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FIELD PARTITIONING: THE EMERGENCE, DEVELOPMENT AND CONSOLIDATION OF SUB-FIELDS

Introduction

As Scott (2014: 219) argues, *'no concept is more vitally connected to the agenda of understanding institutional processes and organizations than that of organization field'*. The field is a central construct (Wooten & Hoffman, 2017) as well as distinct level of analysis in organizational theory (Scott, 2001; Reay & Hinings, 2005), and most broadly a unifying framework in the social sciences (Fligstein & McAdam, 2012). However, as we move away from high-level definitions (Di Maggio & Powell, 1983; Scott, 1994) the concept of the field, despite its importance and longevity, is still significantly under-developed. This perhaps owes to the fact that, as argued by Zietsma et al. (2017), most research is 'in' fields rather than 'about' fields. It deploys the field as a level of analysis rather than necessarily seeking to develop the concept itself. As a result, several authors call for more work to develop the concept of the field (Greenwood, Raynard, Kodeih, Micelotta and Lounsbury 2011; Battilana, Leca & Boxenbaum, 2009; Delbridge & Edwards, 2007; Fligstein & McAdam, 2011; 2012; Zietsma, et al., 2017; Micelotta et al., 2017).

Our knowledge seems to be especially partial with regards to the composition of fields, i.e., their structural make-up as a single or multi-component structure, and how this changes through processes of field evolution (Fligstein & McAdam 2011, 2012; Wooten & Hoffman, 2008). One intriguing possibility here is that fields can contain distinct sub-fields (Abbott, 2005; Anand and Watson, 2004; Porac, Thomas and Baden-Fuller, 1989; Quirke, 2013; Faulconbridge & Muzio, 2016; Weber, Heinze and DeSoucey, 2008; Heinz and Laumann, 1982; Lepoutre and Valente, 2012; Zietsma et al., 2017). These are spaces that develop their own logics and associated structures and practices, due to their distinct topographical (Quirke, 2013) or geo-political (Faulconbridge & Muzio, 2016) position within the broader, what might be referred to as the parent field. As such, sub-fields can play an important role in explaining the unevenness and heterogeneity of fields (Marquis, Glynn & Davis, 2007; Lounsbury, 2007; Wooten & Hoffman, 2008; Fligstein & McAdam, 2012) and can help us to understand phenomena such as practice variation (Lounsbury, 2001; 2007) institutional complexity and the

coexistence of competing logics within fields (Reay and Hinings, 2005, 2009; Dunn and Jones, 2010; Greenwood et al, 2011; Quirke, 2013). Hence, the emergence, development, and demise of sub-fields may constitute an important pathway for field level change (Zietsma et al, 2017; Micelotta, 2017). Yet, whilst we understand how sub-fields may vary in terms of their logics (Quirke, 2013; Faulconbridge and Muzio, 2016), a lot less is known about their development. This gap is the motivation for this paper. In particular, we pose the following question: *how does a sub-field emerge, develop and consolidate itself over time?*

We address this gap through a longitudinal case study of the development of the Italian corporate law sub-field. This operates as a distinct space within the broader Italian legal field, having formed in the aftermath of the process of Europeanization and the creation of the Single Market. In this context, we advance understanding of sub-fields and how they develop through the concept of *field partitioning*. We define *field partitioning* as a process whereby an established field develops a sub-field(s) with its own distinctive logics and institutional infrastructure. We theorize (see figure 2) *field partitioning* as a multi-stage process involving the following mechanisms: *focusing on new opportunities*; *inter- and intra-subfield networking*; and *distinction* and show how each contributes respectively to the emergence, development and consolidation of a sub-field. We also identify the conditions of resource dependency binding the sub-field to its parent field; these dependencies explain why we may have the development of a sub-field rather than of an altogether new field. In developing our understanding of *field partitioning* we make a number of theoretical contributions. Firstly, we develop the concept of the sub-field (Quirke, 2013; Faulconbridge and Muzio, 2016) by showing how these develop over time and identify the conditions and mechanisms associated with their development. Importantly, we show how sub-fields are characterised not only by a distinctive logic but also by their own institutional infrastructure. As such we see *field partitioning* as our contribution to broader attempts to develop the concept of the field as a unifying concept within the social sciences (Fligstein and McAdam, 2013; Furnari, 2014; Micelotta et al, 2017; Zietsma, et al 2017). Secondly we present *field partitioning* as a distinct pathway for field level change (Zietsma et al, 2017) whereby *established* fields, which in Zietsma et al.'s terms (2017) present high levels of logics prioritization and developed institutional infrastructures, become *contested* but due to regulatory dependencies contain this process

of divergence through the development of distinct sub-fields. Finally, and related to the previous point, we contribute to debates on institutional complexity (Greenwood et al., 2011) by showing how *field partitioning* represents a mechanism through which the pressures of competing logics can be handled at the field level. Specifically, *field partitioning* allows different logics to be contained in distinct spaces within a field. This containment not only allows the management of internal conflict and contestation but also allows the remainder of the field to operate in relatively unchanged manner.

Fields and their structure

Whilst more usually research on fields has prioritised their symbolic dimensions as exemplified by studies of logics and their evolution (Lounsbury, 2007; Smets et al, 2012; Zilber, 2002; Dun and Jones, 2010; Thornton et al., 2012), some scholars following a network approach have focused on the structural dimensions of fields (Powell et al., 2005; Owen-Smith and Powell, 2008). More recently, others have begun to use these structural dimensions to explain variations between and within fields (Hinings et al, 2017; Zietsma et al, 2017). Thus, Zietsma et al.'s (2017) seminal contribution provides a much more comprehensive and precise vocabulary to understand the structural characteristics of fields and their development. In particular, they introduce the notion of *institutional infrastructure* to refer to the 'the mechanisms of social coordination by which embedded actors interact with one another in predictable ways' (Zietsma et al., 2017: 392). Thus, a field's institutional infrastructure includes things such as 'meanings, practices, identities, power structures, subject positions and governance mechanisms' (Zietsma et al., 2017: 403), and ranges from limited to elaborated. Zietsma et al. (2017) also propose a second dimension, *logic prioritization*, which refers to the degree to which there is consensus within a field around a dominant logic (see also Raynard, 2016). Prioritization ranges from settled to unsettled. Fields characterised by high levels of infrastructure development and settled logic prioritizations are labelled as *established* whilst their opposites are labelled as *fragmented*. *Aligned* field are characterised by settled logics but weak infrastructure whilst *contested* field are characterised by high levels of infrastructure development but unsettled logics.

Hinings et al. (2017) develop the concept of institutional infrastructure further, using it to compare the structure of different fields such as professional services, forestry and impact investment.

In doing so they extend the institutional infrastructure concept to include “*formal governance roles and structures as governance, and...informal norms, meanings, status differentiators etc*” (Hinings et al., 2017: 168). They thus list regulators, governance bodies, field configuring events, organizational models/templates, status differentiators, categories and relational channels as fundamental elements of the infrastructure of any field.

