

# Capital Theory and the Dynamics of Elite Business Networks in Britain and France

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## Abstract

The article explores capital theory, examining the typology of forms of capital possessed by elite directors, and drawing in particular on the writings of Pierre Bourdieu. We are particularly interested in questions relating to the reproduction and regeneration of business elites. How do business elites reproduce and regenerate themselves, despite the fact that their membership is constantly changing? What qualifies someone for membership of an elite business group, and how do newcomers gain acceptance? We focus here on some of the 'newcomers' who participated in our study of French and British business elites (1998-2003), interviews with whom allow us to interpret the experience of those who have gained admission to elite business groups. We find that culture plays a critical role, imposing discipline and compliance to the rules of the organisational game, as individuals act along pre-ordained lines laid down by 'habitus'. Our research points overwhelmingly to the power of cultural reproduction among business elites, despite the admission of newcomers to the boards of the leading companies of Britain and France, or of *nouveaux riches* into 'old guard' elite communities.

## Introduction

‘Capital’, wrote Pierre Bourdieu, ‘represents a power over the field... The kinds of capital, like aces in a game of cards, are powers that define the chances of profit in a particular field...’ (1985: 724). For Bourdieu (1986b), capital is a generalised resource, which may be monetary or non-monetary in form, tangible or intangible. The four aces in the pack of cards to which Bourdieu refers are economic, cultural, social and symbolic capital (1986b). The power that these afford, however, is not stable and static; capital formation is an on-going, dynamic process, subject to accumulation or attrition. Like a game of cards, the hand which players are dealt must still be played – with greater or lesser skill, and to greater or lesser effect. Some individuals are endowed with significantly better life chances than others; though the patterns of social class formation are looser in present times than in the past, economic class divisions continue to exercise a considerable impact on life chances (Scott 2002). That said, none of this is entirely deterministic. Human agency and responsibility continue to matter – career success is not preordained; though successful people still use their allotted capital to best effect, as Laird (2006) amply demonstrates. One condition of success, however, according to Bourdieu (1991), for all those who are privileged to play is investment in the game itself, a recognition that the game, a priori, is worth playing. This unspoken contract unites all participants, fundamentally committed to and respectful of the game and its stakes.

The purpose of this article is twofold. On the one hand, it explores capital theory, studying the typology of forms of capital possessed by elite directors, drawing in particular on the work of Pierre Bourdieu. On the other, it examines the dynamics of elite

business networking by directors in Britain and France. Bourdieu's ideas on capital theory are brought to life by empirical data from a comparative study on business elites in both countries. We are particularly interested in questions related to the reproduction and regeneration of business elites. How do business elites reproduce and regenerate themselves, in spite of the fact that their membership is constantly changing? What qualifies someone for membership of an elite business group, and how do newcomers gain acceptance? How does an ambitious individual acquire and display the capabilities and behavioural characteristics that mark him or her out as suitable material for recruitment? We focus here on some of the newcomers who were part of our study of French and British business elites (1998-2003), interviews with whom shed light on the experience of those who have gained admission to elite business groups. Elite organisation and networking remain very different in the two countries. Our research points overwhelmingly to the strength of cultural reproduction among business elites, including at board level, despite the regular admission of newcomers to the boards of the leading companies of Britain and France, or of *nouveaux riches* into the 'old guard' business elite communities.

### The Research

The research on which this article is based stems from a longitudinal, cross-nationally comparative study on business elites and corporate governance in Britain and France (Maclean et al. 2006; 2007). The project has been conducted by the authors since 1999, and consists of four related sub-projects: first, a study of the institutional histories of the top 100 companies in 1998 in France and the UK respectively; second, a

prosopographical study or ‘collective biography’ of 2,291 directors of the top 100 French and UK companies, examining their education, qualifications, careers, networks, roles and responsibilities; third, an in-depth study of the social backgrounds and accomplishments of the top 100 most powerful directors in France and the UK respectively, the ‘super elite’, analysing their social origins and career trajectories; and fourth, a study of the social reality of business elites based upon a set of semi-structured interviews with past and present business leaders in France and the UK. A ‘census date’ of 1 January 1998 was selected to ascertain organisational and individual membership of the corporate elites of France and the UK. The study period covers the years 1998 to 2003 inclusive: a length of time considered sufficiently long to reveal patterns and trends, but sufficiently short to constitute a distinct historical period. Data were gathered from a wide range of publicly available sources on each of the directors identified as belonging to the business elites of France and the UK in 1998, including annual reports and accounts of French and UK companies for the years 1997 to 2004 inclusive, Datamonitor company reports, *Le Guide des Etats Majors des Grandes Entreprises* for 1998-2004 inclusive, *Who’s Who* in France and the UK, and Hemscott Company Guru Academic director profiles.

