Dominant Corporate Agents and the Power Elite in France and Britain

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Abstract

Corporate elites are not a new phenomenon. However, the ways in which significant agents gain ascendancy to positions of power vary across nations and cultures. This paper analyses the *ascension* of a small minority of corporate agents to positions of dominance and the subsequent *accession* of a select few to the power elite. Our theoretical position builds upon the writings of Pierre Bourdieu on power and domination. These constructs are elaborated and made tangible through a cross-national comparative study of dominant corporate agents in France and Britain. Our results demonstrate the extent to which power remains concentrated in the French and British corporate sectors; highlighting equally pronounced similarities and differences between the two countries. It is suggested that power elites function through governance networks to promote institutional and organizational goals.

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Introduction

The study of elites as superior social groupings reflecting a particular class or social status is not new. The sociologist C. Wright Mills (1956) has often been credited with drawing attention to the notion of the elite as holders of positions of command (Scott 2001: 36). Our study focuses on a small but significant sector of elites: that of *corporate elites*. We analyse and reflect upon the *ascension* of a small minority of corporate agents to positions of dominance and the subsequent *accession* of a select few to the power elite. Our theoretical position builds upon the writings of Pierre Bourdieu (1986b), for whom the ultimate source of power in society derives from the possession of four types of capital (economic, cultural, social and symbolic). The view of society he presents is one of change and contestation within regulating and self-reproducing structures. Material and symbolic power are intertwined, making it difficult for agents, as practical strategists, intellectually to transcend their situational understanding of the world, rooted in 'habitus', a structured and structuring principle given and reproduced in daily interaction (Bourdieu 1990). For Bourdieu, all symbolic systems function as sources of domination; fixing and preserving existing social structures and status distinctions. Power is relationally embedded, causing it to be 'misrecognized' by those it holds in its sway. This applies particularly to symbolic power, 'that invisible power which can be exercised only with the complicity of those who do not want to know that they are subject to it or even that they themselves exercise it' (Bourdieu 1991: 163-4).

In what follows, we build upon the theoretical foundations laid by Bourdieu to identify the processes of stratification and differentiation which have led to the super-concentration of power in the hands of a small number of dominant agents within the

corporate economy. The empirical foundation of our research is a comparative analysis of the 100 largest French and British companies and their directors between 1998 and 2003. We employ an innovative methodology to measure power, defined as *command over resources*, through the computation of a single proxy variable based on capital employed, turnover, profitability and number of employees. This enables the exploration on a systematic basis of five main research questions. First, to what extent is corporate power concentrated in France and Britain? Second, how is power distributed between the agents responsible for the direction of large corporations? Third, what factors explain the rise of agents to positions of dominance at the summit of large corporations? Fourth, what roles are performed by the most dominant corporate agents? Fifth, how do the networking characteristics of the most dominant corporate agents differ from their less powerful colleagues? The attraction of France and Britain as comparators is that their economies are roughly equal in terms of population, national income, and mean corporate size; enabling structural, cultural and institutional differences to be studied free from the distorting effects of significant variations in size and wealth. Our analysis demonstrates just how highly power is concentrated in both French and British business, with equally pronounced similarities and differences in evidence. It is suggested that power elites function through governance networks to maintain institutional solidarity, negotiate institutional change, and promote organizational goals.

Our argument develops in stages. In the next section, we survey the theoretical terrain to clarify and elaborate on the debates surrounding the exercise of power and its relation to domination. We then explore Bourdieu's notion of the field of power to elaborate on the three distinct concepts we employ in our study of corporate elites; those

of dominant agent, corporate domination and the power elite. We introduce the notion of *ascension* to describe the rise of agents to dominant, board-level positions at the top of major organizations. Ascension guarantees candidature but not automatic membership of the power elite, which follows from *accession* to the field of power. The third section is methodological, and the fourth reports the results of our analysis of the distribution of power within and between French and British companies. In section five, we focus on how individuals ascend to corporate boards and why a chosen few accede to the field of power. In the final section, we consider the role of power elites in institutional and organizational change.

Power and Domination

In its most generic sense, power is a causal force that produces external effects and consequences. Within the specific domain of the social, this causal force is inextricably linked to the notion of agency and to a 'transformative capacity' (Giddens 1976: 110) that explains the emergence of asymmetric social relations. Power may be exercised visibly, or may be an unexercised capacity that may yet have significant effects. In its most obvious, classic form, the *episodic* exercise of power (Clegg 1989a) involves the ability to get others to do one's bidding even against their own will, using persuasion and inducement (Dahl 1961). Whilst Dahl concentrated on visible, measurable elements of the exercise of power such as 'concrete decisions', Bachrach and Baratz (1962) contend that such an emphasis overlooks a second hidden 'face' of power: the ability to confine the scope of decision-making to relatively 'safe' issues that do not undermine the legitimacy of the dominant power structure. Such a 'mobilization of bias' to induce a

condition of 'non-decision' is crucial to an understanding of this covert form of power which serves to prevent potentially troublesome issues from reaching the public decision-making arena.

More latterly, Steven Lukes (2005[1974]) has identified a third, more subtle form of power which operates by preventing the formation of grievances through shaping expectations so as to make a challenge to the system of power installed virtually unthinkable. This third dimension of power underpins much of Foucauldian-inspired research on the power of socially embedded micro-practices, including that of Flyvbjerg (1998), whose fine-grained study of planning in the Danish town of Aalborg shows how people are 'enlisted into wider patterns of normative control, often acting as their own "overseers", while believing themselves….to be free of power' (Lukes 2005: 106). For Lukes, these studies show how 'powerfully placed actors frame issues, present information and structure arguments and how the less powerful and the powerless either acquiesce in or feebly resist' this process (Lukes 2005: 103). Power, for Lukes, is a capacity which transcends the binary relations of individual actors and which, indeed, may never be exercised. It may be a 'dispositional capacity' (Clegg 1989a) so that, 'like knowledge and money – [it] can be held in readiness for use…The anticipation of its use…means that power can have significant social consequences' (Scott 2001: 5), even when unexercised. Dispositional power, often unconscious to both the dominant and the dominated, works through the production and reproduction of specific social micro-practices, meanings and modes of subjectification unwittingly internalized by individuals through social and institutional processes. Here we approach Bourdieu's (1991; 2001) notion of power as internalized constraints, rendered invisible by a process of

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naturalization such that the dominant and dominated both come to accept the *status quo* as the natural order.

