



Reinventing the Management organizational field: from the social construction of Shareholder Value to the emergence of the Celebrity CEO

Reinventando o campo organizacional do Management: da construção social do Shareholder Value à emergência do CEO Celebridade

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Abstract: This paper explores the Shareholder Value (SHV) ideology as a social construction process marked by a reorganization of the business Management discourse as of the 1970s, after the institutionalization of the Agency Theory formulations. Such social construction can be explained according to the Bourdieusian notion of an organizational field portrayed in terms of a social subsystem, structured under diverse forms of capital, handled by each actor present in the organizational field construction here identified. These actors' engagement to the SHV field construction legitimized a new set of shared values and beliefs, materialized within Value Based Management (VBM) as of the 1990s, celebrating a new way of perception, experience, and acting in firms under such an ideology. Therefore, despite the anti-managerial impulse of the SHV ideology, as of the 2000s, a new social arrangement within the organizational field revealed the emergence of the Celebrity CEO, whose performativity of managerial actions simultaneously unveils the potential of the Management field to reinvent, as well as the symbolism associated with the SHV ideology.

Keywords: Shareholder Value; Social construction; Field theory; Value based management; Celebrity CEO.

Resumo: Este artigo visa explorar a ideologia do Shareholder Value (SHV) como uma construção social marcada pela reorientação do discurso do management americano após a institucionalização das formulações da Teoria da Agência, a partir da segunda década de 1970. Tal construção social pode ser explicada segundo a noção bourdieusiana de um campo organizacional descrito em termos de um subsistema social estruturado segundo a manipulação de diversas formas de capital, por diferentes atores formadores do mercado, aqui identificados. O engajamento desses atores na construção social do SHV legitimou um conjunto de valores e crenças compartilhados e reproduzidos no interior do campo que culminou na materialização da Gestão Baseada em Valor (GBV), a partir da década de 1990, ensejando um novo modo de perceber e medir as corporações sob essa ideologia. Porém, apesar do impulso antigerencial da ideologia do SHV, a partir de 2000, um novo rearranjo social interno à construção do campo expõe a emergência de um ator cuja performatividade das ações gerenciais o alça à condição de CEO celebridade, ao mesmo tempo em que revela o potencial de reinvenção do campo do management e o simbolismo associado à ideologia do SHV.

Palavras-chave: Shareholder Value; Construção social; Teoria de campo; Gestão baseada em valor; CEO celebridade.

1 Management invention (and reinvention)

According to Froud et al. (2006), the idea of *Management* as a distinct function inside the firm is a relatively new development, symbolically associated to Peter Drucker's (1954) "*The Management Practice*" and Ansoff's (1965) definition of management of a firm (1965), as one involving a set of activities consisting of analysis, decisions, communications,

leadership, motivation, measurement and business control (Froud et al., 2006). Yet, the authors argue that this new language associated to the *Management* field relates to a business discourse reorientation. While the traditional business management discourse was centred in production intervention, this new discourse had within the strategy, marketing, and

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human resources issues new grounds upon which the organizational life could be reordered.

This *new* way of thinking and acting upon the firms (Grün, 1999) was aligned to the interests of a group of actors that, since the separation of firms' property and control (Berle & Means, 1932), in the early XX century, had been gaining power, independence and control over businesses decision making processes: the professional managers. According to Chandler (1962), the most influential characteristic of the XX century modern firm was the employment of middle and high level management hierarchy, responsible for supervising the productive unities. As the business complexity and profitability grew, the managerial field consolidated itself around power, stability and career opportunities, leading the managers to engage in the search of such forms of capital, therefore, increasing the scale and speed of production and internalizing new organizational unities. The author argues that after World War II, no family or financial institution had the necessary expertise to face the managerial hierarchy, which became recognized as a success factor within the newly created modern firm (Chandler, 1984).

The managers embraced the new management discourse reorganization where the Strategy, Marketing and Human Resources lexis provided new ways through which they could express, perform and legitimize their mastery in the forefront of the firms they had been conducting. The growth of firms and a managerial class fomented the emergence (and growth) of educational training centres responsible for the scholarship formalization, specialization, and the professionalization of the new professional class. Academic actors, as well as consultancy firms, also joined this social construction process of the managerial organizational field and began offering a varied set of conceptual tools to help managers think, act and talk about their firms.

Altogether, these actors gathered around the managerial organizational field consolidation, institutionalizing the managerial capitalism, in which the decision making process became viewed as a learned rather than an intuitive or inherited skill (Useem, 1993) and the companies' original owners, the people related to them or those who learned with real experience in the workplace were replaced by people with specific formal training in the business' conduct that, in a short period of time, was seen as indispensable for the functioning of the business (Chandler, 1984).

This managerial hegemony remained unscathed throughout most of the XX century, but by the time declining profitability assaulted the firms from the 1970s onwards, a new discourse reorganization began scratching this legitimized firm control's concept order (Fligstein, 1990). As long as the professional managers

became masters in their business management, being well recognized and rewarded by their performance and leadership, it was very difficult for the owners to be sure that they were acting to serve the shareholders and the owners' interests. Once installed, managers found themselves facing career opportunities, power and other factors that began interfering upon their decision making. Yet, these decisions became subjected to the local community, non-profit organizations, union demands, and to others who claimed for more socially responsible firms (Useem, 1996). And, for as long as the 1970 crisis slowed down the firms' profitability, little by little, the intermediary management levels became associated with high maintenance costs and slowness in the decision and communication processes. (Powell, 2001).

The deregulation promoted by the *Reaganomics*, from the 1980s on fomented a promising institutional environment which helped in reorienting, once again, the business discourse to a discourse that is now much more sensitive to the capital market's influence. Especially aligned to this business discourse reorientation, there was a new group of actors, the institutional investors represented by pension funds, mutual funds, investment funds and insurance companies that, due to the M&A market deregulation, began acquiring substantial proportions of the enterprises shares to compose their investment portfolios (Useem, 1996). As a result, these actors abandoned their former disperse and atomistic condition towards one more prominent, standardized and consistent among the firms they invested, leading to the (re) construction/(de)construction of the organizational field of the *Management*, from which, new actors began legitimizing new values and beliefs within the field viewing the field structuration.

2 The social construction of the shareholder value ideology

The social (re)construction/(de)construction field of the *Management* discourse, from the 1970s decade on and 80s, has been, again marked by the managerial discourse reorientation, installing a management financialization process, or a management oriented by the shareholder value creation, the Value Based Management (VBM). This reconstruction, like what had happened in the previous reorientation from the Production discourse towards the Strategy, Marketing and Human Resources discourse, also involved a new reorientation of the *Management* discourse, around which, a new set of actors has mobilized themselves. These new actors' engagement can be described according to the bourdieusian notion of an organizational field, defined in terms of the disputes that occur within a social subsystem structured

according to the capitals handled by each actor present to the field construction (Benatti, 2016).

