

# CONSTRUCTING HABITUS: THE NEGOTIATION OF MORAL ENCOUNTERS AT TELEKOM

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## **Abstract**

*This paper uses Bourdieu's concept of habitus and a relational view of agency to illuminate the role of the actor in negotiating moral norms in organisations. Drawing upon case-study evidence from a major start-up company, the paper illustrates how power, time and agency intertwine in a series of 'moral encounters'. It is argued that the outcomes of these reflexive negotiations feed into the creation of dispositions which inform the creation and interpretation of subsequent action.*

**Key Words:** ethics / habitus / agency / power / Bourdieu / relational analysis

## **The development of ethical norms**

In reacting against traditional views that moral sentiments originate from traditional authority (Feldman, 2004), training (Maclagan and Snell, 1992) or are simply hard-wired into humans as a form of conscience (Smith, 1759), many recent critical analyses have drawn upon constructivist theory in illustrating the role of discourse in constructing the normative self (Collinson, 2003; Casey 2002; Weick 1995). These, and other writings, have helped deconstruct traditional binary oppositions of right and wrong and have illustrated the methods by which discourses such as professionalism (Armstrong 1987), the customer (du Gay and Salaman 1988) or quality (Tuckman, 1994) are levered by organisations in the pursuit of normative control (Townley 1994; Sewell, 1998). However, whilst such studies provide *empirical* illustrations of discourses being resisted, the question of how such action is to be *theorised* is problematic given the pervasive and ubiquitous forms of power represented by this perspective. Despite the theoretical contributions to this debate by Laclau and Mouffe (1985) and Daudi (1986), many remain unconvinced by postmodernist accounts of agency and action (Ackroyd and Fleetwood, 2000; Reed, 1998; Archer, 2000).

In seeking to redress the balance between the ‘autonomous ego’ of neo-Descartian thought and the ‘dissolved self’ of post-structural analysis, recent publications have drawn upon realist philosophy to develop an improved conceptualisation of agency in its relationship with structure (Archer, 2003; Layder, 1997; Bourdieu, 1990; Emirbayer and Mische, 1998; Fairclough, 2005). As Mutch et al. (2006) point out, these approaches to the actor-structure debate, whilst possessing several differences, share several concerns. First, in their conceptualisation of action, they “seek to avoid pure voluntarism or structural determinism” (2006: 607) emphasising instead the stratified and differentiated nature of existence. Second, these writers stress the importance of time (historical, present and future) in constraining and enabling the *changes* to social structures. Finally, they focus on the embodied nature of action, not as an abstracted, reflexive entity, but as a physical and psychological, embedded in moral, aesthetic and social architectures.

Consequently, this paper suggests that realist theorisations of the self in society have significant potential in illuminating how individuals form and are formed by their institutional contexts. Despite advances in realist theory, however, there are few empirical analyses that utilise these frameworks in organisation studies and still fewer that apply them in illustrating how normative conditions are created or changed. If the question of how ethical norms are developed is to be addressed there is a need, this paper argues, to place an emphasis on *agency* as well as on the structures, discourses and resources which frame social interaction. In clarifying the role of the agent in developing moral norms in the workplace, this paper utilises Bourdieu’s notion of habitus and modifies it using recent theoretical developments made by Archer (2003) and Emirbayer and Mische (1998).

Using qualitative, ethnographic research from one of the world’s largest start-up companies, Telekom, the paper illustrates how actors play a part in the construction of their normative selves by negotiating an ethical habitus at the local level. The paper first outlines Bourdieu’s theory of habitus and examines how this can be applied to understanding the development of social norms. The temporal aspect of habitus is then examined more closely using the work on agency by Archer and Emirbayer. Next, the paper sketches three ‘moral encounters’ from the Telekom which illustrate the role of action, temporality and power in the negotiation of an ethical habitus at Telekom. The subsequent analysis suggests that habitus is formed through negotiated action in which actors form moral interests based upon local resources and discourses (such as environmentalism and gender). It is suggested that ethical norms differ from those usually discussed in organisation studies because they often involve a democratic formulation, albeit one which is constrained by the power relations inherent in capitalist enterprises.

