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“What Good is Wall Street?” Institutional Contradiction and the Diffusion of the Stigma over the Finance Industry

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Abstract: The concept of organizational stigma has received significant attention in recent years. The theoretical literature suggests that for a stigma to emerge over a category of organizations, a “critical mass” of actors sharing the same beliefs should be reached. Scholars have yet to empirically examine the techniques used to diffuse this negative judgment. This study is aimed at bridging this gap by investigating Goffman’s notion of “stigma-theory”: how do stigmatizing actors rationalize and emotionalize their beliefs to convince their audience? We answer this question by studying the stigma over the finance industry since 2007. After the subprime crisis, a succession of events put the industry under greater scrutiny, and the behaviors and values observed within this field began to be publicly questioned. As an empirical strategy, we collected opinion articles and editorials that specifically targeted the finance industry. Building on rhetorical analysis and other mixed methods of media content analysis, we explain how the stigmatizing rhetoric targets the origins of deviant organizational behaviors in the finance industry, that is, the shareholder-value maximization logic. We bridge the gap between rhetorical strategies applied to discredit organizations and ones used to delegitimize institutional logics by drawing a parallel between these two literatures. Taking an abductive approach, we argue that institutional contradiction between field and societal-level logics is sufficient but not necessary to generate organizational stigma.

Keywords: organizational stigma; institutional logics; shareholder-value maximization; rhetoric; banks; discourse.

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Introduction

In November 2010, the New Yorker journalist John Cassidy wrote an opinion piece entitled "What Good is Wall Street?". "Greed is good" was no longer flavor of the month... outside the banking industry. Gordon Gekko's motto in Wall Street - Oliver Stone's mythical movie on the rise and fall of voracious bankers – now epitomizes everything one hates about the banks. Paradoxically, although Gekko is depicted as a wolfish, devilish and tempting patron, because he symbolizes the bankers' line of reasoning, he can be perceived as a role model by aspirant bankers, such as Erhardt Moritz, the Bank of America's intern who died by overwork (Gysin, 2013) or confirmed ones, such as Jordan Belfort, the "Wolf of Wall Street" (Leonard, 2008). Gekko's mindset is regarded in a diametrically opposed way inside and outside the field of banking. May this divergence in norms inside and outside a field be understood as a source of the banks' public disgrace?

Building on the fundamental work of Erving Goffman (1963), who was the first to explore the antecedents and outcome of stigma, a new field of research inquiry has recently emerged around the concept of organizational stigma. Like individuals, organizations are also subject to disqualification from full social acceptance. Consequently, scholars have been trying to build a comprehensive definition of organizational stigma that distinguishes it from individual-level stigma and other close constructs such as reputation, illegitimacy, or status (Devers, Dewett, Mishina and Belsito, 2009). Organizational stigma has been defined as "a label that evokes a collective stakeholder group-specific perception that an organization possesses a fundamental, deep-seated flaw that deindividuates and discredits the organization" (Devers et al., 2009:155). The stigmatized organization is thus "caricatured as an embodiment of values that explicitly conflict with those of the stakeholder group" (ibid: 157). The central

antecedent of organizational stigma is thus the conflict of values and behaviors between a category of organization and a set of stakeholders.

Organizational stigma relies on stereotyping and emerges when "a critical mass of stakeholder group members" reaches this categorization (Devers et al. 2009: 162). However, there has been very little investigation on how this critical mass is reached and how the group initiating the stigmatization process tries to spread its beliefs among other stakeholders. More specifically, how are these beliefs rationalized to be more convincing?

An industry earns a negative label when it violates norms (Pozner, 2008; Hudson, 2008). Such situations occur when its practices are in conflict with broader social norms (Dowling and Pfeffer, 1975) and threaten the existing social structure (Mishina and Devers, 2011). From an institutional logic perspective, we distinguish institutional logics – systems of shared beliefs and values – at different levels of analysis, in particular at the industry or field-level but also at the broader society-level (Thornton and Ocasio, 2008; Thornton, Ocasio and Lounsbury, 2012). The "appropriate practices" at the industry level, which potentially conflict with social norms, are derived from field-level institutional logics (Thornton and Ocasio, 2008). An industry's acceptability depends on the appraisal of its dominant logic, and industries originally build their legitimacy by translating established societal-level logic into their field: one example is the tobacco industry adopting practices derived from the free-market logic (Galvin, Ventresca and Hudson, 2004). However, when societal-level logics evolve, for example because of economic crises, inconsistencies between the industry's logic and societal-level logics may arise (Seo and Creed, 2002). The appropriate practices at the field level, as a result of being derived from a freshly contested logic, were negatively labeled as a consequence of the institutional contradiction.

Meanwhile, there is a close connection between rhetoric and the legitimacy of institutional logics: the contestation of logics is mainly built on rhetorical discourses, which challenge the legitimacy of the condemned logic (Suddaby and Greenwood, 2005). Rhetoric is a set of tactics used to persuade others. However, these tactics are not only informative about the way we communicate with others but also about the way we think (Watson, 1995). Discourse is not merely a form of expression but also a process through which organizational behaviors are enacted or constrained (Grant, Keenoy and Oswick, 1998; Phillips and Hardy, 2002). In other words, tracking rhetorical discourses is a way of understanding the institutional conflicts at stake. To apprehend stigma as a phenomenon, we endeavor to understand how rhetorical strategies connect a stigmatized industry's behaviors and values, and the underlying field-level logic.

Because media are a barometer of how logics are perceived and comprehended (Lok, 2010) by giving salience to specific perspectives (Riaz, Buchanan and Bapuji, 2011), we investigate the negative labeling of the finance industry in opinion and editorial articles collected from three major U.S. newspapers from 2007 and 2011. Crisis narratives in the media have played an important role shaping the direction of institutional change (Riaz, et al. 2011). In this study, we investigate the different means of persuasion used to discredit logics used by the media themselves, building on an Aristotelian typology of rhetorical strategies.

The paper is structured in four sections. First, we establish our theoretical lens by unfolding an institutional logic theory of organizational stigma. Second, we present our research setting by discussing the history of the finance industry and the emergence of a dominant field-level logic. Then, building on rhetorical and other methods of content analysis, we empirically examine how stigmatization and institutional resistance are interlaced. We show that stigmatizing actors primarily attack underlying logics rather than the organizations

enacting them. Through the Aristotelian lens, we explain how stigmatizing judgment is at the same time "rationalized" (logos) and "emotionalized" (pathos). Our abductive approach concludes that a conflict between field-level and societal-level logics is a sufficient but not necessary condition to generate organizational stigma.