Both Zietsma et al. (2017) and Hinings et al. (2017) raise the possibility that fields may contain sub-fields characterised by their own distinctive logics and infrastructures. Hinings et al. (2017: 170) suggest that fields with high levels of infrastructure development but compartmentalized logics will be ‘*arrayed in subfields, with coherency within subfields, and incoherency between them, but which coexist without substantial competition*’, whilst fields with low levels of infrastructure elaboration may contain emerging sub-fields. For Zietsma et al. (2017) sub-fields may play a role in field level change dynamics through processes of *endogenous subfield development* which may lead to *established* fields becoming *aligned*. The assumption here is that sub-fields are characterised by under-developed institutional infrastructures. Whilst Zietsma et al. (2017) do not fully elaborate the concept of the sub-field, how they might emerge and how they may affect longer-term processes of field level change, their account connects to a long established literature that uses the notion of sub-fields in a more or less implicit way. Examples include the development of specific segments in film (Anand and Watson, 2004), Scottish knitwear (Porac et al., 1989), sustainable food (Weber et al., 2008), green energy (Sine and Lee, 2008), professional services firms (Heinz and Lauman, 1982) and horticulture (Lepoutre and Valente, 2012). In all cases, sub-fields emerge as a result of a process of functional specialization as alternative markets develop. In time these acquire their own distinct logics and, as we shall show, institutional infrastructure, which in turn distinguishes them from simple market niches (Hannan and Freeman, 1989; Carrol and Swaminathan, 2000).

Most recently, Quirke’s (2013) study of the Toronto School system shows that actors occupy different positions (central or peripheral) within fields, and that as a result of this “*fields are segmented into distinct sub-fields*” (Quirke, 2013: 1676). Such sub-fields are “*bounded by the prevalence of a shared logic*” (Quirke, 2013: 1676) which differentiates them, and to an extent insulates them from pressures emanating from the wider field, despite these sharing the same regulatory framework. As

such, sub-fields may allow a particular population to resist or sidestep the dominant field logic and thus avoid situations of institutional complexity (Greenwood et al., 2011). Faulconbridge & Muzio (2016), in their study of English law firms in Milan, develop this contribution further to recognize the importance for the strategies of MNCs of different locations within fields. They show that distinct sub-fields develop in locations, such as Milan, that host distinctive markets and are more receptive to alternative logics. Faulconbridge & Muzio (2016) add, then, a more geo-political dimension to Quirke's topographical account of sub-fields and reveal how certain field members may actively exploit particular regional locations.

Thus, the concept of the sub-field is invoked to explain some of the characteristics of fields such as their uneven and variegated nature (Marquis, Glynn & Davis, 2007; Lounsbury, 2007). Hinings et al.'s (2017) typology of institutional infrastructure offers a device that can be effectively used to analyse the differences between a sub-field and the parent field from which it emerges. Yet, so far, little attention has been paid to how sub-fields develop and then consolidate their distinctive infrastructures. Illustrative of this gap is the way Fligstein and McAdam (2011: 19) note that a field can be partitioned into "*several social spaces...by redefining the activities of the groups in the field so that they are no longer trying to occupy the same social space*". Yet, they offer no further development of this idea, and in particular fail to consider how this process may unfold. As commented before, the same shortcoming exists in relation to the concept *endogenous subfield development* introduced by Zietsma et al. (2017). Thus, if we are to better understand sub-field-formation it is important to elucidate the stages, mechanisms and conditions through which sub-fields develop so as to move forward from observations of the existence of sub-fields (Quirke, 2013), segments (Zietsma et al., 2017) and partitions (Fligstein and McAdam, 2011) within fields and towards explanation of how such structural reconfigurations occur and how they may in turn affects broader pathways of field level change

Methods

Case Study Context

To address our research question we developed a case study of the corporate law sub-field in Italy. Legal fields, in Zietsma et al.'s (2017) terms, are examples of established fields thanks to a high degree

of consensus around a dominant professional logic and highly elaborated institutional infrastructure. However, following processes of re-regulation and economic transformation, legal fields have at different times in different countries gone through processes of radical change. In particular, there has been a process of functional specialization leading to the emergence of distinct sub-fields (Heinz & Laumann, 1982), not least as corporate legal services become distinct from personal ones. This makes legal fields particularly relevant contexts for the study of sub-fields and their development.

We chose Italy as our geographical setting since compared to the other countries, such as the USA (Heinz & Laumann, 1982) and the UK (Flood, 1989), its legal field underwent a process of re-regulation and transformation much later, from the late 1990s onwards. This allowed us to study the sub-field development process as a live phenomenon, given that we could collect data from actors directly involved in the sub-field during key years in its development. As such, this represents a revelatory case giving us access to a hard to observe phenomenon (Yin, 2009). Whilst our case is based on a specific historical and geographical context, our contention is that it typifies similar developments across professional fields, and more broadly across any field that presents a strong regulatory framework.

Like the German legal profession described by Smets et al. (2012), the Italian legal profession historically embodied a fiduciary professional logic (Thornton et al., 2012). This emphasized the position of trusteeship that professionals hold in relation to their clients and ultimately to society as a whole. This logic was institutionalized in a system of rules and norms. For instance, employed status was prohibited in order to protect the fiduciary relationship binding an individual professional advisor to their clients (Danovi, 1998) and to avoid potential interference of third parties such as employing organizations. As a result, Italian lawyers adopted a generalist orientation and operated as sole practitioners or within small family based partnerships (Olgiati and Pocar, 1988; Campanella, 1994; Micelotta, 2010). Indeed, in 1980 51% of Italian lawyers were in sole practice (Prandstraller, 1981), whilst those firms which existed were largely a collection of autonomous partners that shared a roof but not their clients or profits (Olgiati and Pocar, 1988). A survey of the Italian legal profession (Petroni and Pessolano-Filos, 1991) confirms the same picture of independent generalist practice a decade later in 1990, as it reveals that 56% of Italian lawyers were still sole practitioners and that 93% of lawyers

did not employ any form of specialized support staff, as expected in a firm structure. As shown by Appendix 1, in 1989 the biggest firm in Italy had 14 partners and 25 associates, whilst a mere headcount of 15 lawyers was enough to gain a place in the list of Italy's 10 largest law firms. In this context, corporate legal services tended to be personal, bespoke and generalist as lawyers, in line with the fiduciary logic, acted as 'trusted advisors', assisting their individual clients with a broad range of issues as part of long term and highly personal relationships.

Although the Italian legal profession has grown significantly over the last 25 years (Micelotta et al., 2017), in the most part its characteristics have remained stable. A recent (Censis, 2016) large-scale survey indicates that 66.6% of lawyers are sole practitioners. Furthermore, 65% of law firms employ less than three staff (including clerical and administrative personnel), and 91% less than 9. According to this survey, 88.9% of Italian lawyers are generalists and only 3.5% and 0.9% respectively specialise in corporate or international law. Furthermore, 75% of the profession's turnover derives from local markets (i.e. city or district based) with only 2.3% being provided by international activity. Thus, the Italian legal field continues to be defined by sole or micro scale practice; the majority of the field has not experienced the processes of consolidation, specialization and formalization associated with the development of large-scale law firms. Yet, alongside this stability, between 1990 and 2016 a small group of elite law firms emerged and developed into a new corporate sub-field distinct from its parent, the broader Italian legal field. Table 1 provides a chronology of the sub-field's development.

[Insert table 1 here]

Data Sources & Analysis

We adopted a research design in line with what Abbott (2004) and Cornelissen (2017) describe as a semantic approach. This approach seeks to develop a "*contextually rich and detailed account*" in which "*the specific details that are provided and their contextual grounding do most of the explanatory work*" (Cornelissen, 2017: 371). We followed an inductive approach to allow theory elaboration (Lee, Mitchell, and Sabylyns, 1999) as we compared and contrasted observed processes to those already associated with institutional infrastructure. In doing so, we followed proven strategies for developing

analysis of fields (Greenwood and Suddaby, 2006; Reay and Hinings, 2005; Suddaby et al., 2007) which integrate multiple data sources to develop a rich and historicized account of different aspects of the *field partitioning* process.