### **Constructing the moral self: habitus, agency and time**

Recent attempts to understand the production of the normative self at work have drawn, primarily, on post-structuralist philosophy (Knights and McCabe, 1998; Willmott, 1993; Kunda 1992). The consequential focus on the role of discourse in ‘constructing’

disciplined individuals has meant, some argue, that agential influences such as memory, habit, action and psychological processes have taken a back seat (Layder, 1997). Recent analyses drawing on realist philosophy, have attempted to re-engage debates with a clearer understanding of action. In his book *The Moral Significance of Class*, for example, Sayer emphasises the utility of Bourdieu's habitus in understanding how moral concerns are related to social structures: "habitus has a moral dimension; ethical dispositions develop through socialisation and are not reducible to expressions of mere interests, nor are the norms with which they are associated reducible to mere conventions" (2005: 51).

As "a system of dispositions acquired by internalizing a determinate type of social and economic condition" (Bourdieu 1992: 105), habitus is useful in understanding the formation of moral norms because it links the internal dispositions of actors with their embeddedness in the power relations inherent in social structures. Consisting of normative dispositions by which actors acquire a "feel for the game", habitus is less related to 'habits' and more to practical inclinations related to style, character or know-how, structuring the dispositions of actors to both current activity and future novel engagements. The actor, therefore, is "not the instantaneous *ego* of a sort of singular *cogito*, but the individual trace of an entire collective history' (Bourdieu, 1990:91). The outcome of social engagement, therefore, is not simply "read off" from agential dispositions or social structures, but is the result of a settlement "in which abstract structures are negotiated" (Ozbilgin and Tatli, 2005). The evidence presented below suggests not only that individuals draw upon discourses in negotiating habitus, but also that this is mediated by the individual's own psychological and reflexive processes.

Central to Bourdieu's conceptualisation of habitus is a temporal element by which social mores are internalised over time "through the formative experiences of earliest infancy, of the whole collective history of family and class" (Bourdieu, 1990: 91). This frames habitus as a dynamic and contingent phenomenon, dependent upon both structured subjective experiences and on the opportunities presented by any particular field: "later experiences can modify the habitus and produce new dispositions and skills, enabling people to react in new ways. To the extent that their habitus does become modified, they may feel comfortable in contexts where they might not have done earlier" (Sayer, 2005: 25). The focus on temporality in Bourdieu's analysis of action has been developed by Archer (2003) and Emirbayer and Mische (1998) to provide a more detailed conceptualisation of the action in its relationship with structure. Grouping these realist writings together under the umbrella term 'relational analysis', Mutch et al. (2006) analyse the embeddedness of agency in temporality, arguing that this presentation "emphasises the value of time in constructing analyses of concrete organisational developments" (Mutch et al, 2006: 610). The importance of past, present and future action to social change helps Emirbayer and Mische (1998: 970) redefine agency as:

"a temporally embedded process of social engagement, informed by the past (in its "iterational" or habitual aspect) but also orientated toward the future (as a "projective" capacity to imagine alternative possibilities) and toward the present (as a "practical-evaluative"

capacity to contextualise past habits and future projects within the contingencies of the moment” (1998: 962).

With a similar concern for agentic time, Archer draws upon Peirce’s (1984) “inner conversation” as “an infinite repetition of a basic three phasic process by which the pre-existing self conditions the dialogical activities of the conversational ‘I’ that shapes and elaborates the ‘You’ of the future” (Vandenberghe, 2005: 232).

For the purposes of the paper, this temporally-orientated conversation is taken to be an important development of the Bourdieusian agent, enabling action to be generated from both historical experiences and the actor’s reflexive consideration of future consequences. The employee’s experience of working life are, therefore, constrained and enabled, not only by social influences such as gender, the environment and class, but also the extent to which their reflection on past habits and future considerations orientate their responses at that moment. If organisations, therefore, have any claim to be sites of normalisation, the framework described above suggests that habitus will be negotiated by drawing upon the resources available to different groups and will provide actors with a feel for ethical practices in facing new encounters. These encounters, it is argued, form a contested territory upon which employees change the precedents by which their own actions will eventually be judged.

## **Researching Telekom**

The methodology used in this study sought to develop a rich, qualitative understanding of the social milieu in the workplace drawing on a tradition of ethnographic studies (Van Maanen, 1988; Watson and Watson-Franke, 1985). The paper follows those studies that use a mix of interviews, participant observation and document searches to highlight the often informal and hard-to-measure aspects of workplace lives (Burawoy, 1979; Cavendish, 1982; Delbridge, 1998). The research agenda was not clearly defined from the outset, but developed from a general interest in how and why actors acted and thought the way they did in day-to-day practice. This approach is common in many ethnographies: in reflecting upon his classic study of Cornerville, Whyte commented that “I started...with a vague idea that I wanted to study a slum district..in my early weeks in Harvard, I walked up and down the streets of Boston and sought advice.....I made my choice on very unscientific advice” (1994: 96). As the research progressed, themes regarding moral norms, socialisation and habits became clearer, and parallel reading of the relevant literature developed the theoretical backdrop to the study.

