Financial, Public and Regional Economics

Decision Background and Financial Institutions: for What Contemporary Theoretical Reorientation?

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Abstract: How financial institutions do they manage their interface with their decision-making context? What is the performance "social" beyond the simple economic and financial performance? How can we measure this performance "social"? This article focuses on the theoretical corpus contemporary necessary to understand the couple context decision / financial institutions. This is basically to contribute to the establishment of a comprehensive approach which captures applied with consistency, the conceptual opposition series (role and impact) of the decision context / financial institutions structures. Gradually, driven by the reality of change, the paper come to a Copernican revolution in the theory of relations between financial institutions and decision context. Standards for new perspectives on the role of the financial institutions, it is not the decision-making environment that revolves around the sun institutions. Note that this reversal was anticipated in 1965 by Emery and Trist in a prophetic article, but it is only recently that we began to theorize in this direction. The article finally understood that economic performance is insufficient to ensure the sustainability of the organisations, at least for him to avoid problems. We understand that in a multiple rationalities world, the issue of "social performance of the financial institutions" is wide open to uncertainty. Everything depends on the status that is given to the organization: simple machine to produce cash register for shareholders, human community service of another larger community?

Keywords: financial institutions; decision-making; performance "social"; decision context; economic performance

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1. Introduction

As its name suggests, this article focuses on the theoretical corpus contemporary necessary to understand the couple context decision/ financial institutions. This is basically to contribute to the establishment of a comprehensive approach which captures applied with consistency, the conceptual opposition series (role and impact) of the decision context/ financial institutions structures. By necessity, we use several readings which are foreign to the ordinary management literature. Some theoretical approaches that we examine have even developed without direct reference to management science. Is that we are trying to build a problem for

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which there is still no canonical texts. It is up to us to take our well where he is. Far from being a simple juxtaposition of disparate readings, this article is in fact organized coherently. Numerous theoretical approaches addressing this problem, some are already old, but still widely used. We need to know, as they still dominate the current literature. Other currents are emerging. We also need to know them, because they are the ones who serve us most in the theoretical proposed reorganization. Of course, it is only an overview of the relevant theoretical existing inventory. We will do our nest among the currents that attract us the most, without losing sight of how they differ from the current interest us less.

The real difficulty is that contemporary decision-making context is multifaceted and allows many different readings for university like the technocrat. Each reading is a theoretical approach entirely legitimate. The challenge is therefore to reconcile realism and parsimony. The sake of realism leads to descriptions close detail, focusing on the real, its peculiarities, its variety, its inconsistencies. We want to understand the complexity in the most concrete level; we want to explain by drawing on examples. The concern of parsimony leads us instead to limit our account of reality to the smallest possible number of concepts (called principle of “Occam's razor”, 1285-1347). We want to “do science” and we have articles to publish. Between these two extremes, extreme concrete and abstract extreme, the multiplicity of reality is open to all imaginable interpretations. That's why we have so many theories in this field. They all because somewhere, but they are all incomplete and somewhat unrealistic in the other. Our innovative research is to find a balance that works for us and allow us to provide the scientific community with an insight into the reality that is both new and arouses interest. How we navigate the abundance of theoretical approaches available? The recipe is to focus on two points: (1) the center of gravity of each stream studied, and (2) the potential of the current.

2. Theoretical Creativity and Hybridization

The classical currents are loaded with useful insights for our purposes, but they are less adapted to the realities of the interface financial institutions/ decision-making context. They were developed at a time when the decision context of financial institutions was easier today, at least a time when researchers considering this decision-making context a very reductionist way. Their scientific ideal was specific to the market economic approach sparingly: an object of analysis considered relatively homogeneous come natural given some explanatory variables, policy makers consistently driven by a maximizing rationality, financial institutions effectiveness considered the single variable to explain.

The decision context today is much more complex, and recognized as such. The actors are very different, they have powers deliberately neglected in economics, and they are carriers of values that guide them to multiple rationalities, breaking with the traditional economic rationality. Effectiveness research is not their sole purpose, and even when this is the case, they define very different and incompatible ways. They refuse to consider the cost-effectiveness, ethics and legitimacy as autonomous areas of investigation. In addition, the decision context is rapidly changing. It changes not only quantitatively (eg economic growth), but also, and most importantly, qualitatively, that is to say in its own structures (eg values, forms of power, the border between public and private, between business and decision context). Previously developed theories often poorly applied to today's concerns. This is the only real trend in administrative law science. When defining the problems otherwise, must other theories to explain them. The name of realism, it is important to provide an analytical framework that integrates the first change, and secondly all the ecological and ethical economic, social, political, that make the complexity of the interface financial institutions/ decision-making context.

How to get there? Conventional theoretical approaches provide us the necessary bases. It must be supplemented by new trends. These enrich our analysis frameworks in three ways: they clarify the gray areas of the classical theories, they draw unthinkable new perspectives in the academic world of partitioned once, and finally, they share a concern for interdisciplinary that is precisely one of our own objectives. They allow us to better capture the contemporary complexities. This enrichment is often the result of hybridization between related disciplines that have long ignored.

