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WHAT DOES IT TAKE AND MEAN TO BE A FINANCE PROFESSIONAL IN FINLAND?

Social representations of investing and the identity and perceptions of Finnish private banking professionals

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1 INTRODUCTION

1.1 Background

It is obvious there exist multiple alternative, conflicting representations of investing and investors in society. In fiction, investors, particularly professional ones, are often reserved the role of a bad guy: for instance, such iconic movies as *Wall Street* and *The Wolf of Wall Street* portraying, as suggested by their names, activities on Wall Street present professional investors as selfish, immoral and power-hungry. Even *Train to Busan*, a Korean zombie action film, i.e. a film not about investing, introduces its main character, initially a selfish, immoral guy unconcerned for anyone else's well-being but his own and suggested to be at least indirectly responsible for the catastrophic events of the film and the deaths of hundreds of innocent people, as a fund manager who is commented to "just leech off other people". In these representations, investing is very clearly bad and undesirable behavior and has significant negative consequences ranging from imprisonment and the loss of everything one holds dear to death. In comparison, e.g. banks' marketing materials present investing in a very positive light, portraying it as *the* smart and right way to manage one's wealth and an activity appropriate for everyone, at least with the help of finance professionals who are valuable and skilled experts, while news most often portrays investing in a value-neutral, almost naturalistic way as an activity that "just happens" (Hirsto 2007, 2009, 2010, 2011).

Individuals thus face multiple different, conflicting ways of conceiving and making sense of investing and financial markets and, as different representations suggest very different consequences, the decision to engage in investment activities is clearly not a value-neutral choice, but one influenced by social and cultural norms. As Preda (2001) argues, it will not do to assume that individuals have a natural propensity to invest or that it is their optimal choice to manage their wealth, and the mere existence of surplus money together with the necessary institutional and legal framework will not yet induce individuals to engage in investing. There is, in fact, historical and current evidence against such claims. For example, in the 19th century England and France it took a radical change in discourse and representations of investing to change people's propensity to invest (Preda 2001). Further, currently in Finland, 60-80 % of population feels they do not possess adequate wealth to invest (Norvestia 2016, Nordea 2018). Even the majority (62 %) of those non-investors who earn over 80 000 euros a year report not having adequate wealth to invest. Only 33 % of the population agrees with the statement "anyone can invest" (Nordea 2018). It might be that these non-investors' expenses are so high that they do not have adequate savings to invest or that their attitude towards risk prevents them from

investing, but it is also possible that their perceptions of what investing is like and who can invest influences their decision not to invest.

Indeed, whether or not to invest is not a question of simply one's surplus wealth and attitude towards risk but also of one's identity and beliefs: if one perceives investing to be negative, socially undesirable behavior (e.g. selfish, immoral or irresponsible) and does not want to appear in such a light, they will refrain from investing even if their finances and risk attitude would allow for it, while if one considers investing as a socially legitimate or even desirable behavior (e.g. smart, responsible way to manage money), they will be inclined to invest. Therefore, it is essential to consider people, including investors or financial actors, as social beings, influenced by social and cultural forces such as (social) representations and discourses.

Yet, investing as a socially and culturally affected activity is rarely explored in finance research. The traditional, neoclassical "mainstream" finance research typically models investors as (hyper)rational, selfish utility (or wealth) maximizers and ignores the potential social and cultural influences. Further, thinking in these studies tends to be atomistic as behavior of financial markets is assumed to be simply the aggregate of individuals' behavior and decisions. Behavioral finance research has criticized some of these assumptions and aimed to further develop finance theories by allowing for investors' bounded rationality and different cognitive biases, but the same atomistic thinking is still present in behavioral finance, too, and the potential social and cultural influences remain ignored.

The emerging field of Social Studies of Finance (SSF) has attempted to meet this challenge and "socialize" finance by offering alternative perspectives (from e.g. sociology, anthropology, and political and cultural studies) into the field, emphasizing the cultural and social dimensions of financial activities. Yet these studies are still quite few in number and their contribution remains more or less anecdotal as there have been few attempts to develop a more comprehensive, holistic theory of investors' behavior and decision-making and bridge the gap between the traditional neoclassical finance and SSF.

Interestingly, so far theories of social psychology have received relatively little attention from researchers studying investing and financial markets. This is surprising, considering the focus of social psychology is exactly to explain human behavior in social contexts. For example, social representation theory, which ties together the ideas of representations, discourses and (social) identities as influencers and drives of human behavior, offers an interesting theoretical framework for examining investors' behavior.

Private banking in particular presents an interesting setting to study investing as a social and cultural activity. Finance professionals in private banking work directly on the boundary between professional and non-professional investing. Private banking clients, i.e. non-professional investors, and private banking professionals such as asset/portfolio/fund managers and private bankers, i.e. professional investors, do not necessarily share the same social representation of investing, and it is possible that the groups' social

representations of investing are even conflicting. Further, the potential clients in private banking are so-called high-net-worth individuals (HNWIs), i.e. persons with high levels of income or sizable assets (Wikipedia 2018), suggesting that, for these people, lack of savings cannot be the reason not to invest; if they are non-investors there must be a non-economic reason for it, such as perceiving investing in a negative way (e.g. as immoral, irresponsible, dangerous, or overly difficult). Thus, to be able to perform their job, private banking professionals might need to first overcome the potential conflicts of perceptions and negotiate a common understanding with their clients. Therefore, studying how these professionals perceive themselves as professionals, their work and investing in general might shed some light on what kind of social and cultural forces affect investing on the whole.

1.2 Purpose of the study

The purpose of this study is to explore how Finnish private banking professionals perceive themselves, their work and investing in general and, based on this, discuss what kind of social representations and ideologies these perceptions might result from. The study also examines whether there is any indication of the existence of multiple or even conflicting social representations of investing. In a broader sense, the aim of the study is to contribute to the understanding of investing as a social and cultural activity and how factors other than “rational” wealth-maximization might influence people’s investment decisions.

In short, the study will address the following research questions:

- 1) What are Finnish private banking professionals’ identities like?
 - What kind of roles they see as meaningful and important to adopt and perform in their work?
 - What kind of behavior and personal qualities are associated with the roles: what is deemed acceptable, required and essential, and what is deemed unacceptable for Finnish private banking professionals?
 - If there are any conflicts between the roles, personal qualities or behavioral norms, how are these conflicts managed and solved?
- 2) How do Finnish private banking professionals perceive investing in general?
- 3) What kind of ideological and cultural underpinnings can be found in the perceptions of Finnish private banking professionals?

Theoretically the study draws upon the social representation theory of social psychology, proposing an alternative perspective to finance and people’s investment behavior. By reviewing earlier research on the representations of investing, investors and financial markets and comparing them to the perceptions of Finnish private banking professionals,

this study attempts to tentatively map out the wider cultural context in which investors operate. Further, the potential implications of findings will be discussed. In many ways this study is an explorative one and should thus be regarded as suggestive rather than an end in itself.

For the academic audience, the study offers an alternative perspective on investing and investment behavior, hopefully provoking thoughts and generating discussion about the limitations of, for example, the atomistic thinking prevailing in the mainstream and behavioral finance research and igniting more interest in the social, social psychological and cultural dimensions of financial activities and phenomena. For practitioners, this study offers an opportunity for critical self-reflection and potentially also self-improvement in their everyday working life. Making social representations “visible” by describing them might reveal the generally accepted and unquestioned values and assumptions which lie at the core of culture. Only by revealing these assumptions it is then possible to start questioning them and discussing whether or not they are meaningful and reasonable and if they should be changed for something (that is perceived) better. This, in turn, could potentially help with, for example, improving the soundness and efficiency of financial decisions made by financial actors, risk management in investing and the recruitment of new finance professionals. Further, understanding the potentially different social representations of investing embraced and accepted by non-professionals might help private banking professionals to communicate better with their clients and to provide them with better financial advice.

1.3 Key terms and definitions

In this study, the term “identity” refers to meanings one attributes to oneself in a role and that others attribute to one. By categorizing oneself as something (e.g. a student, a mother, an investor, a finance professional), an individual will assume the identity of that something and start behaving in a way they believe that something should behave. Likewise, in order to not be (some identity), one must not act like (some identity). In role relevant situations others will react to a person as a performer of the role and the person’s actions will be judged to be appropriate or inappropriate for that particular role (Burke & Reitzes 1981). Thus, an identity is always socially constructed in communication with others (Augoustinos, Walker & Donaghue 2006), and this poses limits to how freely one can opt in and out of identities: in the construction or making sense of one’s identity, one has to incorporate, negotiate and/or contest representations of relevant social groups (Howarth 2002).

Thus, in a way, identification and representation can be seen as “different sides of the same coin” (Howarth 2002) and identities are closely related to the idea of social representations. In this study the term “representation” refers to the way an object is shown or described, i.e. a portrayal of an object in a certain way. The term “social representation”, on the other hand, refers to the stock of ideas, thoughts, feelings, images and knowledge of an object, (i.e. a representation) shared by a particular social group, the so-called “common sense” understanding that is socially created and communicated and which thus constitutes the object for that group. Social representations function to conventionalize objects, persons and events: they are prescriptive and have value connotations, and therefore shape and guide people’s beliefs, attitudes, opinions and behavior. Often people are unaware of the social representations they embrace and accept, and simply see them as “common sense”. Importantly, however, the relationship between an individual and the social group embracing certain social representations is a dialectical one: the individual is simultaneously both a product of the social group (its conventions, norms, values, etc. conveyed by the social representations) and an active participant in the construction of the social representations shared by the group (Augoustinos, Walker & Donaghue 2006; Taylor, Murray & Lamont 2017).

Lastly, in this study, the term “private banking professional” refers to those finance professionals who work within the sphere of private banking. Private banking consists of banking, investment and other financial services provided to the so-called high-net-worth individuals (HNWIs), i.e. persons with high levels of income or sizable assets (Wikipedia 2018). In this study, the minimum wealth of a HNWI is 100 000–300 000 €.

1.4 Methodology and limitations

This study pursues a qualitative methodology. This approach was chosen, first, because there is little prior knowledge on the topic, making quantitative methods inappropriate to use as no testable hypotheses could be formed, whereas qualitative methodology allows for the collection of thick, nuanced data, which supports building a holistic, detailed understanding of the topic (Eriksson & Kovalainen 2008). Second, the purpose of the study is to explore the identities and subjective perceptions of Finnish private banking professionals and thus investigate the construction of investing activities as a social and cultural phenomenon. Therefore, qualitative methodology is particularly appropriate as it, unlike

quantitative methodology, allows for the assumption of reality as socially constructed¹ (Eriksson & Kovalainen 2008).

As this study assumes the reality is socially constructed, the study is interpretive, meaning the analysis and the results of this study are the researcher's interpretation of the data, i.e. simply one possible way of making sense of it. Further, the sample size in the study is relatively small (eight people) and, as the interviewees were chosen based on access, the sample is very likely to be not representative of all private banking professionals. Thus, the study does not produce (statistically) generalizable results, but rather introduces new perspectives and starts building a knowledge base onto which further research will be possible.

Lastly, this study focuses on the perceptions of private banking professionals who work directly with clients. Their perceptions might differ from the ones of other private banking professionals, such as analysts, traders, or portfolio/asset/fund managers who do not work directly with their clients or who invest the bank's assets. Further, their perceptions might also differ from the ones of other finance professionals (e.g. working in investment banking, insurance, etc.), from the ones of non-professional private investors and from the ones of non-investors. Therefore, the results of this study should not be regarded as representative of any other social group than the one specified by the study, and even then the results should be considered tentative and mainly suggestive for further research.

1.5 Structure of the study

The rest of the study is organized as follows. Chapter 2 introduces the theoretical foundation of the study by first shortly describing the individualistic, atomistic perspectives prevailing in the mainstream and behavioral finance research and discussing their limitations and by then presenting alternative perspectives from social psychology along with earlier research literature on the representations and discourses of investing, investors and financial markets. Next, chapter 3 describes the empirical data and methodology used in this study. The following chapter 4 presents the empirical results of the study and chapter

¹ In social constructionism it is assumed that there is no one, absolute truth but instead multiple ways of perceiving and explaining (Eriksson & Kovalainen 2008). For example, even such seemingly objective concepts as "investing" can be, as shown in chapter 2.3, constituted in multiple different ways using different discourses and rhetorical devices. In social constructionism, language is thus thought to be performative, i.e. it does not purely describe the reality but instead has consequences (Eriksson & Kovalainen 2008): by naming an object or an event, it is infused with meaning and therefore naming and describing objects are not neutral acts but they create and change the reality (cf. SIT, SRT and DP as presented in chapter 2.2). For example, as mentioned in chapter 2.2, by calling an act of violence on civilians a terrorist attack portrays the event and those responsible for it differently than calling it, for instance, simply "a bombing" or "a stabbing", which (potentially) affects how people make sense of the event and respond to it.

5 continues with a more general discussion on the topic. Finally, chapter 6 concludes with a summary, evaluation of the study and some proposed topics for future research.

2 THEORETICAL FOUNDATION

2.1 Investors as individuals

The foundation of the present day “mainstream” finance theories lies in the so-called neoclassical period of economics and finance research that began circa 1930. These theories build on the neoclassical economics’ idea of the market being an aggregate of individual market actors’, (i.e. in finance, investors’), behavior.

In short, the basis for the theories goes as follows. Investors are assumed to have preferences, be able and willing to rank those preferences, and be rational and consistent in their choices, i.e. always choose the more preferred option over the less preferred. Investors are assumed to aim to maximize their happiness or “utility” and thus any risky decision-making problem (e.g. investing) can be modelled as a simple calculation of the expected utilities of each possible choice and the selection of the one offering the highest expected utility. The matter is further simplified by assuming more wealth is preferred over less wealth, thus equating utility maximization with wealth maximization (Elton et al. 2010).

As markets are assumed to be highly liquid, i.e. there is a large number of investors freely trading on the market, no one investor is able to influence the prices and must therefore take the market price as a given. In other words, the prices are determined automatically “by the market”, as the result of supply and demand. Due to the assumptions of wealth maximization and rationality of investors, there can be no arbitrage opportunities, leading to the law of one price (i.e. two assets with identical payoffs must sell for the same price) and the fact that all instruments must be “correctly” priced (i.e. the price reflects the fundamentals of the company and the investors’ expectations for the future) (Elton et al. 2010, Ross 2005).

In summary, in this mainstream finance literature, the view of investors is that of a (hyper)rational (economic) utility maximizer. Any other motives than wealth maximization are assumed away; the theories do not necessarily claim investors cannot have other motives, but due to the assumptions of liquidity of the market and wealth maximization of investors, these other motives do not matter: if someone chooses to engage in an economically suboptimal trade (due to other motives), other investors will jump at the opportunity, correcting the price immediately (Ross 2005). Investors are assumed to act in a socio-psychological vacuum: completely independent of each other and fully rationally, calculating the expected utility of each possible choice, selecting the highest expected utility and then executing the decision correctly. The view is thus highly individualistic and atomistic.

The assumptions of investor behavior behind the neoclassical theory were criticized even in the beginning as unrealistic: the idea of a perfectly rational decision-maker, who has preferences of everything, is able and willing to rank those preferences, and always acts consistently in his choices, is not supported by empirical evidence or even everyday experiences of most people. Yet multiple different arguments have been offered in a defense of the mainstream finance theory.

Firstly, Ross (2005) notes that the neoclassical theories are not even concerned with the behavior of individual investors, only with that of the whole markets, and as long as there are even some rational and well-financed investors on the market, they will ensure there are no arbitrage opportunities, i.e. other investors' possible irrationality will not affect the prices or the behavior of the market. However, is it justified to assume there will be (enough of) those rational and well-financed investors? At least theoretically it is not difficult to imagine a situation where a very well-financed investor will engage in an economically suboptimal trade (e.g. due to personal values or a need to get liquidity) and there are investors, who observe this arbitrage opportunity but lack the resources to exploit it. Further, Ross's argument is based on the idea of atomistic investors, i.e. that investors do not influence each other. In reality, however, investors have been observed to, for instance, engage in herd behavior (see e.g. Bohl, Branger & Trede 2017), gravitating towards the same or similar decisions. Economic bubbles are often mentioned as an example of herd behavior, and thus it is not difficult to imagine a situation where a large number of investors engages in economically suboptimal trades and the few investors who "anti-herd" are not able to fully arbitrage away the "mispricings". Thus, it will not do just to assume that there will be investors to nullify any "misbehavior" on the market; it may equally well be that this is not the case.

Secondly, and admittedly, it is important to note that there are assumptions behind every theory; theory is always a simplification and an abstraction of the complex reality. How important it is that these assumptions are realistic is debatable. According to Friedman (1953), the value of any theory is not dependent on the realism of its assumptions but on how correct its predictions are. Thus, a "pragmatic" take would be that the neoclassical finance theory is not descriptive, but a normative model of investor behavior, i.e. it provides suggestions and guidelines on how to behave, but does not reflect the reality as it is in the financial markets. Problems arise, when this is forgotten and the models of the neoclassical finance theory are assumed to correctly describe the reality and that they can be used to give guidance or forecasts (e.g. to politicians) on how the markets or investors behave in certain conditions (Elton et al. 2010).

However, one may ask whether finance, or any field of science for the matter, should only focus on creating normative models. What good are normative models, if we do not know how people actually behave (e.g. whether they act accordingly to the normative models and, if not, why)? To make value judgements, i.e. pronouncements on whether

something is good or right, a normative theory has to be based on or operate within a set of norms or prevailing beliefs; therefore, to develop a normative theory, a descriptive one is also needed: to improve something, one must first know, how it is. Further, as mentioned above, normative models cannot be used to give forecasts or guidance to e.g. policy makers; a descriptive model would be needed for that.

On the basis of the critique presented above, behavioral finance has attempted to develop a more realistic view of people's investment behavior. Behavioral finance (BF) can be defined as "the study of the influence of psychology on the behavior of financial practitioners and the subsequent effect on markets" (Sewell 2007) and, drawing mainly on theories from cognitive psychology, BF allows investors to have bounded rationality and their behavior to be influenced by emotions. While most of the research² within BF to date has dealt with the examination of individual "anomalies"³ as well as heuristics⁴ and the biases resulting from them, the field has produced also some more comprehensive theories of financial actors' decision-making, most notably the theory of mental accounting (Thaler 1980) and the prospect theory (Kahneman & Tversky 1979).