In seeking to understand the processes by which individuals form ethical norms in organisations, this study focused on a start-up company because a new organisation could provide the opportunity to study the *formation* of norms better than an establishment where practices had already become established and entrenched. A single case-study was used because the analysis needed to achieve the depth and richness of material necessary to understand how actors were constrained and enabled by their social environment. In helping achieve this aim, the Telekom case has several characteristics that make it

suitable to the task. First, due to its massive financial resources, it had little chance of failing to become a fully fledged company. This provided me with an opportunity to witness the processes by which new ideas, practices and discourses became normalised without taking the risk that the project would fail half-way through. Second, as cash-rich industries, telecom operators tend to be heavy investors in the management of identities spending tens of millions each year on their internal and external relations and branding. Telekom not only invested in employee perks such as gym membership, discounted meals and health insurance, but also spent hundreds of thousands of pounds on away-days, training and team activities. It is likely, therefore, that if a strong normative culture is to be created anywhere, it is likely to be found in the telecoms industry. Finally, in attempting to clarify the workings of action, a study in which participants were well paid, highly skilled employees in a market of labour scarcity, provides ample scope for examining the potential of agency in a position of relative power.

The corresponding drawback of the Telekom case is its generalisability. The company is unrepresentative of those in which most employees find themselves and, consequently, can tell us little about the ethical characteristics of organisations where employees have less agentic power. Nor should the case be expected to illuminate the processes by which organisations which are *already* established seek to govern the normative identities of their employees. Despite these limitations, in seeking to sketch out agential rather than organisational characteristics, the paper attempts to show the workings of reflexivity, memory and action in relation to power, social relations and habitus. In doing so, it is expected that the findings will build a better understanding of the processes by which actors are related to their social conditions rather making generalisations at the level of the organisation.

I joined Telekom as a consultant in December 2000 and was asked to become a full-time employee in March 2001. I left the organisation in March 2003. During this period my formal title was 'Senior Business Analyst' although the pressure to launch the company meant that the role covered a multitude of different functions. In the beginning, I worked in teams on the design of the music download product, the organisational design of the IT department and the creation of a methodology for developing new products. I later ran two teams of up to fifteen analysts who designed the business processes and architecture for half the organisation. Teams were made up of a mix of consultants, contractors and full-time employees. Whilst Telekom was aware of my research agenda, I was employed to work full-time and remained bound to respect the confidentiality of Telekom and its workers. The organisation and all the employees have, therefore, been given pseudonyms in this paper and the permission of all personnel depicted in the encounters was obtained for their inclusion. From a personal perspective the study posed an additional challenge in ensuring that the author's own ethical judgements remained distinct from the descriptions that are provided here. To this end, each participant's account has been prioritised and the descriptions of each moral encounter agreed by the people involved.

The research draws upon ethnographic material and is based upon over 6,000 documents, emails, meeting notes and a detailed diary kept at the time. As well as all the informal conversations that provided the backbone of the ethnography, I also undertook interviews

with the key actors in the organisation. This comprised around 15 interviews (two directors, five managers, eight employees) which were structured around their experiences in a number of encounters that I believed to be important in creating the moral culture of Telekom. Some of the interview subjects were later contacted to provide greater detail on some of the issues that had been raised. The analysis of the material took place inductively (Orton, 1997) during the research period and became more structured and systematic, with clearer and more focused themes being developed later. This mixture of inductive and deductive approaches whilst not born of any 'pure' methodological strictures, appears to be the experience of many researchers that have undertaken longitudinal ethnographic research (Allison, 1971; Pettigrew, 1997) or published a 'warts and all' account of their case-studies (Ferner, 1989; Barley, 1995).

The encounters presented below do not attempt to provide a complete overview of the moral economy at Telekom. Instead, the descriptions attempt to illustrate three points: First, that the encounters form a contested terrain by which moral norms are negotiated. This suggests that both employers and employees have differing interests regarding their moral requirements and different resources that can be utilised to support their claims. Second, that ethical discourses are used as a resource in negotiating these interests. Ethical discourses are, therefore, not simply outcomes of a negotiated process, but a resource that can be drawn upon in validating and supporting claims to acceptable behaviour. Finally, that the outcomes of the encounter can form ethical dispositions (*habitus*) amongst groups of employees, thereby forming local moral economies by which future disputes may be judged. This can provide a judgmental precedence of which neither the employee nor manager might even be aware. The implications for a temporal conceptualisation of agency and the operation of power in ethical negotiations are drawn out in the analysis.

