Spivs, Shonks and Ruthless Sharks: Using Discourse Analysis to Investigate Identity Construction in the HIH Narrative

Fernanda Duarte, Gillian McAllister, & John Gray


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Spivs, Shonks and Ruthless Sharks: Using Discourse Analysis to Investigate Identity Construction in the HIH Narrative

Fernanda Duarte, Gillian McAllister, & John Gray

This is the story of a company that deliberately misled the market - even as it staggered towards collapse. It's a story of backstabbing, obscene director’s fees and secret deals between mates, and of the characters, the bit players and the innocent victims of the scandal.

Mark Westfield (2003) HIH: The Inside Story of Australia’s Biggest Corporate Collapse

In 2001 Australian company HIH Insurance was placed into liquidation, with losses of AUD $5.3 billion and devastating consequences for its employees and policyholders. Dubbed as “Australia’s biggest corporate collapse” (Westfield 2003:241), this case attracted a great deal of attention, not only because of its widespread economic and social impacts but also, it can be suggested, because it reads like a moral tale in which senior executives of a major business corporation break the principles of ethical conduct and are chastised in the end for their greed, hubris and disrespect for people. The moral outrage prompted by public awareness of the social impacts of the HIH collapse is reflected in many of the texts that emerged from the HIH case, in particular print media texts. These texts provide the data for a qualitative study carried out by the authors in 2005, which endeavours to demonstrate how a three-dimensional model of critical discourse analysis, combined with elements of narrative analysis, can enhance the understanding of identity construction processes of corporate executives under media scrutiny. More specifically, it investigates how the identity of HIH Directors - whose unethical actions are believed to have contributed to the Company’s failure - is constructed in the texts that produced the broad narrative of the story. In addition to the print media texts that constitute our primary source of data, excerpts from two popular books dealing with the HIH collapse (authored by Mark Westfield and Andrew Mann) and from the HIH Royal Commission report (authored by Justice Neville Owen 2003) are used in the study.

The first part of the paper provides an overview of the three-dimensional approach to critical discourse analysis proposed in order to make sense of identity construction processes in HIH texts, and their relationship with the socio-historical context that enables their production. The second part examines each of the three dimensions as applied to the HIH narrative, and identifies links between them.
Text, discourse, and context: a three-dimensional approach to critical discourse analysis

For the purpose of this paper discourse is defined as a socially and historically specific way of signifying a particular domain of social practice (Fairclough 1995:131). Hence, discourse analysis embodies a constructivist view of the social world, involving a set of assumptions about the ‘constructive effects’ of language. Phillip & Hardy (2002:5) note that, discourse analysis “tries to explore how the socially produced ideas and objects that populate the world were created in the first place and how they are maintained and held in place overtime”.

The discourse analysis carried out in this study falls into the category of critical discourse analysis, which presumes that dominant discursive patterns are linked to broader social and historical processes and practice, and that the naturalized ideologies inherent in these forms ‘legitimate their serving agents of power relations’ (Broadfoot et al 2004:200). It is therefore an ideal theoretical approach to reveal how different levels of social reality and subject positions are structured by hegemonic and counter-hegemonic discourses, and ultimately by the socio-historical formation that provides the conditions for the production of these discourses. As will be shown later in the analysis of the HIH narrative, critical discourse analysis reveals how social texts (whether verbal, written or visual) and identities are organised by historically produced socio-cultural practices that bring an object into being (Parker 1992, in Phillips and Hardy 2002:3). the paper also seeks to analyse the ‘dialogical struggles’ reflected in a systemic tendency to privilege particular discourses (e.g., globalisation; neoliberalism; entrepreneurship; free-market economy) and marginalise others, notably those that pose a challenge the status quo (Keenoy et al., 1997:150). As noted by Phillips & Hardy (2002:25), critical discourse analysis seeks to identify the processes through which the broader socio-historical context ‘privileges some actors at the expense of others and how broad changes in the discourse result in different constellations of advantage and disadvantages’ It seeks to understand the role of discourse, not only in the production and re-production of patterns of domination but also, as will be seen later, in their challenge of these forces (Van Dijk 1993).

The critical discourse analysis utilised in our study, focuses on the textual production of the HIH collapse and the identity of its main protagonists as specific products of discourses, which were deployed within the socio-historical formation of high-modernity (Giddens 1991). The approach adopted here is inspired by existing approaches to critical discourse analysis - notably those proposed by Fairclough (1995:133-4) and Phillips & Hardy (2002). These draw connections between different levels of discourse, connecting proximate to distal contexts (Wetherell 2001:388). We propose a three-dimensional model of texts, discourses relationships, and socio-historical context. In detail this involves:
(a) a narrative analysis of texts emerging from the HIH collapse;
(b) an analysis of the link between these texts and discourses of contemporary capitalist society (both hegemonic and counter-hegemonic); and
(c) the location of these discourses within the broader socio-historical context that has created the conditions for their production.
The first dimension of the model involves the application of core concepts of narrative analysis to texts as the most basic analytic unit of the study. Concepts such as time and space, place, genre, sequence, character and characterisation (Lothe 2003:85-6) help to delineate the contours of the main story line produced by the textual materials. They help to situate the story in time and space, construct a chronology of events, introduce the main protagonists, and also provide clues about the genre of the narrative. In the case of the HIH narrative, this technique encourages a more thorough understanding of the processes that constitute and represent the identities of its key protagonists in the texts that produce the story. For the purpose of this paper, texts are defined as social spaces in which cognition and representation of the world occur (Fairclough 1995:6).