Mental accounting refers to the tendency to categorize and classify one's personal funds instead of treating them all equally as one portfolio (e.g. considering each investment individually and not as a part of the whole investment portfolio, or having different investment goals for different sums invested) (Thaler 1980). In a similar vein, according to the prospect theory, people are prone to be influenced by the framing of the situation: e.g. unexpected taxes may be treated as losses instead of diminished profits, while financial losses in a bad economy may be considered gains, if the losses are smaller than others have experienced. Prospect theory also suggests people are generally risk averse, favoring certain gains over uncertain ones even when the expected value of uncertain gains is bigger than the one of certain gains, and concern themselves more with gains and losses than final assets. Further, according to prospect theory, people's risk preferences are not consistent and gains and losses are treated differently: when winning, people are increasingly

² For a comprehensive review of the most notable research done in behavioral finance, see e.g. Sewell (2007).

³ Anomalies as considered from the neoclassical finance point of view, i.e. stock market deviations from the Efficient Market Hypothesis (Fama 1970) and the Capital Asset Pricing Models (e.g. Black 1972, Lintner 1965, Sharpe 1964, and others). Well-known "anomalies" include, for example, and *the endowment effect* (the tendency to demand a higher price for a product owned than one would be prepared to pay to buy it) (Kahneman, Knetsch & Thaler 1990), and calendar effects such as *the January effect* (the tendency of returns on common stocks in January to be much higher than in other months) and *the weekend effect* (the tendency of stocks to exhibit relatively large returns on Fridays compared to those on Mondays).

⁴ Heuristics are cognitive shortcuts, so-called "rules of thumb" that make information processing easier and quicker for people's limited cognitive capabilities. Well-known heuristics include, for example, *the affect heuristic* (i.e. the effect of feelings of decisions) (Finucane et al. 2000; Slovic et al. 2002), *the availability heuristic* (the tendency to rely on information readily available instead of considering other alternatives) (Tversky & Kahneman 1973), and *the recognition heuristic* (the tendency to judge recognized objects to be of higher value compared to objects not recognized) (Goldstein & Gigerenzer 1999).

risk averse, but when losing, they become risk seekers trying to regain lost funds (Kahneman & Tversky 1979).

All in all, according to mental accounting and the prospect theory, investors are not fully rational, but instead are prone to make emotional, economically suboptimal decisions as well as be influenced by the framing of the situation due to having limited cognitive capabilities. The same theme repeats across most behavioral finance literature: BF research is built on the critique towards the rationality assumptions made in neoclassical finance research and therefore BF research draws heavily on the theories and observations from the cognitive psychology in an attempt to allow for bounded rationality. While undeniably important and useful in getting a more realistic theory of investors' behavior, this view is still lacking: in the end, cognitive psychology is just as individualistic and atomistic as the neoclassical theory, failing to consider the social and cultural aspects of financial activities.

To summarize, the neoclassical finance literature's view of investors is atomistic and individualistic: they are assumed to be fully rational wealth maximizers. In behavioral finance investors are allowed to be not fully rational; they are assumed to be cognitively bounded, i.e. they would act rationally, if they could, but because of their limited cognitive capabilities and proneness to emotional responses, they make economically suboptimal decisions. This view, while more realistic, is still just as individual and atomistic, and does not allow for the consideration of an investor as a social being who lives embedded in a certain social and cultural environment.

2.2 Socializing the investor

As Preda (2001) argues, it will not do to assume that individuals have a natural propensity to invest or that it is their optimal choice to manage their wealth. There is, in fact, historical and current evidence against such claims. For example, in the 19th century England and France it took a radical change in discourse and representations of investing to change people's propensity to invest (Preda 2001). Further, currently in Finland, 60-80 % of population feels they do not possess adequate wealth to invest (Norvestia 2016, Nordea 2018). Even the majority (62 %) of those non-investors who earn over 80 000 euros a year report not having adequate wealth to invest, and only 33 % of the population agrees with the statement "anyone can invest" (Nordea 2018). It might be that these non-investors' expenses are so high that they do not have adequate savings to invest or that their attitude towards risk prevents them from investing, but it is also possible that their perceptions of what investing is like and who can invest influences their decision not to invest. As Preda (2001) argues, the mere existence of surplus money together with the nec-

essary institutional and legal framework will not yet induce individuals to engage in investing; instead, investing will need to be considered at least a socially acceptable and legitimate activity. Therefore, it is essential to consider people, including investors or financial actors, as social beings, influenced by social and cultural forces such as (social) representations and discourses.

The emerging field of Social Studies of Finance (SSF) has attempted to “socialize” finance by offering alternative perspectives (from e.g. sociology, anthropology, and political and cultural studies) into finance research, emphasizing the material, cultural and social dimensions of financial activities. For instance, research topics such as the culture and work habits of finance professionals (e.g. Abolafia 1997, Hertz 1998, Sjöberg 2004), gender (e.g. McDowell 1997), the role of technology and mainstream finance theories (e.g. MacKenzie & Millo 2003, MacKenzie 2006, Millo & Schinckus 2016), discourses of finance (e.g. Sjöberg 2004; Hirsto 2007, 2009, 2010, 2011; Fuchs & Graf 2010) and globalization (e.g. Cerny 1994, Cohen 1996) have been studied. However, as a young, truly interdisciplinary field, SSF most often treats financial markets as a research context, drawing on theories from other subject matters and without attempting to bridge together mainstream finance research and SSF research.

Interestingly, so far theories of social psychology, aside from those within the social cognition approach, have received relatively little attention from researchers studying investing and financial markets. This is surprising, considering the focus of social psychology is exactly to explain the human behavior in social contexts.

Within social psychology, there are four major schools of thought, the dominant of which is social cognition, a perspective that focuses on intraindividual mental processes⁵, drawing heavily on the mini theories and concepts of cognitive psychology. Similar to the views in neoclassical finance and BF, social cognition explains social phenomena by thinking of people as information processors: like “naïve scientists” people make sense of the world around them by making observations of systematic variations and then making inferences based on these observations. However, as truly scientific thinking is extremely taxing, people tend to be “cognitive misers” who avoid becoming overwhelmed by the amount and complexity of social stimuli by utilizing different heuristics. Yet, people are capable of abandoning these heuristics and thinking deeply instead when so motivated (Augoustinos, Walker & Donaghue 2006).

In their cognitive processes people construct mental representations, schemas. Schemas are mental templates or categories that contain generalized expectations and knowledge of the world, e.g. what to expect and how to behave in certain (social) situations and roles. Thus, by categorizing, schemas simplify the complex world and allow people to interact without having to treat each object and situation individually. Schemas

⁵ Thus, somewhat ironically, as a discipline social psychology is not exempt from problems of atomistic, individualistic thinking (Augoustinos, Walker & Donaghue 2006).

are also evaluative and affective, offering normative guidance for behavior and potentially triggering certain feelings (Augoustinos, Walker & Donaghue 2006).

In a sharp contrast to this, social identity theory (SIT), another major school of thought within social psychology, is based on the idea of behavior being guided by an individual's social group identity (Augoustinos, Walker & Donaghue 2006). Identities can be defined as meanings one attributes to oneself in a role and that others attribute to one; in a way then, an identity is a portrayal or a representation of sorts. By categorizing oneself as something (e.g. a student, a mother, an investor, a finance professional), an individual will assume the identity of that something and start behaving in a way they believe that something should behave. Likewise, in order to not be (some identity), one must not act like (some identity). Behavioral choices might be on the level of activities or in the manner in which the activities are performed. In role relevant situations others will react to a one as a performer of the role and one's actions will be judged to be appropriate or inappropriate for that particular role (Burke & Reitzes 1981).

Thus, in SIT categorization is not viewed as a simplifying cognitive process but as an enriching and elaborating sense-making activity that renders the complex world more intelligible: by categorizing an object as something, it is not stripped of complexity, but instead infused with meaning and relevance. Further, according to SIT people are motivated to think well of themselves and are thus motivated to identify with and belong to a group they see as superior to others and to positively distinguish their ingroup, i.e. the social group they belong to, from other social groups (Augoustinos, Walker & Donaghue 2006).

However, it should also be noted that an identity is always socially constructed in communication with others, restricting the availability of identities to an individual. While one might identify with a particular social group, its membership is not always easily acquired and, on the other hand, one might belong to some social groups against one's wishes: for example, transmen identify as men, but are assigned as women at birth and are often perceived as such by others, causing these men considerable stress (Augoustinos, Walker & Donaghue 2006). An unwanted or negatively perceived identity, either acquired by behaving in a way that corresponds to such an identity (e.g. a criminal) or by being labeled as such based on inescapable personal attributes (e.g. a disabled person), can thus be seen to threaten or even spoil⁶ one's positive identity and, as according to SIT people strive to think well of themselves, such a negative identity must be somehow managed.

⁶ The term "spoiled identity" refers to an identity of a stigmatized social group, such as e.g. an ethnic, religious or sexual minority. A stigma refers to a socially discrediting attribute, behavior or reputation that causes an individual to be classified by others in undesirable and rejected (Goffman 1963).

Social representations theory (SRT), the third major school of thought within social psychology, extends the perspective of SIT by examining the content and origin of (social) categories. As mentioned above, there are limits to how freely one can opt in and out of identities: in the construction or making sense of one's identity, one has to incorporate, negotiate and/or contest representations of relevant social groups. Thus, in a way, identification and representation can be seen as "different sides of the same coin" (Howarth 2002).

In SRT the term "social representation" refers to the stock of ideas, thoughts, feelings, images and knowledge of an object shared by a particular social group, i.e. the so-called "common sense" understanding that is socially created in communication and which thus constitutes the object for that group. Social representations (e.g. stereotypes) function to conventionalize objects, persons and events: people make sense of the unfamiliar by giving it meaning, and social representations guide this process, because people search for meaning among what they already know. First, in the process of *anchoring*, unfamiliar objects, events or other social stimuli are categorized by comparing them with existing stock of familiar categories, making them recognizable, comprehensible and possible to evaluate. Secondly, through *objectification*, the unknown and abstract attains a specific form: a social representation is constructed by constructing an icon or a metaphor to stand for the new unfamiliar object or event (Augoustinos, Walker & Donaghue 2006; Taylor, Murray & Lamont 2017). For example, as described in chapter 2.3, stock market can be constructed as a casino, a market place like any other, a complex system of unchangeable and discoverable mechanics and laws, a natural resource to be utilized or a challenging terrain difficult for non-professionals to enter and navigate.

Much like schemas in social cognition, social representations are prescriptive and have value connotations, shaping and guiding individual's beliefs, attitudes, opinions and behavior (Augoustinos, Walker & Donaghue 2006; Taylor, Murray & Lamont 2017). Social representations also function as a unifying and homogenizing force, making social groups what they are: those who share the social representation (of something) will agree in their understanding and evaluations of it (McKinlay, Potter & Wetherell 1993), behaving in a similar way in regard to it. Thus, through socialization into a particular social group, an individual attains not only the content of social knowledge of that group, but also the group's dominant ways of thinking.

Although a schema and a social representation are similar in some ways, there is an important difference: schemas are always inside individuals' minds, thus subjective and unique to each individual, while social representations exist "out there", independent of individuals and shared by them. Often people are unaware of the social representations they embrace and accept, and simply see them as "common sense". Importantly, however, the relationship between an individual and the social group embracing certain social representations is a dialectical one: the individual is simultaneously both a product of the

social group (its conventions, norms, values, etc. conveyed by the social representations) and an active participant in the construction of the social representations shared by the group (Augoustinos, Walker & Donaghue 2006).

Communication and the construction of categories in different social contexts is the focus of discursive psychology (DP), the fourth major school of thought within social psychology. In DP language is not seen to passively reflect the reality, but to actively construct it. In communication people draw on discourses or discursive resources that can be defined as specific, culturally shared, fairly established ways of talking and thinking about something (i.e. established “clusters” of certain terms, metaphors, arguments and other linguistic devices) through which different social phenomena and actions can be perceived as meaningful (Augoustinos, Walker & Donaghue 2006, Hirsto 2007). Social categories are regarded in DP as discursive resources people might draw on and categorizing itself is seen as something people do in communication to accomplish social actions (e.g. persuasion, blaming, denial, accusation, legitimizing, etc.) (Augoustinos, Walker & Donaghue 2006).

For example, calling an act of violence on civilians “a terrorist attack” portrays the event and those responsible for it differently than calling it, for instance, simply “a bombing” or “a stabbing”. Further, while “a terrorist attack” most likely evokes quite similar associations and feelings among people, such the terms as “a capitalist” or “a communist”, for instance, might mean different things for different social groups and in different contexts: a left-wing supporter might use the term “capitalist” as a pejorative for right-wing supporters, implying they are selfish profit maximizing elite uninterested in the well-being of the common people, while for right-wing supporters the term does not carry any negative connotations, simply meaning an investor or someone who supports capitalism. For right-wingers, the term “communist” may instead be a pejorative, while for the left-wingers it is not. Further, for instance in scientific texts both terms can be neutral and objective terms without any evaluative dimensions.

Discourses may also have unintended consequences their users are not aware of and, furthermore, much of the time people do not strategically plan their use of discourses in a Machiavellian fashion, but instead just do what comes naturally (McKinlay, Potter & Wetherell 1993). Indeed, discourses are socially, culturally and historically shaped and if/when some of them become familiar and pervasive enough (i.e. so-called hegemonic discourses), they become regarded as direct representations of reality, not just versions of it (Augoustinos, Walker & Donaghue 2006). Thus, discourses are related to power and can be seen as a window to the cultural and social phenomena underlying people’s behavior: discourses legitimize and naturalize certain perspectives and pieces of knowledge as well as construct specific subject positions and norms for behavior (Augoustinos, Walker & Donaghue 2006, Hirsto 2007, Eriksson & Kovalainen 2008).

The term “subject position” parallels those of “a role” or “an identity” in social psychology but emphasizes more strongly the idea of multiple fluid and dynamic selves and stresses the importance of context (Augoustinos, Walker & Donaghue 2006, Hirsto 2007, Eriksson & Kovalainen 2008). For example, in role specific situations, such as doctor’s appointment, the roles of a doctor and of a patient frame the communication and other behavior. As a patient, one allows a stranger performing the role of the doctor to ask personal questions and invade one’s personal space, a behavior that would not normally be allowed from a stranger. Yet even within this role specific situation, the roles of a doctor and of a patient can be constructed in multiple alternative ways, leaving differing possibilities for communication and other behavior. For example, traditionally the role of “a patient” has been quite passive: a patient simply describes their symptoms to a doctor who then makes a diagnosis and prescribes treatment, which the patient accepts. Transforming the role of a patient discursively into that of “a customer” will result in different possibilities for communication and behavior. Customers are usually perceived to be active and in the position of power as they are the ones paying and may, if they so choose, decide not to engage in any trade. Thus, the role of a “customer-patient” might provide one with freedom to, for example, question and challenge the diagnosis and prescribed treatment or demand more testing.

In summary, social psychology thus offers multiple perspectives on individual’s behavior in social contexts. Notably, these perspectives are not entirely conflicting and can, to a degree, be integrated for a more comprehensive view. A common theme of representations can be found across the different perspectives within social psychology: one does not react to objects and events as they are but as one perceives and interprets them, i.e. one reacts to representations of objects and events. While in social cognition and SIT these representations reside within individuals’ minds, in SRT and DP they exist independently of individual people and are culturally shared by different groups.

SRT ties together the ideas of (social group) identity, social representations and discourses. Culturally shared representations play a role in individuals’ identity construction (and therefore behavior): we are ultimately not free to choose who we are, i.e. how we perceive ourselves and how others perceive us, but social representations limit the identity we can construct. We have to incorporate, negotiate and/or contest social representations of relevant social groups: they can be passively accepted, but also actively challenged (e.g. negative representations and spoiled identities can be managed by drawing upon or constructing alternative representations). Importantly, social representations regarded as “the truth” differ from one social group to another, complicating the matter further.

Both identities and social representations are constructed in communication, thus unavoidably utilizing some of the variety of available discourses: whenever communication takes place, a perspective or “a lens” must be chosen, and this choice determines which

discourses or discursive resources are used. As said, discourses are highly context sensitive as well as performative, i.e. constructed to accomplish specific actions, yet much of the time, people are not using discourses strategically but instead only following their common sense and doing what comes naturally, thus revealing in the process what they regard as “natural”, “normal” and “the reality”. In other words, discourses can be used as clues to social representations: analyzing discourses and their use allows examining and describing social representations, making “hidden truths” of a particular social/cultural group visible⁷.

Thus, all in all, people’s investment behavior, and even the choice whether or not to become an investor, can be perceived to be influenced by the (multiple, alternative) representations of investing, investors, financial markets and finance as a field. Notably, even finance itself as a field is socially constructed: the theoretical, neoclassical models taught in universities and finance text books treat investing as a cognitive task, i.e. wealth maximization problem, and this perspective shapes the way sophisticated investors think about and perceive financial decision-making and prices because, as said, through socialization into a particular social group (such as finance professionals), an individual attains not only the content of social knowledge of that group, but also the group’s dominant ways of thinking. For example, in neoclassical finance theories the focus is on optimizing the profit in regard to risk (i.e. investing is perceived solely in terms of risk and profit) and for example wider societal effects of investing go largely ignored (i.e. investing is regarded as an individualistic, socially unproblematic activity). However, unsophisticated investors, who are not familiar with the neoclassical finance models and theories, might perceive investing differently; their social representations might be predominantly influenced by other discourses and representations of finance, for example those prevailing in news media and fiction (such as novels, movies, etc.).

The power of representations can be seen, for example, in the following thought-exercise. In our western society, wealth is generally regarded as desirable, but greed and selfishness are seen as sins. Similarly, being intelligent, responsible and smart are generally perceived as socially desirable qualities while irresponsibility and foolishness are not. Thus, if investing is portrayed as similar to gambling, for instance, it will be associated with high risk, an opportunity to become wealthy very quickly, pleasure-seeking or thrill-seeking, and irresponsible use of money. Such an activity might not be socially desirable for most people, except possibly as a way to have some fun. In contrast, if investing is represented as a sophisticated pastime requiring intelligence as well as specific

⁷ In practice, for example, when an interviewee goes beyond answering a question, i.e. offers additional information that was not specifically asked for, it happens for a reason, e.g. the interviewee feels they need to justify or defend their opinion because it goes against cultural or social expectations. Similarly, when no explanation is given and something is instead constructed discursively as naturalistic and factual, it may be either because the speaker tries to persuade and convince others of their opinion or because the speaker views their opinion, the discursive representation of the object, as the reality.

knowledge and skills, it might be perceived in a more favorable way, but also as something only possible for those who possess sufficient intellect and the needed skills. Lastly, if investing is represented as simply business like any other or even the smart and responsible way to manage one's finances, it not only becomes socially acceptable and possible for anyone, but even a moral responsibility of all individuals.