Thus, economic sociology attempts to explain economic phenomena with the tools of sociology, while institutional economics considering social facts with the concepts of economics. Philosophy burst the old models of instrumental rationality, which drags itself to new problems. Individualistic social psychology comes to the aid of holistic sociology, which in turn gives a contextual framework. The old dichotomy between structures and processes is resolved in the constructivist approach, whose roots into theology. The other old dichotomy between agency and context is a compromise in the theory of the structure. As to the theory of organizations, it is enriched by the contributions of political science and ethics approach by stakeholders (stakeholders), which opens the field to these disciplines often totally new for them now. Management is the notion of “social responsibility of business” which calls into question many ideas in management manuals. Last vying, the rising ideology of sustainable development and structural changes that cause its practice, invite to rethink the analysis received from the past for the sake of integration frameworks. This hybridization is therefore not due to chance. It arises from a real need to understand that our time.

3. The Joint Study

The study is organized in a logical manner. We begin to justify why we need a new epistemology to address this problem financial institutions/ decision-making context. Then, we try to understand the various approaches to the scientific object "decision context". We focus subsequently on the analysis of financial institutions torque/ decision-making context. The process is gradual. There are first presented any two classical approaches still in force. Are then introduced, several approaches emerging, which we consider particularly productive for our purposes. Thus, after testing our understanding of both applications, we are finalizing the article with a theoretical reconfiguration of financial institutions torque/ decision-making context.

First examine how a new epistemology emerges to study our problem, that multiple rationalities. The traditional financial institutions theories are usually based on a concept of rationality similar to that used by economics (think of the old "scientific organization of labor" Taylor and his descendants). This so-called "instrumental" rationality explains behavior by maximizing an "objective function" (that is to say a measurable satisfaction), or by minimizing costs to avoid (which analytically is the same). As stakeholders were considered as mere economic actors, incarnations of homo economicus among others (sellers or buyers maximizers), the model of instrumental rationality was adequate for the theory. For our purposes, however, this model has serious limitations. Maximizing the calculation does not in itself explain everything in behavior, except to extend the definition beyond the recognizable.

To picture how many Democrats among you would be willing to barter parliamentary democracy against tax cuts an effective dictatorship? Why do so many people they donate to Greenpeace or WWF to preserve species? One could certainly bring these species in an objective function of satisfaction, because they somehow "belong to us", or at least, they are neighbors. They enrich our quality of life, and by saving, perhaps every donor that he selfishly maximizes their individual welfare. This is what pretends a utilitarian economist said. How then to explain the gifts received from abroad to save these species, or the gesture of the people who send their money to preserve a species in a neighboring country that has virtually no "utility"? Why are appalled us the deplorable working conditions of children working in some Asian factories as they help keep the cost of the products they produce lower for us? Maybe some of us will rush to the local mall to enjoy it, but others hesitate, and some pure militate actively stop this exploitation. We are rational, irrational, or multi-rational?

Today, to be realistic, we must therefore consider the stakeholders in all decision-making context of their behavior, some of which do not respond readily to the classical rationality of maximizing a stable objective function. Many researchers have thus concluded that in many cases, the behavior of actors is explained less by exclusive reference to a calculation by maximizing the "good reasons" that gave these actors. The choice of actors could just as well be based on calculations (rationality called "instrumental") on "values" (rationality called "axiological"), habits, or rules of behavior regarded as legitimate, and often in spite their cost. The most common in scientific paradigms in management standard economic rationality will be our starting point. It will be criticized by the so-called "postmodern", "institutionalist" and contemporary "critical" approaches. The aim is to show that there are different ways of conceiving of rationality, and therefore theories that rely solely on the maximisatrice rationality are at best incomplete, and sometimes inaccurate, for our purposes. This postulate multiple rationalities however not unanimous and we see throughout the effects of this controversy on the available theoretical positions.

Then, we try to identify the object "decision context", one of the two elements of the financial institutions torque/ decision-making context that is the subject of this study. We chose three perspectives that seem useful for conceptualizing the interface we financial institutions/ decision-making context. For each, we offer a metaphor that sums up the meaning (the famous sake of parsimony). In the first perspective we see how economics treats the subject. Its center of gravity is efficiency. Logically, it addresses the decision context as a market, but as an imperfect market. We start from the neoclassical approach "Welfare Economics" (Economic welfare). Favorable market, it nevertheless considers that it is "imperfect" and suffers from "failures" (market failures) that cannot be corrected naturally. It justifies this by using the sociopolitical intrusion in the market, in the form of state intervention in charge to correct these failures. It is in these texts that we could approach the reasoning of classical economic type, which still occupies a central place in the study of economic decisions, whether public or private policy strategy. For many authors, the classic economic model, revised or not by the Welfare Economics, is unsurpassable. For others, it is the paradigm down. Among economists, both called "institutionalist" schools try to exceed approach Welfare Economics. Each recognizes its contribution to a better understanding of socio-political elements in the economy. However, both accuse her normative, prescribing roles for the state regardless of the reality in the Welfare Economics, when the market is malfunctioning, the state should simply be to avoid overflow because there no other recourse. Institutionalist approaches purport to offer a more sophisticated explanation of the socio-political presence in the economy. They are also more ambitious, as they extend their analysis to all institutions, not just the state. They are part of the same name ("institutionalist") as they seek both to explain the presence of economic institutions (rather than simple exchanges) in the decision-making context. Yet they are at loggerheads because they offer radically different explanations.

