Managing the transnational law firm: professional systems, embedded actors and time-space sensitive governance

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Abstract

Relational economic geographies highlight the importance of focussing upon the multiple embedded actors influencing transnational economic activities. This paper incorporates but also moves beyond existing discussions of regulatory embeddedness and embeddedness in nationally-specific consumer markets and, using the case study of transnational law firms, begins to develop a more subtle understanding of the way the influence of the national varieties of capitalism and the institutional legacies associated with them embed workers and create national peculiar work methods and practices. The paper argues that, for law firms, literatures exploring the national systems of the professions, when coupled to understanding gleaned from studies of the varieties of capitalism, can be used to understand the influences upon the behaviours and norms of workers. When also connected to understanding of the peculiarities of management in professional firms this helps explain the approaches to globalization and governance used by transnational law firms. Using empirical data collected through interviews, the paper develops a typology of the different strategies used in different institutional contexts. It also shows that globalization has led to changing national systems, something which means the governance approaches used by transnational law firms vary over space and time.

Key words: Relational economic geography; globalization; law firms; professions

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1) Introduction

Theoretical discussions relating to transnational corporations (TNCs) and their globalization are closely related to both the relational turn (Bathelt and Glucker, 2005; Boggs and Rantisi, 2003) and the reinvigoration of the network concept (Amin and Thrift, 1992; Dicken et al. 2001) in economic geography. These discussions focus upon relationships between various actors (hence relational) and the way the complex spatial and organizational interconnections they form facilitate economic activities. Importantly it is increasingly argued that the resultant network cannot be described as static architectures but, instead, need to be viewed as ongoing processes of social practice and negotiation taking place in the context of wider institutional backdrops (Bathelt and Glucker, 2005; Dicken et al. 2001; Ettlinger, 2003; Yeung, 2005). Consequently, as Dicken et al. (2001, 91) argue, "This relational methodology…does not automatically assume individuals, firms or nation states as 'black boxes'. Rather…to understand networks and their embedded relations requires us to probe into the socio-spatial constitution of these individuals, firms and institutions".

Perhaps one of the most insightful yet understudied case studies for developing such analyses is the cohort of transnational law firms that now exist. As Beaverstock et al. (1999) note, these firms aim to provide services to TNC clients when cross-border business deals (e.g. mergers, financial restructurings) require globally aligned strategies and logics that are locally acceptable in each of the jurisdictions in which a subsidiary exists. This entails the development of local-global capabilities in the form of local embeddedness in national regulatory environments yet globally integrated service delivery. It is perhaps surprising, then, that beyond a

few important initial forays into the industry (see also Jones, 2002; Warf, 2001) geographers have not studied the local-global networks of these firms in more detail. In particular, missing to date is recognition of the insights that such studies might provide into the challenges of negotiating the involvement and influence of skilled workers (*lawyers)* in each of the jurisdictions where a transaction must be 'embedded' and the influences on legal work of their relationships with *clients* and multiple *regulatory agents*. The paper reveals the ways lawyers and their actor-networks are embedded by time-space contingent, national professional institutional systems and the effects of this on the globalization strategies and governance of transnational law firms. In doing this I attempt to make three contributions to existing debates.

First, it incorporates but also moves beyond existing discussions of regulatory embeddedness (Liu and Dicken, 2006) and embeddedness in nationally-specific consumer markets (Coe and Sook-Lee, 2006) and focuses specifically upon the way of the national varieties of capitalism, and the institutional legacies associated with them, embed *workers* in firms. The way *professional service* TNCs organize across space and the way their organizational networks are re-embedded in diverse institutional settings has received limited attention in existing literatures. Moreover, much of the existing work within economic geography on the varieties of capitalism fails to take the type of approach Ettlinger (2003) has called *relational* and *microspace* to consider how national institutional contexts alter the methods, practices and norms of *workers*, thus creating unique human-resource related management challenges for TNCs. Gertler's work is the exception here (2001; 2004). This draws our attention to the way national and regional work 'cultures' associated with institutional systems render the transfer of 'best practice' and machinery across space problematic. But even here, we do not fully see how the influence of relational microspace is coupled to the 'macrospace', that is the management and globalization strategies of TNCs. This paper attempts to make this linkage.

Second, the paper highlights the importance of examining the sector-specific, socially constructed management arrangements in firms when considering the strategies used to deal with variations in the national institutional conditions. As Ferner et al (2006, 8-9) argue, the chosen management strategy of a firm effects the extent to which actors in subsidiaries can negotiate with headquarters about the implementation of (home-country influenced) governance practices. It is shown that in law firms the peculiarities of professional organization which gives autonomy to strategic workers – the partners – and results in limited hierarchical management is intricately tied up with the way firms develop global governance and organizational forms that cater for time-space variable professional systems. The empirical analysis shows how law firms, as professional service firms (PSFs), deal with the challenge of national institutional systems differently to the manufacturing TNCs studied by others because of the autonomous traits of lawyers and, consequently, the need for complex forms of adaptation, reproduction and change in home-country defined practices.

Finally, third, the paper highlights the importance of recognising the *spatial* and *temporal* variability in the strategies used by TNCs to manage institutional difference. As Morgan (2001, 9) contends, this means that "Model-building and the development of theory from these presuppositions have little to say about the social embeddedness of rationality and the contingent and precarious nature of organizational order". The paper draws our attention to the impact of the way national systems are changing as global economic practices inflect domains of previously national influence (Bathelt and Gertler, 2005; Djelic and Sahlin-Andersson, 2006), something that creates the geographical and temporal fluidity in the structures used as differing *degrees* of difference and *rates* of change exist across space.

The rest of this paper develops this argument over five further sections that conceptualise the embedded worker and her influences on the globalization and governance strategies used by transnational law firms and, through an empirical

analysis based on interviews with lawyers in transnational law firms, show how the distinctiveness of national systems (in comparison to the home-country system of the firm) determines the approaches used to manage key governance challenges. The final sections then highlight how the application of such approaches varies over both space due to national professional systems but also time due to the dynamic nature of institutional conditions before section six offers some conclusions.

2) Embedded actor-networks

One of the tenets of the relational framework for studying TNCs is a methodological approach that identifies "actors in networks, their ongoing relations and the structural outcomes of these relations" (Dicken et al. 2001, 91). Yeung, therefore, proposes using a 'relational geometry' that "refers to the spatial configurations of heterogeneous relations among actors and structures" where "relational geometries are neither actors (e.g. individuals and firms) nor structures (e.g. class, patriarchy and the state), but configurations of relations between and among them" (2005, 37-38). This does not mean a simple mapping of actors and their networks. Rather it means providing detailed consideration of the way "economic agents are situated in particular contexts of social relations and operate under specific institutional and cultural conditions" (Bathelt, 2006, 226). This inseparability of the economic and the social has long been debated, often by drawing inspiration from the concept of embeddedness (Grannovetter, 1985; Peck, 2005), as most recently demonstrated by Hess' (2004) three-pronged analysis of the embeddedness of TNCs. Here the socio-political influence of agents in the form of workers, managers, consumers, politicians and regulators are all shown to be important.

