



International Symposium

Finance at Work

Paris
Université Paris-Ouest
October 9 and 10, 2014

Call for Papers

The present call for papers aims to gather researches about financial work in order to pursue the investigation of financialization.

I. Financialization under the spotlight

The increase in the share of financial assets in economic transactions is synonymous with the financialization of the economy. After the 20th century's epochal financial crises in particular, this financialization has led to researchers pitting finance against economics, speculative value against real value (Orléan, 2011, and assets against earnings (Piketty, 2013). To a certain extent, the above research sets capital and labour at odds by considering the two elements from a macro point of view and hence drawing a veil over a whole series of intermediary processes. This work may be of interest when analysing the impact of financialization, but it is of limited value when analysing the dynamics of financialization. Indeed, it sees finance as a mechanism used to allocate capital in the economy, a mechanism which is completely abstract, disembedded and endogenous to financial capitalism itself. This line of thinking ends on a rather tautological note, as it is the success of finance that consequently elucidates financialization.

1. financialization as an outcome of work

Two alternative interpretations of the financialization phenomenon pave the way for other types of investigation of this historical process.

Firstly, financialization is reflected in the emergence of and rising number of economic agents who are actively involved in finance. Financial markets, in similar vein to other markets, do not develop *sui generis* (White, 1981, Fliegstein, 2001). Economic sociologists have analysed financial markets in order to show, for example, that they can be interpreted according to the negotiating that traders do as intermediaries (Abolafia, 1996; Baker, 1984; Zuckerman, 1999; Godechot, 2007; Orléans, 2004; Knorr Cetina & Preda, 2005). Studies of bankers have also highlighted their role as sales consultants keen to meet their clients' needs, and at the same time influence their clients' wants (Mizruchi & Stearns, 2001). In this way financial markets have a symbiotic relationship with a whole host of intermediary organisations whose activities grow as these markets develop: banks, insurance companies, investment funds, audit firms, rating agencies, law firms, etc. New types of work have also appeared within these organisations, leading to specialised occupations which were further subdivided into financial analysts, traders, asset managers, equity managers, auditors, business lawyers, etc. For organisations and individuals finance equate with work: organisations consider finance as a labour to divide and organise and finance hence represents an occupational pursuit for the people they employ. This occupation tends to bring with it high status in the social division of labour and substantial remuneration (Godechot, 2012).

Secondly, financialization can also be understood as a process whereby representations of work, as well as the procedures used in carrying out this work and the techniques that make this work possible in the first place, are progressively influenced by financial logic. As such, various studies show how the work of company directors has changed since the domination of share ownership by institutional investors (Useem, 1996) and since the development of the notion of shareholder value (Fligstein, 2001). This shift in financialization has also extended into the realms of our daily lives (Martin, 2002), but in each of the two situations above, the expansion of this financial logic raises questions about the work of those institutions and actors involved in disseminating financial thinking and financial devices. As in the case of other organisational fields, the field of finance and its concomitant norms cannot be understood without focusing on those who embody the very dynamics of the field itself, the “institutional entrepreneurs” (Dacin, Goodstein and Scott, 2002 ; DiMaggio, 1998 ; Hardy & Maguire, 2008 ; Lawrence & Suddaby, 2006).

2. The work of the financiers

To understand financialization according to 1) the rise in power of financial actors and 2) the spread of financial logic, implies that we should not be tempted to see economic phenomena being overdetermined by ‘finance’, where finance is considered to be an economic mechanism used to allocate capital. In contrast, this view emphasises the fact that a financier’s work has its own impact on finance, in the sense that allocation mechanisms cannot operate without the people who plan, organise, select, etc. these mechanisms. Therefore, rather than place finance in opposition to work, it would seem more sensible to consider how finance represents the outcome of a specific type of work, and how this work specifically determines the manner in which capital is allocated.

