

## Organizational professionalism in globalizing law firms

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## **Organizational professionalism in globalizing law firms**

**Abstract:** Are the challenges of globalization, technology and competition exercising a dramatic impact on professional practice whilst, in the process, compromising traditional notions of professionalism, autonomy and discretion? This paper engages with these debates and uses original, qualitative empirical data to highlight the vast areas of continuity that exist even the largest globalizing law firms. Whilst it is undoubted that growth in the size of firms and their globalization bring new challenges, these are resolved in ways that are sensitive to professional values and interests. In particular, a commitment to professional autonomy and discretion still characterises the way in which these firms operate and organize themselves. This situation is explained in terms of the development of an organizational model of professionalism, whereby the large organization is increasingly emerging as a primary locus of professionalization and whereby professional priorities and objectives are increasingly supported by organizational logics, systems and initiatives.

**Key Words:** Globalization; Legal Profession; Organizational Professionalism; Professional Autonomy; Professional Services Firms.

## Introduction

Recent work (Ackroyd, 1996; Brock et al. 1999; Cooper et al. 1996; Greenwood and Hinings, 1993; 1996; Reed, 1996; Hanlon, 1999) has stressed how professions, as specific occupations, and professionalism, as a peculiar way of organizing work, are undergoing unprecedented change. A series of exogenous developments including globalization, the new opportunities offered by technology, and the impact of neo-liberal ideologies, policies and legislation, have all been highlighted as fuelling processes of professional re-organization and consolidation (Ackroyd and Muzio, 2007; Abel, 1988; Hanlon 1999; Muzio and Ackroyd, 2005, Pinnington and Morris, 2003). In this context it has been suggested that the professions are adopting more managed patterns of operation and an increasingly commercial outlook (Cooper et al. 1996; Flood, 1996). This has signalled a shift in the debate away from the traditional terminology of the de-professionalization/proletarianisation hypothesis, towards questions of managerialization and commercialization that are said to create new challenges for professionalism and for traditional notions of ‘professional dominance’ (Freidson 1970b; Johnson, 1972). The new role of the professions as providers of value-adding, commercially-orientated services to business implies the gradual displacement of traditional ideals of professionalism or, at minimum, their contamination with the alternative logics of entrepreneurship and managerialism (Brock et al. 1999; Cooper et al. 1996; Covalski et al. 1998; Hanlon, 1999).

In this paper, we consider the implications of recent structural changes in large professional services firms (PSFs)<sup>1</sup> for professionalism as an abstract *occupational principle and mode of organizing work*. We use original empirical material to

examine the peculiarities of professional practice within globalizing law firms and consider how sociological frameworks can be better used to interpret recent processes of change. In particular, we argue that a re-coupling of sociological understandings of professionalism to organizational theory, through the concept of *organizational professionalism*, might allow us to track the recent trajectory of professionalism as a distinct work-organization method. This theoretical concept postulates the emergence of new patterns professional work increasingly centred on the activity of large PSFs. In this context, professional systems of work are increasingly bound to organizational strategies, tactics, systems and methods as well as to the initiatives and financial performance of these new ‘corporate’ actors (Covaleski et al. 1998; Kirkpatrick and Ackroyd, 2003). However, as we show, the exercise of such managerial coordination and organizational control is only possible when it meshes with and complements professionalism.

## **The ‘organizational turn’ in the study of professionalism**

Whilst much has historically been said about the realities professional work in organizational settings (Scott 1965; Montagna, 1968), comparatively little, with the exception of studies such as Mintzberg’s work on the professional bureaucracy (1979), has been said on the peculiarities of *professional organizations*. However, as Hinings (2005) suggests, research over the last fifteen years has begun to counter this imbalance. The case of the legal profession is indicative of why this transition is important. The days in which legal work equated to sole practice or family based partnership have been replaced by an era where ‘mega-law’ firms<sup>ii</sup>, employing thousands of solicitors often in dozens of jurisdictions and generating multi-million pound profits, are the norm rather than the exception (Abel 1988; Flood, 1996). It is perhaps unsurprising, then, that professional service firms, such as the law practices in question here, are not only increasingly relevant to organizational theory but also to our understanding of professionalism and professionalization.