Within the field of Organization Studies, power in organizations has become a well-developed theme in organizational theorizing (Hickson et al. 1971; Pettigrew 1973; Salancik and Pfeffer 1977; Hindess 1982; Clegg 1989a; 1989b; Pfeffer 1992; Hardy and Clegg 1996; Courpasson 2000; Clegg et al. 2006). In particular, Clegg (1989a), Hardy and Clegg (1996) and Clegg et al. (2006) have provided a comprehensive summary of each of the frameworks of power identified previously in sociological theory, paving the way for a more sustained, nuanced study of power, and returning it to the forefront of our concerns in organizational research. Power is 'a "capacity" premised on resource control' (Clegg 1989b: 99), dependent on 'the successful deployment of resources and…means of action' in the context of struggle and contestation between agents (Hindess 1982: 509). For Giddens (1984), power derives from allocative and/or authoritative resources, while for Clegg et al. (2006: 2), organizations are effectively about the 'collective bending of individual wills', so that power is implicated at every turn. Our conceptualization of corporate power as *command over resources* draws from this discussion.

Crucially, Clegg et al. (2006: 342) have identified elites as 'the missing link between studies of power and studies of democracy', responsible for shaping action at the policy level. Despite Scott's (1982; 1991; 1996; 2001; 2008) extensive work on elite domination and power in Britain, the US and elsewhere, there appears to be a 'glaring invisibility of elites' (Savage and Williams 2008: 2) in contemporary capitalism, particularly financial elites, who, lured by temptation, use money as a 'neutral veil' while insinuating themselves as key social and political agents in wider networks of influence.

The study of power has focused too infrequently on the extremely powerful, at the pinnacle of very large organizations (Pettigrew 1992; Pettigrew and McNulty 1995; 1998). Too little attention has been paid to the 'giant firm corporate elite' (Savage and Williams 2008: 19), the 'professionals of power', who are fundamental to the functioning of governance regimes (Clegg et al. 2006: 343). This is despite the fact that such action goes to the heart of governance systems, where the economic and social are closely enmeshed (Clegg et al. 2006). It is this gap which the present article seeks to address.

The preceding overview of the debates and discussions surrounding power and its exercise provides the backdrop for introducing Bourdieu's central contribution to our understanding of symbolic power, and how its pervasiveness as a 'field of power' helps to maintain and sustain dominant agents, power elites and corporate domination. We identify a *dominant agent* as a person holding a controlling position within an organizational field through command over large, strategically significant resources. *Corporate domination* signifies, by extension, control of the economic field by a relatively small number of powerful companies, themselves controlled by a handful of dominant agents. The concept of the *power elite*, informed by the seminal studies of Mills (1956) and Useem (1984), refers to a network of dominant agents operating collectively within the *field of power*, conceived as the integrative domain which brings together dominant agents from within the uppermost strata of distinctive organizational fields. This shifts the emphasis away from the 'vertical differentiation of perceived power' (Hickson et al. 1971: 217) within organizations, to the inter-organizational; the social space where different types of dominant agent mingle freely. Elevation or *ascension* to the boardroom represents a *sine qua non* for the potential designation of an agent as

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'dominant', boardrooms being the ultimate loci of power in organizational settings (Pettigrew and McNulty 1998). *Accession* to the field of power, however, cannot be assumed; membership of the 'fraternity of the successful' (Mills 1956: 281) depending crucially on subsequent interaction with other dominant agents within broader social networks.

Bourdieu and the Field of Power

Like many theorists of power, Bourdieu draws on the seminal work of Marx and Weber, amongst others, to inform his analysis. Marxian notions of power derive from his view of class as a structurally predetermined system of property rights (Anheier et al. 1995). Weber, who examined 'the specific contribution that representations of legitimacy make to the exercise and perpetuation of power' (Bourdieu and Passeron 1990: 5), regarded power relations as central to all aspects of organized social life (Scott 1996; Clegg et al. 2006). Bourdieu skilfully combines these perspectives, using the concept of habitus as an internalized predisposition to construct a view of domination linked to social status and economic well-being.

Social stratification is a result of the trilectic interrelationships between internalized dispositions (habitus), available resources (capital) and the wider social contexts (fields) in which struggles for domination take place. For Bourdieu, habitus reflects an unconsciously-acquired disposition; a tacit knowledge of how to 'get on', developed in response to the objective conditions that individuals encounter in their development. It provides the 'unifying principle' for appropriate social practices in different domains of social life (Bourdieu 1977: 83), implicitly orienting one's social

behaviour. This means that for Bourdieu, power relations are embedded in the very tissue of everyday life. Since status tends to reproduce itself through habitus (essentially a conservative predisposition), individuals come to accept the given social order as naturally pre-ordained, taking for granted the seemingly obvious legitimacy of existing relations of domination.

