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## **ABSTRACT**

This study presents an empirical analysis of the micro-dynamics of institutional work. Examining the “corporatisation” of large international law firm partnerships, the study identifies the dyadic relationship that develops between two different types of professionals, the managing partner and management professional, and demonstrates how their relationship becomes a key mechanism for institutional work. The study shows how, by working together, these individuals take advantage of differences in their relative social positions: specifically their formal authority, specialist expertise, and social capital. The study identifies seven forms of institutional work in which they engage and demonstrates how these multiple forms simultaneously encompass the creation, maintenance, and disruption of the institution of partnership. The study argues that this simultaneous occurrence helps to account for the phenomenon of sedimentation, whereby the gradually emerging institutional logic of the corporatised partnership is being integrated into the traditional partnership form.

### **Key words**

Institutional work, Lawyers, Management professionals, Professional partnership.

## INTRODUCTION

Seeking to strengthen the empirical foundations of the concept of institutional work, Lawrence, Suddaby, and Leca (2011) have invited scholars to explore agency as a distributed phenomenon, to focus on “how individual actors contribute to institutional change, how those contributions combine, how actors respond to one another’s efforts, and how the accumulation of those contributions leads to a path of institutional change” (p. 55). In other words, Lawrence et al (2011) call for a detailed empirical analysis of the micro-dynamics of institutional work, focusing on the actions of individual actors within organisations as they engage in institutional work, and examining how the accumulated actions and interactions of individual actors within an institutional field give rise to the creation, maintenance, and disruption of institutions.

The concept of institutional work was developed by Lawrence and Suddaby (2006) as a means of overcoming the “somewhat stylised representations of the relationships among actors, agency, and institutions” (Lawrence, Suddaby, & Leca, 2009, p. 3) inherent in both early neo-institutional theory and more recent studies of institutional entrepreneurship. Lawrence et al (2009) argue that institutional studies of organizations have a tendency “to accentuate the role of collective actors” (p.5) and suggest that the concept of institutional work may be a means of correcting this imbalance. However, by developing their typology inductively in an empirically grounded manner from previous studies, Lawrence and Suddaby’s (2006) analysis is inevitably subject to the same limitations as these “somewhat stylised representations”. Even their later work, while recognising the problems inherent in this approach, has tended to default to portraying institutional workers as coherent entities acting consistently upon a single clearly identifiable institution (e.g. Lawrence et al, 2009).

In other words, the developing institutional work literature tends to perpetuate the implicit assumption that institutional work is concerned with a singular subject (i.e. typically the collective entity of the institutional worker), a singular object (i.e. the institution), and a singular form of institutional work (i.e. creating, maintaining or disrupting). The application of the theoretical concept of institutional work to the inherently messy empirical reality may reveal oversimplifications in this conceptualisation, and reveal “the muddles, misunderstandings, false starts, and loose ends” that often characterise the relationship between institutions and action (Lawrence et al, 2009, p. 11, referencing Blackler & Regan, 2006).

The concept of institutional work has yet to be applied systematically to many empirical contexts. Notable exceptions include Zietsma and McKnight (2009), Boxenbaum and Strandgaard Pedersen (2009), Zilber (2009), Trank and Washington (2009), Hirsh and Berniss (2009) and Jarzabkowski, Matthiesen, and Van de Ven (2009). However, most of these studies focus on a single form of institutional work (either creating or maintaining institutions). Only Hirsh and Berniss (2009) and Jarzabkowski et al (2009) examine the simultaneous occurrence of multiple forms of institutional work (creating, maintaining, and disrupting) but their analyses abjure the micro-level focus advocated by Lawrence et al (2011). While Jarzabkowski et al (2009) set out to examine “organisations and the actors within them”, their detailed, practice-based case study of a single organisation still presents a reified representation of institutional work. The individual is essentially absent for their study and the institutional actors are Divisions within the organisation (e.g. the case study organisation’s Retail Division “feels threatened by” and “was angry with” the Distribution Division). In other words, even Jarzabkowski et al’s study (2009), which is probably the

most micro-level analysis of institutional work to date, presents not simply an “uninhabited institution” but an “uninhabited organisation (to paraphrase Hallet and Ventresca, 2006).

The current study responds to Lawrence et al’s (2011) invitation by developing an empirical analysis of the micro-dynamics of institutional work. The current study asks: How do individual professionals engage in institutional work to transform the institution of the professional partnership? More specifically, by focusing on the managing partner and management professional as key actors, the current study asks:

- 1) how do the key actors work together in this context?
- 2) what individual level enabling conditions facilitate their institutional work? and
- 3) what specific forms of institutional work do they engage in?

This study is based primarily on detailed accounts of key actors working in nineteen of the largest international law firms operating in the City of London. In order to link the micro-level actions and interactions of these institutional workers to the more macro-level dynamics of institutional change (Battilana and D’Aunno, 2009) the study also presents archival material from preeminent legal sector practitioner publications over the past 20 years.

Large international law firm partnerships are experiencing a change which breaks with the institutional field’s prevailing institutional logic – a development referred to by law firm partners as the “corporatisation” of partnership (Angel, 2007). In these “corporatised” partnerships, the traditional emphasis on diffuse authority and individual autonomy, long fundamental to the partnership form of governance (Greenwood and Empson, 2003; Empson, 2007), is being replaced by more explicit and hierarchical governance structures and stringent

partner performance measurement and management systems (Cooper, Hinings, Greenwood, and Brown, 1996; Galanter and Henderson, 2008; Regan, 2002).

The relatively undeveloped empirical base of the emerging theory of institutional work creates many substantive opportunities for contribution. The current study focuses on three of these.

First, recent articulations of institutional work have highlighted the need to develop a deeper understanding of the distributed nature of agency– to focus on “a supra-individual level of analysis...concerning what people do *together*” (Hallet, 2010, p. 67, emphasis added). The current study identifies the significance of the dyadic relationship that develops between two different types of professionals: the managing partner<sup>i</sup> and the management professional<sup>ii</sup> (i.e. respectively the partner with overall executive responsibility for managing the firm and the most senior management professional, typically a qualified accountant serving as a CFO or COO, who has overall responsibility for managing the business services functions within the firm). The study demonstrates how the dyadic relationship that develops between these two individuals becomes a key mechanism for institutional work.

Second, scholars of institutional work have asked: why does one individual embedded in a specific organisational context engage in institutional work while his or her colleagues remain constrained by the prevailing institutional logic (Battilana and D’Aunno, 2009); and why does one individual engage successfully in institutional work while others in the same environment fail? (Viale, Suddaby, and Gedron, 2012). The current study identifies individual level enabling conditions which make it possible for individual actors to engage successfully in institutional work and shows how, by working together, the managing partner

and management professional are able to exploit differences in their relative social position (specifically their formal authority, specialist expertise, and social capital).

Third, as yet “the question of how individual actors...engage in institutional work remains largely unanswered” (Battilana and D’Aunno, 2009, p. 41, emphasis added). As Lawrence, Suddaby and Leca (2009) state, there is a need to identify the concrete practices and specific actions employed by actors engaged in institutional work. The current study identifies seven main forms of institutional work in which managing partners and management professionals engage as the traditional professional partnership develops into a more corporatised partnership. Lawrence and Suddaby (2006) suggest that forms of institutional work follow a clear sequence of stages reflecting the life cycle of institutional change (i.e. creating, maintaining, and disrupting the institution). However, the current study identifies the simultaneous occurrence of a variety of forms of institutional work which encompass all three stages and argues that this helps to account for the phenomenon of sedimentation (Cooper et al, 1996), whereby the gradually emerging institutional logic of the corporatised partnership is being integrated into the traditional partnership.

The paper begins with an overview of theory development in the area of institutional work. It then presents archival material gathered for the current study. It goes on to outline the research design and introduce a model of the micro-dynamics of institutional work within professional partnerships. It then presents a detailed empirical analysis of the micro-dynamics of institutional work within professional partnerships. It concludes by consolidating and abstracting the study’s findings (to emphasise how they develop and extend our understanding of institutional work processes) and by exploring the implications of this



micro-level study for macro-level theory concerning professionals' more general engagement in field reconfiguring institutional change.

## **INSTITUTIONAL WORK**

The concept of institutional work refers to the purposive and practical actions through which individual and organisational actors create, maintain, and disrupt institutions (Lawrence and Suddaby, 2006). Early studies of institutional theory highlighted the recursive relationship between individual actions and processes of institutionalisation (e.g. Berger and Luckmann, 1967, Meyer and Rowan, 1977; Scott, 1987; Zucker, 1977). Subsequent articulations of neo-institutional theory emphasised the constraining effect of institutions on individual action and, in the process, lost sight of the significance of the individual as a key agent of change. The concept of institutional work, therefore, offers an opportunity to advance the micro-sociological foundations of institutional theory by “inhabiting institutions with people, their work activities, their social interactions, and meaning making processes” (Hallett, 2010, p. 52), to develop a deeper understanding of “lived experience” and how this connects with the institutions that structure and are structured by these experiences (Lawrence et al, 2011).

### **Institutional work: Individual and distributed agency**

The development of the concept of institutional entrepreneurship (DiMaggio, 1988; Seo and Creed, 2002; Battilana, Leca, and Boxenbaum, 2009) represented an opportunity to reintroduce the individual level of analysis to neo-institutional theory. However, while overcoming the tendency to depict actors as “cultural dopes” trapped by institutional arrangements, it perhaps overcompensated by suggesting an extreme concept of individual

agency, depicting institutional actors as “hypermuscular institutional entrepreneurs” (Lawrence et al, 2009) who were somehow more rational and more powerful than the norm, able to defy institutional pressures to conform, and engage in independent action in order to bring about institutional change (Hallett, 2010). As Powell and Colyvas (2008) argue, “Not all change is led by entrepreneurs and surely heroic actors and cultural dopes are a poor representation of the gamut of human behaviour” (p. 277).

Given this emphasis on heroic actors it is perhaps surprising that individuals rarely feature in studies of institutional entrepreneurship. While some theoretical models of institutional entrepreneurship encompass individual as well as organisational actors (most notably Battilana et al, 2009), the individual level of analysis has been largely neglected within empirical studies of institutional entrepreneurship (Hardy and Maguire, 2010), which have tended to focus on the interaction of organisational and institutional dynamics (e.g. Greenwood and Suddaby, 2006; Lounsbury, 2002; Sherer and Lee, 2002). This may explain why Lawrence and Suddaby (2006), in their landmark articulation of institutional work, refer repeatedly to the role of the organization and individual in processes of institutional work, yet draw almost exclusively upon empirical studies of organizational level rather than individual level action. Given the tendency of previous studies to reify the organization, there is a clear need for research which examines the actions of individual actors within organizations as they engage in institutional work.