The bourdieusian concept of field can be traced to a battlefield metaphor, where each actor is considered a player endowed with different capabilities. These different capabilities confer each actor a specific hierarchical position within the field structure, directly related to each actor's abilities of exercising power over the others (Donadone & Grün, 2001). Whenever a crisis or the need for change threatens the established organizational field rules, the existing groups or the new ones, struggle to define the new rules according to their own interests and power (Fligstein & McAdam, 2012). By this means, this concept can be employed to describe the formation, consolidation (and reconstruction) of the *Shareholder Value* organizational field, from the 1980s onwards, through the increasing capital market influence related to new ways of perceiving, conducting and measuring the firms' performance.

For a better understanding of such a dynamic, it is necessary to define a t_1 period, during which actors' joint action may be better defined as a cooperative rather than a competitive one. This means, that, during this t_1 period, which corresponds to the organizational field formation, the actors show acceptance of different views/definitions about specific concepts related to the field organization, even though they appear to be divergent from their own viewpoint, to avoid creating a conflicting state of affairs, which could prematurely sink the field formation itself, viewing to reach a t_2 period corresponding to the field consolidation, during which the actors can deploy their diverse forms of capital and power seeking to impose their concept views more explicitly, as well as:

- (i) To impose their views on the field consolidation;
- (ii) To define the new functioning field rules according to their interests and goals, leading to a more competitive and less cooperative environment.

Considering the *Shareholder Value* Ideology field construction, in its t_1 period (1970s-1980s), several market makers (including the business press, the market analysts, fund managers, the managers themselves, business traders, consultancy firms, academic actors, and the deregulation legislators alongside the institutional investors) had engaged themselves in the quest for a new management model that could reverse the companies declining profit crisis, acting according to their own interests, deploying on behalf of that, different forms of capital (social, financial, cultural, scientific, political, symbolic, etc...) according to their own positions within the field structure (Bourdieu, 1989).

During this period, the lack of a straight definition related to the beliefs and values that would be

accepted and shared under the *Shareholder Value* Ideology among the actors, rather than represent a barrier to the field formation, had in fact contributed to it. Considering the Shareholder Value ideology, since any of the actors held the exclusivity over the concepts that would sculpt the new business ideology, it could be tailored according to each market maker actor's discourse fulfilments, considering the plastic aspect of the concepts that could be associated to it (Bourdieu, 1993). During this period, the market makers actors selected the Agency Theory prescription (Jensen & Meckling, 1976; Fama & Jensen, 1983) to guide the search for solutions, once it:

- (i) Its formulations promised both a diagnosis and a cure for the 1970s firms' profitability crisis (Dobbin & Jung, 2010) embedded in the academic legitimacy of its postulants;
- (ii) They provided the scientific basis which yielded a new firm control concept, legitimizing the financial language as the common denominator for a conglomerate's conduction (Grün, 1999); and
- (iii) They fomented the insertion and growth of many professional actors related to the financial space (market analysts, accounting firms, traders, money managers, consultancy firms, rating agencies, investment funds managers, institutional investors, business press, etc...) within the field under construction, nonetheless, without, excluding the actors, in the forefront of the firms, uniting though greeks and trojans.

The agency theorists Jensen & Meckling (1976), inspired by Berle & Means (1932), were the first to point out the inevitable conflicts of interest between those who make the decisions and those who pay for them; they began questioning the way that American firms had been managed, suggesting managers were prioritizing their own interests to the detriment of the shareholders (Dobbin & Zorn, 2005). According to the authors, the managers used the business profits for the companies' expansion, aiming to justify their positions in a bigger and more complex firm, thus pursuing the maximization of the corporation size, rather than the maximization of the corporation profits (Dobbin & Jung, 2010).

Yet, according to the authors, the agency theorists prescribed revolutionary changes to the corporate governance seeking to monitor and control the managerial actions, which were enthusiastically embraced by the large American firms as:

- (i) The need to alter the managers' remuneration schemes, from a company size-basis to a company share price raise-basis;

- (ii) The de-diversification strategy, which urged the managers to focus on the firm's core business competence, leaving to the investors, the diversification of the firm portfolio;
- (iii) The use of debt, instead of profit for deployment in future investments; and
- (iv) The need for smaller and more independent external boards of directors.

These four prescriptions (Dobbin & Jung, 2010) contributed a great deal to reorient the business corporate discourse towards a t_2 period, from the 1980s on, associated with the *Shareholder Value* ideology field consolidation. From this period on the actors involved in the organization field construction set in motion the agency theorists' prescriptions, and as a result, the corporation discourse ideology shifted, displacing the early approach in which the manager was a fundamental figure, legitimizing the shareholders' interests within the firms' conduct (Morin, 2006; Batsch, 2002; Pérez, 2003; Aglietta & Rébérioux, 2004; Fligstein, 1990; Useem, 1996).

From a bourdesian point of view, during t_2 , actors endowed with great power issued from important sources of capital and, on behalf of this, better positioned within the field hierarchy, legitimized themselves as relevant actors in the definition of the new functioning rules of the Value Based Management (VBM) ideology field. Therefore, a set of new values, beliefs, myths and rituals, that is, a new structuring *habitus* of the field (Bourdieu, 1989) has begun orienting the organizational actor's discourse, making it more susceptible to the better positioned actors in the field hierarchy (Saltorato & Benatti, 2017):

2.1 The institutional investors

These actors represented by the pension funds, mutual funds, investment fund and insurance companies gained cohesion due to the financial deregulation promoted by the *Reaganomics* of the 1980s, conquering a privileged hierarchical position within the construction of the Shareholder Value field. Before this, according to Useem (1996), by 1965, the institutional investors' ownership participation among these companies corresponded to 16%, while the individual investors corresponded to 84%; by 1990, the institutional investor's participation increased to 46%, while the individual investors decreased to 54%.

According to Lazonick & O'Sullivan (2000) until the 1970s, there were a series of restrictions related to the institutional investors' ownership of company shares. But the 1980s' modifications to the laws began to support the acquisition (and the concentration) of companies' shares by these type of investors. As a result, these actors had abandoned their former

disperse and atomistic conditions in favour of one more prominent, standardized and consistent among the firms in which they invested.

Donadone (2001) points out another change from this period refers to the end of the differentiation related to investment possibilities for the money applied in commercial or investment banks, leading to the long term investors seeking profitability comparable to other financial applications more profitable than the short term ones.

Useem (1993) asserted that the change towards a more incisive participation of these investors can be perceived by the takeover processes that they had undertaken. According to the author, from 1980 to 1990, 143 of the 500 largest industrial companies listed by Fortune had been a takeover target, and one third of the public companies had become private. Yet, the author, showed that, by the end of this decade, the institutional investors had 500 million dollars in company assets and 2.226 trillion dollars in deposits and 440 billion dollars in share value on the NYSE. As a result of such participation, such investors nowadays have: 56.8% of General Electric; 74.22% of Johnson & Johnson; 70.62% of GM; 69.39% of P&G; 77.36% of Emerson Electric etc...