At one level this means unpicking the national and international regulatory actors shaping the globalization strategies of TNCs (Liu and Dicken, 2006; Hess and Coe, 2006). This is clearly important and particularly relevant to the globalization of

law firms. Law remains a predominantly national system with the actions of individuals and firms being constrained by national regulators. However there is also another equally important dimension to the embeddedness of the networks of transnational law firms, that of the cultural and institutional embeddedness of the workers in the firms and the actors influencing this process. Important strides have been made in recent times towards understanding the way the behaviours of individuals and small groups in firms influence economic activities. For example, Murphy (2003) provides an insightful and detailed study of the way credit, reputation and information spaces are produced in the networks used by workers in manufacturing industries in Tanzania. This is facilitated by maintaining appropriate forms of behaviour when nurturing relationships with suppliers and other parties, something that is informed and embedded by structural and cognitive understandings of the socio-economic characteristics of unique national economic spaces. Similar findings have been noted in relation to the way individuals negotiate spaces of learning and knowledge management in firms (Faulconbridge, 2006; Uzzi and Lancaster, 2003).

This reminds us of the importance of the relational microspace Ettlinger (2003) describes and the impact of societal (cultural-political) influences on the behaviour of workers themselves within firms. This can be further teased apart through an examination of the varieties of capitalism literatures (see Hall and Soskice, 2001; Clark and Wójcik 2005; Gertler, 2004). Here the human resource practices of TNCs have been shown to be influenced both by the institutional systems defining work practices in their ‘home’ country but also the overseas societies they operate in and where branches must become re-embedded and attuned to ‘local’ norms. Dicken’s concept of ‘placing firms’ and ‘firming places’ is perhaps one of the more subtle ways of conceptualising this issue (2000) whilst Gertler provides crucial empirical insight by examining the diverging labor practices of manufacturing firms in North America and Germany (2001; 2004). Combined,

these literatures caution against assuming TNCs can roll-out home-country influenced work practices worldwide. Instead, according to Whitley (2001) amongst others, firms either become (a) 'isolated' hierarchies with each subsidiary conforming to 'local' institutional work norms; or (b) 'hybrids' with home-country norms are reconstituted and adapted overseas. There is general agreement (see also Gertler, 2001) that it is rare for a third scenario to emerge where experience overseas creates feedback and changes home-country systems.

Processes of change in national institutional and business systems do, however, further complicate this issue. Whilst there is little agreement about the extent of change, it is increasingly acknowledged that "national constellations should be thought of as continuously evolving manifestations of institutional conditions and economic structures that support and influence one another in a reflexive manner" (Bathelt and Gertler, 2005, 2). Forces such as TNCs, transnational governance institutions and neoliberal discourses are said to be leading to subtle forms of changes over time in national systems (see Wójcik, 2006; Clark and Wójcik 2005; Djelic and Sahlin-Andersson, 2006), not towards a form of convergence and homogeneity, but instead to a state where there are converging divergences (Katz and Darbishire 2000). It has also been suggested that key actors within firms can define rates of change through their championing of certain norms and their dismissal of others (see Djelic and Sahlin-Andersson, 2006). As the edited collection by Ferner et al (2006) shows, the relationships between actors in headquarters and each subsidiary, and the extent to which branch managers are given autonomy to adapt or even abandon home-country defined work practices, determine how TNCs are structured and how practices change over time.

This paper, therefore, grapples with the way the governance practices used in transnational law firms are defined as a result of the overlapping influences of unique national varieties of professional, institutional and cultural context that characterize the work practices of lawyers in each country, a desire for the implementation of

'global' (usually home-country influenced) ideals throughout the firm, and the sector-specific socially constructed management processes that determine the ways management is exercised in the firm.

Globalization, institutional contexts and varieties of professional practice in transnational law firms

The emergence of a cadre of transnational law firms (see table 1) is an ongoing process. The aim of this cohort of globalizing organizations, as one firm's promotion material suggests, is "to collaborate across all our offices and practices to deliver our services to uniformly high standards, in a well rehearsed manner and for a competitive price" (http://www.allenovery.com [accessed 3/5/2006]. However, as Beaverstock et al. (1999) describe, it could be argued that beyond Baker and McKenzie few, if any of the other leading firms (table 1), are truly global[1]. Instead, the globalization strategy of these firms has involved seeking out important locations from where key corporate and, in particular, financial service clients can be served. Hence the term transnational is often used when referring to these firms to indicate the partiality of globalization processes and the continued influence of place and states over activities. Nevertheless, as figure 1 shows, the number of strategically important locations that leading firms operate in has grown in recent times (compare the locations to those highlighted by Beaverstock et al. 1999). As a result, the managerial challenges associated with creating local-global integration and embedded organizational network forms have grown. Indeed, as Flood (1995, 175) notes, "Law firms, as organisations, were originally built to function within particular

[1] Beaverstock et al. (1999;2000) identified Baker and McKenzie, Clifford Chance and Coudert Brothers as the only firms showing global tendencies – i.e. they had offices in all three major economic arenas (Europe, North American and South East Asia). Since this time Coudert Brothers have ceased operating and other firms have expanded their global reach (table 1).

societies with particular mores. Now they transplant themselves across borders where the same principles and mores do note necessarily obtain. Inevitably there are strains".

[Insert table 1 and figure 1 somewhere here]

One of these strains, beyond the fact that law itself remains a nationally fragmented system, is the need for transnational law firms to hire lawyers trained and qualified to practice in each of the jurisdictions they operate in. Law, as a formal professional with defined regulatory authorities and closure regimes to restrict entry to those with suitable qualifications (see Abbott, 1984), has traditionally had a national institutional context. As Trubek et al. (1994, 411) suggest, each national jurisdiction exists as a 'legal field'. As they describe, "By 'legal field' we mean the ensemble of institutions and practices through which law is produced, interpreted, and incorporated into social decision-making". One key contingency of each field is the peculiarities of the national cultures and work practices of lawyers, what Trubek et al. (1994, 415-416) describe as "The actual behaviours of lawyers and others within a dynamic set of relationships". This has been described elsewhere as the 'national system of the professions' (Dietrich and Robins, 1990; Lane et a. 2002; Nelson and Trubek, 1992; Torstendahl and Burrage, 1990) in work which dovetails with that on the varieties of capitalism. This work recognises the distinctive nature of the legal profession in each country and also points to the varying relationships that exist with a number of important actors that give each national 'field' its own unique identity and characteristics.