Theoretical background

Drawing on autobiographies and case studies, Goffman (1968) was among the first to scientifically examine the concept of stigma. He used this notion to describe attributes that disqualify individuals from social acceptance. These attributes can be physical (e.g., deformation, mental illness) or related to social practices (e.g., drug consumption). Goffman's concept of "courtesy" stigma or stigma by association (Goffman, 1968) has been empirically explored in the more recent literature. Building on this founding work, management scholars have developed a comprehensive perspective on the antecedents and outcomes of individual-level stigma in organizational contexts (Ashforth and Kreiner, 1999; Kulik, Bainbridge and Cregan, 2008). In particular, Wiesenfeld and Wurthman (2008) and Sutton and Callahan (1987) looked at how corporate failure contributes to the stigmatization of the associated executives. Ashforth and Kreiner (1999) showed how the stigma associated with disdained professional activities - referred to as 'dirty work' - affected workers. However, while several firm-related scandals and disasters have received notable public attention, the term stigma has also begun to be applied to organizations.

Organizational stigma

According to Devers et al. (2009), the main difference between individual-level and organizational-level stigma is that getting stigmatized is an active process in the latter case. Stigma at the individual level is passively acquired in the sense that stigmatized individuals

have done nothing except possessing a negatively perceived attribute they have not asked for (Link and Phelan, 2001). By contrast, stigmatized organizations have at some point taken a decision leading to this situation (e.g., whether to engage in morally condemnable activities), Organizational stigma is the result of a categorization process: an organization is stigmatized when it is associated with a negatively evaluated group of organizations (Devers et al., 2009; Mishina and Devers, 2011) the classic example being an industry (Vergne, 2012; Durand and Vergne, 2014). Categories enable social actors to simplify the interpretation of their environment (Corter and Gluck, 1992; Durand and Paolella, 2013). Social actors would use a set of characteristics to classify an organization, associate it with a group and subsequently adopt what appears to be the most adapted behavior (Durand and Paolella, 2013): some stakeholders would for example distance themselves from organizations they link in some way to the arms industry (Vergne, 2012; Durand and Vergne, 2014). In a nutshell, an organization is stigmatized when it belongs to a broader stigmatized category (Wiesenfeld, Wurthman and Hambrick, 2008).

Although the process by which a firm becomes stigmatized has not been studied empirically (Mishina and Devers, 2011), scholars have begun theorizing the origin of organizational stigma. Devers, Dewett, Mishina, and Belsito (2009) use the concept of critical mass: stigma emerges on the condition that this vilifying belief has been diffused among a critical mass of stakeholders. This perspective relies on the idea that common beliefs tend to diffuse among a social network of structurally equivalent actors (Abrahamson and Fombrun, 1994). According to Hudson (2008), there are two distinct types of stigmas: event stigmas are punctual while core stigmas are permanent features of organizations. Event stigmas are related to episodic events, while core stigmas are more deeply anchored and suggest that the very nature of the organization is flawed. However, there has been no research on how event

stigmas become core stigmas—how can the multiplication of event stigmas, including preconceived ones, engrave negative evaluations in any appraisal of an organization?

More generally, how is this "critical mass" (Devers et al., 2009) of actors sharing the same stigmatizing belief achieved? The manner in which one stakeholder group's view can tend to dominate and come to result in organizational stigma has yet to be fully explored empirically (Link and Phelan, 2001). The current literature particularly fails to explain the processes through which the stigmatizing actors endeavor to sustain their point of view. Goffman (1963:5) argued that we should construct a "stigma-theory," that is, "an ideology to explain [one's] inferiority and account for the danger [one] represents, sometimes rationalizing an animosity based on [one's] differences." The more convincing the stigma-theory, the more the diffusion of labeling of a category of organizations.

The theoretical basis of organizational stigma is related to labeling theory (Devers et al., 2009), which suggests that negative labeling is associated with deviance from norms rather than the inherent characteristics or actions of the labeled person or group (Ashforth and Humphrey, 1997).

Norm violation and industry-level logics

Stigmatization of industries is the result of norm violation (Pozner, 2008; Hudson, 2008); the moral worth of their conduct and principles is questioned, particularly because they potentially threaten the existing social structure (Mishina and Devers, 2011; Goffman, 1963). Organizational stigma is not developed from behaviors themselves but from interpretations of behaviors; stigmatization is the result of others' interpretations of an organization's behavior (Kitsuse, 1962; Mishina and Devers, 2011), in particular when those behaviors are seen as in conflict with the values of the stakeholders who apprehend them (Devers, et al. 2009).

The violation of norms by industry members is driven by "industry recipes" (Galvin et al., 2004:72), that is, practices that are considered appropriate by the other members of a field. An industry is an inter-organizational field where legitimacy processes are rooted in "local" belief systems (Galvin, Ventresca and Hudson, 2004; Friedland and Alford, 1991). Strong boundary beliefs contribute to developing industry-specific logics of action in relation to various stakeholders (Galvin et al. 2004; Thornton and Ocasio, 1999). The emergence of an industry's collective identity leads to the development of logics—socially constructed systems of assumptions, values, beliefs, and rules—that prevail within the social group (Thornton and Ocasio, 2008; Thornton, et al. 2012). There can be two logics competing in the same industry (Lounsbury, 2007; Dunn and Jones, 2010). For example, Dunn and Jones (2010) identify the competing logics of care and science in the medical education sector. Most of the time, however, industries are ruled by a "dominant logic" (Nigam and Ocasio, 2010), that is, a logic that drives the industry's "macroculture" (Abrahamson and Fombrun, 1994) or "mindset" (Phillips, 1994). For example, the tobacco industry is ruled by a free-market logic (Galvin, et al. 2004), or the hospital industry gave prominence to the managed care logic after the Clinton's health care reform proposal in 1993 (Nigam and Ocasio, 2010). These industry-level logics tend to promote and reinforce specific practices and assumptions while devaluing others (Porac et al., 2002). From an institutional logic perspective, institutions provide actors with a set of social norms that define relevant and suitable behaviors. These "industry recipes" spread and affect individuals and organizations when they identify with the collective identity of the industry (Tajfel and Turner, 1979; March and Olsen, 1989; Thornton and Ocasio, 2008); that is, the connection experienced by a social group's members increases the likelihood of their abiding by its norms of behaviors and logics of action (March and Olsen, 1989).