In this context the contribution of archetype theory (Greenwood and Hinings, 1988; 1993; 1996; Cooper et al., 1996; Brock et al., 1999; Hinings, 2005) is particularly significant. The notion of “archetype” is used here to indicate the hegemonic system of underpinning values, guiding objectives and supporting structures that define and characterise a particular organizational configuration. This is not only insightful because of the way it helps us to examine the empirical development of professional practice in the contemporary era, but also insofar as it begins to point out the mutually reinforcing links between professional values and organizational structures. In this context, the search for efficiency and enhanced functionality is said to be fuelling a process of archetypal migration, whereby

professional organizations are abandoning the traditional professional archetype (P2) based on ideas of partnership, collegiality and informality associated with autonomous, unmanaged professional work, and re-emerging as Managed Professional Businesses (MPB), characterised by increasing levels of managerialism, bureaucracy and commercialism (Brock et al. 1999; Cooper et al. 1996; Hinings, 2005). Of course, there is a growing awareness of how such processes of change are always fragmented and contested rather than transformational and complete. In particular, Cooper et al. (1996) introduce the concept of sedimentation to indicate how new values and practices are erected on foundations imbued with residual allegiances to previous archetypal configurations. This recognition leads to the increasing contemplation of hybrid forms of professional organization, where new and old inevitably co-penetrate each other (Pinnington and Morris, 2003; Hinings, 2005). However, despite these increasingly nuanced perspectives, archetype theory ultimately identifies a broad trajectory of change characterised by the contamination of professional values with entrepreneurial attitudes and managerial priorities as well as the gradual convergence of professional structures around more corporate configurations. However, less consideration has been given by these studies to the ways professionals may be able to absorb, adapt and reconcile new methods, practices and vocabularies drawn from the world of management and business with traditional notions of professional autonomy, discretion and independence. This, we feel, is an important lacuna in existing research which raises significant questions about the future of professionalism as a distinct occupational principle.

These and other theoretical limits of archetype theory have been discussed extensively elsewhere (Ackroyd and Muzio, 2007; Faulconbridge and Muzio, 2007;

Kirkpatrick and Ackroyd, 2003); our departure point here is to build on these critiques and suggest that archetype theory may have gone too far in its important rediscovery and re-development of the organizational theme, leaving behind too many of the broader concerns associated with the sociology of the professions. This has important implications as it somewhat reduces the reliability of some of the empirical hypotheses and predictions associated with archetype theory. In particular, suggestions of a marked process of managerialization<sup>iii</sup> and commercialisation threatening and displacing traditional notions of professional autonomy and discretion (Freidson 1970b; 2001) may yet, in law firms at least we contend, prove overstated<sup>iv</sup>.

### **The Sociology of the (Organizational) Professions**

At the heart of our approach is an attempt to re-introduce concepts from the sociology of the professions so as to better understand the ways managerialism has influenced the organization of PSFs. We begin this by recognising Johnson's definition of professionalism as a 'peculiar type of occupational control rather than an expression of the inherent nature of particular occupations' (1972: 45). Professionalism is, thus, framed as a particular work organization method, where the workers themselves, rather than 'consumers in an open market [entrepreneurship] or functionaries of a centrally planned and administered firm or state [managerialism]' (Freidson, 1994: 32), retain control over work, which, ideally, includes 'the social and economic methods of organising the performance of [such] work' (Freidson, 1970a: 185). This contrasts with alternative occupational principles, such as entrepreneurship and managerialism, where work is organised according to either contractual relationships in (relatively) open markets or through a rational-legal apparatus of formal regulations



implemented through managerial hierarchies. This occupational autonomy, along with other rewards, is secured through a conscious and sustained political effort: a professional project (Larson, 1977), aimed at translating a scarce set of cultural and technical resources into a secure and institutionalised system of social and financial rewards.

This is fluid and dynamic project that is grounded in history and emerges from continuous negotiations set in a broader political and economic order. Thus, this emerges as a flexible and contingent construct which over time mobilizes different claims, methods and systems, as established tactics lose effectiveness and go out of favour. We draw on this insight below to recognise how, in the current period, professionalism is increasingly located within organizational contexts and, therefore, increasingly infused with organizational logics, practices and strategies. Taking such an approach, we argue, offers the opportunity to move beyond debates about professionalism versus managerialism and the different points on a trajectory of change from one to another by recognising the new mutations and hybrid forms of professionalism that are emerging as professionals respond to new pressures and challenges.

