

Illicit Practices and ‘Fiddles’ in the Contemporary World of Work:

Mars-ism Revisited

The period since 2000 has been marked by numerous scandals in the corporate and political worlds. Dubious accounting practices and the illicit claiming of expenses by British MPs have become daily stories. At the same time, there has been growing scholarly interest in work practices at the other end of the business world, as in studies of various forms of worker ‘resistance’ (Ackroyd and Thompson, 1999). This paper does three things. First, the list of forms of resistance has been extended to embrace ‘cynicism’ as well as more active forms (Fleming and Spicer, 2007). But is the list simply being extended endlessly, reflecting Kerr’s (1954) despairing remark that means of resistance are as unlimited as the ‘ingenuity of man’? We develop an organizing framework to categorize different types of workplace behaviour. In doing so, second, we return to the work of Gerald Mars (1982). Mars made an initial effort at categorization on which we build. Third we offer empirical illustration of contemporary practices to show that the analytical ideas forged by Mars have stood the test of time.

As Mars (1982: 1) began by pointing out, the great majority of people – on his figures 75-92% – admit to adding to their incomes in ways that are technically illegal. A more recent estimate of ‘service sabotage’ (Harris and Ogbonna, 2002) produces a similar number. Mars distinguished between formal and informal rewards and between those that are legal from the extra-legal or illegal. Ackroyd and Thompson (1999: 2) define their interest as ‘anything you do at work you are not supposed to do’. We proceed from this definition.

In doing so, we deploy two core ideas. The first is the reward-effort bargain (Baldamus, 1961): the negotiation, formal and informal, of the balance between how much effort is expended and the reward received. The second is ‘the fiddle’ (Lupton, 1963; Mars,

1982): a set of informal practices that employees may use to turn the bargain in their own favour. In some circumstances, these practices emerge in concrete behaviour such as stealing.

We place the discussion in the context of recent contributions to the idea of employee resistance, in the areas of Critical Management Studies (Fleming and Spicer, 2007; Dick, 2008) and labour process analysis (Ackroyd and Thompson, 1999; Thompson and Smith, 2009). These contributions agree that resistance can take many forms and that teasing out the links between concrete behaviour and ‘resistance’ is a complex analytical task. They also disagree in clear ways (Marks and Thompson, 2010). In this paper, we do not pursue the disagreements, except to make one point which applies to a degree to both but more strongly to the former: many accounts are based on single case studies, with the aim of identifying some practice such as ‘cynicism’. But does cynicism have the same features everywhere, and what explains its occurrence and characteristics?

The paper has three main components. We first develop a framework to capture the forms of illicit behaviour. Second, we consider causal conditions and how these have changed. Third, three examples are used as illustrations. We conclude with brief observations as to the practical implications. A longer version of the paper, with a more elaborate theoretical discussion, is available from the authors.

1. Effort bargaining: compliance, cynicism and contest

Fiddles are deeply embedded in context. Dick (2008) underlines this point in invoking Bourdieu’s notion of field. A field is a network of configurations between positions and is likened to a game. The value of the idea is that some particular action is understood in terms of the field in which it is located. For example, calling for a procedure to express individual grievances would be uncontroversial in many contexts, and in unionized US workplaces would be thought odd only because written procedures already exist; but in authoritarian

regimes such an action could well imply a profound challenge to how the regimes work, by implying that the authorities did not know best and that legitimate grievances could indeed exist. The idea of a game was of course extensively used by Burawoy (1979) to characterize how workers relate to their work situation. Workers play a game by manipulating a payment system to their own benefit. They are thus ‘resisting’, but the meaning of their behaviour depends on the context of the game. For Burawoy, playing the game created a deeper ideological acceptance of capitalism, and hence the resistance was contained. But this was the result of the constitution of this game or field, wherein shaping the pay system had few larger effects. In other contexts, similar bargaining can generate a wider set of conflicts (Bélanger and Evans, 1988).

With these ideas as a basis, how can we grasp different kinds of workplace behaviour? Mars (1982) used the term ‘fiddling’ in a specific way: stealing goods or manipulating time or otherwise engaging in formally illicit practices to the worker’s benefit. He identified four types.

Wolves hunt in packs in a strongly collective way. Fiddles are organized on a group basis. Mars’s key example was gangs of dock workers systematically pilfering cargo.

Vultures are less collectively organized but they still operate as a group.