Stigma resulting from institutional contradiction

How can we explain norm violation from an institutional logic perspective? Any social context may be influenced by multiple competing logics, and if these competing logics result in institutional change (Thornton and Occasio, 2008; Thornton, et al. 2012), they first lead to institutional contradictions when they are mutually incompatible (Seo and Creed, 2002). Conversely, with the exception of Marquis and Lounsbury (2007) and Herremans, Heschovis and Bertels (2009), the literature on institutional contradiction and competing logics has mainly focused on institutional change as a natural outcome and neglected to look at the period when logics compete with each other before a change can occur. Oliver (1991) acknowledged the lack of research on resistance to institutional pressures. Indeed, institutional contradiction may actually lead to a dead end when the competing logics continue contending with each other (Herremans et al. 2009). For example, actors can be seen as rational opportunists who trigger institutional change if it enhances their self-interest (Seo and Creed, 2002); in this context, industry actors will refuse institutional change if it harms their interests.

Likewise, an industry initially attains legitimacy by deriving "recipes" from widely accepted societal-level logics, to gain legitimacy (Galvin et al., 2004). Such societal-level logic can be economically based, such as the shareholder value maximization logic (Ho; 2009), or the free market logic (Galvin, et al. 2004), but can also take roots in other cultural systems such as religion (Friedland and Alford, 1991; Gümüsay, 2014). Organizational legitimacy is the "congruence between the social values associated with or implied by [the organization's] activities and the norms of acceptable behavior in the larger social system" (Dowling and Pfeffer, 1975:122). Galvin, Ventresca, and Hudson (2004) move from organizational legitimacy to industry legitimacy by arguing that the appraisal of an industry's behavior focuses on an evaluation of that industry's dominant logic. In other words, an industry is considered legitimate if the practices driven by its dominant logic are congruent

with wider social norms. These social norms are based on higher-order ideologies and logics (Friedland and Alford, 1991). For example, the tobacco industry has tried to legitimize itself despite its stigmatizing attributes by building some of its recipes on the dominant societal logic of free market and free enterprise (Galvin et al., 2004). However, these societal logics are subject to change: for example, economic crises are likely to bend dominant ideologies (Seo and Creed, 2002). This gives birth to institutional contradictions: the new societal logic may be inconsistent with the previously established field-level logics. In that case, these industry recipes—previously legitimized by their higher-order ideological roots—get marked out. Finally, such a situation makes the industry a stigmatized one. Figure 1 summarizes this process.

INSERT FIGURE 1 ABOUT HERE

Rhetoric plays a crucial role in legitimizing or delegitimizing institutional logics: rhetorical discourses are an embodiment of institutional conflict (Suddaby and Greenwood, 2005). Rhetoric is defined as the array of strategies used to persuade others of the validity of specific arguments (Watson, 1995). Analyzing rhetoric aids the understanding of the manner in which arguments are used to build audience consensus (Zanoni and Janssen, 2004). By looking at rhetorical tactics, we can examine how institutional contradiction and organizational stigma are intertwined. In particular, how do rhetorical strategies connect a stigmatized industry's behaviors and values, and the underlying field-level logic?

Research setting: the stigma over the finance industry

The rise of a dominant industry-level logic in the investment banking industry

In much the manner as in the tobacco industry (Galvin et al., 2004), the industry-level logic in the investment banking industry initially developed from societal-level logic (Fraser, 2004; Ho, 2009). The tobacco industry has gained social acceptability by supporting the dominant societal logic of free markets (Galvin et al., 2004). As stated by the historian Steve Fraser (2004), the investment banking industry has been declining for forty years after the Great Crash of 1929, when shareholding and its associated values were perceived as dangerous (Ho, 2009:199). According to the anthropologist Karen Ho, who wrote a complete ethnography of Wall Street in 2009, investment banks have taken advantage of the takeover movement of the 1980s to rebuild their legitimacy.

To gain social acceptance, the investment banking industry has borrowed as much as possible from a societal logic that was gaining momentum at that time: the shareholder value maximization logic (Ho, 2009). A flourishing corpus of literature has explained how this logic became a dominant guiding principle in the 1980s and 1990s (Fligstein, 2001; Lok, 2010; Ho, 2009). According to Lok (2010), the logic of shareholder value maximization developed as an answer to the economic problems faced by the U.S. in the 1970s. Agency theory emerged as a reaction against supposedly wasteful and hubristic managers' practices, as epitomized by the irrational emergence and strengthening of conglomerates until the 1970s. The restructuring/takeover phenomenon of the 1980s gave momentum to the shareholder value maximization logic (Whitman, 1999; Stout, 2012). This new logic asserts that the only legitimate purpose of a firm is to maximize the return to shareholders in terms of dividends and increases in share price (Fligstein, 2001; Whitman, 1999).

In her ethnography, Karen Ho demonstrates how workplace culture, shared beliefs and assumptions, and privileges of investment bankers, including compensations, are derived from the shareholder value maximization logic. She presents investment bankers as members of a

social group who strongly identify with this group. Stein (2011) uses the concept of a "culture of mania" to explain the incubation of the financial crisis, and the feeling of "omnipotence". The U.S. subprime crisis and the fall of Lehman Brothers in 2008 was a turning point. Because they received the help of the state and were singled out for their role and responsibility during the crisis, the banks and their practices came under greater scrutiny.

The disapprobation of the U.S. investment banking industry

In fall 2008, following Lehman Brothers' bankruptcy and Merrill Lynch's acquisition by Bank of America, the two largest investment banks—Goldman Sachs and Morgan Stanley—asked to become bank holding companies (a bank holding company is a company that controls a bank, and is regulated and supervised by the Fed) and were quickly followed by other actors of the banking industry. This increased state regulation made it easier for those banks to raise capital and survive. In addition, several bank bailouts followed. The U.S. government purchased $250 billion worth of bank equity shares including those of Citigroup, AIG, Bank of America, JP Morgan, Morgan Stanley, Goldman Sachs, PNC, US Bancorp, Bank of New York Mellon, or American Express.

After the banks reimbursed taxpayers' money, concerns about bonus payments in the banking industry, in particular at AIG (which received a significant share of the bailout funds), grew stronger. Several other scandals came to light. It has been suggested that taxpayers' money was used by stronger banks to buy weaker ones, and that little control was exerted over the use of this money. Indeed, according to Reuters, $114 million of the bailout plan was used in lobbying. In December 2008, an Associated Press study revealed that banks that benefited from bailouts distributed $1.6 billion in bonuses, stock options, and other benefits to their top executives. Andrew Cuomo, New York's attorney general, investigated this point (Cuomo, 2009); Goldman Sachs and JP Morgan were singled out for providing 200

employees with more than $3 million in bonuses. Goldman Sachs was also incriminated for making tremendous profits by betting on the collapse of the subprime market in 2007.