In the collective psyche, a financier is a capitalist i.e. someone who holds capital. In managerial capitalism, the notion of ‘manager’ emerged, and the role of the manager was distinct from the role of the ‘owner’ (Berle & Means, 1932). Financial capitalism is similarly underpinned by financiers who are most of the time not the holders of the financial assets they buy, sell, trade or advise upon, etc. The great majority of these financiers work as employees, even if their salaries/bonuses and the nature of their activity enable them to amass earnings which are vastly superior to those earned by workers outside of the financial sector (Godechot, 2012). Nevertheless, how these financial workers obtain their earnings has an impact on the work they accomplish and their perceptions of this work (Godechot, 2007).

To recognise financiers as workers therefore implies that we examine their conditions of employment and the legal/financial links they have with their employers, holders of capital, and even their clients. This also implies that we can understand the reality of their working day and how it is composed, particularly in relation to technical skills or devices. By studying the way financiers cooperate with each other or compete against each other over and above their respective organisational affiliations,

and hence reassessing the nature of the links between them, throws light on the workings of finance. Similarly, by studying the conceptions of the role, professional rhetorics and career procedures we can begin to understand the professional norms that drive financial activity as work-related conventions and work assessment criteria.

II. Expected proposals

The purpose of this symposium is to bring together various studies whose main focus is financial work and which encompass various actors in the field of finance. On the one hand there will be a focus on the financiers themselves: financial directors, financial analysts, auditors, consultants, traders, asset managers, etc. in a range of organisations (banks, audit firms, consultancy firms, private/public limited companies, rating agencies, etc.). On the other hand there will be a focus on those whose work has a connection to the work of the financiers: business lawyers, actors in the financial job market (recruitment agencies, career planning and job search specialists, training organisations, accreditation bodies, rating/ranking organisations, etc.), actors in national and supra-national regulatory bodies (IMF, the World Bank, the US Federal Reserve System, the European Central Bank, IASB, AMF, ASA, etc.), actors from the financial press, those involved in think tanks and employers' organisations. It is expected that proposals will relate to one of the four priority areas below:

1. Activities and Devices

Financiers' daily activities revolve around a large number of specialised devices, such as equations, software, screens, ratings, accounting and financial regulations, etc. Using previous studies as a baseline, we wish to elaborate on how devices, which create routines and representations, help define the professional activity of a financier. Approaches based on the alternative ways of structuring the activity, such as organisation of work, division of labour, office hours, working patterns, definitions of competence and performance, assessment tools and promotion mechanisms would complement the devices centred approaches. Research focusing on non-capital market jobs (capital market jobs have already been widely researched) would also be highly valued. Here we are thinking particularly of private equity financiers, M&A financiers, financial journalists, CFOs, etc.

2. Professions and Career Trajectories

The likelihood of elevated salaries and bonuses, along with developments in technology, and regulatory changes have led to a dramatic change in social and career trajectories in the financial field. We would like to understand the career trajectories for financiers and how these trajectories have been reinvented over time, both from the perspective of the financial domain itself and from its interactions with other professional domains. How does someone become a financier? If a person has been a financier, what can he envisage doing afterwards? Which turning-points occur during a person's

financial career? And which of these turning-points allow financiers to change career? We especially would like to better understand what role social, academic, gender and ethnic traits play in the pursuance of these career trajectories.

3. Competition, Cooperation and Communities

On the one hand, the financialization of markets has been driven by standardisation and impersonalisation, which seems to contradict the networking logic of traditional financial markets. On the other hand, most sociological accounts of modern financial activity demonstrate the overwhelming importance of networks within the realm of everyday financial activity. Beyond those insights, we need to find out more about the reality of financial networks. Where do they come from? What is their scope? How do they operate on a daily basis? How far do they structure and regulate competition) between organisations and professionals? What combinations of competition and cooperation can we find between them?

4. Institutional Work and Disseminating Financial Logic

Our goal here is to understand the processes involved in the spreading of financial logic via the institutionalisation of organisational and/or professional norms, as well as via the financial devices in use. The spread of the shareholder value principle, and in particular, of its various definitions and interpretations, is the basis for our quest for answers in relation to the construction, the legitimisation, the circulation, the criticisms and the response to the criticisms of this financial logic. Research could provide insight into how networks are involved in this dissemination. In the light of Stigler's assertion that regulation is captured by the industry (Stigler, 1971), studies could help provide an understanding of financial regulatory processes by exploring the extent to which today's financial professions determine financial norms. A reasoned and contrasting comparison of the methods used to spread financial norms and the magnitude of this dissemination would enable us to take account of the specific nature of the national contexts and institutional/organisational contexts which interact with the professional dynamics that exist in the field of finance.