We relied on four different data sources (see Appendix 2): secondary archival documents; an original database of lawyers working in the 15 largest firms in the sub-field (see Appendix 3); a database of the largest corporate transactions in Italy between 1991 and 2006; and interviews with leading lawyers and other key stakeholders in the sub-field. We used these sources because they provided insights into the different dimensions of field level change and the institutional infrastructure highlighted by existing studies (see Appendix 2).

We began by analysing our archival data. Both authors reviewed the archival data independently and used NVIVO computer software to code key segments of text that explained change. Coding was compared and agreed as part of a ‘manifest’ analysis of the text (Berg, 2004). ‘Manifest’ analysis involves identifying the recurrent phrases in text that explain a phenomena of interest. ‘Manifest’ analysis allowed us to identify the main words and phrases used to describe and explain field level changes at different points in time. We found recurrent verbalisation that formed the basis of our coding in the ‘manifest’ analysis stage. The codes generated are detailed in figure 1. We then organised the coded material from various sources into narratives that documented how the Italian legal field changed over time. We then moved into a stage of ‘latent’ analysis (Berg, 2004). ‘Latent’ analysis involves interpretation of data coded in the ‘manifest’ stage using the insights of the research team to make sense of the relationships between the coded data and the outcomes being studied. We iterated (Locke, 2001) between the six forms of archival data and existing theoretical explanations of field level change. Initially, this allowed us to identify, in line with previous studies of professional fields (Greenwood et al., 2002), five actors that were important in driving the dynamics present in the data coded as part of the ‘manifest’ analysis: *professionals* (lawyers working in Italy), *firms* (the different types of law firms in Italy and their activities), *clients* (their organisational form and expectations), *universities* (who educate lawyers) and *regulators* (who regulate the activity of lawyers). We thus re-coded our data around these actor categories to understand how the different actors were involved in and affected the developments identified in our ‘manifest’ analysis. We then sought to understand

further the way these actors mattered by elaborating our initial understandings with additional insights from other data sources.

We conducted a descriptive statistical analysis of our database of *lawyers* working in the sub-field. We paid particular attention to educational qualifications and work experiences as both authors were aware from previous research that these two factors are crucial influences on the role of lawyers in legal fields. Specifically, this allowed us to establish how closely *firms* interact with each other through their lawyers (lateral mobility patterns between firms) and with other stakeholders such as elite and transnational *universities* (via selective recruitment practices) and transnational *regulators* (membership of bodies). We also constructed a descriptive statistical analysis of our corporate transactions data, focussing on the *clients* involved (whether they are MNCs, based in Italy or from outside of Italy, are international banks), value of transactions, and the frequency of the involvement of the largest sub-field law *firms* (the 13 focused on in our biographical database). These two descriptive statistical analyses provided illustrations of patterns relevant to the *professionals* and *clients* categories identified in the ‘latent’ analysis of archival data. It helped us better understand how lawyers responded to the changing characteristics of clients, and the implications of this for the legal field.

We then sought to understand these patterns and changes in more detail through our interview data. We coded transcripts of interviews using NVIVO computer software. We used the codes developed through the ‘latent’ stage of our archival analysis. We began by further elaborating explanations of the role of *professionals* and *clients*. This involved comparing explanations of the role of these actors provided by interview data with the patterns identified in archival and database sources. We then sought further insight into the role of *firms*, *universities* and *regulators*. We compared explanations in archival data with those offered by interviewees, and detected a number of key themes relating to the kinds of firms, new roles of universities, and responses of existing and new regulators that appeared central to explaining change.

The final stage of our analysis involved identifying the mechanisms relevant to our interest in *field partitioning*. We reviewed our latent codes (see figure 1) to identify data relevant to the different dimensions of institutional infrastructure identified by Hinings et al. (2017). Developing our chronological approach, we also deployed temporal bracketing (Langley, 1999) to identify when each

dimension of infrastructure underwent development. We identified three key temporal brackets with distinctive processes occurring in each. We inductively labelled these brackets as periods of sub-field *emergence*, *development* and *consolidation*. We then considered what the data told us about the actors and processes at work in each period and their implications for institutional infrastructure, the insights being interpreted as the main mechanisms of *field partitioning*. We inductively labelled the mechanisms: *focussing on new opportunities*; *intra-sub-field networking*; *inter-sub-field networking*; and *distinction*. The discussion below is structured around the three stages identified as temporal brackets and the mechanisms identified in each stage.

[Insert Figure 1 here]

Field partitioning

The development of the Italian corporate law sub-field resulted from a process of *field partitioning*. *Field partitioning* involved a series of mechanisms (*focussing on new opportunities*; *intra- and inter-sub-field networking*; *distinction*) that contributed systematically to the elaboration of the institutional infrastructure of the sub-field. These mechanisms produced a differentiated institutional infrastructure in the form of first, a new population associated with *new categories of work and organizational models*, second, *distinct relational channels and organizational practices*, and third *separate governance arrangements*. We describe each of these mechanisms and outcomes below. Following Hinings et al.'s (2017) dimensions, Table 2 provides an overview of the subfield's institutional infrastructure in the order in which this has emerged and how this departs from the broader Italian legal field.

[Insert Table 2 here]

Emergence through focussing on new opportunities

The first stage of *field partitioning* involved a select group of firms *focussing on new opportunities* in the form of the *new categories of work* which had emerged in Italy. This led to the formation of a *new population* of firms that adopted distinct *organizational models* compared to those of firms in the parent field. This first stage in the *field partitioning* process was triggered by reforms associated with the

European Single Market which triggered the development of new markets populated by a distinct typology of clients. Our deals database illustrates this by providing summary details of the 25 biggest transactions in Italy at five year intervals between 1991 and 2016. It shows that deals: became highly international (65% of deals involve either an acquirer or target company outside Italy); tended to be very large (for an average value of US\$1.2bn); whilst clients became almost exclusively MNCs (80% of the deals in the entire period, 100% of deals post 2010). Key clients were: Italian MNCs (44% of deals) – such as newly privatized utilities (e.g. Telecom Italia), banks (e.g. Banca Intesa, San Paolo) and corporates (Parmalat prior to its demise, Fiat etc) which became fully integrated into the global capital markets system - as well as non-Italian MNCs (43% of deals, e.g. Chrysler, GTech). Significantly, 78% of deals in the database involve a non-Italian financial advisor. Our deals database thus gives a clear sense of the scale (billions of euros), clientele (MNCs) and nature (Anglo-Saxon financial market centred) of the legal work created by Europeanization.

The legal press summarized very effectively the new business context and the unprecedented legal demands it generated. In particular, the quote below indicates how the process of Europeanization created the *new categories of work* centred on finance and banking related specialisms which were the foundation of the emerging sub-field.

“The important areas of legal work have changed in recent years. Finance work was almost non-existent before 1997. There has been a drastic increase in securities, capital markets and stock exchange work and national and international listings resulting from a change in business mentality” (The Lawyer, 2000)

Indeed, over the period in question the Italian market became the largest in Europe for privatizations (Salento, 2014), *‘the second-largest in Europe after the UK’* for securitizations (The Lawyer, 2002) and *‘the third largest market in Western Europe for project finance, behind the UK and Germany’* (The Lawyer, 2000).

Importantly these *new categories of work* required very different structures, practices and approaches than what had been traditionally available in the Italian legal field. Finance related work tended to be transactional, i.e. structured around the time bound requirements of a specific deal (an IPO or an M&A) and not part of long-term relationships between a particular client and a particular firm.