The behaviors attacked in the media were typical of the investment banking industry in that they relied on the “high risk, high reward” culture (Ho, 2009). The media played an important role in drawing public attention to bankers’ practices, behaviors, and values. Recent research has identified the crucial role of media in pinpointing norm violation (Mulvey and Padilla, 2010; Padilla, 2012) for example in the case of the Penn State scandal (Thoroughgood and Padilla, 2013). As suggested by Fiss and Hirsch (2005), the media assist in the construction of social realities and consequently draw public support—or disapproval—towards existing systems of beliefs and values. By presenting rational schemes of thoughts and realities as legitimate or illegitimate, the media convey the pressures exerted on logics (Lok, 2010). Media have thus contributed to spreading the condemnation of the dominant logic in the investment banking industry by portraying bankers “as being both avaricious and incompetent figures, who earned vast salaries and bonuses while taking enormous foolhardy financial risks” (Hargie, Stapleton and Tourish, 2010).

Methods, data collection, and analysis

To understand how arguments are built against the stigmatized category of organizations, we look at one of the main diffusion channels: the media. Indeed, the media play a crucial role in the diffusion processes (Koopmans and Olzak, 2004). According to Max Weber, media reflect the “cultural temperature” of society (Hansen, Cottle, Negrine and Newbold, 1998, p. 92); they are of particular interest for organization theorists and sociologists, because they reveal how logics are understood and apprehended (Lok, 2010). In 1927, the political scientist Harold Lasswell was the first to use media content analysis as a subset of content analysis to study propaganda (Lasswell, 1971). Following Riaz et al. (2011),

we focus on media framing and how it engages with the institutional context. The way media make sense of events plays an important role in shaping social reality (Reese, Gandy, and Grant, 2001). There are ways in which issues are presented ("frames") that can strongly affect the public opinion (Chong and Druckman, 2007). Here, our objective is to describe and relate form characteristics to substance characteristics of stigmatizing contents so we can understand how media endeavor to persuade readers. Consequently, we resort to a specific type of qualitative media content analysis: rhetorical analysis.

Despite notable exceptions (e.g., Watson, 1995; Nørreklit, 2000; Zanoni and Janssens, 2004; Suddaby and Greenwood, 2005), rhetorical analysis is more commonly used in communication studies than in organization theory and sociology (Hijmans, 2006). Rhetoric is about using language for persuasion (Watson, 1995), and rhetorical analysis is a form of critical reading that focuses on the understanding of the persuasive intent of texts (Jelzer, 2004). It implies that to gain some perspective during the reading, one should appreciate the tactics as a neutral reader. Rhetorical analysis is usually both textual and contextual: it requires one to consider not only the details of the text but also the context in which it has been written (Jelzer, 2004).

Data collection

To conduct our content analysis, we collected a sample of opinion articles from newspapers. Exclusively targeting opinion and editorial articles rather than factual pieces enables us to select texts aimed at making a case—here, the claim is that investment banks are socially flawed. Opinion and editorial articles are either written by external columnists, who are usually considered as having legitimate knowledge about the topic they examine, or members of the editorial staff. In these types of commentaries, the authors endeavor to *convince*; that is, they make their case compelling by appealing to the rationality of the reader.

We used a Factiva command stream[1] to target opinion articles and editorials that focused on the finance industry, in a broader sense. In particular, we included the banking industry from investment to retail banks, but also the fund industry, as a number of editorials were targeting the hedge fund sub-field, while in the meantime considering it as part of the broader finance industry. Later on, we discuss the changing scope of targets as one of the stigmatizing strategy.

Consistent with previous research (Fiss and Hirsch, 2005), we focused on the three major U.S. newspapers: the New York Times (NYT), the Wall Street Journal (WSJ), and the Washington Post (WP). We also sampled articles from USA today, but considering that they tended to be exclusively factual, we decided not to include them in the end. We also excluded articles that merely mentioned the finance industry. Our sample finally includes 58 articles.

Although we refer to the "finance industry", some articles in our sample refer to subgroups of the finance industry (e.g. hedge funds, banks, investment bank). We focus here on the phenomenon of stigma rather than the targets of stigma. As a result, the types of organizations targeted in articles vary because the boundaries of the stigmatized category are floating. Our research stream looked for a broad range of organizations to take in account this element.

Analysis

To analyze and code the texts, we used the online collaborative software Dedoose, which enables researchers to collaborate on a project remotely. Like other qualitative analysis softwares, Dedoose enables the researcher to code textual content. It also integrates

[1] For example, for the Washington Post: (investment banks or bank or hedge funds or investment funds or finance industry) and (editorial or opinion or op-ed or pg=A16) and sn=washington post

quantitative tools. We used it to code the flaws of the industry on one side, and the rhetorical tools on the other.

Aristotle, in his fundamental opus 'The Art of Rhetoric', built a typology of the 'means of persuasion'. He distinguishes the ethos - building the force of an argument on the trustworthiness of its source -, the pathos – appealing to the emotions of the reader -, and the logos – the use of reasoning to convince -. We used this typology to classify rhetorical strategies and their related arguments. In particular, this strategy enables us to see how this negative judgment is rationalized (logos) and "emotionalized" (pathos).

Our coding strategy included three steps. First, we used a broad approach by coding negative judgments (the content) and stigmatization strategies (the form). Then, we looked at typical patterns in a subset of articles from our sample to create sub-categories. Two coders carried out this work separately. They reconciled and refined their coding scheme afterwards. Finally, the coding of sub-categories was conducted for the rest of the sample. When proceeding with this final phase, we also slightly refined and simplified our subcategories. Such discourse analysis commonly implies an abductive approach (Vaara and Monin, 2010; Dubois and Gadde, 2002). This *modus operandi* departs from initial hints, leading to speculations that are put under suspicion (Locke, Golden-Bilde and Feldman M, 2008). Our initial clues are based on the theoretical framework we developed earlier in this paper. The empirical part of this study is aimed at putting in doubt our theoretical conjecture. In the end, the objective is to build a new model based on the combination of our early framework and the understanding derived from the confrontation with reality (Dubois and Gadde, 2002).