Scholars of institutional work suggest that institutional work is “something often accomplished through the coordinated and uncoordinated efforts of a potentially large number of actors” (Lawrence et al, 2011, p. 55). As Lawrence and Suddaby (2006) assert, “We believe ... that the creation of new institutions requires institutional work on the part of

a wide range of actors, both those with the resources and skills to act as entrepreneurs and those whose role is supportive or facilitative of the entrepreneurs' endeavours" (p. 217). As yet, however, very little is known about the phenomenon of distributed agency in the context of institutional work.

### **Institutional work: Individual level enabling conditions**

The concept of institutional work highlights the need to understand more about the awareness, skill, and reflexivity of individual and collective actors – how culturally competent actors with strong practical skills are able to navigate creatively within their organizational field and work in “highly original and potentially counter-cultural ways” (Lawrence and Suddaby, 2006; Lawrence et al, 2011). For example, why do some individuals seek to disrupt an institution while others working in the same organization seek to maintain it, and what determines these individuals' varying levels of success in achieving their goals (Battilana and D'Aunno, 2009; Viale et al, 2012)? Recognising the potential for individuals within the same organization to respond differently to the same set of institutional conditions raises an interesting possibility: that individuals within the same organization can engage in institutional work which brings them into direct conflict with each other.

Many studies of institutional entrepreneurship have focused on social position as an explanation for actors' varying propensity to engage in institutional change (e.g. Greenwood and Suddaby, 2006; Lounsbury, 2002; Sherer and Lee, 2002). Social position mediates actors' perceptions of the institutional field they seek to enter (or in which they are embedded) and also their access to the resources necessary to engage in institutional entrepreneurship. As Garud, Hardy, and Maguire (2007) emphasise: “dominant actors in a

given field may have the power to force change but often lack the motivation, while peripheral (actors) may have the incentive to create and champion new practices, but often lack the power to change institutions” (p. 961). However, previous studies of institutional change in accounting (Greenwood and Suddaby, 2006) and law firms (Sherer and Lee, 2002) “where prestige matters” (p. 104), have demonstrated the role of dominant, embedded actors in bringing about institutional change.

Battilana et al’s (2009) study suggests that social position encompasses two individual level enabling conditions: formal authority and social capital. In the context of institutional work, formal authority describes an actor’s legitimately recognised right to engage directly in creating, maintaining, or disrupting institutions, and to mobilise other actors to build a coalition to that end. Social capital expresses an actor’s informal network position; actors who are marginal within a field may cultivate ties with other actors who are more central and, in so doing, secure their support and gain access to resources in order to engage in institutional work. Fligstein (1997, 2001) and Hallett (2010) have pointed to individuals’ social skills and ability to build social capital as key determinants of their effectiveness in mobilising support for change and have demonstrated how individuals operating in the same context but without these skills are more likely to fail in their attempts. Much more therefore needs to be learnt about the individual level enabling conditions for institutional work.

### **Forms of institutional work**

The diffusion of innovation within a field involves substantial institutional work on the part of individual actors who “must persuade others in their organization of the merits of the innovation, experiment with the innovation...modify it in order to gain internal legitimacy,

and forge practical connections for the new structure or practice” (Lawrence and Suddaby, 2006, p. 247). As yet relatively little is known about the concrete practices employed by both individual and organizational actors in relation to institutions. Lawrence and Suddaby (2006) have made a start by integrating insights from multiple empirical studies and have identified nineteen forms of institutional work.

In spite of Lawrence and Suddaby’s (2006) emphasis on the importance of understanding actions at the micro level, the forms of institutional work they identify are illustrated at a macro level (i.e. interactions between organizations and institutions rather than between individuals within organizations). This reflects the traditional macro-level orientation of neo-institutional theory. There is, therefore, clear need for empirical work that translates these macro-level forms of institutional work into individual level actions and practices of individuals in order to develop a more granular level of insight into the micro processes of institutional work within organizations.

Lawrence and Suddaby (2006) link the forms of institutional work they identify to three “stages” which together “describe a rough life cycle of institutional work that parallels the lifecycle of institutions” (p. 220). The first, creating an institution, involves establishing rules and constructing rewards and sanctions that enforce those rules. The second, maintaining an institution, involves supporting, repairing, and recreating social mechanisms that ensure compliance with institutional norms. The third, disrupting an institution, involves attacking and undermining the mechanisms that lead members to comply with institutions.

Categorising these forms of institutional work into three stages suggests that institutional change happens in a linear manner and that institutions are developed to replace others as

they decay. However, previous research into organizational archetypes suggests that reality may be far more complex and messy (Cooper et al, 1996).

The current study seeks to bring together the various strands of institutional work outlined above to ask: How do individual professionals engage in institutional work to transform the institution of the professional partnership? It sets out to explore institutional work at the individual level and develop insights into the distributed nature of agency by examining how the key actors work together in this context (i.e. Question 1 as described in the Introduction), to develop a deeper understanding of what individual level enabling conditions facilitate their institutional work (i.e. Question 2), and to identify the specific forms of institutional work in which they engage (i.e. Question 3).

The current study is timely in two respects. First, as already explained, it represents a response to recent calls for more research into how individual actors within organisations engage in institutional work. Second, as explained in the following section, it represents a response to recent legislative changes in the UK. The Legal Services Act has enabled non-lawyer management professionals to become partners in UK-based law firms, suggesting there is value in developing a deeper level of insight into the role and significance of management professionals in this context. Institutional change in the legal sector over the past 20 years is analysed below (see Research Process for details of the archival data).

## **INSTITUTIONAL CHANGE IN LARGE INTERNATIONAL LAW FIRMS**

The current study focuses on the institution of the professional partnership within the institutional field of large international law firms operating in the City of London. The term

“large international law firm” is widely used to refer to the elite global law firms and their immediate competitors (Faulconbridge and Muzio, 2009; Morgan and Quack, 2005; Sherer and Lee, 2002). These include the Legal Business “Top 25”<sup>iii</sup> which is made up of the “magic circle” of elite global law firms and “second tier” UK-based firms (Legal Business, December, 2009) together with leading US-based firms who compete directly with them in the London market. These firms perform large-scale technically complex and specialised transactional and litigation work and compete directly with each other for international clients and graduate recruits at elite universities and law schools. They therefore constitute an institutional field in that they represent the totality of relevant actors/organisations that “in the aggregate constitute a recognised area of institutional life”, including networks of social relations and structured systems of social positions among organisations (DiMaggio and Powell, 1991, p 64).

These large international law firms are undergoing divergent change. In other words, they are experiencing a change which breaks with the institutional field’s prevailing institutional logic – the shared understanding of goals to be pursued and how they are to be pursued (Greenwood and Suddaby, 2006). The field and organisational level enabling conditions have given rise to a new logic that is more consistent with a corporate model.

### **Enabling conditions: Field level and organisational level change**

The waves of financial deregulation and privatisation, that began in the early 1980s in the UK and subsequently spread throughout Europe, created substantial business opportunities for law firms based in the City of London and attracted leading US law firms to the London market (Morgan and Quack, 2005; Sherer and Lee, 2002; Spar, 1997). Encouraged by

booming levels of profitability, the partners of large City of London law firms embarked on a sustained programme of international expansion (Faulconbridge, Beaverstock, Muzio, and Taylor, 2008; Morgan and Quack, 2005). Between 1998 and 2008 the four largest of these firms (Linklaters, Freshfields, Clifford Chance, and Allen & Overy) grew from £1.3bn to £4.8bn in revenue terms (The Lawyer Top 25 Firms, 1999; International Financial Services London, 2009), and from 5,500 to 11,500 in terms of lawyers (BI City Business Series, 1999; International Financial Services London, 2009).

This strategy of international expansion was predicated on the assumption that global clients increasingly required a globally integrated legal service and would be prepared to pay a premium to receive it (Angel, 2007; Faulconbridge et al, 2008). Global clients were developing large in-house legal functions staffed with expert purchasers of legal services who demanded a higher standard of service at a lower cost (Galanter and Henderson, 2008). To deliver a supposedly seamless global service at a realistic price, large international law firms needed to develop large-scale operational and infrastructure management expertise, together with an integrated approach to the business services functions across an expanded network of offices, more sophisticated business development skills, and more tightly managed costs (Legal Business, May 2003; Segal-Horn and Dean, 2007, 2010). While such practices were widespread in the corporate sector and among the global accounting firm partnerships, these changes represented a significant innovation within the legal sector.

These field level enabling conditions (regulation, competition, client requirements, and cost pressures) interacted with the organisational level enabling conditions (increasing scale and complexity) to give rise to the changing institutional logic, i.e. the “corporatisation” of the large international law firm partnerships.



## **Changing institutional logic: “Corporatisation” of large international law firms**

The institutional logic of the firms in this field has traditionally encompassed professional autonomy, clan control, and representative democracy (Empson, 2007; Greenwood, Hinings, and Brown, 1990). In place of hierarchical relationships, associated with the corporate form of governance, partnerships sustain more ambiguous and negotiated relationships amongst professional peers, who are the firm’s owners as well as its core-producers (Adler, Kwon, and Heckscher, 2008; Empson and Chapman, 2006; Greenwood and Empson, 2003). While these large international law firms have remained partnerships in legal form, lawyers, legal academics, and practitioner journals argue that they have become more “corporate” in practice (Angel, 2007; Legal Week, 13 November, 2003; Posner, 2002; Regan, 2002; Wilkins, 2007; The Law Society Gazette, 23 November 2000). As Cooper et al state, in this evolving model of law firm partnership “efficiency dominates autonomy and democracy...and management takes on a more assertive and powerful role” (1996, p. 6).