## **Negotiating Ethical Norms at Telekom**

### *The context of Telekom*

In 2000, at the height of the dotcom boom, venture capital flooded into internet start-ups, the NASDAQ index topped 5000 and digital content was hailed as the next big thing. In March of that year, the UK government auctioned five licences to broadcast on new mobile bandwidth, thus enabling licensees to sell music, video and other content to mobile customers. Telekom, a new operator in the UK, purchased a licence for £4.4bn and began building Europe's first 3G mobile network, first in England and then in Italy, Sweden, Hong Kong, Austria and Australia. Such an undertaking was no small matter: once a licence was won, an entire infrastructure of radio-masts, networks and systems to distribute digital content needed to be built, along with the usual operational processes such as billing, customer care, marketing and sales. When I joined, Telekom employed only twelve people based in a small office in the Thames Valley. By the time I left, in 2003, it employed over 2,000 people and had become Europe's first 3G operator.

From the outset, the employees of Telekom saw it as a new kind of company with a vast amount of work to do to get the company launched before the competition. The early atmosphere at Telekom emphasised innovation and creativity – there were few formal

rules, responsibilities or boundaries. As there were no defined departments, individuals who felt they had a competence in something were usually encouraged to try their hand. In the subsequent year, as more people were employed and departments were established, expectations and roles became more defined but variety and change most characterised this period. In early 2001, the newly created HR department outlined the values that they hoped would shape Telekom over the coming years, they were: Creative, Honest, Open, Positive and Simple (CHOPS).

As with many telecom operators, the investment in creating a shared culture amongst employees was high. The CHOPS values were communicated in a series of presentations, away-days and team-building exercises that everyone attended, and a number of publicity events emphasised the fun, creative aspect of the organisational culture. Additionally, all the usual suspects of cultural control were present in Telekom, including team-working, performance-related bonuses, training and an appraisal system. Despite this, many employees pointed out the actual behaviours that were valued at Telekom rarely matched the company's espoused ideals. It is hoped that the encounters below illustrate the ways in which the actual moral values of Telekom were negotiated and established.

#### *Moral Encounter 1: Pornography*

As well as using calls and texts to drive revenue, Telekom developed a series of products by which the user could pay for downloads such as music, football clips and games. Each of these products had a business analyst assigned to them to help capture business requirements and design their business processes. One of the analysts, Elizabeth, made it known that she would rather not work on the 'adult' product (for example, 'Topless News') as she *"did not feel comfortable with it"*. As there were 30 other analysts available this should not have proved much of a logistical problem, especially as several of them made clear their willingness to work on the product. Despite this, in an early discussion with Elizabeth, her boss, Mark, made it clear that her salary meant that she would work wherever she was instructed, especially as the company had tight deadlines for its launch. Her unwillingness to be *'flexible'* he suggested, might reflect badly on the department. Elizabeth recalled:

*"in effect [Mark] was saying I had to work on [adult] because it would look bad for him if I didn't...he was clearly trying to make a name for himself and didn't want Business Analysis looking like it was making waves so early on"*.

Both Mark and Elizabeth recognised that the dispute had wider implications than their disagreement. Elizabeth held that:

*"I don't think anyone wanted it to be the kind of company that made people do things that they thought were wrong. I mean....it's hardly human or positive is it? To be honest, if it was going to be that kind of company I'd rather've gone somewhere else"*.

In response, Mark held that:

*“Here we were, trying to be a new type of organisation, doing new things and you get someone with that attitude rocking the boat before its even left port”.*

Both Elizabeth and Mark recognised the gendered aspect to the debate and attempted to use this to legitimise their claims. Mark argued that:

*“Was I meant to treat her differently just because she was female? I mean she ..... could have made that into an issue and.... that would have been difficult. But on the one hand we’re told to treat women equally and then on the other there always have to be special cases like this”.*

Elizabeth also recognised this quandary:

*“I don’t think it should have been a sexist thing, but it was like it was because I was the only woman. I mean, would he want his wife or daughter having to do that? No, I don’t think so”.*

This appeal to wider discourse is a common feature of moral negotiation both at Telekom and elsewhere. Sayer (2006: 142) argues that “in making judgements actors draw upon available ways of thinking about such matters, including not only moral norms and narratives, but discourses such as those of racism, sexism and class which expect different behaviours from people according to their social position”. Elizabeth’s comment attempts to introduce discourses from outside the organisation (i.e. from the family) to provide greater legitimacy for her claims.