In addition, we performed an automatic content analysis using Yoshikoder. This applies content analysis dictionaries to count the number of words or expressions sorted out by psychologically meaningful categories. We used the LIWC dictionary, which includes

several language dimensions including negative and positive emotions (Pennebaker et al., 2001). This enabled us to compare the tone of the articles analyzed.

Methodological issues

The criticism that can be made over the objectivity of our research is two-fold. Firstly, the literature suggests that a problem of selection bias affects the use of newspaper data for research purpose (Oliver and Maney, 2000). This selection bias is made obvious by the over representation of New York Times' articles in our sample. However, our objective is to look at the charges against the finance industry, we thus naturally focus on investigating biased attacks.

In addition, as posited by Leach (2000), rhetorical analysis creates arguments about arguments, and is by nature interpretive. Rhetorical analysis performed by two different persons might give different results because the investigation is made through the lens of the analyst. In addition, media texts can be subjected to various interpretations (Berger and Luckman, 1966). Even scientific discourse includes persuasive elements (Leach, 2000): research papers are no exceptions and it is accepted that the most scientific method in the social sciences cannot produce totally objective results (Berger and Luckman, 1966). In particular, we acknowledge that our interpretation of the texts is driven by our intent to adopt an institutional logic perspective on the stigma phenomenon. Our approach is necessarily subjective because a specific theoretical lens frames our analysis. In this sense, our research strategy is only partly inductive, and rather abductive: we posit that the institutional situation is as a sufficient but not necessary for the judgments we observe. Our study doesn't aim at covering the whole range of antecedents of organizational stigma but rather at offering one possible explanation.

Findings

Contextual elements

Our sample of text is dominated by articles from the New York Times, one of the American media with the stronger left-wing bias, even for factual news (Groseclose and Milyo, 2005). Conversely, the Wall Street Journal, which is naturally considered as sympathetic to the finance industry, is underrepresented. As the shareholder model tends to be endorsed at the right of the political spectrum, this is consistent with the connection we make between shareholder value maximization logic and the finance industry.

INSERT FIGURE 2 ABOUT HERE

Rhetorical analysis requires taking in account the context in which texts are written (Jelzer, 2004). Thus, when analyzing our corpus, we consider the timeline and the related events: most of the articles are a reaction to an external circumstance associated with the finance industry. For example we observe a peak in the number of opinion articles in our sample in September 2008, with the fall of Lehman Brothers. However, textual analysis actually reveals that articles published around the same time period are usually spread over the full spectrum in terms of level of negative emotions (the proportion of words associated to negative emotions varies widely). The only exception is the collapse of Bear Stearns in March 2008, where the vocabulary associated with negative emotions was unusually high. The surprise of the event can explain this situation.

INSERT FIGURE 3 ABOUT HERE

The opinion articles discussing the future of the financial sector or of the economy in general are also the ones that show the highest anxiety level: our analysis of the tone of the language used reveals a significant correlation between the two groups of words. It reveals the apprehension this topic generates: the virulence of the attacks can be seen as a consequence of the uncertainty. We also naturally observe that the vocabulary of money is associated with the phraseology of causation. It can imply that from the writers point of view, greed is at the roots of the crisis: in popular images, greed is a driving value of the banking industry.

INSERT TABLE 1 ABOUT HERE

Rhetorical strategies

Several rhetorical techniques are used by the writers to make their point. Our objective is to see how they point towards a set of well-identified values and behaviors relying on the field-level logic.

Denomination of the bankers: The authors commonly use "Wall Street" as an appellation for the banking industry (it appears in almost 20% of the titles): this circumscribing tag suggests the industry is "bunkerized" and disconnected with realities and the rest of the society. From a logic perspective, it stresses the conflict between the field-level rationales and the common good. They also use various defaming denominations to designate the bankers or the actors of the industry. Some are related to their rapacity - "money moguls", "rascals", "hyenas" – while

some other suggest immaturity and childish behaviors - “baby faced”, “boy scouts”, “young gung-ho traders”, “big guys”, “right-out-of-business-schools” -. Both dimensions relate to individualism, a value at the core of the shareholder value model. Bankers are accused to work for themselves without caring about the societal consequences of their action. The two dimensions however refer to differing bankers’ features. The first group of denomination focuses on bankers’ behavior: they are perceived as voluntary attitudes. The second group is more of a passive attribute. Bankers are not only criticized for what they do and the way they do it, but also for who they are. These denominations appeal to the pathos of the readers as they are aimed at mocking and sparking off anger over the behaviors of bankers.

Metaphors, comparisons and images: Metaphors are figures of speech that compare two things that are not necessarily comparable. Together with comparisons and images they appeal to both the logos and the pathos: (i) the logos because they recall a more familiar situation where the rationale against the banks’ behaviors or values will be easier to grasp (ii) the pathos because they make readers visualize a context that carries a stronger emotional weight. The most common metaphors are about the ill-considered risks taken by banks. Financial markets are a “casino”, where banks play with “other people’s money” to the “Russian roulette”. Images are also used to depict the field as a savage environment. In this “African savannah”, the weakest elements (e.g. Bear Sterns) are absorbed by the most opportunistic actors. Although no rules apply in this setting and only the strongest survive, it is a fragile “house of card” where a gust can sweep away not only the industry but the rest of the economic system. Similarly, the writers also sometimes picture the actors of the field by engaging the reader with expressions such as “imagine”, or “think of”. The objective is to help the reader to visualize a situation considered as shocking or absurd.

Interacting with the reader: An important element of the logos is to involve the reader in the writer's line of reasoning. In our sample, we observe two main ways to interact with the readers. First, the writers tend to engage the audience with interrogative sentences: "Why not...?", "But so what?", "Is it possible?". The idea is to make the readers think by themselves to come to the same conclusion than the writer. In addition, the writer tends to anticipate potential validity concerns about the arguments made against the banks' and bankers' behaviors and values. He or she will then use the perspective of its target: how would finance actors answer to his or her arguments? The shareholder value maximization logic has its own rationales for typical field behaviors. To go deeper in the analysis of the delegitimization strategies, we now have to look at the specific behaviors that are targeted in the opinion articles and how the writers link them to broader logics and institutional contexts.

