Change the world or oneself: the production of ESG performance and analyst identity in interaction with financial norms and discourse

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Résumé :

More and more analysts strive to measure the environmental, social and governance (ESG) performance of companies for investors, for two reasons: first, to help them redirect their investments towards companies needed for the transition towards a more sustainable economy, second, as a measure for financial risks and opportunities. There is no standardized definition of ESG performance, which is thus the product of analysts' methodologies. Relying on qualitative research, I explore how analysts produce this performance, and their own professional identity, in interaction with financial norms and discourse. The interpretation of my findings through a theoretical framework inspired by Axel Honneth and Judith Butler reveals how analysts reproduce these norms that determine their professional recognition and the recognizability of their analyses without internalizing them, and while sometimes reinterpreting them through a process of reflexive performativity. These findings help to understand the ambiguity of ESG performance, that is used as a measure for financial performance while simultaneously being expected to contribute to a more sustainable economy. I contribute to the literature on professional identity and performativity.

Mots-clés : ESG performance, discourse, norms, recognition, professional identity, performativity

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INTRODUCTION

In early April 2022, financial services provider Bloomberg reported that ESG (environmental, social governance) investment funds had been investing 9.5 billion USD in Russia, on the eve of Russia's invasion in Ukraine[1]. This seemed particularly shocking, as ESG analysts are "paid to focus on factors such as democracy, human rights and other social and governance factors". Rating companies, who employ the analysts performing analyses of the ESG performance of companies and countries, explained that sovereign ESG scores are "based on a country's ability to manage its wealth, both in the form of natural and produced capital." Russia's abundant natural resources had offset critical issues around press freedom and political rights, thus producing sovereign ESG scores that were even superior to those of Ukraine.

This recent controversy surrounding Russia's ESG scores echoes a growing body of studies on ESG performance measures, that criticize that latter's low comparability (Berg, Koelbel, & Rigobon, 2020), lack of transparency (Abhayawansa & Tyagi, 2021; Windolph, 2011) and poor link with sustainability principles (Escrig-Olmedo, Fernández-Izquierdo, Ferrero-Ferrero, Rivera-Lirio, & Muñoz-Torres, 2019). Notwithstanding these criticisms, the use and influence of ESG scores is growing: in 2020, a third of the world's professionally managed assets under management were said to integrate ESG criteria (Global Sustainable Investment Alliance, 2021). Additionally, the European Commission views information on the ESG performance of companies as a key informational tool to help investors redirect their funding to the sectors needed for a more sustainable economy (European Commission, 2018). Despite this political role, ESG criteria are often presented as financial risks and opportunities to attract the interest of mainstream investors (Dumas & Louche, 2015). This framing of ESG performance in

[1] Schwartzkopff, F., "ESG Ratings Reeling as War Exposes Russia and Blind Spot." Bloomberg, 5 April 2022. Retrieved on 29 April 2022: https://www.bloomberg.com/news/articles/2022-04-05/esg-raters-reeling-as-war-exposes-folly-of-blind-eye-to-russia

instrumental terms while at the same time projecting political expectations on it could perhaps explain the recent confusion around Russian ESG scores.

Notwithstanding this confusion, ESG scores are often used in quantitative studies in accounting and finance to assess their link with financial values such as corporate financial performance (Friede, Busch, & Bassen, 2015; Orlitzky, Schmidt, & Rynes, 2003), equity valuation (Giese, Lee, Melas, Nagy, & Nishikawa, 2019), tail risk (Diemont, Moore, & Soppe, 2016), or volatility (Capelli, Ielasi, & Russo, 2021). These studies, despite being very numerous, have yielded ambiguous results: the literature found positive, negative and non-existent correlations between financial and ESG performance (Giese et al., 2019). These inconclusive results seem to be linked to the ambiguous nature of ESG, that is used in different aways across investment strategies (Revelli & Viviani, 2015), but that is also measured differently among rating agencies (Berg et al., 2020). This divergence is due to the fact that ESG is not legally defined and thus the product of the methods designed to measure it: it will be composed of the topics analysts look at. It is not easy to choose these topics and design indicators to assess them, as analysts must consider their clients' preferences. It can differ among countries what is considered sound ecological investment; for example, nuclear energy is taboo in Germany, whereas in France, it is considered a central pillar of the country's energy transition policy (Rozières, 2021). Analysts thus must consider political issues while measuring ESG performance. At the same time, ESG performance measurement has become a much-demanded product on the market for financial services and is increasingly demanded as part of financial performance analyses (Abhayawansa & Tyagi, 2021; Dumas, 2015). The feasibility of integrating ESG issues in investment decisions has been questioned by recent studies (Young-Ferris & Roberts, 2021). Still, analysts must be able to communicate ESG performance in a form that makes sense to investors. They also must present themselves and their work in such a way as to be taken seriously by their clients. Enhancing our understanding of how analysts produce ESG performance, while abiding by the norms that determine their recognition as professionals, might shed light on current controversies and confusion surrounding these scores.

The remainder of this article is organized as follows. In the next section, after a short review of the domain literature on ESG performance, I will frame ESG performance production as a pragmatist act of valuation and situate the study within the literature on professional identity and performativity. I will also introduce the critical thinkers Axel Honneth and Judith Butler, whose understanding of *recognition*, respectively as a cognitive process of valuing the world and a social process of becoming a recognizable member of a social field, is central to the work of analysts. Next, the methodological section will explain how this study has been carried out. The results section will describe my findings, that are summarized in a data structure. The discussion will interpret these findings through a framework inspired by Honneth and Butler and describe my contributions to the performativity literature and the literature on professional identity.

1. THEORETICAL BACKGROUND

1.1. MAINSTREAMING ESG MEASUREMENT: THE CHALLENGES OF INTEGRATING FINANCIAL AND NON-FINANCIAL VALUES

Socially responsible investment (SRI) has origins in religious and social movements; the first investors selecting companies on extra-financial criteria did so for ethical reasons (Sparkes & Cowton, 2004). However, within recent years, financial markets have progressively accepted the idea that ESG performance is positively linked to financial performance. This belief follows the publication of a tremendous number of quantitative studies conducted to examine this link (Blasi, Caporin, & Fontini, 2018; Friede et al., 2015; Khan, Serafeim, & Yoon, 2016; Orlitzky et al., 2003), that have not succeeded in producing unambiguous results on the causality of this relation (Giese et al., 2019), or even its existence (Revelli & Viviani, 2015). Parallel to the rise of publications on this topic, a semantic evolution has taken place in both academic and non-academic literature on SRI: references to "ethics" have progressively been replaced by references to "performance" in both academic and non-academic literature (Capelle-Blancard & Monjon, 2012). This reframing has enrolled mainstream investors, who are interested in ESG performance because of its financial "materiality", i.e., the relevance of environmental, social and governance issues for financial risks and opportunities (Khan et al., 2016). As a result, ESG is more and more considered for instrumental rather than intrinsic reasons and ESG performance analyses are progressively being integrated in financial performance analyses (Arvidsson & Johansson, 2019; Chambost & Benchemam, 2010; Tan, 2014). This integration has been described as infeasible and inadequate because of structural inconsistencies between financial data and ESG data, such as the difficulty of attaching a monetary value to ESG issues, their ambiguity in terms of potential value relevance or the occlusion of their significance when being transformed into quantified and aggregated data (Young-Ferris & Roberts, 2021).

1.2. A PRAGMATIST VIEW ON ESG PERFORMANCE MEASUREMENT

Despite these difficulties, ESG performance is still very influential in financial markets and produces real effects on investors' behaviour. A pragmatist perspective on valuation views valuation as action; values, even complex or ambiguous ones, are created through the act of designing material forms supposed to represent and measure them (Barman, 2015; Dewey, 1939; Muniesa, 2011). ESG performance is thus produced through the production of material forms that define and measure it. In the realm of ESG-analysis, because of the absence of an institutionalised definition (Boiral, 2015), epistemic and methodological choices made by analysts thus *de facto* contribute to the production of a certain definition of ESG performance, as selecting certain criteria necessarily implies discarding or ignoring others (Chelli & Gendron, 2013). But analysts are not completely free in the process of identifying what is worth measuring. To secure recognition of their expertise, they must produce analyses that are deemed useful for their clients and present themselves as professionals.