Such power led these actors to increase their investment monitoring; supporting the Agency Theory discourse of aligning the managers interests to their own through changes in the executives' remuneration schemes using stock options; as well as demanding positions within the administration boards of the companies invested in, and orienting their discourse so as to more explicitly defend the shareholders' return increase.

2.2 The financial deregulation

According to Bonen (2008) it can be extremely difficult to list everything of which financial deregulation comprises. The United Kingdom and the USA were the first to seek reforms to address this. By 1971, the American dollar convertibility to the gold-standard was suspended, boosting international trade. After this suspension, the monetary politics were transferred from the official banks to the independent central banks. Therefore the control over capital began to be reduced and the short-time finances became virtually unrestricted and thus more attractive. Yet, according to the author, restrictions had been eliminated in relation to the company shares' ownership by the pension funds and banks, thus a financial market based economy was created. The deregulation promoted by the *Reaganomics* fomented a promising institutional environmental which helped in reorienting, once again, the business discourse to that of one much more sensitive to capital market influence.

Yet, according to the author, implicit to these measures, there was the expectation that the deregulation would diminish the transaction costs and would maximize the available information owing to the achievement of capital allocation efficiency. But, in fact, the broad acceptance of such deregulation is directly related to a rhetoric that sought to be attached together with the financial prosperity bringing a certain sense of freedom. In the symbolic sphere, such freedom turn to be associated to the idea of respect to one's individuality, opposed to the States interference in the economy.

It is all about highlighting the individual rights above any other considerations. In cognitive terms, when the individual's colors are emphasized, the collective rights colors fade. This kind of approach, even though, necessarily means the abandon of de collective rights, turn the society or the public opinion, much less prone in considering them, especially in the case of an infringement against them (individual rights) occur in a debate (Grün, 2003, p. 146).

According to Campbell (2010) in the individualizing promises of the neoliberal ideology that has more explicitly guided US economic policy since the 1980s, lays the root of many deregulation reforms. The legitimization process of neoliberalism, in turn, is associated in large part by the financial services industry, especially those on Wall Street with its powerful Washington allies. Directly related to this type of freedom, there have been heavily associated a defence to the individual rights mentioned above culminating in a diffuse social revolt against the government's interference in the economy and yet more deregulation.

The legitimate discourse associated to the need of a lean government, from the 80s on, made Ronald Reagan, George Bush e Bill Clinton legislations had been approved, such as the Gramm-Leach Bliley Act (GLBA) which annulled part of the Glass-Steagal Act of 1933. The GLBA, also known as the Financial Services Modernization Act of 1999 (or the Citigroup-Travelers Act), removed the barriers which prohibited banks, securities and insurance companies to act as a combination of investment banks, commercial banks and insurance companies, liberating the merger between Citigroup and the Travelers Group, so far prohibited by the Glass-Steagal Act. In general terms, the neoliberal politics boosted the M&A fever, which had been growing since the 1980s com a *Reaganomics* and consequently the inorganic growth based strategy, fomenting, by one side, the insertion and growth of many the actors whom conducted these processes; and from the side, the financial institutions aggrandizement.

Against the financial deregulation, and motivated by the financial corporate scandals of 2000-2001, of Enron, World.com, Tycon, etc, the American

government established the Sarbanes-Oxley legislation in 2002 (that had its impact in other capital markets, as the SAs Legislation in Brazil) and the Corporate Governance viewing to guarantee the creation of corporate control mechanisms to mitigate businesses' risks and to avoid the occurrence of fraud, ensuring transparency through the establishment of Corporate Governance, which, needless to say, had already proven itself insufficient in the achievement of these goals.

2.3 The academic actors and business schools

The legitimacy of these actors in the social construction of the *Management* ideology dates back to the 1950s, when the emergence of the Strategy, Human Resources and Marketing discourses (Froud et al., 2006), led these actors to manipulate their scientific capital amid the dynamics of the emergence of management hierarchies. The role of these actors is directly related to both their legitimacy of *including* these themes in the agenda related to the management field formation and to consolidation; as well as their legitimacy of *diffusing* them over the field.

The emergence of such themes, at the same time, boosted (and was boosted by) the proliferation of Business Schools, the new centres responsible for the formation, professionalization and updating of the recently born managerial class. So, therefore, these two processes fed one another.

The Business Schools became responsible for the systematization of the theoretical background related to management science and, began conferring professional legitimacy to those who themselves graduated among them, thus becoming institutionalized as a factor of success among the capitalists firms. On the other hand, the Business Schools conferred scientific legitimacy to their researchers, professors and professors/consultants. When the social construction of the *Shareholder Value* ideology took place, these actors continued exercising a relevant influence within these dynamics, as indeed it had been within the academic locus that the Agency Theory idealizers (Michael Jensen, William Meckling, Eugene Fama, etc...) emerged.

According to Boncori (2013), as much as the role of the consultants had been incisive in disseminating the Value Based Management (VBM) metrics which materialize the values and beliefs related to the SHV ideology in a new management model, the theoretical founders of the ideology were the academic actors. These actors had been responsible, not only for endorsing, resisting or combating the theoretical formulations of the VBM, but also for diffusing them, while performing their roles as professors, consultants or researchers. Froud et al. (2000, p. 7) wrote about those actors multifaceted endeavours:

“[...] consultants in the morning and academics in the afternoon that publish in books and journals for audiences formed by students and corporate managers”.

2.4 The consultancy firms

Donadone (2005), analysing the formation of the consultancy field, highlighted the role of the Accounting Firms within this process. In the first decades of the 20th century, the main characteristic of these firms, whose organizational arrangement would serve as the source for the current development of the main consultancy firms, remained over the counselling related to accounting and juridical issues of the firms. But, by the time that the Management discourse reorientation began including the Strategy, Human Resources and Marketing lexis (Froud et al., 2006), it boosted the insertion of a new set of actors, graduated from the Business Schools, that, on one side of the coin, began selling their management counselling services, on the other side, began antagonizing with the Accounting Firms inside the social field of the counselling industry still under construction.

By 1990, after the consolidation of the consultancy firms' field, the Accounting Firms began to launch firms in this sector; on one side the creation of the Andersen Consulting by the Arthur Andersen accounting firm is an emblematic example of this case. On the other side, the Accounting Firms began to undertake an intense movement of M&A with established consultancy firms viewing their insertion in this sector (Donadone, 2005).

The consultancy firms' supremacy conquered through the consolidation of the management counselling field and assured them a favourable hierarchical position amid the social construction of the Shareholder Value field. According to Dobbin & Jung (2010), if during 1950-1970, the giant consulting firms' discourse had focused on the development of technologies to manage the large conglomerates; by the end of the 1970s, when the agency theorists and financial economists started saying that managers had followed the diversification as a means to protect under profitable industries from others that could subsidize them, against the shareholders interests; the consultancy firms turned against the conglomerates.

According to Dobbin & Jung (2010), such turning back was largely influenced by the first management bible “*In Search of Excellence*” and afterwards, by the reengineering gurus “*The Core Competences of the Firm*”, which demonized the executives, exhorting them to keep the ‘business focus’ (Dobbin & Jung, 2010). As a result, during the 1990s, the consultancy firms began developing new technologies, in order to align their discourse to the Shareholder Value creation ethos, creating and diffusing the employment of marketable proprietary metrics.