### Bourdieu’s Concept of Capital

Bourdieu’s concept of capital is intimately related to his concept of field (*champ*), defined by DiMaggio and Powell as a ‘totality of relevant actors’ (1991: 65) which together comprise ‘a recognized area of institutional life’ (1991: 64). Bourdieu depicts modern society as highly differentiated and stratified, marked by specialisation and the

progressive splitting of fields into sub-fields, resulting in an order distinguished by a complex configuration 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). Fields are characterised by an on-going struggle for capital, as struggles over access or stakes ensue within structured systems of social relations (Oakes et al. 1998; Wacquant, 1989). Stratification arises in fields because actors possess different amounts of capital. In the UK, for example, general practitioners have arguably enjoyed greater success in their struggle for resources than schoolteachers, faced with recent government reform agendas, for reasons which have to do with their respective locations in the field of professions (Loughlin and Broadbent 1996).

Domination within any field or sub-field is contingent on possessing the right quantities and combinations of economic, cultural, social and symbolic capital. At the same time, homologies exist between fields that lead dominant actors to share similar dispositions across domains, so that structurally equivalent actors may be substitutable to a degree (Anheier et al. 1995; Bourdieu 1986a). Members of the elite within any field are capital rich, and can apply this in a variety of ways to maintain their dominant position. In this way, they reap the rewards of capital accumulation, control, legitimacy and distinction.

**[Insert Figure 1 about here.]**

To some extent, the various types of capital – economic, cultural, social and symbolic (see Figure 1) – are transmutable, though they differ in their liquidity: the extent to which they may be converted into other types of capital, as well as the extent to which they are prone to erosion or inflation. Economic capital, for example, may be used to purchase cultural capital, in the form of an education at a prestigious establishment, while educational credentials in the form of qualifications may be converted in turn into a lucrative appointment. As Bourdieu explains, ‘the volume of cultural capital...determines the aggregate chances of profit in all games in which cultural capital is effective, thereby helping to determine positions in the social space’ (1985: 724). The conversion of economic to cultural capital, however, cannot be taken for granted. The *nouveaux riches* are often rich in economic capital, but lacking in cultural capital (Anheier et al. 1995; Crook, 1999). As one interviewee, who came from a ‘very poor’ background, lamented, this deficit is not necessarily something which can be made up retrospectively:

I think I was better prepared as a 17-year-old coming from that background than any public school kid, who doesn’t figure it out until he’s 25. What you don’t have is the education. The thing I most regret is that I was never given a French lesson. If I could speak four or five languages... the opportunities are so great. I’m lucky that I’m in the television business, which is predominantly English, but I have friends who can speak four or five languages in any accent, and it is a huge advantage.<sup>1</sup>

The elite member concerned pulled himself up by the bootstraps to become the founder of a leading international entertainment company, accumulating considerable wealth, and the trappings of wealth, in the process (the interview was held at a gentleman's club). He makes an important point when he highlights the importance of language: power and domination are linked to language (Oakes et al. 1998). That linguistic capital, the way one speaks, is inseparably bound up with economic capital is something of which Bourdieu, hailing from southwestern France with its pronounced, provincial accent, was fully aware (1977b). Bourdieu (1991) warns us to be wary of language and the power of words, recognising that whilst words may be ostensibly neutral in themselves, they are nevertheless used for symbolic profit. However, words do not reflect reality; rather, they are bound up with ritual, culture, convention, and hence class, and are instead 'an agreed way of speaking and carrying out activities' (Oakes et al. 1998: 257).

Cultural capital, in the form, say, of attendance at a good school, converts relatively easily into social capital, as scholarship children attending elite British public schools might appreciate – including one interviewee, who at age ten won a scholarship to Bromsgrove School, and later a Royal Navy scholarship to University College London. This interviewee went on to enjoy an illustrious career in law and business, heading a national business association, and subsequently attracting multiple, lucrative directorships. He believes Britain has become more of a meritocracy than previously, claiming: 'I am very proud of Britain in rising to the top. It has become less of a "who you know" and more of a meritocracy. It matters not where you went to school, it really does not matter as long as you are good enough'.<sup>2</sup> Belief in the meritocracy confirms and

credits individual success, a point stressed by Laird (2006: 11): ‘Biographies of the successful...follow this pattern, replete with details of social factors, but crediting individual factors nonetheless’. This strikes a chord with France, a nation ostensibly built on a meritocracy, having rid itself more than two centuries ago of a hated monarchy and aristocracy.