The second dimension of the model introduces greater complexity to the analysis, as it refers to the dynamic discursive environment that creates the conditions for the production of texts. Here, it is important to point out that different historical eras (or socio-historical formations) are characterised by the dominance of certain discourses, organised within the framework of a ‘Grand-Discourse’, to borrow from Alvesson & Karreman (2000:113). Grand-Discourse, they write, is as ‘an assembly of discourses ordered and presented as an integrated frame’ (2000:113). For the purpose of this study, globalisation is conceptualised as a Grand-Discourse, which produces an integrated frame of reference encompassing sub-discourses such as neo-liberalism, global expansion, entrepreneurship and risk. Globalisation can be said to be a modern variant of its Enlightenment counterpart, the Grand-Discourse of progress, which prevailed in Europe between the 17th and 18th centuries. Along the same evolutionist lines of the Grand-Discourse of progress, globalisation is promoted as an inevitable, higher stage in the unilinear continuum of human evolution. Albeit encompassing a ‘loose, diverse, and, at times contradictory package of ideas’ (Collins 2000:345-6), globalisation as a concept is still overall premised on the assumption of ineluctable progression towards higher, more affluent stages of evolution.

The assembly of discourses that create the ‘integrated frame’ of the Grand-Discourse named globalisation, constitutes a field of power in which actors are required to take particular positions (e.g. company Chief Executive Officers and Chief Financial Officers) and adopt particular modes of speech and action (e.g. the ‘bottom line’; ‘entrepreneurial innovation’) if they are to be heard in the highly competitive environment of global capitalism. For example Price (2004:vii) claims, in his recently published self-help book for entrepreneurs, “Entrepreneurship is the cornerstone of the free enterprise system”.

The Grand-Discourse of globalisation deploys ‘positive utopian messages’ that tempt entrepreneurs with ‘golden opportunities’ to enhance business success, and to make the world more accommodating of business imperatives (Oswick 2001 in Fairclough & Thomas 1995:6).
In these ‘corporate theatres’ (Boje 2002) the world is represented as a giant market place with ever expanding boundaries for profit making ventures. In these theatres, entrepreneurs are seen as master strategists prepared to take extreme risks to make the most out of the opportunities provided by globalisation. Nevertheless, the temptations arising from these opportunities can lead these ‘master strategists’ astray, as seen in the HIH collapse and in a number of other corporate failures observed over the last decade in Australia and abroad (e.g. Bond Corp, Quintex, Ansett, One.Tel, ENRON, WorldCom).

Corporate failures have severe social impacts. This social theme is clearly reflected in the texts of the HIH narrative. For example, Justice Neville Owen, who led the HIH Royal Commission Inquiry writes that ‘the collapse of the HIH has reverberated throughout the community, with consequences of the most serious kind’. He goes on to note that ‘about 200 permanently disabled people no longer receive their regular payments from HIH...Retirees who invested their superannuation or life savings in HIH shares to fund their retirement have been left with nothing’, and ‘thousands of holders of professional indemnity, public liability, home warranty and travel insurance policies have found themselves suddenly uninsured for claims made by or against them.’ (HIHRC 2003, Vol 1, Part I:11). As will be seen later, sentiments of moral indignation with the unethical conduct of HIH directors are frequently articulated in the media texts that covered the case, sending signals to civil society that the orthodox capitalist thesis that ‘The business of business is business’ is under challenge.

From this dialectical process, there emerges a secondary category of discourse, which articulates an objection to the abuses of uncontrolled capitalism. For the purpose of this study, we term the discourses in this category ‘counter-hegemonic’. Whilst not radical in nature, as they do not challenge the capitalist enterprise as a whole, these discourses call into question unethical actions in the business sphere and revitalise the importance of the social contract. Examples of these discourses include corporate social responsibility, corporate ethics, corporate sustainability, corporate citizenship, socially responsible investment, business sustainability and corporate governance.

Whilst the current data on the HIH collapse, as far as we have been able to study it, does not provide direct evidence of the operation of these counter-hegemonic discourses, it can be argued that they underpin the tone of moral indignation that characterise many of the HIH texts and that leads to the construction of HIH directors as ‘corporate crooks’, as will be seen later.

The third dimension of the discourse analysis approach proposed here refers to the macro-system context (Alvesson & Karreman 2000:1135) and will be called, for the purpose of this study, a ‘socio-historical formation’. A socio-historical formation can be defined as an historically produced conceptual domain that fashions the social, economic, political and cultural frameworks of the lifeworlds of modern societies. Here, it is relevant to draw attention to the fact that this third dimension is itself discursively constructed in that it is based on a particular conceptualisation of ‘social reality’ constructed through arbitrarily chosen theoretical categories and frames deployed by specific schools of thought. For

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2 Our analysis of all the transcripts and texts, which are very considerable is incomplete.
example, a socio-historical formation can be understood through Harvey's (1990) ‘historical-geographic’ analysis of late modernity; Habermas' (1979; 1989) notion of ‘communicative action’ in late capitalist society; Giddens' (1991) conceptualisation of the post-Second World period as high-modernity; Foucault’s post-structuralist account of the emergence of modern institutions, or Lyotard’s (1984) conceptualisation of the ‘post-modern condition’.