According to Froud et al. (2000) each consultancy firm had developed its own proprietary metrics and package designed to measure (and compare) the value created by different product lines as well as those created by different companies:

- (i) Stern Stewart created the EVA and MVA;
- (ii) LEK and Alcar Consulting Group created the SVA (Shareholder Value Added);
- (iii) Holt Value Associates employs the CFROI (Cash Flow Return on Investment);
- (iv) Mackinsey employs the economic Profit and the TSR (Total Shareholder Return);
- (v) Boston Consulting Group has created its own versions of the CFROI and TSR;
- (vi) Price WaterhouseCoopers and Arthur Andersen have created their own ways to measure and create shareholder value, combining SHV with others techniques as BSC.

So, the consultancy firms began commercializing their metric systems alongside with correspondent implementation package and with some success stories (Froud et al., 2006).

2.5 The market analysts

The discourse of these actors immersed within their own social systems of interpretation and opinions made these actors rather relevant in religiously forecasting the value creation, or destruction by the firms each three months. The investment funds began employing these opinions as legitimate sources to evaluate which company to invest in or in which to disinvest. Managers, by their turn, have started dedicating themselves to the quarterly numbers projections, thus performing conferences with these actors viewing to regularly feed them with the latest, updated information about sales volumes and costs, trying to assure that their forecasts were the most accurate ones, with a view to make the numbers. According to Dobbin & Jung (2010):

This is what chief executives and chief financial officers dream of: quarter after quarter after blessed quarter of not disappointing Wall Street. Sure, they dream about other things too – megafusões, blockbuster new products, global domination. But the simplest, most visible, most merciless measure of corporate success in the 1990s has become this one: “Did you make your earnings last quarter?” (Fox, 1997, p. 14).

Regarding the institutionalization of this short-term culture, Grün (1999, p. 124) affirmed that in the

centre of the corporate control change, there is the perception that:

[...] any allusion to long-term issues come to be seen as more or less open defenses to the inherent bureaucratism of those who do not want to be led by the salutary free-market discipline, and because of this, increasingly and dangerously, approximating itself to the execrated pattern of state agencies Management of.

According to Dobbin & Jung (2010), such pressure influenced the employment of actions as the marked to market method (such as Enron did), bottom line manipulation (such as Enron, also did) and others forms of managing earnings declarations, inflating the share value when they were below the expectations, and depreciating them when they were above the expectations so that there was manoeuvring space when needed.

Directly associated to the short-term culture and the opinion and interpretation systems lay the institutionalized rumour culture (Hayward et al., 2004) as a relevant form of information, capable of influencing share prices.

Others actors within Wall Street financial industry, that similarly to the market analysts, work issuing opinions about the company's ability to handle its financial obligations, are the ratings agencies. After the 2008-2009 financial crisis, these agencies began to standardize their discourses, affirming that they, *just* issue opinions and not investment return warranties, counselling, recommendations or prognosis, and yet, that their opinions involves a certain level of risk associated to them.

2.6 The business press

According to Donadone (2005), from the 1980s on, this actor presented a change in its profile as it has begun focusing its news on the market's functioning and the leading companies' economic health, leaving aside grand economic theories. According to Huczynski (1993), the business newspaper and magazines have also begun to diffuse successful management experiences, viewing to orient their readers in their daily decisions in the financial market.

The market for economic news in the USA grew up considerably throughout the 1980s and associated to this growth, there has been the emergence of individuals that started orienting managers and readers concerning the economic issues, known as 'gurus'. (Donadone, 2001). The emergence of this new actor, the business press profile modification and the growth of the consultancy firms from the 1980s on, are strictly associated with each other and to the social construction of the *Shareholder Value* ideology or of the Value Based Management (VBM).

According to Donadone (2003) during the 1980s, the diffusion of interpretations about economic news by the business press and of management models by best sellers such as *Made in Japan* (Morita A.); *Iacocca: an Autobiography* (Iacocca L.); *Competitive Strategy* (Michael Porter); *Out of the Crises* (Deming E.); *Quality is Free* (Crosby P.) among others, became irrefutable references within the field. Yet, according to the author, the diffusion of the formulation and of the gurus' management models, by the business press, resulted in an important source of homogenization of ideas within the organizational space against the uncertainty created by the profitability crisis of the 1970s and the changes within this space, from the 1980s on, co-habited by the financial space actors.

Yet, from the 1990s on, the business press also contributed a great deal in the diffusion of a CEO idolatry culture through the popularization of lists and contests which foment the emergence of organizational myths, as a performatic hero, materialized in the Celebrity CEOs (Hayward et al., 2004; Wade et al., 2006; Ketchen et al., 2008; Hamilton & Zeckhauser, 2004).

2.7 The executives

Chandler (1984) argues that after World War II, no family or financial institution had the necessary expertise to face the managerial hierarchy, which had become recognized as a success factor within the newly created modern firm.

So, this actor, once central to the Management discourse reorientation in the first half of the 20th century, has noticed, by the end of the century that he would need to somehow, align his discourse to the new management ideology, that is to say that the SHV, despite its anti-managerial impulse (Benatti, 2016).

Westphal & Zajac (1998) suggested that there is a vast amount of evidence that the senior executives have learnt to canalize this anti-managerial impulse towards their self-enrichment through changes in their remuneration schemes. Yet, Brookman, Chang & Rennie (2007) confirmed that CEOs that engaged themselves in M&A strategies announced layoffs, downsizings, varied restructurings, moved away from the unions' interference, experienced increases in their remuneration in bonus formats or stock options. And, Dinardo et al. (1997) point to evidence that CEOs linked to firms that have removed the union action also raised their remunerations.

Summing it up, once executives noticed that they should restructure their firms according to one of the SHV ideology's objectives, that is, that they should restructure their firms according to the shareholders value interests, they had begun implementing such cost reduction strategies, as they began seeing them

as the key to signal their conformity towards to the ends of this goal.

Westphal & Zajac (1998, 2001) showed that executives symbolically managed SHV pressures, announcing, but not necessarily, implementing long-term executive compensation packages or share buyback programs. Such measures offered executives a convenient mechanism through which executives reaffirmed their commitment to the new ideology without compromising their gratification. Thus the capital market began to reward such announcements by raising the stock price, even when they were not implemented (Zajac & Westphal, 2004). This type of strategy demonstrates the strength of the political-institutional arrangements of the managerial-executive class, as well as, that the asymmetry of information experienced by investors makes it difficult to impose their desires on executives (Roe, 1994).