Yet representations and discourses are not meaningless in professional investing either. If profit-making is emphasized and investing is portrayed as a "game" or a "competition", qualities such as ambitiousness, aggressiveness, ruthlessness, relentlessness and having a strong fighting spirit appear as necessary for professional investors. Also team spirit might be important, if the "investing game" is perceived to be a team sport instead of an individual performance. However, if rational analyzing and optimizing profits in regard to risk are emphasized instead and investing is portrayed as an intellectual problem-solving and (hyper)rational decision-making activity, qualities such as analytical mind, high intellect and cool collectedness are much more important. Therefore, each discourse and representation will determine what kind of behavior will be tolerated, what will be most valued and what will be regarded as negative or unacceptable.

2.3 Representations of investing

The existing literature on the representations or discourses of investing, financial markets and financial actors can be described as scarce, scattered across multiple disciplines and heterogeneous in research questions and objectives. Particularly noticeable is the absence of finance as a research discipline; most of the studies are sociological, political, cultural or linguistic studies. Additionally, since the research is scattered and heterogeneous in objectives, empirical findings remain isolated and anecdotal, making it hard to make out the bigger picture, let alone create a more formal, integrative theory to draw together the findings and provide a foundation for further research in the area.

Of particular importance to this study are the studies by Preda (2001), Sjöberg (2004), and Hirsto (2007, 2009, 2010, 2011) which all discuss the portrayal of financial market, financial actors and investing, and Sjöberg's study also how finance professionals of Wall Street perceive themselves and their work. Additionally, Fuchs and Graf's (2010) study is closely related: they analyze the construction of the financial crisis of 2008 and its core actors in German public discourse, providing more empirical evidence on the representations of financial markets and actors in media.

Firstly, Preda's (2001) examination of how investing became a popular and socially desirable activity in the 19th century England and France provides us with two conflicting representations of investing, investors and financial actors: (1) that of an immoral speculator gambling away at a casino, and (2) that of a smart, responsible and patriotic man

engaging in a respectable trade in a market place like any other. There are also features of a third representation which is the one embraced by the neoclassical finance theories: that of a (hyper)rational calculator operating in the world of economic laws and mechanisms because not doing so would be economically suboptimal and therefore unwise.

According to Preda (2001), prior to (and even after) 1840s the financial markets were considered problematic in England and France. In the 17th and 18th centuries the English and French financial markets were first and foremost created in an attempt of the states to gather funds without having to resort to costly loans from private bankers, i.e. public credit was seen as a better alternative to private credit. However, after the attempts to regulate the markets failed and legal bans proved ineffective, the financial markets were considered the enemy of the state. Moreover, as the financial markets allowed different social classes to mix freely⁸ (provided they had the money to invest) and, as the investors tended to spend the whole day at the financial marketplace and “abandon themselves to the pleasures of financial speculation”, financial markets were perceived to undermine the morals of citizens (Preda 2001). Effectively, the financial markets were seen as a “casino” and investing was equated with gambling, making it socially unattractive for most respectable common people.

An alternative representation emerged in the early to middle 19th century. While publications describing the activities on the financial markets had started to appear already in the late 18th century, in the 1840s the number of financial publications (e.g. manuals, advice brochures, newspaper reports, histories of the market) dedicated to the public at large “almost exploded”. Most importantly, the tone of these publications was educational: they approached the financial market in terms of analysis and explanation, offering a cognitive, not moralizing perspective on investing and markets. The publications offered not only the vocabulary and the practical knowledge of how the bourse worked⁹ needed to engage in finance activities, but also described the determination of assets’ prices and interest rates, simulated market situations through (mathematical) problem solving, as well as analyzed and discussed business statements. Market charts, (daily) price listings and visual representations of historical price movements also made their appearance in the 1830s–1870s (Preda 2001).

These publications effectively turned financial markets into objects of knowledge and analysis: investing was neither sorcery nor fun and games, but an activity requiring knowledge and logic. Therefore, operating on financial markets successfully required specific skills, and knowledge as well as an appropriate attitude: vigilance, activeness, as well as cool and collected rationality (Preda 2001).

By presenting investing as a cognitive activity requiring rationality and rigorous, almost scientific analysis, engaging in financial markets no longer appeared immoral or

⁸ Investing in those days had to be done physically at the bourse or financial marketplace.

⁹ I.e. how to buy and sell securities at the bourse in practice.

emotion-based like gambling. It became a matter of the right skills and mindset, and of intelligence; yet, importantly, these skills and mindset were presented as something anyone can learn. Moreover, financial markets were described as entities with specific laws of their own: securities' prices are determined by the value of the company as well as by supply and demand. One did not have to guess, what the correct prices were, as they could be calculated, stripping financial markets of mystery and rendering them something controllable with simple logic and knowledge. This fit well with the positivistic world-view of the time.

According to Preda (2001), to make investing not only socially acceptable but desirable, the stock exchange was described as a place to fulfill one's desires and make dreams (such as a better house or higher social status) come true. Moreover, the economic nature of investing was stressed: engaging in stock market was not a game for pleasure but an economic activity, a trade. Also the investor's responsibility for his investments, for the well-being of the company he has invested in, was stressed. Thus, investors were not immoral gamblers but in fact honorable merchants. Taking care of one's investments was the same as taking care of one's family (Preda 2001). Investing became thus business like any other, and even an obligation for every respectable man.

According to Preda (2001), to counter the idea of financial markets as the enemy of the state, it was argued that, as the value of assets could increase or decrease on the financial markets, the markets have a direct influence on the nation's wealth, thus potentially promoting the common wealth. Moreover, instead of being socially disruptive (by allowing social classes to mix), financial markets and investing actually promoted social harmony and solidarity in the nation by harmonizing the interests of workers and capitalists, i.e. investors. One could even contribute to promoting peace and prosperity by not buying bond of states known to be in conflict with other states and, by buying first and foremost national stocks and bonds, citizens could contribute to national well-being (Preda 2001). Thus investing was not only taking care of one's own well-being and that of one's family, but also a way to be patriotic and do good on the societal level.

In summary, this new representation was very different from the previously prevailing one, i.e. that of casinos and immoral gamblers. The change in representation made engaging in investing appear no longer socially condemnable but in fact a legitimized, socially acceptable activity, a respectable business like any other. Not only that, investing was presented as desirable, even a social and individual *responsibility* of every patriotic, moral and smart man¹⁰ wanting to do right by himself and his family.

Importantly, although the view of investing as a business or even near-scientific activity became dominant, it did not completely replace the older view of markets as a "casino"

¹⁰ The investment literature in 1840s distinguished two clear gender roles: men invest (even their wife's money), while women provide them with moral support and restrain them from making bad investments (Preda 2001).

and investing as gambling. However, the latter representation is most commonly present in the works of fiction such as movies and novels, making this alternative view seem a marginal one that requires disbelief (Preda 2001).

Interestingly, Sjöberg's (2004) examination of finance discourses in American media of the late 1990s and early 2000s provides us with three different representations of finance professionals of Wall Street which in many ways neatly correspond with those representations of investing described in Preda's (2001) study. According to Sjöberg (2004), the popular finance discourses in American media portray Wall Street finance professionals as either (1) experts and authority figures bearing information hidden to "ordinary" people, (2) selfish, aggressive bastards living the life of luxury, or (3) humble, hardworking and decent self-made men living the American dream.

As Sjöberg (2004) describes, overall finance and the activities of financial markets are nowadays allowed considerable coverage in the American media, particularly broadcast news and talk shows, and this space and time given has expanded significantly over time. Further, this development is not questioned in any way, implying a shared understanding that this is the way things are "supposed to be". Economic activities are considered important, and "moneymaking activities" are held in high regard. This has allowed finance professionals to become powerful and influential public figures, individually and as a group (Sjöberg 2004).

Particularly in broadcast news and talk shows finance professionals are portrayed as experts and authority figures: a sharply dressed, eloquent, confident man (rarely a woman) delivers his interpretation and understandings of the financial market in a monologue and answers the reporter's or host's questions which are most often aimed at simplifying and clarifying rather than questioning the expressed views. This portrayal invites watchers to listen and learn from the expert, and establishes the view of finance professionals as authorities and trusted bearers of important information (Sjöberg 2004).

This representation is further strengthened by the idea of Wall Street finance professionals as belonging to an exclusive club, a frequent theme in both Sjöberg's media analysis and interviews. By making Wall Street closed and excluded from the public, the professionals working there seem to belong to an exclusive club and to have access to information hidden to "ordinary" people (Sjöberg 2004).

The second representation, prevailing in what Sjöberg (2004) calls "war books", which often claim to reveal the "truth" about working on Wall Street and are authored by former finance professionals, portrays Wall Street finance professionals as not particularly smart, but selfish, money-loving, greedy, arrogant, competitive, calculative and manipulative workaholics and describes Wall Street as a destructive environment, where immoral and self-degrading acts such as "ass kissing" and (semi)criminal acts are essential and unavoidable. The ones not performing these kinds of acts are called "morons", "geeks" or "nerds", implying their inferiority and the fact that they do not "belong" on Wall Street.

Within this discourse morality and loyalty are unknown or ridiculed concepts and the mindset is every man for himself. Thus, the critical skill for finance professionals within this representation is first and foremost being able to “bring a deal home” (Sjöberg 2004).

The third representation prevails in what Sjöberg (2004) calls the “American dream books”, where finance professionals are portrayed as role models: humble, hardworking, kind and generous self-made men, who owe everything to Wall Street and the US democratic system that “allow anyone to come into wealth”. The power the professionals have over the economy is viewed as a responsibility delegated to them by clients and the public at large, and any immoral (e.g. opportunistic) behavior is effectively explained away by placing it in its historical context and stressing the importance of and need for restricted markets in present day world. Within this discourse being successful as a finance professional and belonging on Wall Street requires being an eager team player and willing to work hard as well as having an open, quick and creative mind (Sjöberg 2004).

The comparison of the representations described in Preda’s (2001) and Sjöberg’s (2004) studies reveals that they are in many ways similar. In both studies there are roughly three ways to perceive investing: (1) as an immoral or at least irresponsible and thus socially undesirable activity, (2) as a respectable, moral and thus socially desirable activity, and (3) as a strictly cognitive activity the wider societal effects of which are not discussed.

Hirsto’s (2007, 2009, 2010, 2011) studies that examine the finance discourse(s) in Finnish news media and banks’ marketing texts of 2004 and 2006 describe four different representations of investing, all of which, however, ascribe investors a narrow and disempowered position in relation to the financial markets and do not encourage to consider the wider societal effects of investing activities, portraying investing as a socially unproblematic, individualistic wealth management or profit-seeking activity (Hirsto 2011).

In what Hirsto (2007, 2009, 2011) calls the discourse of market mechanics, the focus is on the movement on stock prices: business and economic news are presented as the causes of price changes and economic events are treated in a simplistic manner as “inputs to the market mechanism”. The stock market is rendered measurable, calculable and manageable (Hirsto 2011), and referred to in mechanistic terms and physical metaphors (Hirsto 2009). Investors and financial intermediaries are discursively excluded, referring to them in collective terms such as “the market”, as if the price changes happened automatically, as a result of forces akin to those of nature. Thus, investors are represented as a homogeneous mass or a faceless herd with a uniform course of action, following the same rules and laws of the market. Within this discourse, rising prices and active, continuous trading are valued positively, thus encouraging actively following the economy and making rapid investment decisions based on mechanistic calculation. The resulting subject position for the investor is thus that of the neoclassical finance theories: an active wealth maximizing daily trader (Hirsto 2011).

In what Hirsto (2011) calls the discourse of market psychology the focus is on investor sentiment and investing is represented as an engaging, exciting and emotionally laden activity: market events and price changes are articulated in terms of investors' feelings (of e.g. joy, fear, surprise, discontent or apathy) and stock market is portrayed as a site of excitement and emotional experiences. Interestingly, investors' feelings are not represented as "irrational", but instead legitimized by referring to economic news: rising prices and large trading volumes are associated with positive feelings while falling prices and low trading volumes are associated with negative sentiment. Frequent comments on the expectedness and unexpectedness of events constructs market as not fully predictable but also implies that there is a "right" way in which the market should react and function (Hirsto 2011).

In what Hirsto (2007, 2011) calls the discourse of market participation the focus is on the management of surplus money. Financial markets are portrayed in a simplistic and opaque manner as a sort of "natural resource" to be utilized, and investing is represented in positive terms as a normal everyday activity appropriate for everyone. Fund investing in particular is portrayed as a smart and desirable thing to do, and its convenience is emphasized by contrasting it with the "challenges" of making direct investments. The discourse draws heavily on the idea of "the risk of prudence", i.e. of not taking "appropriate" financial risks and thus missing out on profits and losing in comparison to others. All in all, the discourse thus turns investment opportunities into duties: investing (as "the right way" of managing personal finances) becomes a moral obligation of any responsible and reasonable person (Hirsto 2009, 2011). Importantly, pursuing profit is not represented as means to a more concrete end, i.e. saving up for something, but as something to be done self-evidently; investing and optimizing the profit-risk ratio is portrayed as having intrinsic value (Hirsto 2007, 2009). Therefore, the discourse also legitimizes the decision to invest even if the investments turned out to be unprofitable: the mere decision to invest and take up the subject position of an investor is constructed as the smart and "right" course of action (Hirsto 2009).

In what Hirsto (2011) calls the discourse of market expertise the focus is on analyzing and mastering the market. Financial markets are portrayed as a challenging terrain which is difficult for ordinary people to safely enter and navigate, and investing is represented as a laborious activity requiring hard work, expert knowledge and specialized skills, i.e. a job for professionals (Hirsto 2009, 2011). Within this discourse there are thus two subject positions for investors: professional investors are represented as active, capable experts who can provide the passive, helpless and disinterested lay investors with an easy and safe participation in the financial markets (Hirsto 2011).

While the representations described in Preda's (2001) and Sjöberg's (2004) studies correspond with each other very clearly, as described above, the similarity between the

representations described in Hirsto's (2007, 2009, 2010, 2011) studies and those described in Preda's (2001) and Sjöberg's (2004) studies is not quite as striking. Yet, the representations do share some core features and can be seen to parallel one another as described in the following. Hirsto's (2007, 2009, 2011) discourse of market mechanisms corresponds with the representation of market as a complex system of unchangeable laws and mechanisms described in Preda's (2001) study and can overlap with the discourse of market expertise (Hirsto 2011) which corresponds with the representation of finance professionals as authority figures and experts described in Sjöberg's (2004) study. Also Hirsto's (2011) discourse of market psychology draws partially upon the neoclassical representation of market as a system of unchangeable laws and mechanisms but, by portraying investing as an emotional activity, also shares this feature with the representation of the financial market as a casino (Preda 2001), i.e. a place of sentiment and (at least some) non-rationality. Lastly, Hirsto's (2007, 2011) discourse of market participation corresponds with the representation of investing as a respectable trade and even a moral obligation of responsible and moral men described in Preda's (2001) study.

As mentioned, Fuchs and Graf (2010) examine the construction and framing of the financial crisis of 2008 in the German public discourse, and they identify four major metaphor groups which could be thought of as discourses or representations: (1) weather and environment, (2) illness, (3) fighting, and (4) gambling and fashion. Additionally, Fuchs and Graf (2010) also note the frequent references to (5) monarchic system.

The first two metaphor groups can be seen to parallel the representation of financial markets as a world of laws and mechanisms similar to the laws of nature. Firstly, as weather and other natural phenomena, including natural disasters, are not only naturally occurring but also outside of human control (Fuchs & Graf 2010), this representation portrays financial crises as destructive and unavoidable and financial markets as complex systems with steady, unchangeable laws and mechanisms which can be discovered (cf. the representations in Preda 2001, Sjöberg 2004 and Hirsto 2007, 2009, 2011). Secondly, as the weather and forces of nature are uncontrollable, the representation also strips financial actors of all power and responsibility to influence the events (Fuchs and Graf 2010): the best (and also the responsible thing) anyone can do is study the laws of this world, try to forecast any major disasters and try to "weather out" the storms. Further, weather might appear non-calculable and unpredictable and even caused by a "higher power" (Fuchs and Graf 2010), especially for laypeople, which strengthens the finance professionals' roles as the authorities and experts on financial markets and investing. Additionally, as weather and forces of nature are uncontrollable and outside human control, there is no reason to suggest political changes.

The second metaphor group portrays banks as "organs" pumping money, "blood", to the different parts of the society, allowing it to function and flourish. This representation

still draws on the naturalistic idea of financial markets as having discoverable and unchangeable laws and mechanisms similar to the laws of nature, but also portrays investing and financial markets as vital to the society. Further, drawing on the idea that if an organism becomes ill, it will need to be treated or the illness will get worse, potentially threatening even the survival of the organism, this discourse can be seen to legitimize any means necessary to fight any “illnesses” or problems, such as financial crises (Fuchs & Graf 2010). In contrast to the first metaphor group, unlike weather and natural disasters, illnesses can be both unfortunately contracted or caused by unhealthy habits, thus allowing for the discussion of the ir/responsibility or the lack of it of financial actors for their actions (Fuchs & Graf 2010). Thus, as far as political implications are considered, the representation allows discussing the regulation of financial activities (i.e. are financial actors responsible for the “illness” and if so, how it can be prevented in the future), but does not encourage to challenge the whole system as the society is seen as highly dependent or even inseparable from the financial markets and the markets are seen in a naturalistic light.

Fuchs & Graf (2010) describe the third and fourth metaphor groups as small and therefore discuss them only briefly. According to them, the third metaphor group, “fighting”, highlights the severity and unpredictability of the financial crisis and allows the attribution of the roles of attacker/executioner and victims. This metaphor group, however, does not really describe investing or financial markets and is not therefore meaningful to this study. The fourth metaphor group, “gambling and fashion”, on the other hand, quite clearly parallels the representation of financial markets as a casino (Preda 2001), portraying investing as lighthearted dealing with (somebody else’s) money and investors as speculators willing to accept high levels of risk. Further, as fashion is constantly changing, the representation also portrays investing as hopping from one trend to next rather than having stable, reliable criteria for decisions (Fuchs & Graf 2010). This representation shows financial actors and investing in an unfavorable light and holds individual financial actors responsible for their actions. This allows questioning even the necessity and morality of investing and financial markets, in general.

Lastly, according to Fuchs and Graf (2010), references to monarchic system portrays banking-praxis as random and autocratic as well as financial actors as being above the common people, laws and the democratic system. Clearly, this parallels both the representation of finance professionals as authorities and experts (cf. the representations in Sjöberg 2004 and Hirsto 2011) and the representation of finance professionals being power-hungry and selfish (cf. the representation in Sjöberg 2004).