1.3. PROFESSIONAL IDENTITY: SUBJECTION, RECOGNITION AND REITERATION

Scholarship on expertise and professional identity in the sociological tradition has studied the social construction of professional knowledge (Abbott, 1988) and the ways in which established professions such as law or medicine have maintained and exploited their dominant positions within organizations and societies (Freidson, 1970). Professionals derive their legitimacy to maintain such positions from the establishment and maintenance of appropriate norms of knowledge and conduct. But as Fournier (1999) has pointed out, these norms of knowledge and conduct also produce a form of disciplinary power over these professionals, who have to abide by these norms to maintain their professional identity. Early studies on accounting professionals have revealed that professionalism is less linked to accreditation and technical skills than to a certain way of conducting oneself (Grey, 1998). Because of their link to professional recognition, these ways of conducting are internalized by professionals as norms about appearance or competitiveness that do not have to be made explicit to be reproduced (Hodgson, 2005). This means that professionals must subject to these norms to exist as professionals. This can create tensions when the latter have personal convictions that diverge from these norms. Grisard, Annisette, & Graham (2020) study how CSR managers must comply to their firm's financial framing of CSR programs to maintain recognition from their colleagues, even if their own views on CSR are less instrumental. By repeating the business case on CSR yet slightly altering it, these professionals succeed in aligning their firms' discourse and policy a bit more with their own convictions. Grisard and her co-authors mobilize the work of Judith Butler to describe how professionals, even though they must subject to dominant discourse to exist, can sometimes incrementally change this discourse by reiterating it. Similar practices have been described by (Hodgson, 2005) in the case of project managers parodying professionalization initiatives. Thus, these managers subversively use the temporal dimension of subjection: its "repetition that is never merely mechanical" (Butler, 1998, p. 16) creates space for what has been referred to as "critical performativity".

1.4. Restrictive and critical performativity

Performativity is a notion which has provoked intense debates amongst management and accounting scholars in recent years. Numerous studies have explored the philosophical and linguistic roots of performativity and its meaning for accounting and management (Chiapello, 2008; Gond, Cabantous, Harding, & Learmonth, 2016; Marti & Gond, 2019). The notion has proven especially fruitful to analyse the functioning of financial markets, as models and theories have considerable influence on decision-making by financial actors (MacKenzie, 2006; MacKenzie & Millo, 2003), especially when the latter are used by their peers (Orléan, 2004). Performativity of theories and ideas can become restrictive when their endless reproduction through existing tools and frameworks does not leave any space for renewal. This is for example the case for pervasive ideas from neoclassical economics such as the rationality of individuals and the efficiency of markets that despite their outdatedness, continue—through the performative forces of the tools designed on their premises— to create the economy they describe (Callon, 2007). The restrictive effects of performativity not only apply to markets but also to individuals: Roberts (1991) has described how individuals tend to conflate their identity with the rather narrow accountability demands projected on them through performance measures, that "produce and reproduce an individualized sense of self" (p. 355). Here, too, performativity can become restrictive when it reproduces restrictive norms that determine how professionals should behave and measure their own performance.

To counter the limiting effects of dominant theories and norms while using the power of management tools, scholars from the field of critical management studies have introduced the idea of "critical performativity", which they define as a "the active and subversive intervention into managerial discourses and practices" (Spicer et al., 2009, p. 2). They draw on Michel

Callon and Judith Butler but have been criticized by others for making rather shallow use of these thinkers and overlooking the material dimension of performativity (Cabantous, Gond, Harding, & Learmonth, 2016). Cabantous and her co-authors state that for Callon and Butler, performativity is about the discursive and material constitution of subjects, who do not merely use discourses and practices through active and subversive intervention but are rather formed by and used within these discourses and practices (p. 9). In Butler's thinking, as they put forward, subjects cannot exist outside discourse, as "one is subjected and subjectified within discourses, and becomes a subject through performativity, which is not an act, nor a performance, but constantly repeated 'acts' that reiterate norms" (Butler, 1993, p. 240). Critical performativity thus describes the process in which individuals slightly reformulate these norms through their reiteration, i.e., their repetition, in discourses in practices.

1.5. INTRODUCING HONNETH: RECOGNITION PRECEDES COGNITION

Axel Honneth is well-known for his critical work on recognition (Honneth, 1996). For him, subjects struggle for their recognition and can only exist as subjects when they are recognised in the spheres of work, love, and justice. For Honneth, many social conflicts can be explained through the prism of the struggle for recognition. In accounting, Honneth's thinking has not been used very frequently, motivating Tweedie (2018) to discuss its potential as a framework for advancing critical accounting research. Morales & Lambert (2013) cite Honneth while studying how accountants engage in struggles for recognition while being confronted to tensions between idealised occupational identities and situated possibilities. More recently, Gaudy (2020) uses Honneth's theory to study how CSR auditors long for legitimacy within their professional field. I use Honneth's concept of recognition in a different manner. A less well-known interpretation of its concept of recognition is recognition as part of a cognitive process, where "recognition precedes cognition" (Honneth, 2007, p. 119). He cites Dewey (1984), who argues that every rational understanding of the world is always based on a first moment of qualitative identification, comparable to lived experience, followed by the detachment needed to analyse what can now be regarded as an epistemic object and treated in rational terms. Honneth calls this primary form of relating to the world "recognition" (Honneth, 2007, p. 48). This first moment is qualitative, because the world first appears to us in a qualitative form before we can put numbers on its components. For Dewey and Honneth, every epistemic process is thus made up of two separate moments: first, qualitative recognition of what is considered important, second, evaluation through qualitative or quantitative metrics.

The two movements are inseparable; however, we tend to overfocus on the second and forget the first. This is problematic because it could make us forget the intrinsic value of others and the world. The risk of forgetting this "primacy of recognition" is what Honneth calls "reification": the general spread of a purely instrumental and unidimensional attitude towards other persons and entities.

1.6. Introducing Butler: recognition produces existence

Judith Butler is also well-known for her work on recognition. She agrees with Axel Honneth that recognition is constitutive of subjects, but for her, recognition does not describe some pre-existing normative structure but must be constantly renegotiated. For Butler, recognition stems from the one who recognises and is therefore always asymmetrical. It thus requires subjection, not only to the other but also to the norms that determine who can be recognised as a subject. Recognition thus produces existence and is only possible through the subjection to norms that determine which terms are available to express oneself. Therefore, subjects exist not only because they are recognised, but more fundamentally, because they are recognisable (Butler, 2017; Ong-Van-Cung, 2010). It can be difficult to give coherent accounts of oneself when these terms seem inappropriate to describe complexity or opacity (Butler, 2001, 2005). Butlers thinking has inspired scholars in accounting to explore the limits of transparency (Roberts, 2009) and accountability (Messner, 2009). Butler (1977) coins the term of "foreclosure" to describe how individuals censor themselves in order to stay recognizable for others. For ESG analysts, their professional recognition seems to depend on their capacity of making themselves understandable in the language of financial markets. However, the complexities of measuring ESG performance sometimes forces them to make choices than can be perceived as opaque to themselves and to their clients. Yet, they still need to reply to their clients' demand for ESG performance analyses that they find useful. What are the consequences of these restrictions for the epistemic process of identifying what counts as ESG and affirming oneself as an analyst? In other words: **how do analysts produce ESG performance and their own professional identity in interaction with financial norms and discourse?**

2. RESEARCH DESIGN

My research is based on qualitative field work. 41 interviews have been conducted with professionals from the field of ESG performance measurement between February 2019 and July 2020. The data have been analysed through inductive coding.

2.1. DATA COLLECTION

I have conducted 41 interviews with analysts, directors of research, institutional actors and "SRI-pioneers". To gain a broad view on the field of extra-financial analysis, I have interviewed people working for diverse structures, such as rating agencies, institutional investors, banks, asset managers, brokers, ESG consultancies for the financial sector, and regulatory bodies. As I myself worked as an ESG analyst prior to this study (the experience of which has been thoroughly analysed in Bluntz & van Weeren, 2020), the goal of this research was to open myself to the experience of others. I thus have adopted an open style of interviewing, without standardized interview protocol. The goal of each encounter was to simply understand how the interviewee handled the demands of his/her daily work. Most interviewees were analysts, specialized in ESG, in financial analysis, or in both ("integrated analysts"). To gain insights into methodological choices and policy, I have spoken to analysts' managers. To better understand the rapidly changing institutional developments that impact analysts' work, I have also spoken with institutional actors such as regulators. Finally, to understand how the SRI market has evolved in recent years, I have spoken with people who have participated in its development ("SRI-pioneers").