Elizabeth, for her part, was happy to force the issue if Mark refused to acquiesce, saying “*I was happy to go [resign] over that.... But, as it turned out, there was no need*”. Indeed, the conflict was quickly resolved when it was discovered that Singh, the newly appointed Director of Products and Marketing, had made it a condition of his employment that he would not be responsible for the Adult product. Mark performed an abrupt *volte-face* and immediately replaced Elizabeth with another business analyst.

This change had two important implications for the establishment of moral norms at Telekom. First, the process of negotiation moved from the particular to the general: although the new director was in a completely different position, it was felt by Mark that the *morality* of his predicament could not be (seen to be) different to that of Elizabeth. The second point concerns the subsequent development of the department in which it became the norm to ask people (regardless of position) if they minded being assigned to ‘difficult’ areas such as the gambling or adult products. This started off with people working on the Adult product but spread to other areas and appeared to develop into an informal ‘right’ of employees to express personal reservations about being involved in a

project. At the end of 2002, a year after this incident, a new business analyst was surprised at the consideration of the department:

*“..... in my last place I'd never have been asked if I minded working on a project or not, I'd have just got on with it....”.*

By the time I left in 2003, this practice still continued even though the Director, Mark and Elizabeth had all left the organisation some time before. It is also worth noting, that once an employee had been at Telekom for more than a few months, this practice was taken for granted. As a recent interviewee commented: *“it was only after leaving Telekom for Nokia that I noticed what a unique culture it had developed”*. This is not to suggest that this practice was not later re-negotiated, but by the time I left there existed a general disposition towards ethical concerns which employees could draw upon without necessarily being conscious of where this practice originated. The reproduction of this habitus through the everyday actions of individuals provided them with a normative framework which they could draw upon even when encountering novel situations (such as new products).

#### *Moral Encounter 2: Balloongate*

One of the owners of Telekom was Dutch, and Telekom was keen to maintain its goodwill. To celebrate Queen's Day (a Dutch National Holiday), the HR department tied orange balloons to all employee's chairs. It was announced, via email, that the employees should fill in a card with their details, attach it to the balloon and release it, with all the others, at 1.00pm. The first card to be returned would win the employee a balloon flight and a bottle of champagne. However, shortly after 9.00am, an email was sent to all staff by a relatively junior member of the organisation, Katherine, pointing out that the balloons could get caught in trees or be eaten by animals. She urged people not to take part in the launch by writing in her email: *“while I understand the importance of keeping our shareholders happy, this shouldn't be done in a way that damages the environment”*.

There was no email response from HR, but word somehow got out that the department was unhappy about what they felt was disloyalty from some employees. One member of the HR department that was involved in the launch told me:

*“we went to all that trouble... to get in at 7.00 to get all the balloons tied up and the cards put in place. When you get someone like that it makes you think, why do we bother?”.*

By the time the launch took place, the episode had become an 'issue' that almost everyone had an opinion on. The launch of the balloons was eventually undertaken, but only three people turned up, all of them from HR.

There appeared to be two main reasons for people's opposition to the event. The first was a genuine environmental concern: most of the employees of Telekom came from the urban middle-class: generally educated to a postgraduate level, living in the home

counties, earning between £35 - £65,000 per year - the grouping most associated with environmental concerns (Inglehart, 1997). In a water-cooler discussion between five employees (including myself) one product manager said:

*“Well...[Katherine’s] completely right. There’s no way that in 2002 we should be chucking bits of plastic up into the air..... we should be cleverer than that”.*

This ‘environmentalism’ should be seen as a form of habitus because it forms a general inclination that is drawn upon to inform action in dealing with new situations, from litter-dropping to the example discussed here. Indeed, in subsequent discussions, it appeared that the environmental ‘trump card’ played by the employees proved embarrassing for people attempting to argue against their position. As an HR manager put it:

*“we could have been more intelligent about our choice of activity....we completely under-estimated how people would feel... in some respects it was an argument that we couldn’t win”.*

A second, more political reason for the opposition also emerged, as several employees used the opportunity to vent their frustration with HR. For some time, the department had been increasing its presence in Telekom, limiting the hiring and firing powers of managers, implementing a number of procedures and rolling out a cumbersome on-line appraisal system that was slow and unreliable. As one technician put it: *“It’s about time HR got their just desserts after all the shit they’ve put us through”*. Another felt that the department were trying to be *“too American”* in their style of management: *“I don’t think they realise that this form of happy-clappy nonsense is not that suitable here”*.