Fuchs and Graf (2010) also note the disproportionately high frequency of mentions of Josef Ackermann, a Swiss banker and former CEO of Deutsche Bank, and argue that in him all normative issues seem to materialize: “Ackermann is simultaneously the – not

loved, but secretly envied, if not admired – powerful and successful or at least indispensable individual, and the ultimate bad guy.” This exemplifies the contradictory nature of representations of finance professionals: they are simultaneously regarded as admired role models, indispensable experts, and hated, immoral villains. This finding fits together perfectly with the ones of Sjöberg (2004).

As their conclusion, Fuch & Graf (2010) argue that a coherent and definite construction of the crisis cannot be found. They speculate the heterogeneity in presentation might be a consequence of the number of different authors, but also due to the size and complexity of the financial crisis as well as the surprising nature of developments. However, when the findings of Fuchs & Graf (2010) are compared to the representations described in the studies of Preda (2001), Sjöberg (2004) and Hirsto (2007, 2009, 2010, 2011), the heterogeneity does not seem surprising at all: as described in paragraphs above, the very same, conflicting representations can be found in all studies.

Indeed, all in all, it is easy to see there is quite a lot of overlap in the representations described in Preda’s (2001), Sjöberg’s (2004), Hirsto’s (2007, 2009, 2010, 2011) and Fuchs & Graf’s (2010) studies. Table 1 summarizes the core features of each representation described in more detail above.

Analyzing the representations, there appears to be overall six relevant dimensions to draw on and evoke when constructing different representations of investing. Firstly, investing can be constructed as socially disruptive and destructive (representations A, D, M and N), socially desirable or even vital (representations B, E, I and L) or individualistic and thus socially unproblematic (representations C, F, G and K). Secondly, investing can be constructed as immoral (representations A, D, M and N), moral (representations B, E and I), something in between (representations J and L) or detached from moral considerations (representations C, F, G and K). Thirdly, investing can be constructed as irresponsible (representations A and M), responsible (representations B, E and I), something in between (representations J and L) or detached from such considerations (representations C, F, G and K). Fourthly, investing can be constructed as being of intrinsic value (representations C, F, G and I) or of instrumental value (representations A, B, D, E, M and N), and fifthly, as emotional (representations A and M), rational (representations C, D, E, F, G, I, J, K and L) or something in between (representations B, H and N). Lastly, investing can be constructed as being possible for only the elite such as professionals or the rich (representations F, J and N) or for anyone (representations B, E and I).

As can be seen, not all of the dimensions or aspects are equally present in each representation and the dimensions are also not completely separate from one another. For example, immoral activities are usually regarded also as socially disruptive. Further, irresponsibility such as gambling often implies some level of immorality, but immorality is also possible without irresponsibility (e.g. finance professionals taking advantage of clients).

Table 1 A summary of the representations of financial markets, investing and investors found in the existing research literature

Study	Representation	Portrayal of		
		Financial market	Investing	Investors
Preda (2001)	A	A casino	Immoral activity similar to gambling	Immoral, pleasure-seeking speculators
	B	Market place like any other	A respectable trade; taking care of one's family; a moral obligation; fulfilling one's dreams of better life	Smart, responsible and patriotic men
	C	A world of economic laws and mechanisms	A rational activity requiring specialized skills and knowledge	(Hyper)rational calculators
Sjöberg (2004)	D	Destructive environment where (semi-)criminal and self-degrading acts are unavoidable	A game where naïve clients are used to make profits	Professionals: selfish, greedy, arrogant, competitive, calculative, manipulative workaholics
	E	A democratic institution, that allows anyone to come into wealth	An activity requiring an open, quick, creative mind and hard work	Professionals: humble, hardworking, kind and generous self-made men
	F	A world of economic laws and mechanisms	An important activity of intrinsic value, requiring specialized skills and knowledge	Professionals: experts, authority figures, interpreters of economic events
Hirsto (2007, 2009, 2010, 2011)	G	A measurable, calculable and manageable world of economic laws and mechanisms	A wealth-maximizing activity that requires constant vigilance	A homogeneous mass of active, wealth maximizing daily traders
	H	A site of excitement and emotional experiences	An engaging, emotionally laden activity	Sentimental, yet also rational people
	I	A natural resource to be utilized	A normal, desirable everyday activity appropriate for everyone; A moral obligation having intrinsic value	Smart, responsible individuals
	J	A challenging terrain difficult for ordinary people to safely enter and navigate	A laborious activity requiring hard work, expert knowledge and specialized skills	Professionals: active, capable experts Non-professionals: passive, helpless and disinterested
Fuchs & Graf (2010)	K	A complex system of steady, unchangeable, discoverable laws and mechanisms	A socially unproblematic individualistic activity	Investors: powerless actors at the mercy of forces akin to those of nature Professionals: experts and authorities
	L	A complex system of steady, unchangeable, discoverable laws and mechanisms	A societally indispensable activity	Societally vital people who can potentially (to an extent) held responsible for their actions
	M	An ever-changing world of trends	Lighthearted gambling	Immoral, pleasure-seeking speculators
	N	Realm for the (financial) elite	Whims and wanton desires of the elite	Power-hungry, selfish autocrats above the common people, laws and the democratic system

The overlapping representations can be combined to form a simpler, more comprehensive mapping of the different perspectives on financial activities, and the resulting “weave” of representations, including which of them can coexist and which conflict with one another, is depicted in figure 1.

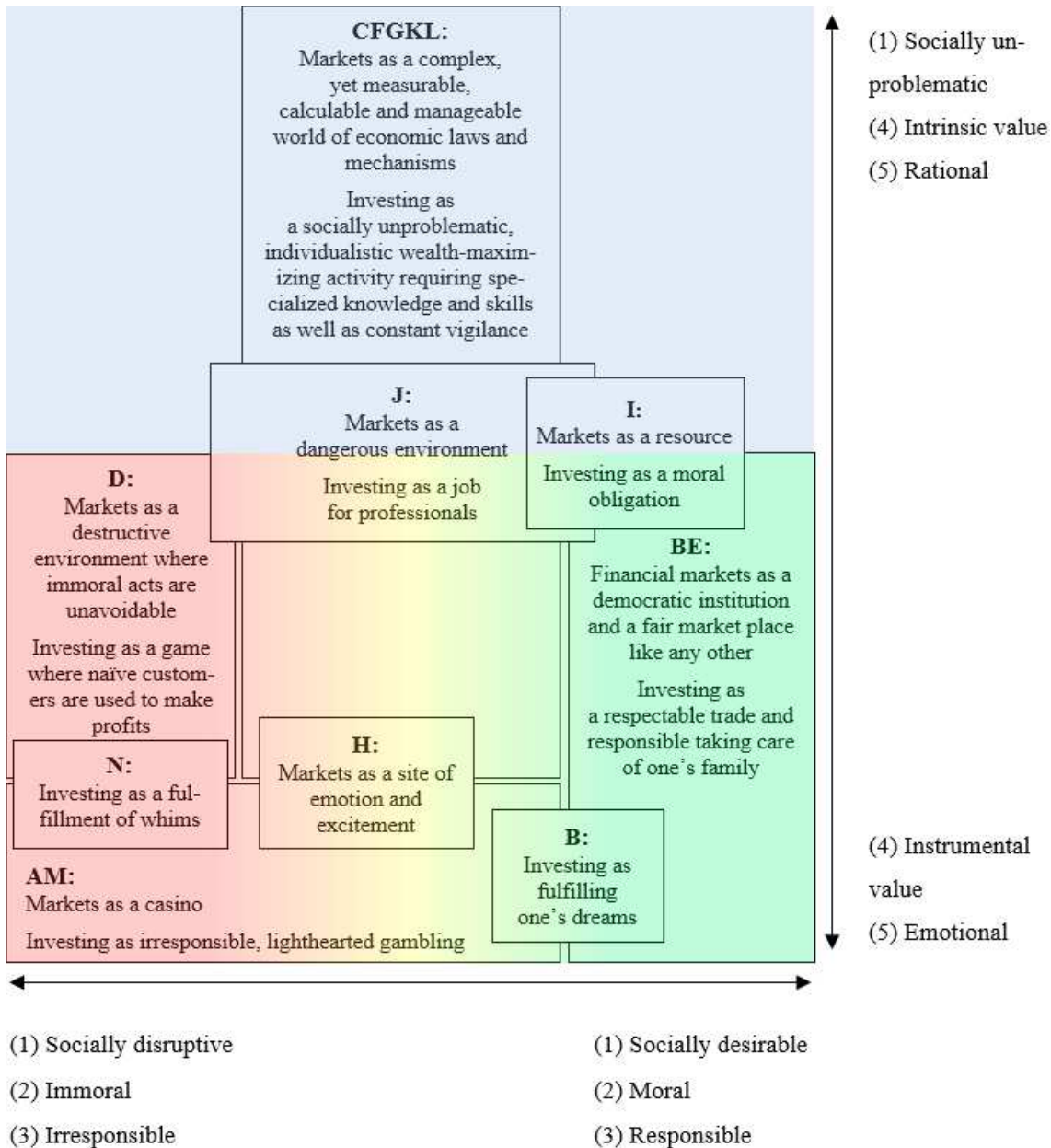


Figure 1 A tentative map of social representations of investing based on the earlier research literature

Figure 1 also depicts five of the six dimensions described above: the blue area represents the representations portraying investing as being detached from social and moral considerations while the red-yellow-green area represents the representations portraying

investing as either socially disruptive, immoral and/or irresponsible (red), or socially desirable, moral and/or responsible (green) or something in between (yellow). Further, the representations in the bottom part of the figure portray investing as an emotional activity while the representations in the top part portray investing as a rational activity. Similarly, the representations in the bottom part of the figure portray investing as being of instrumental value while the representations in the top part portray investing as being of intrinsic value.

Moving on to describe the representations depicted in figure 1, first, combining the shared elements of the representations C, F, G, K and L in table 1 results in the (neoclassical finance's) representation of markets as a complex, yet measurable, calculable and manageable world of steady, unchangeable and discoverable economic laws and mechanisms. Due to this naturalistic appearance of markets and financial activities, considerations of morality are not meaningful within this representation: just like natural phenomena such as wind or rain are considered neither "moral" nor "immoral" (instead they just are), financial markets and activities are also perceived to be detached from the questions of im/morality (as depicted by the blue color in figure 1). Within this representation, investing is a rational, individualistic and socially unproblematic wealth-maximizing activity that is of intrinsic value and requires specialized knowledge and skills as well as constant vigilance. The available subject position for investors is that of a homogeneous mass of (hyper)rational calculators and active daily traders as well as powerless actors at the mercy of (naturalistic) market forces.

This first representation can and often does coexist with the representation of markets as a dangerous environment, i.e. representation J in table 1. Within the latter, financial markets are depicted as so complex and difficult that they are impossible for non-experts to safely navigate, i.e. non-experts have no business entering the financial markets on their own as investing is strictly a job for professionals. Thus, for non-professional investors the only available subject position is that of a passive, helpless and disinterested, and the only way to invest is with the help of finance professionals. Further, this representation is situated in both the realm of moral considerations and outside of it (as depicted in figure 1 by the representation lying across the border of the red-yellow-green area and the blue area) because while investing as an activity is perceived to be individualistic and socially unproblematic, it is considered, as said, a job for experts, implying it to be dumb or irresponsible and thus immoral for non-experts to engage in it. Lastly, investing is perceived to be mostly a rational, not emotional activity, as implied by the emphasis on complex mechanisms and laws of market and the necessary cognitive requirements to navigate them.

The third representation is that of financial markets as a fair market place or even a democratic institution offering an equal chance of success and becoming wealthy to all

(representations B and E in table 1). Within this representation investing appears in favorable light: it is a respectable trade like any other or a smart, responsible way to manage one's finances and, by doing so, taking care of one's family. Thus, within this representation, investors are respectable merchants and self-made, moral and responsible people. Further, as a democratic institution offering an equal chance to better one's life, financial markets and investing also appear as a socially harmonizing and thus desirable institution. The morality, responsibility and social desirability aspect of the third representation is depicted by the green color in figure 1.

The third representation can coexist with the first or the second one or even with both of them simultaneously. Combining the second and the third representations results in a portrayal of investing as a respectable activity which, however, is only possible for the knowledgeable experts who know how to navigate the complex financial markets. Within this view the markets are not quite as democratic an institution as in the third representation because it is not possible for just anyone to freely benefit from them, but they are regardless democratic as they are fair (in the same sense as nature is fair), offering all professionals an equal chance of success, and for lay investors it is possible to enter the markets with help from professionals.

Combining the first and the third representation results in more interesting implications. Portraying financial markets in a naturalistic light as an inexhaustible resource to be utilized (representation I in table 1) and investing as a respectable, moral way to take care of one's finances and thus one's family, investing no longer appears as a mere opportunity but as a moral obligation for people: within this representation, to invest is to be smart and responsible and to not invest is to be dumb and/or irresponsible. Further, as financial markets are portrayed as an inexhaustible resource, investing appears as detached from wider societal (moral) considerations and thus socially unproblematic. Therefore, within this representation, on the individual level investing is a moral obligation, but on the wider societal level it is detached from the considerations of morality (as depicted in figure 1 by the representation being situated in both the green and the blue area).

By combining the first, the second and the third representation, the situation changes again: within this combination, all people have a moral obligation to participate in the financial markets (as described in the paragraph above), but as financial markets are a dangerous environment for non-experts, the smart or the only possible course of action is to pay for the services of finance professionals.

The fourth representation in figure 1 corresponds to representations A and M in table 1 and portrays financial markets as a sort of casino where thrill- and pleasure-seeking speculators engage in irresponsible, lighthearted gambling, taking enormous risks in

hopes of quick, large profits. Within this representation investing thus appears in unfavorable light as a morally questionable and potentially socially disruptive activity (as depicted by the red color in figure 1) full of emotion and excitement. This fourth representation shares one interesting aspect with the third representation: the idea of investing as a way to fulfill one's dreams of a better, richer life. Thus, within both these representations, investing is of instrumental value: it is not considered self-evident (as in the first and sometimes the second representation) but is valued because it enables something else, usually increasing one's social status and well-being.

The fourth representation's aspect of investing as an emotionally laden, engaging and exciting activity can also overlap with the first representation of markets as a complex system of steady, unchangeable and discoverable economic laws and mechanisms. Such a combination (which corresponds with representation H in table 1) results in a representation familiar from behavioral finance: the market is a system of unchangeable, measurable and discoverable laws and there is a "right" and "rational" way for investors to behave and react to economic events, but people as sentimental creatures do not always behave rationally which results in some unpredictability and chaos in the market.

Lastly, corresponding with representation D in table 1, there is the fifth representation of markets as a destructive, socially disruptive environment where irresponsible, (semi-)criminal, immoral acts are unavoidable; naturally, investing thus appears in unfavorable light as an irresponsible, selfish, and/or immoral activity, as depicted by the red color in figure 1. Within this representation, investors, particularly professional ones, are often perceived to be the rich elite who behave as if they are above the common people, law and the democratic system. This representation can and often does coexist with the second representation, i.e. the one where markets are regarded as a complex, dangerous environment and investing as a job for professionals; in this combination, finance professionals are regarded as the immoral, powerful and rich elite who engage in the "investing game" where naïve clients are used for professionals' selfish gains. This fifth representation can also share the aspect of investing as an emotional, engaging activity with the fourth representation, in which case investing appears as an activity of fulfilling selfish whims and wanton desires of the rich, powerful elite of (professional) investors, a view which corresponds with representation N in table 1.

Summarizing chapter 2.3, the following conclusions can be made. First, it is clear that there are multiple alternative representations of investing, investors and financial markets offering vastly different and sometimes conflicting subject positions and behavioral guidelines. However, while some of the representations are conflicting, some are also complementary and/or can overlap, creating a complex system of competing perspectives. Lastly, notably, as the studies of Preda (2001), Sjöberg (2004), Hirsto (2007, 2009, 2010, 2011) and Fuchs & Graf (2010) all utilize data from a different time and geographical

location and still describe similar alternative portrayals of financial phenomena, the representations seem to be relatively persistent over time, and span across geographical space and different national cultures, at least within the western countries of the last century or so. This implies that, indeed, there are some kind of social representations of investing, investors and financial markets and people draw on the same, culturally and socially shared discursive resources time and again when making sense of and communicating about financial phenomena.

3 METHODS AND DATA

The empirical data of the study consists of eight interviews among Finnish private banking professionals employed by six different employers. The interviewees are private bankers and asset managers, all of whom work directly with clients, discussing the clients' investment needs and goals and finding suitable investment opportunities for them. As they work directly on the boundary between professional and non-professional investing, they face and need to manage the possible tensions resulting from the potentially different social representations among professional and nonprofessional investors. As mentioned, their potential need to negotiate a shared understanding with clients creates a fruitful opportunity for investigating the social and cultural construction of investing activities.

Five of the interviewees have lengthy (15–30 years) experience working in investing-related positions and three of them have only less than or approximately a decade of investment-related work experience. Five of the interviewees are employed by traditional banks and three by smaller investment firms. Seven of the interviewees work in Turku and one works in Pori. Six of the interviewees are male and two are female.

The interviews were 50–100 minutes long, semi-structured, based initially on the themes found in earlier research literature on representations of investing, investors and financial markets, and conversational in tone. Refer to Appendix 1 for the interview guide. Semi-structured interviews were chosen as the data collection method to keep the conversation focused on the subject and create somewhat systematic and comprehensive data while 1) allowing for the interviewees' own subjective perceptions of what is important and meaningful to discuss, thus giving room for potential unexpected themes (Eriksson & Kovalainen 2008), and 2) minimizing the danger of asking leading questions, thus determining the nature of the results.

The analysis of the data was abductive in nature. While deductive research can be described as moving from theory to empirics by making hypotheses and then testing them using empirical data and inductive research as moving from empirical findings to theory by analyzing the data without theoretical propositions, abductive research can be described as combining deduction and induction by moving iteratively between the empirical data and the theoretical models and concepts (Eriksson & Kovalainen 2008). In other words, abductive research combines data-driven analysis with using theory and prior research as an interpretative lens: the empirical findings arise from the data as in inductive research, but the analysis is not void of external influence but instead assisted by theory and earlier research which provide concepts and models to help make sense of and structure the data. Further, the analysis was also comparative, and it was done simultaneously

to data collection. This made it possible to identify unexpected themes arising in interviews early on and explore them further in later interviews, ensuring a comprehensive understanding of the topic.