Capital, for Bourdieu, is a 'generalized "resource"' assuming tangible and non-tangible forms (Anheier et al. 1995: 862; Bourdieu 1986b). Actors are distributed in social space according to their 'overall volume and relative composition of capital' (Anheier et al. 1995: 892). Economic capital implies financial assets, wealth and property. In contrast, cultural capital, embracing knowledge, culture and academic credentials, may be acquired through education or experience, while social capital implies the resources embodied in the structure of relationships, including group membership, social ties and networks (Anheier et al. 1995; Bourdieu 1984; 1986b; Burt 1992; 2000). Each is transmutable to a degree, since economic capital may be used to purchase cultural and social capital, while possession of the latter may enhance the former. Legitimacy, the acceptance of domination by the subordinated, is signified by possession of symbolic capital, including titles, qualifications and belongings, itself bound up with the other three forms of capital, possession of each incorporating the symbolic capital that goes with it.

For Bourdieu, the modern social world creates contested social spaces or 'fields', structured systems of social relations in which individuals struggle with one another in pursuit of resources, access and status (Oakes et al. 1998; Wacquant 1989). He depicts modern society as highly differentiated and stratified, characterized by specialization and

the progressive splitting of fields into sub-fields, resulting in a complex web of interweaving fields, 'differentiated social microcosms operating as spaces of objective forces and arenas of struggle … which refract and transmute external determinations and interests' (Calhoun and Wacquant 2002: 6). There is tacit acceptance by agents – whether institutions, organizations, groups or individuals – of the rules of competitive engagement within the field, and of its *de facto* stratification into a hierarchy of more or less dominant and subordinate positions.

Within these social spaces, Bourdieu's primary concern is with relations of domination. He perceives the opposition between the dominant and the dominated as 'the most fundamental… within the social order' (1986a: 469). The power relations he describes are often mediated by ostensibly objective, institutionalized mechanisms, such as the conferment of honours or academic degrees. Distinctions which are apparently founded on objective differences are the most socially valuable, serving in this sense as a 'legitimating illusion' (Bourdieu 1996: 5). Such 'objectification' lends them 'the opacity and permanence of things', such that they 'escape the grasp of individual consciousness and power' (Bourdieu 1977: 184). This leads to the paradox that dominant agents no longer have to recreate such mechanisms continuously in order to dominate: 'those who are in a position to command these mechanisms and to appropriate the material and/or symbolic profits accruing from their functioning are able to dispense with strategies aimed expressly… at the domination of individuals' (1977: 184).

The notion of the field of power is central to Bourdieu's thinking on economy and society. Accession to the field of power signifies more than membership of the uppermost stratum of society, the highest level in all fields combined. Rather, the field of power is a

social space which transcends individual organizations; serving as meeting place(s) and providing opportunities for gatherings (Giddens 1984) for different types of dominant agent, recognized as social and positional equals. It serves as a 'meta-field' that operates as an organizing principle of differentiation and struggle, while designating those who dominate in society. He describes it as 'a field of power struggles among the holders of different forms of power, a gaming space in which those agents and institutions possessing enough specific capital (economic or cultural capital in particular) to be able to occupy the dominant positions within their respective fields confront each other using strategies aimed at preserving or transforming these relations of power' (Bourdieu 1996: 264). Here, dominant agents intervene to covertly control agenda setting, shape policy debates (Rhodes 2007), and exercise discretion in promoting the 'ruling ideas' of the day, producing a 'theodicy of their own privilege' (Bourdieu 1996: 266). This reconfirms their legitimate right to rule (Bourdieu and Passeron 1990).

Bourdieu's critical sociology has had a profound influence on theoretical development within numerous knowledge domains. Yet critics abound; the most common charge being that Bourdieu's world-view, constructed around his theories of habitus, capital and field, is overly conservative and deterministic, underestimating the capacity of human agents to reshape or reconfigure power relations (de Certeau 1984; Fowler 1997; Mutch 2003). A reading of *The State Nobility* (1996) gives the impression that there is little hope for the vast majority who do not attend an elite school to rise to the top. As Hardy and Clegg (1996: 628) observe: 'It is not that they do not know the rules of the game so much as that they might not even recognize the game, let alone its rules'. In other words, Bourdieu's conservative framework leads to a more pessimistic view

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regarding the possibility of transforming dominant power relations. This criticism is understandable, but as our own findings show Bourdieu's framework does help explain why power and resources are held firmly in the grip of an elite minority.

Bourdieu suggests, moreover, that movement can occur within structures of domination; the potentiality for change, usually incremental, resulting from strategy and agency. In propagating a legitimate vision of the social order, those in positions of authority never entirely succeed in establishing a monopoly. Within any field, subordinate organizations and agents strive to find ways to neutralize the advantages of the dominant, and at times discover ways – 'subversion strategies' (Emirbayer and Williams 2005: 693) – to 'outflank' more capital-rich rivals (Clegg 1989a). Symbolic struggles, Bourdieu argues, possess a degree of autonomy from the structures in which they are embedded. Agents possess reflexivity (Bourdieu 1990; Bourdieu and Wacquant 1992), enabling the contestation of boundaries that delimit social space (Lounsbury and Ventresca 2003), which goes some way towards explaining the 'paradox of embedded agency' (Seo and Creed 2002: 223). Like de Certeau's (1984) 'tacticians' who find ways of outwitting dominant systems through local improvisations, Bourdieu (1996: 336-339) does acknowledge the gradual transformation of the dominant system over time.

Methodology

Our analysis of the ascension and accession of dominant corporate agents, reported in the next two sections, is founded upon longitudinal research into the governance and board memberships of the 100 largest companies in France and Britain respectively over a six-year period from 1 January 1998 to 31 December 2003. The first task was to identify and

rank the 100 most powerful companies in France and Britain in 1998 in a manner consistent with our definition of power as *command over resources*. Market capitalization was dismissed as a primary selection criterion because of its sensitivity to short-term market movements, and instead we applied a more rooted composite measure based on total capital employed, turnover, profit-before-tax, and employment (Grant 1997). Each speaks to a different dimension of corporate power: total capital employed measures the resources needed to create an organization; turnover measures market reach; profit-before-tax measures investment capability; and employment stands proxy for human capital. Data were gathered on each variable for 250 candidate companies in each country. Relative power scores, expressed as ratios, were then computed, variable by variable, by dividing individual scores by mean values. The individual scores were summed and the mean calculated to yield a corporate power score for each company. The companies were ranked by power score and the top 100 companies selected for each country.