For the purpose of this study the ideas of Giddens (1991) have been chosen to characterise the socio-historical formation that produces the hegemonic and counter-hegemonic discourses of the current period as high-modernity. The rationale for this choice is threefold: firstly, the authors disagree with claims that modernity has already been superseded by a ‘post-modern’ social formation. Giddens’ usage of the adjective high before the noun modernity immediately dismisses assumptions that human society has moved beyond modernity. In his own words, ‘rather than entering a period of post-modernity, we are moving into one in which the consequences of modernity are becoming more radicalised and universalised than before’ (1991:3). The prominence of the Grand-Discourse of globalisation and associated discourses of neoliberalism, expansion, entrepreneurship and risk is evidence that the instrumental rationality of the modernist Grand-Discourse of progress-as-affluence still shapes phenomena in the current socio-historical formation. As will be seen, the HIH narrative itself is shaped by these instrumental rationalist values. Secondly, Giddens’ analytical framework acknowledges globalisation as one of the key dimensions of high-modernity, consistent with our conceptualisation of globalisation as a Grand-Discourse. Thirdly, Giddens emphasizes the increased reflexivity characteristic of high-modernity as a transformative force. Reflexivity catalyses the emergence of counter-hegemonic discourses that exist in a dialectical relationship with their hegemonic counterparts.

Having provided an overview of the three dimensional model used in the study of the HIH collapse, the sections below examine each of these three dimensions within the context of the HIH narrative. The purpose of this exercise is to demonstrate how the analysis of the interconnection between text, discourse, and socio-historical context can enhance the understanding of identity construction processes in relation to corporate agents who break the social contract.

First dimension: the HIH texts

The first dimension of the model uses narrative analysis to delineate the contours of the HIH story. It is important to bear in mind that narratives are representations, and therefore interpretation is inevitable. As noted by Riessman (1993:2):

Human nature and imagination determine what gets included and excluded in narrativization, how events are plotted, and what they are supposed to mean. Individuals construct past events and actions in personal narratives to claim identities and construct lives.
What is presented here therefore is an *interpretation* of the HIH saga, based on the authors' readings of other observers' texts, which are themselves previous interpretations of the event. The categories and frames presented here have been professionally chosen but produce a certain type of reality. This emanates from the epistemological and methodological perspectives of the authors.

The object of investigation in this narrative analysis is the story of the HIH collapse as told by a *corpus* of texts produced as the event unfolded. These include primarily print media articles which are supplemented by excerpts from the HIH Royal Commission Report and three books written by Australian journalists Mark Westfield (2003), Andrew Main (2003), and Australian academics Frank Clarke, Graeme Dean & Kyle Oliver.

*Time* and *space* are essential features of a narrative. Events tend to be closely linked to narrative time, and occur in a particular location or locations. (Lothe 2003:72). In temporal terms, the core narrative of the HIH story unfolds between 1968, when the company was founded, and 2001, when it was declared insolvent. However, this analysis will also consider post-collapse developments such as the HIH Royal Commission Inquiry by Justice Neville Owen, in 2003, and the sentencing to jail of two HIH directors in 2005. These more recent events add closure to the HIH story, addressing (at least partially) the sense of moral outrage created by the alleged insensitivity of the Company directors.

As for the *place* of the narrative, HIH was an Australian company, and therefore its story has been recounted primarily from an Australian perspective. It must be taken into account, nevertheless, that the HIH collapse occurs within the frame of the Grand-Discourse of globalisation, and thus includes events that unfold outside the Australian context. The excerpt below clearly captures the global orientation of the story:

> Comprising over 240 separate companies, the HIH Group at one time operated in five of the world’s continents, with companies incorporated in 16 countries - including the United Kingdom, the United States, New Zealand, Hong Kong, Argentina, Malaysia, Sweden, Greece, Russia, Fiji, Papua New Guinea and the Philippines, as well as Australia. (Clarke et al 2003:223-224)

The *sequence of events* is critically important to make sense of a narrative. It is widely reported that between 1968 and 2001, HIH underwent a series of structural mutations in response to the unstable and rapidly changing economic environment of high modernity. Box one provides an example of a timeline of the HIH story, outlining the main mutations HIH underwent between 1968 and 2003 (Westfield CA *Charter*, 2003b)

<table>
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<tr>
<th>YEAR</th>
<th>EVENTS</th>
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<tbody>
<tr>
<td>1968</td>
<td>Ray Williams and Michael Payne establish MW Payne Underwriting Agency Pty Ltd</td>
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<tr>
<td>1971</td>
<td>MW Payne Underwriting Agency Pty Ltd acquired by Heath plc of the UK</td>
</tr>
</tbody>
</table>
1980 | Ray Williams appointed to the board of CE Heath plc
1987 | CE Heath plc establishes workers’ compensation underwriting in the US
1989 | Business of CE Heath plc transferred to CE International Holdings Ltd (CE Heath)
1992 | CE Heath lists on ASX resulting in 45% of the issued capital owned by the public; 44% by CE Heath plc and 11% by CE Heath directors and staff.
1993 | CE Heath commences operations in the UK
1995 | CE Heath acquires CIC Insurance Group funded by CE Heath issuing shares to CIC holdings, which becomes Winterthur Holdings Australia Ltd
1996 | CE Heath changes its name to HIH Winterthur
1998 | HIH Winterthur acquires operations in New Zealand, Argentina, Thailand, the United Kingdom, the United States of America.
        | Winterthur Swiss sells its 51% shareholding in HIH Winterthur to the public
1999 | HIH Winterthur takes over FAI Insurance and becomes HIH Insurance Ltd. Rodney Adler appointed as Director.
2000 | December: Ray Williams resigns as director of HIH.
2001 | February: Rodney Adler resigns.
        | March: HIH placed in provisional liquidation.
        | July: The Australian Stock Exchange removes HIH from its official list.
        | August 27: HIH is placed in liquidation
        | August 29: Letters Patent appointing the Royal Commission are signed
2003 | April: Commissioner Neville Owen's report into HIH due on 4 April