Moving boundaries: Stigma is a categorization process and as a consequence the boundaries of the stigmatized category tend to vary. The denomination used to designate the category reflects this variation. From some points of view, only a branch of the finance industry deserves to be stigmatized, while some other perspective defend the idea that the flaw is shared among all finance actors, basically that the same logic binds them all. In some cases, the author begins by using a broad designation in the title and the first lines (e.g. "Wall Street"), then use a specific subset of the finance industry (necessarily a subset that is closer to the field-level logic i.e. investment banks with no retail activities) to make a specific argument about the flaws of these organizations when this s and then broaden again the speech to stretch out the range of targeted actors. Focusing or enlarging the scope of the stigmatizing category is thus another rhetorical strategies, because (i) focusing enables the author to make a case on a small sample for which the institutional contradiction is obvious and (ii) enlarging opens the possibility to generalize a point to a broader range of organizations.

Field-level logic and stigmatized behaviors

Through the analysis of the rhetorical strategies, we have suggested that the main objective of the writer was to discredit the underlying logic of the field. As a part of this process, the writers do their best to dismantle the rationales on which the bankers and banks' behaviors are based.

Bonuses as an embodiment of the agency perspective: The rationale for bonuses in the finance industry is built on agency arguments (Ho, 2009): the actors of the finance industry are paid proportionally to the revenues they generate for their organization and are thus incentivized to do better at work. When the writers attack this behavior, they anticipate the justification formulated by the bankers themselves to defend such system. The first argument that can be opposed by the industry is that these exceptional revenues reflect the wealth generated and the societal:

Is it possible that what Wall Street does is three times more valuable to society than other well-paid occupations?

The huge social costs [...] refute the notion that Wall Street consistently creates exceptional economic value that justifies exceptional compensation.

Washington Post - 18 January 2010

The authors focus on explaining why it can be actually detrimental for shareholders, clearly assuming that the bonus schemes are initially targeted at contributing to shareholder value. The fact that the bonus system is embedded in the shareholder value maximization logic is taken for granted by stigmatizing actors. The reason why bonus schemes are harmful to shareholders is because it is primarily driven by the "great masterpiece of self-interest".

The alignment of interest - the main rationale in favor of agency theory – is repeatedly put into question, in line with the recent scholarly criticism regarding the shareholder value maximization (Stout, 2012; Clarke, 2013).

The systemic drawbacks of risk-taking behaviors: The rationale for extreme risk-taking behaviors being unclear, writers put less efforts in anticipating potential justifications. These behaviors are however recognized as a by-product of the shareholder value maximization logic (Bradley and Sudaram, 2003; Ho, 2009; Whitman, 1999), because it reflects an entrepreneurial mindset. Risk-taking attitudes are mainly discredited through figures of speech or telling images rather than more complex logical lines of arguments. The systemic consequences of these behaviors are emphasized: when referring to the bankers' risk-taking behaviors, the writers recall the global consequences of the crisis. The intent is to show how these behaviors are incompatible with common good.

The greater problem is that [the bonus system] provides an incentive to take risks. The asymmetric nature of the bonus (an incentive for success without a corresponding disincentive for failure) causes hidden risks to accumulate in the financial system and become a catalyst for disaster. [...]

[Bonuses] invite bankers to game the system by hiding the risks of rare and hard-to-predict but consequential blow-ups,

New York Times – 8 November 2011

The relationship between risk-taking and systemic disruption is pictured as a vicious circle. They force governments to intervene, such as in the Bear Stearns case, encouraging risk-taking even more by eliminating the potential downside consequences. Even from the Wall Street Journal perspective, a rather sympathetic outlet (Groseclose and Milyo, 2005), this is a

self-defeating principle for the shareholder value maximization logic, which supposedly favors a small government.

[After the bailout] We will have a new de facto federal policy of underwriting Wall Street that will encourage even more reckless risk-taking. And Lehman took more risks than most.

The Wall Street Journal - 12 September 2008

Opacity and lobbying as a signal of institutional resistance: The finance industry is accused to have built a system of "legalized bribery" based upon a strong lobbying. The writers depict the field as a "fortress", being able to resist change, because of "the complicity of regulators". While the government is expected to intervene, two potential obstacles are raised. First, the articles denounce the collusion between authorities and the financial sector. The bankers are presented as "buying" the government. :

U.S. congressmen should have to dress like Nascar drivers and wear the logos of all the banks, investment banks, insurance companies and real estate firms that they're taking money from.

New York Times – 30 October 2011

Second, the complexity and the opaqueness of the financial industry are seen as obstacles to any external intervention:

The risk of a financial meltdown introduced by companies intertwined through Byzantine financial transactions imposes a burden on the government as real as pollution.

New York Times – 17 September 2008

Several opinion articles in 2011 draw attention to the fact that regulation has so far proven unable to affect the behaviors of bankers, in particular the bonus system and the tendency to take extreme risks. The lobbying activities and the opacity of the industry are presented as a response to the institutional pressures: it suggests that the field-level logic is able to resist coercion. This resistance is depicted as built on corruption. Money is shown as the central commodity for the members of the field, and is naturally pointed out as the tool used to buy support.

Similarly to the bonus system, opacity is seen as an issue for the survival of the field itself.

This is sort of like a confessional where the priest delivers a public opinion on the extent of your virtues or sins, and your spouse has to guess what a AAA or BBB means about your fidelity.

New York Times – 2 November 2007

Finally, we can classify the stigmatizing arguments against the finance industry according to the dimension of the institutional context they refer to in order to make their point. In addition to institutional contradiction - the inconsistencies between different logics - (Seo and Creed, 2002), and institutional resistance – when institutional logics survive despite inconsistencies – (Marquis and Lounsbury, 2007), we propose the concept of logical inconsistency. Many of the attacks we have identified have shown how the shareholder value maximization logic contradicts itself, suggesting a lack of internal coherence. We have seen that there are five main flaws targeted by the stigmatizing rhetoric: the bonus system, the risk-taking behaviors, extreme individualism, survival of the fittest and seclusion of the industry.

Table 2 crosses the two dimensions and summarizes how, in the argumentation, the stigmatizing references to those flaws illustrate three different aspects of the institutional situation: (i) the attacks stressing the contradiction between the field-level logic and the common good or higher order logics (ii) the attacks suggesting that the field-level logic resist to external pressure (iii) the attacks showing that the field-level logic is not consistent and can actually be detrimental to the field itself.

INSERT TABLE 2 ABOUT HERE

In the end, the shareholder value maximization logic is not seen as a source of inspiration for the field-level logic, as previous studies have suggested (Ho, 2009). Instead, the field itself is perceived as breathing life into the shareholder value maximization logic and spreading it to the rest of the economy, while it actually preexisted to the rise of the finance industry:

Finance set the terms of corporate behavior over the past quarter-century, and not in ways that bolstered the economy. By its actions -- elevating shareholder value over the interests of other corporate stakeholders, focusing on short-term investments rather than patient capital, pressuring corporations to offshore jobs and cut wages and benefits – Wall Street plainly preferred to fund production abroad. [...] Wall Street turned its back on America.