Dominant corporate agents were identified as the executive and non-executive directors operating at the highest level within their companies. All British main board directors were selected. A more complex procedure was followed for French companies, the practice of having few executives on main boards making it necessary to include additionally the highest-ranking members of executive boards, while excluding employee representatives. Data were gathered from multiple sources, including directories, biographical works, corporate sources and personal information, relating to the demographic characteristics, social origins, education, careers, lifestyles, and business and extended networks of the 1,241 French affiliated and 1,031 British affiliated

company directors included in the project database. The database, which comprises 14 interlinked tables, enables systematic analysis of the collective membership and 'multi-positional' character of corporate elites highlighted by Bourdieu (1996). The quantitative focus of the database is complemented by evidence drawn from a series of 40 interviews with French and British corporate leaders, including chairmen, CEOs, executive and non-executive directors.

An innovative feature of the research is the procedure used to measure the distribution of power amongst the two cohorts of directors. Our method is founded on the assumption that all corporate power is vested in the hands of the executive and non-executive directors appointed by owners to run their companies. We assume, in other words, in accord with corporate law, that directors collectively have ultimate command over corporate resources. From this principle, corporate power is divided between directors on a company-by-company basis, recognizing the essential truth that the power of individual directors varies according to their roles within boards (Finkelstein 1992). A CEO, for example, as an organization's primary decision-maker and 'locus of corporate control' (Barkema and Pennings 1998: 978), has more power than the executives who report to him or her, and those combining the roles of CEO and Chairman have greater power still. At the other end of the spectrum, non-executive directors, given their limited engagement, have less power than executive directors (McNulty and Pettigrew 1996). Based on the literature and extensive discussions with interviewees, who confirmed our understanding of positional power within boards, we derived power weightings for each director role: Executive Director = 1; CEO = 2; Executive Chairman = 1.5; Non-executive Chairman = 1; Chairman and CEO = 3; Non-executive Director = 0.25.

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Application of these weightings enables the corporate power of a company to be divided between directors in a manner that differentiates between structural positions: individual director scores varying by corporate power, role weighting, and size and composition of the directorial team. To determine relative power scores on a system-wide basis, the scores for each directorship held by an individual are summed. These are then normalized to form a distribution in which the highest-ranking director is ascribed a power rating of 100 and others positioned relative to this (Maclean et al. 2006: 262-263).

We locate our research within the tradition of those who have sought to measure power within elite circles in relative terms (Finkelstein 1992; McNulty and Pettigrew 1996). We agree with Pettigrew (1992) and Lukes (2005) that power may be researched empirically, while accepting that this involves making judgements: 'Determining who has more power, and how much more they have, is inseparable from assessing the significance of the impact of their power' (Lukes 2005: 111). The main advantages of our measurement technique are threefold. First, it enables the generation of valuable information relating to the unequal distribution of power amongst companies (Table 1 below) and dominant agents (Table 2 below). This in turn makes it possible to study the assumption and exercise of power by dominant agents on a more discriminating basis, both within and across nations. Second, it is transparent and systematically applied, with assumptions and role weightings openly stated, helping to avoid 'the mobilization of bias' observed by Bachrach and Baratz (1962). Third, it is founded on a range of robust corporate data. This avoids the less satisfactory alternative of using market-based measures as proxies for power. For example, compensation levels might be used as a proxy for individual power (Barkema and Pennings 1998; Finkelstein and Boyd 1998).

Scott (2008), however, warns against defining elites in terms of high pay, which is not indicative of power, though it may become a basis for power. Furthermore, executive remuneration in France is often disclosed collectively rather than individually, and in 1998 was rarely disclosed at all (MEDEF/AFEP 2002).

However, there are limitations to our approach to the measurement of power. The power weightings attributed to board positions, while informed by the literature and consistent with the experiences of interviewees, are arbitrary and open to challenge. The weighting scheme in effect is a practical device that simplifies power structures, which if varied impacts directly on computed power differentials. If, for example, CEOs were given a higher weighting relative to others, concentration would be increased and *vice versa*. A further limitation is that power within large corporations is not in practice monopolized by main board directors. Executives below the uppermost level, by virtue of controlling information flows and local contexts, may exercise considerable sway over strategic decision-making and resource allocation (McNulty and Pettigrew 1996). Likewise, informal power, which some executives accumulate through tenure, information asymmetry or social capital (Barkema and Pennings 1998), is not measurable by this means, and therefore does not inform our calculations. These limitations acknowledged, we suggest that they are outweighed by the analytical possibilities arising from our approach to the conceptualization and measurement of power.

Corporate Power and Dominant Agents

The concentration of power within national business systems can be traced to the nineteenth century, when population growth, urbanization, transport and the technologies

of the second industrial revolution created the potentiality to reap economies of scale and scope (Chandler 1990). Britain led the way in Europe following a succession of merger waves beginning in the late nineteenth century (Hannah 2007). French business moved more slowly, but the pace of change quickened after 1945, when political and business elites joined forces to promote industrial concentration (Maclean 2002). Corporate domination in both countries is thus the outcome of historical and ideological forces underpinned by the logic of economies of scale and scope. Dominant firms in many industries, by virtue of capturing the most productive organizational, managerial, technological, network and symbolic resources, can control the release and distribution of sought-after products and services. Already dominant firms, while retaining the potential for failure through gross strategic or operational errors, have by virtue of size an increased capacity to adapt and survive (Barron et al. 1994). As Bourdieu's theoretical schema suggests, the dominant tend to continue to dominate because of the 'sociality of inertia' (1990: 43) pervading the social order.