While authority in these firms has become more clearly delegated to senior management (Chambliss, 2009; Empson, 2007; Galanter and Henderson, 2008; Regan, 2005), managerial authority is still highly contingent on the ongoing support of the partnership who have retained the right to elect the managing partner (Segal-Horn and Dean, 2010; Pinnington and Morris, 2003). At the same time, partner autonomy has been gradually eroded by the introduction of formalised partner performance measurement and management systems (Empson, 2007; Faulconbridge and Muzio, 2008, 2009), incorporating techniques more typically associated with the corporate sector, such as 360° feedback and balanced scorecard measurements, as well as the introduction of a limited form of performance-related pay

(Legal Week, 20 January, 2011, 8 December, 2011; The Lawyer, 29 September, 2011, 24 October, 2011). These changes go alongside a greater preparedness to remove partners from the partnership by de-equitising them or removing them from the firm altogether (Legal Week, 13 November, 2003; 6 July, 2006, 15 February, 2007, 3 April, 2008; The Lawyer, 9 June, 2008). Occasionally the senior management of these firms have moved too quickly to introduce corporatised practices and have been forced to abandon their initiatives following a partner rebellion (Empson, 2012). Traditional attitudes to partnership persist. As Cooper et al (1996) state, this organizational change “represents a shift not so much from one archetype to another but a layering of one archetype on another” (p. 623). This layered or sedimented form represents the gradually emerging new institutional logic.

### **Rise of the management professional**

The introduction of management objectives and practices traditionally associated with the corporate sector has been accompanied by an increase in the status and role of “non-lawyer” managers within these firms (Legal Business, May, 2007, March, 2009, February, 2010, March, 2010). In the early 1990s very few law firms employed senior management experts. As Legal Business commented (January/February, 1994, p. 10), the running of “multi-million pound enterprises has been left in the hands of management novices”, or “amateur managers” as Legal Week (28 March, 2002) described the lawyers. With its revealing title, “Bringing in the Administrators”, a Law Society Gazette article of April 1996 managed to convey the increasing need for non-lawyer managers whilst simultaneously signifying the relatively lowly status that lawyers conferred upon them.

The increasing scale and complexity of the management task in large international law firms in the past two decades has created the need for more professionalised management (Faulconbridge et al, 2008) and with it, the need for more “professional managers” (Managing Partner Magazine, 31 March, 2008) who have “cut their teeth in the corporate world” (Legal Week, 17 November, 2005). A 2008 survey showed that 82% of heads of business services in the Top 100 UK law firms said they were playing a more central role in the day-to-day running of their firm than they had been five years previously (Legal Week, 24 April, 2008). This change has been represented by the creation and evolution of the COO and CFO role within large international law firms (the two roles are often combined).

“More power and greater expectations are now associated with the chief operating officers' and financial directors' roles...For many of the largest global law firms, these functions have changed drastically during the past decade, and will continue to evolve as firms adopt structures more similar to corporate management.” (Legal Week, 17 November, 2005)

Or, as another leading practitioner journal has stated:

“The leading finance directors are becoming as integral to running and managing a law firm as any of its partners... It is possible to see their role as that of a managing partner overseeing strategic and operational functions, just as the actual managing partner oversees the whole firm.” (The Lawyer, 22 August, 2005)

The senior management professional (whether called COO, CFO or FD) typically reports directly to the managing partner and may also have a position on the Board, either in an executive or advisory capacity (The Lawyer, 22 August, 2005). While partners in large international law firms in the City of London now submit to more stringent performance measurement and management, they remain owners of their firms and retain the right to vote in many key management decisions. As the interview data from the current study will

demonstrate at a micro level, the structures and systems in these firms may have become more corporatised, but the beliefs and behaviours associated with the traditional professional partnership persist. This is the phenomenon of sedimentation that was first observed in law firm partnerships by Cooper et al (1996).

## **RESEARCH PROCESS**

This paper draws upon three distinct research studies conducted between 2003 and 2010 (see Table I), during which time the focus on management professionals and the theme of institutional work gradually emerged. Consistent with Greenwood and Suddaby's (2006) study of institutional change, the process of data collection and analysis was not neatly ordered and designed in advance of fieldwork. The two preliminary in-depth research studies by the first author<sup>iv</sup> into changing forms of governance and leadership dynamics within two large international law firms drew attention to the increasing significance of management professionals in this context. The authors of the current paper then conducted a third cross-sectional study to develop a deeper level of insight into the remit and influence of management professionals more generally within the institutional field of large international law firms operating in the City of London. To demonstrate field level change and the gradually emerging logic of the corporatised partnership, primary data collection was supplemented by an archival study of 700 editions of preeminent practitioner publications and other relevant publications by professional bodies and government regulators between 1991 and 2011 (see Table 1). The archival material has already been presented in the previous section of this paper.

INSERT TABLE I HERE

All phases of the study utilised qualitative and inductive methods. This approach proved valuable for the multi-level analysis exploring interpersonal dynamics among specific management professionals and lawyers, alongside the broader institutional context of evolving roles and remits of management professionals. A primarily interpretive perspective was adopted, reflecting Suddaby and Greenwood's (2010) explication of methodological issues in studies of institutional change.

### **Cross-sectional study**

Interviews focused on managing partners and management professionals in nine out of the "UK Top 10" firms, together with ten other firms drawn from the Legal Business "UK Top 25" (Legal Business, December 2009/January 2010), supplemented with selected US-based firms operating in the City of London competing directly with the "Top 25"<sup>v</sup>. Almost all the management professionals quoted in this paper had the title COO or CFO (one had the title CEO) and almost all of these were qualified accountants. An additional twelve interviews were conducted with management professionals in corporate (in-house) legal departments, executive search consultants specialising in management professionals in the legal sector, and partners in senior management roles at accountancy firms with highly developed business services functions. All interviews were semi-structured, lasted between 60 and 120 minutes, and were digitally recorded and transcribed. Interviews within law firms explored a broad range of themes such as: nature of interviewees' role, how role has evolved over time, how they work with their counterpart (i.e. managing partner or management professional), specific challenges associated with their role and relationships, and personal background. Contextual interviews focused on how the external observers in the study perceive the changing status of

management professionals and the changing nature of large international law firms.

Interviews were initially coded using Atlas.ti to focus on broad descriptive themes such how and why change had come about and what were the implications for the specific firms. High level codes included: reasons for process of initial recruitment of management professionals, changing role and remit, position in management structure, working relationships with lawyers, challenges faced and how they were addressed.

### **Application of institutional theory**

Preliminary analysis highlighted lawyers' traditionally dismissive attitude towards non-lawyer management professionals (echoed by a similar lack of attention on the part of professional service firm scholars) which was at odds with their increasing remit and influence. The authors decided, therefore, to focus on this group of professionals and to give a "voice" to non-lawyer management professionals in the study. As an organising frame for the next stage of data analysis, concepts derived from Battilana et al's (2009) model of institutional entrepreneurship were applied, specifically: enabling conditions (field and *organisational characteristics*), *actors' social position* (*formal authority* and social capital), creation of vision for change, mobilisation of allies behind vision, and diffusion of divergent change. Battilana et al's (2009) model is unusual within the institutional entrepreneurship literature because it explicitly recognises the role of individual alongside organizational actors. Codes were gradually supplemented and adapted as new themes emerged from the data. The relevance of institutional work and the dyadic relationship between two different types of professionals (i.e. the managing partners who were all qualified lawyers and the most senior management professionals who were typically qualified accountants) began to emerge

during the analysis process. Therefore, the authors developed a detailed narrative of the process of institutional change based on the accounts of individual management professionals and managing partners, and reviewed this narrative through an analytical lens derived from Lawrence and Suddaby's (2006) conceptualisation of forms of institutional work and the associated stages of institutional creation, maintenance, and disruption.

A process model of the dynamics of institutional work in professional partnerships was developed from this analysis (see Figure 1). The authors followed an iterative process of analysis, repeatedly moving between extant theory, interview and archival data, and the emerging process model. Having given a platform to management professionals by focusing the initial analysis on their interviews, the authors challenged the validity of these accounts. First, they looked for inconsistencies in the views, specifically any situations where managing partners' interpretations differed appreciably from those presented by management professionals. Second, to obtain feedback the authors presented their findings to a panel of industry experts, including a former managing partner and senior partner of two large international law firms.

## **MICRO-DYNAMICS OF INSTITUTIONAL WORK WITHIN PROFESSIONAL PARTNERSHIPS**

Figure 1 presents a model which situates the micro-dynamics of institutional work (identified from the interview data in the current study) within the context of macro-level processes of institutional change (presented in the preceding archival material).

INSERT FIGURE I HERE

The model represents an answer to this study's overall research question: how do individual professionals engage in institutional work to transform the institution of the professional partnership? It breaks this overall question into three subsidiary questions, as previously outlined. The analysis that follows explores each of these subsidiary questions in turn. First, it examines the relationship between managing partner and management professional and identifies the micro-dynamics of institutional work associated with creating, developing, and maturing their dyadic relationship (Question 1). Second, it specifies the individual level enabling conditions that facilitate their institutional work: formal authority, specialist expertise, and social capital (Question 2). Third, it defines the seven forms of institutional work in which they engage, specifically: undermining assumptions, advocating, constructing identities, mythologising, policing, and enabling and vesting (Question 3).

The model emphasises the recursive relationship that exists between macro-level institutions and micro-level agency. It emphasises how: 1) the institution of partnership governs the micro-level actions of individuals within large international law firms, 2) how individuals' micro-level actions in turn translate into organizational level change, and 3) how this organizational change occurs cumulatively across the institutional field of large international law firms to translate ultimately into institutional level change.

### **MICRO-DYNAMICS WITHIN INSTITUTIONAL WORK DYAD**

Table II presents a summary of the micro-dynamics of the dyadic relationship between managing partner and management professional, which is examined in more detail below.



INSERT TABLE II HERE

### **Creating the dyad**

Typically, it was a relatively far-sighted managing partner (or equivalent – see note 1) who recognised the changing nature of the market for international legal services and sought out the management professional. In other words, the introduction of an external actor was sponsored by a high status embedded actor.

“Our managing partner...had a vision that actually we don’t need two partners locked up in this piece of management. Actually you can have somebody from a professional, non-legal background running a number of functions. So what he created was actually quite far-sighted at the time because I don’t think there was anybody else doing that.” (ManPro, Study 3, i5)

“(Our managing partner)...was ahead of a lot of his competitors in seeing the importance of how we build recruiting strategies, develop our people and move them forward. The whole point of professionalisation of management - he saw that. He wasn’t seeing it happening within the legal industry and therefore went outside to recruit for it.” (ManPro, Study 3, i8)

All of the senior management professionals in our study had considerable experience of working in the corporate sector and/or other professional service firms. Some COOs and CFOs had previously been partners in accounting firms and almost all had worked in accounting firms whilst studying for accountancy qualifications.