All in all, the goal of the analysis was to identify frequently occurring patterns and themes as well as often used discursive resources in the accounts of the interviewees. Thus, instead of being a simple content analysis focusing on what the interviewees say, the analysis was also informed by the methods used in discourse analysis: the focus was not only on what is said, but also on what *is not* said as well as *how* interviewees talk about and describe things, reason and justify their opinion. It should be noted that discourse analysis is not a single method but more of an analytical framework which encompasses several different approaches, such as Foucauldian discourse analysis, social psychological discourse analysis and critical discourse analysis. This study uses social psychological discourse analysis which is mostly concerned with how events and objects (e.g. identities as versions of self) are constructed as factual and real (cf. SRT and DP) as, in the spirit of social constructionism, there are thought to be multiple alternative ways of perceiving them available in the world (Eriksson & Kovalainen 2008).

In practice, the analysis was done as follows. First seven of the interviews were recorded and transcribed; one interviewee did not allow recording and thus only detailed notes were made from that interview. Both verbal content and non-verbal content (e.g. laughter, sighing, humming, tone of voice, physical gestures, etc.) were transcribed, and pauses were marked. False starts and repetitions of words, such as the interviewee changing a course of the sentence or stuttering, were included as they potentially convey information, e.g. indicating change of mind, uncertainty, uneasiness or surprise.

Second, the transcribed interviews were first carefully read twice and then coded. By comparing the interviews to one another, common themes and repeating patterns (e.g. the use of the same discursive resources) could be identified. From codes and repeating patterns broader themes were constructed. At this stage, some of the themes were also either omitted or combined with others to ensure each one has sufficient support from data and contributed to answering the research questions. As mentioned, the analysis was done in an abductive manner, i.e. coding, the construction of broader themes and making sense of them was informed by the earlier research on representations and discourses of investing, investors and financial market. Yet, the earlier research was not used in a restrictive or deterministic manner, but instead only when meaningful for understanding the data. Further, as mentioned, the process was iterative: after one round of analysis, another one was done, and so on until a saturation point was reached.

Importantly, it should be noted that as this study assumes the reality is socially constructed, the study is interpretive, meaning the analysis and the results of this study are the researcher's interpretation of the data, i.e. simply one possible way of making sense

of it. Thus, the study does not produce (statistically) generalizable results, but rather introduces new perspectives and starts building a knowledge base onto which further research will be possible.

This, however, renders the typical measures of research quality – validity, referring to the extent results are “true” (i.e. are an accurate description of the phenomenon studied), and reliability, referring to the repeatability of findings – impossible to use as usually; they must either be adapted or replaced with other measures (Eriksson & Kovalainen 2008). For example, Lincoln and Guba (1985) substitute validity and reliability with the concept of trustworthiness consisting of credibility, transferability, dependability and confirmability as measures of research quality. Credibility refers to confidence in the “truth” of results and conclusions: whether the data is sufficient to merit the claims, whether the claims are linked to observations, and whether others could, on the basis of the materials, agree with the claims. Transferability refers to connecting the study to earlier research and showing that the results have some applicability in other contexts. Confirmability refers to the results of the study being shaped by the data and not just a fragment of researcher’s imagination. Lastly, dependability refers to showing that the research process has been logical, traceable and documented, ensuring that the findings are consistent and could be repeated.

Drawing on Lincoln and Guba (1985), several measures were taken to ensure trustworthiness and high quality of research in this study. To ensure the credibility of the study, data collection and analysis were continued until a saturation point was reached (i.e. no new information could be obtained) and findings and interpretations were carefully linked to data (e.g. exemplifying quotes from interviews were provided) and thick (i.e. detailed, profound) description was used. Further, member-checking was used: the interviewees were given a chance to read through and comment on the thesis draft, and they made no indication of disagreeing with the results or the interpretation of their accounts. Careful linking of findings and interpretations to data, thick description and member-checking also serve to ensure confirmability of the study. To ensure transferability of the results, findings and interpretations have been carefully compared to and linked with earlier research literature, both in the analysis stage (as described above) and in discussing the results (in chapter five). Lastly, to ensure dependability of the study, methodology, methods and the research process have been presented and discussed carefully and in detail.

4 EMPIRICAL RESULTS

Over all, there is simultaneously somewhat surprising diversity but also uniformity across the interviewed private banking professionals. Firstly, the title of a person does not necessarily reveal much about their actual job: most private bankers, for example, do not analyze markets themselves but instead base their advice to clients on the company's analysts' recommendations. Yet some private bankers do scan the markets for investment opportunities themselves, similar to what two of the three interviewed asset managers do. However, not all asset managers scan markets; there are some, whose job is actually closer to what private bankers generally do, i.e. choosing which investment products out of the company's recommended ones are suitable to their clients' particular needs. Therefore, although the core tasks remain the same for all interviewees, there is slight diversity in the tasks of private banking professionals and the tasks are not necessarily strictly related to their title.

The perceptions of those private banking professionals, who do scan markets for investment opportunities themselves, do differ a little from the perceptions of those professionals, who base their advice on the analysts' recommendations; the best way to describe this slight difference is that the former tend to talk about investing in a more technical way, going more into details and using more professional terminology, while the latter tend to be more "people-oriented", talk about investing in standard language terms and avoid going into details too much.

Secondly, there is diversity in the interviewees' educational backgrounds: some have a Master's degree, some a Bachelor's degree, some no academic degree at all. Further, not all have degrees in accounting and finance, or even business-related studies. However, most had studied at least some finance before entering the private banking sector, and most mentioned that employers also offer useful and necessary training. Interestingly, there is quite a strong consensus among interviewees that the best way to learn the necessary skills is by actually working; experience was perceived to be very important and many interviewees feel academic studies alone do not prepare one adequately to work in private banking and be successful.

Despite this diversity of job tasks and educational backgrounds, there is strong ideological uniformity across the interviewees: all professionals perceive both investing and working in private banking quite similarly. For example, their perceptions about goals of investing, the competitiveness of the field, and morality and ethics in private banking are very similar, as well as their rather strongly individualistic ideology. Their gender, educational background, the length of work experience in the field, or the type of their employer did not appear to cause any noticeable differences in perceptions.

Overall, as described in more detail in the following subchapters, the identity of private banking professionals is far from simplistic or clear-cut; on the contrary, they need to play simultaneously many different roles, the demands of which may at times be conflicting, resulting in tensions the private banking professionals must manage and solve in order to successfully do their job. There are also some indications of a spoiled identity, which the professionals must manage. As described in chapters 4.4 and 4.5, the main strategy for managing the tensions and solving the problem of a spoiled identity is drawing a clear line between the “real, proper” private banking professionals and the “others” working in the field. Where that line is, however, differs slightly from one person to another, which implies that despite the rather strong uniformity of opinions and similarity of perceptions, there is still room for diversity too.

4.1 Finance experts interpreting markets

“In this job, if I can help my clients to get wealthy and be a kind of financial and economic interpreter [explaining] what is happening in the world today. Especially, well, in the past one read economic news in newspapers, nowadays from the Internet, and the information explosion on the Internet, it is just massive, so filtering that information and utilizing it, if I can help my clients in that, I have succeeded in my job.” (Asset manager in a bank, 11 years of experience)

Finnish private banking professionals identify first and foremost through their expert knowledge of investing and financial markets. They strongly emphasize the need to be constantly up-to-date on the latest developments, whether it is on the news front, market movements or the selection of financial products available to investors. In fact, the strong interest in news, financial markets and financial products is the basic requirement for a private banking professional; following the developments in these areas is not thought of as work, but as something a professional should and will do out of their own personal interest:

“The world of investing is a fascinating world. There's always something going on and something new coming up all the time. - - And I like developing my own knowledge and understanding and I feel that on this side [of commercial banking] it's much more challenging to keep up, because that world is constantly changing.” (Private banker in an investment firm, 20 years of experience)

“It would be quite embarrassing, if I didn't know what's been on the news. [laughs] I'm supposed to know those things. First, when I arrive at work, I open the front page of Kaupalehti and whatever stock market pages I need, leave them in the background, and from time to time glance what's happening there, on the level of headlines, and what news have been published.” (Private banker in an investment firm, 10 years of experience)

“In fact, my work as a portfolio manager is in big part reading news, monitoring the markets, and of course in the morning, when we arrive at work, we check first how the markets in Asia have done, has something strange happened, what’s happening on the economic front in general and what’s on the news. - - Over the course of the day, can’t say 24/7, got to sleep some time too, but it is our job, a portfolio manager’s job, to keep track of news. We have to know what’s happening in the world. In practice, we are constantly monitoring that, whether we are working or not. And none of us think of it as-, well, it’s not ‘working’, when we monitor the news. It is our own personal interest. We like to do it and want to do it.” (Asset manager in a bank, 11 years of experience)

Thus, being a private banking professional requires both keeping up with the latest developments and innovations in the finance world and constantly monitoring and filtering the information available in the stream of news and movements of markets, staying “awake” and vigilant, and being proactive and taking initiative. A professional is knowledgeable about all available investment products and how they can best be utilized in each unique situation. Further, a professional is at all times aware of the situation on the markets and understands how each new piece of information affects the movements on markets. Yet, working in such a constantly changing, even hectic environment, is generally not perceived to be overly stressful: although professionals admit it to be challenging and even tiring, they stress that it is also interesting and personally rewarding and that they are used to it. Therefore, to be successful in and belong to the world of private banking, one needs to have a high tolerance for stress, willingness to work hard and have a strong interest in all economic and financial matters.

Interestingly, however, unlike the knowledge of different investment instruments, the essential ability to interpret news correctly is not perceived to be based on finance knowledge acquired through studying, but on practical experience of investing and interacting on financial markets. One learns how to “read markets” and, in time, even develops an intuitive feeling about them. Importantly, this intuition is not based on emotions or groundless feelings; it is the result of seeing the ups and downs of the markets:

“Another thing that only comes with time is a kind of knowledge of markets and a kind of gut feeling about them and... You get some kind of stability with experience; that you won’t jump at every signal.” (Private banker in a bank, 28 years of experience)

“[What one needs to succeed] is related to how you interpret the markets, kind of try to forecast a bit, which is extremely difficult, but... You need to understand how this world goes around, how the economy works, which components affect what and then interpreting these things.” (Asset manager in a bank, 11 years of experience)

“These younger colleagues, or if you only have a few years of investing experience, they have seen only rising markets, and then you maybe see that as just positive and think the market just keeps rising. But you need to really understand that the price of the stock should be based on the company’s performance and what the future expectations are and how the economy around will develop.” (Asset manager in a bank, 11 years of experience)

Having this kind of intuitive gut feeling is what separates professionals from amateurs: through their long experience and “being in touch with the market” professionals are able to perceive the “correct” prices of investments and how much the market prices differ from those, which allows the professionals to recognize good investment opportunities from the bad ones. Further, due to their experience, professionals are able to filter real information out of the constant, massive flood of data and interpret it correctly, neither reacting too strongly nor too mildly. As the professionals describe above, one will not “jump at every signal”, making hasty decisions that result in losses of profits, but also will not be seduced by the rising stock prices and become overly optimistic, unknowingly taking risks too big. Indeed, what is also perceived to separate true professionals from amateurs is the ability to perceive and measure risk correctly and reliably.

This lengthy experience also gives professionals the perspective needed to control one’s emotions and remain rational in times of falling markets and market turbulence. Amateurs or those with too little experience lack that perspective and are thus more prone to get emotional and make unwise investment decisions:

“Each one of us has many years of experience and the longer the better maybe. A good portfolio manager has seen more than one real economic downturn or a depression on the market, so they know what it can be. This is, of course, a strange situation in the sense that we have come up for so many years now, and people think that it’s nothing, nothing can happen. But when it does come, controlling [the emotions] and our role in that is really important.” (Asset manager in a bank, 11 years of experience)

“[During the last financial crisis] I had clients who were under terrible pressure. - - Those who trusted me, when I said that the situation would surely improve, didn’t realize their losses. But those who said, ‘I don’t believe in this, this is the end, I need to get my money out’ did realize the losses.” (Private banker in an investment firm, 20 years of experience)

4.2 Advisors providing solutions and support

“If I came to work here straight after studying finance, I would be in quite a trouble, because there’s so much contact with people and they don’t teach you that at school, you need to learn it through working. You won’t get a client’s trust by being able to show how nicely you can count some key ratios and blah, blah, blah. To be able to talk with the client, listen to them and interpret what they say, that is much more important. Only after gaining their trust that way can you begin to talk about investing.” (Private banker in an investment firm, 10 years of experience)

As the quote above exemplifies, possibly even more important than studying the news stream and markets and utilizing the information they provide is the ability to earn the client’s trust and discover and understand one’s clients’ needs as without understanding the clients’ needs, one cannot provide them with appropriate solutions to their problems. The key skills are to respect and listen closely to one’s clients, but also to see beyond what they say, to get to their real, possibly unexpressed needs and limits. There needs to

be the right chemistry between the professional and the client and, as clients might range from young and financially inexperienced lottery winners to busy middle-aged entrepreneurs to conservative elderly widow(er)s, to provide all clients with that feeling of genuine chemistry, the professional has to be able to quickly adapt to different situations and communication styles.

“You need, of course, people skills and communication skills with clients and to be able to understand their psyche.” (Private banker in a bank, 17 years of experience)

“Most important is to get along with people. That is absolutely the number one thing. The kind of communication and then maybe understanding others, what they want. I mean really want. Many say something else than they actually want in reality.” (Private banker in a bank, 28 years of experience)

“This is hard work. You really have to put in effort to get clients. After all, this is purely based on trust. You have to be able to build that client’s trust in the product and maybe even more in that the personal chemistry works between the client and their wealth manager. It will work to some extent, let’s say, if the portfolio and such work but, in the end, who you have sitting across you, the personal chemistry, that must match as well.” (Asset manager in an investment firm, 8 years of experience)

However, in today’s competitive market, simply being a good people person will not do either. One needs to both understand clients and be a finance expert:

“First clients see, of course, whether they feel the professional is a good guy, whether they want to associate with them, and after that they will weigh him/her against another and a third one they have judged to be a good guy, and then they start to think what the professionals really knew of these things and what kind of solutions they have to offer.” (Private banker in an investment firm, 10 years of experience)

For private banking professionals keeping up with the developments and helping clients thus intertwine together. Without one, the other is useless. Both also require constant vigilance, being active and taking initiative. To succeed as a private banking professional, one needs to know the latest developments on the markets and in the world as well as be service-oriented, understanding the client’s needs and limits, even when they go unexpressed, and being easily reachable to clients at all times, including evenings, weekends and even holidays. Professionals tend to take their responsibility as clients’ financial interpreters and advisors extremely seriously, taking pride in their work and even going beyond the call of duty. In many ways then, working in private banking is not just a career, it is a way of life:

“Somehow I do think the clients have employed me to take care of their wealth and it doesn’t matter whether I have a holiday or not. So, when my holiday begins, I message my clients about it and, although the bank’s instructions differ from this, I attach my cellphone number along, so they can call me, if they have some urgent questions or something on their mind.” (Asset manager in a bank, 20 years of experience)

“The con in this work is of course that, in a way, we don’t have a working time. Of course, officially we have a set number of working hours, but our working time is an entirely bendable concept; the days are usually long. The kind of 7-and-half-an-hour days, they are just dreams. Even after turning off the light at the office, your cellphone is always with you. Our clients have our numbers. They don’t care at what time they call us. If they have a problem, they will call, whether it’s Sunday or Friday or nine o’clock in the evening or in the morning. And wherever I go, to a grocery store or to a gym, there’s always someone who’s my client, so you have to always consider that in everything you do. In a way you’re always working.” (Private banker in an investment firm, 10 years of experience)

A recurring theme in the interviews is the particular quality of the relationship with clients: in wealth management the relationships are typically long, as it usually takes a long time to gain the client’s trust as well as to truly get to know them well enough to provide good advice, and often the relationships also become quite close as clients share their private matters with their wealth managers:

“Quite many of the clients, can’t say they become friends, but when we see each other that 3–4 times a year, we always catch up on what’s new with the family and at times it can get quite deep, that relationship with the client. And that of course reflects how well you have gained their trust. And then we check, ‘Well then, how’s the portfolio’. ‘It’s been like this.’ And then we get back to some other matters.” (Asset manager in an investment firm, 8 years of experience)

Indeed, discussing investing is only a small part of the communication with clients; often also delicate and emotional issues such as family matters (e.g. marriage, divorce, inheritance) and other personal matters such as unemployment and health problems are discussed as these all are related to the client’s financial needs. Thus, to provide clients with sound financial advice, private banking professionals first need to get quite involved in their lives.

Thus, in the end, private banking professionals are not simply financial advisors, providing comprehensive solutions (which take into account taxation, juridical issues, the client’s personal moral values and so forth) to the client’s needs, but also confidants of sorts, offering emotional support. Firstly, private banking professionals bring stability and security to their client’s life by making sure their client’s economic affairs are in such an order they will not face any hardship unprepared. Indeed, what the interviewees often perceived to separate true professionals from amateurs is the ability to think of investing in a strategic and holistic manner, taking all necessary information into account. Professionals ensure the client will not exceed their risk preference by accident and that all investment decisions are made according to their long-term, comprehensive investment plan. Secondly, professionals provide their clients with emotional support, particularly during any economic “turbulence” or downturns: private banking professionals remind their client of the investment plan, restate the reasons behind the investment decisions made, as well as help in controlling their emotions and remaining rational.