For reasons that we will see, we address these currents in the reverse order of their appearance. The first stream is the most recent. It is called “neo-institutionalist” (to differentiate it from the other, which is earlier, and he adopts the intuitions but rejects methods and political connotations). He comes from a triple parentage: the political philosophy of liberalism, classical microeconomics and “scientific method” (mathematically testable hypotheses). This trend dates back to the sixties. This explains the presence of socio-economic institutions by the fact that these institutions collectively offer cheaper alternatives to perform certain tasks that the multiplication of inter individual exchanges. It forms the basis of what some call the “neo-liberalism”.

The second stream is the oldest. It dates back to the late 19th century. Once called simply “institutional economics”, it now refers to the institutionalism “orthodox” or Old Institutionalism, to differentiate it from its neo-classical offspring. Policy more “social-democratic” (in contemporary terms) sensitivity, it is on him that was founded the New Deal in the United States in the 1930s. This current has long posed a competitor of neoclassical economics, which he blames his reductionism, because starting from the erroneous assumption that economic “social facts”, the institutions in particular, would be the simple result aggregation of individual economic calculations. He takes it for granted that the socio-economic reality is somewhat more complex. Eclectic, it borrows many social sciences, particularly sociology, political science and social psychology. His concern for realism led him to develop quite complex descriptive models, and reject the canonical scientific method, and in particular the mathematical modeling. The controversy between the two economic trends called “institutionalist” is often acrimonious. Each accuses the other of scientific quackery.

At this point of the article, we can already make a first observation. We sought to conceptualize the “decision context” object, limiting ourselves to a single discipline, economic science, a science that is more “scientific” than others. We would have thought to find some certainty. This is not the case. The field is across multiple controversies, where each object defines its own way, and in fact it follows an analysis that has deep differences with those of its competitors. If economists merely bring partial lighting (if partial) of our object, perhaps we find more serene truths in other disciplines? Do not dream, because of course it is not, and it will only get worse as and as we move forward in our theoretical journey. Take it otherwise, for example by adopting a more positive formulation: “Of course, there is nothing, and that's what makes this exciting product.” The second perspective that we have chosen is that of political science. Its center of gravity is power. It designs the decision context as a field of places of power. We will consider first the exercise of power as a game where the socio-political actors with very different interests pursuing their interests through specialized structures (the socio-political process). We then focus on the drivers of these game players, pressure groups, examining how they exercise their power. Rethink these theories when it comes time to study the stakeholders of the company (stakeholders). The third perspective is that of sociology said institutionalist. Logically, it defines the decision context as a network of institutions, that is to say, collective rules. There are other sociological approaches such as interactionist sociology, constructivist, structuralism, phenomenological, and many others who are fighting the truth. In sociology, the controversy may be more numerous, more abrasive, and more durable than elsewhere. We chose the institutionalist sociology because at this point in our study we believe it is the best alternative to oppose the two perspectives that we have seen.

We distinguish here three approaches, which are relatively well together because they complement each other. The first approach is that of economic sociology, which aims to explain the economic facts by the concepts of sociology. Warning, do not confuse with the approach of institutional economics that it applies to explain social facts by the concepts of the economy. The difference is not insignificant. These are two very different epistemologies that clash, that is to say, both theoretical and empirical own devices, sometimes difficult to reconcile, even incompatible. Economic sociology is rooted in sociology. Institutional economics is rooted in economics. One can hardly imagine a professor specializing in one can be engaged in the department of teacher specialized in the other that says it all. The second institutionalist approach does not particularly care about the economy. It clearly portrays the heart of sociology "sociologizing." Give him to simplify the name institutionalist approach, calling it perhaps "functionalist", to differentiate it from the other two. It was under this name that we find in the management literature. This approach considers that any human collective, market organization (public, private, non-profit advocacy group, network) is in any way an institution, or has a very high proportion of so-called institutional characteristics, and should be approached as tel. To explain the context, it is only specific concepts in sociology. It is even ready to give an explanation of the economic institutions to economic sociologists, if it makes them happy. It is this approach that is closest to the theory of the financial institutions. Some of its most prominent representatives are working elsewhere in the administration faculties (Department of Management). The third sociological approach attempts to explain the institutional contexts through a combination of sociological concepts borrowed from political science (power) concepts rather than the economy (efficiency). It is an integral part of current sociology, and would be considered marginal in the political science department. Give him the epithet here sociopolitical.