To credit individual agency without taking full account of social and family factors, however, amounts to misrecognition (Bourdieu 1986a; 1996; Bubolz 2001). Many of our French interviewees stressed the humble nature of their origins, described on occasion as ‘très modeste’; on enquiring further, these regularly emerged as less lowly. In one interview, a ‘very modest’ background turned out to imply a father who headed a company, and a mother who owned a vineyard and ran an agricultural business.<sup>3</sup> In fact, our study of the social backgrounds of French directors found these to be drawn proportionately more from the upper and upper-middle classes than the British cohort, with 76.59 per cent of French directors belonging to these categories, as against 63.74 of British directors. Just over 4 per cent of French directors came from the lower classes, compared to almost 11 per cent of British directors (Maclean et al. 2006). It is extremely rare to find, in the pages of *Who’s Who in France*, a company director whose father is described as working class (*ouvrier*).

At interview, however, some French business leaders struck an overt populist tone, one director of a leading cosmetics company explaining that his passion was football, though he also played polo: ‘I play football, which is the most popular sport. And I play polo which is the most elitist’.<sup>4</sup> While social class patterns are more indeterminate than in the past, as noted, Bourdieu nevertheless describes this type of



dichotomy as a ‘condescension strategy’, occurring when ‘the person “naturally” associated with a Rolls Royce, a top hat or golf... takes the metro, sports a flat cap...or plays football’ (1986a: 472), thereby focusing attention on the gap between the two activities.

Symbolic capital, in the form of titles and reputation, is arguably less liquid and harder to acquire than cultural capital. This point was highlighted in the UK by the ‘cash for honours’ scandal, which blighted Tony Blair’s final year as premier, allegedly proposing an exchange of economic for symbolic capital, circumventing in the process the conventional channels of capital accumulation and conversion. Distinction, however, requires legitimacy in order to have power (Bourdieu 1986a; 1994). The affair emphasises the importance of the appearance of disinterestedness. Symbolic capital demands subtlety as part of the *modus operandi* of capital conversion: the link between alleged loans to political parties and proposed peerages was arguably too evident. A strategy, to be effective, should appear to be ‘on the hither side of all calculation’ (Bourdieu 1977a: 214; Swartz 1997: 70). The affair also sheds light on one of the key differences between senior elite members and newcomers or challengers. In Britain and also, to a lesser extent, in France, the honours system has the special function of legitimising the right of the elite to rule.<sup>5</sup> Symbolic power works primarily through a mechanism of naming and categorisation (Oakes et al. 1998). Challengers to the ‘old guard’, like the *nouveaux riches* of the Victorian and Edwardian eras (Crook 1999), may lack (and therefore crave) the symbolic capital, in the form of titles and honours, which would cement, confirm and authenticate their arrival among the ‘true’ elite.

One feature which may distinguish the ‘new elite’ from the ‘old guard’ is the potential capacity for the former to exercise greater reflexivity. Lacking the ‘unselfconscious belonging of those born to wealth, cultural pedigree and elite accents’ (Calhoun and Wacquant 2002: 2), they have greater opportunity for, and arguably need of, more self-conscious reflection on the practices of business elites (Bourdieu 1977a; 1990a; 1990b; Bourdieu and Wacquant 1992). This is important in acquiring and demonstrating the personal dispositions and behaviours needed to function effectively alongside others in a strategic leadership role. Cultural practices are essentially reflective of deep-rooted class distinctions, while lifestyles give practical expression to the symbolic dimension of class identity. A practice approach therefore suggests paying close attention to accents, gestures, expressions and habits normally acquired unconsciously through being immersed in a community or environment (Chia and MacKay 2007). Such self-awareness is exhibited by one French CEO, who speaks poignantly of how the military uniform worn at the elite *grande école* where he studied, Ecole Polytechnique, helped to iron out the sense of difference he felt as a southerner:

I remember that in my younger days, wearing the school’s uniform meant a lot to me. For the young man coming from Nice (in the South of France) that I was, it was a way to erase all the differences that existed between students coming up from the provinces and those brought up in the prestigious Parisian preparatory courses, such as the Lycée Louis-le-Grand.<sup>6</sup>