Hawks are individuals who act strongly on their own. They are free-wheeling entrepreneurs, sometimes at the top of the occupational ladder, but anyone relatively free of organizational constraint can practise hawk fiddles.

Donkeys are relatively weak and isolated individuals who fiddle if the opportunity arises but who are vulnerable to managerial responses. An example is a supermarket cashier.

Mars argued that these types each represented a space in a 2x2 matrix. The mapping onto the matrix was not in fact coherent (Edwards, 1988), and we do not discuss this theme further. But the dimensions of the matrix will be useful later. One, which Mars called ‘grid’, represented the strength of externally imposed sanctions and norms. The other, ‘group’, measured the degree of collective solidarity in a set of workers. Consider the expenses scandal involving British MPs during 2009. We might explain this in terms of a weakening of grid (reduced sense of moral responsibility, more self-serving individualism) and certain aspects of group (a culture among MPs which encouraged people to tolerate practices that were formerly unacceptable plus learning from each other plus the powerful position of MPs which allowed them to ignore some of the public criticism to which they were subjected). In the tradition of Mars, we might label fiddles by those who should set a high moral standard as ‘duck’ fiddles – in honour of the British MP Sir Peter Viggers, whose expenses claims included £1645 for a ‘duck island’ (a floating island to house the ducks on his extensive property, pictured in many places including news.bbc.co.uk/1/hi/england/hampshire/8065083).

Mars identified four kinds of fiddle but these did not emerge from a model of the effort bargain. They were an empirical taxonomy that needs some more grounding. By contrast, Fleming and Spicer (2007) discuss practices such as cynicism, as alternatives to active bargaining, and make some effort to relate them to relevant theory. But they only identify the practice without formally locating it in a model of other possible forms of behaviour or, as noted above, explaining its antecedents.

2. The Shaping of Effort Bargaining

We need a better map that will embrace these, and other, empirical examples. Mars identified four kinds of fiddle, but what of other means to influence the effort bargain such as overt bargaining? Fleming and Spicer identify cynicism, but where does this practice sit conceptually? In answering such questions, we offer a flow diagram which identifies a series of ordered questions about how people respond to the effort bargain; answers to the questions generate various types of behaviour. It may help if we underline the focus here. Some scholars, following Mars, take concrete behaviour and categorize it: the *explanandum* is, implicitly, workplace behaviour (Noon and Blyton, 2002). An alternative approach captures different types of workplace regime considered as totalities (Edwards et al., 2006). The present exercise operates between these levels, looking at how people react to the effort bargain.

Figure 1 characterizes different ways in which people may shape their effort bargain. The Figure is broad, in that it covers any form of effort bargain and is not restricted to those in a formal employment relationship. It is organized in terms of oval decision boxes, with each having a yes/no result, and rectangular outcomes. Three introductory comments are needed.

1. The yes/no is a simplification: some distinctions are truly binary, but others are matters of degree.
2. This is not a model of the *determinants* of particular types of action; these are considered below.
3. This is a categorization of types of behaviour, not people. That is, a ‘cynic’ as defined later can become an active bargainer if conditions allow.

The first question (**box 1**) is whether there is any recognition that the terms of the effort bargain are open to change. If the answer is ‘no’, we label the situation one of

compliance. Complete compliance is unlikely in that anyone is likely to recognize the principle of bargaining and negotiation. But there are situations in which open bargaining is scarcely conceived. We have, for example, studied small firms and asked workers about the possibility of bargaining about pay. They often deny such a possibility. This does not mean that they accept managerial authority unquestioningly, but it does mean that they see little meaningful means of affecting how managers behave and that they acquiesce in this position, perhaps because they have few alternatives. In Mars's terms, the sense of grid is very strong here, overlaid with an ideology that promotes consent.

The second question (**box 2**) is whether concrete means to change the effort bargain can be identified. 'Cynics' are those who are aware of the principle but unable to turn it into practice and they thus retreat into fault-finding and grumbling. This situation is likely to have characterized some workers under Soviet systems, where formal collective action such as strikes were illegitimate or even illegal *and* where informal means to shape the effort bargain were not possible. A contemporary example might be workers in fast food restaurants or other tightly regulated environments. Again, this does not mean that all such workers practise cynicism, for research evidence points to various ways to manipulate time and effort (Leidner, 1993). But it does not follow that they are universal or common. Cynicism is likely to characterize a good number of workers, for a fair amount of the time.