These three approaches are in fact largely complementary. Each share the same conceptual basis, fortified or not, sociology, and explores different aspects of the reality of institutions. A nice theoretical breakthrough here would achieve seamlessly integrate the contributions of these three trends in one. Our area would be the first to benefit. Notice that the first and third approaches are attempts hybridization, and no attempts to interdisciplinarity. They are made by sociologists that enrich their conceptual borrowing by some external directory disciplines but remain sociologists. These sociologists interdisciplinarity does not come, they do not seek to develop a common vocabulary between their discipline and those they are borrowing. In contrast, the second approach is Aboriginal. It builds on a long tradition in sociology, functionalism, and a once glorious but somewhat fallen out of favor since the 1970s, and the contemporary institutionalists have successfully revived by modernizing epistemology. Small focus: this brief overview shows that the term “institutionalist” is used in very different contexts, and the authors often do not address speech. There is no “institutionalist school” as such. There is only one discipline to another, a common interest in the explanation of the formation and functioning of institutions (that is to say collectively shared rules that allow the coordination of a decision context) rather for closer study objects such as productivity or divorce rates. Here the similarities end. Everything else is scientific controversy. Added to this is the fact that the term “institutional” is also commonly used to designate blurred realities of sub-societal level (institutional is what is established by the State or imposed by the management of the university, or which enjoyed a lasting notoriety).

Let's take a break and practice illustrates the concepts discussed so far by applying them to two phenomena. Both are crucial to the positioning of the financial institutions against their decision context. The first example concerns public regulation (all laws and regulations that apply to businesses). Even if the subject is conventionally considered as belonging to the economy, we see that regulation is a hybrid object. It is both economical (it seeks to influence the maximizing behavior of firms), political (it is imposed by the state and has its source in the law), and social (this is an institution that is based on rules and values of living together). Three explanatory approaches are proposed. The first (public interest) is based on the welfare economics, the second (private interests) on the new institutional economics, and the third (control systems) on the so-called orthodox institutional economics. Nothing new in these approaches. We are thus faced with three hardly compatible approaches to explain the same phenomenon: we are immersed in the socio-political. The first is the most logical, considering the fundamental assumptions of neoclassical economics. The second is the more cynical, and his posture is clearly anti-state (although some authors deny it). The third is more pragmatic, and its position is pro-state. We are therefore not in sub-particle physics is hard to imagine that the scientific results of physicists depend on their political beliefs (“the theory of relativity is it left or right?”). Yet this is the case in the social science of economics.

The second illustration concerns the concept of issues. A challenge for us will be a societal problem of increasing intensity requiring the attention of financial institutions. As it grows, then stabilizing, an issue often acquires the status of an institution (a problem arises a social pressure to settle, the state finally passed a law). To study this phenomenon apparently typical social, we will focus this time sociological approaches. However, we quickly discover that here too, appearances are deceiving. One issue involves players, so power struggles (political) around the allocation of resources (economic). Our goal is to understand how issues are constructed. To do this, logically enough, we use the so-called epistemology puzzle from our point of view (some say "constructivist", but we leave this term PDC psychology, to avoid confusion). It is somewhat new compared to some of the approaches we have studied so far, because it makes a great place for players. It allows us to address realistically the issues faced by financial institutions. This approach is "actionist", that is to say, based on the interaction between the work of actors and their performances. It assumes that reality is before "socially constructed." Whatever has been defined as such. What is problematic has also been defined as such. What is problematic has also been defined as such. This approach will teach us and a decision is not a problem as long as it has not been revealed and supported by stakeholders with sufficient social and media power to impose their view of social reality. We find this approach later when we discuss the topic of creative innovative organization's decision-making context. Nothing prevents the innovative organization indeed behave like any social actor to influence the construction of the issues that challenge based on its own interests, either alone or with others.

Three suggestions are emerging here. First, let's make sure we understand why this approach is particularly useful for studying complex processes where heterogeneous actors pursue conflicting interests. Retain it on our list of epistemologies that we might need. Secondly, let us also that we understand how this approach is radically opposed to epistemology institutionalist. Finally, make the difference between this approach and other approaches based on the players that we have seen so far. After reflecting on the various geometries with which we can realize the object "decision context", we now turn directly available theories to analyze the interface financial institutions/ decision-making context. These parties are two sides of the same coin. For pedagogical reasons, consider them initially as temporarily inconsistent. Attach us to understand what makes them different. One seeks to overcome this dichotomy by using theories emerging, often little-known management, but that seem specific to bypass certain limitations of the classical theories.

With each other, we enter fully into the subject of the financial institutions/ decision-making context. This section is devoted to theories that posit that the gap between innovative organization and decision-making context, the decision-making environment dominates. Two quite different approaches to share this perspective. Both start from the point of view - long held as common sense - that the innovative organization is ultimately dominated by his decision context, that is to say, if it does not fit the requirements of this decision context, at least in the long term, it will disappear. We recognize here the old premise of microeconomics. Where the two approaches differ is in the nature of the adaptation.