Moreover, this work was extremely resource intensive as it required very large teams of professionals to review and process large volumes of documentation in multiple jurisdictions within the high-pressured timelines dictated by financial markets. Yet Italian corporate lawyers had historically tended to focus on the provision of high level legal consultancy or court based litigation (Testoni; 2013; Stefanoni, 2009), both of which were not particularly labour intensive but emphasized the expertise, craft work and connections of a star practitioner aided by a few assistants within very light organizational structures. Thus, in the words of one of these elite practitioners, before the 1990s '*a single individual can follow a great number of operations. Whether you have 20 or 200 lawyers made no difference*' (Testoni, 2013: 14). However, traditional approaches were increasingly obsolete in the context of the emerging sub-field. Thus, as reported by one of our respondents, '*working on large privatization deals, required developed organizational structures which allowed you to deploy dozens of lawyers on due diligence processes. This is something which Italian firms could not do*' (Editor, legal journal, Milan).

The *new categories of work* were, then, perceived to be very different compared to the work of the existing field, this differentiation being crucial in triggering *focussing on new opportunities* by a sub-set of firms rather than all of the firms in the field. For example, this situation created a window of opportunity for international firms from more advanced jurisdictions (the UK and USA) to enter and consolidate their position within the Italian legal field. From the 1990s global firms, spearheaded in 1993 by Clifford Chance, began to enter the Italian market in full force. By 2009 there were 25 foreign firms in the top 100 law firms in Italy. Importantly, these firms held some distinct competitive advantages which placed them in an ideal position to exploit these new *categories of work*. For instance, they already had considerable experience of conducting operations such as privatizations, IPOs, and mergers and acquisitions in their home market, as well as preferential relationships with the Anglo-Saxon financial institutions that fund a significant number of these operations (78% of deals in our database). Furthermore, over the years they had developed the appropriate cultures, structures, practices and *organizational models* that could support these activities. As such, international firms began to *focus* their Italian operations on the new market opportunities and more precisely the new *categories of work* created by the European Single Market.

The competitive threat posed by these new entrants, combined with growth in cross-border work, led a small set of local entrepreneurial firms to intensify their *focussing on the new opportunities* associated with the emergent sub-field. Italian lawyers speaking at the time conveyed a sense of threat and besiege; the feeling was that '*the Anglo Saxon mentality dominated the world scene*' (IFLR 1998: 34) and that as a result '*even a bad foreign firm could set up here and succeed because 'international' is what Italian clients increasingly want*' (IFLR, 1989: ii). As such, the feeling was that '*The traditional Italian firm is no longer able to respond to the needs of international clients, it is necessary to create structures more similar to the Anglo-Saxon model*' (Partner quoted in IFLR, 1998:32).

Focussing on new opportunities and the subsequent adoption of new *organizational models* was partly accomplished through a series of high profile mergers and acquisitions as local firms merged with larger international competitors as a mean to gain the scale and capabilities needed to succeed in the new sub-field. Thus, over this period Clifford Chance merged with leading firm Grimaldi and Associati in 2000, Allen & Overy with Brosio Casati in 1997, and Simmons & Simmons with Grippo and Associati in 1997, whilst Freshfields took over Lega Colucci Albertazzi & Arossa in 1996 and Linklaters entered into a strategic alliance, finalized to a full merger, with Gianni Origoni in 1999. These high profile international mergers led other firms to realise that '*If you want to fight the battle with Clifford Chance and Freshfields then you have to increase your critical mass*' (Callister, 1999). Eventually this also triggered a process of domestic consolidation as local firms came together to better position themselves to service the new *categories of work* whilst safeguarding their independence. The best example of this is the merger in 1999 of three traditional boutiques firms to create one of Italy's leading law firm Bonelli Erede Pappalardo. The creation of NCTM the following year is another example of such restructuring.

By *focussing on new opportunities* and adopting *new organizational models*, these new firms constituted a new population. Appendix 3 identifies the leading firms in this new population and captures some of their distinctive *organizational models*. In particular, these firms were much larger operations employing hundreds of lawyers and generating fees of dozens of millions of euros. For example, whilst in 1989 with 39 lawyers Chiomenti was the largest firm in Italy, twenty years later a firm this size did not make it into the top 15. Indeed, whilst in 1989 no firm exceeded 50 lawyers

(Testoni, 2013), by 2009 over 40 did. Firms in the new population also had multiple offices, an international presence, departmentalized structures, managerial committees, dual tier partnerships, high levels of specialization, and extensive professional support functions (Faulconbridge & Muzio, 2016). They were staffed by a new generation of lawyers who worked in large-scale settings as part of integrated teams to perform highly specialised transactional work, often with a cross-border dimension for MNCs. Finally, this population had a specific geographical dimension since, as indicated by Appendix 3, it was mainly headquartered in the city of Milan. This marked another departure from the past when more firms were headquartered in Rome and reflects the rise of Milan as Italy's premier global city (Sassen, 2012) and its progressive integration in the world's capital markets (Faulconbridge and Muzio, 2016).

Focusing on new opportunities plays a fundamental role in the emergence of a sub-field. In line with other literatures such as that on market niches (Hannan and Freeman, 1989; Carrol and Swaminathan, 2000), *focusing on new opportunities* involves functional specialization whereby certain actors reposition and reorganize themselves so to respond to the development of *new categories of work*, such as, in our case, capital markets and M&A. In our case, this process was triggered by the powerful exogenous jolt (Meyer, 1982) of Europeanization but as suggested by Zietsma et al (2017) endogenous pathways may also be possible. As such *focusing on new opportunities* involves responding to *new categories of work* by adopting *new organizational models* – in our case these included large-scale departmentalized structures, multiple offices, high leverage ratios and multi-functional teams. Importantly, *focusing on new opportunities* leads a group of firms to adopt similar strategies, market positions and organizational models, as such they constitute a new population which is increasingly distinct from the rest of the field. This new population is at the heart of the nascent sub-field whilst the great majority of firms, which have been unwilling or unable to go through this *focusing* process are largely excluded. Thus *focusing on new opportunities* begins a processes of differentiation as the nascent sub-field begins to develop its own dedicated institutional infrastructure (*categories of work* and *organizational models* – see table 2) compared to its parent field (the broader Italian legal field). This process continues in a second stage – that we label development - in which *distinct relational channels and organizational practices* develop.

Development through intra- and inter-sub field networking

The development stage of *field partitioning* involved the *new population* of firms developing *distinct relational channels and organizational practices*. These infrastructural outcomes emerged from a combination of the *intra- and inter-sub-field networking* mechanisms.

Intra-sub-field networking involved members of the *new population* interacting increasingly frequently and fatefully with each other. As described above, *intra-sub-field networking* developed in part through a series of high profile alliances and mergers between English firms and local practices. Furthermore, *intra-sub-field networking* also developed as a result of increasing interconnection between firms through ‘lateral’ mobility patterns, as many professionals in the course of their careers moved between foreign and Italian firms (and vice versa) within the sub-field (see Table 3). Indeed, 75% of professionals in our database who have had more than one employer in their careers had previously worked at another of the top 13 sub-field firms or in an equivalent global firm elsewhere.¹ Importantly, these individuals included some of the key names involved in the creation of the firms listed in Table 4. Thus, star practitioners such as Roberto Casati, Eugenio Grippo and Roberto Cappelli moved respectively from Allen & Overy, Simmons & Simmons and Grimaldi-Clifford Chance to join other leading sub-field firms such Clearly Gottlieb and Gianni Origoni.