### **Developing the dyad**

At the time of recruitment the managing partner typically explained to the management professional that he<sup>vi</sup> wanted to bring about the “professionalisation” of management. While he was prepared to delegate limited aspects of his operational role to the management professional and allow him or her to initiate changes within their remit, the managing partner might struggle initially to go much further than that. As an embedded actor, he had no direct experience of the potential opportunities created by hiring a “thinking manager” (ManPro, Study 3, i13) and may not have envisaged the full extent of changes he was setting in motion. As one management professional explains:

“It's frustrating because you want to perform to the best of your ability in these roles but you're prevented from doing so, in a way, by the structure that says – ‘yes we want professional management in our firm but we want the right to veto what you suggest’.”

(ManPro, Case Study 1)

Some of the management professionals emphasise that, in order to convince the managing partner and other influential partners what “professional management” could mean, they found themselves educating the managing partner about what his own role might reasonably encompass, as well as seeking to define a role for themselves. The dyadic relationship between managing partner and management professional therefore developed gradually over time.

Interviewees emphasise the iterative process by which hiring decisions about management professionals were made, involving abortive experiments as individuals were hired who lacked the necessary technical or social skills or who were unwilling to work within the constrained environment of the partnership. In one firm a managing partner hired a sequence

of increasingly senior management professionals, with each one being given more authority than his predecessor. Gradually the dyadic relationship between managing partner and management professional matured.

### **Maturing the dyad**

**Collaborating and challenging within the dyad** - Over time, within successful dyadic relationships, the managing partner has become more comfortable delegating aspects of his own work to the management professional and allowing him or her to operate with only limited oversight. As one management professional explains: “I am left (alone)...the limits are my own creativity and ability to come up with something that will deliver what they want” (ManPro, Study 3, i1)

For other aspects of the work, the managing partner collaborates closely with the management professional. Many management professionals stress the close relationships they have developed with their managing partners, so that many see themselves in the role of “right hand man”. Some management professionals explain that the managing partner may spend more time with them than with any individual partner. As one states: “We sit next door to each other. We spent all day yesterday out on a strategy session, just me and him.” (ManPro, Study 3, i2). Sometimes the managing partner sends the senior management professional as his alternate in an important meeting. “I sit on all the committees. I deputise for (the managing partner)” (ManPro, Study 3, i2). At other times, the managing partner takes the management professional with him for support, for example during challenging budget negotiations with a practice head.

As a reflection of the management professional's growing status within the partnership, he or she is able to challenge the managing partner directly, whilst recognising the need to do so in private "so that people's dignity is maintained" (ManPro, Study 3, i1) and so that the conflict within the dyad does not become apparent to the partnership. One management professional recounts how, when the managing partner asked him to recruit another senior marketing director, he refused to do so, "until you get your act together" (ManPro, Study 3, i3); the previous three marketing directors had resigned after being heavily criticised by the partnership and not supported by the managing partner.

**Exploiting the dyad** - Some management professionals emphasise that they are deliberately used by their managing partner for protection in politically awkward situations with fellow partners. One recalls: "As we went into the meeting, (the managing partner) said to me 'we are going to play this as a good cop , bad cop'. I was supposed to be the bad cop" (ManPro, Study 3, i13). When introducing controversial initiatives managing partners may require the management professional to take the lead so that the managing partner can protect himself from the anticipated partner backlash (i.e. forcing the management professional to "spend" his or her own social capital rather than put the social capital of the managing partner at risk). The following describes this "fall guy" phenomenon.

"We introduced partnership assessment centres four or five years ago but it was a little bit like Alice in Wonderland...No one was actually failed...So I said 'this can't be right, you have got to fail a number of people on this'. The senior partner and managing partner said 'yes, we agree'. So we failed 10%...and all hell breaks loose, from the senior people whose candidates have failed...and this battle raged for two to three weeks until finally it died down a bit and the senior partner and managing partner put their heads back above the

parapet and said, ‘yes we agree with this and have agreed all the way along’.” (ManPro, Study 3, i6)

**Extending the dyad** - While the management professionals’ most significant relationship is with their managing partners, they have extended their relationships with partners beyond the dyad. Referring to the partner group, one management professional says: “I would like to think we regard each other as peers” (ManPro, Study 3, i18). Another explains: “I work closely with a dozen partners around the world who manage certain clients. I have a close professional relationship with them and they value what I do” (ManPro, Case Study 1). As discussed below, the support of these partners is essential for the management professionals to carry out their initiatives.

## **INDIVIDUAL LEVEL ENABLING CONDITIONS FOR INSTITUTIONAL WORK**

Fundamental to the micro-dynamics of the institutional work dyad are the differences in the relative social positions of the managing partner and management professional which are associated with their differing endowments of formal authority, specialist expertise, and social capital. Individually it is difficult for them, as embedded and external actors, to engage in institutional work within a professional partnership. By working together they are able to overcome the limitations of each other’s social position, making it possible for them to engage jointly in institutional work. The current study highlights the significance of the interaction of formal authority and social capital (as previous studies have suggested) but gives equal prominence to a third dimension, specialist expertise in management, as a necessary component of social position when seeking to mobilise allies around management

changes. The differences in their relative social positions are summarised in Table III and illustrated in detail below.

INSERT TABLE III HERE

### **Formal authority**

Interviewees state that that the managing partner operates within significant constraints which have direct implications for the formal authority of the management professional. When first recruited, the management professional's formal authority is restricted to the business services functions and is therefore limited by the relatively weak position of business services within the firm. Traditionally business services had engaged in what one interviewee refers to as "partner pleasing" (ManPro, Study 3, i4), seeking in effect, to enhance their social position by affiliating themselves with individual partners rather than their fellow business services staff, who could resemble "a very dysfunctional group of siloed people fighting with each other" (ManPro, Study 3, i4). Management professionals gradually increased the strength of their position by initiating specific changes within their direct remit, such as dismissing low grade incumbent business services staff and "raising the level of professionalism within the individual functions"(ManPro, Study 3, i7). At the same time the management professionals often introduced structural changes which enabled them to gain greater control over the business service areas. Previously business services staff tended to report only to the managing partners of their local offices. By introducing a new matrix structure, the management professionals have ensured that business services staff around the world now also report directly to them at a global level. As one explains: "The supporting

functions are now effectively run as a business as opposed to six different functions that just happen to get together on occasions” (ManPro, Study 3, i7).

In terms of formal authority it takes time for a management professional to “earn the right” within the partnership to serve on the major committees of governance. Some long-established management professionals report that they regularly attend Board meetings without formally being a Board member, while others have secured significant formal positions in the governance structure. Referring to the position of these non-lawyers on the Management Committee, a managing partner emphasises: “I think this does give them a certain degree of authority in the organisation...(they) are privy to decision making, to information that is not available to all of the partners” (ManPar, Study 3, i15).

### **Specialist expertise**

The managing partner is clearly at a disadvantage to the management professional in terms of specialist management expertise. Most have only limited expertise in finance and accounting and only one of the managing partners in the study has an MBA. They also have very limited experience of performing management roles and of working outside the legal sector. Apart from perhaps a brief secondment to the legal department of a client firm, the managing partners have typically worked in law firms (and often just one law firm) for their entire careers. By contrast, the senior management professionals (typically with a background in accounting) have experience of other sectors, such as investment banking, management consulting and the corporate sector. As one managing partner explains: “My attitude is that these are the professionals, these are the people that actually know how to run things” (ManPar, Case Study 1). The management professional’s social position, therefore, supports

and supplements that of the managing partner by bringing perspectives from outside the institutional field. In addition to utilising the financial expertise gained through their accountancy background, some of the COOs in the current study have played a significant role in developing their law firm's strategy, having worked on strategy development in their previous firms. The embedded actor (the managing partner) therefore supplements his limited specialist management expertise by recruiting and working closely with a high calibre external actor (the management professional). In turn these external actors need to learn how to work effectively in a law firm environment and require the support of the embedded actor to develop this expertise.

### **Social capital**

The managing partner possesses considerable social capital within the partnership, as evidenced by his election by the partnership. The partners generally have established close professional (and sometimes personal) relationships with their peers and are deeply embedded in the informal networks of the firm. As one management professional explains: "It took me years to work out but actually it's vital that you do have a sense of the mood of the partnership...The loyalties...I've never had a sense about them" (ManPro, Study 3, i1). The management professional must display considerable social skill to become established within these networks and accepted by the partnership.

"The partnership have grown up sort of man and boy at this firm and many go back to university together. As Head of Business Services you have to be able to come in and work out where the flows are, the very make-up of the partnership, before you can start to really get traction, and start to influence the outcome of the discussions...to bring to bear the full effect of your leadership skills." (ManPro, Case Study 2)



“You’ve got an awful lot of people who may not appear in a management structure but you can’t just give instructions to them, you have to get them to do what you want through different means and you have to...spend a lot more time persuading them.” (ManPro, Study 3, i1).

In time, a long-serving management professional may be able to develop social capital within the partnership to behave “as if” he or she is an embedded actor whilst remaining external to the partnership. One management professional interviewed has been with the firm for 20 years. He has worked with a series of managing partners and serves on the Board. His continuity of tenure has enabled him to develop a high degree of trust among the partners, and incoming managing partners look to him for advice. A similar situation is described by another management professional who has worked with the firm’s previous five managing partners. He emphasises that a management professional, seeking to expand his or her formal role and informal influence, should not appear to be too closely aligned to a specific managing partner: “I have always been apolitical which is why I think I have survived so long” (ManPro, Study 3, i5).

## **FORMS OF INSTITUTIONAL WORK**

By applying the analytical lens of Lawrence and Suddaby’s (2006) conceptual framework, this study has identified seven forms of institutional work in which the managing partner and management professional engage: undermining assumptions and beliefs, advocating, constructing identities, mythologizing, policing, and enabling/vesting. These are summarised in Table IV and examined in detail below.

## INSERT TABLE IV

### **Undermining assumptions and beliefs**

Lawrence and Suddaby state that, for institutions to be disrupted, key actors must undermine core assumptions and beliefs about the risks and costs associated with innovation and differentiation. They argue that this work is typically done by a marginal rather than a powerful actor who is “capable of working in a highly original and potentially counter-cultural way” (p.238).