According to Goldstein (2012) such dynamics helps to comprehend the apparent inefficacy of the managerial downsizing project. Managers announced restructurings, replaced workers with computers and ended up with redundant unities due to mergers, all of these, in order to calm down Wall Street, while quietly they were hiring more, well paid managers as they have always done (Goldstein, 2012). Some firms have announced layoffs that were never implemented (Hallock, 2003) or have been, simultaneously to the hiring of new managers (Capelli, 2000). MacDuffie (1996) showed that in 1985 the Ford Motor Company had announced a restructuring to reduce management positions by 20%, that in fact, resulted in a reduction of less than 1.5% in 1989. Much is the evidence that shows that these actors, early on, realized that to sustain themselves in the midst of the threat that the *Shareholder Value* ideology foreshadowed, they would have to undertake a certain amount of performativity into their new discourses.

2.8 The Chief Financial Officers (CFOs)

Another development directly associated with the hierarchical position occupied by the above actors in the consolidation of the new field, concerns the role of the CFO.

According to Zorn (2004), the emergence of the importance of the CFO in the corporate scene was due to both; a reaction of companies to changes in regulation as well as a process of institutionalization linked to the rise of SHV ideology. According to the author, by 1978-1979, a new legislation promoted by the SEC (Securities Exchange Commission) and FASB (Federal Accounting Standard Methods) imposed over the companies, changes in accounting methods and financial statements.

Faced with the uncertainties promulgated by such actors regarding the impact of these changes on their

financial reports, the fear that they might produce negative reactions and the devaluation of companies, financial managers quickly presented themselves, as a solution to such a threat. More recently, another regulatory framework, already within the framework of the construction of the SHV's organizational field, the Sarbanes-Oxley legislation also contributed to the rise of these entrenched actors in legitimizing the new management model.

At the same time, the management ideology field based on the SHV, described above, keep on institutionalizing itself, mobilizing its actors in the definition of its new rules, values, myths and rites that would define each ones' performances within the field, as well as the hierarchical position to be occupied by each one of them. In this sense, actors such as the business press and consultants mobilized around the gravity of the legislation and encouraged companies to respond to the new demand in the field.

The 1980's article by the Institutional Investors magazine, "*The CFO as a Corporate Strategist*" (Bergson, 1980) began advocating a more active role from financial managers as a response to the changes within the institutional environment of the companies. In the article, the CFOs of Xerox (Melvin Howard) and Marriot (Gary Wilson, who in 1985 became Disney's CFO) argued that a "finance executive" would be best suited to *translate* the new demands guiding executives into the new environment.

According to Fligstein (2005), prior to 1980, the acclaimed CFOs were, for the most part, little more than accountants or treasurers who played little role in defining corporate strategy. But as financialization took off, these actors legitimized themselves as those who could best interact with the financial community. Amid the consolidation of the field of SHV ideology and the diffusion of its respective management materialized by the GBV, the relations among the field actors; boards of directors, CEOs, CFOs, institutional investors, market analysts, large accounting firms and consultancy firms, have been altered.

So, while accounting firms and consultants came to advice companies on how to make their balance sheets look better, and financial analysts began telling CFOs how they wanted their books to be like, these ones followed the analyst's prescriptions and redesigned their books through financial engineering, aiming to look more attractive to shareholders. And, amid this process, they raised privileged hierarchical positions within the consolidation of the field.

2.9 The private equity funds managers

Among the financial actors that emerged within the SHV organizational field there are the Private Equity (PE) fund managers, as they are among those that most directly affected the companies involved, imposing their management financialization.

The institutional environment promoted by the financial deregulation of the *Reaganomics* from the 1980s onwards has fostered the emergence, rise and increasing power of these actors or “*financial intermediaries*” (Appelbaum & Batt, 2014), who turn to provide an alternative investment mechanism to the traditional banking system.

In general terms, the activities of these intermediaries involve the raising of capital from institutional and individual investors for the formation of a PE fund viewing its subsequent investment in the acquisition of companies whose financial returns are higher than those generated by other available investments.

The shareholding in the target company by a PE fund can reach 100% and be achieved by either a takeover or not. In addition, the acquisition may involve a privately held company (viewing to open it due to the fund’s exit of the acquired company) or a publicly-held company that becomes private (and which may possibly be reopened due to the fund’s exit of the acquired company). Such an acquisition generally makes extensive use of debts (according to the Agency Theory’s 3rd prescription) through a leveraged buyout process.

The Leveraged Buyout (LBO) process involves the payment of an entry (coming from the PE fund raised from the institutional and individual investors) for the acquisition of the target company, which after being targeted becomes responsible by the rest of the payment of the contracted debt (by the PE fund) for its purchase. This means that the capital that the PE company and investors risk (draw from their own pockets) for the acquisition is the initial capital formed by the fund (the entry, that can be restricted to 10% of the acquisition value) and the remaining debt (that can reach 90% of the acquisition value) is paid by the company’s future cash flow, assets, etc... (Stancill, 1988; Altman, 2003; Blaydon, 2003; Kaplan & Strömberg, 2008; Prakash & Saylee, 2013). That is, the company is given as collateral in this process.

The decision on how to participate in the management of the acquired/invested company lies to the PE fund managers and can vary from a daily, intense and aggressive one, to a restricted to the company’s board one, as well as the decision to keep (or not) the company’s executives after its acquisition.

Despite the fact that the use of the leveraged buyouts process of companies have become popular, due to the PE companies and managers from the 1980s onwards, this process was also used by executives in the acquisition the very own companies they conducted. These acquisitions known as *Management Buyouts*

(*MBOs*) viewed to turn a public held company into a private one, seeking to eliminate the influence of capital market players over its management. The most emblematic (and devastating failed) example of an attempt of a LBO by a company executive, is the RJR-Nabisco case, which in 1988, has been fiercely disputed by its CEO, Ross Johnson and the PE firm, KKR, considered the queen of the PE game, and the winner of such war. (Burrough & Helyar, 2009). Once acquired, “leveragedly” speaking and submitted to the conduction of PE fund managers, the company management starts to involve layoffs, sale of assets and/or organizational units, outsourcing, offshorings, that is, an aggressive financialization aiming at the same time; the payment of the debt contracted in its acquisition and the reach of the returns expected by the investors. After a pre-established period of time with investors (usually 5 to 7 years obeying the culture of short-termism) the fund managers seek an exit from the investment (usually opening the capital of the invested company) generating the return to the investors.

Because of such *modus operandi*, the Pes’ firms/funds/managers can be considered emblematic financial representatives of the SHV management ideology and their action has polarized a debate around whether they would be financial “innovators” or “predators”, which genuinely have been materialized the Value Based Management (VBM).

3 The materialization of the shareholder value ideology discourse in the value based management

According to Bourdieu (1989), the discourse content and, more specifically, the symbolic power that its ideas exert, lie in the legitimacy that its audience confer to those that pronounce them. Therefore, when the market’s influential actors had begun perceiving the firms focus as being more driven towards value creators than the conglomerates, than they start “to be” (Dobbin & Jung, 2010) legitimizing themselves independently of the technical efficiency associated with this shared belief.