The first approach considers the innovative organization is primarily dependent on external technical and economic factors. Within this approach, several points of view are possible. For some authors, it is the requirements of market structures that dominate (competitive markets, for example), for others, critical resources that innovative organization must obtain to survive (resource dependence), while others Again, the existence of a “niche” for the innovative organization to reproduce (demography financial institutions [Population Ecology]). These currents are distinguished by their level of analysis (individual vs. population). They also differ in their degree of determinism: temperate in the case of resource dependence (face their external dependence, the leaders have some leeway), very strong in the Demography of financial institutions (disappears when the niche, innovative organization and his ilk in the same niche disappear in turn, regardless of the management team in place).

The second approach places the dependence of the most innovative organization in socio-cultural as technical and economic factors. This is the institutional approach - once again - but this time financial institutions theory, rather than sociology itself. She professes that all financial institutions depend at least in part on external sociopolitical support and should be given enough attention to continue without problems. For most of today's financial institutions, the preservation of financial institutions legitimacy and that of ethical integrity is particularly important, sometimes more than the market (see the case of Nike or Arthur Andersen, the first fight since 15 years to restore its legitimacy skinned, the second disappeared a few weeks after a scandal). In this case professional bodies (accountants, doctors, etc.), The law grants a monopoly economic actors who meet certain conditions of legitimacy. For some financial institutions, the external socio-political support is even a condition of survival, regardless of their economic efficiency. This is the case of many financial institutions, or “permanently fail”, which is known for example that they can survive for years through grants. Again, we have to make shades on the degree of determinism of financial institutions/ decision context relationship. The role of agents (decision makers) in relation to external forces in explaining financial institutions decisions had been very controversial debates. Do we understand! The two approaches basically say the same thing, but they do not say the same. Depending on whether we use one or the other, we will not follow the same plan of research, we do not collect the same data, we do not interrogate the same people, and we will not get the same results.

Continue our analysis of the financial institutions interface / decision-making context, but change course. The innovative organization is no longer seen as dominated by its decision context. Rather, it is designed as dominant, or at least as much involved in the formation of the decision context we can say that it is a creative (some say "co-creator"). The fifth part is a key turning point in the research. It is from this that we start to draft the "re-theorizing" announced for the last part.

There is a rich literature on this subject, both in industrial economics in management (competitive strategy). This literature is still too focused on the relationship between state/ market financial institutions for our purposes. It is among sociologists that we will definitely take what we need, even if their work often owe nothing to the analysis of the innovative organization and its decision-making context. Incidentally, this is the genius of management science. They are more ecumenical than doctrinaire. They always welcomed without qualms inputs from external disciplines, even those who struggle to recognize the legitimacy of management as "science" university, as soon as these contributions they seemed fruitful. Some theoretical approaches presented here timidly appeared at the doors of research management (encouraging the organization theory ends gradually escape from the psychic influence of microeconomics sign).

We consider two major issues. The first is that the networks. Why? Because both the theory and practice of business consider more innovative organization that must be understood as a member of networks that are both constraints and opportunities for her. Consider innovative organization as a node in a network, among other nodes, is not trivial. It is moving the projector from the individual organization, facing a competitive decision-making context, even hostile, to the interagency. In this transfer, innovative organization loses its central position. It takes place among other members, whose interests are the same legitimate shot. The innovative organization is not only designed as a war machine, as is the case in economics or management strategy. It is also seen as an actor involved in the life of his decision-making context, which are rooted in alliances, which must manage both conflict and cooperation. That's what we need to understand the multiple modes of interaction that develops innovative organization with its socio-political decision-making context.

This problem allows us to break deadlocks model alone against all heroic financial institutions, who fights for the sake of its own shareholders. It allows us to lead a more oriented stakeholder analysis, and to bridge the gap between traditional theory and new approaches to the stakeholders. It opens directly on new issues such as the inclusion of multiple rationalities, the integration of economic, social and political elements within the same social analysis, and of course business ethics, which is an important part the financial institutions relationship/ decision-making context. This problem is an obvious instrumental utility to conduct more realistic and in line with the research theories today. It will not escape you; however, it also implies a political position, that of a democratic egalitarianism in the status accorded to different socio-economic actors (all stakeholders have rights, not just shareholders).

Within the issue of networks, we examine three approaches that focus on different aspects. The first approach is the oldest. It is static, and considers only the networks in their structural aspects, that is to say formal. It comes from the traditional structural-functionalist sociology. This approach leaves little room for actors. It is therefore not suitable for dynamic re-theorizing that makes the lion's share of decision makers, their representations and processes in which they are incurred. However, it provides us with key concepts to describe the reality of the networks. It also allows us to contrast well to the originality of the two following approaches.