“[The best thing in this work] is probably just that, when the client is genuinely satisfied and you can see they are relieved that their affairs are in order and they feel confident and happy and then you yourself will feel happy, because you have been able to really help someone.” (Private banker in an investment firm, 10 years of experience)

“I do feel a good wealth manager will reassure the client and re-state the reasons [why some decisions were made]. ‘This was a match for you then like so’ and so forth. ‘There are just some bumps on the road now, but there’s no reason to believe the whole world is crashing down’.” (Private banker in an investment firm, 20 years of experience)

“[The value of private banking] is at least that the client can lash out on us when something goes wrong! [laughs] That’s what I always say. ‘I’ll be the face, when something goes wrong, you won’t have to look at yourself in the mirror; you can come and say, ‘Damn you [name], everything’s all fucked up!’’. I mean really. That is important. Having someone to take it out on.” (Asset manager in an investment firm, 8 years of experience)

4.3 Salesmen selling products

“You need to be greedy, in a way to, to get the deals. If you’re not at all interested in what’s left on the line, then sure, you can socialize [with clients] over coffee, but it means you won’t get new clients and you won’t get to reinvest the clients’ wealth, and when you don’t get to reinvest it, your company won’t make much profit. The wealth management is, after all, also based on appropriately reusing the existing wealth.” (Private banker in an investment firm, 20 years of experience)

Despite identifying first and foremost as finance experts, economic interpreters and advisors, all professionals also recognize that private banking is, in the end, business like any other and making profit for the employer is necessary. Thus, being a knowledgeable finance expert is not enough to belong and to be successful in private banking; one has to also be able to execute deals that are profitable, for both the client and the employer. Further, in today’s highly competitive world, being able to make profit requires ambition, or even “balls”:

“You need to be able to present clients with solutions and you need to get them to make a decision. A kind of sales technique, you need to possess that.” (Private banker in a bank, 28 years of experience)

“You got to remember that this is sales work. We are salesmen. The bank makes its business by selling products. A certain kind of ambition, or sales skills, that’s important too.” (Asset manager in a bank, 11 years of experience)

“You have to possess a fighting spirit. You have to be ambitious, persistent, but also humble in a way. - - It takes patience too, but maybe that perseverance and then ambition, that you hate losing, that’s it. That certain manner. You have to have, well, balls to do this. That’s what it takes.” (Asset manager in an investment firm, 8 years of experience)

One of the recurring themes in the interviews was indeed the rather intense competition in the field of private banking. Customers can, at any moment, compare the achieved

results to the market index and to the profits of solutions offered by other market actors. Further, the number of actors in the field has increased considerably, alongside the variety of different investment products available to investors. Differentiating oneself in a positive light is therefore a great challenge, and often professionals get only one, short opportunity to do it:

“It’s difficult to think of a field as competitive as finance. Our customers can daily and at every moment compare the result to the index and the solutions offered by competitors. And you get feedback for your work immediately, sometimes even very bluntly. The client can state they are giving their wealth to several competing companies at once and, after seeing how well each one does, they’ll choose the one they want to continue with.” (Asset manager in a bank, 20 years of experience)

“If you think about it, you’ve sold your company and got for instance 5 or 6 million for it, the money is on your bank account, and suddenly 15 dudes from different places start calling you. So how you set yourself apart from those others so you’ll get to the next stage, i.e. the client lets you call again. [laughs] That’s the big challenge and naturally everyone always praises themselves to the skies.” (Asset manager in an investment firm, 8 years of experience)

Indeed, having that perseverance and ambition, “fighting spirit”, and hating to “lose” can be considered a deal breaker; without that, one will not succeed and cannot belong in private banking:

“Yeah, that fighting spirit. If you don’t have that, I’ll say-. And you won’t enjoy. You’ll realize that this isn’t a place for you.” (Asset manager in an investment firm, 8 years of experience)

The intense and growing competition is not unproblematic, neither for the private banking professionals nor their clients. The increase in the competition translates to pressures to decrease margins, which in turn demands higher sales and/or lower expenses. The increased emphasis on sales has transformed many places into “pure sales organizations”, as described by some of the interviewees, characterized by centralized market analyzing and portfolio management done in the Helsinki area. In such a model, the “real” finance professionals work in Helsinki and concentrate fully on the financial tasks such as analyzing markets and news as well as managing clients’ investments. The sales agents (often still holding the title of a wealth manager), with whom clients meet, are not perceived by many of the interviewees to be even “real” professionals: they are just clients’ contact people who arrange the deals and need not be experts in financial matters or have any connection with the actual investing of clients’ funds. As these wealth managers have no expert financial knowledge, they can potentially recommend their clients to buy investment products which are unsuitable to them. As the interviewees describe, in the worst case neither the wealth manager nor the client even knows what the product is and what kind of risk it involves. Further, as the clients have no connection with the people

actually managing the funds, there is a risk of misunderstandings and unpleasant surprises. Or, even worse, in some places the wealth managers knowingly recommend unsuitable products to clients simply because these yield the biggest compensation for the professionals.

This tendency towards “pure sales organizations” and the strong emphasis on sales is perceived to be frustrating and problematic and, coupled with the increasing reporting obligations and other changes in the field, causes stress and discomfort for some professionals:

“Under the current regulation one ought to be an agent and not a wealth manager [who is in direct contact with clients] and that role is not very comfortable. Portfolios are managed completely elsewhere and the clients don’t have any connection with that and so they are just as surprised as I am when something goes wrong.” (Senior private banker in a bank, 30 years of experience)

“No one here wants to start naming competitors, who’re acting unethically, but let’s say that the kind of aggressive selling of obscure products quickly to clients, who don’t understand what they’re buying, there’s just been quite a lot of that.” (Private banker in a bank, 28 years of experience)

“[At my former workplace] many really good, experienced wealth managers quit and left for completely different fields, because they just couldn’t stand it anymore. They really couldn’t stand this change. Reporting, robotics, everything changed. Add to that this awful-, how much you have to sell and sell and sell and everyone’s fighting.” (Asset manager in an investment firm, 8 years of experience)

4.4 To be a “real” professional is to balance the conflicting roles

Due to their multiple simultaneous roles, private banking professionals routinely face conflicting demands: they must constantly balance making profit, i.e. selling products, with providing personalized expert knowledge and advice in their work. This requires them to be, on one hand, ambitious, passionate and even aggressive and, on the other hand, down-to-earth, analytical, cool and collected while also remaining service-oriented and pleasant to socialize with.

The interviewed professionals resolve this tension resulting from the conflicting demands to make profit and provide good advice by adopting a perspective long enough. They argue that, in the long run, engaging in self-serving behavior will be damaging and unwise: providing bad advice or, even worse, deceiving the client will result in the loss of trust and the destruction of the relationship, leading to the loss of that client and, as clients often talk with each other, many other clients might be lost as well. The company will lose its credibility and have its image badly damaged.

“You can’t make it in this business if you sell the client something only for your own benefit, trying to get the best possible solution for yourself, to meet certain sales targets or, like in some places where commissions are a part of the salary, to get the biggest commission. If you do that, you can make it for maybe a year, but that career will be short-lived, because the clients are smart. They will know they are being played and when they realize that they will change banks.” (Asset manager in a bank, 11 years of experience)

Thus, the interviewees feel that to truly make it in private banking, it is essential to exchange short-term profits for long-term success: even though success might be earned slower this way, it is built on a stable foundation and the relationship with the client will be a strong one, resulting in a committed client and a higher payout in the long run. In practice this means always recommending the client only solutions that are genuinely suitable to them, even when they are not the most profitable option for the employer or the private banking professional:

“It’s essential that you recommend the kind of products you genuinely believe are suitable to this client and won’t let greed direct your sales. That greed can easily blind you.” (Asset manager in an investment firm, 8 years of experience)

Other resolutions to the tension between making profit and providing genuine, high-quality advice are (on the organizational level) (1) having realistic sales targets and (2) only a modest portion (if any) of the private banking professionals’ salary depending on sales. Further, in some places, bonuses are not based on individual success but on the success of the team and/or the whole organization, promoting teamwork and genuine value to customers instead of intracompany competition and simply high sales.

In the long run, the ultimate measure of success as a private banking professional is thus the ability to produce client satisfaction which, interestingly, does not necessarily correlate with being able to give financially optimal recommendations, i.e. get the client the highest possible profit for their risk level. The quality of advice only has to be *good enough* as there are other factors that might compensate or even be more important to the client than getting the highest possible profit. From this perspective too, then, it is essential for private banking professionals to balance their multiple roles in work; overly emphasizing the role of a finance expert at the expense of other roles will not do either.

Indeed, the deciding factor for clients is ultimately the *feeling* of being genuinely taken care of and that depends equally on the professional’s economic and financial skills and their interpersonal skills and willingness to help clients. Clients want to be truly heard: they need to feel their needs, desires and limits are understood and respected, and they are treated as valuable individuals with a unique life situation and need for solutions. Everything from the basic communication to the actual investment decisions must happen on the client’s terms and if the private banking professional cannot accommodate this need, they will not be successful:

“After all, we all have generally the same products to offer. In the end it comes to what kind of service the client gets, what the wealth manager is like, how the chemistry between them works, how the client’s needs are listened to, how they are resolved. We don’t have particularly exceptional products here. We don’t have any better a crystal ball to forecast the future, where the markets are going, than the competitors. In the end, what the client feels like, when they walk through those doors, is what determines, where they will do their business.” (Asset manager in a bank, 11 years of experience)

As described in chapter 4.2, the relationship between private banking professionals and their clients can indeed be a close one. Although beneficial to the client and even necessary for the quality of the wealth management, the closeness of the relationship between the client and the wealth manager is not, however, unproblematic. Often, when the relationship has stabilized and the client has learned to trust the wealth manager’s judgment, the professionals can gain “unofficial” power over their clients: even when clients are paying for consultative wealth management, they might agree to any suggestions and, in a way, stop thinking about the decisions themselves:

“In consultative wealth management the power [of the private banking professional] depends partially on the asset manager’s experience in the sense that people listen more easily to a more experienced asset manager and partially on the relationship with the client in such a way that in the beginning clients can be more skeptical and demand more or more detailed arguments, but when the relationship with the client has stabilized, when you have won the client’s trust, the client can trust the asset manager more. - - It can be, for example, when I call a client who’s at the airport about to board a flight and say ‘Hi, it’s [name], can you talk?’, they say ‘Yeah, make it quick’. And I suggest, for example, ‘Let’s buy Nokia’ and the client can either accept straight away or maybe ask for my reasoning or how much the stock is, but often in a long relationship the client trusts the asset manager’s expertise and vision. And the whole phone call can be over in 30 seconds.” (Asset manager in a bank, 20 years of experience)

Combining this “unofficial power” with the pressure to make profit and meet sales targets results in a situation where private banking professionals face a strong temptation to abuse their power and engage in self-serving behavior. Clients thus expose themselves to the risk of being taken advantage of. However, the situation is problematic for the professionals too because even if they resist the temptation to abuse their power over clients, they still risk the clients starting to blame them for unsuccessful investment decisions, destroying the carefully built relationship:

“But it’s extremely dangerous if the client outsources decision-making to the wealth manager. The client forgets that the wealth manager is not the driver. I know from years of experience clients who say ‘Well, of course we do that. If you think this is good, then of course we do that.’ It’s very common in long relationships. The last sentence: ‘Yeah yeah, let’s do that’. It doesn’t matter, if the client won’t blame the wealth manager, if something goes poorly, and says instead ‘It’s my fault since I made this decision’. But if the client doesn’t say this and feel this way, it is problematic.” (Private banker in an investment firm, 20 years of experience)

All in all, therefore, the responsibility in private banking is indeed great: to succeed in the long run and to belong in the sphere of private banking, professionals must always remember to consider their clients' best in all their recommendations and decisions, resist the temptation to take advantage of the potential power they have over their clients and even give up that power by reminding the clients of the situation, if necessary. Further, to honor the client and the unique relationship with them, when the inevitable unsuccessful decisions are made, the professionals have to be fully transparent, promptly informing their clients, and humbly bear the responsibility without letting it affect the quality of their work or their own wellbeing:

"Mistakes happen. We're all humans. Human errors happen and you have to inform the client immediately about them, that 'this and this happened and it can be seen here and here'. If you get caught with your pants down, that trust is gone and the client will leave." (Asset manager in an investment firm, 8 years of experience)

"The biggest challenge is the responsibility in this work, and it requires a great ability to handle stress. The responsibility in this work is extremely big, when you give people investment advice and usually people follow this advice. And no one can always give good advice, sometimes you make unsuccessful calls. If you can't handle that, you'll burn yourself out quickly." (Asset manager in a bank, 20 years of experience)

When asked, most interviewees perceive there to be a distinctive culture or a feeling of togetherness among private banking professionals. Those, who do not agree, see private banking professionals as simply too heterogeneous a group within which conflicting subcultures exist. However, a closer, discursive analysis reveals that, despite the opposite answers to the original question, in the end all interviewees perceive the situation similarly: all interviewed professionals feel it takes both specific skills and knowledge as well as particular personal qualities to belong in the sphere of private banking and to be successful. Not just anybody can make it; those private banking professionals who truly belong are of a particular "type" of people. Most importantly, the interviewed professionals discursively separate the "real" professionals from "those others", who work in the field but are not considered to be "real" professionals.

Interestingly, the interviewees often distinct between finance professionals working under different titles in private banking (e.g. analysts, wealth/portfolio managers and those who develop new products) and these "classes" or groups of people are perceived to be fundamentally different. Analysts are generally referred to as more "nerdy", emphasizing their cold intellectuality, analytical skills and profound knowledge of finance and economic theories, while wealth/portfolio managers (the group to which the interviewees themselves belong) are considered more well-rounded, simultaneously cool and collected but also passionate and ambitious, rational, and having both basic skills in finance and good interpersonal skills. Those, who develop new products (especially derivatives), are perceived and described to be "a whole different breed" altogether: by calling them "those

propeller heads building doomsday contraptions”, they are branded as a sort of mad scientists of finance, i.e. simultaneously brilliant and potentially dangerous.

However, all these different “classes”, despite being perceived as fundamentally different from one another, are readily accepted as “real” professionals belonging in private banking. Those “others” that the interviewees discursively exclude are the “aggressive, immoral salesmen” who do not necessarily possess finance expertise and who abuse their power over naïve customers, pushing them to buy unsuitable, often overly complex and/or expensive financial products which, through commissions, mostly benefit the salesmen themselves. Basically, in summary, belonging in private banking and being a “real” professional takes and means being able to successfully balance the conflicting demands of the multiple simultaneous roles; those who are unable to do so and succumb to the temptation of self-serving behavior are quickly and strictly deemed to be unprofessional and to not truly belong in private banking.

4.5 Private banking professionals and representations of investing

Analyzing how the interviewees discursively construct the representations of investing, investors and financial markets in their accounts reveals that, in general, the interviewees tend to regard investing and financial markets in a similar manner as neoclassical finance theories and models. Investing is perceived, quite simplistically, in terms of risk and profit, described in almost naturalistic terms, and generally stripped of all social and cultural aspects.

When talking about investing, markets and share prices, the interviewees casually use terms such as “corrective movements”, “over/undervalued”, “economic cycles”, “stock market crash”, “price swings” and “pricing distortion”. Further, as exemplified in the following quotes, (sharply) falling prices are deemed “completely normal” after a long period of rising prices and, similarly, it is perceived to be self-evident that the market will rise again after a crash:

“It’s a completely normal corrective movement after a long time of bull markets. Of course, the upcoming weeks will tell whether the market falls more.” (Private banker in a bank, 28 years of experience)

“Because from time to time the share prices crash, so [it’s important to make sure that] the client can then continue and understands that the market does rise again.” (Private banker in a bank, 17 years of experience)

“Some are after that corrective movement on the market. When it comes, it’s my job to offer some kind of suitable solution to the client.” (Asset manager in a bank, 11 years of experience)

Overall, such a discourse implies that 1) there is a correct price for a share, but the market price might differ from it more or less, and 2) market lives its own life, accordingly to steady mechanics and laws, much like the ocean, sometimes rising and sometimes falling, leaving the professionals with the only possibility of trying to remain afloat by successfully reading the movements and navigating through the rising and falling waves (i.e. share prices).

Further, notice the interviewees do not use the word “if”, but “when” as well as the phrase “from time to time” when talking about sharply declining prices or financial crashes. In other words, within this representation, it is not a question of *whether* economic depressions and booms, drastic price changes and even financial crises will occur, but *when* they will. Thus, there is a fatalistic tone to this representation of the market as a system governed by universal, unchangeable laws: the economy is seen (much like the nature) as going through cycle after cycle, with the occasional financial crashes suddenly hitting quite like tsunamis, unavoidably and destructively. Consequently, within this perception, individuals do not have any power over the actions on/of the market, which implies they bear no responsibility over them; market actors can only try and sail the market according to the best of their ability.

Indeed, professionals tend to regard investing in general as an individualistic activity free from the wider societal considerations. For example, in the interviewees’ accounts, the goals for and limits of investing are determined by the individual investor’s needs, and the effects of investing on the real economy and wider society are generally not considered until prompted by the interviewer. Most professionals do consider the ethicalness of investing to be an important aspect, too, but either feel moral questions are “in the eye of the beholder”, making them a personal and individualistic choice (i.e. that of the client whose money goes into the investment), or view the whole issue through an economic lens, simplifying the question to be about risk and profit by claiming a company engaging in unethical actions cannot be a good investment. Thus, all ethical and moral considerations generally fall out of the scope of private banking professionals’ work and so professionals can simply focus on getting the optimal risk-profit payout within the limits their employer and clients determine.

“Well, I’d say basically that an unethical company will not succeed in the long run and is thus not a good investment.” (Asset manager in a bank, 20 years of experience)

“One ought to think a little where they invest. But that’s everyone’s private business. I can’t moralize that too much.” (Private banker in a bank, 28 years of experience)

“It’s really fashionable now to talk about all sorts of responsible investments and so on. It’s important to always remember that ethics and moral are in the eye of the beholder.” (Senior private banker in a bank, 30 years of experience)

However, although the interviewed professionals tend to describe investing in very objective and “distant” terms, almost as if referring to a natural phenomenon, this representation is not value-neutral. Investing is regarded generally in a positive light, even as a moral obligation of an individual, especially if they are wealthy. Money is described as requiring “taking care of” and letting one’s wealth just “lie” on a bank account is perceived as unwise, even stupid:

“I think anyone can start [investing]; there are no age limits or minimum wealth requirements. And everyone should start.” (Private banker in an investment firm, 10 years of experience)

“After all, nowadays it is everyone’s business to save up a bit money and invest.” (Asset manager in a bank, 11 years of experience)

“Then, if you possess more money - -, that money needs to be taken care of a bit more.” (Private banker in an investment firm, 20 years of experience)

Therefore, within this representation, not investing, as an example of bad economic practices, appears as an irresponsible, even immoral, choice. Indeed, interestingly, even though investing is regarded as an individualistic activity where the investor decides the level of risk and all other, for example ethical, limitations on their own, without having to worry about the social implications of their decisions (as there are perceived to be none), the decision whether or not to engage in the investment activities in the first place is not given the same status, but is viewed as socially significant. In other words, within this representation, deciding not to invest will mark the individual as stupid or irresponsible, while the decision to make risky investments and/or not consider the ethicalness of one’s investments will not result in any social consequences or stigma. The act of investing itself is regarded as positive and valuable, even if the investments turn out to be unprofitable or unethical.

Even though the interviewees mostly construct investing as an individualistic, socially unproblematic and even desirable activity and financial markets in the neoclassical, naturalistic, even fatalistic manner as a system of unchangeable laws and mechanisms living its own life, independent of individual investors, they also appear to be well aware of alternative representations of investing and financial markets, actively challenging them in their communication when that is perceived necessary.