Prior to hiring the management professional, the managing partner relied on non-lawyers to implement day-to-day operations. These non-lawyers (for example book-keepers who managed billings, or ex-secretaries who managed HR administration) were “pure operational managers not thinking managers” who “did the bidding” of the partners to whom they reported (ManPro, Study 3, i13) and “were told what to do rather than thought up things to do...it was more a sort of master-servant type relationship” (ManPro, Case Study 1). The act of undermining assumptions therefore begins with the “counter-cultural” act of recruiting the management professional. Management professionals give many examples of how they have undermined assumptions and beliefs about partner performance measurement and management. Examples include the management professional previously cited who said of the partner assessment centre: “This can’t be right. You have got to fail a number of people” (ManPro, Study 3, i6) and another who explains:

“When they went into recession I demanded that they have really got to understand where you make money and where you don’t. And that was very controversial originally.”

(ManPro, Study 3, i12)

Looking back over developments in recent years, two managing partners explain:

“(There has been) quite a significant shift in firm culture from a position where management is there to run the partnership for the benefit of existing partners of the firm, where a lot of people were 15 years ago, to a situation where management is running the business...as a business” (ManPar, Study 3, i14)

“We are in a world now where we need a fusion of skills - of course the lawyer skill is one of the fundamentals in being a successful law firm but it is not the only skill and, in some senses, it is not even the predominant skill anymore...effective management is just as important.” (ManPar, Study 3, i19)

The current study adds greater nuance to Lawrence and Suddaby’s argument in several ways. First, while Lawrence and Suddaby refer to an actor undermining assumptions, in the current study this institutional work is done by two actors: the managing partner (i.e. the embedded actor) and the management professional (the external actor). Separately they may struggle to effect a change but together they do work in a highly original way. Second, Lawrence and Suddaby refer to an actor initiating counter-cultural change, but the managing partners in the current study do not necessarily recognise the full impact of the change they are initiating when they hire a management professional and may need to be prompted to undertake more ambitious changes. Third, while Lawrence and Suddaby suggest that the actor will not be powerful or benefit from the existing institutional arrangements, in the current study the managing partner benefits very directly from existing institutional arrangements. Not only is he the leader of the senior management group within the firm but he is also likely to be one of the most highly paid partners. Fourth, Lawrence and Suddaby argue that institutions are kept in place by the costs and risks associated with moving away from taken for granted practices,

yet in the current study the costs and risks of change are minimised in three ways: 1) the process begins with selected hiring of individuals rather than any substantial investment, 2) the managing partner recognises that the management professional can free up partner time for fee earning work and, 3) the management professional can deliver substantial cost savings. One management professional (Study 3, i12) explains how, partly by upgrading the quality of people, his finance department has accommodated a ten-fold increase in the size of the firm without any concomitant increase in the number of finance staff.

### **Advocating**

Lawrence and Suddaby (2006) define advocacy as mobilising support for the creation of an institution through direct and deliberate techniques of social suasion in order to win agreement for the reallocation of material resources and social capital. In the current study both the managing partner and management professional are heavily engaged in advocacy, seeking to mobilise allies to support change and bring about a reallocation of material resources and social capital within their firms. However, as explained below, the manner in which this occurs differs from what Lawrence and Suddaby describes.

The management professional clearly needs to engage in advocacy amongst the partner group to make changes outside his or her direct remit. One interviewee explains how he has been able to bring about a change with far-reaching consequences for how partners deliver legal services to clients:

“Take the off-shoring project. That was quite a radical change for us...How did I go about that? Well first of all, I worked out that it really was a good idea and there was a proper business case for doing it. I then went to the management group and put the proposal there

and got reactions and adjusted things that I thought were necessary to get it approved. Having got management approval for doing something that was likely to be somewhat contentious within the (practice areas), I then went and talked to the (practice areas).”

(ManPro, Study 3, i5)

Even for changes that fall directly within the management professional’s remit, he or she may need to engage in intense advocacy among the partnership. For example:

“We had to go through an organisational re-structuring to get the marketing team sorted out...That came across a lot of resistance because the partners felt they understood how marketing should be run in a law firm...but I did succeed in getting them to accept the change.” (ManPro, Study 3, i4)

The managing partner is similarly engaged in intense advocacy among the partnership group on behalf of the management professional. One explains he has been “working very hard” on the partners to persuade them to “respect the skills of the very highly trained non-lawyers that we have in the building” (ManPar, Study 3, i14). More generally:

“(There are) a number of people who are opinion formers, people whom, when the global managing partner wants to introduce something, he will consult with them...Once he has got them on side, then he knows he can move and there is somebody there other than him to counter disagreements...the global managing partner hasn’t taken the decision on his own.” (ManPro, Study 3, i3)

The current study differs from Lawrence and Suddaby’s conceptualisation of advocacy in three respects. First, Lawrence and Suddaby focus on advocacy in the context of creating a new institution but the current study also emphasises the need for advocacy when disrupting an existing institution (i.e. creating the corporatised partnership while disrupting the

traditional partnership). Second, Lawrence and Suddaby focus on mobilising political and regulatory support at the macro level but in the current study political action is internally focused; it is the support of the partners, not the regulators, that is needed to promote change. Third, Lawrence and Suddaby argue it is the marginal actor who is most likely to engage in advocacy but in the current study the embedded actor (the managing partner) is also engaged in intensive advocacy within the firm.

### **Constructing identity**

Lawrence and Suddaby (2006) define constructing identity in terms of describing the relationships between the actor and the field in which that actor operates. They focus primarily on the construction of identities at a macro level in order to create a new institution. They emphasise that previous research on the construction of identities as a form of institutional work has focused primarily on the development of the professions. The current study however focuses on the construction of new identities at a micro level within a firm. Multiple identities and relationships need to be created and renegotiated as part of the process of institutional work in this context.

First, the management professional is negotiating a relationship with the managing partner, to become accepted as a “right hand man” who can “deputise” for the managing partner, rather than a “servant” carrying out orders. Second, the management professional is negotiating a relationship with the other partners, to establish his or her legitimacy and become viewed by them as a “peer”; simultaneously the managing partner is “working very hard” (ManPar, Study 3, i14) to persuade the partners of this. Third, the management professional is defining a new relationship with business services staff, by creating a matrix structure to bring them

under his or her direct remit. Fourth, the management professional, with the support of the managing partner, is constructing a new identity for the business services staff to enable them to move beyond “partner pleasing” (ManPro, Study 3, i4). Fifth, the managing partner is also engaging in identity work to construct a new relationship with his fellow partners as he develops a stronger managerial identity. The management professional plays an important role in this, as illustrated below:

“When they went into a recession...I remember taking a list of partners showing how much they had billed to the managing partner and him (asking) whether he should have that information.” (ManPro, Study 3, i12)

In the above comment the management professional says “they” rather than “we went into a recession”, even though he was responsible for the finances of the firm. This phraseology emphasises how he understands his identity as external actor, i.e. as an employee he is internal to the firm but remains external to the partnership. Within the firm he is constructing a professional identity for himself and his business services staff as management professionals that is distinct from the professional identity of the lawyer partners.

## **Policing**

Lawrence and Suddaby (2006) define policing as maintaining an institution by enforcing compliance, auditing, and monitoring. The current study does find evidence of policing but suggests that it can be associated with institutional disruption (of the traditional partnership) as much as institutional maintenance (of the gradually emerging corporatised partnership).

The partners accept an erosion of their autonomy, fundamental to the institutional logic of the traditional partnership, by allowing the management professional to collect data about their performance and by submitting to more rigorous performance management (or “policing”).

The focus of the management professional is no longer on “partner pleasing” (ManPro, Study 3, i4), but shifts more explicitly towards “partner policing”. It is important for the managing partner and management professional to go on patrol together.

The management professional plays a central role in developing metrics and collecting data to monitor partner performance but he or she has no authority to act in an enforcement capacity and the managing partner may hesitate to make use of the data provided. The current study is replete with examples of how the management professional encourages the managing partner to make difficult decisions, for example the partner assessment centre which was “a bit like Alice in Wonderland” because “no one actually failed” (ManPro, Study 3, i6). The study also shows how the managing partner may protect his own social capital by using the management professional as a shield. Examples previously cited include: the tendency for managing partners to take management professionals with them to partner meetings about challenging budget negotiations, and the managing partner who advised his management professional ahead of a meeting that ‘we are going to play this as a good cop, bad cop’ (ManPro, Study 3, i13). However, management professionals must be careful not to allow themselves to be positioned exclusively in a policing capacity because they need to build a support base among the larger partner group. As one managing partner explains, management professionals will fail “if they are just basically seen as management’s Rottweiler” (ManPar, Study 3, i15).

### **Mythologising**

Lawrence and Suddaby (2006) define mythologising as a way of maintaining the normative underpinnings of an institution by creating and sustaining myths regarding its history. Many



of the partners in the current study have worked in the same firm for their entire careers so “history matters”:

“The partners think (about each other) ‘I might have been your trainee and I might have done a really good piece of work for you when you were in trouble as a junior associate’, and they remember that 30 years later...Or there are partners in offices next to one another who don’t speak to each other...because of something that happened 20 years ago.”

(ManPro, Study 3, i1)

Contrary to what Lawrence and Suddaby suggest, in the current study mythologising is used to help disrupt the established institution as much as to create and maintain the newly emerging institution. Myths are developed to demonise the past as well as to valorise the present. Interviewees sometimes use hyperbole to emphasise how “bad” things used to be before they rose to prominence in their firm. For example, a management professional explains how law firm management was essentially no more than “arguing over the choice of toilet paper” (Study 3, i20). Some partners also use hyperbole when describing attitudes to management:

“We’d all like to be able to say that we can influence the choice of pencil type that goes in the stationery cupboard but in fact we really don’t want to spend time on those kinds of issues” (Partner, Case Study 1).

Lawrence and Suddaby (2006) refer to the legends of “great men” which form part of the history of institutions. The current study identifies two kinds of heroes. In interviews management professionals mythologise the managing partner who hired them as “far-sighted”, “visionary” and “ahead of his competitors”. Some also engage in self-mythologising. One interviewee combines self-mythologising with hyperbolic descriptions

of the institutional context when he explains how he “threw” himself at a law firm having seen an opportunity to bring external management expertise to a sector which appeared to be “100 years back in time” (Man Pro, Study 3, i13). A degree of self-mythologising is also implied by the management professionals who explain how they are used as a shield by their managing partners. They are, in effect, presenting themselves as the “self-sacrificing hero” who protects the “great man” managing partner.