The second approach is a great place for players. It comes from economic sociology. It considers that economic actions are strongly embedded ("embedded") in personal relationships based not only on economic interests, but also institutionalized behavior (particularly related to the culture of the players). Within these tissues relations, non-economic factors can significantly influence the expected behavior in economic theory, and sometimes even be dominant. This approach is defined as an intermediate position with respect to two major existing theoretical axes, which tend to despise the actor. On the one hand, traditional economic theories make the actor a "rational fool" (Amartya Sen, Nobel Prize in Economics in 1998) who lives in solitude with no other relationship than he is bound by contract profitable. On the other hand, sociological structural-functionalist theories of inspiration, which is still the most used in management, make the actor a puppet orchestrated by stronger than her social processes. Between the two, we suggest the approach of embedding, are real human beings. In a study which recognizes the existence of multiple rationalities, understand that this approach cannot leave us indifferent. Halfway between the previous approach and the next, this approach remains largely structural (there studies established networks).

The third network-based approach is that of sharing (Enrollment). It has other names, among which his own reluctant writers (especially "sociology of translation", "theory of the actor-network" or "sociology of associations"). It is still very exotic management, since it is derived from a cross between ethnomethodology (an anthropological sub-branch of the sociology of the actor) and the sociology of science (socio-technical systems). Its merit is twofold. On the one hand, it brings the concept of network dynamics it lacks in previous approaches. Prior to exist, a network must be built, and it particularly enterprising players must enlist multiple partners. On the other hand, this approach achieves some interdisciplinarity, which is a tour de force in contemporary sociology. We ourselves need this interdisciplinary (not to be confused with multidisciplinarity, which is the juxtaposition of expertise without integrating them into a common vocabulary) because we want to treat all the factors considered in isolation from other disciplines. In this approach, we see actors build the networks they establish. Their autonomy is initially greater than in the other approaches. As and when they reach their goal, their networks stabilize around them, and begin to limit their autonomy. This proactive approach is well suited to management science, especially to those who see management as a permanent form of project management. Note that unlike its competitors, the "actor-network" approach does not differentiate between human actors (you, me, all bipeds) and non-human actors (machines, texts, St. Jacques shells), provided they have an effect on other parts of the network to which they belong. We will see why this original design allows us to address some of the thorniest problems in the couple financial institutions/ decision-making context, especially in the context of the challenges of sustainable development.

After we looked at the epistemology of networks, we try to go further in the autonomy of the actor. A second problem will be introduced. We are now talking of "negotiated decision-making context," since we consider that any decision-making context is actually the result of negotiations between actors. You should hear this term in a broad sense, similar to that of deliberate interaction. Four approaches are discussed. They are complementary, but all start from a slightly different perspective, and each leads to different issues and methodologies. When you choose one, it closes the benefits of others, even if they all share the same desire to explain the decision-making system in force (the structures in which we operate) by the continuous involvement of stakeholders. Again, there are many other approaches to the constitution of the order, but those proposed seem particularly useful for our purposes. Many of them are new in management. It is up to tame, because none has been developed with the aim to better understand the multi interface/ decision-making context.

The first approach is that of the negotiated order. It comes from the great tradition of interactionist sociology called Chicago. Why is there a social order, that is to say it stable arrangements between actors? Because these actors have negotiated the content of their relations. Why did they negotiate? Precisely because they need predictability in the relationship, especially in changing contexts. How long does this order? As long as the players continue. A strength of this approach is that it helps to explain either, with the same concepts, conflict and collaboration. We see the direct application we can do to study the order established between financial institutions and its partners. The second approach is new management. This is the theory of Economy of variables (also called Economies of scale). It comes from Paris, where she held for ten years a large body of research on the borderline between economics, financial institutions sociology and philosophy. She said part of the current conventions of Economics, an original attempt which aims to discover what are the "conventions" (rules) that allow the coordination of interests between individuals in a world characterized by high uncertainty (and where such coordination cannot be done by explicit contracts). A rule of conventional type (or agreement) is opposed to the rules of contractual (eg explicit contracts) and rules binding model (e.g. laws), in that it is vague, of obscure origin, arbitrary and without legal sanction. It is, however, allowing cooperation where we did not expect. This approach also seeks to reconcile individual levels and institutional levels of analysis traditionally incompatible.

We leave aside the least useful for us part of the economy of conventions, which are primarily interested in economic coordination. For the purposes of the course, we will focus on contributions of Economy of grandeur, which is closer to the players and the organization, so our epistemology. We will focus on how it manages to identify what are the logical that actors use when they need to reconcile irreconcilable interests a priori. The authors identified six logic, which they call "cities" or "worlds", which are actually systems of justification themselves based on value systems most commonly invoked by the actors. This approach provides us with a useful operationalization of the concept of multiple rationalities. It also allows to significantly enriching the previous approach of negotiated order. In its relations with its partners, internal and external, the innovative organization is at the heart of this problem.