[Insert table 3 here]

More routinely, *intra-sub-field networking* occurred as the new population of firms encountered each other as counterparts on the same high profile transactions. 73% of the deals in our database involved at least one of the leading sub-field firms in Appendix 3 or an equivalent top 50 global firm on each side of a transaction. Thus, sub-field firms and their lawyers often acted on similar matters and for similar clients, and worked intensely with each other, exchanging knowledge and ideas as they sought to ‘get the deal done’ (Smets et al., 2012), developing in the process shared solutions to new market

¹ By equivalent global firm, we mean a law firm in The Lawyer global top 50 law firms; these firms being located in comparable corporate sub-fields in other countries.

opportunities. These solutions depart considerably from the approaches taken by firms in the parent field.

In addition, table 4 indicates how *intra-sub-field networking* also developed between the firms in the new population and particular elite universities. Over time, sub-field firms increasingly recruited newly qualified lawyers from an exclusive cohort of privately owned universities such as Luiss in Rome and Bocconi and Cattolica in Milan. These universities account for 31% of first law degrees in our database, and importantly grew in importance. Thus, between 2006 and 2015 these three elite universities accounted for 37% of first degrees. The rise of Bocconi Law School as the dominant institution in the sub-field is particularly striking as it did not exist prior to 2006 but by the end of our period accounts for the highest number of first degrees in our biographical database. Lawyers in the sub-field increasingly shared, then, a common education path and firms are orientated towards particular universities when recruiting. Attending universities such as Bocconi provided shared educational experiences for sub-field lawyers that are generative of the distinctive logics and practices of the sub-field. Indeed, as indicated by the quote below, these three elite universities explicitly developed their programmes around the requirements of sub-field law firms and even collaborated with the firms to develop their curricula so as to overcome what were seen as limitations associated with the traditional approach taken in Italian universities. This implied a radical rethinking of the traditional Italian law degree. In particular, it included a shift in curricula from historical and philosophical subjects towards more technical and corporate specialisms, the introduction of English language courses, and considerable attention towards employability and the development of transferable skills. The quote below summarises the strategic relationships connecting these new elite universities with sub-field law firms:

'We have begun to develop strategic relationship with a number of key Universities and to offer placements to their undergraduates. From this point of view, our Partnership with Bocconi is the most developed. They have a very sophisticated placement office and feature placements as standard component of their undergraduate programmes; something which is not contemplated by other Italian universities. [...] Furthermore, they have an economic orientation which is more suitable for a firm like ours. Their programmes are really a mix between law and

economics whilst other universities tend to be more traditional. [...]. Luiss in Rome is behaving in similar ways' (HR director, global law firm)

[Insert table 4 here]

Thus, *intra-sub-field networking* resulted from competition/cooperation dynamics between Italian and International law firms, from 'lateral' mobility patterns, from working together on deals and from recruiting from particular universities. As such *intra-sub-field networking* generated distinct *relational channels* which, in turn, resulted in important learning processes that inform the development of *distinct organizational practices*. For example, Italian lawyers learned about key practices such as securitizations by working in/for/with Anglo-Saxon firms, in particular "*a lot of them [lawyers working in the sub-field] had gone through the likes of Allen & Overy*" (Associate, Milan); this firm being recognised as the leader in the securitization market. They then took their new capabilities with them as they moved around the sub-field. Other examples are provided by organizational practices such as: '*human and professional resources and particularly their [global firms'] excellent internal training organization*' (Roberto Casati, IFLR 1998:33); '*technical facilities, control mechanisms, and a standardized work system*' (Francesco Novelli, IFLR, 1998: 33); and '*specialised departments, [...] annual target and the identification of target clients*' (Filippo Pingue, IFLR 1998: 33). One of Italy's leading lawyers, Vittorio Grimaldi, raises, in particular, the issue of the technical competences and working methods required by the new types of work such as IPOs and how these differ from working methods in the parent field:

"It's the working methods, organization methods, drafting of documents - the law firms must learn the know-how from US and UK firms. It is not taught in Italy, and they will be left alone in what is a more sophisticated environment. To go public with a company needs a lot of sophistication on draftings, prospectus, transparency - this is why we joined with Clifford Chance. We realized the work was too great to do by ourselves." (Vittorio Grimaldi, IFLR 1998: 33)

As anticipated above, Italian firms realised that the English firms in particular were not only formidable competitors but important sources of best practices, knowhow and organizational competences (Danilo, 1988). The development of the new relational channels described above provided a mean through which these organizational practices could circulate within the sub-field.

A further important mechanism for establishing *distinct relational channels* and *organizational practices* was *inter-sub-field networking*. *Inter-sub-field networking* involved patterns of frequent and fateful interaction with actors in similar sub-fields elsewhere. In our case, these were primarily global cities such as London and New York where law firms had already encountered and resolved similar market opportunities and challenges. Networks connecting to similar sub-fields became more important for learning than networks connecting the sub-field to the parent field. For instance, Table 5 shows how by the end of our period almost a third of lawyers in our database benefited from some form of transnational education – i.e. the completion of a degree or university exchange outside of Italy. Furthermore, 55% of those with a Masters degree gained this qualification outside of Italy, predominantly in elite Anglo-Saxon universities in London and New York such as: Columbia, King’s College, Queen Mary or the LSE. Indeed, over the period of analysis a Master’s degree from an overseas university became institutionalised as *‘the first step to become a more international lawyer’* (Partner, Milan) and to the development a successful career in the sub-field. Several of our respondents captured the logic behind transnational study which is concerned with developing technical competences in the sub-field’s core work (i.e., project finance, banking law) as well as with acquiring a more cosmopolitan and entrepreneurial orientation, including the ability to *“see things differently”* and to *“come up with innovative solutions”* (Partner, Milan). In the words of one of our respondents:

“A LLM helps to develop an open mind both linguistically and culturally, it helps you to operate on new terrains following innovative methods and using a common vocabulary. American universities are very successful in developing these traits. There is also an element of self-confidence that comes from graduating from a top US law school, in part due to requirements of the selection process and also to the extra-curricular programmes they provide” (Partner, Milan)

[Insert Table 5 here]

Moreover, such international mobility patterns continued after qualification with 32% of all secondments taken by lawyers in our database occurring in the offices of global law firms outside of Italy. Spending time in a global law firm, or alternatively in a MNC with sophisticated legal needs, allowed individuals to learn about the structures and practices required to service the new markets in Italy. Indeed, one interviewee describes overseas secondments in the office of a global law firm as valuable since, *“you need to go outside of the country because there’s a particular product that has not been done in Italy”* (Associate, Milan). Another highlights how he became *“able to see new things...from different angles rather than looking from the traditional [Italian] one”* (Partner, Milan).

Finally, as noted above, the nature of the sub-field’s work was predominantly transnational, as our law firms tend to act for foreign or Italian MNCs (87% of deals in our database). This again embedded our firms in a dense form of transnational *inter-sub-field networking*. Meanwhile, whilst the Italian state remained the main regulatory relationship in the legal field, by 2010 sub-field firms were also oriented to new transnational governance organisations such as the Loan Market Association (LMA) and the Council of Bars and Law Societies of Europe (CCBE). There are 29 members of the Italian delegation to the CCBE, and four Italian firms have associate membership of the LMA (Bonelli Erede Pappalardo, Chiomenti, Legance, and Pedersoli e Associati Studio Legale). Furthermore, 9% of the lawyers in our sample were members of at least one overseas or transnational law society or professional body. This is important as these associations also acted as important sources of new competences and technical solutions as trickle down mechanisms (Djelic and Quack, 2003) allowed new ideas and practices to enter the sub-field. For example, the London based LMA was particularly influential in the development of specialisms such as syndicated loans. As one interviewee noted, *“it was a question of adapting those requirements or those structures [provided by the LMA] into the Italian market and finding out if they worked, some didn’t and how was that going to be achieved”* (Associate, Milan).