Table 1. provides an overview of all interviewees. All interviews except three have been entirely recorded and transcribed. Interviews that were not recorded have been conducted in a more informal setting where recording was not appropriate. Where interviews were not recorded, I extensively took notes immediately after the interview. Where possible, I conducted a formal and recorded interview with the same person after the first informal encounter.

Table 1. Overview of interviews

	ORGANISATION TYPE	PROFILE	DATE	LENGHT
1.	Agency for extra-financial analyses	Director of methods	05.02.2019	88 min.
2.	Agency for extra-financial analysis	ESG analyst	22.03.2019	126 min.
3.	Agency for extra-financial analysis	Institutional affairs managers	11.02.2019	64 min.
4.	Agency for extra-financial analysis	ESG analyst	15.04.2019	52 min.

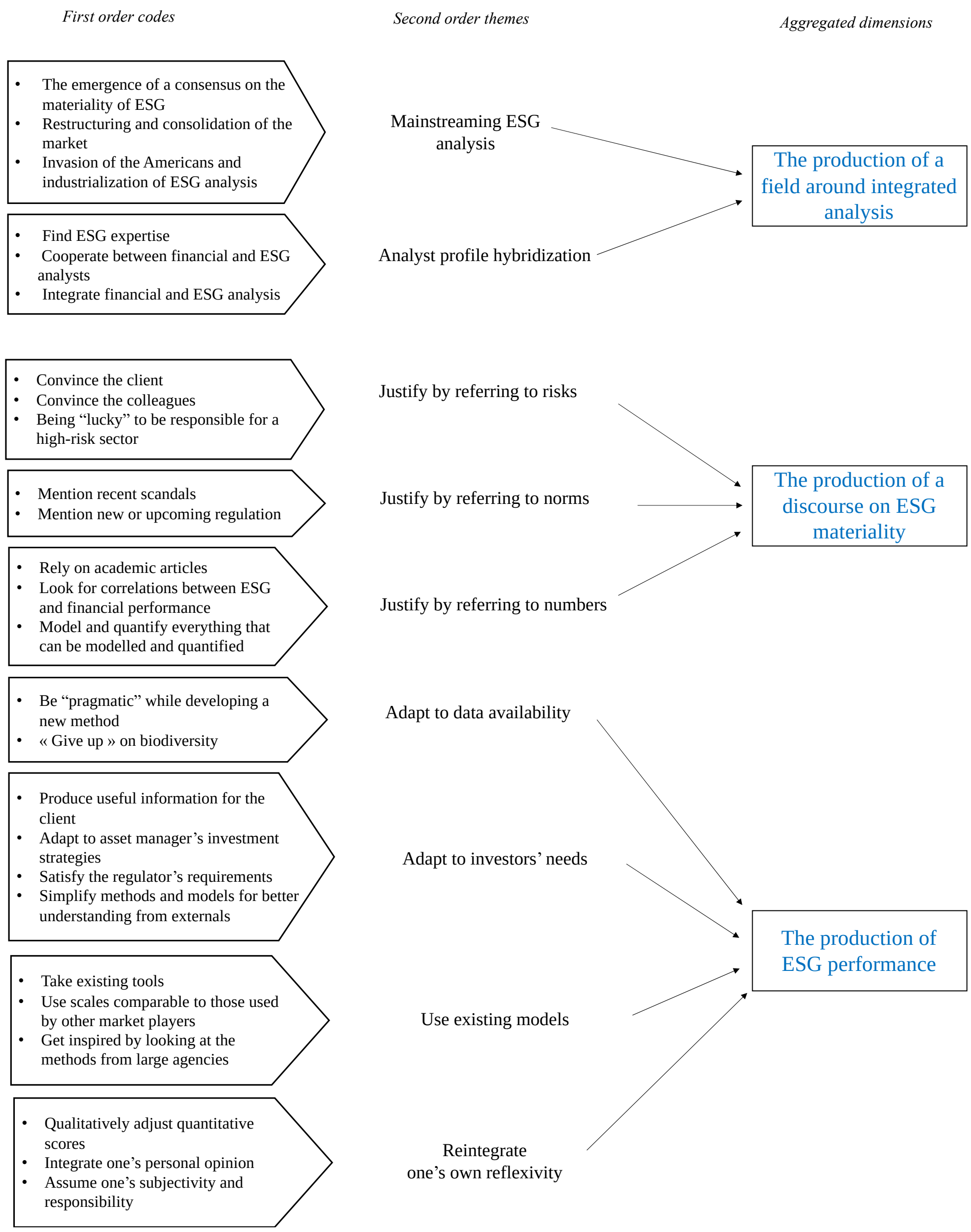
5.	Subsidiary of public investment bank	Impact analyst	16.02.2019	47 min.
6.	Credit rating agency	Credit analyst	22.02.2019	57 min.
7.	Public investment bank	Climate analyst	26.02.2019	85 min.
8.	Asset manager	Director of esg analysis	19.03.2019	55 min.
9.	Agency for extra-financial analysis	ESG analyst	01.04.2019	84 min.
10.	Credit rating agency	Director	15.04.2019	63 min.
11.	Think thank	Former financial analyst (pioneer2)	23.04.2019	61 min.
12.	Investment bank	ESG analyst	14.05.2019	65 min.
13.	Broker	Climate analyst	17.05.2019	68 min.
14.	Investment bank	ESG analyst	30.04.2019	60 min. environ
15.	Asset manager	Integrated analyst/asset manager	14.05.2019	65 min.
16.	Credit rating agency	ESG analyst	10.05.2019	54 min.
17.	Asset manager	ESG analyst	16.05.2019	120 min. environ
18.	Agency for extra-financial analysis	Founder & ceo (pioneer2)	11.06.2019	73 min.
19.	Asset manager	Retired asset manager (pioneer1)	20.06.2019	47 min.
20.	Asset manager	Retired asset manager (pioneer1)	21.06.2019	21 min.
21.	Consultancy for the financial industry	Founder & ceo	16.07.2019	96 min.
22.	Asset manager	ESG analyst	09.07.2019	90 min. environ
23.	Credit rating agency	ESG analyst	20.07.2019	56 min.
24.	Investment bank	Retired trader (pioneer4)	12.09.2019	61 min.
25.	Public investment bank	SRI officer	05.11.2019	51 min.
26.	Agency for extra-financial analysis	ESG analyst	15.11.2019	56 min.
27.	Public investment bank	SRI manager	03.12.2019	44 min.
28.	Institutional investor	Director of methods	15.01.2019	53 min.
29.	Institutional investor	Integrated analysts	29.01.2020	40 min.
30.	Institutional investor	Integrated analyst	29.01.2020	37 min.
31.	Institutional investor	Integrated analyst	29.01.2020	67 min.
31.	Institutional investor	Integrated analyst	20.02.2020	65 min.

32.	Institutional investor	Integrated analyst	20.02.2020	64 min.
33.	Regulatory authority	Director of sustainable finance	19.03.2020	47 min.
34.	Regulatory authority	Economist	01.04.2020	77 min.
35.	Credit rating agency	Institutional affairs officer	16.04.2020	60 min.
36.	Agency for extra-financial analysis	President	16.04.2020	60 min.
37.	Asset manager	Integrated analyst	03.04.2020	91 min.
38.	Investment bank	ESG analyst	14.04.2020	62 min.
39.	Asset manager	Director of esg research	05.05.2020	53 min.
40.	Public investment bank	Impact fund manager (pioneer3)	08.05.2020	69 min.
41.	Consultancy for the financial industry	Climate analyst	03.07.2020	93 min.