Source: Westfield (2003b)

It is relevant to note, though, that despite the efforts of the HIH text producers to create a neat, linear sequence of events leading up to the collapse, in actual fact there is no single, unilinear story line in the HIH narrative. The narrative is more accurately described as a complex web of interrelated events that create a number of interweaving story-lines privileging different identities, actions, issues, places and configurations of events, and constructed from the perspectives of different observers (including that of the authors of this paper). This is recognised by journalist Nina Brown (Asiamoney, July 2001:54), who notes that the HIH collapse is ‘a complex web of intrigue which industry commentators say could take 10 years to untangle’. Our study focuses on one of the multiple story-lines of the case, which is structured around the unethical actions of three HIH executives. The rationale for this particular focus is that this story-line produces a distinctive type of corporate identity, which rather than glorifying company executives as is often done in conventional narratives of corporate executives (e.g., Sonnenfeld 2002; Smith 1997), condemns them for their unethical behaviour, and portrays them as ‘corporate crooks’.

Genre is another element of narrative analysis that can illuminate our understanding of the HIH saga. In basic terms, genre can be defined as a distinctive type of text. It must be taken into account nevertheless that the classification of genre is a highly subjective
process. As observed by Chandler (2000), there are no definitive 'maps' of a system of genres, as the classification depends largely on the perspective of the observer. It can be said that the HIH story belongs to more than one genre. That is, at one level, it can be seen as a saga of global business in high modernity, and at another level, it can be viewed as a moral tale, which warns against the excesses of global capitalism. As a saga of global business in high modernity the HIH narrative is informed by the Grand Discourse of globalisation and associated discourses of neo-liberalism, expansion, entrepreneurship, and risk. The HIH story unfolds against the backdrop of increased globalisation and competition, which is also reflected in the texts examined. For example, referring to the impacts of global competition of the late 1990s on HIH, Peter Gosnell (The Daily Telegraph, 17/4/2003b) notes that the year of 1999 was 'a time when all the insurance industry heavy weights were struggling. Profitability was at a premium and competition fierce.' The climax of this saga of global capitalism takes place on 27 August 2001 when the Company is placed in liquidation, with reported losses of approximately AUD$ 5.3 billion. Alluding to the significant growth patterns of HIH as one of the issues that were under investigation by the HIH Royal Commission, Brown (Asiamoney 2001:2) writes:

... under scrutiny is how HIH managed to grow by 20 times over a period of 10 years, against the backdrop of an overcrowded competitive industry. Its expansion from A$42 million in 1990 to its peak A$940 million in 1999 took place while other insurance companies were crumbling under the weight of rapid expansion, extensive and complex reinsurance arrangements, underpricing and reserve problems."

As a tale of global capitalism, the collapse of HIH Insurance is a major event of Australia's corporate history, a theme that recurs in many of the texts examined in the study. For example, Brearley hails HIH failure as 'Australia's worst corporate collapse' (Brearley Weekend Australia 19/4/2003:25); similarly, Gosnell describes it as "the biggest corporate collapse in Australian history" (The Daily Telegraph 17/4/2003). Westfield (2003a:241) sees the HIH collapse as "far greater in magnitude and spread than the spectacular losses from Tricontinental Merchant Bank, Pyramid Group, Ansett, Bond Corporation and Quintex". Clarke et al (2003:233) state that HIH was 'the straw that has broken the camel's back."

The injudicious actions of HIH executives are shaped by the discourse of risk. For example, as noted by Justice Owen 'the way the [HIH] Group managed its entry and expansion in overseas markets was extremely imprudent and ultimately very costly. It involved bad decision making and a lack of business judgement in circumstances of adverse insurance market conditions' (HIHRC Vol 1, Part 1:15).

As a moral tale, the HIH narrative is informed by counter-hegemonic discourses such as business ethics and social responsibility, as it conveys the message that corporate executives who engage in unethical behaviour can be punished, not only formally, by the legal system, but also informally through public humiliation. This is immediately evident to

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3 Chandler D,  Introduction to Gender theory
http://www.aber.ac.uk/media/Documents/intgenre/intgenre1.html#

4 All amounts shown in this paper are in Australian dollars (as at 12/02/2005 valued as 0.78 of US dollar)
the researchers in the early stages of the study through an examination of the headlines of articles covering the HIH case in Australian newspapers. Box 2 shows a selection of such headlines, characterised by a strong tone of moral indignation concerning the unscrupulous actions of HIH executives. Here, the key protagonists of HIH are consistently stereotyped as greedy, dishonest, deceitful and opportunistic.