See the complete call for papers :

<http://idhe.prod.lamp.cnrs.fr/spip.php?article865>

III. Organisation

1. Schedule

Dates for the symposium: 9-10 October 2014

Location: Université Paris Ouest

Submission of proposals by 30th April 2014: 400 word abstract in English indicating which of the four priority areas has been chosen to financeatwork@u-paris10.fr with copy to financeatwork2014@gmail.com

Decision of the scientific committee: 31st May

Submission of papers by 15th September 2014

2. Scientific Committee

Jens Beckert; Valérie Boussard; Eve Chiapello; Franck Dobbin; Olivier Godechot; Emmanuel Lazega; Karen Ho; Donald MacKenzie; Sabine Montagne; Fabian Muniesa

3. Organising Committee

Marlène Benquet (IRISSO), Valérie Boussard (IDHE), Marie-Anne Dujarier (LISE), Pierre François (CSO), Joel Laillier (IDHE), Benjamin Lemoine (IRISSO)

IV. Bibliography

Abolafia M.Y., 1996, *Making Markets*. Cambridge University Press

Baker W.E., 1984, "The social structure of a National Securities Market", *American Journal of Sociology*, 89, 775-811

Berle A.A., Means G.C., 1932, *The modern corporation and Private Property*, Macmillan, New York

Dacin, M. T., Goodstein, J. et Scott, W. R., 2002, "Institutional theory and institutional change: introduction to the special research forum", *Academy of Management Journal*, 45 (1), p. 45-57.

DiMaggio, P. J., 1988, "Interest and agency in institutional theory", in Zucker, L. G. (dir.), *Institutional patterns and organizations*, Cambridge, Ballinger, p. 3-32.

Fligstein, N., 2001, *The Architecture of Markets*, Princeton, Princeton University.

Godechot Olivier, 2007, *Workingrich. Salaires, bonus et appropriation du profit dans l'industrie financière*, La découverte, « Textes à l'appui »

Godechot Olivier, 2012, « Is finance responsible for the rise in wage inequality in France? », *Socio-EconomicReview*, 10 (2), p. 1-24.

- Hardy, C. et Maguire, S., 2008, "Institutional entrepreneurship", in Greenwood, R., Oliver, C., Suddaby, R. et Sahlin-Anderson, K. (dir.), *The Sage handbook of organizational institutionalism*, Londres, Sage
- Knorr Cetina K. et Preda A., 2005, *The sociology of financial markets*, Oxford University Press, Oxford
- Lawrence, T. B. et Suddaby, R., 2006, "Institutions and institutional work", in Clegg, S. R., Hardy, C., Lawrence, T. B. et Nord, W. R. (dir.), *Handbook of organization studies*, Londres, Sage, p. 215-254.
- Martin R., 2002, *The Financialization of daily life*, Philadelphia, Temple University Press
- Mizruchi M. et Brewster Stearns L., 2001, « Getting Deals Done : The use of Social Networks in Bank Decision-Making », *American Sociological Review*, 66, 647-671
- Orléan A., 2004, « L'économie des conventions : définition et résultats », in Orléan A. (ed.), *Analyse économique des conventions*, 2ème édition, Paris, PUF
- Orléan, A., 2011, *L'empire de la valeur, Refonder l'économie*, Paris, Seuil.
- Piketty, T., 2013, *Le capital au XXIème siècle*, Paris, Seuil
- Stigler G., 1971, « The Theory of Economic Regulation », *The Bell Journal of Economics and Management*, 2
- Useem, M. 1996. *Investor Capitalism, How Money Managers are Changing the Face of Corporate America*. New York, NY: Basic Books.
- White, H. C., 1981, « Where do markets come from ? », *American Journal of Sociology*, 1981, 87
- Zuckerman E.W., 1999, "The Categorical Imperative: Securities Analysts and the Illegitimacy Discount", *American Journal of Sociology*, 104, 1398-1438