2.2. Data analysis

Another way to distance myself from my personal experience and remain open in the research process was my approach to data analysis. I have chosen inductive coding (Gioia, Corley, & Hamilton, 2013) as a method for analysing the interview data. I did not have any theoretical framework or predefined concepts in mind during the coding process. The first round of "open coding" (Corbin & Strauss, 1990) resulted in 1,795 first order codes and 83 memos. This amount was of course much too big to handle. I thus reduced the number of first order codes through cross-selection based on a quantitative (the number of recurrences) and qualitative (the possibility of creating meaningful links between them) criterium. A second round of "axial coding" (Langley & Abdallah, 2011) helped me to group them into second order themes. The goal of this step was to create series of data that were similar but still slightly different. For instance, the second order theme "adapt one's method to existing models" gathers the first order codes "take existing tools", "use scales comparable to those used by other market players" and "get inspired by looking at methods from large agencies": each code describes a slightly different strategy of adapting one's method to existing models. The third step consisted of creating three broad aggregated dimensions. At this point, I tried to step back to ask myself: what is it that I am looking at here? (Tsoukas, 2009). I realised I was looking at the macro developments, both economic and discursive, that were influencing and influenced by the choices of analysts as they create methods that produce ESG performance. The data structure that was generated is presented below (figure 1).

Figure 1. Data structure



In the following section, I will describe how analysts produce ESG performance in interaction with financial norms and discourse. Subsequently, in the discussion, I will interpret these results through a theoretical framework inspired by Axel Honneth and Judith Butler, revealing how the process of cognitive recognition that is at the heart of analysts' work is shaped by the norms that determine their professional recognition and the recognizability of their analyses according to financial standards.

3. RESULTS

3.1. THE PRODUCTION OF A FIELD AROUND INTEGRATED ANALYSIS

Demand for analyses that integrate financial and non-financial data is increasing sharply in the couple of last years. Since Mark Carney, former governor of the Bank of England, introduced climate risks as potentially material risks for investors and insurers in 2015 (Carney, 2015), ESG performance assessments are increasingly requested by mainstream investors. My research shows how the production of a field around integrated analysis as a result of ESG analysis mainstreaming forces the rating agencies that developed the first methodologies for extra-financial analysis for SRI investors to reinvent themselves and adapt to market pressures. It also reveals how the increasing demand for integrated analyses impacts analysts' profiles, as they are more and more required to perform both types of analysis, financial and extra-financial.

3.1.1. Mainstreaming ESG analysis

Following the emergence of a consensus on ESG materiality, i.e., the idea that ESG is related to financial performance, demand for ESG analysis is increasing sharply. ESG performance measurement has now become an obligatory passage point, even for mainstream financial actors.

> Everyone is measuring ESG performance. Everyone. Why? For purely mercantile reasons, it's just that everyone in the market wants to have ESG, and if you are not able to offer ESG, well, you're out of the market, so <u>it has become a constraint, it's an obligatory passage,</u> everyone understands that, so everyone starts developing ESG measurement. That's the way it is, it's not about wanting to do the right thing. Everyone knows that if one wants to stay in the market, one has to do ESG. (integrated buy-side analyst, institutional investor)

European ESG rating agencies such as Vigeo-Eiris[2], Ethifinance[3], and Oekom Research[4], had been founded in a time where SRI was still a niche activity. They used to work for a minority of investors who were interested in extra-financial performance analysis for ethical reasons and their analyses were based on mostly qualitative criteria designed to measure the responsibility of companies. With such an "in-depth" approach, it was impossible to quickly produce ESG analyses of many companies. However, with big investors starting to demand ESG analyses that matched their investment portfolios, these agencies had to adapt their rating methods to be able to produce ratings on a much larger scale. New actors entered the market and many European ESG rating agencies are bought by American financial services providers. Those who keep their independence are forced to change their methods in order to stay in the market. Some analysts report a decrease in quality as a result this "industrialization of ESG analysis".

> The four big ESG rating agencies [Vigeo-Eiris, Sustainalytics, MSCI, Oekom Research] have been in ferocious competition these past 10 years, and not on their methods, but on their coverage. I have experienced it, I have worked 6 years for [French ESG rating agency], the quality has not improved, that's for sure. Just like at the rating you worked for, we set the bar very high in terms of methodological detail, and the more [American ESG rating agency] and [American ESG rating agency] advanced, the more we had to lower our standards in terms of quality to be able to offer more coverage. […] <u>These market dynamics have not pulled the quality upwards, that's undeniable</u>. (director of methods, ESG rating agency)

3.1.2. Analyst profile hybridization

These field developments have real impacts on the trajectories and careers of individual analysts: mainstreaming ESG provokes analyst profile hybridization, as analysts have to reinvent themselves and acquire new skills in response to market demands for integrated analyses. Asset managers and other financial services companies quickly have to find expertise in ESG. Sometimes, the necessity of quickly finding ESG expertise in response to client demand results in rather surprising profile transformations.

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[2] Vigeo-Eiris was founded in 1997 under the name Arese. It has long been directed by Nicole Notat, a former unionist. Its methodological approach has been described as "profound". In 2019, Vigeo-Eiris has been acquired by US-based credit rating agency Moody's Investor Services. In the same year, seven other ESG rating agencies have been bought by financial services providers (Demartini, 2020).

[3] Ethifinance is specialized in the analysis of small- and mid-caps. It has not been bought by a financial service provider to date, but it has merged with UK-based credit risk rating agency Spread Research in 2017.

[4] Oekom Research has been found in 1993 in Munich, Germany. It has been bought by US-based financial services provider Institutional Shareholder Services (ISS) in 2018.

> The trend is now to convert quants [quantitative financial analysts] into ESG analysts. (former ESG analyst, ESG rating agency)

Other structures have financial and ESG analyst work together or explicitly create hybrid profiles, by having their financial analysts teach their ESG analysts and vice versa.

> It does not make any sense anymore to do purely financial analysis. Because these are times of transition and turmoil […] So we have said to our analysts, you are now sufficiently mature to perfom both types of analysis (ibidem).

The field around integrated analysis was not yet stabilized as I finished my field work. Even if I have observed progressive integration of financial and non-financial profiles, leading to a multiplication of profiles at various stages of the integration process, some interviewees have predicted the disappearance of separate profiles. If this prediction comes out, the mature field for integrated analysis will only contain integrated analysts, who assess company's performance both on financial and non-financial components.

3.2. THE PRODUCTION OF A DISCOURSE ON ESG MATERIALITY

Developments at the field level influence how analysts present themselves towards clients and colleagues. Consciously or unconsciously, the analysts I interviewed justified their work by framing it in instrumental terms, either indirectly by referring to financial risks or norms with financial impact, or directly by trying to quantify ESG's financial impact.

3.2.1. Justify by referring to risks

While speaking with clients, analysts have to adapt to the latter's motivations and needs. As ESG has become mainstream, more and more mainstream investors now buy ESG analyses. Some investors have a very short-term vision on ESG, which can be a source of frustration for certain analysts.

> I am not going to talk in the same way to a guy whom I know to be SRI impact and a mainstream guy. […] If I start to say, for example, as I often do with people I like, that our carbon budget is so and so and our current trajectory is this and that, which means that we're screwed, and that I honestly have difficulties to understand how we could reconcile endless economic growth with the physical limits of our planet, and all this is true, and I really think those things are important, including financially. But if I'm facing a guy from a hedge fund, he doesn't give a shit. He just wants to know whether the ETS [European Trading Scheme, the European internal market where industrial companies have to buy carbon permits] is going to cost him money in the next 6 months. The meeting could last 15 minutes. (climate analyst, broker)

Analyst thus adapt their discourse to their clients' needs and justify the value of their work by referring to short-term risks when they need to, despite their own consciousness of the deeper issues underlying ESG. It is always easier to justify the relevance of ESG analyses if their link to financial risks is already visible on the short term, as the financial industry is very much short-term oriented. Some analysts I spoke with thus felt lucky to be responsible for an "high-impact"-sector such as oil & gas, where the financial impact of ESG-related topics is already very visible on the short term and can sometimes even be measured quantitatively. This gave them extra arguments why ESG is important.

> I am lucky to follow a sector where ESG issues are very, very, very material and where the impacts of these issues on the sector are really visible. It is a sector that illustrates ESG integration very well. (buy-side oil & gas integrated analyst, institutional investor)

Others, who specialize in sectors where ESG materiality is less evident, sometimes struggle to explain their analyses. The discourse on short-term risks is even adopted by those who work for clients who are (also) interested in ESG performance for ethical reasons, because this could be interpreted as a lack of objectivity.