Of course, much of human behaviour is the product not of conscious decisions, but of ‘habitus’, the ingrained and socially constituted dispositions of social classes that lead actors to make choices and decisions that reproduce existing social structures and status distinctions. ‘Habitus’ is defined by Bourdieu as ‘structured structures predisposed to function as structuring structures, that is, as principles which generate and organize practices and representations’ (1990a: 53). It is the means by which life chances are ‘internalized and converted into a disposition’ (Bourdieu 1986a: 170), and is thus primarily a mechanism for social reproduction. Habitus serves as a binding force between various fractions within a class, leading to common though not orchestrated action on the basis of categories of ‘perception and appreciation’ (Bourdieu 1986a: 171). In this way, it reconciles the co-existence of subjective and objective conditions within society.

The objective conditions of existence include the consumption of goods, which may be valued more for their social meaning than for their functional use (Solomon 1983). A reflexive practice, therefore, is not just a mode of being-in-the world but includes a relationship with products and things – emblems, and lesser emblems, of distinction – indicative of choices and preferences. Le Wita (1994: 141) argues that ‘trivia ... have a particular function, namely to create distinction’, a view shared by Bourdieu: ‘Taste’, he points out, ‘classifies, and it classifies the classifier’ (1986a: 6). Tastes originate not from internally generated artistic preferences, but from the socially conditioning effect of habitus and the availability of economic and cultural capital. Ultimately, in Bourdieu’s view, the exercise of taste confirms the right to rule. The practical value of Bourdieu’s thinking thus stems from the insight that those who advance in society into elite positions do so both by consciously acquiring personal capital

(qualifications, experience, connections and goods) and by unconsciously assimilating knowledge and dispositions through habitus.

Ambitious newcomers arguably require, therefore, as suggested, greater self-consciousness in their efforts to acquire a ‘feel for the game’ in their new environment. One elite member, who claimed to come from humble origins, explained at interview, in minute detail, how he painstakingly acquired the dispositions necessary for membership of an elite business group. He did so by closely observing his father-in-law, a member of minor Scottish aristocracy, copying his habits and practices, paying acute attention to details, from the cutlery he used to the wine he ordered, to the pursuits of shooting and golf in which he engaged. He recognised the importance of speech – as he put it, ‘the Scots are “pigeon-hole people”’: because I didn’t have a Scottish accent they didn’t know that I was not well born’ – and strove to emulate the accent of the class into which he was marrying.<sup>7</sup>

Reflexive practice arguably includes marriage, viewed by Bourdieu (1972) as a strategy, fundamental to the perpetuation (or in the above case acquisition) of economic power on the part of business elites, though at times functioning more subconsciously than consciously. Hall and de Bettignies (1968), who established the occupations of fathers-in-law of their sample of French business leaders, found that marriage in the 1960s was very much an ‘intra-class affair’, with 75 per cent of their sample having wives belonging to the same social class. Our own research confirms the popularity of marriage amongst contemporary business elites, with almost all of the top 100 super elite in both countries having married, and just two elite directors from each cohort remaining single. The mean number of children of top 100 French and British directors was 2.9 and

2.4 respectively, above the national average in both cases. The impression of conventionality and family stability is reinforced by a lower than average divorce rate of just seven per cent among top French directors and 11 per cent among the British. In both countries nearly all the divorcees married again. The implication is that the symbols and rituals of married life – emphasising constancy, reliability and a belief in family values – are seen in themselves to bear witness to the fitness of a person to hold high office in business; as one leading British CEO expressed it: ‘I’m married with three children and am dog-thoroughly boring’.<sup>8</sup>

### The Power of Social Capital

One of the most important ‘aces’ in the game is social capital, defined as the resources that inhere in the structure of relationships between actors (Bourdieu 1986b; Coleman 1988; Burt 1992; 1997; Burt et al. 2000; Oh et al. 2004), or the ‘sum of the actual and potential resources that can be mobilized through membership in social networks of actors and organizations’ (Anheier et al. 1995: 862).

It is social capital that determines who advances in business and who does not (Finkelstein et al. 2007: 112-120). The distinction between membership and non-membership, inclusion and exclusion, is critical (Bourdieu 1986a: 476). Discrimination, Laird insists, is two-way, pulling in and pushing out, such that no one makes it entirely on his or her own: ‘what the rare rags-to-riches story and *all* success stories prove is another rule, one to which there is no exception: that of the necessity for connections and connectability – the rule of social capital’ (2006: 1-2). Even Andrew Carnegie, perhaps the most celebrated American rags-to-riches story, would not have enjoyed such

prodigious success, she argues, without the invaluable assistance provided at the start of his career first by his uncle and then by his mentor, Tom Scott. Laird shows how this applies equally to the other ostensibly ‘self-made’ men included in her investigation, such as Benjamin Franklin, Bill Gates, J.P. Morgan and Thomas Mellon, pinpointing the social connections – the networks, mentors, role models and gatekeepers – that helped them to climb the ladder.