This means that; discourses pronounced by well positioned actors from the finance space, and more specifically from the capital market, and reproduced by relevant actors from the organizational space had institutionalized “*Agency Theory prescriptions*” (Dobbin & Jung, 2010) as the structuring the new habitus of the field (Bourdieu, 1989), materializing themselves in a series of changes in the “*way of perceiving and acting upon the firms*” (Grün, 1999, p. 123), generating consequences both in the symbolic scope and economic to the management of companies under this ideology, which according to Saltorato &

Benatti (2017) include, but not exhaust themselves in the following:

- (i) **The re-significance of the concept related to the firm and its efficiency:** While the firms came to be defined in terms of legal fictions that work as a nexus to maintain a set of contractual relationships (Jensen & Meckling, 1976), the concept of corporate efficiency came to be associated with the raise in the share value (Grün, 2003). The financial control concept emphasizes stock performance and the rate of return on investment at the expense of other performance metrics such as company growth;
- (ii) **The replacement of the profit maximization by the shareholder value return maximization:** According to the accountability heralds, *“the value creation transcends the traditional objective of the profit search itself”* (Assaf, 2012). Due to this, the value creation notion has become an obsessive compulsive performance measurement, employed to monitor product line value creation (or destruction) results. Driven by this new way of measuring and controlling firms’ performance, consultancy firms created the above, new saleable product/service and the Value Based Management metrics (Froud et al., 2000), as EVAs, MVAs, CFROI, etc...., The contribution of each division to the final company results; The divisions to be invested (or divested), and the creation (or destruction) of value to the shareholder by division;
- (iii) **The transformation of internal firm relationships into market ones:** The monitoring/control of internal divisions boosted the competition against themselves, transforming their relations into market relations. The adoption of holding companies’ structures contributed to division management and performance evaluation by VBM metrics, presiding over the intermediary management levels that started to be seen as inflationary (Grün, 2004). Quoting the EVA creator, Stern Stewart: *“EVA™ is not just a performance measurement. When fully implemented, it is the centerpiece of a financially integrated governance system that compares the full extent of the corporate financial decision process by placing the operational and financial functions on the same basis, thus providing a common language for all corporate employees linking the Strategic planning to all operational divisions*

keeping investors informed, and should be considered a “way of life” (Froud et al., 2006);

- (iv) **The replacement of the organic growth strategy by the inorganic growth strategy:** The companies’ growth through the creation of internal divisions, so far, undertaken by the managers, has been replaced by growth through mergers and acquisitions strategies, after which financial and economic deregulations boosted the market for corporate control, as they promised to maximize the shareholders’ returns (Fligstein, 1990). According to Froud et al. (2002), from 1988 to 1994, much more had been spent on buying and selling companies than machines;
- (v) **The adoption of a restructuring mantra:** According to Froud et al. (2002), from the 1980s on, the restructuring neologism has begun to include a variety of corporate actions oriented towards shareholder value maximization such as downsizings, reengineering, M&As, LBOs, outsourcings, off-shoring, productive dislocations, unities shutting down, etc;
- (vi) **The liquidity privilege:** The liquidity privilege is directly related to frenetic cost cutting and to short-term profitability. So, the speed through which an asset can be converted into cash without significantly losing its value represents its liquidity. The higher, a company’s liquidity is perceived by the market analysts, the better its shares’ recommendations will be. The substitution of fixed costs by variables can happen even when the transfer of the company’s assets do not take place, since the restructuring takes on a variety of forms (Froud et al., 2000) that besides those already cited also includes the flexibilization of the work organization aimed to reduce fixed labor costs with the employment of temporary workers, “juridic persons”, lay-offs, mass unemployment and flexible compensation schemes as a way of obtaining liquidity and focusing on the core business of the company;
- (vii) **The short-termism culture:** Once the investment fund managers have begun to heavily embrace the market analysts’ forecasting and opinions as a legitimate opinion to evaluate the firms with potential for investments (or for not receiving investments) through their quarterly financial reports, the short-term culture has been institutionalized as an important decision making horizon (Dobbin & Jung, 2010);

(viii) The subordination of productive logics by financial logic: The production function, until the 1980s, seen as a strategic, had been relegated to a highly eligible one to be outsourced, boosting its transference to countries of low cost and less protected labour, imposing at the same time, the productions' systems measurements to be performed through those of financial criteria (Dias & Zilbovicius, 2006);

(ix) The vanishing of anti-takeovers measures: The takeovers have come to be seen as disciplinary mechanisms of the managerial class in favour of the maximization of shareholders' returns, and, on behalf of this, are wholesome and welcomed from the standpoint of corporate actions control by the capital market, besides this, they were not completely extinct.

The institutionalization of the above changes in the ways of perceiving and acting upon the firms (Grün, 1999) this has reoriented the management discourse, legitimizing a more active control of the firms by the shareholders, thus consolidating in the 1990s, the management financialization or the Value Based Management (VBM), which, turn to measure and monitor the firms performance highly based on the capital market metrics.

Thus, the construction of the *Shareholder Value* field has materialized in this new management model, promoting a diffused alliance between institutional investors, financial economists, investment banks, market analysts, business consultants, academics and a new generation of finance oriented specialists that progressively advocated and institutionalized not only a new paradigm for the reorganization of the structure of large companies but also the expected behaviors in relation to them.

4 The emergence of the CEO celebrity amid the anti-managerial SHV ideology

As pointed out by Dobbin & Jung (2010), although the Agency Theory had sought to intensify managerial action control, there have been many discrepancies between the theory's' prescriptions and the attained results of their incorporation by the firms.

In the first place, the prescription of aligning the managers interests to the shareholders through changes in the executives' remuneration schemes, tying them to the share value, has aligned, much more closer the managers and the fund investment managers' interests. Because, once these managers had not been obliged to neither keep their company shares nor penalized when the share prices drop,

this prescription was not effective, thus fomenting an incentive to let these shares go when they were overvalued. (Dobbin & Jung, 2010).

These authors also showed that the correlation between the Agency Theory de-diversification strategy prescription and the share value increase outcome was, in the best case, weak. Another gap between the theory discourse and its outcome, pointed out by the authors, relates to the increasing risk brought to the companies' conduction related to the debt mechanism of the Agency Theory prescription, with no guaranties for share value increases. Yet, according to the authors, the Agency Theory discourse also proclaimed the need to reduce the size of the Board of Directors and to increase their independency. And although the boards did become smaller, they did not become independent, as the external members kept keeping all kinds of relationships with the internal board members, and the CEOs kept accumulating Chairman positions (Dobbin & Jung, 2010).

Despite the gaps between the Agency Theory discourse and its outcomes, it had been chosen to design a new management model for giant American firms, amid the 1970s profitability crisis. For, around the propositions of theory, actors were united whose scope of interests was conditioned to the institutionalization of those formulations (Benatti, 2016).

This institutionalization process engaged different and yet some divergent actors (i.e. managers vs institutional investors) within the social construction of the Shareholder Value ideology field. And after its consolidation, it had structured itself around legitimate institutions, hierarchically positioned actors, shared values and rules, thus remaining stable throughout the 1980s and 1990s. But by the time, the 2000-2001 corporate scandals and the 2008-2009 financial crisis threatened the Shareholder Value organizational field, its structure began eroding as its existing rules, its actors' hierarchical positions and the legitimized institutions which sustained its functioning became instable, paving the path to a new social rearrangement.