Table 2 details these actors and their influence. The outcomes in terms of the peculiarities of each national system have been widely documented (Trubek et al. 1994; Flood, 1995). These include, first, differences in the way legislation informs the structuring of transactions (interpretation in civil law versus scientific applications in common law). Second, influence over whether large law firms capable of managing

large corporate mergers and restructurings are permitted. This in part determines the 'norms' in terms of the working conditions of lawyers – i.e. whether they are used to working in large firms with their related formalities (see Morgan and Quack, 2005). This links to the third effect noted, the focus of this paper, the way institutional systems create nationally specific work practices. This pertains to micro-scale factors such as how lawyers are managed, remunerated, treated at different stages of their career and, more broadly, how lawyers behave in their day-to-day work. Consequently, as Smigel (1965, 266) notes, "the practicing organization (the large law firm) does not have to create its own rules to the extent that they are provided for by the outside agencies". It is somewhat surprising, then, that the way transnational law firms deal with this spatially variegated legal practice and 'culture' has not been explored in detail.

[Insert table 2 somewhere here]

Managing autonomous professionals in law firms

It is also important to examine a second debate in existing literatures relating to the forms management that exist in transnational law firms and how this impacts upon relationships between lawyers, managers, and headquarters and subsidiaries. In particular, the way home-country norms get transferred, adapted or abandoned overseas is tied up with the peculiar behaviours of professionals and the way they are managed.

A core feature of a professional occupation is the need for skill, knowledge and judgement to deal with undefined problems in everyday work (Dietrich and Roberts, 1997; Raelin, 1991). One consequence of this is the apparent need of professionals for autonomy in their work. As Freidson (2001, 12) suggests, "the word 'professionalism'…refer[s] to the institutional circumstances in which the members of occupations rather than consumers or managers control work". Because of the discretion needed in 'undefined' and 'bespoke' professional work, professionals

normally resist being directly supervised or managed and place value on having the freedom to organize and execute their work as they see fit. This facet of the management of PSFs has long been recognized, the result being, according to Mintzberg (1979) and more recently Alvesson (2002), an 'adhocracy' – a style of organization that prioritizes the discretion of individual professionals rather than control by management. This contrasts with the accepted norm in most manufacturing firms where direct managerial control and hierarchies – what Mintzberg (1979) calls bureaucracy – are used to coordinate and supervise activities.

Further distinguishing the behaviour of key actors in a unique stratum of PSFs is the use of the partnership model of governance (Empson and Chapman, 2006). In this system, those granted partnership become the co-owners and, therefore, joint managers of the firm. All law firms, as with accountants, operate as partnerships because of regulation preventing the commercial structuring and public ownership of such practices[2]. This is said to, first, remove commercial pressures from the delivery of such 'public safeguard' services. Partnerships are not responsible to shareholders and do not have to provide 'shareholder value' or 'returns on investment'. Second, partnership creates 'reputation' advantages for firms'. Because of the intangible nature of professional services and the inability of the client to judge its quality, being governed by partnership and having co-owners as service deliverers is seen as a way of indicating the commitment to quality of all providing the service (Empson and Chapman, 2006)[3].

[2] This has begun to change in some countries where the Limited Liability Partnership has emerged. However, only a few countries (US, UK, France, Netherlands and Belgium amongst others) permit this form at present.

[3] The commitment to quality is thought to be secured in two ways. First, partners have to provide capital from their own salaries to support the firm. This capital is used to fund the opening of new offices and other strategic ventures. If the firm fails, due to poor client

Consequently, senior partners or those given the title ‘managing partner’ are not managers as exist in hierarchical firms. A form of ‘clan control’ normally exists (Ouchi, 1981) whereby management is exercised not through command and control but through consultation, debate and ultimately a vote to approve or reject proposed management strategies. Lazega (2001) describes how partnerships are, nonetheless, more efficient that they might first appear because of their relational nature. Individuals can only succeed if they strategically negotiate the support of their peers both with work but also in exercising influence over decision-making. The most influential partners are those who have cultivated such relational assets over time and, in particular, those partners who can provide work for others and thus command their respect (see also Lazega and Krackhardt, 2000). Consequently it is often the way these influential partners, who are often given the title of ‘managing’ or ‘senior’ partner’ in recognition of their influence and success, deal with the resistance from other lawyers to ‘management decisions’ that is key to the successful coordination of firms.

These peculiarities of the management of law firms are all the more significant when interlaced with the spatially contingent conditions of professional practice described above. Large groups of partners seem likely to find it difficult to reach consensus about how to manage the global network when negotiations are affected by the locally embedded nature of legal work. This raises a number of important questions. How do these firms create network integration whilst also recognising the spatially and temporally variegated nature of the institutional-defined practices of

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relations or otherwise, the partners lose their capital, as happened to partners at Coudert Brothers when the firm was wound up in 2005. Second, partners are liable to varying degrees if the firm is sued for negligence. The limited liability model of partnership has slightly changed this, limited the amount that partners are liable for and using insurance to cover anything in excess of set limits.

legal work? What effect does the ideal of partner autonomy have on the management of this process and how can senior partners smooth the process so that transnational best practice can emerge? How do all of these processes vary over time and space? The empirical material below attempts to address these questions.

3) Managing local-global integration in law firms

Methodology

This analysis is based upon insights from two sets of data. First, the main themes of the analysis were explored and initial ideas developed through a series of 29 interviews completed in 2003-2004. This was then supplemented with more focussed discussions with 25 partners working for transnational law firms in London and New York in 2005-2006. It is data gathered from this latter round of interviews that is presented below. Of course, as with all qualitative approaches, the themes and ideas developed were informed from the wider and extended work completed by the author. While it would have been preferable to complete a more extensive series of focussed interviews, this proved impossible. Indeed, the challenges associated with securing access and, most importantly holding *extended* meetings with 'elites' in corporate settings is well known (*Geoforum*, 1999). Consequently, as is normal with qualitative work, claims are made more about the peculiarities highlighted by the data than the wider generalisation that can be made.