#### *Data collection methods*

The following sections are based on insights gathered through a total of 40 interviews with partners working in globalizing law firms. These comprised of an initial set of 15 interviews conducted in 2003-2004 where the focus of the discussions was not on professionalism *per se* but more generically on the coordination of work and learning in globalizing legal PSFs. This was followed by 25 interviews, conducted between August 2005 and January 2006, specifically focussing upon

professionalism and professional practice. It is from the latter round of interviews that we draw the empirical material reported here. Table 1 provides more detail on the interviewees and the firms they were drawn from. Table 2 presents information on the characteristics of these globalizing law firms. The quotations used below have been made anonymous with a description of the role of the interviewee and the firm they worked for. The size of the firm is described in terms of large, medium or small relative to those listed in table 2. All except two interviews were tape recorded and fully transcribed. Analysis took the form of a grounded theory approach (Glaser and Strauss, 1967) relying on the informed coding and extraction of quotes to highlight relevant processes, practices and constraints on organization and professionalism in the firms studied.

[tables 1 & 2 here]

### **Organizational professionalism in globalizing legal PSFs**

Globalizing law firms are, of course, much smaller in size than accountancy firms<sup>v</sup>. This is in part the result of historical legacies with, at least until the 1990s, the liberalisation of legal markets taking place at a relatively slow pace. Similarly, unlike accountancy standards, truly international law has failed to emerge and transnational agreements still need to be enacted through national legal systems. Nevertheless, the now well-established cohort of globalizing law firms (table 2) present particularly insightful case-studies of organization in globalizing, mid-sized PSFs with many parallels existing to ongoing processes in other professions such as architecture.

The limited literature that exists on the globalization of law firms (e.g. Beaverstock et al. 1999; Empson, 2007; Faulconbridge, 2007; Faulconbridge and

Muzio, 2007; Flood, 1996; Morgan and Quack, 2005) suggests that the primary aim of these firms is to provide effective and efficient business services in a globally integrated manner. It could, therefore, be assumed that these organizations would, as a matter of necessity, have converged towards a managed professional business archetype where control and co-ordination of work are relinquished by professionals and placed in the hands of a dedicated managerial cadre. Yet, our interviews revealed how the professional identities and strategic jostling of partners in law firms has often prevented the emergence of a entirely coherent and systematic approach to management. Whilst some changes have begun to take shape, this is in the context of subtle *reconfigurations* as lawyers increasingly operate within an organizational model of professionalism that does not necessarily erode professional codes of practice. As one lawyer noted about this trend:

“One of the reasons professionals, and particularly lawyers, become professionals is they are quite defensive and proud of the fact that they have a considerable amount of autonomy. And one of the issues that any management in a law firm has to deal with is the trade-off between maintaining lawyers’ autonomy and being consistent between partners and developing a strategy that lawyers can buy into” (2, managing partner of London office of large English firm).

The reflexive and resourceful behaviour of the key actors in legal PSFs – the legal professionals themselves<sup>vi</sup> – is, then, the key driver of continuity alongside forms of change (Pinnington and Morris, 2003). We further exemplify this below by considering the type of management coordination that exists in the globalizing law firms studied and relating this to the three categories of control – strategic, market-financial and operating - identified by the seminal work of Cooper et al (1996).

### **Strategic control: avoiding managerial cadres through ‘committee-isation’**

Rising levels of strategic control, according to Cooper et al. (1996, 630), involves the emergence of analytical strategies and directive decision-making relating to business development. In law firms this includes, firstly, strategies to avoid the ever-present risk of conflicts of interest when accepting new clients and, secondly the formulation of market-positioning strategies which allow the development of a reputation for expertise in one or several complementary areas of legal practice.

#### *Conflicts of interest*

Conflicts of interest have to be managed effectively in any law firm. This is all the more challenging when there are hundreds of partners recruiting clients throughout the world. This does not, however, imply the removal of client cultivation (rain-making) from individual lawyers. Rather, it means that some form of centralised seal of approval must be given to all new work. This often takes the form of a dedicated partner reviewing all new business and conflict of interest checks being completed by support staff. This approach was taken in all of the firms studied, although the smaller firms did tend to involve all partners through email based consultation.

In some ways, the individual in charge of this process could be said to be acting in a managerial capacity, hampering professional autonomy and taking control over the ‘ends’ of lawyers’ work (Freidson, 2001). After all, he/she has the power to interfere with a partner’s discretion to work for a particular client. However, the subtleties of the process suggest this is not necessarily the case. At the most basic level, the partner responsible for signing-off new business normally remains a practising professional. Interestingly, then, there continues to be little room in these

PSFs for the very substantial cadre of non-fee earning managers (technostructure) that often exists in large organizational settings (Mintzberg, 1979). Rather, we have professionals organizing professionals in a manner that all involved find acceptable. In addition, the strategies for managing conflicts, which are designed by professionals themselves, are setup to maintain the autonomy and entrepreneurial abilities of partners. As one lawyer commented:

“we have structures to avoid conflicts, there is a new client intake process...We’re a transaction driven firm and you don’t want a situation where you could have had a primary role on a deal but because someone had done something small in the past you’re going to get dinged. But having got through that firewall as it were, then you’re away at the races to do things in your own way” (9, London-based head of practice group in medium sized US firm).