This politically motivated action was seen by some employees as moral retribution for the department’s disruption of the *status quo*. Consequently, the rift between HR and other parts of the company became much more visible. A colleague of mine commented *“before that, it was mostly a feeling that they were disliked, but afterwards, it was almost open warfare. They’d been openly ridiculed and didn’t like it”*. The public face of the humiliation was also commented on by one of the HR personnel who stated that *“it wouldn’t have been so bad had it not taken place in front of the entire company”*.

It should also be noted that as a direct consequence of Katherine’s email, the ability for junior employees to send “all company” emails was withdrawn. This action, an unambiguous illustration of Luke’s (1974) second form of (non-decision making) power, effectively prevented employees communicating dissent through a democratic and effective medium.

### *Moral Encounter 3: Phone Masts*

The roll-out of 3G services required a controversial expansion in numbers of radio masts in the UK. By 2007, around 50,000 masts had been installed throughout the UK. Whilst there is little evidence that 3G masts actually cause health problems, all 3G operators

were keen to avoid the negative publicity associated with installing masts on schools, hospitals or churches. This avoidance meant a two-pronged strategy of concealing the new radio masts that were being installed and avoiding consultations with non-mandatory bodies.

At the end of 2001, one of the least experienced analysts on the project, Gareth, approached me and expressed his concern that by concealing information from the public and local councils, the project was not in keeping with the company values of honesty and openness and potentially illegal. I suggested that we hold a meeting with both the Director of Business Analysis (DBA) and the Director of Radio Networks (DRN) to discuss his concerns. The following summary is edited from my notes at the time and my diary:

*'Gareth was clearly nervous. He started by outlining the facts of what was happening: that 3G masts were being concealed from public view and that there were minimal plans for consulting with schools, hospitals and churches.*

*[The DRN] clearly wanted to leave the meeting as quickly as possible. His brief retort was that everything they were doing was legal and that the alternative was not to have a radio network and therefore not to have a company. The overall impression he gave was that Gareth was new to the company and needed to mature a bit.....when Gareth tried to argue back [the DRN] suggested that if he had a real problem he could always go to a different project, and with that comment excused himself and left.*

*....[The DBA] was more sympathetic to Gareth, but basically underlined the point that the company values were there as guidelines and that sometimes it was in both the public and business interest to be 'quiet'. He suggested that there were no health risks and that opposition to the masts needed to be minimised to hit [Telekom's] targets for launch.*

*Gareth was quite apologetic about his objections and said he could understand where they were coming from.....After the meeting he said to me that he still wasn't convinced but there wasn't a lot he could do.....'*

After the meeting, word spread to other employees about what had happened and several people made comments regarding what they felt to be the naivety of Gareth. One manager suggested that *"after you've been in the game a while you learn that morality is never black and white, especially in business"*. Few people felt that he was wrong in raising his concerns but as one colleague pointed out *"he's not going to win many allies to his cause, because without those masts we're all out of a job!"*. Whilst this point is

valid, it is likely that more public interest in Telekom's masts would simply have resulted in more expensive sites rather than none at all.

What was particularly interesting, was that after the fuss had died down, the issue was seen as a *fait accompli*, despite the increasing reporting of radio mast health risks in the press over the subsequent months. Following Gareth's objections many employees became highly defensive over the issue, aligning media interest as, what one systems analyst termed "*wet, liberal, sandal-wearing nonsense*". In a pub discussion on the topic, one product manager said "*This was all bought up with Gareth though wasn't it?*", his colleague replied "*yeah, they found no health risks at all*". What was essentially a dismissal of Gareth's concerns had become, in the corporate imagination, a factual refutation.

There is a short coda to this example: about ten months after the incident, Gareth left Telekom and at his farewell drinks party I asked him about the incident. He said that at the time, he thought about going to the press about the issues he raised in the meeting. In the end, he decided not to as he felt that "*it would have been disloyal to the company*". This comment highlights the strength of internalised norms in governing behaviour: even if it would have better achieved his aims in changing the practice, Gareth's habitus precluded his disloyalty to the organisation. As with the monetary economy, the operation of the moral economy should not be modelled on the calculations of mere rationality.