If there are means to change the effort bargain, do people generally think that the means of doing so are illicit (**box 3**)? If this is the case, we would have a situation of crime. For example, creators of pyramid selling schemes and other frauds know what they are doing and would, *in principle*, admit that it is criminal. It is of course true that what constitutes a crime is situationally defined. Consider Ditton's (1979) classic study of bread roundsmen who cheated customers by short-changing them or providing sub-standard goods. This fiddle

was embedded in daily practice, and was indeed often encouraged by supervisors. It was thus not ‘crime’ in the sense that supervisors would punish it if they could. But if asked in the abstract whether the fiddle was wrong, workers would probably admit that it was: cheating customers is generally seen as clearly illegitimate, even though in particular circumstances one may engage in it.

Mars stresses that fiddles are practised by independent entrepreneurs against customers as well as by employees against customers or managers or both. The distinction between whether some form of employment relationship exists (**box 4**) is important, however, in capturing different kinds of fiddle. If there is no employment relationship, we need to ask whether formal means of bargaining exist (**box 5**). If they do, then we have a case of bargaining, for example between a home-owner and a builder over the cost of house repairs. If they do not, then – if other causal factors are present – we have a case of hawk fiddles, as when such a builder misleads the home-owner as to the true cost and quantity of materials used.

Turning now to cases where an employment relationship exists, we should first say that ‘employment’ is better rendered in formal terms as ‘a relationship of direct subordination or dependence’. It includes capitalist employment relations, but would also embrace slavery and peasant production (see Scott, 1985). If we see ‘employment’ in such a broad way, suppression of protest by masters, the state, or both can be seen to be very common. Examples would include, in addition to slavery, state socialism and autocratic capitalism. If protest is suppressed, we have the situation labelled as ‘latent conflict, or outbursts of protest’. Where suppression is extensive, there will either be silence, or outbursts of protest if conditions permit.

If conflict is not suppressed, do formal means exist to pursue workers' interests (**box 7**)? If the answer is 'yes', then bargaining is the relevant means. Bargaining can be individual, as described by Cunnison (1966) in her account of militant individualism. This account was based on semi-skilled factory workers, but the idea applies to any form of individual contract bargaining, by for example sports stars. Bargaining may also be organized via small groups or through formal structures such as collective bargaining. Strikes and other organized sanctions would figure as examples of means used to promote bargaining.

If there are no legitimate means to bargain, we arrive at **box 8**, which concerns the extent of collective organization of the workers. We can class this as weak, medium, or strong, with each form of fiddle then emerging. 'Donkeys' are those with limited collectivity and bargaining power; they exploit specific gaps in the employment contract but cannot generally make more than marginal gains. 'Vultures' have rather more collective organization, while wolves are strongly organized, as in the case of dockers.

Figure 1 captures the fiddles identified by Mars, but it does so in a more theoretically based way than his own categorization while also capturing other forms of behaviour. Mars's account of the conditions leading to fiddles remains very powerful, however, as we now show.

3. Factors promoting forms of bargaining; and trends in their importance

Mars identified five main factors promoting 'fiddle-proneness'.

Passing trade. Parties to a transaction meet only once, and there are thus incentives to fiddle. Restaurants are an obvious example.

Exploiting expertise (what economists call information asymmetry). If the customer is ignorant as to what is being bought, this can be exploited; a classic example is the servicing of cars by garages.

Gatekeepers. If the supply of a product or service is limited, those controlling the supply can fiddle customers; alternatively if many firms supply a product, they may use bribery to gain contracts from customers.

Triadic opportunities. Many relationships are three-way, for example between customer, worker, and manager. Any two of these can fiddle the third, for example collusion between a supermarket worker and a customer to steal goods.

Special effort. In some jobs, basic and what economists call consummate performance are much the same; an example is low-skill and repetitive work as in a fast food restaurant. In other jobs, effective performance is more variable, and, to secure this performance, managers may use illicit or informal rewards.

Underlying these factors are *contextual conditions* and *normative structures*. Contextual conditions include such things as product markets. Lupton (1963), Brown (1973) and Burawoy (1979) found that, when a firm was not under pressure in the product market, it could practise leniency in the labour process, thus being willing to tolerate fiddles. Informational asymmetry and ‘special effort’ are not absolutes: where the benefit exceeds the cost, managers may be willing to monitor workers closely and thus reduce the opportunity to exploit asymmetries.