Many elite members who participated in this study illustrated the potency of social capital from their own, individual perspectives. One interviewee, the Chairman and non-executive director of several public limited companies, including a major international bank, spoke candidly at interview of the individuals who had facilitated his success, acting as beacons of his career. These included Sir William Hayter, Warden of New College, Oxford, who urged him not to go into the Foreign Office, and later Jimmy Goldsmith, described as an ‘unconventional thinker’ and a ‘brilliant gambler’, who taught him ‘to think outside the box’.<sup>9</sup> Another interviewee, who rose to head the European operation of a global IT company, attributed his success first to the foresight of his working-class parents in sending him to university – ‘My father was a porter and my mother was a waitress. To the great credit of my parents, they believed their children should go to university... and their attitude was very much that you could achieve what you wanted to’ – and second to his closest friend at university, with whom he formed a company, selling up in the early 1990s for a sum that meant neither of them would ever need to work again.<sup>10</sup> Another, unable, as he put it, ‘with my sort of background to get in the front door to the BBC’, or any of the major studios, required the connections of his father-in-law to find a way into television.<sup>11</sup> Yet another, who won a scholarship to

independent school, spoke warmly of the help given him by his primary school headmaster:

A headmaster at my state primary school, who clearly thought his job was to equip you for life, not just for exams, started me on this road of enormous love for history and our role in the world. He used to say to me, at age seven or eight, never be frightened of asking why, and never pretend that you know when you don't. I can remember him standing there and saying so. I have never forgotten him. He put me through three exams for a scholarship when I was ten and a half, one was for the local grammar school, the second one was for King Edward School, and the third one was for Bromsgrove School. I got them all.<sup>12</sup>

### The Dynamics of Elite Business Networking in Britain and France

Few studies of the ties that bind elite business members (Palmer et al. 1986) are cross-national and comparative (Hughes et al. 1977; Useem 1982; Scott 1991; Burt et al. 2000; Maclean et al., 2006). One key insight gleaned from the present study is the finding that elite networking by directors is achieved very differently in France and the UK. While the ties that bind the French business elite tend to be institutional and strong, sustained and supported by the state, those that unite the business elite in Britain are in part social in nature and tend to be relatively weak. In this they conform more closely to Granovetter's notion of weak ties (1973) than the tightly networked French business system. The French cohort displays a propensity towards more endogenous ties, while their British counterparts appear more willing to engage in more diverse, heterogeneous

relationships. In France, networking is found to be an institutional feature, systemically embedded, whereas in the UK the onus is not on institutions but on individuals. The latter is more haphazard, relying largely on the social ambition and networking skills of aspiring individuals, often through sport or arts charities.

In fact, our research found that British directors were almost twice as likely to be involved with sports or arts institutions, displaying a participation rate of 28 per cent as against 15 per cent for the French group. Elite British directors are also more than four times as likely to engage in charitable work as French directors (Maclean et al. 2006). One interviewee, indeed, who grew up on a tough housing estate in West Yorkshire, and was given his first pair of shoes by a charity, points to the importance of knowing what it feels like to be the beneficiary of charity, a rarity among elite directors: ‘I’d rather take a child and teach them something; don’t give the third world money, give them help’.<sup>13</sup> By contrast, French directors were more likely to serve on the boards of business associations, which tend to attract similar types of individual. One interviewee, the Human Resource Director for Europe of a world leader in industrial gases, explained how he had developed together with four colleagues a network of 15-20 international human resource directors across Paris, called the HR Exchange.<sup>14</sup>

Strong ties, as Granovetter (1973) observed, are more likely to induce conformity, exposing participants to richer but less diverse information. The French cohort displays a propensity towards more endogenous ties, corresponding in this way to a ‘bonding’ social capital perspective. French business, political and administrative elites share a common education, fostering local cohesion (Kadushin 1995; Maclean 2002; Maclean et al. 2006). They are helped in this by the compact size of the French business elite, facilitating



relationships amongst them. The numbers graduating each year from an elite *grande école* such as Polytechnique, for example, are far smaller than those that graduate each year from Oxford or Cambridge. British directors, on the other hand, appear more willing to engage in more diverse relationships with a variety of external constituencies, more typical of ‘bridging’ social capital (Adler and Kwon 2002; Burt 1992; 1997; Geletkanycz and Hambrick 1997). Such relationships are more likely to bridge ‘structural holes’, defined by Burt as the ‘disconnections between nonredundant contacts in a network’ (1997: 339). One French CEO of a leading international financial company, who lives and works in both Paris and London, stressed the importance to British business elites of a social life, in contrast to which French elites value their privacy:

People in the UK find a social life is very important to them. In France people feel that private life is private life. Of course, there are those who break the rule, but even the CEOs of big companies like to have a private life. When you’re not working you go to the movies or a restaurant and don’t have your weekend interrupted by a business relation.<sup>15</sup>

The state-sponsored nature of networking among the French business elite was amply illustrated by the same CEO, who spoke openly at interview of useful relationships gleaned from his days at the Ecole Nationale d’Administration (ENA), a leading *grande école*, which later revolved around the Ministry of Finance and the Treasury, forming a cohesive subgroup of relations:

To be frank, it is more a subset, because the classes at ENA consisted of around 140 people. Some people go to the Foreign Office and some to the Health Ministry. You may know them personally, but you don't have business directly with them. So the subset was more being able to go to the Minister of Finance at the Treasury and meet people there, and the Treasury is traditionally (as I believe in the UK) a very active part of the Finance Ministry. At that time, people didn't stay in the Treasury for life. After civil service school you would stay in the Ministry of Finance for six or seven years, so repaying your debt for studies to the French State. Then people would stay in the Treasury for 10 to 15 years.... The CEO of Suez was in the Treasury. The CEO of Renault was in the Budget and Ministry of Finance at the time. The Head of the French Banking Federation was at the French Treasury at the same time as me. This must have been around 1974... I suppose I have a kind of network in the world. Knowing people makes it easier to deal with people, because knowing them personally means I can call them.<sup>16</sup>

Our research found that 49 per cent of elite French directors in 1998 had moved from the public to the private sector, beginning their career, as this CEO did, working for the state. Indeed, the *grandes écoles* in France have a state-serving ethos, several of them having been established in revolutionary times, or later under Napoleon, specifically to provide the trained elite administrators and teachers needed to serve the state. This notion of the state as a sponsor and facilitator of elite ties is not encountered in the UK (Bauer and Bertin-Mourot 1996). Just 3 per cent of top British directors began their careers in the

public sector (Maclean et al. 2006). Like the prestigious *grandes écoles*, the *grands corps*, the pinnacle of France's civil service elite, foster an *esprit de caste*, resembling forms of extended family, freemasonry or 'placement bureaux' (Barsoux and Lawrence 1990; Marceau 1989; Suleiman 1978: 197). The *grands corps* consecrate social identities that are both in competition and complementary, such that, despite the rivalry that exists between individual *corps*, all *corpsards* are 'united by a genuine organic solidarity' (Bourdieu 1994: 142).

In his study of the French financial elite in the early 1990s, Kadushin (1995) found that elite members serving as directors on multiple boards were more likely to have attended the 'right' schools, and to be members of the 'right' clubs. Such schools and clubs, often endowed with a political dimension, function as policy circles, and come to serve as 'proxies' for membership of the upper social classes. Elite clubs frequented by leading French directors in our study include the Association du Siècle, Maxim's Business Club, the Racing Club of Paris, Polo de Paris, the Cercle du Bois de Boulogne, Entreprise et Cité and the Club des 100. What this commonality of membership gives elite French directors above all is a high degree of 'enforceable trust' (Kadushin 1995: 219). As Portes and Sensenbrenner explain, this is the means by which 'social capital is generated by individual members' disciplined compliance with group expectations'. In this it resembles reciprocity exchanges, except that 'the actor's behaviour is not oriented to a particular other but to the web of social networks of the entire community' (1993: 1325). Trust therefore serves as an 'expectational asset' (Knez and Camerer 1994), cementing relationships and building confident expectations regarding the future, inducing optimism among the business elite (De Carolis and Saporito 2006).