Professionals continue, then, to be able to control their own work within a relatively broad framework. However, as no lawyer wishes her/his name to be tarnished by involvement, unintentionally or otherwise, in a conflict situation, the coordination that exists actually sustains rather than destroys the professional project. This approach means lawyers maintain their autonomy but also their occupational-mandated ethical standards in situations where it would otherwise be impossible to avoid conflicts of interest. We, therefore, have the redesigning of professional occupation systems around large-scale organizational logics, rather than their replacement.

*Strategy and vision: committee-based rather than individual professionalism*

In the context of an increasingly competitive marketplace, corporate strategy and formal development plans have become significant for law firms. Here our argument does not diverge from that put forward in MPB models (e.g. Cooper et al.

1996). Where we do differ, however, is in our interpretation of the ‘managerialism’ associated with strategy formulation.

Unsurprisingly, firms display diverse approaches to strategy. The bigger firms look more like the MPB archetype than their smaller counterparts where it is easier to engage in the type of peer observation and informal control processes traditionally associated with professional self-regulation and the P2 archetype. The larger firms studied require practice groups to have a clearly defined strategic mission that identifies target clients and practice areas. However, such approaches do not necessarily compromise the professional project and its traditional objectives. Autonomy is afforded within the guidelines set by the strategic plan and most lawyers join or remain with a firm because of their interest in the practice areas targeted. Indeed, being focussed is often seen as one of the new advantages of being part of a professional-organizational setup. It creates a peer group with expertise in the same domains of law that can be learned from and called upon for support in a transaction. It also attracts elite clients who seek out the best lawyers with the largest teams for the most challenging work. As described below, such work entails placing control of means in the hands of professionals, thus reinforcing their autonomy.

At the opposite end of the spectrum, some of the smaller firms have more generic strategic visions. These firms select particular practice areas they wish to focus upon (e.g. Mergers & Acquisitions) but are non-prescriptive in terms of how these specialisms are developed. As a lawyer in such a firm suggested:

“when I joined [firm x] I asked what the business plan was and was given a blank sheet of paper and told, there it is. You’re given discretion to do what ever you think is going to further the firm’s objectives” (10, London-based head of practice group in medium-size US firm).

Perhaps surprisingly the firm quoted above is more profitable than some of the practices who use more formulaic strategy-making processes, suggesting how one of the main tenets of managerialism – raising efficiency and profitability – might be somewhat disputable. It should also be noted that there are some geographical differences in strategic approaches. Throughout the interviews it was clear that most US firms preferred to replicate strategies overseas as they ‘roll-out’ replica services worldwide (Morgan and Quack, 2005). English originating law firms, in line with the wider experiences of British multinationals (Ackroyd, 2002), were often much more tolerant of local variability as they allowed local partners to develop sectors as they saw fit in each market. We will return to this issue below.

Most importantly, whether more formulaic and directional in style or broad and non-prescriptive, decisions relating to strategy (where needed) and strategic overview (in all cases) are administered by the professionals themselves, in a consensual rather than directive fashion. All of the firms studied locate strategic planning at the practice group, rather than the firm-wide level. This is a reflection of the nuance-filled nature of professional practice and the fact that the means-ends connections and priorities of professionals differ depending on their area of expertise. Although all firms have a senior partner or otherwise who heads-up the firm, his role (and they are all men in the firms in table 2 at the time of writing) is symbolic rather than executive. The actual decision-making and strategy-formulation is usually coordinated (but not managed) by a committee of partners elected to represent their office or, for global strategy committees, their office or practice group. These individuals consult with their peers and, based on what was described as a bubbling-up process, put forward proposals relating to the strategic direction of the firm or practice group. In effect, committees represent a recalibrated form of P2 organizing.