Washington Post – 19 September 2008

Discussion and conclusive remarks

In this study, we have explored the techniques used by stigmatizing actors to convince and spread their belief. We have shown that this emerging "stigma-theory" against the finance industry was targeting the field-level logic of shareholder value maximization. The stigmatizing rhetoric targets both the practices (e.g. extreme risk-taking, the bonus schemes and the opacity) implied by the logic and its underlying values, beliefs and assumptions (e.g. the pay-per-performance principle, the "high risk-high reward" culture, or simply individualism). While the practices are directly targeted, in most of the cases the coherence on which they are based is also confronted.

The targeted category of organizations is discredited through the delegitimization of its underlying logic. These logics are the common denominator to these organizations and ultimately contribute to the categorization process. Using a broad array of rhetorical tools - including metaphors and comparisons, calling to the rationality of the reader, or arousing strong emotions -, the bankers' archetypal behaviors are critically examined. We however see that the authors go beyond the behaviors themselves to attack the rationales and the values that motivate them, i.e. the underlying institutional logic. When referring to bonuses, they anticipate the reasoning on which they are built (the agency perspective, the alignment of interest between shareholders and employees, etc.), and deconstruct these justifications. Similarly, when they criticize risk-taking attitudes, they stress the possible damages for the society and for the risk-takers and their peers. As stressed by Harney (2011), extreme risk taking and speculative behaviors, in their headlong rush, seem to ironically ignore the potential consequences. Manipulating the boundaries of the stigmatized category is also used as a tool to generalize the negative features of some organizations to a wider range of actors. This has implications regarding stigma contagion (or courtesy stigma (Goffman, 1963)): stigma transfer is at least partially the consequence of a strategy of stigmatizing actors to

convince their audience. However, stigma is not only about rhetoric, as rhetoric is only a bridge between condemned features of the finance industry and broader order concepts.

We identify institutional conflict as a necessary but not sufficient condition to generate organizational stigma. The contradiction between societal logics and the common good on one side, and the industry logic – which are presented as secluded from reality and maladaptive, and even harmful for the field itself – is put at the center of the stigmatizing argumentation. This dialectic gives substance to the institutional resistance of the finance industry logic. Although this logic originated in the societal rationale of shareholder value maximization, its consequences have made it non grata. One of the designated logic actually exemplifies this resistance: because the finance industry is opaque and can use the power of money to corrupt potential opponents, it can endure pressures from societal level logics and delay institutional change. We suggest that this opposition leads stigmatizing actors to perceive the finance industry as a source of diffusion rather than an embodiment of the stigmatized logic. While it has been established that the finance industry has rebuilt itself after the 1929 crisis by adopting a widely accepted societal logic (Ho, 2009), the editorial articles of our sample introduce it not only as an epitome but also as a source of dissemination. History is distorted to make a more compelling case against the targeted category of organizations. If we follow Ho's demonstration, we can hypothesize that the banking field will end up yielding to institutional pressures and deriving new logics from more consensual societal level values.

The main contribution of this work is to combine the literature on organizational stigma and institutional logics. On one side, we extend the literature on institutional contradiction by focusing on the consequences of logic resistance. The focus of this study is the "period [of] intensive political contestation and negotiation among the key constituencies" that precedes institutional change (Seo and Creed, 2002: 243), and in this sense our research

empirically explores the dynamics of institutional struggle. On the other side, we contribute to the literature on organizational stigma by showing how this phenomenon can be an outcome of conflicting logics. By using a logic lens, this study enriches the theorization of stigma and disapproval of organizations. If the causes of stigma are partly identified in the current literature, understanding the construction and the emergence of such occurrence enlightens the role of language. Rather than seeing stigma as a purely rhetorical process, I present rhetoric as a filter to analyze the defaming arguments and connect them with broader- order constructs. Although the stigma phenomenon has been well defined (Devers et al., 2009), it is necessary to link it up to broader theoretical frameworks to better understand its antecedents and consequences, and ultimately be able to prevent it. In addition, while most of the literature on stigma is theoretical (Hudson, 2008; Pozner, 2008; Devers et al., 2009; Mishina and Devers, 2011), this article provides some empirical exploration of the phenomenon.

This work is however not exempt of limitations. I adopt an abductive approach to establish that institutional contradiction is sufficient but not necessary to generate organizational stigma. In other terms, I establish one possible condition to generate a category of stigmatized organizations. This approach implies that other antecedents to organizational stigma as a form of illegitimacy may exist. For example, Vergne (2012) or Galvin et al. (2004) identify the association with death as an antecedent of stigmatization. Here, the norm violation is related to the action of killing. The action of killing is however perceived as ordinary at the field-level. Thus this kind of norm violation can also be connected to a conflict between logics at different levels. Another potential limitation regarding the generalizability of the findings comes from the specificity of the finance industry as a stigmatized category. If we consider other stigmatized categories, is it as easy to identify a field-level dominant logic and a contradicting societal logic? In the case of the finance industry, the practices derived from the shareholder value maximization logic are easily spotted. For other fields, such as the

tobacco industry, the practices related to the free-market logic are not as well-defined (Galvin, et al. 2004). In addition, a same logic can lead to variance in the prevalence of the related practices, depending on the cultural context (Roulet and Touboul, 2014).

This study opens different paths for future research. In particular: what are the strategies used by organizations to face stigma? Organizations tend to prevent stigma contagion rather than confront it (Hudson and Okhuysen, 2009). One strategy employed by some organizations is isolation from the stigmatized category by creating a positive distinctiveness (Hargie, Stapleton and Tourish, 2010; Riaz, Buchanan and Bapuji, 2011; Durand and Vergne, 2014). For example, Robert Wilmers, the CEO of M&T bank in the US, put a lot of energy in presenting his organization as fundamentally different from the "bad banks" during the financial crisis. Another pro-active strategy is to defend the underlying values and beliefs that are under attack. In the aftermath of the 2007 crisis, we have seen a number of bankers giving grounds for the received bonuses. Finally, the last option is to accept stigma. Despite stigma, individuals (Goffman, 1963) but also industries (Galvin, et al. 2004) can survive. Despite stigma, banks might be able to remain unchanged.