The 25 interviews that provide the data presented were with partners in 15 different firms. They held positions in several practice groups and had a range of differing career experiences (table 3). Partners (and not more junior lawyers) were selected both because of their role in the negotiation and adaptation of firm practices and because of their positions, in theory at least, as autonomous co-owners of the firm. All interviewees were quizzed about their approach to four main aspects of legal work (conflict of interest management; remuneration practice; practice group

divisional strategies; and training practice and associate-partner relationships) as well as the importance and role of autonomy in their work, the type of managerial structures in place in the firm and the strategies used for creating local-global integration. Interviews lasted between 35 and 95 minutes and, with the exception of two, were recorded and fully transcribed. Analysis was completed by coding the interview transcripts and identifying the key themes to emerge from discussions (table 4). All quotations used in the paper have been made anonymous to protect the identity of interviewees.

[Insert tables 3 & 4 about here]

Defining characteristics

As described above, lawyers are adverse to formal coordination strategies and as Jones (2002) has previously argued, a high degree of consultation is needed in the decision making and 'management' process in PSFs. This was reflected in interviews when, again and again, lawyers (particularly those working for English firms) commented upon the fact that rarely was a decision made or 'strategy' implemented without consultation with *all* the partners. It was recognized that anything more than a very small group of unhappy individuals could lead to disaster. Individuals might refuse to implement the decisions made or, alternatively, leave the firm, taking their intellectual capital with them. As one lawyer summarized the situation:

> "One of the reasons professionals, and particularly lawyers, become professionals is they are quite defensive and proud of the fact that they have a considerable amount of autonomy. And one of the issues that any management in a law firm has to deal with is the trade of between maintaining lawyers autonomy and…developing a [global] strategy that lawyers can buy into" (2).

As the quotation also suggests, lawyers were aware of the need for some degree of coordination in large-scale transnational firms. However, even within firms there was disagreement about the extent to which autonomy should be constrained by this. While the lawyer quoted above described the importance of recognising lawyers' desire for autonomy, a colleague in the same firm suggested an alternative strategy. As he put it, "I don't think there's anywhere near enough management…the approach we take [respecting partners' autonomy] makes management clunky and less efficient that it should be (22). Generally, however, those holding 'management' positions and having some degree of influence over partners (e.g. the senior partner; head of practice group) do not have the authority to make significant strategic decisions. In particular, the partnership governance mechanism requires all major management decisions to be authenticated through an all-partner vote. As the lawyer quoted above as being critical of the lack of management noted:

> "if you picked up a management textbook you would read that the critical tools of management include the ability to hire and fire and set the compensation. The tools available to the [firm x] management do not include the 'hire and fire' and setting compensation" (22).

Consequently, many changes are made simply to placate the autonomous professionals who expect to be able to work in the style that they are accustomed to and that is the norm in the country they are working in. In contrast, in a hierarchical organization such norms, which seem peculiar to those elsewhere in the world and particularly those in the home-country of the firm, are less likely to be tolerated. Indeed, nationally peculiar cultural norms can compromise the effectiveness of serving TNC clients and the harmony of the global partnership. As one lawyer described this challenge:

> "so we're as global firm and France feels French, London very English…So for example, when I was trying to get some Italian lawyers to work on a transaction in the

summer the only way I could reach them was via their mobile phones. Because in Italy they close down for August…But we wouldn't stop them being like that and going to the beach for the summer. We share a [firm] culture but let each jurisdiction do things as they see fit" (12).

The management of transnational law involves, to use Hess' (2004) terms, balancing the interlaced processes of transnational network and local societal and territorial embeddedness. To better understand the complexities of this, I focus below upon four aspects of work practice (conflict of interest management; remuneration practice; divisional strategies; and training practice and associate-partner relationships) and the institutional backdrops influencing their characteristics. Table 5 provides analysis of the way institutional agents and legacies affect these four elements of the work culture of lawyers. Because of the distinctive nature of institutionally influenced approaches in different jurisdictions, and the autonomous preferences of lawyers, law firms are forced to find governance approaches that are flexible so as to negotiate a compromise between the need for global alignment and local embeddedness.

[Insert table 5 about here]

4) Structuring transnationally *and* locally embedded practice

This section of the paper draws on the typology of Bartlett and Ghoshal (1998) as a heuristic for identifying the four different governance approaches used in transnational law firms to overcome the challenges described above:

- Global – where headquarters (HQs) create strategies and 'best practice' all subsidiaries implement;
- International – where HQs defines strategy that each subsidiary implements using their own forms of practice;

- Transnational – where vertical (between HQs and subsidiaries) and horizontally (subsidiary-subsidiary) consultation leads to firm-wide negotiated and agreed strategies and 'best practice'.
- Multinational – where each subsidiary defines its own strategies and practice;

It is significant that, contrary to the idea that firms use one or another 'ideal type' to globalize, institutional legacies require a combination of approaches to be taken in transnational law firms. Of course, as described in the next section of the paper, it is important to remember that the examples given here do not provide a model of the way all firms manage all parts of their network. The case studies outlined in the main text are all of how English-originating transnational law firms, in which multiple interviews were completed, manage different types of institutional hurdles to globalization. The examples in the accompanying table come from US-originating firms. This is significant because, as I show in the next section, the way firms use such approaches varies over space and time and also between firms.

Global coordination

When used, globally uniform policies are accepted by lawyers in different jurisdictions for two reasons. First, because professional logics in relation to the issues managed are influenced in a limited way by forms of 'local' or 'societal' (Hess, 2004) embeddedness. Second, because centralized management of these issues is seen by partners as being of negligible impact upon their autonomy (often actually freeing them up to complete their autonomous transactional work). An important example of such an approach is the worldwide control by management committees of conflict of interest standards. This existed in all of the firms studied and is possible because, as described in table 5, forms of transnational best practice now exist and, despite variations in the technicalities of a conflict, corporate lawyers worldwide tend to accept and use US or UK standards. As one lawyer argued:

> "we have structures to avoid conflicts …We're a transaction driven firm and you don't want a situation where you could have had a primary role on a deal but because someone had done something small in the past you're going to get dinged." (9).

Table 6 provides examples of when global coordination is used by US firms as well as examples of their use of the international and multinational approaches discussed below.

[Insert table 6 here]

International coordination

When there are cultural, institutional legacies influencing the practices of lawyers the global approach is inappropriate. 'International' coordination is, therefore, used in transnational law firms when degrees of firm-wide coherence are needed but when global approaches threaten to excessively impede the autonomy of individuals or create 'culture' clashes due to moderate degrees of variation in the approaches to and 'norms' of legal practice. Such 'moderate' degrees of variation usually exist where the basic principles and values of the profession have been the same in two countries for an extended period of time or where forms of change in institutional conditions have led to converging divergences.