If we turn to contemporary experience, it is useful to consider two issues. The first is what has happened to the factors and the underlying conditions since Mars wrote. We can then comment on changes in the probable distribution of the types of behaviour identified in Figure 1. It is important to stress ‘probable’: the specifics of workplace behaviour are necessarily hard to uncover, and evidence is often lacking.

The extent of passing trade may have increased with the growth of internet shopping and the wider increase in the service economy and consumerism. Triadic opportunities are

likely to have increased in parallel. Exploiting expertise, however, may be more difficult. Technological change has (probably) reduced the ability of some workers to exploit expertise. Similar things may be true in relation to passing trade. For example, bars commonly have electronic tills which limit over-charging, and to the extent that customers do not use cash, the opportunities for short-changing are reduced.

Of the underlying conditions, changes in product markets and competitive pressures will have reduced employers' willingness to tolerate fiddles. In many industries, workplaces implicitly or explicitly compete with each other, so that managers and workers know the importance of labour costs. The technical changes mentioned above have also made workplaces more manageable in the sense of the *technical* organization of work: work flow is less haphazard than it was.

If we are interested in the distribution of the practices identified in Figure 1, we need some view of the pattern of jobs in the economy. The most obvious point is that wolves are far less common and significant than they were. The decline in significance reflects two forces: structural change, so that there are many fewer dockers and miners than there were; and technological change, which has squeezed the space for fiddles. The dockers' practices described by Mars were possible in an era when goods were loaded by crane and by manual labour. Containerization removed this practice.

Donkeys, by contrast, may be more numerically important, with the rise of low-skilled work in several economies and the growth in particular of low-skill service workers in sectors such as restaurants. Whether or not their fiddles have changed would be impossible to say without detailed study over a period of time. We can say that they continue to exist; Harris and Ogbonna (2002) report that 85 per cent of workers in a study of the hospitality industry reported having committed 'sabotage to the service' in the week prior to the

interview . It is also possible that there has been a rise in cynicism. To the extent that fiddles are squeezed out, workers are sometimes left only with cynicism or quitting.

4. Illustrations

a. The search for dignity in donkey jobs

A growing role for technology is not true of all industries. Much of the personal service sector continues to operate as it always has done, with face-to-face interactions that are hard to monitor. Low pay is also at least as prominent as it ever was, so that workers may have more incentive to fiddle to attain a reasonable effort-reward balance. There may be a polarization here, with a contrast between tightly regulated jobs, as in fast food chains, and jobs in smaller and less Taylorized firms, where traditional forms of fiddling may survive. Tibbals (2007) found that this was the case in a comparison of a family-owned and a chain restaurant in the USA: standardized scripts in the latter reduced the space for worker autonomy. Fiddles are likely to have been relatively rare in the chain restaurant, where, in addition to standard routines, mystery shoppers were used as a form of surveillance and control. In the family restaurant, workers had more *space* to fiddle, but the *desire* to use the space may have been reduced because of the family atmosphere and a sense of mutual obligation between worker and owner.

A study of cocktail waitresses in the USA underlines the continued difficulty of detection of fiddles (de Volo, 2003). Workers could drink in the job, and used informal means to elicit tips from customers as well as punishing them if tips were not given. Fiddles also depended on a web of relations with other workers: for example, bar tenders could slow the supply of drinks, thus reducing the opportunity for tips, and waitresses had to manage these relationships through political skills.

These themes are powerfully pursued in an ethnography of work in a contract cleaning company in Australia (Ryan, 2007, 2009). The following points stand out.

- Workers took pride in the job, and would probably score highly in terms of job satisfaction, despite low wages and insecure employment. This partly reflects low expectations, but also the ways in which workers were able to establish some autonomy in how they did their work and to distance themselves from its more menial aspects. On occasions, workers would insist in doing a job ‘properly’.
- Echoing Ditton, supervisors would instruct workers as to the best ways to effect a satisfactory effort bargain. For example, they taught workers to concentrate on cleaning high visibility areas so as to manage the impressions of the client and suggest that more intensive cleaning had been done than was in fact the case.
- The cutting of corners was endemic. Typically, workers would try to reduce the amount of vacuum cleaning, which was a particularly disliked task. Such behaviour could not simply be categorized as resistance. It represented an effort to make work manageable in difficult conditions: the industry is highly competitive and contracts often placed unrealistic demands on workers, with the result being excessively rapid schedules and an absence of materials and equipment.