### **Enabling and Vesting**

Lawrence and Suddaby (2006) define enabling as the creation of rules that facilitate, supplement, and support institutions. They argue that it represents a key mechanism for maintaining institutions by introducing certainty into institutional arrangements and allowing actors to avoid intra-institutional conflict. In the current study, however, enabling potentially increases the potential for conflict. Through their membership of Management Committees and attendance at Board meetings, management professionals become “privy to decision making, to information that is not available to all of the partners” (ManPar, Study 3, i15). One management professional (Study 3, i12) explains how recent changes in reporting structures have increase his authority over the partners: “In the last couple of years, we’ve appointed a new head of compliance and he formally reports to the pair of us”, i.e. the managing partner and management professional jointly. Another management professional describes how, when he joined the firm there were no formal processes in place for approving investment in new office space. “Any regional partner who had a good idea was basically allowed to go out and do it” (ManPro, Study 3, i6). The management professional created a new system whereby regional managing partners were required to present a business case for the investment to a newly established global committee of senior partners for approval. The

corporatisation of the partnership therefore involves the creation of rules which increases the authority of the managing partner and management professional, whilst undermining the autonomy of the partners by taking rights away from them. In this way, the institutional work of enabling is related to the institutional work of vesting; when the institutional logic is gradually changing, the boundaries between enabling and vesting are indistinct.

Lawrence and Suddaby define vesting as the creation of rule structures that confer property rights. They suggest that it occurs when government authority is used to reallocate property rights, i.e. to divide up rights between two sets of actors or create a new set of actors and redefine exchange relationships between them. They argue that vesting is therefore associated with creating institutions. In the current study the property rights reside with the partners who are owners of the firm and they alone can control the reallocation of property rights (the Legal Services Act may allow management professionals to become partners in law firms but cannot force partners to implement this change). Therefore vesting becomes a key mechanism for maintaining institutions; as long as the partners retain ownership of the firm they will always retain the right to elect the managing partner and deny management professionals access to partnership.

This final juxtaposition of vesting (which Lawrence and Suddaby conceive of as creating institutions) and enabling (which Lawrence and Suddaby conceive of as maintaining institutions) helps to explain the phenomenon observed in the current study: the simultaneous occurrence of disruptive change and institutional inertia, as described below.

## **SEDIMENTATION OF PARTNERSHIP**

In Lawrence and Suddaby's framework the various forms of institutional work previously described are attributed to three distinct and supposedly sequential stages of institutional work: creating, maintaining, and disrupting institutions. However, the key actors in the current study are in fact engaging in all of these so-called stages simultaneously. This reflects the sedimented nature of institutional change in the professional partnership, whereby aspects of the "corporatised" partnership are gradually being integrated into the traditional professional partnership. This complicates the supposed linear sequence of institutional work envisioned by Lawrence and Suddaby.

In terms of the disruptive changes experienced in recent years, as one management professional summarises it: "Lawyers have let go" (ManPro, Study 3, i5). As previously explained, some management professionals in the study now serve on major committees of governance, have access to information not available to the general partners, take a leading role in strategy development, and initiate actions that have a direct impact on the way that partners work. Some also have the right to vote as partners and share in the profits of the partnership (without actually being partners). In two of the firms studied, some long-serving senior management professionals receive the same levels of remuneration as the most highly paid partners in the firm (i.e. prior to the 2008 recession they were earning considerably more than £1.5 million per annum). According to a survey, following the Legal Services Act, 54% of the UK's 150 largest law firms are "likely" to invite non-lawyer management professionals within their firms to join the partnership (Legal Business, March, 2010).

However, the extent to which these changes have been accepted varies even among the large international law firms. A few of these firms have pioneered the corporatisation of management practices; others have responded to their competitors' actions. Some of the

pioneering firms have moved too quickly and returned to more traditional management practices following partner rebellions (Empson, 2012). And even within the most corporatised partnerships, the level of acceptance of these changes still varies.

It is therefore more accurate to describe the partnerships in the current study as “sedimented”, in Cooper et al’s terms (1996), rather than “corporatised”, as the lawyers themselves describe it (Angel, 2007). This reflects Battilana and D’Aunno’s (2009) argument that individual actors embedded in the same organisation may respond differently to opportunities for institutional work. Management professionals still encounter resistance from partners.

“I start with a slight disadvantage when I am discussing things with the partners because there is always this slight temptation for the partners to think ‘well, he is not a lawyer so he doesn’t understand our business’ which is complete nonsense frankly but in some minds there is still that temptation.” (ManPro, Study 3, i7)

The phenomenon of sedimentation is reflected in the following comments from two partners in Case Study 2 who demonstrate the persistence of traditional attitudes to management professionals within an apparently “corporatised” partnership.

“The last time I went to a Management Committee meeting I have to say I thought there were too many non-lawyers on it...This is a law firm. Everybody has a part to play but the most important people, unashamedly so, are the lawyers...The major challenges for us are our clients, and the people who know the clients best are the lawyers. Fees? The people who know best are, guess what, the lawyers. Recruitment, why are we losing our lawyers? Well the people who might know should be the lawyers. So for every essential business decision, the people I believe who know best or have the most information in this area are the lawyers.” (Board Member Partner, Case Study 2)

“The Heads of Business Services are functionaries...They have a function to fulfil - they do it very well on the whole. Their views are interesting but only interesting. I wouldn't say that they are influential...That's not to denigrate the individuals because they are very talented...but culturally we have a snobbery about lawyers being superior...We are very sceptical about non-lawyers frankly.” (Partner, Case Study 2)

The City-based executive search consultants interviewed for this study, specialising in recruiting management professionals for law firms, emphasise that there is still considerable variation in the roles, status and rewards available to management professionals. They report that the most pioneering large international law firms continue to look outside the legal sector for fresh talent, whereas those law firms who have been slower to “professionalise” management now brief executive search consultants to find individuals with experience of working within the pioneering firms. Thus executive search consultants have themselves become agents of institutional change, helping to diffuse the “professionalisation” of management across the institutional field of large international law firms.

## **CONCLUSIONS**

The concept of institutional work has become rapidly established within the theoretical literature in recent years. However the empirical applications of the concept so far are relatively underdeveloped. The current study was a response to recent calls by Lawrence et al (2011) to go beyond abstract theorisation to develop a deeper level of insight into how exactly individual actors contribute to institutional change, by examining micro-level institutional work processes in an empirical context. This study has presented a detailed empirical analysis of the micro-dynamics of institutional work and asked: how do individual

professionals engage in institutional work to transform the institution of the professional partnership?

It has examined the “corporatisation” of large international law firm partnerships operating in the City of London by analysing the actions and interactions of two distinct groups of institutional workers (managing partners and management professionals) seeking to promote change within these organizations. It has also identified how these two groups interact with other institutional workers within the same organization, some of whom are resisting change. The concluding section of this paper summarises the contributions of the current study to the emerging literature on the micro-dynamics of institutional work and examines how institutional change in this context can be viewed as a macro-level boundary meeting of two distinct professional projects. This concluding section, therefore, reintegrates a micro-level study of institutional work into an examination of institutional change at the macro-level.

### **The micro-dynamics of institutional work**

Recent studies have highlighted the need to develop a deeper understanding of the distributed nature of agency in institutional work (Hallet, 2010). The current study has identified the significance of the dyadic relationship that develops between two different types of professionals, the managing partner and the management professional, and has demonstrated how this can become a key mechanism for institutional work. The identification of the external actor as an essential contributor to this dyadic relationship helps explain why embedded actors in this study have been able to initiate and implement systemic and structural change which has disrupted the traditional partnership. Collaborating with external actors, the embedded actors behave in a highly original and counter-cultural way in spite of

the fact that they are themselves prime beneficiaries of the existing institutional arrangements which have helped to shape their deeply rooted assumptions and beliefs throughout their professional careers.

Scholars of institutional work have raised questions about why individuals in the same institutional context succeed in their attempts to engage in institutional work while others fail (Battilana and D'Aunno, 2009; Viale et al, 2012). This study has identified the individual level enabling conditions which make it possible for individual actors to engage successfully in institutional work, showing how by working together the managing partner and management professional can exploit differences in their relative social positions (specifically their formal authority, specialist expertise, and social capital). Whereas Battilana et al (2009) have suggested that formal authority and social capital may be significant explanatory factors, the current study identifies specialist expertise (in the management practices of large corporations) as a third equally important individual level enabling condition and demonstrates how the three together create the preconditions for effective institutional work.

Hwang and Colyvas (2011) have suggested that, in seeking to overcome neo-institutional theory's tendency to privilege structure at the expense of agency, the concept of institutional work risks overcompensating by privileging agency at the expense of structure. However, the current study has demonstrated how, adopting the analytical perspective of institutional work can highlight both the role of individuals as change agents and the structural influences upon them which shape the way that change is manifested. By putting the activities at centre stage (Lawrence et al, 2009) this study of institutional work has shed light on the complex



interactions of individual actors required to perform these activities as well as the institutional influences which shape them.

The current study has identified seven main forms of institutional work in which managing partners and management professionals engage and has emphasised how their manifestation in the current study differs from how they were originally articulated by Lawrence and Suddaby (2006). In particular the study has emphasised how the managing partners and management professionals have simultaneously engaged in creating, maintaining and disrupting the institution of partnership. The study therefore suggests that institutional change can be seen as a result of the simultaneous disrupting of the old institutional logic and creating of a new institutional logic. However, alongside institutional work to disrupt and create institutions, the key actors are also maintaining institutions. It is this simultaneous occurrence of all three stages of institutional work that accounts for the phenomenon of sedimentation, whereby the gradually emerging institutional logic of the corporatised partnership is being integrated into the established institutional logic of the traditional partnership.

In other words, while the three stages of institutional work may be analytically distinct, they are not necessarily empirically distinct. There is in empirical reality no clear point at which an established institutional logic is destroyed and a new institutional logic is constructed. This finding supports Lawrence et al's (2009) emphasis on the importance of examining activities through the study of institutional work rather than accomplishments through the study of institutional change.