One example of this is the way several English firms manage the structuring of practice groups in the USA (New York specifically). Transnational firms ideally need the same types of legal practice to be developed in every office so global projects can be managed through cross-border teams. For example, if a TNC is merging with a rival and anti-trust advice is needed relating to multiple jurisdictions it is essential that lawyers with expertise in this issue exist in each office. However, as one interviewee working for an English firm described the 'international' approach used to deal with differences in the norms of practice group use and structuring in the USA:

> "It's a bit like Vogue magazine. The magazine is published in 31 countries and each one has some common elements but at the same time all the countries are able to develop their own unique features to reflect local markets and expectations…A good example is how the M&A, finance and securities practices are organized in the firm. In the UK, each one is very separate, despite often working together. So there are clear teams for each. Here in the US they are much more blended together, so we've kind of merged the three and even located them together in the office" (16).

In this scenario the New York office, and individuals within it, had the freedom to develop practice groups as they see fit as long as the core group of services are provided. An international approach is suitable because of the degrees of convergence that exist (practice groups are common in both jurisdictions and expected by lawyers) yet the local institutional nuances at the fringes (see table 5 for discussion of the processes creation such a situation). Failing to recognise such 'cultural' subtleties can be detrimental to the success of an overseas office. As one interviewee in New York working for a different English law firm that hadn't recognised the important variations commented, "The decision was made not to have a trust and estates practice even though it's normal and unfortunately that can help in my work in New York. And that's one of those things where economically it was a wise decision not to have it, but certainly it would be preferential for me and it's made me uncomfortable with things" (19).

Transnational negotiation

As both Gertler (2001) and Whitley (2001; 2005) suggest, there are few examples of what might be termed 'strong convergence', where the home-country systems of a firm are influenced by overseas experience and subsequently reconfigured. More common is transnational negotiation that leads to home-country norms being applied overseas but in a mutated form. Such negotiation is used by

transnational law firms when a globally coordinated approach is considered important for the successful functioning of the firm but where there are significant variations in the culture and norms between jurisdictions. For example, remuneration models are a constant source of tension in transnational law firms. This has been noted most extensively in relation to the main differences between remuneration logics in the USA and England - the 'eat what you kill' versus 'lockstep' binary (see table 5). Firm x, a major English firm in table 1, faced just such a challenge when opening an office in New York. As one lawyer working for the firm noted about their initial (global) strategy for dealing with this:

> "the dominant culture of our firm is very much a consensus driven, collegiate, lockstep driven institutional business. And that, to some lawyers in the States, is deeply unattractive…That means we're not going to grow as fast as we would like…But our conclusion has been that its better to have a business in the US that's aligned to our overall culture than to allow it to develop as a separate sub-culture" (2).

Spatially variable remuneration models are unsuitable in the global professional partnerships used in law firms as lawyers expect their peers to be paid using the same formula worldwide. However, as one lawyer described, the tensions that global coordination of remuneration creates can be severely detrimental. "A lot of partners have left because they thought that an 'eat what you kill' approach was better, and that's much more a New York approach and what they expected but were forced to give up" (19). Consequently, negotiations between partners, driven by the senior partner and those with power and influence, have been necessary to find a compromise and way forward that all partners, throughout the world, feel comfortable using. This involves the canvassing of opinion from partners in all offices, the development of proposals that allow the adaptation of home-country models, and the championing of these proposals by managing partners in each office, the senior partner in the firm, and others with influence so that when the all-partner vote is

implemented the vast majority have been convinced of the new model's legitimacy. Ultimately the partnership in firm x agreed to a modified lockstep model that allows 'super points' to be awarded in recognition of the 'eat what you kill values' of lawyers in some jurisdictions (and especially the USA).

Multinational coordination

When the institutional legacies effecting professional values create fundamental spatial variations in practice with little cross-jurisdiction commonality, and when these values have strong and powerful legacies that continue to influence lawyers, individuals often exhibit the greatest reluctance to change approaches to legal work. Consequently, in such situations, and when the benefits from engaging in protracted transnational negotiations to find a global solution are seen to be minimal, each office is left to define and implement its own 'national' organizational strategies. At one level this is necessary because of the nationally-specific nature of law. This is the type of regulatory embeddedness other firms have experienced. In addition, the more subtle variations in the cultural norms of workers are also significant.

A useful example here is the differing cultures that exist in each office of transnational law firms in terms of the way newly recruited lawyers are treated and trained. In England it is widely accepted that having a dedicated cadre of professional support lawyers is essential. This group of support staff, amongst other things, provides training for interns. There is also wide use of a unique arrangement whereby trainees sit in the same office as a partner. This facilitates regular mentoring as trainees work alongside and observe partners. These norms are a result of the way lawyers' training is regulated in England. Here law graduates must complete a two year training contract whilst working as an 'intern' at a law firm. This programme is scrutinized by The Law Society and requires partners to mentor trainees and write reports on their performance. Only on successfully completion of this programme do individuals become fully licensed lawyers. English firms tried and would still like to

implement the professional support lawyer and office sharing systems in all of their branches. However, there is no regulatory requirement for such arrangements elsewhere and the 'cultural' norm does not exist. In New York partners feel that it is inappropriate to share office space with their subordinates. As one New York lawyer familiar with the English approach commented, "If I got a partner here and told him to share an office with a first year associate he'd be out the door – so we don't – partners get the big offices to themselves" (24). In the USA graduates from law school must pass the State BAR exam in order to become a registered lawyer and partners and associates tend live very different lives and only interact as and when work requires. There is also what might be called a 'hierarchical' relationship between partners and associates[4]. This contrasts with the situation in England where there is generally much more collegiality and camaraderie between partners and associates because of the relationship that develops between junior lawyers and their mentors. As one English lawyer working in a firm that had been recently formed through the merger of English and US firms noted:

> "It's a very non-hierarchical structure [in England]…I'm not alone in socialising with the associates…The difference in the States between being a partner and not being a partner is much more marked. So, for example, I went to a conference for litigation associates and some partners go. And I would be there socialising with the associates from the London office and some of the people from other offices would come and join our group. And we'd be laughing and joking. And later people would realize that I'm a partner and not a career associate or something and it was clearly and issue of concern" (3).

[4] Of course, this any other binaries set-up in the paper are misleading in some ways. There are incoherencies within categories such as US or English as well as varying degrees of difference between firms. They are, however, a useful analytical tool for conveying the main argument of the paper.

