the award of a knighthood in 2004, conferred for ‘services to banking’.

Within RBS itself, Goodwin’s domination was maintained by what we term economic violence (Kerr and Robinson 2012). The RBS’s internal culture has been characterized as a ‘culture of fear’ (Dey and Walsh 2009). There were, for example, rituals of humiliation when managers, watched by Goodwin, had to give karaoke performances. Morning management meetings, known as ‘morning prayers’ or ‘morning beatings’, were also used to humiliate senior managers (Dey and Walsh 2009). This kind of ritual of humiliation applied in particular to Goodwin’s treatment of Johnny Cameron (CEO Corporate Markets, 2006–2009) whose trajectory was that of an old Scottish aristocratic and army family (Harrow, then Oxford), and who is reported to have been a particular target of Goodwin’s attacks. In relation to Goodwin, Cameron was the dominated subordinate, thus reversing the ‘old’ elite order of dominant/dominated.

Under Goodwin, RBS pursued a strategy of expansion through the ‘mercy killings’ of rivals (Goodwin quoted in Wachman 2004) and via further takeovers of banks and other related business in England and in the USA (Martin 2013). Finally, in October 2007, the RBS led a consortium with Santander (Spain) and Fortis (Belgium) to take over ABN Amro, paying £49 billion (80 percent in cash) for the Dutch bank (Lanchester 2009, Fraser 2014). Immediately after the takeover, RBS was (briefly) the biggest bank in the world.

However, at this point, the international financial system was already moving into crisis (Brender and Pisani 2009; Lanchester 2009). After a year of mounting emergency, in October 2008 the stock market collapsed and the money markets 'froze'. In the changed economic environment, ABN Amro was considered to be 'overvalued' and loaded with toxic debt (Fraser 2014). Moreover, Goodwin, apparently obsessed by the pursuit of ABN Amro in a deteriorating economic climate, had also missed problems of 'toxic assets' and bad debt in RBS itself (Lanchester 2009).

In January 2009 RBS posted the largest loss in UK corporate history, the announcement of which was followed by a UK government bailout and part-nationalization (Kerr and Robinson 2012). Meanwhile HBOS, also weighed down with toxic assets and risky investments, was forced by Prime Minister Gordon Brown to merge with Lloyds Bank (Perman 2012). In the aftermath of the banking crisis, both Goodwin and Tom McKillop, who had replaced Mathewson as Chair of RBS, and the senior leaders of HBOS resigned. So how was the role played by these 'dishonourable banking leaders understood in the British public sphere?

DISHONOURABLE BANKERS?

From the 1980s onward, there had been an elite social and political consensus that top bankers would be recognised within the political field, as evidenced by the award of knighthoods and peerages (the latter allowing entry into the House of Lords). These 'cultural archaisms' (Corrigan and Sayer 1985) continued to serve as instruments of legitimation (Bourdieu 2012, 230-231). Bourdieu (2012, drawing on Corrigan and Sayer 1985) argues that the British honours system, including knighthood, is one of the 'archaic' aspects of the British state that serves to integrate arrivistes into the elite: see, e.g., the 'ennoblement of bankers' in Edwardian period (Cassis 1994). And this 'archaic' phenomenon has indeed continued contemporary relevance, with five (of six) CEOs of the Bank of Scotland from 1981 being knights (entitled to be addressed as 'Sir'), while for RBS, all the company's Chairmen in that period have been 'Sir', as was Goodwin's predecessor as CEO, Sir George Mathewson and Mathewson's successor as Chair, Sir Tom McKillop (Kerr and Robinson 2012).

But this archaic – or pre-modern – system of honours had no provision (short of conviction in a court of law) for the possible subsequent 'degradation' of an individual who proved unworthy of 'honour'. The traditional honourable response to 'disgrace' would have been suicide (the army's 'glass of whisky and loaded pistol' solution).

Today, however, there is no longer any socially-agreed system by means of that might be the ethical dimension of 'honour' and honourable behaviour can be recognised. In ethical terms, honour is pretty much an empty term, its surviving function being to signal 'distinction'. Within banking as a contemporary social field (the post-gentlemanly era), there are no sustaining social or indeed professional mores that indicate what honourable behaviour might be. In place of nobles oblige, a 'good' CEO, in neoliberal terms, is competitive, a risk-taker, a deal-maker, a cost-cutter, a job-shedder.