Taken together the *intra- and inter-sub-field networking* outlined above further developed the nascent sub-field's institutional infrastructure and in turn helped to further distinguish this from its parent field. In line with existing literatures defining the structure of fields (DiMaggio and Powell, 1983; Scott, 1994; Hinings et al., 2017; Owen-Smith and Powell, 2008; Zietsma et al., 2017), relational networks play a fundamental role in sub-field formation and evolution patterns because they act as conduits through which resources, ideas and practices can enter and circulate within a field. Specifically, in our case, *intra- and inter-sub-field networking* lead to the formation of new *relational channels* whereby lawyers in the sub-field interact more frequently and fatefully with each other and with their equivalents in similar sub-fields elsewhere than with their peers in the broader Italian legal field (the parent field). Particularly important here are *relational channels* which connect our sub-field with more developed and powerful sub-fields in strategic locations such as London and New York where more advanced forms of knowledge and practice already exist. The increasingly dense relationships connecting sub-field members to each other also act as a mechanism for the circulation and consolidation of new ideas, practices and understandings across the sub-field. At the same time, as we will develop in the following section, these relational channels also begin to engender a sense of common purpose and identity whilst the weakening of ties to the parent field lessens the impact of any countervailing influences from the parent field.

As such, by the end of the development stage many of the core elements of institutional infrastructure identified by Hinings et al. (2017) and Zietsma et al. (2017) were in place (see table 2). Thus, at this point the sub-field begins to show an increasingly elaborated infrastructure with increasing differentiation from the parent field. This process continues in the third and final stage (consolidation) through a process of *distinction*.

Consolidation through distinction

The final phase of *field partitioning* is the consolidation stage. Here the sub-field further differentiated itself from the parent field through a process of *distinction*. In terms of institutional infrastructure,

distinction resulted in the establishment of *separate governance arrangements* for the sub-field. These consist of: *new internal governance units, infomediaries, field configuring events, and status differentiators* (see table 2). Collectively, these helped to affirm the sub-field's sense of being a cohesive community that was clearly distinct from the parent field.

Firstly, *distinction* involved changes to governance units. Although ultimately still dependent on the overarching regulatory framework provided by the national regulator (Consiglio Nazionale Forense - CNF), the sub-field created a *new internal governance unit* in the form of a professional association - Associazione Studi Legali Associati (ASLA). ASLA was created in 2002 by Freshfields partner Giovanni Lega to '*bring together all law firms, which sharing a commitment to large scale practice, wish to discuss common issues and develop new innovative organizational solutions*' (www.aslaitalia.it). This is particularly important because the sub-field and its distinctive *logics*, structures and practices generated some hostility from the national regulator. For instance, the CNF openly decried firms in the sub-field and the legitimacy of their 'organizational model' (Micelotta and Washington, 2013; Faulconbridge and Muzio, 2016), explicitly opposing specific practices, such as the use of client names in promotional material, the use of fantasy names or acronyms or the simple granting of interviews to the legal media (Testoni, 2009). Meanwhile, the Italian parliament officially scrutinised some of the commercial practices of sub-field firms such as the use of discounted fees (Mizzi, 1999; Collins, 2005). In this context, ASLA provided a means to respond collectively to such challenges.

ASLA has 93 members including 11 of the firms listed in Appendix 3, more than 5,000 lawyers and in 2008 accounted for over 10% of the turnover of the entire Italian Legal profession (ASLA, 2008). ASLA engaged in a broad portfolio of activities on behalf of its membership. For instance, it provided a series of platforms, such as working groups, publications and structured training programmes, where new ideas and practices could be developed and circulated through the sub-field. This included 12 working groups that shared the latest knowledge and practice within a number of specialisms (such as arbitration, corporate compliance or EU law) that were at the heart of the sub-field's work. ASLA also engaged in a normative role by providing guidelines, templates and best practices. For instance, its 2015 'Best Practice Guidelines' offered not only definitions of what an associated law firm is but a detailed breakdown of its obligations and responsibility including issues such as staff development, diversity

and equal opportunities, client confidentiality and corporate social responsibility. Furthermore, ASLA provided off-the-shelf tools to help firms deal with issues such as money laundering, the employment of associate lawyers (which in the Italian system have to be self-employed contractors) or professional insurance. It also offered a certificate to recognize excellence in ‘Governance’. Through these different activities ASLA provided the sub-field with its own internal governance mechanism (Fligstein and McAdam, 2012) helping to stabilise and reproduce the sub-field as a distinct community (Spilmann, 2012).

Secondly *distinction* involved the sub-field acquiring a dedicated circuit of *new infomediaries* (Deephouse & Heugens, 2009) which specialized in promoting, reporting and advising on the sub-field’s activities. The most prominent example here is the development of a specialist legal press. *Top Legal*, which is the first Italian publication focused on the work of corporate lawyers, launched in 2004 and was joined by a second title – *Legal Community* – in 2013. International titles like *The Lawyer* and *Legal Week* also began in the late 1990s to cover the sub-field with increasing frequency, whilst the *Chambers Directories* begin to rank the reputation of Italian lawyers from 2002. At the most obvious level, the press helped to circulate information, ideas and practices with the focus being overwhelmingly on market, industry or management issues relevant to the sub-field. Examples include analysis of current trends and developments in key legal markets such as private equity, corporate recovery or Islamic finance; and the provision of case studies and reports on the activities of leading law firms within the sub-field.

Furthermore, *distinction* led to the emergence of a range of increasingly sophisticated *status differentiators* such as the various rankings produced by the media. These helped to consolidate the sub-field’s identity by classifying its new population not only as commensurable but also as qualitatively distinct from counterparts in the broader field. For instance, the *Chambers Directories* rankings, which we present in the last two columns of Appendix 3, show how our firms all received comparable rankings in the core specialisms of M&A, and Banking & Finance law, which are the sub-field’s main markets. Finally, there was the creation of a series of *field configuring events* (Lampel and Meyer, 2008; Zilber, 2011), such as the various annual award ceremonies hosted by the media. These were formal red carpet events at which the best firms for each specialism were lauded for their success. The firms in Appendix

3 won respectively eight and nine (out of ten editions) of the annual awards for the key categories of Corporate Law and Banking & Finance. They also secured six out of ten of the prizes for best firm and best lawyer. These initiatives provided another platform to bring sub-field firms together as a distinct community and gain awareness of their elite status whilst also helping individual actors to orientate their actions further towards each other.

Thus in this final stage, through the process of *distinction* and the resultant development of *separate governance arrangements*, we see the completion of the elaboration of the sub-field's institutional infrastructure. This is important because once *separate governance arrangements* were in place the sub-field thus became a space in which alternative *logics* and practices, compared to the parent field, were accepted, embraced and if necessary defended. More importantly, *distinction* allowed the sub-field to consolidate its identity as a cohesive and distinct community with its own shared interests and values. This is inevitably predicated on a sense of difference from the parent field and, in our case at least, a sense of elite positioning as the sub-field defined and celebrated itself in terms of its superior status, elite qualifications, economic success and prestigious clients. This suggests how *field partitioning* is a relational process in so far as the sub-field positions itself and defines its identity in contraposition to its parent. As such, at the end of the consolidation stage, the field partitioning process is complete. We have a sub-field with an elaborated institutional infrastructure including all of the elements theorized by Hinings et al. (2017). As shown in Table 2, these elements depart considerably from the parent field, except for the existence of shared regulatory dependencies which continue to tie the sub-field to its parent field.