Many of the core features of donkey fiddles of past eras thus seem to remain. They have been re-structured where some new technology has been introduced, but they are still a persistent feature of work.

b: Effort bargain in call centres

There is no doubt that work in call centres is intensive and routinized, and highly conditioned by a technology that allows for close monitoring on the part of management. Nevertheless,

the research literature provides rich evidence that customer service representatives (CSRs) create some space for agency and resistance, in spite of significant work constraints. These oppositional practices cover a broad range of behaviour within the typology presented in Figure 1, from cynicism to inventive ways to regain some ground in the effort bargain, mostly through fiddles by which CSRs seek to regain some control over time. These actions broadly correspond to ‘donkey fiddles’ according to Mars’ typology, in that ‘these jobs are strong grid because controlling rules are many’ (1982: 25). Yet the triadic relationship opens ways through which the employee can establish some distance from management in the process of interacting with the customer.

Contrary to stereotypes, and except in the most mundane types of encounters, where CSRs simply have to ‘follow the script’, customer service work is not as simple, prescribed and regimented as often expected (Frenkel et al. 1999; Russell, 2009). Although management would like to standardize work and to tighten control even further, the contradictory tendency is that sales and service relationships require a set of social competencies and technical know-how that makes management vulnerable to ‘bad attitudes’ (Callaghan and Thompson, 2002; Mulholland, 2004) and to various forms of cynicism, fiddles and lack of engagement with customers.

On the basis of a large survey and case studies in Australia, Russell points out what appears to be the key feature of the effort bargain in call centres:

what impresses the observer most is not so much the intensity in call-centre work but rather its relentlessness. . . . CSRs do not have the autonomy to vary the pace of their work over the course of a working day. Info-service workers do not generally have the ability to not be available once they are rostered onto the phones. They cannot choose

to 'bank' their work or otherwise vary their effort by working with greater or less diligence over the course of the shift (Russell, 2009: 107-108).

The contrast with industrial work is striking. The assembly-line was designed to set the pace in a comparable fashion, but the way workers were assigned along the lines created technical conditions that often led to social cohesiveness, bargaining about the speed of the line and collective resistance. Moreover, the insulation of each CSR on a single work station, sets the parameters of the effort bargain and hence the scope for fiddles.

Such fiddles go from the most classic, like extending the conversation with an easy customer, remaining on line after the conversation is complete and pretending to be 'on line' by faking it, to more inventive forms of cheating. As noted by Russell, 'CSRs may soldier on the job by remaining in an occupied mode, while getting a precious breather from a relentless queue of calls; or they may use such fiddles in order to take non-rostered breaks away from the workstation' (2009: 240). While each of these forms of action has an effect on the effort bargain, they cannot be tackled completely by management without going a step further in monitoring work and generating further employee resentment.

Such a dynamic of control and resistance is documented by Mulholland in an Irish call centre. The study provides a detailed account of how CSRs could get around the control system and cheat the sales-bonus incentive scheme in practicing what they called slammin'. A key point in her analysis is that even individual forms of opposition could not be understood exclusively from an individualistic perspective. This point about the social cohesiveness that often supports the individual effort bargain in call centres is a recurrent theme in field studies (Bain and Taylor, 2000: 5; Taylor and Bain, 2003: 1488; Russell, 2009: 236-9).

In short, call centre fiddles illustrate the ‘donkey’ practices of the purely powerless but also more ‘vulture’-like activity where social cohesiveness is sufficiently strong. The unionized environment studied by Mulholland illustrates this particularly clearly. The ways in which high quit rates sustain the informal bargaining of those who remain are important, and worthy of further study.

c. Corporate scandals and the growth of hawk fiddles

If we turn from those at the bottom of hierarchies to those at the top, there is one major contextual condition and resulting normative structure that affects both. This is the financialization of the global economy that has occurred since the 1980s: a mode of accumulation in which profits increasingly stem from finance and not trade or commerce; thus the finance-based portfolio income of US non-financial corporations rose from about 10 per cent of profits in 1950 to 50 per cent in 2000 (Krippner, 2005). Financial instruments increasingly dominate the economy. The notorious collateralized debt obligation, invented in 1987, was worth in total US \$2 trillion in 2006 (Dore, 2008).