Ultimately this study has revealed the potential oversimplification of existing conceptualisations of institutional work. The theoretical literature presents abstract categories of institutional work which have been derived from various empirical studies but not yet systematically applied to a single empirical context. Whilst analytically elegant, the concept of institutional work presents certain challenges when applied to the inherently “messy” of empirical reality. There is a tendency within the theoretical literature to assume that institutional work (whether disrupting, creating, or maintaining) is performed by individuals and coherent groups of actors acting consistently upon clearly identifiable institutions. The current study has shown that these abstracted forms of institutional work may in fact simultaneously encompass the actions and interactions of multiple actors and multiple institutions (i.e. both multiple subjects and objects).

For example, within the firms in the study, there were three key groups of subjects: the partners involved in management, the management professionals, and the partner group more generally. In simplistic terms, the managing partners were disrupting the established institution logic of the traditional partnership by creating a significant role for the management professionals, the management professionals were seeking to create the new institutional logic of the corporatised partnership by introducing processes and practices from the corporate sector, and a sub-set of the partner group were seeking to maintain the existing institutional logic, whether through passive or active resistance. In reality, the actions and motivations of these three key groups of actors would not have been so clearly delineated. Each group would have been experimenting, adapting, and evolving, accommodating some initiatives while rejecting others, forming coalitions around certain issues whilst opposing each other around others, acting as both the instigators and recipients of institutional work.

Institutional work, by privileging the activities of creating, disrupting and maintaining, sheds new light on the nature of embeddedness by highlighting the variety of actors within a single institutional setting, as well as the variety of institutions within which individual actors can reside. Actors have typically been constructed with reference to one institution. This study shows that within one institutional setting, even if the institution is assumed to be static at a point in time, the individuals inhabiting the institutional setting may be exposed to multiple institutional logics.

The current study has encompassed multiple objects as well as subjects: the three manifestations of the institution of partnership (i.e. traditional, corporatised, and sedimented) whose delineations are neither clear nor stable over time. Previous studies have tended to focus on the creation of a new institution or the destruction of an existing one. In the current study the distinction is much less clear. The traditional partnership is being disrupted by the introduction of a newly created set of institutional actors (the management professionals specialising in law firm management) but persists as it evolves into a more corporatised form. The simultaneous occurrence gives rise to the third manifestation of the institution of partnership, the sedimented partnership, which represented a collective reinterpretation of both the traditional and corporatised partnership. In this way the institution evolves as it integrates alternative institutional logics. By emphasising the broad activities of creating, maintaining and disrupting, the concept of institutional work can therefore problematise the nature of institutions, recognising that even within a single organization, the activities of institutional work may encompass multiple subjects (i.e. institutional workers) and multiple objects (i.e. institutions).

### **Institutional change as a macro-level boundary meeting of professional projects**

Whilst institutional work within professional partnerships has received very little attention to date, there is a growing recognition of the role that professionals play in initiating and mediating institutional change in society more generally, and in helping to redefine and reconfigure existing institutions (Hwang and Powell, 2005; Loft, Humphrey, and Turley, 2006; Scott, 2008). This is one of the ways in which they enact their professional project (Sutton, Dobbin, Meyer, and Scott, 1994). Extending the analysis from the current study, therefore, suggests that micro-level dynamics of distributed agency can reflect macro-level institutional processes, specifically a higher level boundary meeting of two professional projects: law and accountancy. It has been argued that the institutional field of large international law firms is embracing corporatisation to further its professional project (Ackroyd and Muzio, 2007) but the current study goes further. As the most senior management professionals in this current study are typically qualified accountants, this study suggests that their individual level actions indicate a competing professional project: the incursion and colonisation by members of the accountancy profession of a specific part of the legal profession, i.e. large international law firms.

This phenomenon can be understood in the context of the four key mechanisms which professionals utilise to bring about institutional change, as identified by Suddaby and Viale (2011). First, professionals can use their expertise and legitimacy to challenge the incumbent order and define a new space. Second, they can use their social capital and skill to populate the field with new actors. Third, they can introduce new rules that change the boundaries of the field. And finally, professionals can manage the use and reproduction of social capital to confer a new status and social order within the field.

The management professionals in the study utilise all of these mechanisms. They have used the legitimacy conferred on them through their professional accountancy qualifications and their experience of financial and business management to challenge the incumbent order and to define a new space (i.e. Suddaby and Viale's first mechanism of institutional change).

They have gradually established acceptance within large international law firms that management professionals can play a central role in the management of these firms. In so doing they have created a new occupational group, management professionals with specialist expertise in law firm management, and used their social capital and skill to populate the field with new actors (i.e. Suddaby and Viale's second mechanism). They have helped to introduce new rules that change the boundaries of the field (i.e. Suddaby and Viale's third mechanism) by establishing management systems which constrain the autonomy of the partners and by bringing in senior management professionals to work alongside partners in key areas such as business development, knowledge management, strategy development, and human resource management. Finally, the management professionals have managed the use and reproduction of social capital to confer new status and social order within the field (i.e. Suddaby and Viale's fourth mechanism) for example by obtaining many aspects of the formal status and rewards commensurate with, and in some respects superior to, equity partners in large international law firms.

Suddaby and Greenwood (2005) have suggested that boundary disputes may arise when professionals from different professions seek to colonise a new institutional space. In the current study the boundary dispute is reflected in the phenomenon of sedimentation. The management professionals are seeking to colonise the space of the law firm partnership but they continue to encounter resistance from some of the partners who challenge their right to make any incursions on partner autonomy.

## **Future research**

The study highlights a number of areas of for potential future research. Clearly there is a need to explore distributed agency further in the context of institutional work, to understand better how coalitions develop within organizations and how the members of these coalitions exploit their differing sources of social position to engage effectively in institutional work. It would also be interesting to examine the phenomenon of distributed agency as it crosses organizational boundaries, specifically the impact of external management consultants as a proxy for the internal management professionals in this current study.

The phenomenon of simultaneous occurrence of institutional work that disrupts, creates, and maintains an institution also merits future research. How widespread is sedimentation in other institutional settings? Given the difficulty of applying analytically distinct concepts to empirically messy reality, is sedimentation perhaps the norm rather than an aberration when institutional change progresses at an evolutionary rather than revolutionary pace? Perhaps many institutions, while conceptually distinct, may become somewhat blurred when subjected to close empirical scrutiny.

In terms of developing the theorisation of the concept of the institution, studies have yet to addresses questions such as: why do some institutions exercise a particularly powerful constraining force on individual actors while others provide particularly fertile environments for institutional work? In the context of the current study, for example, what characteristics of the professional partnership have contributed to the phenomenon of sedimentation?

There is clearly value in examining the actions and interactions of members of the dyad in other institutional contexts. For example, to what extent do Suddaby and Viale's (2011) mechanisms of institutional work apply to management professionals who are not from the accountancy profession and who lack the legitimacy associated with a relatively high status professional qualification? It would be interesting systematically to compare the experiences of different kinds of management professionals (e.g. in HR, marketing, etc.) in law firms to see if there is any recognisable variation in their experience.

The phenomenon of professional boundary work also merits further research. Research could explore why other professional sectors may have been faster or slower to adopt professionalised management (i.e. the factors that influence the sequence and pace of diffusion of management practice across professional fields). As management professionals take on an increasingly significant role within professional partnerships there is also value in exploring the impact they have had on the nature of professional work within these firms and the potential implications for concepts of professionalism.

In the wake of the Legal Services Act the current study has potential managerial implications which also merit further analysis. As private equity firms and other external investors take advantage of the newly created opportunity to buy substantial stakes in law firm partnerships in the UK, they can learn from the example of the pioneering management professionals and managing partners in this field. The study suggests that, to achieve successful change in large international law firm partnerships, external agents should: be aware of the limited authority of managing partners, be alive to the remaining prejudices against non-lawyers in the area of management, have the requisite social skills to build coalitions with lawyers in

key management roles, and proceed cautiously and systematically when seeking to introduce “professional management”.



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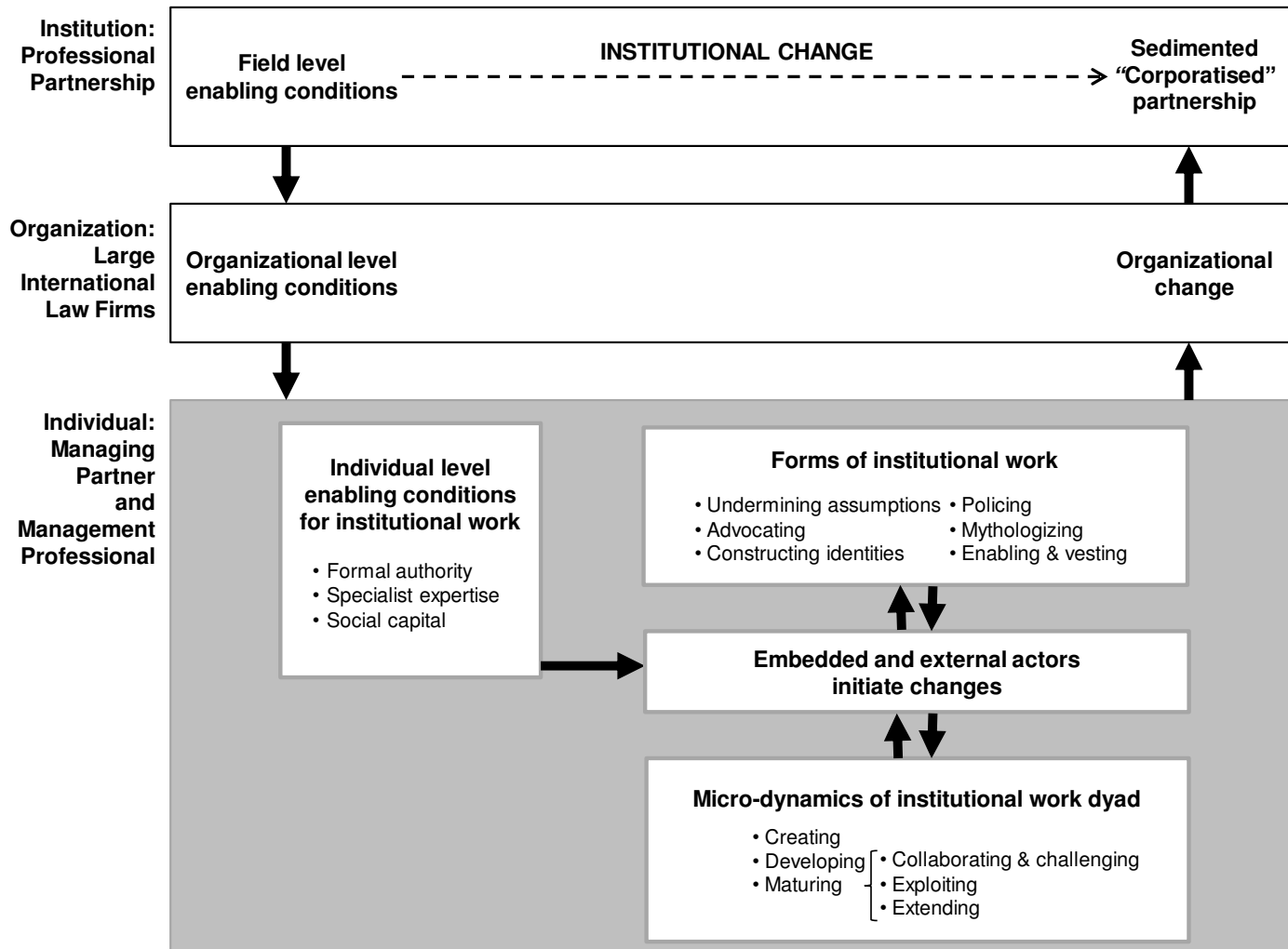
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**Figure 1: Micro-dynamics of institutional work  
in context of institutional change within professional partnerships**