Meanwhile, more than half of Britain's top 100 directors in 1998, 54 in all, belonged to a London club, many located in and around Pall Mall, including the Athenaeum, Brooks's and the RAC. Many more were members of elite sport clubs, with golf the most popular sporting club to join, one fifth of the British super elite being members of a golf club. This is in stark contrast to French directors. As one French CEO put it: 'The only thing you might get in France is tennis'. In declining invitations from British elites to go hunting or fishing, this particular CEO felt quite clearly that he had missed a connection: 'I've been invited to go shooting, but say, "No, I don't know how to shoot", and you see very clearly that you've missed some connection. It's the same with fishing'.<sup>17</sup> From the personal accounts of top executives interviewed as part of our study, it is difficult to overestimate the importance of sport in the British context. One British CEO (whose father worked as a school janitor) cited sport as one of the main reasons why he had risen so swiftly up the corporate ladder, telling of a cricket match he had played in at the start of his career, when his company's cricket team had thrashed that of a leading high street bank:

We sat down in the changing room afterwards and we suddenly realised that we had 10 internationals, nine full county players, and six blues. I'd only been in the company six months and saw what a company I'd joined. Ever since that day I've always known that it wouldn't matter what challenge was set. I could turn out an orchestra tomorrow, a football team, a rugby team, a cricket team, and we'd take anybody on.<sup>18</sup>

For ambitious British executives, sport serves as a proving ground, a means of building personal confidence. It provides a mechanism for social bonding and the development of solidarity between individuals. And, perhaps most tellingly of all, it is an enduring source of personal distinction. The popularity of exclusive clubs, sporting and social, among the British super elite underlines the social nature of many of the ties that enable the British super elite to connect. Major sporting events such as tennis at Wimbledon, racing at Ascot, the Henley regatta and sailing at Cowes provide likewise symbolically loaded opportunities for elite networking.

### Discussion and Conclusions

The notion that membership of a social institution or institutions can serve unconsciously to form the potentialities of an individual actor is an important one, implying that the life chances of individuals are forged uniquely, and in no small way, through their membership of a series of institutions, of which family, educational institutions, and corporate and professional organisations and associations are among the most fundamental. Boards also serve as structuring structures for the power elite of corporate capitalism, being essentially small, elite communities which function in accordance with established norms and cultural practices, requiring conformity of behaviour from the individuals who serve on them. In France, the state arguably serves as a further structuring structure, though this does not apply to anywhere near the same degree in the UK (Bauer and Bertin-Mouroit 1996). It is by getting the most out of membership of families, educational institutions and corporate and professional organisations that

individuals add to their stock of capital, and position themselves for recruitment into the corporate elite (Bubolz 2001).

It is also clear from our research that in both Britain and France there is a strong tendency towards cultural reproduction, inducing continuity without preventing change. We have been struck continually by the power of cultural reproduction in organisations, the reassertion of social and cultural patterns, often in the face of apparent change. Culture is the product and assimilation of lived experience, imposing discipline and compliance to the rules of the organisational game. It is manifest in, and generated by, practice. Change, on the other hand, may be misrecognised and exaggerated, partly because it is typically superficial, not structural. This chimes with the explanation offered by Bourdieu (1986a), who argues that the deep-rooted and socially constructed dispositions of classes induce actors to make choices and decisions which reinforce in turn pre-existing social structures and status distinctions. A board is also a culture in its own right, whose practices are internalised by board members, created by habitus and manifest of it. Through the recognition of signs and symbols, visual and verbal clues, individuals tend to act along pre-ordained lines laid down by habitus, which serve as an economising device or ‘shorthand’.

Habitus is assumed most wholly when one is born to a particular environment: ‘to know is to be born with’ (*connaître, c’est naître avec*). It follows that to be accepted by the elite as one of its own can only happen ‘by birth or by a slow process of co-option and initiation which is equivalent to a second birth’ (Bourdieu 1990a: 67-68). Newcomers who succeed in advancing their fortunes and legitimacy, of which we have highlighted several examples in this article, typically seek to embrace – at times

painstakingly, at others unawares – the social and cultural practices of the established elite into which they desire to become integrated. To gain acceptance requires that they display internalised behaviours that define them as boardroom material. This goes beyond a ‘state of mind’ to embrace a ‘state of the body’, to a greater or lesser degree of ‘unawareness’, since, as Bourdieu puts it: ‘It is because agents never know completely what they are doing that what they do has more sense than they know’ (1990a: 67-69). For such newcomers, acceptance as authentic members of the business elite constitutes the ultimate prize.