One lawyer noted that in her/his firm, “the framework is put together through a combination of consensus and trial and error” (Interviewee 5, partner in London office of medium-sized US firm). Thus, there is a limited role for analytical, rational strategy-building, as proposed in managed-professional business frameworks. Rather, consensual if not collegial decision making, similar to the mutual adjustment and consensus building that Mintzberg (1979) connects with the management of professionals and their work, is reconfigured to fit new contexts. As a lawyer who was part of the committee for the corporate practice group in his firm commented:

“On the ground here I might say we should be doing something and then I will discuss it with colleagues in the States...And people might have a limited understanding of what’s going on in other jurisdictions but your want to get their support” (6, London-based co-head of practice group in smaller US firm).

In addition, even though these committees are the new forums for professional decision-making, the ‘whole partner vote’ continues to be the ultimate mechanism for approving the most significant strategic decisions. However, as suggested in the next quote, this normally acts more as a symbolic gesture. The ‘bubbling up’ process ensures that the beliefs of the vast majority of partners are considered prior to any decision:

“Partnerships are funny things...constitutionally the board has absolute power to decide what it likes and when I was managing partner in New York I could tell people what to do. But it’s a bit like being the captain of the ship. You can stand on the bridge and say ‘turn left’ but if someone down there doesn’t do it you’re going to hit the rocks. So you cannot manage a law firm in the same way as you can in a corporation where there’s a power structure and someone orders you to do something, and this is the reporting line, it just doesn’t work...What you do find at all levels



within these structures, at practice group level or geography, is a process of ideas bubbling up, consultation coming down, well before you ever get to the decision level... And no vote would be put to the partnership unless whoever was proposing it knew it would get through” (22, Managing partner, New York office of large English firm).

Predictably it was widely agreed that such organization wasn't a 'text book' case in efficiency. At times it can take an excessive amount of time to reach a compromise and respond to rapidly changing market conditions. In some US firms the desire to roll-out practices from the home-country meant that the all-partner vote was less common. Instead, managing or founding partners have more powers vested in them by the partnership constitution. However, even here, the challenge of garnering the support of partners could not be ignored and excessive command and control tactics were recognised to result in dissatisfaction and high partner turnover. The consultation process, despite its delays and complications, was widely recognised, therefore, as the only way to organize law firms.

We are not, then, arguing that law firms have not changed as they have globalized and grown in size. Rather, we suggest that more should be made of the subtle reconfigurations that have occurred in order to *maintain* professional principles but in the context of increasing scale and organizational challenges. As one lawyer quoted previously put it:

“if you're in a one person practice you have total autonomy, and you could chose to do whatever you like. As soon as you get a partner you reduce the amount of autonomy you have. And of course, a two partner firm has a much greater amount of autonomy than a 50 partner firm. And a 600 partner firm you've got a lot less autonomy than a 50 partner firm” (2).

## **Financial control and performance measures**

Cooper et al. (1996, 630) argue that using peer pressure as a mechanism to monitor performance in PSFs is increasingly being replaced by financial targets and performance monitoring. Evolutions in remuneration structures and staff appraisal systems are thought to be particularly indicative of these developments. The interviews completed suggested, however, that change towards such ‘managerial’ ideals is only partial, again because of the persistence of professional values. One of the underlying tenets of professionalism and in particular P2 forms of control is the commitment to technical excellence and service quality, even if this comes at the expense of financial performance. Reflecting this belief the formal assessment of partners, whilst now common in firms, is completed by peers rather than managers in all of the firms studied. This assesses quality as much as the quantity and profitability of work. As one lawyer noted:

“there’s never anyone you have to account to on a weekly or monthly basis. The driver is really one of peer pressure. You are working with the brightest and most successful lawyers and the pressure is to perform to those standards...We have an annual appraisal done by a partner from another office and what you’re invited to do is think about ten categories.” (10, London-based head of practice group, US firm).

One of these ten categories is revenue generation. This is more important in some firms than others. In particular, US firms tended to prioritise revenue generation through a remuneration model based on ‘eat what you kill’ principles<sup>vii</sup>. However, even in firms where profit-generation takes a more prominent role in appraising staff, there were clear examples of the continuation of P2 forms of management with professional principles shining through (long termism, professional autonomy,

collegiality, peer control, commitment to quality) and existing alongside these new criteria. Professionals have, then, absorbed and adapted the practices and language of management (annual reviews; key performance indicators; strategic plans etc.) but in ways that allow such models to be applied in a format sensitive to professional preferences, values and priorities. This can be understood as process of colonisation or even better hybridization, as an increasing attention for efficient management, which is necessitated by the challenges of governing what are complex and increasingly large global organizations, is reconciled (at least in the case of senior professionals) with an attachment to traditional notions of consensus, collegiality and practitioner control over work. Recent evolutions in remuneration models in globalizing law firms are indicative of this type of approach.