> ESG analyst: And when you're facing asset managers who have daughters who have the age of entering the labor market, if you talk with them about wage equality, well, they care about that!
> Me: OK. And do you mention that as well as an argument to sell your analyses to clients, like, you can do good things with your money?
> ESG analyst: Er, well, not really. We do talk about it, but only at the margin, it is not our systematic argument. Because you know, my personal opinion on how the world should be, I avoid referring to that when speaking with clients. (ESG analyst, agency for extra-financial analysis)

It can be difficult for analysts to adopt the discourse on short-term risks when they themselves are aware of the long-term consequence of ESG issues and convinced that there are better reasons to take these issues into account than the need to protect oneself against financial losses on the short term. But to convince their clients and sometimes also their colleagues of the need to take ESG into account, it can be easier for them to focus on short-term risks, even if this means that long-term issues are not considered.

> You know what I would like to tell [colleagues who don't understand the need of considering ESG issues without link to short-term financial risks], I would like to tell them that even if those issues are long term, you have children, so you should consider them. But I cannot tell them that, it's not professional. There are

> actually a lot of things I would like to say but that I cannot allow myself to say. So apart from telling them, these things will be impactful in the long term so they are important… I think it's best to focus on the short term anyway because the long term is too far away, so I prefer to focus on the short term and on concrete things that are happening right now. (analyst, public investment bank)

When wanting to emphasize issues that they find really important, analysts thus tend to frame them in a way that matches the discourse on financial materiality. Interestingly, they are aware that this discourse is not always true: some ESG issues are not positively correlated to financial performance, or at least not within the time horizon relevant for their clients. Still, analysts tend to use this discourse, even when they don't believe in it.

> When I really want to have an impact [with my reports], I try to choose a subject that's also financially impactful, you see. Or a topic that everyone believes to be financially impactful, like peak oil. We have not seen it yet, peak oil!
> (climate analyst, broker company)

This skepticism regarding the financial materiality of ESG issues was shared more widely within the ESG analyst community. All ESG analysts are aware that this discourse is what gives them legitimacy and motivates the integration of ESG issues into financial analysis. But most of them do not really believe that ESG issues are always financially material. One buy-side analyst even believed that momentum around ESG would lead to what she called an "ESG bubble".

> And I think that's one of the dangers of ESG, that everyone is going to invest in the same investment vehicles, the same issuers, the same stocks, and I think that that in the end it will lead to a bubble… An ESG bubble. That's what I think.
> (integrated analyst, institutional investor)

3.2.2. Justify by referring to norms

Listed companies are increasingly legally required to report on their exposure to ESG-related risks and opportunities. The current legal framework on the EU-level for corporate sustainability reporting (directive 2014/95/EU) only gives a very broad list of topics and does not specify which concrete topics a company should report on, nor how it should report on them. The European Commission is currently working on a proposal for a more detailed reporting framework (European Commission, 2021). The idea that companies will be increasingly subject to regulations regarding their ESG performance is often put forward by analysts to justify the importance of their work: as complying to new regulations is likely to be costly for companies, ESG analysts would be able to identify those companies that are already frontrunners on ESG matters and thus less likely to be financially impacted by new regulations. Regulations thus help analyst to justify their indicators with rational rather than moral arguments.

> It gives me arguments to explain why this is important. From an ethical or moral point of view, it goes without saying, but from a risk management point of view, French law now imposes to have alert systems to denounce shocking events within a company. So that helps me to explain why we have this indicator. Framing it like that makes sense to my clients and to the companies I evaluate. (ESG analyst, agency for extra-financial analysis)

This financial impact of new regulations is referred to as "transition risk". The term comes from Mark Carney, former governor of the Bank of England, whose 2015 speech on climate risks greatly contributed to the realization that non-financial issues can bear financial consequences and thus should be considered by financial actors (Carney, 2015). For some analysts, the concept of transition risk as coined by a regulator is symbolic of the depoliticization of financial regulation, with regulators preferring to give clues to market actors to have them anticipate future rules than to impose these rules directly.

> What's really funny in Mark Carney's speech is the idea of transition risks. He asks investors to anticipate new regulation. The regulator is asking investors to anticipate regulations that the regulator will implement! When it comes to taking into account financially material risks, financial actors are perfectly capable of doing so! RWE's [German coal company] share price is plummeting. Why? Because a lot of people are selling their shares, so the price corrects itself and the shares are not worth anything anymore. Would we have preferred people to divest from RWE and then put into place a new regulation on carbon? That would have produced the same result! The share price would have plummeted as well, everybody would have sold! So why bother asking people to anticipate! Do we want the financial sector to drive regulation? Regulation should be driven by politics! (climate analyst, broker)

Another way in which norms can become financially material is when companies are involved in controversies. Analysts thus often cite well-known scandals involving listed companies to explain why investors should care about ESG issues. It allows them to link the argument on financial risk with issues linked to ethics and governance. But this link is ambiguous, as certain investors, as stated by a director of methods in a ESG rating agency, "use" the argument on financial risks associated with controversies to defend a certain threshold of ethical acceptability.

> So that's not what the investor wants, but he's not always capable of expressing it that way. Because investors are schizophrenic. When you hear them saying "Ah, for me, controversies are all about risk management", in reality, that's not what they do. In reality, they use the controversy to say: "There is a threshold of gravity here that determines what's acceptable and what's not". (director of methods, ESG rating agency)

Despite the dominant discourse on the financial materiality of ESG, there seems to be blurriness around the objective of ESG measures. Analysts are aware of that; even when their clients predominantly use ESG issues as indicators for financial performance, they know that there is also "something else". But managing this something else simultaneously with the need to make a profit creates confusion.

> But the question is really, we have internal debates on our vision, because there is this phrase of Milton Friedman that circulates ["the social responsibility of business is to increase its profits", published by the New York Times Magazine in 1950]. It's not only about shareholder value, it's also about something else. And sometimes, you shouldn't forget that. Because it also should be managed in a profitable way. Otherwise, it's not investment anymore. And that's the cause of this general confusion. (integrated analyst, institutional investor)

3.2.3. Justify by referring to numbers

Many ESG analysts I spoke with have talked about their concern of proving the objectivity of their professional judgments. As opposed to financial analysts, the data they look at is mostly qualitative and non-standardized.

> It's just that ESG has more to prove about that, because there are prejudices, on the one side you have numbers and on the other side letters…[…] And I realize that in terms of legitimacy, financial analysts never have to prove that what they say is not subjective, even if it is! Whereas ESG analysts are being told: 'That's sweet but why do you say that, you're judging…' (ESG analyst, investment bank)

To project objectivity and gain legitimacy in the eyes of mainstream investors who are used to numbers, ESG analysts often search for ways to introduce quantitative elements into their analyses, for instance by cooperating with financial engineers. If they cannot find ways to objectify their judgment through quantification on certain topics that are particularly difficult to quantity, they sometimes choose to discard these topics from their analyses.

> Because it's true that it's extremely difficult for us to have solid arguments without [quantitative] tools. Everything we can do is read reports and do qualitative analysis. We had to drop biodiversity because of that. And regarding the climate, we have been fiddling around for 15 years, it really would be good to be able to bring a bit of polish, I mean, a bit of content to it. (ESG analyst, investment bank)

3.3. THE PRODUCTION OF ESG PERFORMANCE

The third aggregated dimension offers a more direct answer to my research question, by looking at the methodological choices analysts make as they define and measure ESG performance. It was not possible to answer this question without considering the influence of the field and its dominant discourse, as the immature nature of the field makes it difficult to access enough (quantitative) data to create analyses that respond to the needs of investors, and the discourse on ESG's financial impact puts the emphasis on topics whose link to financial performance is easily recognizable.

3.3.1. Adapt to data availability

The field, still in an immature stage of its development, makes it difficult to access to data in the same way financial analysts can access them. Some topics, such as biodiversity, are very difficult to integrate for complexity reasons. Analysts find it very hard to evaluate a companies' measures to reduce their impact on biodiversity, lacking the expertise and the data to evaluate the real impact of these measures on ecological systems.

> We cannot say we're doing ESG analysis without having a question on it, but it's just there to say that we're covering it. I am unable to have an opinion on the subject. […] On every other topic I have indicators that seem appropriate to me, but biodiversity is the one thing we fail to address. […] It's something I'm passionate about in my private life, but that I cannot evaluate in my professional life. (ESG analyst, agency for extra-financial analysis)

But biodiversity is not the only topic that often cannot be properly integrated because of data availability. Analysts have to balance the information they can obtain from companies with their clients' needs, who want to be able to compare across companies. Some analysts would have preferred to integrate more topics in their studies, but without sufficient data available from a sufficiently large number of companies, including these topics would not make any sense from a commercial point of view.