Table 1 indicates just how highly power is concentrated within the French and British corporate systems. In France, 58 per cent of the combined power of the top 100 is held by just 20 companies (including utilities Suez, France Télécom and Electricité de France (EDF); manufacturers Alcatel, Renault, Saint-Gobain and Michelin; retailers Auchan, Carrefour and PPR; the oil major Total; and insurance giant AXA). The comparable figure for Britain is 47 per cent, where corporate power is somewhat less concentrated, a result confirmed by the marked difference in reported concentration coefficients. In both countries, the private sector has pursued strategies aimed at the domination of industries and markets. However, successive British governments have

been keener than their French counterparts to break up monopolies and outlaw restrictive practices. This is most evident in utilities where the British opted to fragment national monopolies on privatization, whereas the French have continued to exercise state control; encouraging domestic monopolists like EDF to exploit their favoured position to expand abroad. The British top 20 nonetheless includes a formidable array of enterprises (oil giants Shell and BP; banks HSBC, Barclays and Lloyds TSB; telecommunications companies BT and Cable & Wireless; manufacturers Diageo, BTR, Glaxo Wellcome and Smithkline Beecham; and retailers Tesco, Sainsburys and Marks and Spencer).

[INSERT TABLE 1 HERE]

Of primary interest here, however, are not dominant companies *per se* but the dominant corporate agents at their helm. In Table 2 we analyse the distribution of power between members of the corporate elites of France and Britain. It is evident that in both countries a small number of people at the top wield a disproportionately large share of corporate power. Just 200 directors in France hold 63 per cent of the combined power of the top 100 companies, while the top 100 hold 44 per cent and the top 50 hold 29 per cent. The comparable figures for Britain – 54 per cent, 37 per cent and 25 per cent – are lower, but nonetheless indicate an extremely high degree of concentration. These findings are supported by the reported Gini coefficients, both statistics confirming that power amongst the French and British directorial communities is distributed very unevenly; spectacularly so in the French case.

[INSERT TABLE 2 HERE]

Our results corroborate Scott's (1982) conclusion that economic power is concentrated in Britain in the hands of a unified business class – small, self-aware and exclusive. Elite domination has been bolstered by the growth of transcorporate networks, with personal and capital relations forming the key control relations in which firms are enmeshed (Scott 1991). Shared directorships among large companies have created 'an organizational foundation for an elite stratum within the capitalist class' (Useem and McCormack 1981: 383). This is especially so in France, where reciprocal directors' mandates and cross shareholdings foster cohesive corporate ties (Kadushin 1995; Burt et al. 2000), despite efforts to reduce these through governance reform (MEDEF/AFEP 2002). Through multiple board memberships, 'inner circle' (Useem 1984) directors, united through friendship and kinship, can access a web of social relations where 'people meet as kinsmen, friends, co-directors, and as colleagues of kin and friends, and each relation reinforces the others to produce multiple, and multi-stranded, personal relations' (Scott and Griff 1984: 181).

Ascension and Accession to the Power Elite

Dominant corporate agents are those who amongst their peers have accumulated the most personal capital (cultural, social and symbolic), and who command the resources of the most dominant corporations. The personal experiences of the 100 most powerful company directors in France and Britain – controlling 44 per cent and 37 per cent of corporate power respectively in 1998 – provide valuable evidence of how ascension and

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accession play out in practice. Members of this select group and their career transitions

between 1998 and 2003 are profiled by director type in Table 3. In both countries, the

most dominant agents occupy the roles of CEO and Chairman in the largest companies

and frequently serve as non-executive directors of other leading companies. Almost half

of the most powerful French directors combine the roles Chairman and CEO, an approach

not favoured in Britain, where common practice is to keep the roles separate with a

natural progression, not necessarily within the same company, from CEO to Chairman. In

both countries, however, the heavily-skewed distribution of corporate power means that

some pre-eminent national business leaders are executives of the largest companies,

below the rank of CEO or Chairman, and also non-executives elsewhere. In France, the

boardroom networks of some portfolio non-executive directors are so extensive that they

too rank amongst the 100 most powerful directors. This does not happen in the UK,

where typically fewer non-executive positions are held by a single individual. Here, top

executives regularly defer joining other corporate boards until shortly before retirement

and then build a second career as a portfolio non-executive. Changes in director type over

the period accordingly were more numerous in Britain than France, yet the numbers of

directors exiting through retirement or death was similar at just over 10 per cent.

[INSERT TABLE 3 HERE]

There are equally pronounced similarities and differences in the processes of

ascension at work in France and Britain. Three sets of findings are instructive. First, we

confirm the importance of family and education as 'structuring structures' (Bourdieu

1990: 53). In Bourdieu's terms, 'class-based habitus, socialized within the family' is fundamental to acquiring prized academic credentials (Hartmann 2000: 243). By extracting the most from membership of families and educational institutions, individuals enhance their capital stock, and position themselves for recruitment to the corporate elite. This does not imply that those from disadvantaged households are prevented from reaching the top. However, the route to the top is more open in Britain than in France (Harvey and Maclean 2008). We find, using the Halsey (1995) classification for social origins (upper, upper-middle, lower-middle, and lower), that in both countries a majority of top 100 directors were raised in upper- or upper-middle-class households: 77 per cent of French cases and 64 per cent of the British. Likewise, 95 per cent of the French attended an elite school, the top Parisian *lycées* proving especially popular; while 88 per cent of the British attended an independent or grammar school, Eton, Winchester and Harrow featuring prominently. As many as 97 of the top 100 French directors benefited from higher education, 81 graduating with a master's degree and a further 10 with doctorates. Nearly all attended one or more elite *grandes écoles*, of which Ecole Polytechnique, the Institut d'Etudes Politiques de Paris, the Ecole des Mines, and the Ecole Nationale d'Administration (ENA) are pre-eminent (Bourdieu 1996). In contrast, 25 of the British top 100 received no higher education, while 45 obtained a first degree, 24 a master's degree, and six a doctorate. Most of the graduates attended well-regarded universities, but attendance patterns are more distributed than in France, with clusters only at Oxford, Cambridge and Harvard. Despite the differences between the two cohorts, Bourdieu's (1991) analysis that the conferment of academic awards and honours, which seem to belong naturally to those on whom they are bestowed, distinguishing them

as fit for high office, appears to be confirmed; the visible concealing the invisible which determines it. Attendance at the most prestigious educational establishments has an analogous effect, granting legitimacy and reputational advantage, while reducing risk for appointing organizations (Courpasson 2000).