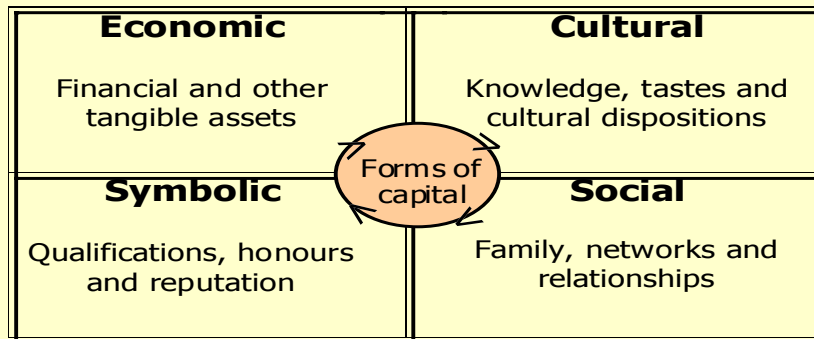
The dominant culture of the US, according to Laird (2006), has sought to render class less visible, its principal manifestations attributed to individual achievement alone. The US prefers to see itself as a meritocracy, thereby overlooking the powerful part played by social capital, of which class is a key determinant. The former British Prime Minister, Margaret Thatcher, once famously said that there was ‘no such thing as society, only individuals’; and individual agency and responsibility undeniably play a critical role. Yet to credit individual agency without fully acknowledging social and family factors is tantamount to misrecognition (Bourdieu 1986a; 1996; Bubolz 2001). As Laird points out (2006), there is a sense in which self-made business success, *stricto sensu*, is ultimately impossible. The point to emphasise here is that, as our interview data suggests, actors are positioned in a ‘topography’ of social relations, occupying ‘positions of possibility’ which are not permanent, but which are instead reflective of underlying power relations determined by their particular allocation or acquisition of economic, social, cultural and symbolic capital (Anheier et al. 1995: 859; Bourdieu 1990a; Oakes et al. 1998: 260). Amongst these capital assets, connections and connectability, mentoring and networking,

arguably provide a *sine qua non* for individual advancement and admission into elite business groups.

This is not to imply, however, that we are headed for international convergence. As we have demonstrated, elite organisation and networking are still very different in both countries. Our research points overwhelmingly not to convergence, but rather to continuing diversity among national business systems, to the persistence of national distinctiveness and the strength of cultural reproduction. National business systems are, to a significant degree, self referring, supported and informed by pre-existing social structures, and possessing a coherence or cognitive similarity of organizing principles which restricts their capacity to adapt to new influences whilst not precluding change (Crouch 2005; Hall and Soskice 2001; Maclean and Harvey 2008; Schmidt 2003; Whitley 1999). In the context of the present article, our research has pointed, albeit tentatively, to British society being rather more open than French society. Opportunities for upward social mobility appear somewhat more in evidence in Britain than in France. While Britain is well known for extolling 'blue blood', and while France projects itself as a meritocracy, our research suggests that an individual's chances of ascending the social ladder through a career in business may be higher in the former.



Figure 1: Bourdieu's Concept of Capital



Source: Adapted from Maclean et al. 2006: 29.

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## Notes

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<sup>1</sup> Interview with Chairman of international entertainment company, 5 September 2003, London.

<sup>2</sup> Interview with business leader, 4 March 2004, Bristol.

<sup>3</sup> Interview with former Chairman and CEO, 3 January 2003, Paris.

<sup>4</sup> Interview with director of leading cosmetic company, 10 March 2003, Paris

<sup>5</sup> While the French do not possess name-changing honours like the British, they do award various categories of the *Légion d'honneur*, introduced by Napoleon, and the *Ordre national du Mérite*, introduced by de Gaulle.

<sup>6</sup> *McKinsey Quarterly* (1989) 3, 6.

<sup>7</sup> Interview with Chairman of international entertainment company, 5 September 2003, London.

<sup>8</sup> *Maclean's* (2003), 116, 9, 32.

<sup>9</sup> Interview with non-executive director of major international bank, 5 November 2003, Bristol.

<sup>10</sup> Interview with business leader, 24 April 2003, London.

<sup>11</sup> Interview with Chairman of international entertainment company, 5 September 2003, London.

<sup>12</sup> Interview with business leader, 4 March 2004, Bristol.

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<sup>13</sup> Interview with UK managing director of global IT company, 23 April 2004.

<sup>14</sup> Interview with director of leading industrial gases company, Paris, 26 May 2003.

<sup>15</sup> Interview with French CEO, 7 November 2003, London.

<sup>16</sup> Interview with French CEO, 7 November 2003, London.

<sup>17</sup> Interview with French CEO, 7 November 2003, London.

<sup>18</sup> Interview with UK managing director of global IT company, 23 April 2004.