For instance, in their accounts, the interviewees routinely use the term “(get) wealthy¹¹” instead of “(get) rich¹²”. This could potentially be a strategy to distance investing from any negative practices sometimes associated with rich people, such as the abuse of power, lavish use of money, and rude behavior. Discursively stating that private

¹¹ In Finnish: “vaurastua”

¹² In Finnish: “rikastua”

banking professionals help their clients to get wealthy (i.e. possess a long-term financial wellbeing) instead of helping them get rich (i.e. get loads of money in possibly a short period of time) makes not only investing but also the work of finance professionals appear in a more positive light. It also “normalizes” investing, i.e. make it appear as ordinary, socially acceptable behavior for anyone, not something that is only possible for the rich elite.

The same kind of discursive distancing from negative practices and conceptions can be seen in the interviewees’ tendency to strictly draw a line between the “real” private banking professionals and their work and the “others” (i.e. the perceived not-true-professionals) working in the field. As argued in chapters 4.3 and 4.4, private banking professionals face the temptation of engaging in self-serving behavior, and the representation of finance professionals as immoral, selfish and pushy salesmen can be seen as a threat to the positive identity of finance professionals. Simply denying the existence of such behavior in private banking is impossible as it is well-known both within the industry and outside of it that incidences of aggressive selling and deceiving clients in order to make profit have occurred. Thus, by validating that, indeed, such immoral and irresponsible actions do happen in the finance industry while simultaneously implying or claiming that the actors engaging in such a behavior are not “true” finance professionals allows the interviewees to distance themselves and their work from such negative activities, preserve their positive identity and even discursively challenge the representation.

Further, some professionals even readily admit that their own perception of investing and private banking has changed since starting to work in the field. For example, in the following quote, the interviewee states “a bank is not a place for me” and especially investing related work is deemed unsuitable as the interviewee did not want to “be involved with rich people”, preferring to work with “just common people”. Thus, it appears that originally the interviewee perceived investing in quite a negative way, as an activity appropriate only for the rich elite, and the banking sector as a field where s/he does not or cannot belong.

“First I said that a bank is not a place for me. It really isn’t. Then, when I started working in a bank, I said ‘Ho-hum, I will definitely not be here for long’. And now I’ve soon been here for 32, 33 years. - - And when I started working in a bank, I said that I definitely won’t get into investing. That I don’t want to be involved with rich people. I want to work with just common people and that’s my thing.” (Private banker in an investment firm, 20 years of experience)

However, since starting to work in a bank and in private banking, the interviewee has changed their perception as exemplified by the following quote. Here the interviewee argues that investing is for the masses, i.e. the common people, not for any sort of “rich

elite”, and that changing people’s perceptions towards this view, “teaching” people to see investing in a “correct” way, would be important.

“There is a great potential to do what teachers¹³ used to do in the past. [Gives an example about investing monthly savings in a fund.] Something like this, you know, that this [investing] is for the masses.” (Private banker in an investment firm, 20 years of experience)

All interviewees also report having come across what they perceive to be misconceptions about the field, and most also perceive these misconceptions to cause them inconvenience, either in the form of making their job more difficult or even as a social stigma affecting their life outside their job. The commonly mentioned notions that interviewees perceive to be misconceptions include 1) thinking that investing is only for the rich, 2) thinking investing is only for the morally corrupt, 3) equating investing with gambling, i.e. a high-risk activity that will either make one extraordinarily rich or make one lose all their savings, and 4) thinking banking professionals are living the life of luxury.

Some interviewees speculate these (perceived) misconceptions might result from the diversity in the field: as mentioned, it is well-known that there have been incidences of selling unsuitable products to clients or even deceiving clients, and people who have been subject to such acts or attempts of them or heard of such behavior might assume that all finance professionals behave in such a way. Many interviewees also emphasize the influence of media such as newspapers and movies:

“Media lives on negative news, making shocking headlines. We just saw a minor corrective movement of a few percentages on the market. Immediately there are headlines like ‘Stock market crash’ all over and they’re selling the paper with such headlines. For the common lay people that doesn’t create the kind of feeling that ‘yeah, of course I dare to invest’, because the stock ‘crashed’ and that could happen to anyone. Where are those positive headlines about economic development? Those boring headlines like ‘Invest now and hold for the next ten years, profit from dividends and the possible appreciation of the stock, get wealthy’.” (Asset manager in a bank, 11 years of experience)

“I think reporting shouldn’t be so colored anymore. That if you are a big investor... Well, think about Wahlroos. A big investor. A total bad guy. But what if you flip it the other way around? A big investor pays this much taxes on dividends, this much other taxes, and those [taxes] make such and such things possible in this society. - - I’d hope the press always provided two opposite perspectives, because - - there are always two sides to a story.” (Private banker in an investment firm, 20 years of experience)

¹³ In Finnish the interviewee says “- - ennen vanhaan opettajat teki kansankynttilöinä - -”, using an old term “kansankynttilä” which portrays teachers as people who act as “candles”, i.e. bringers of light, enlighteners, for the common people.

“These movies and articles and others have created a wrong picture about this world. If we consider, for example, individual stock investments – they are always talked about, investing is often equated with stock investing even though interest rates, real estate and others are really significant too – well, that’s owning a part of a company. Everything should be based on that company making profit and paying out dividends, and those dividends make the profit, not the appreciation of the stock. - - So many have a completely wrong idea about investing. They think only about the rising and falling of stock prices.” (Private banker in a bank, 17 years of experience)

Further, other perceived misconceptions mentioned include regarding investing as extraordinarily difficult or requiring special skills or the use to obscure instruments. Some also mention that the policymakers have “a completely wrong idea” about investing, which results in, for example, policies favoring the use of indirect investments instead direct investments, resulting in higher expenses and lower profits for the clients.

Lastly, even the fact that the interviewees report having had to persuade at least some of their clients to invest in the first place and that they need to “earn the clients’ trust” implies that (1) people do not want to invest (possibly because they perceive it to be too risky or somehow socially undesirable, for example, unethical or immoral or simply not for the social group the person identifies with) and that (2) private banking professionals are not inherently trusted. The latter might seem natural considering people tend to be careful and somewhat reserved with their personal matters (such as finances) when meeting new people. However, if contrasted with the interaction one has with another group of professionals, doctors, the issue is not so clear-cut anymore: when people get sick, most choose to visit a doctor and tend to trust the diagnosis and treatment they are given. However, when discussing their financial issues, people are more apprehensive and suspicious of the finance professional’s motive for the advice given. Yet, providing financial advice and medical advice are both similarly regulated activities and thus there is an equal reason to trust each group of professionals. The fact that people do not do so implies that there are “non-rational”, possibly social and/or cultural reasons for this.

In summary, a discursive analysis of the interviews points to, on one hand, a strongly homogeneous way of perceiving investing, investors and financial markets among the interviewed private banking professionals, suggesting a common ideology, and, on the other hand, the existence of multiple alternative representations of investing, investors and financial markets in the society. These alternatives affect not only the daily work of private banking professionals but also their identity construction, as the professionals need to incorporate, negotiate and/or contest the multiple, conflicting representations.

5 DISCUSSION

To summarize the results presented in the previous chapter and to answer the first of the research questions posed in chapter 1.1, there are three distinct roles Finnish private banking professionals see as meaningful and important to adopt and perform in their work life and which contribute to their professional identity: the role of a finance expert, the role of an advisor and confidant, and the role of a salesman.

The core of the first role, the one of a finance expert, is the specialized, in-depth knowledge of all financial and economic issues: finance experts are expected to recognize meaningful pieces of news out of the constant flood of (financial and non-financial) information and to interpret the data correctly (i.e. know how each event will affect the markets), to recognize investment opportunities by perceiving the “correct” prices of investments and how much the market prices differ from those, and to execute needed actions on markets correctly (i.e. use appropriate instruments in a timely manner, neither reacting too strongly nor too mildly to any piece of news). In essence, finance experts are expected to be able to transform the flood of information into profitable investment decisions. Achieving this requires constantly keeping up with the latest developments and innovations in the finance world as well as closely monitoring and filtering the information available in the stream of news and the movements of markets. In other words, as finance experts, private banking professionals are expected to be analytical, rational, proactive and vigilant and to thrive in the quickly changing environment; within this role there is no room for irrationality, emotional responses, taking breaks or slowing down.

The core of the second role, the one of an advisor and confidant, is the ability to provide clients with solutions to their problems as well as a feeling of being genuinely taken care of: advisors are expected to discover and understand their clients’ (true) needs, even if they go unexpressed, and to provide comprehensive, personally tailored solutions to them. Further, advisors are expected to provide emotional support during any potential hardships (particularly economic downturns and the like), and to act as confidants of sorts, discussing the clients’ private matters. Thus, highly developed interpersonal and communication skills are essential: as advisors, private banking professionals are expected to be emotionally perceptive, tactful, service-oriented, confidence-inspiring and pleasant to socialize with, as well as to be able to quickly adapt to different situations and communication styles. In addition, possessing a high tolerance for stress is necessary: not only do advisors bear a heavy responsibility for the financial advice they provide to their clients, but they also face their clients’ possible emotional outbursts.

The core of the third role, the one of a salesman, is the ability to generate profit for the employer, i.e. sell investment products to clients. In today’s highly competitive world, persuading the clients requires first and foremost high ambition, i.e. a certain kind of

boldness (even bordering on audacity), and perseverance, i.e. having a high tolerance for rejection. Having a high tolerance for stress is equally essential to survive in the highly competitive field of private banking. All in all, as salesmen, private banking professionals are expected to be confident, persuasive, persistent and greedy to execute a deal; within this role, any kind of shyness or indifference is considered a fatal flaw.

When comparing the roles to one another, some common features can be found. Firstly, all roles require having a high tolerance for stress: for finance experts the stress is caused by the hectic, constantly changing environment, for advisors it is the result of the heavy responsibility of providing financial advice and of facing the client's possible emotional outbursts, and for salesmen it arises from the intense competition within the field. Secondly, all roles also require being willing to work hard, taking initiative and having a strong personal interest in the work. Indeed, private banking appears as a career one needs to be fully invested in to succeed: it is not a regular nine-to-five job but a demanding way of life in which one's work and free time routinely overlap and are relatively fluid concepts. In the finance expert's role this is apparent in the need to constantly keep up with the news and market movements as well as the developments of the field of finance, while in the roles of an advisor and a salesman this takes the form of being easily reachable to clients at all times, including evenings, weekends and even holidays.

However, interestingly, while the role of a finance expert and the one of an advisor and confidant are complementary and can easily be integrated, the role of a salesman is in clear conflict with the other two roles: while the salesman's role requires private banking professionals to maximize (or at least generate some) profit for their employer, the roles of a finance expert and an advisor require them to provide high-quality advice to their clients, even if that advice results in less (or even no) profit for the employer. Further, comparing the personal qualities needed in each role, there are some clearly conflicting demands: as salesmen, private banking professionals are expected to be persistent, ambitious and even aggressive, while as finance experts they need to remain down-to-earth, analytical, cool and collected, and as advisors they need to be service-oriented and pleasant to socialize with, always respecting the clients' boundaries.

Comparing the roles to the representations of financial phenomena described in earlier research and depicted in figure 1 in chapter 2.3, interesting findings arise. For one, it is easy to see how each role matches particular representations. The role of a finance expert fits perfectly with the representation of markets as a complex, yet measurable, calculable and manageable world of economic laws and mechanisms and investing as a rational wealth-maximizing activity requiring specialized knowledge and skills as well as constant vigilance. In other words, this role matches representations C, F, G, K and L in table 1. The representation and the role of a finance expert both stress the importance of rational

analysis of the market and the cognitive aspect of investing as well as the need for vigilance in the constantly changing market; effectively, investing is rendered problem-solving of sorts. The role of an advisor and confidant, on the other hand, matches well the representation of markets as a dangerous environment and investing as a job for professionals (i.e. representation J in table 1) as well as the representation of markets as a site of emotion and excitement (i.e. representation H in table 1). In essence, the clients' proneness to emotional responses makes investing dangerous for them but, with professionals as their advisors providing emotional support and personally tailored solutions, they are able to partake in financial markets. Note how, interestingly, just like the roles of a finance expert and of an advisor are complementary and can be easily integrated, also the representations they match are complementary and can be combined, as argued in chapter 2.3 and depicted in figure 1. This implies that both the representations and the roles have the same or at least compatible ideological foundation; this will be explored in more detail later in this chapter.

As for the third role, the salesman's role's emphasis on profit-making and –maximizing and the temptation to engage in self-serving behavior at the clients' expense matches the representation of markets as a destructive environment where immoral acts are unavoidable and of investing as a game where naïve customers are used to make profits (i.e. representation D in table 1). This should not be understood as to imply that the salesman's role is inherently an immoral one or that as salesmen private banking professionals engage in immoral or socially disruptive behavior; instead, it is noteworthy that there appears to be no alternative representation for the salesman's role. This has interesting implications.

While the roles of a finance expert and of an advisor are clearly positive, socially prestigious ones, requiring qualities generally regarded as positive (such as intelligence, rationality, emotional control and amiability) and admirable, socially desirable behavior (such as providing knowledge and helping people) as well as matching representations which portray investors and finance professionals in either unproblematic or even favorable light, in contrast the role of a salesman not only contains negatively regarded elements such as the temptation to engage in immoral self-serving behavior and take advantage of clients but it also matches the representation portraying investors and particularly finance professionals in negative light.

As described in chapter 2.2, in SIT categorization is regarded as an enriching, elaborating sense-making activity: based on recognized features, "hints" of sorts, an object is categorized as something and when it is categorized, it attains more features; in a way, dots are connected to form a picture. Then, if the salesman's role shares some elements with the negative representation of finance professionals as power-hungry, greedy and

immoral actors, it might be associated with these other aspects of the representation although it does not inherently include them. In other words, simply the temptation to engage in immoral behavior in the salesman's role might lead to stereotype and associate the role with the negative behavior implied by the representation.

As described in chapter 2.2, according to SIT 1) a person's identity and behavior are linked and 2) people are motivated to think well of themselves and thus to adopt and maintain an identity they perceive as positive. Therefore, roles associated with negatively valued behavior become problematic and from this perspective the role of a salesman can be seen to threaten or even spoil the positive identity of private banking professionals. This interpretation is further supported by the fact that interviewees identify more strongly with the roles of a finance expert and of an advisor (i.e. the roles associated with unproblematic, positively regarded behavior and personal qualities as well as representations portraying finance professionals in unproblematic or favorable light) and, while they accept the role of a salesman as a necessary part of their work, the interviewees tend to discursively separate "real" private banking professionals from "the immoral, selfish and pushy salesmen" not considered to be real professionals.

Therefore, the identity of private banking professionals and the construction of it is not simplistic or clear-cut: professionals need to not only resolve the tensions resulting from the conflicting demands of the multiple simultaneous roles they must play in their work life but they must also manage the negative effects the role of a salesman can have on their work identity. Further, as suggested by SRT, in their identity construction, private banking professionals need to take into consideration and incorporate, negotiate and/or contest the multiple alternative (social) representations of investing that conflict with their own perceptions.

On the individual level, the interviewees resolve the above-mentioned tension and integrate the conflicting roles by adopting a perspective long enough: exchanging short-term profits and always providing genuine advice and high-quality solutions results in strong, committed relationships with clients and a good, trustworthy reputation which lead to a higher payout in the long run. Thereby, the salesman's role no longer conflicts with the finance expert's and advisor's roles. Further, this strategy of stressing the importance of selling clients only products and solutions which are genuinely suitable and beneficial to them also downplays the importance of sales and the problematic role of a salesman, allowing private banking professionals to distance themselves from the negatively regarded self-serving behavior and the associated representation portraying finance professionals as villains, thus preventing their identity from being "spoiled" and preserving their positive perception of self. However, on the societal level the negative representation continues to exist, causing private banking professionals inconvenience by forcing them to time and again contest and deflect the negative and problematic representation

threatening their positive identity. Thus, the maintenance of a positive identity is an ongoing struggle.

In summary, the positively associated and socially prestigious roles of a finance expert and an advisor serve as the foundation for the identities of Finnish private banking professionals, allowing them to think well of themselves. The socially problematic role of a salesman must, however, be integrated into the identity as well and, indeed, how this is done becomes what truly defines the identity of Finnish private banking professionals: to be a real private banking professional is to successfully balance the different roles and their conflicting demands. Those who are unable to do so and succumb to the temptation of self-serving behavior are deemed “just simple salesmen”, not real private banking professionals, and to not truly belong in the sphere of private banking.

Moving on to answer and discuss the second and third research questions, despite the earlier research presented in chapter 2.3 as well as the empirical results of this study pointing to the existence of multiple alternative representations of investing and financial markets in the society (some of which the professionals themselves may even have embraced and accepted as the truth before entering the field), there appears to be a strong ideological uniformity across Finnish private banking professionals.

In general, professionals tend to perceive investing and financial markets quite simplistically, in a manner of neoclassical finance theories and models, i.e. in terms of risk and profit. As described in more detail in chapter 4.5, Finnish private banking professionals tend to describe investing and markets in almost naturalistic terms, implying the markets to be a system governed by universal, unchangeable laws, and there is even a fatalistic tone to this representation as the economy is seen (much like the nature) as going through cycle after cycle, with the occasional financial crashes hitting suddenly, unavoidably and destructively. Within this perception, individuals do not have any power over the actions in/of the market, which implies they bear no responsibility over them; thereby investing is stripped of all ethical, social and cultural aspects and regarded simply as an individualistic taking care of one's wealth, i.e. an activity whose consequences on the wider society are generally not considered. In other words, the professionals readily embrace and accept as the truth the representation of financial markets as a complex, yet measurable, calculable and manageable world of economic laws and mechanisms and of investing as a socially unproblematic, individualistic wealth-maximizing activity requiring specialized knowledge and skills as well as constant vigilance (i.e. representations C, F, G, K and L in table 1).

On one hand, the fact that there is strong ideological uniformity across professionals is, while interesting, not unexpected: as described in chapter 2.2, according to SRT when an individual is socialized into a particular social group (such as finance professionals or more specifically private banking professionals), they attain not only the content of social

knowledge of that group, but also the group's dominant ways of thinking. In other words, it is expectable that all members of a particular social group perceive objects, persons and events meaningful to that social group similarly. Further, as described in chapter 2.1, finance literature and research tend to be quite monoparadigmatic, explaining people's investment behavior and market movements by modelling investors as (hyper)rational, selfish utility maximizers and considering financial markets as simply the aggregate of individuals' behavior and decisions. The result of this is a very uniform portrayal of investing and financial markets in scientific and professional literature and discussion. In other words, in their socialization into the field of finance and more specifically into private banking, the professionals simply do not generally come across other representations of investing and financial markets than the one of modern neoclassical finance theories. On the other hand, considering the differing educational backgrounds and other demographic factors of the interviewees as well as the availability of different representations of investing in the society at large, the degree of uniformity in ideology and perceptions is noteworthy and warrants further enquiry.