Our second important finding is that organizations themselves are crucial in structuring careers, revealing deep-seated differences between the two business systems. The careers of the top 100 British directors were forged in 84 cases exclusively within the corporate sector, and the remainder in enterprise and allied professional sectors such as law. In contrast, 49 of their French counterparts began their careers in government service compared to 41 in the corporate sector and nine as entrepreneurs. In France, attendance at ENA, particularly for those graduating first or second in their class and those designated *Inspecteurs des Finances*, is symbolic of exceptional ability, signalling fitness for employment in strategic management roles in the public or private sectors. There is no British equivalent, the civil service and business being perceived as separate life-worlds with but rare examples of movement between the two at executive level. In other respects, the career experiences of the top 100 French and British directors are more similar. Recognition and rapid promotion are accorded to those with the willingness and capacity to undertake complex strategic and general management roles predicated upon establishing productive relationships with external organizations, regardless of specialist background. This partly explains the readiness of French companies to recruit senior managers direct from government departments; the second main attractor being the social capital of high-flying state officials in a system characterized by close interactions between state and business (Bauer and Bertin-Mourot 1997).

Our third important finding is that those who ascend to the board of a large corporation experience more rapid rates of personal capital formation than others. A swift ascent through the organizational hierarchy is contingent upon having the right types and levels of experience and social capital; a distinguished reputation; and a deep knowledge of business contexts, internally and externally. High flyers set out to acquire the most highly-valued forms of specialist expertise. This explains the prevalence in the British top 100 of accounting and finance specialists (27), many of whom never attended university. Likewise, in France, there is a higher incidence amongst top directors of engineers and scientists than in Britain: 32 compared to 19. A second choice typically made by high flyers is to confine employment searches to the most prestigious organizations, enhancing personal legitimacy (Courpasson 2000). A third is to limit inter-organizational career moves; the mean standing at little over two for the French and British super-elites, suggesting that context-specific knowledge is fundamental to participation in strategic decision-making by executive directors. Those who remain in a company a long time often do well – one interviewee who joined a leading French company on graduating from ENA became its CEO two decades later. We might expect this of France, where CEOs regularly remain in post for twenty years. More surprisingly, this also applies in Britain, the three directors who head our British super-elite having served their entire careers at one organization. High flyers exhibit a high degree of reflexivity, learning early in their careers to recognize opportunities to accumulate cultural, social and symbolic capital, opportunities to intervene in the field of power depending on the rules of the game and the habitus-related possibilities of exploiting these to best effect.

However, not all dominant agents accede to the field of power. The majority, the 'dominated dominants' (Emirbayer and Williams 2005: 693), with parochial, business-as-usual concerns (Clegg et al. 2006), remain dedicated executives, leading within the confines of their business and its immediate environment. But a minority, the 'dominant dominants', with most power and the highest levels of social and symbolic capital, of whom our top 100 French and British directors are prime examples, extend their reach to join the governance networks through which national and international institutions are shaped. These individuals variously hold multiple company directorships; play leading roles in trade and industrial standards organizations; advise governments; join industry and government commissions; establish charities and pressure groups; participate as experts in public debates; and join the boards of leading cultural, sporting and educational organizations. It is through these channels that they promote institutional change and pursue organizational goals.

Our argument is supported by Tables 4 and 5, in which we compare the networking characteristics of the super-elites of France and Britain with those of their lesser colleagues. From Table 4 we can deduce that in France the boardroom linkages between top companies are forged almost exclusively by the 100 most powerful directors. The situation is more open in Britain, but here too inter-corporate networking at the highest level is largely the preserve of the super-elite. However, in both countries, it can be seen that top 100 company directors outside the uppermost echelons play an important role, alongside their more illustrious counterparts, in linking less dominant to more dominant companies, thus helping to unify their business systems.

[INSERT TABLE 4 HERE]

Beyond corporate networking, practical and symbolic exchanges within the field of power are facilitated by the extensive social networks of the most dominant agents. These are reported in Table 5. Each member of the French and British super-elites held one or more board-level positions in major charitable, governmental, business representative, educational or cultural organizations between 1994 and 2003. The mean number of governance roles held outside the corporate sector by the super-elite was 2.67 in France and 2.69 in Britain, compared to 1.11 and 0.88 respectively for the remainder of the two cohorts. Moreover, members of the super-elite, almost invariably, joined the boards of the most prestigious, influential organizations and held the uppermost non-executive positions within them. Relatively few individuals from the lower reaches of the corporate pecking order attained this elevated level. The evidence supports Archer's (1995; 2000; 2003) depiction of corporate agents as social subjects engaging in strategic action to effect outcomes in decision-making arenas, through interest groups, social movements and associations. While Archer arguably envisages greater possibilities for less dominant agents, her emphasis on active agents, 'agentially effective… in evaluating their social context, creatively envisaging alternatives, and collaborating with others to bring about its transformation' (2000: 308) joins hands with Bourdieu's notion of agents acting reflexively in the field of power.