#### *Organizing remuneration around multiple professional cultures*

As described crudely above, there are well-recognised and important differences between English- and US-based law firms in terms of remuneration practices. We don't want to review the underlying reasons for this here (but see Faulconbridge and Muzio, 2007; Flood, 1996; Morgan and Quack, 2005). We do, however, want to argue that such fundamental differences should not necessarily be taken to represent professional (lockstep) versus managerial (eat what you kill) approaches.

In the firms studied, the remuneration systems (and performance measurement systems) had been designed and in many cases updated to meet the challenges associated with demands for efficiency and commercial-focus whilst at the same time pleasing professional tastes, preferences and sensibilities. As one lawyer described the ethos of remuneration in their 'eat-what-you-kill' firm:

“I don’t think there are objective measures. There are indications of what a successful partner is whether its hours or fees generation...But these are by no means absolutes...you do see partners who simply are able to generate clients through force of their own personality because their particular skill set are getting people through the door and for the long term of the business that’s vital...There are also people who are willing to spend time recruiting and training staff and these are bloody important parts of the business and something I believe it’s our responsibility to do” (3, partner, small US firm’s London office).

Remuneration systems are usually designed by remuneration committees staffed by lawyers drawn from various worldwide offices. The aim of this is to offer a political compromise between the contrasting approaches of lawyers from different jurisdictions to pay and assessment. This points to another important failing of existing portrayals of the MPB approach: the lack of sensitivity to the geographical variability in the characteristics of law firm management. We discuss this in detail elsewhere (Faulconbridge and Muzio, 2007) but with regards to our present argument, it is clear that ‘managerialism’ may hold different meanings across space whilst its extent and impact on law firms will vary in accordance to geographical context.

### **Operational control and autonomy**

Cooper et al. (1996, 630) also note that increasing degrees of centralization should be expected in a MPB configuration with control over work being taken out of the hands of professionals and placed in the hands of managers and their routine-driven systems that optimise profits and efficiency. However, according to Mintzberg (1979) and others (Alvesson, 2002; Friedson, 2001; Morris and Empson, 1998) this contradicts the necessities of professional work. Allowing professionals discretion and

judgement is said to be essential so that the bespoke and complex services they provide can be effectively delivered.

Even in the largest firms studied, partners retained control over the planning and execution of their work. Whilst transactions vary from the ordinary (e.g. a reverse triangular merger where two firms become one) through to the truly unique (e.g. the first public-private partnership agreements in the UK in the late 1990's), each project is approached in a way determined by the 'lead' partner. This means using her/his experience, as well as that of other team members, to identify the optimal way forward and individually tailor the service to the clients needs. In this context, operational issues are treated as a matter for professional judgement and discretion. As one lawyer described their autonomy:

“I think in a large firm there is a need for autonomy, in that you're only going to do your best if it's an area you're interested in and ultimately you play to your strengths and let your instincts guide your work. However, if you don't coordinate that with the strengths of the firm it won't be successful and it won't be good for the firm” (19, partner in English law firm's New York office).

As the quote suggests, this does not mean degrees of coordination are not now important in large PSFs. Indeed, the work of largest firms listed in table 2 may also involve more routine activities. Here associates (and not partners) may spend part of their career following recipe-like procedures writing, for example, bond contracts. However, this is often a training ground before moving onto the bespoke work that grants autonomy. Smaller firms, which are often more profitable per unit of income, tend to focus solely upon high-end, high fee generating work that never involves 'commoditised' practice.

Professional ideals also spill over into other facets of operational control. For any PSF the development and honing of new talent is essential (Alvesson, 2002). Consequently, it might seem sensible to put the strategic control of associate development in the hands of a cadre of managers (and remove it from professionals) – i.e. to both centralize and bureaucratize the training and development function. However, in globalizing law firms, whilst there might be global ‘inductions’ or ‘conferences’ for newly recruited trainees/associates, the training and development of lawyers is otherwise decentralised to the office and even individual professional-level. Indeed, as the following comment describes, it is common for partners to engage in or abstain from associate development as they see fit and use their own preferred mentoring strategies:

“I think the efficacy of the mentoring role and how it works in practice varies quite a lot between partners. And it’s quite hard to get consistency. It certainly is informal but it will vary from practice group to practice group and from individuals. In London it’s actually pretty informal and there isn’t any compulsion to do certain things” (6, London-based head of practice group in medium-sized US firm).