## **Discussion**

### *Habitus and temporal agency*

The encounters outlined above are not intended to provide an exhaustive list of interactions that helped form an ethical habitus at Telekom. Indeed, it is likely that all social interaction, to some degree, contributes to the (re)production of normative expectations and assumptions. Yet these encounters do provide an illustration of how agential dispositions (habitus) form through the interplay between discourses (such as the environment and gender), the structured interests of capitalism (such as getting the company launched quickly and cost-cutting) and the reflexive negotiations deployed in day-to-day activity. Habitus is useful in understanding this complexity because it emphasises the link between the communicative action of individuals in the cases and the generation of dispositions which inform the future interplay between structure and agency. The outcome of the negotiation between Mark and Elizabeth informed a practice by which new recruits were asked if they had objections to working on specific projects, whilst conversely, the outcome of Gareth's encounter contributed to employees' commitment to, and even defence of, Telekom's use of masts. Thus, habitus "restores to the agent a generating, unifying, constructing, classifying power, while recalling that this capacity to construct social reality, itself socially constructed, is not that of a transcendental subject but of a socialized body" (Bourdieu, 2000: 136).

A commitment to habitus enables moral encounters to become more than simple conflicts of interest. As the negotiated outcomes at Telekom were (partially) internalised, they served to create precedents by which future activities were assessed and ethical norms became defined. In providing a framework which actors can use to grapple with moral problems, the creation of habitus helps construct a moral economy which constrains “how collective action is constituted through interaction in micro-situations and how through collective action social structures and processes are reproduced” (Eder, 1993: 45). Thus, the outcomes of the encounters go beyond the production of internalised assumptions regarding Telekom’s sensitivity for environmental concerns or justifications for the existence of 3G masts, and contribute towards a habitus by which *future* encounters might be interpreted and engaged.

At Telekom, this temporal aspect to moral encounters can be evidenced by the manner in which agents drew upon established past habits and norms (which Emirbayer and Mische, 1998, term “iterations”), deployed resources and reflexivity in their current negotiations (“practical evaluation”) and utilised predictive creativity (“projection”) to assess the implications of decisions they might make. By Mark stating that “*we’re told to treat women equally*” or a manager stating “*this was all brought up with Gareth*”, individuals in the cases drew upon past experiences to help structure their current predicaments. Although Telekom provided little history in terms of habits or patterns of interaction, it is clear that actors incorporated stances from their own previous experiences (“*in my last place I’d never have been asked if I minded working on a project*”) or cultures (complaining that HR was “*too American*” in style). Indeed, to some extent, moral encounters are vested with importance because they bring together different interpretations of the present based upon differing histories and interests. The negotiations also drew upon future orientations such as prediction and projection, as actors imagined “possible future trajectories of action, in which received structures of thought and action may be creatively reconfigured in relation to actors’ hopes, fears and desires for the future” (ibid: 971). Thus, in asking “*would he want his wife or daughter doing that?*” or in imagining potential environmental damage, actors also orientated themselves to the potential (imagined) implications of their current negotiations.

#### *Power, discourse and the negotiation of ethical habitus*

At its most basic, the moral encounter is an assertion of an actor’s ethical beliefs against prevailing customs, rules or expectations. The role these encounters play in building normative precedents and dispositions, challenges traditional ‘zero sum’ depictions of power struggles where the organisational (economic) interest is pitted against the employees’ (self) interest. In the cases here, the ‘interests’ of the actors concerned morality not money or even self-interest (in the immediate sense). Gareth and Katherine’s concerns were for the well-being of humans and animals, whilst Elizabeth’s objection focused on her beliefs of the immorality of pornography. Conversely, if we examine Telekom’s ‘interests’ as depicted in the cases, only the issue regarding radio masts concerned the strategic interest of the company. The other cases concerned minor, tactical decisions: the launching of balloons as part of a PR exercise and Mark’s right to deploy

his resources where he saw fit. The centrality of power to the establishment of habitus is, therefore, essential in understanding how moral norms are created.

The moral concerns of employees not only change the substance of traditional views of power struggles at work but they also change the process. When Telekom, through its values statement, paid homage to the rhetoric, if not the reality, of responsible and ethical practice, they inadvertently created a rod for their own backs. They did so by subscribing to a (relative) democratisation of rights which is contrary to the hierarchical and strategic deployment of power usually associated with organisational practice. Thus, when Singh announced that his directorship would not cover the adult product, it was virtually impossible for Mark to deny this choice to anyone in his own team. Although Singh was unaware of Elizabeth's quandary, the precedent which he set effectively limited Mark's moral right to force the issues. As an ethical concern, this action transcended the more traditional practice of command and control. In a different case, while an ostensible ethical reason existed for employees to boycott the balloon launch, it is clear that many did so simply to vent their frustration with the perceived incompetence of the HR department. Also, by Elizabeth asking "*it's hardly positive or human is it?*", she used the CHOPS values against the company and for her own interests. Such an observation has some resonance with the observations of Wilson and Thompson (2001) that moral issues can be used by 'victims' "to relieve boredom and generate fun, or as a bargaining counter" (Edwards 2006: 576).