[INSERT TABLE 5 HERE]

26

The findings reported here suggest important differences in the *modus operandi* of the field of power in France and Britain. The French have a strong preference for stability and continuity of membership within the power elite maintained by a network of strong directorial ties binding the corporate system and fostering institutional solidarity. Bourdieu's (1991; 1996) more 'conservative' analysis of power and domination among elites appears to hold much water in the context of the French corporate system. The fact that so many directors began their careers in government service is indicative of the strong links between state and business (Bauer and Bertin-Mourot 1997), implying a wider understanding of the symbolic and political nature of high-profile appointments. The *grandes écoles*, imbued with a state-serving ethos, educate prospective business and political elites alike (Hartmann 2002; 2007).

Yet there are many similarities between France and Britain. In both countries, corporate power is highly concentrated in the hands of a small number of dominant agents. Some, by virtue of superior social and symbolic capitals and a greater understanding of the rules of the game, come to play important roles in the field of power, at the heart of society-wide decision-making in contemporary Britain and France. In the concluding section, we consider the role of power elites in institutional and organizational change.

Discussion and Conclusion

'The top state chief executives', Bourdieu writes (1996: 329), are '"pre-destined"… to occupy positions located at the *intersection* between the public and the private sectors or, better still, between banking, industry, and the state, the very locus of power today.

Everything combines indeed to prepare these "men of connections" to occupy these eminent positions… where, in an atmosphere of both complicity and conflict… political decisions… are hammered out'. The names of these 'men of connections' may have changed since Bourdieu's day. His observations, however, continue to hold true, with dominant agents in the field of power harnessing their influence and connections in the public arena to achieve organizational and personal objectives in the manner described. In this way, they 'define and promote the shared needs of large corporations… and give coherence and direction to the politics of business' (Useem 1984: 3, cited in Pettigrew 1992: 164).

Whereas cultural capital matters especially in the early career stages of dominant agents (Bourdieu 1996; Bourdieu and Passeron 1990), accumulated and converted into other forms of capital to facilitate the process of ascension within organizations, the garnering and mobilization of social capital is essential for subsequent accession to the power elite, and for power-broking between organizations. Thus, one interviewee, at the strategic apex of his organization, was promoted to a knighthood and then a peerage on leaving office, becoming a multiple-portfolio director and Cabinet Minister; others went on to head government commissions, or to lead corporate governance reform committees, on both sides of the Channel; another CEO, with leading roles in both the French and British stock exchanges, took up a key international role in New York. Social capital is primarily about bridge building: building relationships that span 'structural holes', connecting agents with otherwise disconnected realms (Burt 1992; 2000). 'Dominant dominants' are, by definition, 'boundary spanners' (Geletkanycz and Hambrick 1997), often heavily interlocked directors at the vanguard of their national business elite,

bridging diverse fields. In Bourdieu's terms, they are 'multi-positional', participating in public, private and charitable organizations in cultural, educational, governmental and sporting networks and arenas, engaging with several life-worlds as well as the corporate world. Belonging to boards is an important element in building and participating in networks, but does not on its own pre-determine accession to the field of power. We are concerned here also with the construction of more complex linkages and agreements broadly conceived, with 'elite-mass linkages' (Clegg et al. 2006: 350), not limited to one type of relationship.

Such 'elite-mass linkages' operating at the micro-level of social interchange, have a key role to play in connecting the micro with the macro, and are crucial for strategic agency within the field of power (Bachmann 2001; Clegg 1989a; Clegg et al. 2006). Those able to harness power can pre-define the arena in which power is accomplished, furthering institutional, organizational and personal goals while influencing the redistribution of resources in their favour, building value commitments to specific ideas or outcomes through processes of legitimation (Giddens 1984). This enables them to become the purveyors of narratives or 'scripts', often skewed to their interests or to particular outcomes, whose acceptance by subordinates as the dominant discourse(s) further strengthens their domination (Scott 2001). To create the dominant discourse(s) of the day is ultimately, in Bourdieu's (1987) view, to engage in 'world-making'.

The fortunes of particular individuals and groups have flourished in contemporary capitalism, whilst they themselves have emerged as a corollary as 'social, cultural and political agents in association with their enrichment' (Savage and Williams 2008: 9). This strikes a chord with Bourdieu's notion of symbolic power: that it is most effectively

exercised when unseen, when others are unaware that their interests are being disadvantaged (Walsh et al. 1981). This unseen exercise of power eludes the normal structures and procedures of governance and democracy (Clegg et al. 2006), and hence cannot easily be brought to account.

In Britain and France, the function of dominant agents operating in the field of power is to build and maintain institutional solidarity. The main difference between the two power elites is the mode of operation. The French cohort emerges as more tightly coupled and endogenous than the British (Kadushin 1995; Burt et al.), with strong corporate ties sustained and supported by the state. Bourdieu's (1991; 1996) analysis of elite domination appears particularly suited to the French corporate system. The British cohort, in contrast, has more dedicated executives, and arguably conforms more closely to Granovetter's (1973) notion of weak ties than the tightly networked French system, where captains of industry regularly assume key political roles. The route to the top also emerges as rather more open in Britain, with slightly fewer members from upper- and upper-middle-class backgrounds featuring among the cohort.