Studies of the effects of financialization within firms are rare, so it is not surprising that effects on effort bargaining have not been discussed. But we can suggest the following contradictory tendencies.

1. Managers may be more like ‘hired hands’ (Dore, 2008: 1103). They will be measured against shareholder value and may have less space to reduce their effort levels or seek their own interests. Older work on managerial capitalism stressed that there may be ‘X-inefficiency’ (in effect a shift of the effort bargain in managers’ favour with respect to owners, through leisure, time on the golf course or whatever), or perks in the form of large offices and a staff to go with them (shifting the reward sided of the equation). Financialization may have reduced all this.

2. It may also lead managers to crack down on the fiddles of subordinates.
3. If managers are only hired hands, they may withdraw their loyalty to owners. Normative controls of their behaviour weaken, with financial targets being the sole criterion. They might then be more prone to exploit the opportunities open to them.
4. The normative imperative of financialization underpins behaviour in business, and more generally. The imperative is one of maximizing one's own financial returns rapidly, as in the culture of enormous bonuses in the financial sector. We suggest that these norms may have spread to other parts of governing elites. We cited British MPs earlier. They, and UK banks, were in the past governed by an unwritten 'gentleman's code'. MPs behaved in an honest and disinterested fashion; and banks lent cautiously under the benign supervision of the Bank of England. Scandals involving MPs have included the taking of money to ask questions in Parliament and claims for expenses that became more and more bizarre as the press revealed more and more of them. Justification turned on what was in the rules, but the whole point was that the rules were inadequate because they had formerly not been needed. As for the banks, they invested in securitized assets and other complex financial instruments because this was the new norm.

We now need to relate these broad comments to the specifics of Figure 1. The central lesson is that what is treated as illicit (decision box 3) and the availability of formal means to shape the effort bargain (box 4) have been re-defined. Futures trading, for example, was once illegal, was then treated as akin to gambling, and is now fully embedded as normal (MacKenzie, 2006). As a result, formal means of obtaining returns now exist. This is, however, not to say that behaviour does not have affinities with fiddles, as three examples will show.

The examples are Nick Leeson and Henry Paulson. Perhaps the most important points are the most basic. First, the costs and damage involved are massively greater than those of shopfloor workers' fiddles. Second, the individuals concerned are powerful; though some were ruined, many were not, and much of the cost of their actions was borne by others in the form of job losses.

The first specific point about these instances is that they vary in their legality. Leeson was the 'rogue trader' who speculated in the futures market and ended up destroying the long-established and respected firm for which he worked. He was prosecuted and imprisoned, and the case clearly illustrates situation 3 in the diagram. But, even here, the 'illicit in principle' category is subject to social definition. Leeson was seen as a successful trader, and only after his practices caught up with him was their illicit and indeed criminal nature identified. What is illicit in principle is situationally specific, and subject to re-definition after the event.

Henry Paulson was Chief Executive of the investment bank Goldman Sachs until appointed as US Treasury Secretary in 2006. This appointment was at the time seen as imaginative, for he offered a 'sophisticated understanding of risk and return' (*Independent on Sunday*, 4/6/06). By 2009, there was widespread comment on: the size of Paulson's rewards (US \$38m in 2005) and wider issue of bonuses being paid to executives of firms that were receiving major public support (US \$1.6bn to those in 100 firms: *Guardian*, 24/12/08); the problem of moral hazard and conflicts of interest, in that Goldman Sachs was one of the major beneficiaries of the financial rescue package put in place by Paulson and others; and his wider role in this package. In relation to the last, a major issue was the take-over by the Bank of America of Merrill Lynch. In 2009, the bank agreed to pay a \$33m fine to settle a prosecution for false and misleading claims about bonuses paid to Merrill Lynch executives;

it claimed that none were to be paid whereas in fact a total of \$3.6bn had been paid out (*Guardian*, 3/8/09). Paulson had put very strong pressure on the bank to continue its take-over and some commentators asked whether his doing so was legal.

This case is not one of direct criminality, but it has evidence of moral hazard and of criminal implications. Its main point concerns the way in which the financial system was allowed to operate, including the massive personal rewards for those at the top. Implications for the analysis of fiddles include the following. First, evidence of behaviour of this kind can be used by others to justify their own fiddling. Second, there are parallels with hawk fiddles in that powerful individuals and large rewards are involved. The difference is that there is a greater degree of legitimacy here. We might want to place the behaviour between hawk fiddles and bargaining, and Figure 1 could be extended for this purpose.