Considering the social construction of any field, the emergence of a crisis represented an opportunity at the same time; for the insertion of new actors, and alongside this, the redefinition of the established rules related to modifications in the actors positions within the field structure; and, as a consequence, it also represented a threat to those actors whose previous positions could no longer assure them the same exercise of power that the earlier structure had once provided.

The rise of a new social rearrangement following the 2000s within the Shareholder Value ideology field de-construction/re-construction unveiled, on one hand, the shareholders' lack of power to control or to impose their will upon the upper management

despite what the ideology discourse preached (Boyer, 2005; Lazonick, 2009; Montalban & Sakinç, 2011). And on the other hand, it unveiled that the implicit anti-managerial SHV discourse and all its strategies based on labour cost reduction, had coincided with a boost related to well-paid managerial levels that had exceeded the unemployment caused by downsizings (Goldstein, 2012; Jacoby, 2000) portrayed by Goldstein (2012) as “the revenge of the managers”. In this new social rearrangement, these actors, in an earlier moment of the formation of the field, considered as threatened and hierarchically poorly positioned in the field, began to deploy:

- (i) Their ability to reproduce the *Shareholder Value* ideology discourse in as many forums as possible, and to perceive that correspond accordingly to the shareholders’ expectations could enhance the institutional investors’ confidence within themselves;
- (ii) Their capacity to put into motion certain aspects of this discourse (e.g. the inorganic growth strategies), and to enact (the practice of) others, could induce relevant field actors to believe that the discourse was turning into actions and;
- (iii) The difficulty experienced by the institutional investors and shareholders in general, to really reduce the information asymmetry, that still tears them apart from managers.

As a result of such perceptions, executives from giant American firms managed to avoid a rather more incisive intervention from shareholders reformulating the administration boards (as their wishes); creating a specific executive position (the CFO) and a structure fully dedicated to the relationship with investors; accumulating the CEOs and Chairman; using the debt mechanism as a means to manage the share value; undertaking their megalomaniac acquisition strategies; raising their remuneration up to stratospheric levels; and keeping their power and status within the corporations. That is to say that managers have begun following the Agency Theory prescriptions for their own convenience, and as a secondary result of such, amid the new social arrangement, it has emerged the “CEO Celebrity” (Wade et al., 2006).

The business press trend of attributing the companies’ good performances directly to their CEOs, ignoring factors such as the environment, luck, or other people from the firm (Hayward et al., 2004) has fomented the emergence of organizational myths (as many others) or performatic heroes. The popularization of lists from *Fortune*, *U.S. News and World Report*, *Financial World’s CEO of the Year* which rank CEOs, according to performance criteria legitimized by

key-stakeholders (Wade et al., 2006) is directly linked to the culture of idolatry of this actor through which catapulted the CEOs upwards the celebrity status.

During the 1990s, the media coverage of CEOs, involving their astronomical remuneration packages, the hostile takeovers threats, the takeover targets and all the egocentrism related to the field have made these actors lives seem as interesting and idolized as TV and movie stars (Hamilton & Zeckhauser, 2004). The emergence of this Celebrity CEO suggests that managers’ hierarchical positions within the management field reconstruction with a view to the SHV field has been favourably shifted, once other market actors started to realize that a celebrity CEO’s appointment designation legitimizes a company’s promise of achieving better results, reinvigorating the market faith in that given company (Sinha et al., 2012; Ketchen et al., 2008).

Nevertheless, the social construction of this actor has delegitimized the Agency Theory prescription of turning the administration boards into more independent ones, through the separation of the CEO and Chairman positions, once these Celebrities CEOs had started to demand both positions when appointed by the board (Dobbin & Jung, 2010). This demand sought on one hand avoids the awkwardness of being expelled by the Chairman due to poor performance, and also keeps the power and status related with this context.

In the face of this new social rearrangement amid the social construction of the SHV field, some authors (Boyer, 2005; Lazonick, 2009; Montalban & Sakinç, 2011) have portrayed this context as a Managerial Capitalism, in opposition to the idea of a Shareholder Value Capitalism. Another possibility of perceiving the activism of institutional investors and other shareholders upon giant American firms remits to a continuum frame, along which, if such activism does not come to be incisively felt, it certainly cannot be ignored (exactly as it is not being, as the managers discourses enactments are proving).

Amid this context, it is worth noticing the rise of the so-called Chief Financial Officers (CFOs), professionals from the financial spheres of the own firms or from market financial institutions who came to occupy side by side with CEOs, prominent positions in the corporate decision-making process, as the field of ideology SHV institutionalized itself.

In the same way as in the CEO Celebrity case, the business press and the consultancy firms also started to dedicate themselves to the reproduction of rankings and lists aiming at pointing out the best CFOs, direct symbols of the adherence of the SHV ideology.

Publications as “*The Superstar CFO: After the Crisis*” (SAP, 2011); “*The Evolving Role of Today’s CFO*” (Ernst & Young, 2013); “*CFO as catalysts for change*” (Accenture, 2014); “*The new*

CFO: performance and culture" (Linkedin, 2015); "*The Modern CFO - The Sustainability Champion*" (Deloitte, 2016) turned to advocate for a more modern reinvention by such finance professionals.

Yet in 2006, the *Institutional Investor Magazine*, when publishing its third edition of "*Best CFO of America*", already seeded the idea that "*far from being a surprise, many CEOs were becoming CEOs of the companies they work*" (Institutional Investor, 2006). Quinn & Stuart (2012) in drawing up its first list of "*Best CFOs from the Wall Street Journal*" sought, in fact, to include executives that, at the same time were performing as corporate finance executives as well as, assuming leadership roles in defining the companies' strategy.

It is in a such a context that awards such as: the *Bay Area CFO of the Year*; the *Charlotte Business Journal's CFO of the Year Awards*; the *Indianapolis Business Journal Best CFOs*; the *San Diego Business Journal Best CFOs*; the *Deloitte CFO of the Year*; and *The CFO Journal Top-20* (to cite a tiny sample of them) began to multiply themselves, always emphasizing "*the new role of the CFO*" and their respective achievements.

According to Zorn (2004) the SHV movement played an important role in promoting/assigning the CFO's role in setting corporate goals, but recalling the performance of Andrew Fastow in the Enron case.

According to Froud et al. (2006), once the management of companies has involved both *talking* and *acting*, it is necessary to incorporate into the concept of performance, managerial initiatives that *show* that the strategy is being *staged*. These new features associated with the management of large companies under the pressure of the stock market include, according to these authors, both the *storytelling* and the *staging* of stories, as ways to show that the strategy is being put into practice according to what the Discourse preaches, although this alignment does not always happen.