In this article we have sought to elaborate and make tangible Bourdieu's constructs of power and domination through a cross-national study of dominant corporate agents in two countries. The focus of this research is therefore on the extremely powerful, at the top of large organizations, who are often overlooked in the study of power (Pettigrew 1992; Pettigrew and McNulty 1995; 1998). Our contribution to the literature on corporate elites is threefold. At the theoretical level, building on Bourdieu's conceptual framework, we have introduced the concepts of *ascension* and *accession* to explore the rise of a small minority of corporate agents to positions of dominance, and the

admission of a select few to membership of the power elite. At the methodological level, following those who have sought to measure power within elite circles in relative terms (Finkelstein 1992; McNulty and Pettigrew 1996), we have deployed an innovative methodology to measure the relative power, defined as command over resources, wielded by dominant corporate agents within national business systems. At the empirical level, we confirm Bourdieu's essential position that structure, agency and institutions interact to determine the outcomes of individual, largely unseen contests for power, demonstrating what it takes practically, on the ground, in Britain and France, to become a dominant corporate agent and, for a small minority, member of the power elite. Our results demonstrate just how unevenly power is distributed amongst those at the top in business, that the corporate elite itself is highly stratified, and that in both countries a very small number of dominant agents, operating at the intersection of the life-worlds of business, politics and governance, wield extraordinary amounts of corporate power and social influence.

The significant contribution of this paper to the literature lies, we believe, in its empirical insights, which underline the importance of Bourdieu's perspective on power, and throw into salient relief just how unevenly power is distributed amongst those at the top in business. Given the remarkably uneven power distribution revealed by the present study, and the substantial power wielded by dominant corporate agents both within and outside the corporate sector, we need to find out more about their mindsets, behaviours and predilections (Pettigrew and McNulty 1996). The present economic crisis has profound implications for the activities of elite corporate agents. There is a need to better understand their role in governance networks and institutional change, focusing attention

on strategic action by elites in the field of power, and in wider arenas of national and transnational polities (Clegg et al. 2006). The findings of this study have implications also for practice, highlighting the importance of organizations themselves in structuring careers, in addition to family and education. Our research suggests that those who ascend to the board of large corporations experience rapid rates of personal capital formation. The accumulation of cultural capital counts especially in the early years of a career, and during the process of ascension; while the mobilization of social capital, affording connections to others who provide support and opportunities, in turn accruing additional symbolic capital, is crucial for eventual accession to the field of power and the power elite.

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Table 1
Distribution of Power Amongst Top 100 Companies in
France and Britain in 1998

Share of Combined Power of Top 100 Companies	France (%)	Britain (%)
Top 5 Companies	22.31	20.43
Top 10 Companies	37.26	30.95
Top 20 Companies	58.37	46.72
Top 50 Companies	87.09	76.67
Companies Ranked 51 to 100	12.81	23.33
Coefficient of Concentration*	0.02250	0.01759

*The coefficient of concentration, C, known as the Herfindahl index, uses the coefficient of variation of power – the standard deviation of corporate power for the Top 100 companies divided by the mean power score – as a measure of inequality. C is calculated as follows:

$$C = (1 / N) (1 + CV^2)$$

where CV = coefficient of variation and N = 100.

If power were divided equally between the Top 100 companies in either France or Britain, then C would equal 0.01 – the reciprocal of the number of firms in the sample. The more unequally power is distributed, the higher C becomes.

Table 2
Distribution of Power Amongst Directors of Top 100 Companies in France and Britain in 1998

Corporate Power Shares by Ranked Groups	France (%) N = 1,241	Britain (%) N = 1,031
Directors 1-50	29.30	24.89
Directors 51-100	15.11	12.13
Directors 101-150	11.07	9.13
Directors 151-200	7.78	8.03
Directors 201-250	5.82	6.56
Directors 251-300	4.98	5.55
Directors 301-350	4.23	4.92
Directors 351-400	3.43	4.43
Directors 401-450	2.94	3.85
Directors 451-500	2.34	3.48
Top 100 Directors	44.41	37.02
Top 200 Directors	63.26	54.18
Top 500 Directors	87.00	82.97
Gini Coefficient*	0.645	0.514

*The Gini coefficient is a commonly used measure of inequality, where 0 = perfect equality and 1 = perfect inequality.

Table 3
Distribution by Director Type of 100 Most Powerful Directors
in France and Britain in 1998 and 2003

Type of Director	France		Britain	
	1998	**2003**	**1998**	**2003**
Multiple Directorships				
1 Chairman & CEO + NED*	33	28	2	1
2 CEO + NED	6	4	15	11
3 Executive Chairman + NED	0	0	17	12
4 Executive Director + NED	16	13	14	11
5 Non-executive Chairman + NED	5	4	15	12
6 Serial NED	14	26	0	25
Single Directorships				
7 Chairman & CEO	14	4	3	0
8 CEO	6	1	27	6
9 Executive Chairman	2	0	7	1
10 Executive Director	4	1	0	0
11 Non-executive Chairman	0	1	0	2
12 NED	0	6	0	8
Retired or Deceased	-	12	-	11

*NED = Non-executive Director

Table 4
Corporate Networking Characteristics of French and British Top 100 Company
Directors in 1998 (mean number of main board directorships held)

Directorships	France		Britain	
	100 Most Powerful Directors	Remainder of Sample (N = 1,141)	100 Most Powerful Directors	Remainder of Sample (N = 931)
Top 100 Companies Only	2.73	1.09	1.86	1.19
All Company Directorships	3.75	1.76	2.62	1.83

Table 5
Extended Networking Characteristics of French and British Top 100
Company Directors, 1994-2003*

Governing Body or Commission Membership in Decade	France (%)		Britain (%)	
	100 Most Powerful Directors	Remainder of Sample (N = 1,060)	100 Most Powerful Directors	Remainder of Sample (N = 845)
Charitable Foundation	29.0	13.2	47.0	15.9
Public Body	80.0	31.6	64.0	21.8
Business Association	93.0	36.3	71.0	22.7
Educational Institution	44.0	19.7	57.0	17.3
Cultural Institution (including sports)	21.0	9.9	30.0	10.4

*Extended networking data are available for 1,160 of 1,241 French affiliated and 945 of 1,031 British affiliated directors. Within each category, a positive value for membership is recorded for holding one or more board or equivalent positions at any time during the decade.

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