## **Discussion and conclusions**

There have been extensive theoretical discussions of the changing influences upon professional practice (e.g. Brock et al. 1999; Greenwood et al. 1990; Hanlon, 1999; Cooper et al. 1996) and there seems little doubt that professionalism is increasingly advanced through organizational tactics and methods, something the empirical material supports. In one sense this situation can be characterised as an extension of Mike Reed (1996) category of organizational profession. In its original formulation this included those occupations, such as managers, administrators and technicians which developed and prospered within the interstices of large bureaucratic

organizations. At the heart of these occupations' success lay their ability to mobilise their positional power to close-off and monopolise '*relatively powerful and privileged positions within technical and status hierarchies*' (Reed, 1996: 585). In other words, these groups prosper from their ability to control the bureaucratic machinery they inhabit and to resolve central problems of their business organization through various processes of technological rationalization and managerial intervention.

In today's context it seems that this situation is increasingly relevant to the liberal/independent professions, of which solicitors represent a paradigmatic example. Indeed, it could be argued that we are witnessing a shift towards a new form of professionalism, *organizational professionalism*, whereby the organization and its bureaucratic apparatus is becoming the main locus of professional activity. In this context, the traditional values, objectives and rewards connected with professionalization projects are increasingly achieved and secured through the support of appropriate organizational systems, structures and procedures. Yet, our analysis suggests that these organizational tactics and mechanisms are ultimately defined and influenced by professional interests. In particular, it seems that the lawyers studied continue to enjoy high degrees of autonomy and, in line with the traditions of professionalism, retain substantial amounts of control over their work and service delivery, despite financial and market pressures. This is, of course, secured at the cost of a growing process of polarization as professional elites use organizational mechanisms (such as leveraging, internal closure and the use of performance targets/appraisal systems) to extract value from an increasingly elongated and formalised division of labour (Ackroyd and Muzio, 2007).

Of course, it would be misleading to argue that there is a total absence of managerial positions, roles and practices in large (global) professional organizations.

However, as we have argued through the empirical material, these are reconstituted, adapted and even subverted to suit and sustain professional values, norms and objectives. The fact that managerial procedures and roles are largely ceremonial and symbolic (e.g. managing/senior partner) and that those involved are usually practising professionals themselves, sensitive to the interests, opinions and voices of their constituency, is a key part of this process. The case of the law firms under consideration, then, constitutes an example of organizational professionalism where professionals design organizational strategies and structures to maintain their professional occupational principles and objectives. This, then, notwithstanding the significance of current change, is an approach that is profoundly different from managerialism, despite sharing some of its characteristics (Freidson, 2001; Freidson, 1994).

In conclusion, we would suggest that the theoretical frameworks underlying explanations of recent changes in large professional firms, in particular those using the ideas of bureaucracy versus professionalism, need to place more emphasis on the ongoing negotiations involved in change and the hybrid forms that are emerging as a result of these. *Organizational professionalism*, with its emphasis on the interconnection and hybridization between occupational and organizational principles, offers a way of conceptualising contemporary PSFs and their development. Here we have only provided a snapshot of organizational professionalism in one type of professional organization, the global law firm. In the future we, therefore, suggest there is a need for further studies of both a wider range of law firms and the subtleties of inter-industry variation in professional organization and other PSFs. As Empson (2007) indicates, the ideal of professionalism now seems to exist in a multitude of



ways across as a result of the evolutions we have described, something that deserves much more attention than it has received to date.

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Firm	No. Interviews completed 2003/4	Position of interviewees	No. Interviews completed 2005/6	Position of interviewees
Allen & Overy	0		1	Managing Partner
Baker & McKenzie	2	Partner (x2)	1	Partner
Clifford Chance	2	Managing Partner; Partner	5	Managing Partner; Partner and Co-head of practice group; Partner (x3)
Dechert	1	Partner and Co-head of practice group	1	Partner and Co-head of practice group
DLA Piper Rudnick Grey Cary*	0		1	Partner
Freshfields Bruckhaus Deringer	1	Partner and Co-head of practice group	1	Partner
Jones Day	0		1	Partner
Latham & Watkins	1	Partner	1	Partner
Linklaters	1	Partner	1	Partner
Shearman Sterling	1	Partner	1	Partner
Sidley Austin Brown & Wood	0		1	Partner
Skadden Arps Slate Meagher & Flom	3	Partner and Co-head of practice group (x2); Partner	3	Partner and head practice group (x2); Partner
Weil Gotshal & Manges	0		3	Partner; Partner and Co-head of practice group (x2)
White & Case	0		2	Partner and head of practice group; Partner
Other firms – not in top 20 leading global firms	3	Partner (x3)	2	Partner (x2)

Table 1. Information on interviewees.