The German offices of English firms operate with different dynamics again. The need for trainees to complete a range of formal exams places greater emphasis on formal learning and 'legal scholarship' that exists in the USA, England or elsewhere. To become a qualified lawyer in Germany individuals must first complete a four to five year degree programme and pass their first state examination (the *erstes Staatsexamen*), then fulfil a two year training contract (the *Referendariat*) and finally sit a second state exam (the *zweites Stattsexamen*) (see Lane et al. 2004). The German offices of transnational law firms usually take graduates after completing the *erstes Stattsexamen* and then provide the necessary training to complete the following stages. Training in Germany is, then, designed using the German 'technik' logic that emphasizes a focus upon developing quality products through commitment to the creation of expertise and skill in employees (see Gertler [2004) for discussion of a similar process in manufacturing). One result of this is the way both trainees but also partners in German firms spend a large amount of time studying the law, something that is not permitted in other offices but is the norm and required in civil law jurisdictions. As a lawyer described the peculiarities of his German counterpart's behaviour:

> "And there's the German lawyer who does the excellent research pieces and a contributing editor to 300 books and teaches at a university, all of which is good, but how are we going to pay for this?…So it's the same basic structure but the German partner says I've this huge profile because I'm a leading author" (21)

As a result of these subtle differences transnational law firms do not always aim to create aligned global working practices and organizational firms. As this example shows, even proven human resource best practices that might develop the key assets of the firm – the workers - are not implemented universally.

5) Spatial, temporal and home-country complications in the management of institutional difference

Significantly, whilst the description above provides a snapshot of the strategies firms can use to manage institutional difference, their application depends on the effects of three further variables. First, institutional hurdles vary across space. So, for example the 'international' approach used by a US firm in Germany for promotion to partnership (table 6) is not used to manage this process in London. Instead, 'global' approaches are used with standard US procedures in place because of the *degrees* of variation or convergence in norms that exist. Another example of this is the way the South East Asian offices of English transnational law firms are managed, often with greater reliance on multinational approaches. Regulatory restrictions on foreign law firms in many countries make it impossible to implement 'international' or 'global' strategies when, for example, the office is an alliance with over fifty percent of the partnership working for a 'local' firm. Consequently, in South East Asia multinational approaches are often used to respond to high degrees of local peculiarity. This reflects the unique nature of 'Asian business systems'. As Yeung (2001) describes, these have evolved in recent times as a result of various forms of global influence (including overseas trained managers and graduates) but have retained many of their distinctive characteristics. The same is true for the legal field (The Lawyer, 2006). As one managing partner in a UK firm described:

> "our Asia offices…have a higher degree of autonomy. Not withstanding the developments in information technology and communications, they are a long way away and have different approaches. So the influence is diluted…they're actually left to get on with it, so they have a higher degree of autonomy is all respects (2).

Second, there are also important variations over time in the strategies used to manage institutional differences. The gradual and incremental changes in national institutional systems described by others (Bathelt and Gertler, 2005; Djelic and

Sahlin-Andersson, 2006; Yeung, 2001) have also been witnessed in the national systems of the professions. Consequetly, it is necessary to constantly reassess the strategies used as various influences, including the law firms themselves, result in evolutions in national institutional conditions. This is very much the case in civil law jurisdictions such as France and Germany that have been exposed to various global economic influences over the recent past (see Djelic and Sahlin-Andersson, 2006; Wójcik, 2006). As a result, a changing economic and corporate landscape has emerged. In relation to law, whereas many of the strategies of transnational law firms were alien ten or fifteen years ago (e.g. practice groups, global remuneration models, and commercially orientated legal advice) this has gradually changed over time. As one lawyer commented:

> "You go to Paris and it's very French. They've never liked the name and approach of [English firm x] as they've seen it as an Anglo Saxon…That's changed now and [firm x] has now become a dominant name in the French marketplace. And it's partly to do with what I call the Europeanization or the Anglo-Saxon-ization of Europe" (2).

These temporal changes are presented schematically in figure 2. Of course, such changes do not occur at a uniform pace or in a uniform way across space. As this interviewee went on to note, "Italy is different again, it's a very funny market. There are a couple of major law firms but most of the firms are developed around individuals and it's just at a different point in its development". In addition, a further complication is the regional specificities of institutional cultures and processes of change (see Gertler, 2004; Wójcik, 2006). For example, the influence of English and US TNC clients has primarily been on the practice and organization of law firms in major world cities (Beaverstock et al. 1999) and not 'second order' cities (e.g. Birmingham in England). Again as one interviewee put it,

> "Germany...They've got a lot of financial institutions there so they've had to adapt and Frankfurt firms are now very good competitors for London whereas the rest [other firms in Germany] are still catching up" (1).

[Insert figure 2 somewhere here]

Finally, third, it would also be misleading to suggest that the 'home country' origins of the law firms listed in table 1 do not also have an important influence on globalization strategies and behaviours. Whilst there are many layers of complexity when it comes to differentiating English firms from their US counterparts there is one important variation in approach to law firm management that is worth exploring. Whilst the 'consultation and consensus' approach is emphasized in both US and English firms, the former generally organize themselves in a way that allows the maintenance of the 'power structures' that allow management. In effect, they ensure rainmakers, senior partners and managing partners in the firm can exercise greater degrees of control and, to some extent, make ineffective the demands of lawyers for professional autonomy when minor forms of institutional difference exist. Partnership constitutions make the all-partner vote essential for only the most significant changes to firm management. Hence there tends to be more 'global and international policies in these firms and less transnational negotiation and multinational variation. As one lawyer working for a firm that had been formed by the recent merger of a US and English firm noted about the behaviour of the US partners now involved in running the firm:

> "consensus would be to misstate it. It is definitely the case that you can get a top down decision you're stuck with. You don't tend to, but you can and we're clear that there are a few great and good with a lot of clout" (3).

Whilst it would be a fallacy to suggest that there are not partners with unequal degrees of influence in all firms, the occasional use of 'authoritarian' command and control that is normal in US firms is generally absent in English firms. 'Persuasion', which can often fail, exists in its place. This does not mean insensitivity to cultural variations in US firms but, rather, that only the most significant differences lead to alterations to governance forms.

7) Discussion and Conclusions

In this paper I have sought to open up transnational law firms and study the microspace (Ettlinger, 2003) that defines the work practices of lawyers employed throughout the world. In doing this I have attempted to make three arguments about the way economic geographers can enhance studies of TNCs and better understand the globalization strategies of both law firms but also other service industries. First, it has been suggested that more focus needs to be placed on the workers in TNCs, their behaviours and actions, and the way these influence globalization strategies. In particular it has been argued that the institutional influences on workers, associated with the national varieties of capitalism and specifically here the national systems of the professions, create spatially peculiar norms and cultures that prevent globally homogeneous governance practices being developed. Consequently, responding to the spatially peculiar behaviour of embedded actors within firms is essential, especially in PSFs, even when it does not necessarily have the unequivocally beneficial effect on the financial performance of the firm as responses to wider forms of market and regulatory embeddedness do. The typology developed reveals that the way strategies are manipulated to re-embed working practices overseas is defined by the distinctiveness of overseas national systems in comparison to those of the home-country of the TNC. We should, therefore, not expect TNCs to operate as coherent global organizations but as spatially fragmented units with variations in approach

across time and space. Indeed, it has been shown here how the Anglo-American category, often used in discussions of the varieties of capitalism, masks many institutional differences in relation to law firms.