**TABLE I  
FIELD WORK**

	<b>Phase 1 (Case Study 1)</b>	<b>Phase 2 (Case Study 2)</b>	<b>Phase 3 (Cross-sectional Study )</b>
<b>Law firms</b>	1	1	19
<b>Managing Partners and other lawyers interviewed</b>	28	21	10
<b>Management Professionals interviewed</b>	9	3	19
<b>Additional contextual interviews</b>	-	-	12
<b>External publications 1991-2011</b>	Includes review of over 700 publications from: <b>Specialist practitioner journals</b> - Law Society Gazette, Legal Business, The Lawyer, Legal Week <b>Professional bodies</b> - American Bar Association, Law Society, Legal Services Board, Solicitors' Regulation Authority <b>Government and related publications</b> - Legal Services Act, Legal Services Consultation Document		



**TABLE II**  
**MICRO-DYNAMICS WITHIN INSTITUTIONAL WORK DYAD**  
**Actions and Interactions of:**

	<b>Managing Partner (Embedded Actor)</b>	<b>Management Professional (External Actor)</b>
<b>Creating dyad</b>	<p>Recognises changing market conditions and need for “professionalisation” of management.</p> <p>Recruits management professional.</p>	<p>Recognises opportunity to bring external management expertise to relatively undeveloped sector.</p>
<b>Developing dyad</b>	<p>Delegates limited operational autonomy to management professional.</p> <p>Gradually develops relationship with management professional and recognises scope of his/her expertise.</p>	<p>Initiates specific changes within his/her direct remit.</p> <p>Seeks to define and expand his/her role.</p>
<b>Maturing dyad</b>	<p>Share tasks previously performed by managing partner alone.</p> <p>Work closely together to develop strategy and initiate higher level broader ranging strategic changes.</p> <p>Challenge and critique eachothers’ ideas and approaches.</p>	
<b>Collaborating/ challenging within dyad</b>		
<b>Exploiting dyad</b>	<p>Protects own social capital by using management professional as shield.</p>	
<b>Expanding beyond dyad</b>		<p>Gradually develops relationships with other partners to extend influence.</p>

**TABLE III**  
**INDIVIDUAL LEVEL ENABLING CONDITIONS FOR INSTITUTIONAL WORK**  
**Management Professionals and Managing Partners Relative Social Positions**

	<b>Managing Partner (Embedded Actor)</b>	<b>Management Professional (External Actor)</b>
<b>Formal authority</b>	Extensive (at least notionally). But entirely contingent on ongoing support of partnership.	Amongst partnership: Limited. Contingent on ongoing support of managing partner.  Within business services area: Potentially extensive.
<b>Specialist expertise in management</b>	Limited. Typically no experience outside legal sector.	Extensive. (Relative to managing partner).
<b>Social capital</b>	Extensive. Built up over many years within partnership. Evidenced by election to partnership and subsequently to managing partner.	Amongst partnership: Develops gradually and partially. A result of their own initiatives in relationship-building and successful track record. Also through association with social capital of managing partner and other influential partners.  Within business services area: Develops over time

**TABLE IV  
FORMS OF INSTITUTIONAL WORK**

<b>Form of Institutional Work</b>	<b>Definition of Institutional Work as Applied at a Macro Level by Lawrence and Suddaby (2006)</b>	<b>Institutional Work Performed by Managing Partner (embedded actor) and Management Professional (external actor) as Applied at a Micro Level in Current Study</b>
<b>Undermining assumptions and beliefs</b>	Disrupting institution by undermining core assumptions and beliefs about risks and costs associated with innovation and differentiation. Performed by actor capable working in a highly original and potentially counter-cultural way - often a marginal actor not benefitting from existing institutional arrangements.	Requires two actors (managing partner and management professional) to initiate and implement change. Managing partner benefits directly from existing institutional arrangements yet is initiating actor. May not envisage full impact of innovation. Management professional, as external/marginal actor, is better positioned to envisage counter-cultural change. Costs and risks associated with innovation are minimised.
<b>Advocating</b>	Creating institution by utilising social suasion to redefine allocation of material resources and social/ political capital. Typically performed by marginal actor.	Both managing partner and management professional spend time and utilise social skills to persuade partners to accept innovation. Are working to disrupt existing institution as well as create new one.
<b>Constructing identities</b>	Creating institution by defining relationship between actor and field in which actor operates.	Intensive identity work associated with creating and renegotiating multiple relationships: <ul style="list-style-type: none"> <li>- Managing partner with management professional</li> <li>- Management professional with other partners</li> <li>- Management professional with other business services staff</li> <li>- Business services staff with other partners</li> <li>- Managing partner with other partners.</li> </ul> Disrupting existing institution as well as creating new one.

<b>Policing</b>	Maintaining institution by ensuring compliance through enforcement, auditing, and monitoring.	Management professional collects and interprets performance data on partners. Associated with disrupting existing institution as well as creating and maintaining new institution. Managing partner, with support of management professional, uses data to challenge autonomy of partners and extend managerial authority.
<b>Mythologizing</b>	Maintaining institution by creating and sustaining myths regarding its history to preserve its normative underpinnings. Creating and perpetuating legends of “great men”.	Used to disrupt existing institution as well as create new one. - Emphasise/exaggerate problems with the traditional model. - Emphasise visionary foresight of “great man” managing partner - Present management professional as “self-sacrificing” hero.
<b>Enabling</b>  <b>Vesting</b>	Maintaining institution by creating rules that facilitate, supplement, and support institution. Introduces certainty into institutional arrangements so actors avoid intra-institutional conflict.  Creating institution by creating rule structures that confer property rights and redefine exchange relationships between two sets of actors. Sharing of coercive or regulatory activity.	Enabling and vesting combine, reflecting sedimented nature of institutional change.  Enabling – Creating new rules does not maintain institution but disrupts institution by increasing potential for conflict between managing partner/management professional and partners.  Vesting – Maintains rather than creates institution by ensuring partners retain rather than share ownership rights, which constrains authority of managing partner and management professional.  .

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<sup>i</sup> Throughout this paper the single term “managing partner” is used when referring to the partner with overall executive responsibility for managing the firm. Some law firms in our study use other terms. For example, in some the term senior partner is used (though more typically in law firms this term describes the individual with a more externally-facing role akin to that of a chairman in a corporation). Sometimes the term chief executive or CEO is used, though in other firms in our study this term is applied to the most senior non-lawyer management professional reporting to the managing partner. The lack of standardisation in the terms used for management roles in large international law firms reflects the evolving nature of management structures in this institutional field.

<sup>ii</sup> The term “management professional” is used in this paper to describe the non-lawyer senior manager who has overall responsibility for business services functions (e.g. Finance, IT, HR, and Marketing). The titles of these individuals vary considerably between firms, reflecting the evolving nature of their roles. Typically he or she is called “COO” or “CFO” (or some variation such as “Director of Finance”). Occasionally he or she is called “CEO”. This senior management professional may have direct responsibility for all business service areas. Alternatively areas such as HR and Marketing may be run by specialist Directors of Business Services who report to the COO/CFO.

<sup>iii</sup> Legal Business and other leading practitioner journals regularly publish law firm rankings classified under various headings: including Top 10, 50 and 100. The focus on the Top 25 in this study reflects the fact that, in recent years, there has been an increasing divide in terms of scale, revenue, and profitability between the more rapidly growing upper quartile and remainder of the Top 100 (Legal Business, December 2009). In 2009 the Top 25 generated total revenues of £10bn compared to total revenue of £3.7bn generated by the remaining 75 firms in the Top 100. The composition and revenue generated by the Top 25 remained largely unchanged in 2010 (Legal Week, 21 July 2011)

<sup>iv</sup> The first study of partnership governance revealed that non-lawyer managers were developing positions of increasing influence within the firm’s business services functions. See Empson, L, and Chapman, C (2005) “End of award report” - ESRC RES-000-22-0204, Consequences of changing forms of governance for the management of professional service firms and Empson, L. (2007). ‘Your partnership: Surviving and thriving in a changing world’, in Empson, L. (Ed.), *Managing the Modern Law Firm: New Challenges, New Perspectives*. Oxford: Oxford University Press for details of methods and findings. To reflect these findings, management professionals were incorporated into the second research study of leadership dynamics. See Empson, L. (2008) “Understanding leadership dynamics in professional service firms”, ESRC RES-062-23-2269 and Empson, L. (2011), “Dynamics of collective leadership: Acting decisively and maintaining alignment in professional service firms” presented at Presented at Academy of Management Meeting, San Antonio.

<sup>v</sup> All the firms in our study variously appear as top 20 firms in a range of corporate and commercial, and finance categories in The Legal 500 (2010) rankings of law firms. All firms described themselves on their websites as “global” or “international” law firms and operate in the City of London.

<sup>vi</sup> All of the managing partners in the firms we studied were male – as were most of the management professionals we interviewed. For the sake of linguistic simplicity we have used the male pronoun when referring to the managing partner in the abstract and both male and female pronouns interchangeably when referring to the management professional.