Fourth, and most important, some of the underlying ideas of Mars are applicable here. As for the nature of the behaviour, ‘grid’ covers the extent of external social norms. The story of the financial excesses before the credit crunch is one of a deliberate weakening of legal rules, for example the elimination of divisions between retail and investment banks. This was accompanied by changes in wider social norms in the industry, so that the expectation was that investment managers would deal in exotic products that they did not understand; acting outside these norms would have seemed odd. Thus several public sector bodies in the UK suffered losses in the collapse of Icelandic banks, but on what basis did they make the investments in the first place? ‘Group’ refers to the nature of collectivity within a group. The industry is plainly not collective in the way in which a trade union is. But it seems to have strong group norms among insiders, and press coverage refers to ‘clubs’ and the like. These norms can be positive as well as negative. Mackenzie (2006) tells the story of the potential collapse of the system in 1987, which was prevented only by personal, trust-based,

conversations between a few key individuals. The negative side is the sense of invincibility that can be generated.

The normative structure encouraging hawk fiddles has grown in importance. It remains to be seen whether government action or other social processes will contain them.

5. Conclusions

Three fundamental points emerge. First, there is no hard line between the normal and the illegitimate: what is deemed acceptable is shaped strongly by context. Second, this does not mean that any context is immune to external forces. Concepts such as crime not only exist and can be imposed on people; they are also internalized in broad terms so that everyone has some idea of right and wrong, and can critically judge her own actions. Third, what is defined as acceptable within a context shifts in accordance with the impact of external norm. Egregious duck fiddles are likely to have flown the coop, but others may replace them.

Trying to stamp out specific manifestations of fiddles, such as stealing, without addressing the root cause is simply to address symptoms. Thus Ditton (1977, 1979) found that bread workers' stealing of the product occasionally came to managers' attention, with the workers then being sacked. But other workers simply continued the practice. Without attention to the causes of the behaviour, this cycle of action and punishment could continue indefinitely. Second, managerial actions also encouraged fiddles: in the immediate context, supervisors instructed workers in the finer arts involved; and, more generally, policies of low pay and poor working conditions gave workers little choice but to fiddle. Low-wage work continues to exist in many countries. In some respects, the issues have grown in importance with the outsourcing of many activities by large corporations. This means that any ties of loyalty are weakened. Managerial policy needs to recognize the limitation of turning a blind

eye to fiddle proneness. Public policy can assist through, notably, minimum wage laws that would reduce the incentives to fiddle.

Mars (1982: 211) concluded that fiddles are ‘much more than an index of dissatisfaction with the status quo. They are tacit suggestions about ways the status quo can be changed’. He outlined two possibilities, with enormous foresight. In relation to donkey fiddles, he advocated increasing autonomy so as to allow workers some control over their jobs. We would argue that this may have happened in relation to relatively favoured jobs in light of widespread empowerment initiatives. But at the same time jobs at the bottom have continued to exist and in some respects they are controlled even more tightly. They have also been joined by highly routinized jobs, notably those in call centres. Fiddles are probably more squeezed to the margins of the system than they were in the past: in donkey jobs, because of the erosion of the informal bargaining power of workers; and in call centres because of the intensity of technical control and the absence of any bargaining tradition among workers. Yet they have not disappeared, and understanding their causes and effects remains essential.

Mars’s second theme addressed the fiddles of the powerful. He argued that many of these arose from the exploiting of loopholes in bureaucracies, and he advocated a recognition, rather than suppression, of the entrepreneurial spirit that led to the fiddles. The massive downsizing of firms and outsourcing of activities subsequently are consistent with this advice. Some of this may have been beneficial in terms of the extent of fiddles, though hard evidence is not possible. But there have also been unanticipated costs. Responsibility for the system as a whole can fragment and the pursuit of individual goals can lack any normative constraint.