<table>
<thead>
<tr>
<th>Headline</th>
<th>Source</th>
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<tbody>
<tr>
<td>‘Making sense amid spivs and shonks’</td>
<td>Steven Matchett, Weekend Australia 22/4/2003:13</td>
</tr>
<tr>
<td>‘How ruthless corporate sharks did a job on an old man who was all at sea’</td>
<td>Peter Gosnell, The Daily Telegraph, 17/4/2003:29</td>
</tr>
<tr>
<td>‘Ray’s looking a million dollars and he doesn’t have a worry in the world’</td>
<td>Peter Gosnell, The Daily Telegraph, 19/2/2003:7</td>
</tr>
<tr>
<td>‘Money flowed freely as HIH hit the wall’</td>
<td>Brad Clifton, The Mercury, 19/1/2003:25</td>
</tr>
<tr>
<td>‘No insurance against gross incompetence’</td>
<td>Anon., The Australian, 17/4/2003:12</td>
</tr>
<tr>
<td>‘Where the bucks did not stop’</td>
<td>Anon., The Advertiser, 18/1/2003:19</td>
</tr>
<tr>
<td>‘The arrogance behind HIH’s inglorious fall’</td>
<td>Matthew Horan, Sunday Telegraph, 20/4/2003:84</td>
</tr>
<tr>
<td>‘ASIC seeks to charge HIH trio’</td>
<td>Clive Mathieson, The Australian, 10/2/2003:27</td>
</tr>
<tr>
<td>‘The blame game’</td>
<td>Kylie Walker, The Mercury, 8/02/2003</td>
</tr>
<tr>
<td>‘The HIH Report: 4,236 pages, 1000 adverse findings... Welcome to Wayne’s World’</td>
<td>David Brearley, Weekend Australian, 18/1/2003:17</td>
</tr>
</tbody>
</table>

In the article entitled ‘The blame game’, Walker refers to ‘fraud, insider trading, misleading the market, publishing false accounts and using company positions for personal benefit’ as examples of unethical actions of HIH executives. The condemnation if their behaviour is also reflected in the assertion in an article published in the Herald Sun, Melbourne (Anon. 19/5/2003:77) that ‘HIH is a reminder, if one is needed, that a drastic fall from grace can occur if those in charge lose their way.’ In the same vein, Westfield (CA Charter April 2003:24-29) expresses his indignation with the unethical behaviour of HIH’s Directors by noting that ‘The executives involved knew what they were doing was wrong, yet they did it. No system of regulation can rule against behaviour like this’. Reporting the findings of the HIH Royal Commission for the Weekend Australian (19/4/2003:25), David Brearley states that ‘Australia’s worst corporate disaster, [Justice] Owen suspects, was at heart a profound failure of morality.’

There is an abundance of references in media texts to the ‘greed’ of the Directors, which eventually led to their fall from grace. The three excerpts below are illustrative of this thematic pattern:

The greed was spectacular. Everywhere there were men with contempt for other people’s money and yet nothing but lust for money to call their own… they lived in London or Monte Carlo or maybe some island in the Caribbean, and their sole professional function in life was to deal with money – source it, shift it, grow it, hide it, work it. These men lived in a vacuum. [Brearley, Weekend Australia 19/4/2003:25; italics added]
What destroyed the HIH was stunningly bad commercial judgment, a refusal to adhere to elementary rules of commerce, and the *greed* of men who seemed to think they could do what they liked with other people’s money. (Anon., 15/1/2003; italics added)

… an extraordinary story of a flawed company destroyed by the vanity of its Lear-like founder, a man absolutely blind to the mediocrity and *greed* of many of the men around him and the folly of his own plans. (Matchett, *Weekend Australian* 22/3/2003).

Further clues of the HIH as a moral tale are found also in the report by the HIH Royal Commission. Following a detailed description of the collapse, Justice Neville Owen poignantly asks: "Did anyone stand back and ask themselves the simple question—is this right?" (HIHRC 2003, Vol 1, Part I:41).

The *denouement* of HIH story vindicates the moral axiom that ‘corporate crooks must be punished’. For example, in an article entitled ‘Williams now biggest HIH head to roll’, published in *The Australian* (16/12/04) journalist Vanda Carson reports:

> As a director and the company’s most senior executive, Williams conceded he was criminally responsible for omissions in a prospectus, misleading statements in an annual report and recklessness in signing a letter that contained untruths. … The 68 year old’s lawyers? have asked the court to take into account his age, and say he has already served a “life sentence of shame” since the collapse of HIH in 2001.

A report from ABC Television program, *On-line*, (14/4/2005) describes Adler’s predicament in similar terms:

> Disgraced Sydney businessman Rodney Adler has been sentenced to a maximum of four-and-a-half years in jail for crimes of dishonesty related to the failed insurer HIH. …In sentencing in the Supreme Court, Justice John Dunford said all the offences were very serious and displayed an appalling lack of corporate morality…… Adler’s lawyers had argued that he is not a man of selfishness or greed. And the publicity he has attracted is punishment in itself.

As shown in the above excerpts, the HIH narrative as a tale of global capitalism is informed by the Grand Discourse of *globalisation* and its subcategories. As a moral tale it is underpinned by elements of counter hegemonic discourses such as *corporate social responsibility* and *business ethics*. The classification of the HIH narrative as a moral tale also leads to a certain type of identity construction in relation to HIH executives, a theme which is explored in the next section.
Discursive identity construction processes in the HIH narrative

Characters play a pivotal role in narratives, as they are most often the agents who shape and transform events - who bring story-lines into being. The HIH narrative has a broad ‘cast’ of characters\(^5\), but for the purpose of this analysis we will focus on the three key protagonists of the HIH saga, namely, Directors Ray Williams and Rodney Adler, and entrepreneur Brad Cooper. The rationale for this choice is twofold: first, because of the abundance of media materials on these characters, and second, because of the distinctive way in which their identities are constructed in the corpus of HIH texts as ‘corporate crooks’.