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Figure 1 - Antecedents and consequences of resistant industry-level logics

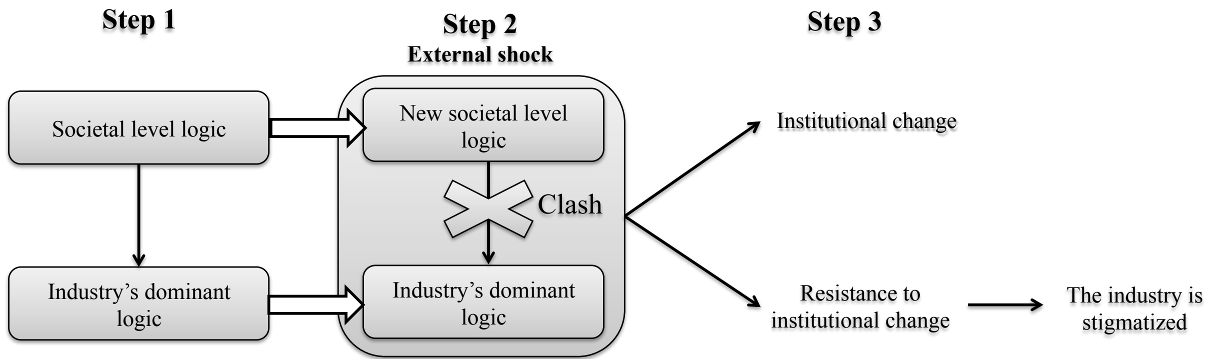

Figure 2 - Source and date of the sampled articles

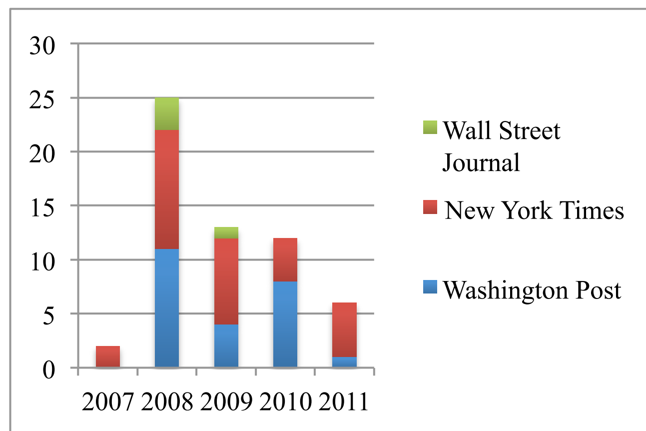

Figure 3 - Proportion of words associated with negative emotions by article

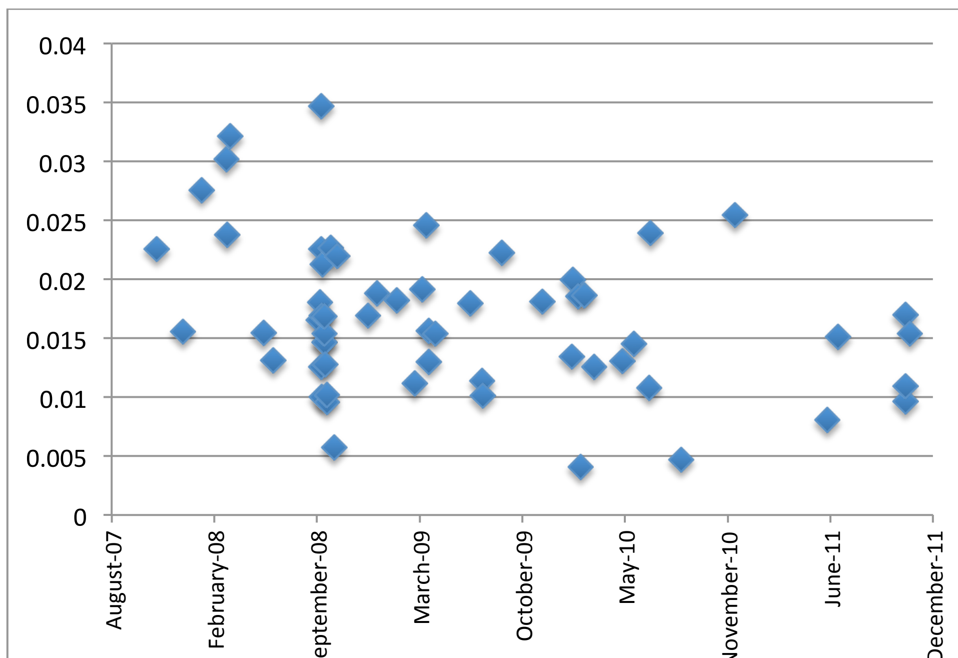

Table 1 - Correlation table for vocabulary content

	Affect	Anger	Anxiety	Causation	Certainty	Future	Money	Motion	Negation	Negative Emotion	Past	Sadness
Affect	1	0.285*	0.155	0.139	0.0825	0.174	0.195	0.0649	0.00465	0.546***	0.0388	0.354**
Anger		1	0.169	0.109	-0.044	0.069	0.176	0.0355	-0.157	0.392**	0.0883	-0.0475
Anxiety			1	0.0793	-0.0953	0.318*	0.101	0.398**	-0.122	0.266*	-0.0389	-0.131
Cause				1	0.126	-0.0676	0.306*	0.00347	-0.0198	0.165	-0.136	-0.0744
Certainty					1	0.177	0.157	0.227	0.215	0.0703	0.144	0.143
Future						1	-0.081	0.328*	0.127	0.137	-0.246	0.0121
Money							1	-0.0847	-0.270*	0.149	-0.0867	-0.0407
Motion								1	0.221	0.145	-0.0677	-0.0359
Negation									1	0.111	0.276*	0.185
Negative Emotion										1	0.195	0.646***
Past											1	0.0463
Sadness												1
* p < 0.05, ** p < 0.01, *** p < 0.001												

Table 2 - The flaws of the finance industry and the three dimensions of the institutional context

Flaws of the finance industry	Institutional contradiction	Institutional resistance	Logical inconsistency
Bonuses	- Source of inequality		- Detrimental to shareholders
Risk-taking behaviors	- Threat to the economic system		- Force the intervention of the government.
Greed and individualism	- Threat to the economic system	- Self-interest resistance to change	- Detrimental to shareholders
Survival of the fittest	- Threat to the economic system	- Logic embeddedness as a factor of survival	
Seclusion of the industry	- Disconnection with reality	- Lobby against change	