It is commonly argued that it is norms and trust, and not rules and procedures, that will re-establish acceptable boundaries. This is reasonable as far as it goes, but it can imply

that rules have no place or that no concrete policy initiatives are useful. It is better to think of norms underpinned by rules. A close parallel is the enforcement of minimum wage laws. As Braithwaite (2002) has argued, the most appropriate approach is not to rely only on policing the rules or on moral persuasion and rewards for compliance: the two approaches reinforce each other. Other scholars point to the value of bureaucracy in establishing a regulatory framework for individual behaviour (du Gay, 2000; Alvesson and Thompson, 2005: 502). Fiddles will never be eliminated, but addressing them through rules and norms is a way to apply the understanding pioneered by Mars.

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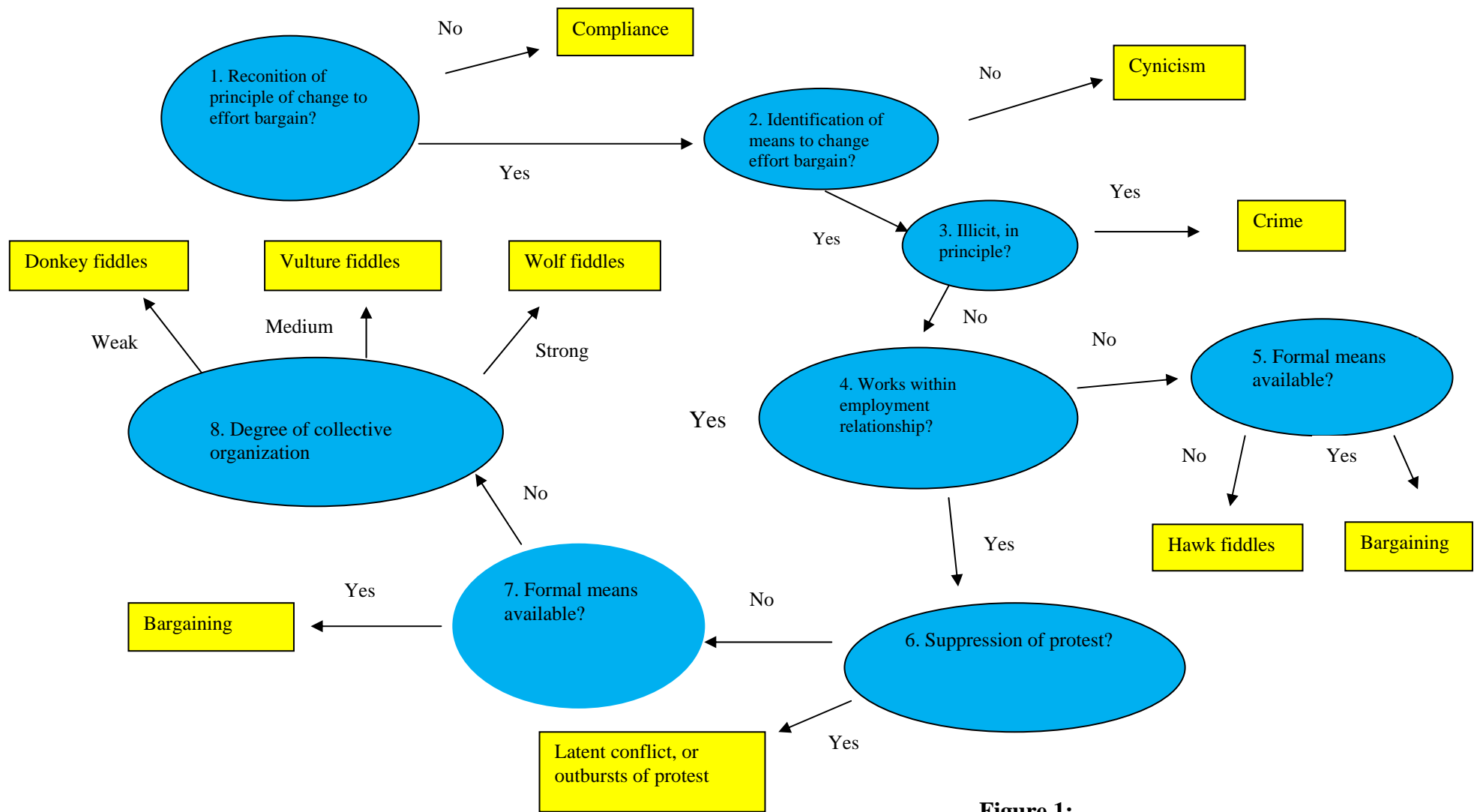


Figure 1:
A Typology of Effort Bargaining