In the wake of the financial crisis, then, the banks had failed but no senior bankers had been punished. For the national press, in particular the populist *Sun* and the popular *Daily Mail,* the 'greedy bankers' had walked away 'Scot free' (Barrow 2011). (The *Daily Mail*, with a circulation of six million, targets a middle-class readership and is socially conservative rather than populist, i.e., it claims to represent the 'middle England' of largely suburban lower middle-class readers both to itself and to its readers: see Collins 2012). The banking leaders, escaping with their bonuses and pension pots intact, in most cases into new jobs as managers or directors, left the taxpayers, savers and small shareholders – the *Mail*'s imagined community of readers – to pay for the crisis (Barrow 2011).

The *Mail*'s editorial approach to the banking crisis, then, was to moralise and personalise the crisis by focusing on guilty individuals, 'greedy bankers', who had been 'rewarded for failure' after the collapse of their organisations. A search of the newspaper archives of the *Daily Mail* and of *The Sun* reveals that, in the wake of the financial crisis, the key epithets associated with 'bankers' in the press were *disgrace – shame – dishonour*. So, of the 47 occasions in the period 2009-2012 in which Goodwin was topic of a headline or article in *The Sun*, he was identified as s*hamed* in 22 occasions and *disgraced* in 20 occasions, i.e., in only five of articles was Goodwin *not* either 'shamed' or 'disgraced'; while the *Daily Mail* preferred 'disgraced' (on 12 occasions) to 'shamed' (four occasions).This kind of stigmatisation of the bankers as 'shameful' or 'dishonourable' amounted, we might argue, to the constitution of a 'regime of opinion' (Macherey 2003), governed by symbolic categories with positive and negative poles, in this case *Gloria* (glory) and *Pudor* (shame) (Macherey 2003, drawing on Spinoza). This is a regime of opinion in which we, as part of the audience, are complicit in the attribution of Gloria (glory), what Burckhardt calls 'a sort of outward distinction' (Burckhardt 1951:87), and of shame, and thus complicit in the construction and destruction of the public image of famous people (in contemporary societies, celebrities).

Thus, as a consequence of the bankers' escape from formal punishment, we can see how the *Daily Mail* began to campaign against the 'shamed' yet publically-visible (in the press, in the wider media) Goodwin, urging the government to remove his knighthood as a form of symbolic punishment. The *Mail*'s pursuit of Goodwin was, we could then argue, driven by a form of *ressentiment*, 'moral indignation' (Garfinkel 1956) or rage at the sinfulness of the privileged' (Weber 1922/1966) and at the lack of any professional or legal punishment for the 'guilty' banking leaders (see, e.g., Heffer 2012, writing in the *Daily Mail*). This campaign for a symbolic punishment for Goodwin finally succeeded on 31 Jan 2012, when the UK government's Cabinet Office announced via press release that the Honours Forfeiture Committee, a 'occasional committee convened under the cabinet office' had recommended to the Queen that Sir Fred Goodwin's knighthood, awarded in 2004 for services to banking, be 'cancelled and annulled' (*Daily Mail* 2012).

However, the *Mail*'s campaign was also intended to have an effect on the field of banking and finance more widely, promoting a return to *noblesse oblige* and gentlemanly banking, that is, a return to what we might term a traditional regime of *honour*. For example, in a leading article entitled 'Bankers' greed and a matter of dishonour', the *Daily Mail* argued that Goodwin's punishment should constitute a warning to other bankers: 'Mr Goodwin's fate should teach (bankers) that today they have a clear choice. It lies between the dishonour of selfish greed – and their duty to help this nation out of the crisis they caused' (*Daily Mail* 2012).