> There are also criteria for which we don't have enough information to include them. For the social dimension, I would for example liked to integrate client

> satisfaction, but very few companies communicate on the satisfaction of their client, so that wasn't useful. If only 3 companies out of the 100 in our database give information on client satisfaction, we cannot use the information. We cannot compare. (ESG analyst, credit rating agency)

3.3.2. Adapt to investors' needs

Analysts also need to adapt to investors' needs in other ways. As the latter are often interested in information on ESG performance on portfolio-level, thus aggregating the impacts of several companies, analysts need to find ways to measure ESG topics by adding up information from different companies. For certain ESG topics, such as CO_2 emissions, this is not too difficult. Other topics, however, such as companies' impacts on biodiversity, are much more difficult to measure at an aggregate level, as every company impacts biodiversity differently and these different impacts cannot be added up in a meaningful way. The need to produce information that responds to investors' needs for an aggregate view on performance has forced some analysts not to include certain indicators.

> We are reflecting a lot on how to measure biodiversity. We have not found a synthetic indicator for the impact on biodiversity on portfolio-level, so we did not include it in our analysis framework. (ESG analyst, investment bank)

Analysts also try, whenever possible, to produce monetized analyses. With the progressive integration of ESG by credit rating agencies, analysts try to develop integrated analysis schemes that allow for "putting euros on ESG indicators".

> It would be ideal to be able to say, this social indicator has costed the company that much, or could cost the company this much. That would be ideal. But as you can imagine, it's difficult to do that today with ESG, because of data availability and because of the maturity of ESG analysis methods for credit ratings. But yes, the goal is to be able to put euros on ESG indicators. (ESG analyst, credit rating agency)

Most ESG analysts are not especially in favour of monetization of ESG issues, as they fear the risk of losing the connection to material reality or giving the impression that environmental or social damage can be compensated with financial resources. But monetization is a powerful convention in financial markets, and it can be difficult for analysts to communicate their analyses in a way that makes sense for investors without monetization. Which is why some analysts have chosen financial indicators that imperfectly communicate ESG risks, but that are more comprehensible to investors than non-financial indicators.

> [Regarding climate risk], it is finally quite easy to identify which sector has the highest exposure, but what is impossible, is predicting when that risk will materialize and how much it will cost the company and thus, how much it will cost at portfolio-level. That's impossible, there are methods that try to calculate that by referring to climate tax, but climate tax is one risk but not at all the only one. So wanting to put a climate value at risk is very tricky, regardless of the method used. So we always refused to provide such a value, but we see the limits of refusing, because we're talking to financial people here, and financial people want to see euros or dollars so somehow it's more pedagogical to be able to give a financial value, even an incorrect one, than a score. (climate analyst, broker)

Another way in which analysts adapt to investors' needs is by simplifying their methodologies. Agencies whose clients wanted evaluations of companies' ESG performance for ethical reasons mostly developed elaborate methodologies, comprising a large array of different issues, to reflect a diversity of ethical sensibilities. Nowadays, most ESG analysts work for clients who are interested in ESG for financial reasons. These clients have very different informational needs: rather than a nuanced understanding of a company's behaviour, they want a systematic and simple overview of its most material ESG risks.

> People don't want complicated models for ESG. It's very paradoxical, because at the same time, they buy extremely complicated financial products, but for ESG, it has to be simple. […] If your climate models are too complicated, people won't follow. (climate analyst, broker)

3.3.3. Use existing models

Analysts tend to use existing models for financial analysis rather than invent new ones. The reasons for this are that financial models are already available and well-known to investors, who want to be reassured on the reliability of methods for ESG analysis. Paradoxically, adapting to existing models sometimes reduces the reliability of methods for ESG analysis, as ESG issues are very different from most financial issues: most of them cannot be simply quantified, meaningfully aggregated, or correctly predicted. Climate risk, for instance, is not like the usual financial risks such as market risk or credit risk that can be assessed through stochastic models.

> People love numbers, and they need objectivity. They need something that can be integrated in financial reality. And value-at-risk is a very well-known and well-mastered technique for financial analysis. Value-at-risk is a tool to assess what happens in the face of a catastrophe. For instance, if the central bank raises the interest rates by 1%, what will be the impact of that shock? The idea is to create a shock, and afterwards you measure the consequences, before returning

> to the starting point. What is interesting here, is that it's not like a shock, climate change is more like a frog that is slowly boiling. And people act as if climate change will just be a shock and afterwards, hop, we will go back to the beginning. Reality will be very, very different. (pioneer4)

Another way analysts reproduce existing models is their way of communicating information. ESG analyses provide an aggregated view on a company's non-financial risks. These analyses are often represented through a single overall score that adds up scores in the environmental, social and governance dimension. This is similar to credit ratings, for instance, that convey companies' creditworthiness through a simple measure (A, B, C, for instance). But unlike credit ratings, ESG ratings are based on very diverse and sometimes contradictory information on risks of different nature, that cannot be meaningfully aggregated.

> If you have a risk here, and another there, a social risk here, an environmental risk there, a governance risk here, you cannot average them. They cumulate. Really, they just add up. They cumulate, simple additions. Risk cumulation. So analysis that calculates an average score from various types of risk, is dangerous analysis. (pioneer2)

3.3.4. Reintegrate one's own reflexivity

The above reveals how analysts adapt to their clients' needs in various ways, and how these adaptations shape ESG performance: biodiversity is for instance excluded from this performance as it could not be assessed and communicated in a way that makes sense to investors. However, some analysts I spoke with allow themselves more flexibility while evaluating the ESG performance of companies. They reintegrate their own reflexivity as they try to make sense of opaque, complex, and sometimes ethically connotated issues. This sometimes leads them to manually adjust scores calculated through their methodologies, even if comprises the possibility of tracing them back to standardized indicators.

> After Dieselgate, the analysts specialized in the automotive industry manually deactivated certain criteria, because the controversy was so big it that certain company engagements were not judged credible anymore, according to them. So they deactivated certain quantitative criteria, to lower the score. Because we did not believe what the company tells us anymore. (ESG analyst, agency for extra-financial analysis)

Another way analysts sometimes reject standardization is going against the trend of creating aggregated measures of ESG performance. Aggregated scores allow for rapid selection on portfolio-level but can be problematic as they sometimes hide contradictory information. Some analysts thus prefer to work on separate scores on the environmental, social, and governance dimension, to offer more "clean" information to investors.

> If you want to have clean information you have to separate things. So we want to give investors the opportunity to select only companies that produce renewable energy, for example. We will be able to do this after we finished our methodology in a definite way. For now, it is part of my R&D projects. (ESG analyst, agency for extra-financial analysis)

Most ESG analysts who explicitly choose to work in SRI are individuals with moral convictions, who want to use finance as a tool to make a positive change in the world.

> I have never really been interested in finance, I was very much focused on sustainable development and realized during my internship at the end of my studies that finance could be a powerful leverage to change existing practices. […] So when I arrived here, I had this double objective, I wanted to transform the practices of the companies we invest in but also to change the financial world from the inside, like a virus. (integrated analyst, asset manager)

Some of them feel frustrated as their clients do not share these sensibilities, and merely want to know whether ESG issues are going to cost them money. Even if they have to adapt to clients' needs and motivations, they sometimes integrate issues that go deeper the direct financial consequences on the short term, because they find these issues personally important.

> If I write 10 pages on why the pricing of externalities is ethically questionable, on the preference for the present, and I put that in my reports, because I like writing about these things! I really think it's interesting and important to communicate about because, actually, you cannot build your model if you don't understand that. If you don't consider those limits. (climate analyst, broker)

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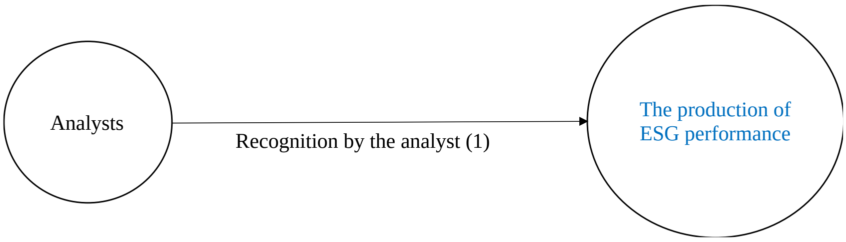
4. DISCUSSION

The discussion section contains two parts. In the first part, I will turn to Axel Honneth's and Judith Butler's thinking to make sense of my results. This will allow me to show how recognition is central to the work of ESG analysts in several ways. Next, I will discuss how my work contributes to the literature on accountability and performativity.