Source: The Lawyer (2005) and fieldwork.

\*: figures based on the combined values for the firms DLA and Piper Rudnick who have now merged.

N/A: data not available

Firm (origin)	Global turnover (£m) (2004)	Global employees – equity partners/non equity partners/ associates	% partners that non equity	Leverage ratio (partners to associates)	Profit margin of firm (%)	Global offices
Baker & McKenzie (USA)	670	614/ 0/ 2,992	0	1:4.9	33	69
White & Case (USA)	520	247/ 104/ 1,685	30	1:4.8	32	39
Clifford Chance (English)	914	381/ 199/ 2,480	34	1:4.2	27	34
DLA (English)	322	133/ 296/ 1,482	69	1:3.4	22	33
Linklaters (English)	805	345/ 118/ 2,013	25	1:4.3	36	31
Jones Day (USA)	649.2	443/624/1452	29	1:2.3	27	29
Freshfields Bruckhaus Derringer (English)	780	506/0/1609	0	1:3.2	45	28
Allen & Overy (English)	666	335/ 99/ 2,263	23	1:5.2	33	26
Skadden Arps Slate Meagher & Flom (USA)	786	361/ 0/ 1,554	0	1:4.3	44	23
Latham & Watkins (USA)	658	387/ 91/ 1,502	19	1:3.1	45	22
Shearman & Sterling (USA)	423	207/ 32/ 963	15	1:4	31	18
Weil Gotshal & Manges (USA)	494	184/ 79/ 1,080	43	1:4.1	41	16
Sidley Austin	562	302/275/828	48	1:1.4	30	15
Dechert (USA)	241	152/ 68/ 678	31	1:3	42	14

**Table 2** Characteristics of the leading firms in which interviews were completed, ranked by number of offices.

**Source:** The lawyer (2005) and Fieldwork.

<sup>i</sup> The growing body of literature on PSFs includes a lively debate on their definition. In this paper, we opt for a narrow take on this and focus on those organizations which operate under conditions of professional closure and regulation. This primarily includes law, accountancy and architectural practices that tend to employ qualified and certified professionals.

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<sup>ii</sup> This consolidation reflects various considerations which have been explored more thoroughly in related publications (Ackroyd and Muzio, 2007; Faulconbridge and Muzio, 2007 and see also Beaverstock et al. 1999). Factors fuelling this growth include: the advantages of economies of scale where attempts are made to increase profitability by augmenting leverage ratios; and perhaps most importantly in this case, the gravitational pull of globalizing clients and the opportunities offered by presence in new marketplaces.

<sup>iii</sup> An interesting point concerns the possibility that change in the legal profession may reflect a jurisdictional dispute between solicitors and a newly emerging profession of management, pursuing its own professional project. However, whilst sections of management may be professionalizing, the extent to which management is pursuing a collective occupational project is limited. Furthermore, most managers in PSFs tend to be experienced professionals who retain a strong primary affiliation with their professional identity. Accordingly, the threat posed by management is ideological rather than competitive.

<sup>iv</sup> We limit our discussion here to law firms, and are guarded about generalising because of the variable scale and development of globalization in different PSFs. As we allude to later in the paper, more work is needed to understand how such practise might develop different across the professions.

<sup>v</sup> Clifford Chance, the largest law firm in the world, employs 575 partners and almost 2500 lawyers. Most recent figures suggest it generates annual revenues of over just over 1 billion British Pounds (The Lawyer, 2006). Conversely, PWC, the world biggest accountancy firm, employs over 8000 partners and a total headcount of a 140,000. In 2006 this firm generated revenues of over 10.7 billion British Pounds (PriceWaterhouseCoopers, 2007).

<sup>vi</sup> Here we focus upon only partners and there may be a different story to tell in relation to the experience of junior lawyers.

<sup>vii</sup> ‘Eat what you kill’ models, used as the basis for remuneration by all of the US firms studied and a minority of the English firms, uses profits generated to determine the salary of a partner. This contrasts with ‘Lockstep’ models which are used by the majority of English firms and rely on years of service to determine remuneration. Here teamwork and contribution to the partnership can also be prioritised.