However, other voices, including that of former Chancellor of the Exchequer Alistair Darling, saw this punishment as an example of scapegoating. According to Durkheim, scapegoating is a way of managing anomie (Durkheim ([1912] 1995, 392, 404, 407, 412), an analysis based on *l'affaire Dreyfus*, in which a Jewish officer in the French army (Dreyfus) served as a sacrificial victim, in the context of the French defeat in the Franco-Prussian War (Durkheim [1897] 1951, 254–58). Max Weber connects scapegoating with *ressentiment*, defined by Brown (drawing on Nietzsche) as the 'imaginary revenge' of the 'weak', which takes the place of action, and serves to 'forestall substantive critique of, or intervention in, the larger systems that enable individual instances of social violence' (Brown 1995). For Weber, *ressentiment* is 'a concomitant of that particular religious ethic of the disprivileged which…teaches that the unequal distribution of mundane goods is caused by the sinfulness and the illegality of the privileged, and that sooner or later God's wrath will overtake them' (Weber 1922/1966, 110). As a result of the *Mail*'s campaign against Goodwin, the very signs of his public recognition, his honours, his cultural and symbolic capital, his distinction – what elevated him, made him visible – were destroyed. In this context, we might indeed compare the way that Goodwin was scapegoated and 'stripped of his honour' with the cashiering or public degradation of Dreyfus, who was stripped of his army rank, the symbols of his status destroyed, epaulettes torn off, sword broken, etc. For the headline writers, Goodwin was now no longer 'Sir Fred' or 'Sir Shred', but 'Fred the Pleb' or 'Mister Goodwin' (*Daily Mail* 2012). Goodwin was now counted as a member of the class of the disgraced and dishonoured: a class that includes Blunt the spy, Mugabe, Ceausescu, Mussolini, and Quisling, all of whom have had their British honours withdrawn.

However, the *Mail*, in its campaign against 'bad apples', wanted to contain the financial crisis within the realm of the symbolic. Thus, certain 'bankers' were stigmatised and punished symbolically but this stigmatisation must not extend to 'business' in general (because 'Britain is open for business'). From this perspective, the story or stories of Goodwin as a 'disgraced' banker might be seen as a way of diverting attention from other ways of thinking about the crisis. Froud, Moran, Nilsson and Williams (2010), for instance, claim that the UK media's focus on 'bad' bankers contributed to the formation of an 'elite consensus' that facilitated the return to 'business as usual' for the financial system.

A GENTLEMAN'S PROFESSION ONCE AGAIN?

So how might the failure of the banks as social and economic institutions be addressed in order to avoid another crisis? What might be done at the level of individual and corporate culture? Might it be possible to reintroduce a professional regime of honour (following Macherey 2003)? In a sense, the various prescriptions for change in institutional culture mentioned in our introduction amount to *a return to the past of the gentlemanly bankers*. This medicine has been prescribed at the individual level ('get rid of the bad apples'), organisational level ('culture change') and professional level (prescriptions such as 'virtuous banking', with a 'bankers' vow'), in this last case drawing on Aristotelian virtue ethics (e.g., ResPublica 2014).

In his discussion of *noblesse oblige*, Bourdieu explains that 'there exist universes in which the search for strictly economic profit can be discouraged by explicit norms or tacit injunctions' (Bourdieu 1998, 86) and therefore 'to a certain extent, the aristocrat cannot do otherwise than be generous, through loyalty to his group and to himself as a person worthy of being a member of the group. That is what “noblesse oblige” means’ (1998, 87). Thus, ‘nobility is nobility as a corporate body, as a group which, incorporated, embodied as a disposition, habitus, becomes the subject of noble practices, and obliges the noble to act in a noble fashion’ (1998, 87). The honourable man can do no other; he has no choice but to behave in this way.

But as we have shown, by the onset of the GFC, the era of the honourable gentlemanly bankers had passed – although it may have continued to exist as an imaginary, haunting the popular imagination, including that of the press: otherwise, why this sense of disappointment at the lack of ‘honour’. Indeed, Goodwin did not literally – or even metaphorically – ‘fall on his sword’ (to quote the *Daily Mail* 2009). That would have amounted to what Bourdieu calls a ‘virtuous’ or ‘noble’ action, one that would be expected of a defeated leader in a regime of honour (e.g., ancient Rome).