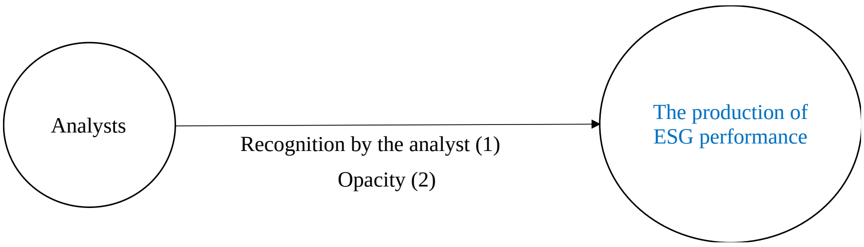
4.1. How the dynamics of recognition shape the work of ESG analysts

In this section, I will explain how I interpret my findings in the light of Axel Honneth's and Judith Butler's thinking. A model, that I will explain step by step, will help me to describe how the dynamics of recognition shape the work of ESG analysts.

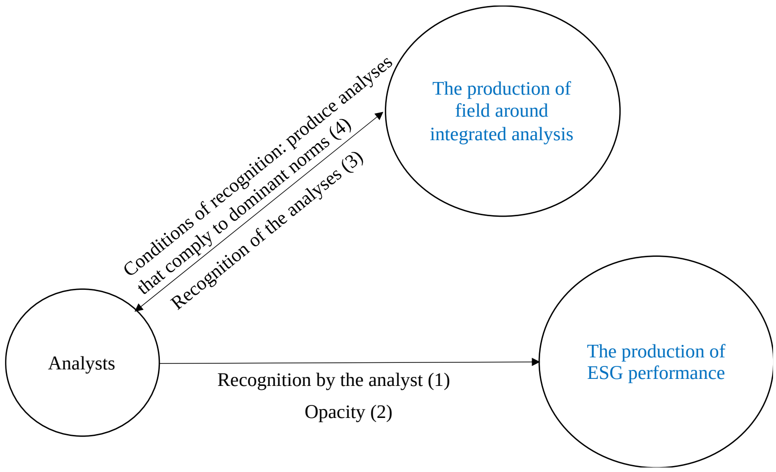
As pointed out by scholars in management and environmental accounting, it is impossible to precisely define sustainability or ESG performance at the organizational level (Gladwin, Kennelly, & Krause, 1995; Gray, 2010). However, despite these difficulties, ESG analysts have to create indicators and categories that measure ESG performance. According to pragmatist literature, values, even complex ones that are hard to grasp, are created in the act of valuing. The work of analysts is thus at the heart of the production of ESG performance. According to Axel Honneth, recognition is not only about social dynamics but also about a genuine interest in the world that surrounds us. In his thinking, any cognitive action is preceded by the recognition of topics that are considered worthy of analysis. Before measuring, analysts need to recognize what's worthy of measurement. The production of ESG performance thus contains a process of *recognition by the analyst* of the topics and categories that she will consider (1).



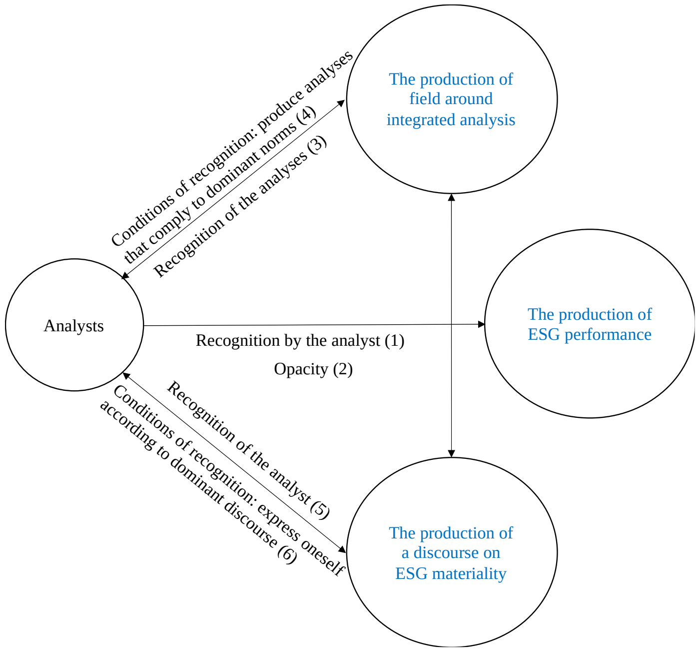
But the complexity of ESG issues can make it difficult to create transparent and coherent analyses with scores that can be traced back to predefined indicators. ESG analysts' work is thus characterized by opacity (2).



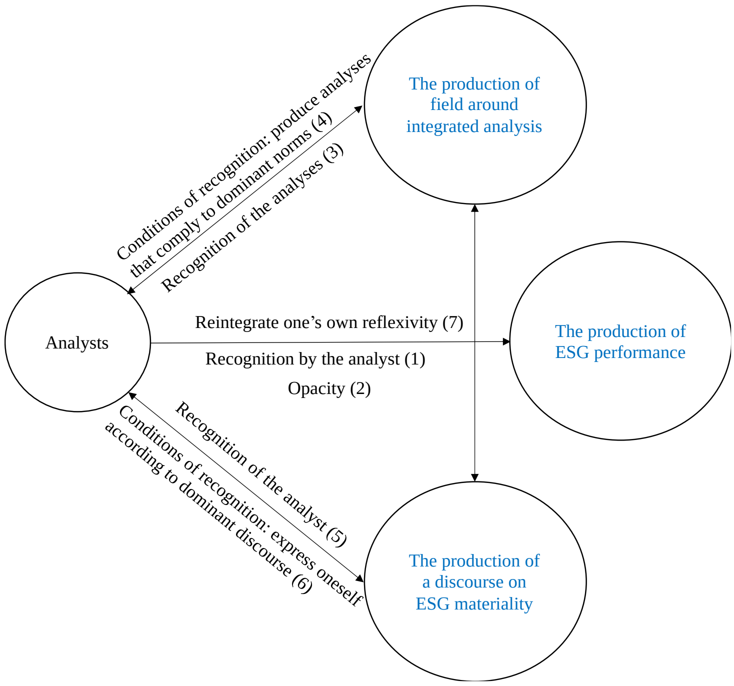
Most investors do not like opacity. They want clear and transparent data that give them a complete overview over a company's risks and opportunities. Judith Butler's work on recognition shows that social recognition within a given field depends on the reproduction of established norms that prevail in that field. This means that to express oneself in a way that is acceptable for others, one must create narratives that are recognizable according to shared norms. My results have shown how analysts adapt to data availability combined with investors' needs and use existing models to produce analyses that are look familiar to investors. The reproduction of financial norms in the production of ESG analyses helps the recognisability of these analyses for investors within the emerging field for integrated analysis. Within this field, as also has been documented in the literature (Dumas & Louche, 2015), integration describes the transferral of financial logics to non-financial issues rather than the other way around. The recognition of analyses (3) thus depends on analysts' capacity of producing analyses that comply to dominant financial norms (4).



The field around integrated analysis has emerged thanks to the discourse on ESG materiality, that, despite the absence of univocal results that prove the claim that ESG issues are financially material (Revelli & Viviani, 2015), has become dominant in financial markets. This discourse has significant influence on the terms that are available to analysts when they present themselves to client and justify the value of their work. Indeed, my results show that recognition is not only about the analyses, but also about the analysts themselves. Butler states that to be considered a legitimate member of a social field, individuals must adopt the discourse that prevails in that field. My research shows how analysts express themselves in way that complies to dominant discourse on the financial materiality of ESG issues to be recognized as professionals. Recognition of the analyst (5) thus depends on her capacity to express herself according to this dominant discourse (6). This forces analysts to speak of extra-financial issues in a reified manner, considering them only to the extent of their impact on financial materiality.