Before discussing the identities of individual protagonists, it will be useful to examine how the identity of the Company itself is constructed through the gaze of the Australian print media. HIH is generally portrayed as a severely dysfunctional firm, facing inevitable demise. This is illustrated in the excerpt below from an article by Gosnell in *The Daily Telegraph* (17/4/2003), where he uses a whale metaphor to characterise the Company. He says that by the end of the 1990s HIH was ‘an old, sick whale, weakened by age and deluded by an internal rot’. Implicitly acknowledging the turbulent economic environment of high-modernity, Gosnell goes on to describe the ‘whale’s trajectory in its final days, irreverently alluding to the people associated with the Company as ‘spivs and sharks’:

> The old whale was stubborn too, refusing to acknowledge its plight, leaking capital and pretending it could swim against a tide that grew even stronger as end-of-century global calamities piled million dollar claim on to million dollar claim. As old whale HIH swam–drifted really – towards its rendez-vous with the liquidator in 2001, it exuded a slick, a trail, a vast spreading scent, part vulnerability, part opportunity. The slick permeated every corner of corporate Australia, alarming some, washing undetected past corporate and insurance regulators, and curling tantalisingly into the opportunistic nostrils of spivs and sharks. Soon they began to circle.

Implying a collective culpability for the firm’s collapse, the three shamed directors of HIH are often ‘lumped together’ in media texts under a single identity category. This can be said to suggest their complicity in the corporate crimes they committed. For example, an article in *The Australian* states: ‘….it appears the corporate cowboys of the late 1990s congregated at HIH and telephone and intercom companies where optimism ran ahead of prudence’ (Anon. *The Australian*, 15/1/2003). The cowboy metaphor is later used by Gosnell (*The Daily Telegraph* 29/5/2003), who invites the readers to ‘write in’ telling how the ‘corporate cowboys’ have affected their life. Elsewhere, Gosnell (*The Daily Telegraph* 17/4/2003) describes the HIH collapse as ‘the story of an ageing fitness fanatic [Williams] and the financial sharks who circled his empire before destroying it’. An article by Matchett recounting the unethical activities of HIH executives is flippantly entitled ‘Making sense of spivs and shonks’ (italics added).

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\(^5\) Author Andrew Main (2003:278-284) identifies 88 characters in the HIH saga.
Ray Williams is undoubtedly the central protagonist of the HIH narrative. He founded the Company in 1968 and was, in effect, its chief executive from that time until he finally stepped down in 2000. Williams is often represented as the ‘face of HIH’ - literally, in the cover of Westfield’s book - not only due to his visibility in the story of the collapse, but also because he is a ‘power identity’. As Justice Owen puts it in the Royal Commission report:

No one rivaled [Williams] in terms of authority or influence. Even as his business judgment faltered in the second half of the 1990s he remained unchallenged. No one else in senior management was equipped to grasp what was happening and to bring about a change of direction for the group. (HIHRC 2003, Vol 1, Part 1: 19).

In *The Australian* (Anon. 17/4/2003:12), Williams is portrayed as an autocratic manager who was ‘… obsessed with keeping control of the business that, in an indulgent exercise in egotism, he saw as a monument to his own achievement’.

Williams protagonises a self-made man, one who has dominated the Company since its establishment (Brearley, *The Australian*, 17/4/2003:7). However, while making some reference to the ‘plain hard work’ involved in building HIH, most of the HIH texts explore the negative traits associated with the idea of the ‘self-made man’, portraying Williams as a highly flawed character. For example, ‘chronic self-belief’ is put forward by Brearley (The Australian, 17/4/2003:7) as one of his defining qualities - a self-belief that bordered on delusional. The same journalist states elsewhere that ‘HIH’s godlike chief Ray Williams is perhaps the only man on earth who still insists his premiums were sensible … (*The Australian*, 4/4/2003:12).

Williams is consistently portrayed in media texts as egotistic and self-absorbed. This is illustrated in the excerpt below from an article by Gosnell (*The Daily Telegraph*, 19/2/2003:7), which describes an encounter with the HIH Director:

Our arrival on his doorstep was a shock but it didn’t distract Mr Williams from one of his pet pre-occupations – himself. ‘I hope you get a good shot’, he said, smiling at the camera.

Williams is also portrayed as a greedy man who believed he was entitled to help himself to ‘his’ company’s funds. Indeed, a theme running through many of the HIH texts is his wealthy lifestyle, acquired at the expense of HIH shareholders. One journalist notes for example that media reports of the Royal Commission hearings were ‘dominated by examples of personal profligacy’. This journalist himself goes on to refer to ‘… the spectacular energy with which Mr Williams … drank deep from the company trough’ (Anon., *The Australian*, 17/4/2003: 12). Attention is drawn by Harris (*Weekend Australian*, 25/1/2003: 5) to the gold taps fitted in Williams’ office *en suite* bathroom.