Theoretical Model

Our story shows how *field partitioning* involves the following mechanisms: *focusing on new opportunities; inter and intra-subfield networking; distinction*. Taken together these contribute to the development of the sub-field's institutional infrastructure, which in our case features as detailed in Table 2: *new categories of work, and organizational models; relational channels and organizational practices; and separate governance arrangements (new governance units, field configuring events, status differentiators and infomediaries)*. *Field partitioning* occurs through three temporal stages as the

sub-field emerges, develops, and then consolidates. This *field partitioning* process is illustrated in Figure 2 and leads to a sub-field with its own *logic*.

[Insert figure 2 here]

In this section, besides summarising our theoretical model as it has emerged from our data, we also seek to reflect on some broader issues affecting how the process of *field partitioning* unfolded in our specific case. These issues are: recursivity, resource dependencies and contestation. In terms of recursivity, whilst in our case *focusing on new opportunities, inter and intra-subfield networking* and *distinction* follow a clear temporal sequence, as depicted in Figure 2, we also have a series of feedback loops which indicate the recursive nature of these processes. Thus, for instance, as our example of securitization suggests, *inter- and intra-subfield networking* allow sub-field members to develop *distinct organizational practices*. But this in turn facilitates further *focusing on new opportunities* and specifically on the *new categories of legal work* which emerged over this period as well as the continued development of appropriate *organizational models* to service this work. Similarly, the *distinction* process reinforces *intra- and inter-field networking* as it produces a range of different platforms and media that help to bring the sub-field together as a distinctive community and connect it to other similar sub-fields elsewhere. In addition, *alternative governance arrangements* may further spur *focusing on new opportunities* as sub-field members seek to confirm their membership, often in pursuit of awards and inclusion in rankings as well as through participation in dedicated sub-field events. Taken together all of these feedback loops help further differentiate the sub-field from its parent field and ensure the continued reproduction of its differentiated institutional infrastructure.

Secondly, whilst *field partitioning* is characterised by a process of differentiation and the development of a distinctive institutional infrastructure as summarised in Table 2, there are some important resource dependencies binding the new sub-field to its parent field. These explain why we have the development of a sub-field rather than an altogether new field. Specifically, in our case the sub-field continues to share with its parent field a broader regulatory framework, with common regulations governing both how new recruits enter the (sub-)field and how they operate within it. As a

result the sub-field is dependent on the regulatory framework of the parent field for its functioning, with the market privileges of lawyers and controls over the standard of their work, both of which are crucial to the success of sub-field firms, being shared with the parent field. In our case this is most visible in the way that the sub-field develops its own representative body in the form of ALSA, but also continues to be under the CNF's ultimate regulatory authority. As such there are some powerful resource dependencies binding the sub-field to its parent field. In our specific case these are regulatory, but in other sub-fields these dependencies might take other forms. For instance, resource dependencies might relate to infrastructure (e.g. the green logistics sub-field shares with its parent field the resource provided by national railway networks) or production dependencies (e.g. the sub-field associated with electricity providers focussed on energy justice shares suppliers with the wider electricity provision field).

Finally, we have the issue of contestation. Our account shows, initially, a remarkable lack of contestation. Contestation, in our case, only appears relatively late in the mid-2000s during the consolidation stage, when sub-field firms are exposed to increasing political scrutiny and legal challenges whilst the sub-field as a whole is subjected to de-legitimization attempts, primarily by the CNF. This late in the day contestation is surprising given the centrality of contestation in other accounts of field level change (Fligstein and McAdam, 2012; Micelotta and Washington, 2013; Micelotta et al., 2017; Zietsma and Lawrence, 2010). As revealed by our analysis, this lack of contestation reflects the fact that a majority of Italian lawyers were unable to respond to the new opportunities generated by the European Single Market, as they required very different scales of operation, resource capabilities and organizational models. Furthermore, although our data does not explicitly speak to the motivation of lawyers, they may also have been unwilling to do so. Established lawyers were attached to a personalized understanding of legal practice and reluctant to relinquish control over their firms. Moreover, by initially targeting what were new markets (banking, capital markets and finance) sub-field firms did not immediately threaten the position of incumbent firms. Finally, the activities of the sub-field were new, highly esoteric and largely transnational in focus and, therefore, distant from traditional understanding of legal work which emphasized litigation and other court based activities as well as self-employed practice. This, in line with what has been observed by others (Smets et al., 2012), allowed the sub-field to initially slip under the radar and escape the attention of other actors in the parent

field. Contestation only arose in the mid-2000s in concomitance with the sub-field's increased size, financial significance and visibility. Yet, by this stage the field partitioning process was complete and the sub-field had consolidated itself into a cohesive community with an elaborated institutional infrastructure and as such was able to survive growing contestation.

Discussion

Our analysis of *field partitioning* makes important theoretical contributions to three related debates. Firstly, we help to further develop the concept of the sub-field. While this concept is increasingly well established (Lapoutre and Valente, 2012; Quirke, 2013; Faulconbridge and Muzio, 2016; Zietsma et al, 2017) this paper is the first to theorize the mechanisms through which a sub-field may emerge and consolidate over time. We see this as our primary contribution to this literature. Additionally, whilst previous research on sub-fields has emphasized the role of distinct logics (Quirke, 2013; Faulconbridge and Muzio, 2016), following recent developments in institutional theory (Zietsma et al., 2017; Hinings et al., 2017) we take a more structural approach and focus on how a sub-field may develop a distinctive institutional infrastructure relative to its parent field. Specifically, we tie the process *field partitioning* to the gradual elaboration of the sub-field's distinctive institutional infrastructure over three stages (emergence, development and distinction). Stages one and two are initially consistent with Hannan and Freeman's understanding of market niches which in their words 'consist of combinations of resource abundances and constraints in which members can arise and persist' (1989: 50). However, over time, a sub-field gradually consolidates itself by developing its own institutional infrastructure. When all of the elements are in place, by the end of the distinction phase, a sub-field is established and asserts its symbolic differentiation from the parent field, this allowing the sub-field to reproduce and legitimize itself in an ongoing manner (Barley and Kunda, 2004). The establishment of distinct normative and cognitive dimensions in the consolidation phase, and the shared sense of identity and community this engenders, is then a crucial end point of the *field partitioning* process and leads to the emergence of a sub-field from what was previously a market niche.

We also show the resource dependencies that lead to a sub-field emerging rather than a new field. Our analysis confirms Quirke's (2013) position on the importance of regulatory dependencies for

the formation of sub-fields. Like in her analysis of the Toronto school system, our sub-field shares the same regulatory framework with its parent field. Therefore, in our case, it is the presence of strong and state mandated regulatory system which prevents the emergence of an altogether different field. As such, sub-fields are only likely to emerge when such resource dependencies with the parent field persist. As noted above, these dependencies might be broader than regulation and relate to other resources such as infrastructure or production dependencies. Furthermore, like in previous analyses (Quirke, 2013; Lapoutre and Valente, 2012), we show how the development of sub-field is also a relational process because the sub-field defines itself in contraposition to its parent field. In Quirke's case the sub-field assumes a deviant position as the schools in her analysis resist pressures from the centre. Similarly, in Lapoutre and Valente's study of Belgian horticulture some firms adopted an alternative logic focused on environmental sustainability. As such in both of these cases the sub-field is organized around the efforts of deviant populations who adopt a different approach compared to the rest of the field. In our case the sub-field is also deviant but assumes an elite position as it asserts its material and symbolic superiority relative to the parent field. As such field partitioning is predicated on the active contraposition between the nascent sub-field and its parent field.