Second, it has also been suggested that better understanding the socially constructed nature of management in firms is important in analyses of the ways TNCs operate. Here the peculiarities of professionalism and professional partnerships have been used to exemplify the effects of this. The empirical material presented also showed that the home-country of the firm can also influence this process leading to variation in the relationships between 'managers' and workers and ultimately affecting degrees of autonomy lawyers have in the firm. This further suggests that globalization strategies are likely to be dependent on the spatially, temporally and sectorally contingent ideals and beliefs of those individuals and groups running the firm and the way they construct and use their power and influence to bring about change in institutionally-inflected systems.

Third, and implicit in the previous two points, the paper has highlighted the importance of the temporal dynamism of the globalization strategies used by TNCs. In relation to the nationally variable norms and cultures of workers this means it is essential to recognise the degrees of distinctiveness of national systems but also how the forces of globalization can, in some cases, lead to converging divergences over time. This requires TNCs to respond to these changes differently at different times in each of the countries they operate within, something previous studies have often failed to reveal.

These findings raise two further issues that deserve further consideration. First, the analysis suggests that micro-scale studies of firms, as promoted by the relational turn in economic geography, are essential. Here, for example, understanding of why transnational law firms organize in the way they do is aided by an engagement with macro-scale debates about the national varieties of capitalism and national professional systems. However, we only see the full complexity of the

challenges faced by firms when we use micro-scale studies that show the practices creating nationally distinctive behaviours and strategies. For example, the ways national systems are evolving is best understood by looking in detail at the way TNCs deal with the socially negotiated process of changing local working practices and the resistance encountered to this. A focus on the key actors – in this case the partners – is essential to effectively achieving this. Indeed, further understanding how partners drive processes of change in law firms is an important avenue for future research. Second, this discussion also points to the importance of complementing existing analyses of the way manufacturing firms negotiate national varieties of capitalism with more studies of service firms. As the empirical analyses presented here shows, whilst service firms have to negotiate national systems in the same way that manufacturers do, they often use different strategies because of the unique challenges faced as a result of the intensive interaction with clients such firms maintain and their particular reliance on individual workers who are often autonomous and mobile. This creates new dynamics in the way national peculiarities in business systems are traversed, something we are only just beginning to understand.

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Firm	Home country	Revenue (US$M)	Net profits (US$M)	Profit margin (%)	No. lawyers	No offices (2006)
Clifford Chance	England	1700	461	27	2,480	28
Linklaters	England	1498	541	36	2,013	30
Skadden Arps Slate Meagher & Flom	USA	1462	636	44	1,554	22
Freshfields Bruckhaus Deringer	England	1451	659	45	2,115	28
Baker & McKenzie	USA	1246	409	33	2,992	70
Allen & Overy	England	1239	409	33	2,263	25
Latham & Watkins	USA	1224	551	45	1,502	22
Jones Day	USA	1208	331	27	2,076	29
DLA Piper Rudnick Grey Cary*	England	1187	307	N/A	2,387	59
Sidley Austin Brown & Wood	USA	1045	313	30	1,405	16
White & Case	USA	967	307	32	1,405	38
Mayer Brown Rowe & Maw	USA	925	376	41	1,258	14
Weil Gotshal & Manges	USA	919	318	35	1,080	20
Kirkland & Ellis	USA	847	180	40	897	8
Sullivan & Cromwell	USA	787	335	44	589	44
Shearman Sterling	USA	787	242	31	963	19
Wilmer Cutler Pickering Hale & Dorr	USA	762	279	37	963	15
McDermott Will & Emery	USA	756	346	46	960	14
Lovells	England	681	195	29	1,163	26
Dechert	USA	448	190	42	678	18

Table 1. Key data on leading global law firms.
Source: The Lawyer (2005) and fieldwork.
*: figures based on the combined values for the firms DLA and Piper Rudnick who have now merged.
N/A: data not available

Actor	Influence on national professional systems
The state and/or regulators	Either the state, or where the legal profession is granted autonomy from the state the appointed professional body (e.g. The Law Society in England and Wales), has significant influence over professional practice through the regulations they set and uphold.
Educational institutions	To be qualified to practice in a jurisdiction requires completion of a formal qualification controlled and administered by a nationally approved law school. As part of this training a socialization process occurs that helps mould lawyers in terms of their behaviour and practice in the production and delivery of legal services.
Clients	Their demands condition the behaviour of lawyers. Historically clients only expected legal service that reflected the national systems they were use to (Hanlon, 1999). Increasingly show more demanding clients and, in particular, clients with overseas experience of legal services bring with them different expectations about the way legal services are delivered that challenge national norms (Morgan and Quack, 2005).

Table 2. The main actors in the national system of the professions.
Source: From Torstendahl and Burrage (1990); Lane et al. (2002)

Interviewee number	City based in	Gender	Job role
1	London	Female	Partner, US firm
2	London	Male	Managing Partner, London office English firm
3	London	Male	Partner, US firm
4	London	Male	Partner, US firm
5	London	Male	Partner, US firm
6	London	Male	Partner and Co-head of finance practice group, US firm
7	London	Male	Partner, US firm
8	London	Male	Partner and Co-head of practice group, US firm
9	London	Male	Partner and Head of practice group, US firm
10	London	Male	Partner and Head of practice group, US firm
11	London	Male	Partner, US firm
12	London	Male	Partner, US firm
13	London	Male	Partner, Head of practice group, US firm
14	London	Male	Partner, US firm
15	London	Male	Partner, US firm
16	New York	Male	Partner, English firm
17	New York	Male	Partner, English firm
18	New York	Male	Partner, Co-head of practice group, US firm
19	New York	Male	Partner, English firm
20	New York	Male	Partner, Co-head of practice group, English firm
21	New York	Male	Managing partner New York Office, English firm
22	New York	Male	Partner, English firm
23	New York	Female	Partner, English law firm
24	New York	Male	Partner, English law firm
25	New York	Female	Partner, US law firm

Table 3. Biographic data of interviewees.