Some degree of complexity is nevertheless accorded to Williams’ identity in some of the HIH texts, in that he is at times portrayed in a more positive light. This seems to happen in particular in the media reports covering the conclusion of the saga, when Williams is
arrested. For example, an article written on the day of his sentencing describes him as going to gaol ‘ever so politely’ (McClymont, *The Sydney Morning Herald*, 16-17/04/2003:1). In this text, Williams is described in more dignified terms, as a man sitting ‘ramrod straight’ in court and showing great respect and politeness to the court and to the media:

...Williams arrived in a cab, politely telling the media scrum that he was sorry he was unable to say anything. As he made his way through the crush of cameras and film crews, one dark-haired woman, who had lost her house in the HIH collapse, shouted at him, demanding to know if he was going to say sorry. Later, away from the cameras, Williams was seen holding the woman and kissing the top of her head. (McClymont, K. ‘Ever so politely, Williams follows Adler down’, *The Sydney Morning Herald*, 16-17 April 2003: 1).

Williams is said to have been able to sustain his self-belief, even as his Company was failing, because of his practice of surrounding himself with ‘yes-men’ (Anon. *Daily Telegraph*, 17/4/2003: 7). One of Williams’ closest ‘yes-men’ was Rodney Adler.

As the second of the ‘three amigos’ (Anon, *The Daily Telegraph*, 17/4/2003: 7) Rodney Adler is portrayed as a much less complex character than Williams. Adler is described by Brearley (*The Weekend Australian*, 18/01/2003:17) as Williams’ ‘co-star’, ‘the flash businessman from Sydney’s eastern suburbs who became part of the saga in 1999 when he sold FAI Insurance to HIH for $300 million, hidden flaws and all’.

Media texts are far less sympathetic in the construction of Adler’s identity than Williams’.

Unlike Williams, there is no positive reconstruction of Adler at the end of the HIH story. Instead, many texts emphasise Adler’s inability to accept that he did anything wrong. For example, Saville & Kennedy (*The Sydney Morning Herald*, 15/04 2005: 1) report that the judge who sentenced Adler to 4 1/2 years in gaol highlighted his ‘appalling lack of commercial morality’. Another text reporting Adler’s sentencing quotes Jeffrey Lucey, from the Australian Securities and Investment commission, (ASIC) as saying that ‘Mr Adler was in a position of trust as director of HIH, but he put his own financial interests before the interests of HIH shareholders.’ This excerpt clearly illustrates the moral indignation felt in relation to the behaviour of HIH ‘fallen executives’.

The unkindest characterisations of the HIH protagonists are, nevertheless, reserved for Brad Cooper, described as ‘a high-living entrepreneur who convinced first Adler, then Williams, that his burglar alarm company was crucial to the success of the insurance giants FAI and HIH.’ (Horan *Sunday Telegraph*, 20/5/2003:84). The portrayal of Cooper in the texts examined is consistently negative, emphasising flaws such as opportunism, greed, dishonesty, ruthlessness and even vulgarity.
For example, in the previously mentioned text that likens HIH to a ‘sick whale’ and Adler to a ‘shark’, Cooper is unkindly portrayed as ‘the shark’s remora’ (Gosnell, The Daily Telegraph, 17/04/2003: 29). He is depicted by Brearley as ‘perhaps the single biggest curse Adler visited on HIH’ (The Australian, 4/04/2003: 12). Elsewhere Brearley describes Cooper as ‘…Adler’s erstwhile crony … who came with the FAI deal and stayed around to weasel about $50 million out of HIH in the most farcical circumstances (Brearley, Weekend Australian, 18/04/2003: 17). Harris states in The Australian (17/04/2003: 7) that, ‘By the time HIH collapsed … Mr Cooper had leech $38 million from the insurance giant for his company, and a further $13 million for himself.’

Cooper’s appearance - in particular his hairstyle - is an object of fascination in the media texts of the HIH narrative. He is described in different newspaper articles as ‘the bleached-blond wide-boy entrepreneur [who] had insinuated himself in the top echelons of HIH power’ (Horan Sunday Telegraph, 20/5/2003:84; ‘the blustering bleached blond wide-boy’ (Harris, The Australian 17/4/2003), and ‘a once high-flying, spiky-haired spruiker’ (Westfield, The Australian 30/7/2004:15). These depictions can be said to conjure up images of vulgarity, lack of refinement and dubious credibility.

The above examples of discursive identity construction of the three main protagonists of the HIH story provide evidence that through the eyes of the media their identities are constructed in largely dysfunctional terms emphasising defects such as greed, dishonesty, opportunism, egotism and untrustworthiness.

The next section will apply the second dimension of the proposed model to the HIH narrative, to illustrate in more depth the influence of the hegemonic and counter hegemonic discourses of high modernity on the HIH narrative contours and thematic patterns.

Second dimension: the discursive environment of HIH texts

As previously mentioned the second dimension of the proposed model refers to the complex and dynamic discursive environment that creates the conditions for the articulation of hegemonic and contestation of these discourses. As seen in the analysis of HIH texts, Australian mainstream newspapers played a pivotal role in keeping the public informed on a regular basis about the trajectory of HIH towards its demise, with a strong focus on the unethical activities of the Company’s senior executives. The message from media report to corporate Australia is clearly that white collar crime that violates the social will not be tolerated.