Sometimes, analysts can go against these norms and reintegrate their own reflexivity, for instance by manually adjusting automatically calculated scores (against the norm of standardization and quantification) or by integrating topics that are of personal interest to them (against the norm of financial materiality). These actions also contribute to the production of ESG performance, thus framing it slightly differently (7).



The application of a theoretical framework inspired by Axel Honneth and Judith Butler on my results has thus shown the central role of recognition in analysts' work: as there is no standardized definition of ESG performance, analysts first need to recognize the topics to be considered. However, to create analyses that are recognizable for their clients and to be recognized as professionals within their field, analysts reproduce financial norms and discourse. ESG performance and analysts' professional identity is thus shaped by these norms, even if they can sometimes defy from them and reintegrate their own reflexivity.

5.2. Contributions

In this second part of the discussion section, I will explain how my research contributes to extant literature on professional identity and performativity.

5.2.1. Ambiguous identities and the repetition of dominant discourse without internalizing it

The literature on professional identity and accounting has described how accounting professionals derive their recognition as professionals from the internalization of certain norms that describe how they should present themselves and behave in professional contexts (Grey, 1998; Roberts, 1991). This literature has not said much about ESG analysts. My research shows that for ESG analysts, the norms that determine their professional recognition are not so straightforward as they perhaps are for more established accounting professions. ESG analysts navigate the field of integrated analysis, where ESG issues are progressively being integrated into traditional financial analyses. It is not always clear, in this process, whether ESG issues are considered as measures of financial risk or opportunities or for their own sake. Even if they state otherwise, investors do not only use ESG performance analyses as measures of financial performance but also as measures of what's ethically acceptable, although "they're not always capable of expressing it that way" (director of methods). This "general confusion" (integrated analyst) is reflected in the way analysts justify the value of their work: they are aware of the ethical dimension of certain issues but feel they must censor themselves while speaking to clients, choosing arguments on financial risks and opportunities instead. Additionally, many analysts are skeptical of the dominant belief that ESG issues are financially material, but they are aware that it is this discourse that justifies their work and tend to repeat it when facing clients or colleagues. Analysts thus reproduce financial norms without necessarily believing in them, just like investors, who sometimes seem to "use" the discourse on financial materiality while in fact making ethically motivated investment decisions. The line between the financial and the ethical/political dimension within the field around integrated analysis is thus a blurry one. This blurriness shapes the profession of ESG analysts, who have to frame their work in financial terms but who cannot entirely escape the ethical dimension of ESG. It thus seems that in the case of ESG analysts, professional recognition does not follow the internalization of certain norms of appearance and conduct, as has been documented in the accounting literature that has studied how subjection to these norms produces professional identities (Messner, 2009; Roberts, 1991, 2009). Instead, it seems that ESG analysts merely reproduce financial norms and discourse without internalizing them. They know that ESG is not only about financial risks and opportunities, and that investors also use their analyses in less instrumental ways. They tend to be skeptical about the financial materiality of ESG issues. But they also know that they must repeat this dominant discourse that justifies their work and that they must abide by the norms that determine what financial information should look like to avoid being accused of subjectivity and lack of professionalism. Thus, my research contributes to the literature on professional identity in accounting by revealing how in an ambiguous emerging field, the repetition of dominant discourse without internalizing its underlying norms produces ambiguous professional identities.

5.2.2. Restrictive and reflexive performativity

This ambiguity also shapes how, through a performative process, ESG is produced and reproduced. Performativity has been described in the literature as the process through which theories designed to describe the world tend to mould the world to their descriptions (Callon, 2007; Chiapello, 2008; MacKenzie, 2006; MacKenzie & Millo, 2003). I call "restrictive performativity" the process through which dominant norms and ideas are reproduced and produce real effects in the world through the application of tools or theories built on their premises. This is typically the case for ESG analyses. Since the idea that ESG issues are linked to financial performance has spread across financial markets, the tools that were built to measure ESG performance confirm this idea, as only topics with a strong link to financial performance are integrated in these tools. ESG performance is thus restricted to its financial materiality. Analysts who have different ideas on ESG performance have difficulties to express these ideas, as their professional recognition depends on their ability to perform analyses that comply to the dominant idea on financial materiality. Restrictive performativity not only applies to ESG analyses, but also to mainstream economic theory, that tends to reproduce and thus confirm outdated ideas on market efficiency and the rationality of market actors (Callon, 2007; MacKenzie, 2006; MacKenzie & Millo, 2003).

However, my research shows that there is another form of performativity at stake in the way analysts work. This type of performativity is a more reflexive one and contributes to provoke incremental change to dominant norms and discourse. I call this "reflexive performativity". It is not as radical as critical performativity, that has been defined as the "active subversion of managerial discourses and practices" (Spicer et al., 2009, p. 2), but rather describes a process in which actors reintegrate their own reflexivity and slightly alter dominant norms. This can be observed in my findings, as analysts fail to perfectly reproduce dominant financial norms on quantification, standardization, and financial materiality. They for instance adjust scores to better fit their opinion on a company, even if this goes against the norm of standardization, or integrate topics for ethical reasons, even if they know them to be of limited interest for clients who focus on financial materiality. These reformulations of dominant norms are done in a nuanced way and fail to counter the overall tendency of industrialization and integration into financial analysis. But they do leave traces in the tools analysts work with, like for the analyst who goes against the demand for rapid, simple scores to provide separate assessments of a company's performance in the environmental, social, and governance dimension. These reformulations are translated into new tools that will be used for new analyses and thus shape ESG performance production in the future.

My work thus contributes to the performativity debates by introducing the notion of reflexive performativity as a more subtle, less subversive form of critical performativity. Unlike marginalized groups such as transgenders, who are at the heart of Butler's thinking about critical performativity (Butler, 1977, 1990), analysts do not have to radically revolutionize existing norms to create space for their identity and convictions. It thus seems inappropriate to use the term of critical performativity to describe how analysts integrate their own reflexivity. Reflexive performativity typically applies to actors that are at the heart of the reproduction of dominant norms and cannot exist exterior to them, such as analysts, teachers, and researchers. These actors need to reproduce dominant norms to acquire and maintain professional recognition. But they are often aware of the limitations of the methods and theories they learnt, and in transferring them, they can sometimes reflexively alter them and inspire others to do likewise, or to go even further. Norms are not autonomous but the product of our continuous reproduction, and it seems possible to incrementally change them by integrating one's own reflexivity. In the case of analysts, who design the material devices through which this reproduction takes place, this mechanism seems particularly powerful, as their reinterpretations leave material traces in the tools they work with and shape how ESG performance is defined in subsequent analyses. My work thus contributes to the performativity debates by showing how norm-reproducers who play a role in the creation of tools through which these norms are applied and reproduced can become actors of incremental change through reflexive performativity.

5. CONCLUSION

In this paper, I have used a framework based on Axel Honneth's and Judith Butler's thinking to examine how analysts produce ESG performance in interaction with financial norms and discourse. The results reveal how analysts reproduce dominant norms in their analyses and in the way they talk about their work, as their professional recognition depends on it. This forces analysts to produce a reified representation of the world, which considers extra-financial issues only to the extent of their impact on financial materiality and makes it difficult for them to integrate topics without explicit link to financial materiality or that are difficult to translate in financial data, such as companies' impact on biodiversity loss. However, analysts sometimes can defy financial norms and reintegrate their own reflexivity while assessing ESG issues. The paper makes two contributions. First, it reveals how the ambiguity of the emerging field around integrated analysis produces ambiguous professional identities. It contributes to the literature on professional identity by showing how some professionals, being aware of the ambiguity of certain dominant norms, can reproduce these norms without internalizing them. Second, it introduces the couple "restrictive performativity" and "reflexive performativity" to describe the difference between the way how pervasive norms are reproduced and the way how actors who perform this reproduction can sometimes reflexively reinterpret and incrementally change these norms. However, it remains questionable whether incremental change is enough to tackle pressing existential problems such as climate change and biodiversity loss through investment behaviour guided by ESG performance measures. Even if ESG analysts do not believe in the financial norms and discourse they reproduce, this reproduction still produces effects on the way ESG performance is defined and measured. As Slavoj Zizek would have it: "even if we do not take things seriously, even if we keep an ironical distance, we are still doing them" (Žižek, 1989, p. 32).

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