This said, it should not be assumed that the existence of moral discourses nullify the traditional power relations in capitalist organisations. In Telekom, the democratic claim by employees is tempered by the more direct forms of power deployed by managers in day-to-day operations. Singh's seniority set a moral precedent which would have been unlikely had he been a junior operative. Additionally, the removal of emailing rights for employees at lower levels of the company after the balloon incident, or even the Director walking out of the meeting with Gareth, ensured that grievances could not be effectively discussed, thereby disenfranchising future aggrieved parties. This observation highlights an interesting contradiction between the cultural norms which habitus establishes (for example the principle that employees should not undertake tasks they feel are unethical) and the operational tactics deployed by managers in overcoming employee resistance. Whilst habitus clarifies how encounters move from reflexive to normative concerns, it cannot, circumscribe the tactics used by actors to reinterpret and counter these assumptions. Relating this reflection to Luke's (1974) analysis of power illustrates not simply that different forms of power exist but that they might be held in tension against each other even within the same situation.

The transition from conscious 'conflicts of interest' to dispositional 'cultural' forms of power, this paper suggests, represents the fundamental link between reflexive action and habitus. Habitus thus denotes 'embodied history, internalized as a second nature and so forgotten as history' (Bourdieu, 1990:56). In other words, whilst the negotiation itself involves conscious reflection and deliberative action, the subsequent outcomes are woven into a social tapestry of meaning that informs both the creation and interpretation of

future action. Moral encounters, therefore, are important, not simply as negotiations for current interests but because they structure how actors approach future engagements.

## Conclusions

The moral encounters illustrated here attempt to provide insights into how actors play a complex yet crucial role in the creation of ethical norms in organisations by drawing on available discourses and yet are constrained and enabled by their own reflexivity, memory and imagination. The theory used to illustrate these cases suggests that organisations do not simply 'adopt' the ethical discourses of their social environment but instead act as sites of negotiation which may (or may not) result in the development of ethical forms of habitus that employees can draw upon. Moral encounters help develop an ethical framework by mediating discourse, time and power in (re)creating and changing the normalisation of ethical assumptions. They set a precedent where none existed, force decisions regarding policy and power, and manoeuvre groups into more or less co-operative relations. These encounters are, nonetheless, a contested terrain, based upon action (employees sending emails, not going to the press, creating rules) as well as discourse (environmentalism, feminism, human rights). The result is a complex, contradictory and malleable network of beliefs, rules and customs which are reproduced and changed at a psychological, material and symbolic level.

The paper has argued that despite the best efforts of capitalist controls, the employees' appeal to external discourses still has some influence in the negotiation of moral norms at work. The principles of equal treatment, honesty, environmentalism and feminism provide a resource that managers and workers can draw upon in pursuing both their ethical and instrumental aims. This is especially evident where managers had committed to the rhetoric of ethical practice. However, the paper has also highlighted that any appeals to discourses that prioritise ethical practice over the pursuit of profit or efficiency are severely constrained by the more direct power relations dominated by management. Thus, the ability of managers to minimise communication amongst employees or restrict the discussion of uncomfortable issues, effectively places a filter on what Emmett and Morgan term the 'semi-permeable organisational membrane' (1982).

The paper's realist ontological assumptions give precedence to an actor that is separate to, yet influenced by, discourse, culture and habitus. Contrary to post-structuralist approaches, the individual is portrayed as a multi-layered temporal and reflexive entity, rather than a discursive construction. Thus, the historical memory, predictive imagination and reflexive consciousness of the individual are taken to be crucial *internal* components in separating the actor from its structural context. The ways in which individuals become moral, therefore, is not simply 'read off' from structural or discursive power relations but is intrinsically bound up with the physical and psychological architectures of human beings. The renewed interest of realist writers such as Archer, Bourdieu and Emirbayer in engaging questions of agency is seen as a welcome opportunity for the opening up new questions on individuals and their identities.



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### **Biography**

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