Examining the available subject positions within this representation yields interesting observations. For the professionals, the available subject positions within this representation are those of rational wealth maximizers, active and capable financial experts, authority figures and interpreters of economic events, and smart and responsible, even societally vital actors. These subject positions match perfectly the role of a finance expert which, as argued above, forms part of the foundation for their professional identity. In other words, the professionals' perceptions of investing and professional identity are rooted in the same ideology, which, while only logical and thus not particular surprising, raises interesting questions: does the ideology adopted while being socialized into the group of finance professionals influence the construction of the professional identity or is it the other way around; is this particular ideology accepted as the truth *because* it allows unproblematic and even socially favorable subject positions, role and professional identity?

While either or even both of the above might be true, it is nevertheless clear that adopting this perception of markets as measurable and manageable world of economic laws and mechanisms and of investing as socially unproblematic, individualistic wealth-maximizing activity allows private banking professionals to distance themselves from the potentially problematic aspects of their job. Clearly, investing (like all consumption) has real life consequences; for example, investing in a company that engages in socially problematic or harmful behavior (such as the use of child labor, ecologically harmful practices, or even just trading in tobacco or gambling services) allows it to continue existing and potentially grow. Thus, by investing in such a company, investors can be seen to be indirectly responsible for the company's actions and their negative consequences and therefore investing in such a company brands the individual as selfish and immoral,

threatening their positive identity. By discursively detaching investing from societal aspects, private banking professionals avoid having to consider whether their work is harmful to the society or environment. In other words, adopting the neoclassical finance's perception of investing allows private banking professionals to continue identifying with the positive, unproblematic representation of them and deflect alternative, "hostile" portrayals (e.g. representations A, D, M and N in table 1 and the corresponding representations depicted in figure 1) which threaten their positive identity.

Moving on, notably, the professionals' perception of investing is not value-neutral, as would fit the representation mentioned above. Instead, investing is regarded generally in a positive light, even as a moral obligation of an individual, particularly if they are wealthy. Curiously, the more money an individual possesses, the greater is their obligation to carefully consider how they manage the money: within the professionals' perception, if one has little money, their investment options are more limited and it generally does not matter into which fund they invest, but if they have more wealth, the variety of available investment opportunities grows substantially and the investments must therefore be considered more carefully. Effectively, this transforms wealth into a burden of sorts: instead of making life easier, the greater one's wealth is, the more effort they must put into maintaining and growing it. This perception can be seen as rooted in the idea of wealth and investing having intrinsic value (as opposed to having instrumental value) or, alternatively, in perceiving individuals' needs and wants to be unlimited.

This perception is in line with the representations of markets as a resource to be utilized or a fair market place and of investing as a moral obligation or a respectable trade and a responsible way to take care of one's family (i.e. representations B, E and I in table 1 and the corresponding representations in figure 1). These representations not only match the role of an advisor, as discussed earlier in this chapter, but also in general present investing in socially favorable light, thus supporting the positive self-perception and identity of private banking professionals.

In summary, Finnish private banking professionals tend to perceive investing first and foremost in terms of profit and risk, and as individualistic and thus socially unproblematic, intrinsically valuable, responsible management and maximization of wealth. This perception largely matches the modern, neoclassical finance theories' representation of investing and financial markets and the representations described by Preda (2001), Sjöberg (2004, Hirsto (2007, 2009, 2010, 2011), and Fuchs and Graf (2010), i.e. representations C, F, G, K and L in table 1. Further, the professionals also perceive investing as the smart and responsible way of managing one's wealth and thus as desirable behavior, which also matches the representations (B, E and I in table 1) found in earlier research. Within these representations, private banking professionals and their work appear in positive, even prestigious light, which gives them legitimation in society as well as upholds

their positive identity. Simultaneously the representations discourage considerations of the need to, e.g. control financial markets and investing, and of the purpose of investing on the individual and the societal levels.

As discussed in chapter 4.5, the results of this study also suggest the existence of multiple alternative, conflicting perceptions and social representations of investing in the society. Although not the focus of this study, these alternative social representations are greatly impactful for Finnish private banking professionals as they not only shape the work of the professionals but also affect their identity construction, and thus they warrant a short discussion.

Finnish private banking professionals readily recognize, describe and also challenge in their accounts the alternative social representations of investing which conflict with their own perceptions. For example, the professionals report routinely coming across what they perceive to be common misconceptions including thinking that investing is only for the morally corrupt, equating investing with gambling (i.e. a high-risk activity that will either make one extraordinarily rich or make one lose all their savings) and regarding banking professionals as immoral and/or living the life of luxury. In their daily work, private banking professionals are at times challenged by the alternative representations of investing and finance; for example, they might need to persuade and convince their clients that investing is not negative behavior (e.g. selfish, immoral, irresponsible, or dangerous) and to sometimes even defend themselves against prejudice. These alternative social representations of investing thus cause private banking professionals inconvenience either in the form of making their job more difficult or even as a social stigma affecting their life outside their job.

What is particularly interesting and noteworthy, also these alternative social representations match the representations described in earlier research by Preda (2001), Sjöberg (2004), and Fuchs and Graf (2010); the matching representations are A, D, M and N in table 1 and the corresponding representations in figure 1. As described, these representations portray investing in a negative way, as socially disruptive, immoral and/or irresponsible, thereby making it socially problematic for the professionals as, according to SIT and SRT, people strive to adopt and uphold a positive, socially desirable identity. Not surprisingly but notably thus, these alternative representations are rejected by the private banking professionals as misconceptions, not only because they conflict with their own perceptions, but likely also because the subject position of an immoral, selfish and greedy “villain” these representations offer is not desirable for the professionals.

Further, interestingly, as described earlier, those professionals who in their salesman’s role give into the temptation to engage in self-serving behavior and take advantage of their clients, thereby embracing and reconstructing this representation of finance profes-

sionals as immoral, selfish, greedy villains, are discursively branded “just simple salesmen”, not real private banking professionals. In such a way, professionals can be seen to (knowingly or subconsciously) attempt to prevent their (social) representation and group identity from being spoiled by the malpractices taking place in private banking.

In summary and to wrap up the discussion of the results, this study’s empirical findings on the identity as well as the perceptions (i.e. social representations) of Finnish private banking professionals along with the alternative, conflicting social representations match the results of earlier research on representations of investing, investors and financial markets. The same kind of conflicting, contradictory representations of investing and investors (including finance professionals) are described in the studies of Preda (2001), Sjöberg (2004), Hirsto (2007, 2009, 2010, 2011), and Fuchs & Graf (2010). As described in chapter 2.3, in media finance professionals are simultaneously regarded as indispensable experts, admired role models, and hated, immoral villains, and the findings of this study suggest this three-fold representation influences the construction of Finnish private banking professionals’ professional identity as well as their everyday work.

Further, as mentioned, in accordance to the developed theoretical framework combining SIT, SRT and DP, Finnish private banking professionals’ identity as well as their perceptions of investing in general correlate with the positive and neutral representations of investing described in earlier research, while the alternative, conflicting social representations of investing rejected as misconceptions by the professionals correlate with the more negative representations described in earlier research. Considering the developed figure 1 and the six dimensions found relevant for constructing and analyzing different representations of finance, it appears Finnish private banking professionals comfortably embrace and draw on representations on the top and right in figure 1 and construct investing in multiple ways as socially unproblematic, rational and having intrinsic value or as socially desirable (even essential), responsible, emotional and having instrumental value. In contrast, the professionals reject and challenge the representations on the bottom and left in figure 1. In other words, the representations in the blue, green and yellow areas of figure 1 are unproblematic representations and resources for the professionals to draw on, while the representations in the red area are problematic for the professionals and must be either avoided or, if need be, actively challenged.

In short, the results of this study in general suggest that there indeed exist multiple alternative, conflicting social representations of investing (which could potentially explain people’s different investment behavior), and that these social representations, at least to a certain point, correlate with the different portrayals of investing circulating in the society (a finding also suggested by the study of Sjöberg (2004)).

Overall, the results of this study suggest investing is a far more complex social phenomenon than neoclassical finance theories present it to be and that people’s investment

behavior might not be completely explainable as simple, individualistic wealth maximization. Investing has social and cultural aspects that should not be ignored if we are to profoundly understand the behavior of investors and movements of markets and to promote optimal, i.e. both profitable as well as responsible and sustainable, investment behavior and strategies. Further, in contrast to existing research in SSF, this study presents a comprehensive theoretical framework rooted in social psychology for exploring investing as a social and cultural activity. This study's empirical findings suggest the framework to be useful and it could be further developed to investigate and explain people's investing behavior. Additionally, the developed figure 1 summarizes well the earlier research on the representations of investing, investors and financial markets and, along with the developed theoretical framework and the results of this study, provides a useful starting point for further enquiry into investing as a social and cultural activity.

6 SUMMARY

Motivated by the existence of multiple conflicting representations of investing, investors and financial markets in society and the lack of research on the social and cultural aspects of investing, this study set out to investigate how Finnish private banking professionals perceive themselves, their work and investing in general with the aim to contribute to the understanding of investing as a social and cultural activity and how factors other than “rational” wealth-maximization might influence people’s investment decisions.

On a theoretical level, building on theories of social psychology, this study suggests an alternative framework to the mainstream neoclassical finance’s and the social studies of finance’s theories for explaining investment behavior and, based on the previous research on representations of investing, investors and financial markets, presents a comprehensive mapping of representations of investing circulating in different Western societies as well as six dimensions relevant for analyzing, understanding and constructing these representations. These served as a guideline when collecting and interpreting the empirical data of the study.

The empirical part of the study explores and discusses the perceptions and social representations of Finnish private banking professionals. The data consists of eight semi-structured, conversational interviews among Finnish private banking professionals and was analyzed and interpreted using both content analysis and methods of discourse analysis. The methodology and the methods used were chosen so as to collect thick, nuanced data and gain a holistic, detailed view which could serve as foundation for further inquiry into the topic.

Summarizing the results, the positively associated and socially prestigious roles of a finance expert and an advisor form the basis for Finnish private banking professionals’ identities, but the socially problematic role of a salesman must be integrated into the identity as well, resulting in tensions. Successfully managing these tensions and balancing the different roles and their conflicting demands is what, in the perceptions of Finnish private banking professionals, defines “real” professionals and sets them apart from those others simply working in the field.

As for the results on the perceptions of investing in general, Finnish private banking professionals tend to see investing first and foremost in a manner in accordance to neoclassical finance theories, i.e. in terms of profit and risk, and as individualistic and thus socially unproblematic, intrinsically valuable, rational and responsible management and maximization of wealth, even a moral obligation of (wealthy) individuals. Within this representation, private banking professionals and their work appear in a positive, even prestigious light, which gives them legitimation in society as well as upholds their positive identity. Simultaneously the representation discourages considerations of the need to,

e.g. control financial markets and investing, and of the purpose of investing on the individual and societal levels.

Lastly, the results of the study also suggest the existence of multiple alternative, conflicting perceptions and social representations of investing in society and that these have consequences in everyday life. As described in earlier research on representations of investing and investors by Sjöberg (2004) and Fuchs & Graf (2010), in media finance professionals are simultaneously regarded as indispensable experts, admired role models, and hated, immoral villains. The findings of this study suggest this three-fold representation influences both the construction of Finnish private banking professionals' professional identity and their everyday work, implying the representations described in earlier research by Preda (2001), Sjöberg (2004), Hirsto (2007, 2009, 2010, 2011), and Fuchs & Graf (2010) to be not only representations, but in fact *social* representations of different social groups.

Overall, this study's empirical findings fit the developed theoretical framework combining SIT, SRT and DP: as expectable, Finnish private banking professionals' identity as well as their perceptions of investing in general correlate with the positive and neutral representations of investing described in earlier research by Preda (2001), Sjöberg (2004), Hirsto (2007, 2009, 2010, 2011), and Fuchs & Graf (2010), while the alternative, conflicting social representations of investing rejected as misconceptions by the professionals correlate with the more negative representations described in the earlier research.

Considering the developed figure 1 and the six dimensions found relevant for constructing and analyzing different representations of finance, it appears Finnish private banking professionals comfortably embrace and draw on representations on the top and right in figure 1 and construct investing in multiple ways as socially unproblematic, rational and having intrinsic value or as socially desirable (even vital), responsible, emotional and having instrumental value. In contrast, the professionals reject and challenge the representations on the bottom and left in figure 1. In other words, the representations in the blue, green and yellow areas of figure 1 are unproblematic representations and resources for the professionals to draw on, while the representations in the red area are problematic for the professionals and must be either avoided or, if need be, actively challenged.

In short, the results of this study in general suggest that there indeed exist multiple alternative, conflicting social representations of investing (which could potentially explain people's different investment behavior), and that these social representations, at least to a certain point, correlate with the different portrayals or representations of investing circulating in the society, a finding also suggested by the study of Sjöberg (2004). This indicates representations are not meaningless, but in fact greatly impactful and that

investing indeed is a far more complex social and cultural phenomenon than it is typically assumed to be in finance research.

People's investment behavior might not be completely explainable as simple, individualistic wealth maximization as it is presented in the (normative) neoclassical finance theories, and the social and cultural aspects of investing should not be ignored if we are to profoundly understand the behavior of investors and movements of markets and to promote optimal, i.e. both profitable as well as responsible and sustainable, investment behavior and strategies and to provide practical guidance to policymakers. For example, lowering small private investor's tax rates to encourage investing among the middle class might prove ineffective, if the reasons for not investing are social and cultural (e.g. regarding investing as immoral or only for the very rich) as opposed to economic. In such a case, influencing people's perceptions of and attitudes to investing, for example by providing alternative representations through education, would be more impactful. In a similar vein, attempts to encourage finance professionals to behave in a more ethically and socially conscious way might benefit from including social and ethical perspectives in their education.

Summarizing the contribution of this study, in contrast to the (normative) neoclassical finance theories and the so far rather scattered and anecdotal studies of SSF, this study presents a comprehensive, yet tentative descriptive theoretical framework rooted in social psychology for exploring investing as a social and cultural activity along with tentative empirical evidence supporting the theoretical framework. Furthermore, the study summarizes and integrates the results of earlier research on representations of investing, investors and financial markets into a useful mapping depicted in figure 1 and, with the help of the developed theoretical framework and the empirical evidence, discusses profoundly the potential effects of these representations in practice.

However, as mentioned, the results of this study should be regarded as tentative. While several measures were taken to ensure trustworthiness and high quality of research, as an interpretive study with a relatively small sample, this study does not produce statistically generalizable results. Further, as the interviewees were chosen based on the access, it is likely the sample is not representative of all private banking professionals, let alone finance professionals or all investors. It could thus very well be that the mapping of the representations of investing and investors depicted in figure 1 is not comprehensive but needs to be developed further. Additionally, although the empirical findings of this study do fit and thus support the proposed theoretical framework, this study does not test the framework per se.

Despite these limitations, the study does serve as a useful starting point for further inquiry into the social and cultural aspects of investing and financial phenomena. Potentially fruitful topics for further research include the exact content and origin(s) of different

social groups' (e.g. different finance professionals, big and small private investors, non-investors) perceptions or social representations of investing and whether these do explain differences in investment behavior. Further, the theoretical framework based on social representation theory could also be used to investigate professional and non-professional investors' sense-making and decision-making, i.e. how they turn information such as a piece of news or the actions of other investors into investment decisions.

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APPENDIX 1 THE INTERVIEW GUIDE

Preamble

Introductions

Purpose of the study: “I am interested in how Finnish finance professionals perceive themselves, their work and investing in general.”

Instructions to the interview: anonymity and confidentiality guaranteed, recording ok?

1. Demographic information and work

Please describe your educational background and career so far

Why did you decide to work in finance?

What has kept you in this field?

What are the pros of your work?

What are the cons of your work?

What is your typical workday like?

What kind of knowledge or skills you need in your work?

2. Culture, values and norms in the field

Is it possible to say that there is some kind of culture or a feeling of togetherness among finance professionals?

Could you describe this culture?

Are there differences in culture between employers?

Has finance as a field or professional investing somehow changed during your career?

What kind of person succeeds in finance and why?

What kind of person will not succeed in finance and why?

What are the biggest mistakes a finance professional can make?

Often finance is associated with the idea of competitiveness. What do you think about this?

If perceived as competitive:

How this competitiveness affects every day work life and its activities?

Is finance as a field a ruthless dog-eat-dog world where only the fittest survive?

What kind of role does collegiality have in finance?

Finance is sometimes associated with hefty bonuses and even a luxurious lifestyle. What do you think about this?

3. Financial markets and investing

Who can become an investor?

What do you think, why is it that Finnish people don't engage more in investing?

Why are finance professionals needed? What kind of value do you add to investing?

How would you describe a good (professional/non-professional) investor?

4. Investing and ir/rational decision-making

How do you make the investment decisions? Could you describe the process of deciding (with the client or independently of them) where to invest the funds?

Are emotions a part of investing and should they be?¹⁴

Why / why not?

Can emotions be harmful in investing?

Can emotions be beneficial in investing?

Is intuition a part of investing?

Why / why not?

How would you describe a good investment?

5. Investing, ethics and responsibility

What kind of role do ethics and moral have in investment activities?

What are you as a finance professional responsible for and to whom?

What is an investor in general responsible for and to whom?

Who in the end is responsible for investing and its effects? (E.g. individual investors, banks and finance professionals, regulators and officials, policy makers or...?)

6. Popular representations of investing, investors and financial markets

Have you encountered misconceptions about financial markets, investing or investors?

What kind of misconceptions? Where? How has these misconceptions? Why are the misconceptions, i.e. why are they wrong or untrue?

Have you seen any fictional portrayals (e.g. movies) of the financial world?

What do you think about this/these portrayal/s?

7. Related to these themes and topics we have discussed, is there something else of importance that I didn't ask yet?

8. Lastly, why did you agree to this interview?

¹⁴ In Finnish the question was "Kuuluvatko tunteet sijoittamiseen?" which can be understood as "Are emotions a part of investing?" but also as "Should emotions be a part of investing?". Interviewees noticed and did discuss this in their answers. The same applies to the question about intuition in investing.