It can be said that this counter-hegemonic challenge emanating from the media is a product of the complex discursive environment of high-modernity, in that it arises from the dialectical relationship between the orthodox capitalist thesis that the business of business is business, and the counter-hegemonic antithesis that the business of business should honour the social contract. The synthesis of this contradictory set of ideas has been the growing influence of discourses such as corporate social responsibility and its variants. This is reflected not only in the public condemnation of corporate malfeasance by the mass
media, but also in more concrete terms through institutional shifts that have engendered demand for greater levels of corporate accountability and increased government regulation to counter the impacts of neo-liberalism. With specific regard to the HIH case, there have been proposals at a legislative level for changes to Australian corporate law, especially in relation to auditing and company financial reporting (ASIC 2002). Another positive outcome of the dialectical process was the APRA Amendment Act 2003, which has made changes to the structure of Australian Prudential Regulatory Authority as recommended by the HIH Royal Commission. The HIH inquiry also led to the commissioning of the Palmer Report by APRA in 2002. This reviewed APRA's role in its formative years in relation to the collapse of HIH and advised on improvements in its regulatory and supervisory regime. At an institutional level, in March 2003 the Australian Stock Exchange published its Principles of Good Corporate Governance and Best Practice Recommendations, emphasising issues of ethical conduct and accountability to a broad range of stakeholders (Alcock 2003).

Hence, the Grand Discourse of globalisation produces a paradox from which positive social change may occur. That is, while it has opened the door to corporate abuses, it can be said that these abuses have prompted the articulation of contesting discourses that demand greater transparency and accountability from business corporations.

Having examined the HIH texts in the first dimension of discourse analysis, and the discursive environment that enables their production in the second dimension, the discussion now proceeds to the third level of the model, which focuses on the macro-systemic context within which the HIH narrative unfolds. As will be seen, this macro-context has implications for the researchers themselves, as it enables them to reflect upon their own academic discourses and practices.

Third dimension: the socio-historical formation of high-modernity as a theoretical frame

As previously mentioned, the third dimension refers to the socio-historical formation of high modernity, which provides the conceptual wide-angle lens that enables critical discourse analysts to paint a larger, more complex picture of textual and discursive phenomena related to the HIH. The specific type of ‘wide-angle lens’ used in this study draws on a selective view of Giddens’ (1991) complex analytic framework, borrowing four notions that are directly relevant to the analysis of the HIH narrative.

The first notion, already tackled in this paper, is Giddens’ (1991) conceptualisation of the current socio-historical formation as high modernity. The second notion is his acknowledgement of globalisation as a central dimension of high modernity. Giddens describes globalisation as the process through which ‘the modes of connection between different social contexts or regions become networked across the earth’s surface as a whole’ (1991:64). Here, globalisation is a pivotal organising principle of the socio-historical

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6 Speech by Richard Humphrey, Chief Executive Officer of the Australian Stock Exchange, quoted in Alcock (2003).
formation of high modernity, echoing the category of Grand-Discourse as ‘an assembly of discourses ordered and presented as an integrated frame’ (Alvesson & Karreman’s 2000:113). As seen earlier, the HIH narrative is a tale of global capitalism, shaped by the integrated frame of globalisation.

The third notion is the idea that high-modernity is an inherently dynamic formation (1991:16; 53), which is rapidly and continuously changing. This resonates with the second dimension of our analytic approach, which focuses on the dynamic discursive environment that produces the HIH narrative - both as a tale of triumphant global capitalism and as a moral tale warning against the excesses of global capitalism.

The fourth notion borrowed from Giddens is the increased *reflexivity* of high modernity - in his own words, ‘the fact that social practices are constantly examined and reformed in the light of incoming information about those very practices, thus constitutively altering their character. This is closely related to the second notion, in that reflexivity is seen as a ‘dominant source of the dynamism of high modernity’ Giddens (1991:38:53). In other words, the increased *reflexivity* of high modernity leads to a constant process of examination of social practices, which are in turn reformed in the light of a continuous flow of incoming information. This process constitutively alters the character of these practices (Giddens 1991:16-17), engendering social change. The idea of reflexivity is thus emancipatory, as it stresses agency. That is, through reflexivity people can make informed choices and decisions about different aspects of how to live their lives (Chouliaraki & Fairclough 2004:81).

The increased reflexivity of high modernity is evident in the textual dimension of the HIH narrative, where the critical processes of identity construction identified in mainstream media texts reflect an increasing public awareness of, and opposition to the excesses of global capitalism.

**Conclusion**

This paper has demonstrated the usefulness of a three dimensional approach to critical discourse analysis which connects proximate to distal contexts. This approach involved a narrative analysis of texts emerging from the HIH collapse; an analysis of the link between these texts and the complex discursive environment that produces them, and the location of discourses within the broader socio historical context, which itself is discursively constructed.

Whilst it is clear that all three dimensions must be considered for a more thorough understanding of a given social phenomenon, it is the third dimension that provides the most valuable insights to the researchers, in that it acknowledges the critical importance of reflexivity - not only with regard to the social phenomena under investigation, but also in the discourse analytic methods used by the researchers, due to the strong constructivist epistemology that constitutes their foundations (Phillips & Hardy 2002:10). Hence, as critical discourse analysts we situate ourselves in the third dimension of the model. As noted by Chouliaraki & Fairclough (2004:81) the high levels of reflexivity characteristic of
high modernity can be said to engender an ‘enhanced reflexivity about discourse’. This has been indeed an essential part of our epistemology and methodology, which have enabled us to arrive at a number of useful insights from the analysis of the HIH narrative. Here we have a case of Giddens (1991:39) terms *wholesale reflexivity* - or ‘reflection upon the nature of reflection itself’ which should be a guiding principle in any type of research. As Cunliffe (2002: 2) puts is, reflexivity entails a ‘critical examination of past and present, of what passes as ‘good’ knowledge and practice, and how this influences our writing of the field’. Therefore, it should be an integral aspect of own identity as academic researchers endeavouring to ‘make a difference’ through our work.

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