Principle theme in analyses (ideas repeated by multiple interviewees)	**Main issues raised**	**Intricacies/contradictions identified in arguments made**
The national peculiarity of lawyers work practices	▪ The continued distinctiveness of lawyers throughout the world *(see discussion in table 4 for further details)*	▪ The convergence of lawyers practices in the main financial and business centres of the world: Several lawyers suggested that over the past ten years lawyers in London, New York, Frankfurt, Paris etc. had converged around a global 'mega-law' norm
The need to have coordinated management but with the option for place-specific variations in practice	▪ The need to have some global norms but also sensitivity to 'local' cultural peculiarities; ▪ The inability to 'tie the network together' as tightly as might like	▪ The need to recognise that the bigger the firm the less it can adapt to local peculiarities: Two lawyers believed developing more global best practices that all offices implement is important One firm had 'global' procedures that had to be followed when working for one the firm's TNC clients
The need to give each office and its partners input into discussions about the governance of work practices	▪ Global committees needed that have members from each office or at least each region who can raise concerns with plans; ▪ Practice group heads and managing partners in each office to voice the opinion of their constituents about governance practices ▪ Total local autonomy where justified	▪ The need for 'partners with power' (usually in the home country) who can force partners in other offices to follow firm-wide practices: In a number of US firms especially there existed an elite strata of partners who, because of their fee-earning ability (the finders) could force through changes elsewhere, even when created negative effects on overseas offices

Table 4. The three substantive themes and sub-themes that emerged from the coding of interviews and contradictory themes which emerged.

Governance issue	Main variations in practice	Main influences	Exemplary variations
Conflict of interest management	Limited variations – in most countries transnational law firms operate in similar procedures exist and UK/US definitions of conflicts accepted.	*State* – The US and UK approach to creating a legal profession and the principles associated with it has often been mimicked in other countries because of the early emergence of an independent legal profession in these countries. *Clients and transnational law firms* – UK/US standard now forms a global norm all lawyers adhere to. Failure to do so prevents lawyers working for transnational clients and is thus emerging as a transnational forms of governance (see Morgan and Quack, 2005).	N/A
Remuneration practice	The 'eat what you kill' system where partners are paid depending on profits generated versus the 'lockstep' model where seniority not performance determines remuneration	*Law schools* – the ethos of legal work instilled in trainees varies between countries. This determines whether success is defined competitively or as a result of teamwork and long-term commitment to the firm	Eat what you kill dominates in US firms, reflecting Cravath's principles which are seen as best practice. US law schools instil competition into trainees. All exams and then the cohort of graduates are ranked by year group. Individuals are socialized into the spirit of individualism reflecting Cravath's principles; the idea of a 'tournament of lawyers' where everyone competes for success and promotion continues (Galanter and Palay, 1981). More widely this also reflects the neoliberal, competitiveness discourse that first emerged in the USA and underlay economic policy. Lockstep dominates in, amongst others, English, and Australian firms (see Hanlon (1999) for history of this model). The lockstep ideal is reflected in law schools that do not rank exams or graduates (see Burrows and Black [1998] on the use of the

			lockstep model in Australia). This has begun to change in more recent times, especially as neoliberal discourses have become dominant in the UK too.
Divisional strategies;	The use and structuring of practice groups varies from being extensive and formal to limited and contested	The *state and professional associations* – variations in regulation mean large law firms with divisional structures are relatively new or even banned in some jurisdictions. This influences whether lawyers are accustomed to acting as a generalist or a specialist in one element of law in a specialist practice group within a large firm. *Clients* – expectations in terms of whether lawyers are specialists in one field or generalist able to advice on all aspects of a transaction varies. Increasingly large corporations (and US/UK originating ones especially) insist that firms they employ provide such services	Large firms existed throughout the twentieth century in the USA due to an absence of restrictions on firm size. Divisional structures quickly became common as the Cravath model was copied. In England the ban on firms with over 25 partners was only lifted in 1967. Consequently, until the late 1980's few large firms existed. Divisional structures have become more common recently but are less institutionalised. As Morgan and Quack (2005) tell us, in Germany a very different situation exists. Corporate law firms didn't develop until the very final part of the twentieth century. Large firms have only emerged since 1989 when re-regulation made firms employing more than 10 lawyers feasible. Consequently many lawyers are still grappling with the idea of no-longer being a generalist in a small firm. A similar revolution is just beginning in many countries in South East Asia.
Training practice and associate-partner relationships	The extent to which newly qualified lawyers receive training varies. Also, the relationship between partners and associate can vary from 'master-servant' to 'mentor-trainee'.	The *state and professional associations* – these determine whether formal training guidelines exist for newly qualified associates. This can influence whether partners are compelled to oversee the development of associates and the characteristics of this process.	See section on multinational coordination in main body of text

Table 5. Actors in the formation of professional institutions and their effects on four governance issues

Form of coordination	Aspect of management	Explanation	Exemplary quotation
Global	Client engagement letters that define levels of service and what can be expected from lawyers.	US/UK style letters provide best way to minimize claims of negligence and the tried, tested and internally scrutinized procedure mean they are accepted by lawyers as best practice.	"Chicago was the first office in the network and it has a feel of headquarters because that's where all our IT is based, and its where all our business development reports into…So it has a practical and administrative feel…our engagements letters for example are standardized and decided upon by people there and we can't deviate from that because it defines what we do very tightly" (1).
International	Promotion to partnership	The 'up or out' system where individuals either progress to become a partner or leave has to be punctuated with mid-points in some jurisdictions to reflect the local culture of having managing associates or junior partners. These individuals are not part of the global partnership and do not share profits, but can still hold the title of partner and have national level privileges associated with this.	"One of the things that crops up is that in certain European jurisdictions, in particular Germany, there's been a tradition of becoming partners relatively young in life. And that isn't the way the big US or English firms operate. And there it has been necessary to look at the local situation and come up with something that addresses the local requirement but doesn't undermine the way we do things in London or New York. So you might get 'national partners' or 'junior partners' or 'managing associates' - that sort of sensitivity needs to be taken account of" (6).
Multinational	Knowledge management	The importance partners place on expertise sharing and having support staff to organize knowledge management activities varies significantly between offices	"Knowledge management is a function of what is done differently in each office. Part of the issue we have is that technically because of the licensing you're not supposed to use a piece of software outside of the country it's licensed for, so you couldn't use our knowledge management software in Singapore. And then there's the whole cultural thing – lawyers in New York don't like paying for support staff to run the systems" (14).

Table 6. Further examples of coordination strategies used to manage relational networks in global law firms.

Source: Fieldwork.