5 Final considerations

The paper showed how, from the 50s on, the management discourse reorientation based on the Marketing, Human Resources and Strategy (Froud et al., 2006) replaced an earlier discourse, centred on the production intervention carried out mainly by technical professionals. This replacement involved a dynamic which engaged a group of actors around those responsible for the scholarship formalization and specialization of the new professional business class which was emerging, fomenting though the emergence a new set of conceptual tools, language and rituals, structured into a new discourse frame to guide managers to (re)think, to act and to talk about the firms they run, in a way, each time, more independent of its owners.

The managers' legitimacy in the forefront of the firms they conducted remained stable until the early 70s' profitability crisis, when according to Dobbin & Jung (2010) large American corporations began wondering what might be *wrong* within their managerial model, and how it could be *repaired*. Despite the answers having come from all corners, including the Japanese lean production, the Italian small-firms' networks and from French industrial coordination, among others (Dobbin & Jung, 2010), one of them, the Agency Theory (Jensen & Meckling, 1976) had offered both a diagnosis and a cure, embedded within academic legitimacy. This new approach, as well as its predecessor, centred around the managers figure, enabled the insertion and catapulted the emergence and growth of new players, who embraced the prescriptions of the new theory that preached an increasing monitoring by capital market actors.

As so far as the Agency Theory prescriptions (Dobbin & Jung, 2010) became perceived as legitimate, their institutionalization process has led to the social construction of the *Shareholder Value Ideology* (then materialized in the Value Based Management) here portrayed according to the bourdieusian notion of an organizational field (Saltorato & Benatti, 2017). The formation, consolidation (and recurring reformulation) of such field engaged, diverse market makers actors handling different sources of capital (legal, social, financial, academic, cultural, etc...) struggling to keep (or to reach) a privileged hierarchical position within the field structure directly related to their recognized legitimacy in the definition of the its field's functioning rules, as well as to exercise power over the others actors. But, according to Dobbin & Jung (2010), the misapplication of the Agency Theory prescriptions revealed:

- (i) The new payment schemes had aligned much closer the interests between managers and fund managers, (as the PE fund managers) than between managers and shareholders' interests;
- (ii) One of the consequences of the increased risk assumed by the debt mechanism can be illustrated by the 2008-2009 financial crisis;
- (iii) Managers kept accumulating the CEO and the Chairman positions, once they have evolved into celebrity CEOs, and, therefore not opened to letting go one of these positions;
- (iv) Despite the administration boards having become smaller they did not become more independent, as the external and internal members kept all kinds of relationships between each other.

So, what Dobbin & Jung (2010) called "*The Misapplication of Mr. Jensen's Agency Theory*"

was indeed the evidence that each actor presented to the SHV field formation had handled each one's respective capital sources, that is, those sources that each actor had a better access, control or legitimacy, and had oriented it towards the achievement of his own interests, perverting the theory's assumptions. Nevertheless, the XXI century corporate scandals and financial crisis have threatened the *Shareholder Value* field's legitimate institutions, values, rules and actors' hierarchical positions, and a new social rearrangement exposed a new social order within the SHV construction, unveiling amid this process, a new actor or a remodeled one; the Celebrity CEOs (Wade et al., 2006). This new actor embodied both by CEOs who were admired/recognized for the results achieved and/or unusual/ bold and sometimes aggressive maneuvers/decision-making; as by CFOs, who side by side with CEOs have achieved privileged hierarchically positions within the field of *Management* as well as the symbolic power of (its well-staged and remunerated) performances within the recurring construction of the field.

A recurrent character when it comes to financial engineer, achieved results, unusual maneuvers, bold decisions and the new role of the CFO; that is, management financialization, there is Mr. Andrew Fastow, who in 2015, in the *Financial Times Alphaville Summit*, explained his behavior in the forefront of Enron, claiming that "*sometimes you follow absurd accounting rules. You have a complex set of rules and the goal is to use them to your advantage, because that is the way the game is played*" (Sheppard & Hume, 2015).

Holding his 2000 Best CFO Award in one hand and his ID prison in the other, Mr. Fastow said that the handling of the very same financial engineering that yielded him his award later yielded him his arrest. Mr. Fastow also said that when he was Enron's CFO, it was possible to meet accounting standards while at the same time to portray a misleading picture of its real finances. "If everyone understands the rules and knows how to manipulate them, then it is a fair game, isn't it?" (Sheppard & Hume, 2015).

As Froud et al. (2006) pointed out, giant firms' management under the *Shareholder Value* pressure (Enron's case) began involving a great deal of enactment and therefore, CEOs (and CFOs) and their performatic behavior began playing a rather relevant role in this context. According to Saltorato & Benatti (2017), Boden (1994) said that the fundamental structuring process of organizations is *talking*, while Jönsson (1998, p. 411) noticed "[...] *managers work with words*". Considering the above context, they certainly also *work with numbers*. And the symbolism associated to certain *actions/behaviors* can save a thousand *words* (as the choice of Ruth Porat, former Morgan Stanley's CFO to occupy the

Alphabet, the holding company that congregates all Google Inc. businesses, CFO position).

However, both the words as the numbers which managers work with, depend on whom they are talking to, once the legitimacy conferred by those who listen to them depends on the perceived power of the capital handled (Bourdieu, 1989). The SHV Era audience revealed itself to be though, pressuring managers to not only *talk*, but to also *act* according to what the first ones would like to *see, hear and read*. According to Benatti (2016), under the sign of the SHV ideology and the rise of the capital market, some of the structural changes in organizations seem to be less driven by efficiency demands and more by the symbolic demands perceived as value-creating, impelling performatic actions by the Celebrity CEOs/CFOs.

About this, according to Dobbin & Jung (2010), when the market makers' actors *believe* that firms under recurrent restructuring, or that appoint CEO Celebrities or that invest in F&A, etc...are better shareholder value creator, then...*they are*, and such perceptions begin structuring their enactments.

Considering also the questionable power (Boyer, 2005; Lazonick, 2009; Montalban & Sakinç, 2011) attributed to shareholders, to actually be effectively able to take control of the companies in which they invest or impose all their wishes on top management of the company (despite what preaches the SHV discourse) the symbolism of its enactments becomes even more effective.

When management is about doing as well as saying it is necessary to extend the concept of performance to include management initiatives that "show" that strategy is being enacted. Under the stock market pressure, these are now a characteristic part of giant company management which includes enactment as well as telling stories (Froud et al., 2006, p. 129).

Indeed, the construction of the Shareholder Value Ideology field is an emblematic case, where *actors* keep building their impressions about the perceived environment and then keep responding to them, accordingly to the market makers actors' expectations (Saltorato & Benatti, 2017). That is, beside their earlier activism/engagement within this organizational field construction, these same actors begin responding to their perceptions of the resulting pressure of such construction, as they were forced to it, when, in a matter of fact, they themselves had forged such a condition, through which they expected to benefit themselves in some way (through new managerial remuneration schemes, for instance).

In other words, according to Fligstein (1990), the markets (including the capital one) are socially constructed, in order to adapt themselves to the most influent actors' interests amid such a construction, or furthermore, the social arrangements construct the markets and not the contrary.

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