The *Daily Mail*’s campaign, although powered by *ressentiment* at the moral failings of the powerful, illustrates the dilemmas that arise for social conservatives in the political and other fields who espouse neoliberal economic policies. These difficulties arise from the social consequences of neoliberal economic policies, and they pose the problem of how to deal with the morally corrosive effects of self-interested market-based behaviours on more traditional and (no doubt in part imaginary) socially cohesive societies. So, when it turned out post-2008 that bankers were not a group of honourable gentlemen, an imaginary social contract, by means of which bankers would promote the national good in return for high remuneration, was seen to have been betrayed. Taming this destructive new world of competitive individualism would then require a reintroduction of some form of ‘gentlemanly honour’ or ‘*noblesse oblige’*, that is, ‘the nobility that impedes the nobleman from doing certain things and allows him to do others’ (Bourdieu 1998, 86).

However, we need to put this longing for a re-moralised banking system in the context of the wider impact of neoliberalism – including changes in the dominant ethos at elite level. A regime of *noblesse oblige* had been replaced by a crude neoliberalism that claimed that by pursuing individual utility (acquisitive individualism) executives would, through the magic of markets, benefit their businesses and, then through the trickling-down of wealth, society more widely. However, to ensure that executives’ individual interests were aligned with those of the shareholders, understood as owners of the business, powerful incentives (bonuses) needed to be put in place (Kerr and Robinson 2011).

But, as became apparent in 2008-2009, this approach did not work, the worldview turned out to be mistaken, as evidenced by the ‘shock’ expressed by Alan Greenspan, former chairman of the US Federal Reserve, that individuals and organisations pursuing their economic self-interest would not produce optimum results in a free market (Associated Press 2008). By this, Greenspan meant that agency theory (on which neoliberal-driven economics is in part based: Rowlinson. Toms and Wilson 2006) could not account for why the bankers ended up destroying the businesses that they were charged with managing (Kerr and Robinson 2011).

We have argued that the resulting destruction of the Scottish banks can be attributed in part to a combination of leadership disconnect, predatory and competitive takeover strategies, extractive executive pay, an organisational ‘culture of fear’ and an unwillingness to hear bad news, in addition to the de-skilling of front-line staff (Kerr and Robinson 2011, 2012). However, to address these problems solely by remaking banking as a gentlemanly pursuit would require an unthinkable social upheaval at the level of *wider* social values and practices – an upheaval that would somehow recreate an elite educational habitus and social trajectory, and which would at the same time coincide with a reversal of the supposedly unchallengeable forward march of neoliberal competitive individualism. As Bourdieu (1996, 127) notes: ‘internal struggles (within a field) always depend, in outcome, on the correspondence that they maintain with the external struggles – whether struggles at the core of the field of power or at the core of the social field as a whole’.

CONCLUSION

In this chapter we set out to address the following questions: in what ways can ‘culture change’ be conceptualised and understood in the context of banking; and to what extent is such proposed change feasible in the context of a neoliberal-dominated political economy?

In tackling these questions we noted that there is a contradiction between a view of the self-seeking values of certain bankers, and the *Daily Mail*’s assumption that bankers were operating in a profession within honour/dishonour *should have* social meaning, that is to say, that banking could and should be a field regulated by the gentlemanly values that were once displayed by the ‘old guard’ of *noblesse oblige*. These populist press expectations find some reply in the various prescriptions for ‘culture change’ and ‘virtuous banking’ that have been offered as solutions to the ethical problems that have arisen during and in the wake of the GFC.

We also noted the contradiction between the dominant neoliberal values of competitive individualism and traditional community, remembering that in 1821 the great conservative traditionalist Edmund Burke warned that when ‘no man could know what could be the test of honour in a nation’, then society soon gets disconnected ‘into the dust and powder of individuality’ (Burke 1821, 133-134).

It would therefore seem that, for the culture change proponents, the prescription is a conservative one of *forward to the past*, an attempt to recreate the perhaps imaginary world of virtue and honour of the pre-neoliberal gentlemanly bankers (Kerr and Robinson 2012). However, given the near-impossibility of this route back, we question whether a return to a banking culture of honourable gentleman as an approach to controlling capitalism amounts to anything more than a pious wish to put the neoliberal genie back in the bottle from which it was released by Margaret Thatcher and her supporters.

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