The third approach involves the concrete action systems Crozier and Friedberg. It dates back to the 1970s, and is still very much alive. It was developed from case studies are limited to internal aspects of large bureaucratic firms (although Crozier could sometimes extend to the social phenomena), but it is rich in insights for our purposes. It offers an analysis of collective action similar to the previous, but with an emphasis on power relations between players. This is where it is useful to us because it goes further in this direction than the other approaches discussed this week. Taking into account this dimension is essential for us, since we consider that any relationship between the innovative organization and its stakeholders is a power relationship. Strap yourself in particular the concept of "concrete action system." The latter approach is a bit abstruse, but it is very fashionable. It also comes from European sociology, specifically the United Kingdom. This is the approach of structuring Giddens. What interests us here is that it proposes the renewal of the relationship between the actor and the structure in which it takes place. Giddens attempts to reconcile the irreconcilable, and he succeeded. It starts from the premise that the sociological tradition provides two conflicting perspectives on these relationships. Some authors indeed structure constraint which requires the actor, while other authors are a product of human action. Giddens draws from all traditions that preceded it, and proposes to treat the structures both as a policy and as a product of the action. The "structure" is the process by which these structures are produced and reproduced. The approach also pays great attention to unexpected side effects, and often perverse decisions, a feature peculiar to complex systems of action that we want to study. Giddens is not easy to understand, but his insights provide a better anchor the previous approaches, which are sometimes too tend to drift to an overstatement of cognitive or voluntarism, neglecting the contextual aspects of the action. We who are interested in the organization know that no strategy unfolds in a vacuum, and a good explanation of the financial institutions interface/ decision cannot ignore the context in which this structural interface is rooted.

4. Analyzing and Synthesizing

This journey through different epistemologies has allowed us to expand our theoretical repertoire. We can now refocus on innovative organization as level of analysis. This is more an exhortation than a finished product. By “theoretical restructuring” must include a new approach to understanding the financial institutions/ decision-making context, beyond the traditional model of economic rationality. By “puzzlisante” should be understood as based on the stakeholder approach, those who build the relationship in which the company is engaged. These players will receive the name of “stakeholders” are the stakeholders of modern management literature. We use specialized management literature as a base. Four themes are:

– The first theme wants to show that interest in financial institutions / decision context relations leads us to restructure traditional notions of decision-making context, the innovative organization and boundaries of the financial institutions. We felt for some time it would take to go through this challenge. Specializing in the management literature now opens several concrete ways to achieve this.

– First, it should be considered not only the innovative organization as an open system in its decision-making context, but also as “outgoing” organization, that is to say, in constant dialogue with the decision-making context. Apply this insight at the innovative organization.

We start from a premise that should now be familiar. The decision context cannot be considered as an external data with which innovative organization must, willy-nilly, compose. Instead, it must be conceived as a social construct, that is to say, as the result of ongoing interactions between different members of the decision-field to which it belongs. The innovative organization is not neutral in the decision-making context. She is the co-creator. We can take the reasoning to argue that its prosperity depends largely on the type of decision-making environment that was able to choose or (co-) create. Note that the innovative organization here is neither dominant nor dominated by the decision context. It is interactive. It is of course limited by the institutional and political context in which it operates (dominated). It must be accepted (dominated) in the networks it has itself helped to build (dominant, co-creator). The decision-making context of the firm is here conceived as a set of networks in which it is itself a stakeholder. But that's not all. The decision context is an entity under construction, deconstruction and reconstruction permanent. Structure that was theoretically in the past, the decision-making context is process. This is a complete reversal of perspective: given the decision context is built. This epistemological change cannot be done in isolation. It requires adjusting the epistemological status of the innovative organization to make coherent analysis between the two entities. All research involving innovative organization is necessarily based on an underlying theory that the researcher is aware or not. It must ensure that the theory on which it intends to base its analysis is consistent with the conceptualization of the decision context. Among the available theories, some are better suited than others to this analysis from the perspective of social construction. There are others and we choose: several combinations are possible, but must above all be consistent.

The border issue between financial institutions/ decision context, i.e. the location of the interface between the two, now also becomes problematic. Historically, this issue has undergone several transformations. Organization theory in the early 20th century, which was dedicated solely to the research principles of internal operational efficiency, has long ignored. Then came the systemic approach, which opened the innovative organization's decision-making context, and therefore had to worry about the border between the two. However, the response was treated as evidence: was rejected in the decision context all relevant factors in the decision but outside the total control of the innovative organization. Today, innovative organization "extrovert" is so open about his decision context it is to include within its own walls some elements that were once considered part of the decision-making context. The question of the boundary between the two is therefore now problem. This new problem however is quite exciting in theory, researchers failed to notice the subject. It also raises a methodological challenge. On the ground, we will decide which is part of our system and which should be ignored. The number and quality of interviews depend on the theoretical model that we would have chosen.

Finally, a new track is open to us, that the organization has the innovative "citizen." It is not only asked to be innovative efficient organization, we also want it assumes national social and ethical responsibilities of a local nature, and increasingly international. Globalization calls again into question the status of the innovative organization and its borders.

5. Conclusion and Recommendations

Gradually, driven by the reality of change, we thus come to a Copernican revolution in the theory of relations between financial institutions and decision context. Standards for new perspectives on the role of the financial institutions, it is not the decision-making environment that revolves around the sun financial institutions is the innovative organization that blends in a decision-making context in which it became one of constituents. Note that this reversal was anticipated in 1965 by Emery and Trist in a prophetic article, but it is only recently that we began to theorize in this direction. Go to the second theme, the theory of "interested" or "stakeholders" (stakeholder theory). Some would argue, probably rightly, that this is not a theory but a perspective, a bit like the "systems theory", which has so excited researchers in the 60s. To be convinced, just look at the contortions that the authors take to the word "Theory" does not appear next to "Stakeholder" in the title of their publications (Stakeholder "Thinking", "Engagement", "Perspective"," Approach ", etc.). This is good news for doctoral students: there is a developing field that awaits their contributions.

For us, a stakeholder is an actor, but it is a rather special player because he has a moral sense. It is both homo economicus (you must make a good crust), homo socialis (we all friends), political man (sometimes you have to elbow) and homo moralis (we do not live by bread). One of the ambitions of the theories in terms of stakeholders is to give a theoretical status in this homo with many faces, while the traditional disciplines have never considered that one of its dimensions at once. This is an urgent work remains to be done. All actionalist literature we have seen previously, especially on the social construction, we can help. However, it is insufficient because it generally underestimates the normative aspects of human behavior, especially the ethical elements. Two important issues arise very quickly. The first is theoretical: "What is a person? "And in particular, how does it differ from traditional sociological actor. The second is empirical: "How to identify the relevant stakeholders? ". As we would not have answered these two questions, we will not know who to interview on the spot. Better think before. However, take care: the "stakeholder theory" is a misleading thought. Simple in appearance, it poses very complex theoretical and philosophical problems as soon as one takes seriously. We soon discover that the answer to both questions is strongly related to personal political philosophy, or, if we are looking at the people who pay us.

The third theme is inextricably linked to the previous one. It is the massive reintroduction of normative theory in organizations, where the concepts of values, ethics, legitimacy had largely disappeared. As for the decision context and the financial institutions study of the socio-political interface requires us again to reconsider the epistemological status of the managerial decision. Once seen only in the technical aspects of procedure, the decision should be seen today as the operationalization of a system of values. Decide, yes, but for whom, for what? How to justify to external stakeholders, including the logic of action and philosophies of life different from that advocated by the financial institutions, a decision is legitimate? In a world that recognizes the legitimacy of views (rationality) multiple of what is good or bad, desirable or not, everything is questionable. Any decision must be justified and court stakeholders. The spread of the ideology and practices of sustainable development accelerates importance.

These philosophical questions arise every day in the boards. They join a long tradition of Western philosophical reflection on human action (more than twenty-five centuries of questions). For us, in practice, they manifest through ethical business concepts and legitimacy even more concretely, through the financial scandals of recent years. Why these scandals are produced? What did not work? Who is to blame?: In no morals, carefree shareholders who abdicated control over those stupid supposed to work for them; the incompetent State no longer provides its fundamental role of watchdog, society collectively become too permissive makers? How to avoid these scandals?: For more government regulation, more morality among policymakers, more control by stakeholders? These questions are about "normative" rather than "descriptive": they involve the use of value systems on what to and what not to do, that is to say standards behavior. An innovative organization can survive only if it provides legitimacy (that is what always said sociological institutionalism). They had simply forgotten that the ethical standards are an essential dimension of legitimacy. Several normative models specially adapted to the management of philosophers training exist. These models are more or less compatible. Considerable work remains to be done to strengthen this area. We studied extensively the issue of standards with institutionalism differently branched. Now is the time to put them to the test to enhance the management literature. In the fourth issue, we approach the last central issue in the field of social management ("Social Issues in Management"), one of the "social business performance" ("Corporate Social Performance"). We are now equipped to address three critical issues: (1) How financial institutions do they manage their interface with their decision-making context? And (2) What is the performance "social" beyond the simple economic and financial performance? and (3) How can we measure this performance "social"? At this point, it is understood that economic performance is insufficient to ensure the sustainability of the financial institutions, at least for him to avoid problems. "The company" expects more "innovative organization". But why is she exactly? What are the responsibilities of the modern innovative organization ("social responsibility")? The innovative organization need to wait to be compelled to fulfill its social responsibilities? Where end economic responsibilities and where social responsibility begins? To what extent are they compatible? Is there a limit to what you may require financial institutions? Before whom the innovative organization is responsible for it (which stakeholders), to whom is it accountable? How can these accounts? How to measure results? How to validate? If you like the debates, these questions should we put water in the mouth. We understand that in a multiple rationalities world, the issue of "social performance of the innovative organization" is wide open to uncertainty. Everything depends on the status that is given to the innovative organization:

simple machine to produce cash register for shareholders, human community service of another larger community? Wait and see ...!

6. Bibliography

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