Thus, sub-fields are tied by complex dependencies to their parent fields. On one hand, they share important resource dependencies; on the other their development is reliant on their contraposition with the parent field, this resulting in either claims of elite status (our case) or of moral superiority (Lapoutre and Valente, 2012; Quirke, 2013). This is significant because it also suggests that sub-fields can both shelter deviant populations from the pressures of conformity but can also lead to the emergence of a new elite and to the transformation of the existing status order within fields (Suddaby and Viale, 2011; Greenwood et al, 2011; Fligstein and McAdam, 2012).

Our second contribution is to the literature on pathways of field level change (Greenwood and Suddaby, 2006; Hardy and Maguire, 2010; Reay and Hinings, 2005; Zietsma and Lawrence, 2010; Wooten and Hoffman, 2017; Hinings et al., 2017; Micelotta et al., 2017; Zietsma et al., 2017; Furnari, 2018). An important recent development in this literature is the identification of a number of distinct pathways of field level change whereby fields evolve and move between different states in terms of their degree of logic prioritization and infrastructure elaboration (Zietsma et al., 2017 but see also

Micelotta et al., 2017 for an alternative). We contribute to this literature by using our concept of *field partitioning* to develop the *endogenous subfield development* pathway which has been introduced but not theorised by Zietsma et al. (2017). Zietsma et al. (2017) speculate that *endogenous subfield development* may lead to *established* fields becoming *aligned* with sub-fields having under-developed institutional infrastructures. We show, however, that *endogenous subfield development* involves a movement from established (elaborated institutional infrastructure and settled logic prioritization) to contested conditions (elaborated institutional infrastructure and unsettled logic prioritizations). This finding is important, firstly, because it highlights how new institutional infrastructures are elaborated as part of the process of a sub-field emerging from the parent field. Secondly, this finding reveals that whilst *endogenous subfield development* may share the same direction of travel (from established to contested) as other pathways of change, it also presents a number of important differences. In particular, other studies show how movement from established to contested originates from a challenge to existing logics and associated practices. Lounsbury and Crumley (2007: 994) describe the ‘political conflict’ between the old and new guard in investment funds and how new approaches originating from New York were triggered a resistance from Boston based trustees. Currie et al. (2012) highlight how a sense of threat and risk influenced the subversive response of specialist doctors to institutional work conducted by nurses and other medical specialists in the English National Health Service field, whilst Zietsma and Lawrence (2010: 202) highlight conflict as central to the way boundaries came to influence field level change in the British Columbia forest industry. In contrast, the *endogenous subfield development* pathway we identify is characterised by differentiation but not open conflict. As noted above, the early stages of *field partitioning* are devoid of contestation because of the way the new population does not seek to undermine, engage with or criticise the rest of the field. Instead, the process is characterised by differentiation and separation. This is essential as it allows the sub-field to proceed through emergence and development stages without open challenges, tussles and resistance from the parent field. This relative lack of conflict facilitates the elaboration of the sub-field’s institutional infrastructure, insofar as it creates the time and space needed for the processes we describe in the development stage of our model.

The lack of conflict in the early stages of the *field partitioning* process also relates to our third contribution, whereby we advance our understanding of sub-fields as a way of dealing with practice variation (Lounsbury, 2001; 2007), competing logics (Cooper et al, 1996; Reay and Hinings, 2005; 2009; Dunn and Jones, 2010) and institutional complexity (Greenwood et al., 2011). Specifically, we reveal that *field partitioning* provides a field level response, in contrast to those organizational responses such as compartmentalization (Binder, 2007) and blending (Battilana & Dorado, 2010) or practice level responses such as situated improvisation (Smets et al., 2012) emphasized in the existing literature. Importantly, *field partitioning* allows the containment in a distinct sub-field of the new logics and institutional infrastructures associated with a new population of organizations that emerges from the parent field. In turn, this allows the rest of the field to continue to operate in a largely unaltered fashion, as change is largely confined to the sub-field. As such by containing pressures for change, the development of sub-fields can enable the uninterrupted operation of the parent field in circumstances when institutional complexity arises, which again is something that limits the scope for conflict and contestation. As a field level structural response to institutional complexity, *field partitioning* offers, then, the possibility for co-existence whereby distinct logics and institutional infrastructures can exist alongside those of the parent field. In this sense ‘partitioning’ is another possibility to add to the ‘truces’ (Reay and Hinings, 2009), oscillations (Dunn and Jones, 2010) or ‘sedimented’ (Cooper et al. 1996) outcomes documented by others in the literature on field level responses to complexity. This *field partitioning* response, as discussed, is most likely to occur in situations where regulatory or other resource dependencies may inhibit the development of an altogether new field and where, initially at least, the sub-field is relatively small and esoteric in terms of its activities compared to the parent field. This, similarly to the account of Smets et al. (2012) helps the nascent sub-field to escape the attention of the parent field and its associated normative pressures.

Taken together these contributions advance ongoing attempts to elaborate the grammar of fields as a unifying concept in the social sciences (Beckert, 2010; Fligstein and McAdam, 2011; 2012, Van Wijk et al, 2013; Micelotta et al, 2017; Zietsma et al, 2017; Hinings et al, 2017). It does so by developing our understanding of the concept of the sub-field, introducing the processes of *field partitioning*, and specifying the nature of *endogenous subfield development* as a pathway of field level change.

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Table 1: a chronology of the development of the Italian corporate sub-field

| Period | Regulatory Developments | Business Developments | Significance for Italian corporate legal sub-field |
|-------------|---|---|--|
| 1989-1995 | <p><i>Directive 89/48/EEC</i></p> <p>Enacting mutual recognition of professional qualifications</p> <p>Creation Single Market as part on <i>Treaty of European Union</i></p> | <p>Privatization of <i>Istituto per la Ricostruzione Industriale</i> (IRI) and other major state enterprises such as <i>Telecom Italia</i></p> <p>Privatization Milan Stock Exchange</p> | <p>Arrival English firms in Italian legal market</p> |
| 1995-2000 | | <p>Acquisition of <i>Telecom Italia</i> by <i>Olivetti</i> (first hostile take-over in Italy)</p> <p>Italy becomes one of largest markets in Europe for securitization activity</p> <p>Acquisition of <i>Telecom Italia</i> by <i>Olivetti</i> (first hostile take-over in Italy)</p> <p>Italy becomes one of largest markets in Europe for securitization activity</p> <p>Merger between Milan and London Stock Exchange</p> | <p>Creation of <i>Bonelli Erede Pappalardo</i> as Italy's leading corporate law firm</p> <p>Wave of mergers between Italian and English law firms</p> |
| 2000 - 2005 | <p>Introduction of new regulations allowing the operation of international law firms and the creation of true partnerships</p> <p><i>Directive 2005/36/ EC</i></p> <p>Extending the mutual recognition of professional qualifications</p> | <p>Acquisition of <i>Telecom Italia</i> by <i>Olivetti</i> (first hostile take-over in Italy)</p> <p>Italy becomes one of largest markets in Europe for securitization activity</p> <p>Merger between Milan and London Stock Exchange</p> <p>Merger between Banca Intesa and San Paolo to create Italy's largest bank</p> | <p>Internationalization of Italian firms</p> <p>Dissolution of most mergers between English and Italian law firms</p> <p><i>Chambers</i> begins coverage of Italian corporate market as distinct hemisphere</p> <p>Creation of <i>ASLA</i> as a professional association dedicated to the interests of corporate law firms</p> <p>Creation of Bocconi University Law School of law as a dedicated provider for corporate law firms</p> |
| 2005-2010 | <p><i>EU Services directive</i></p> <p><i>Bersani Decree</i> introducing partial liberalization of the legal profession (including advertising and fee setting)</p> | | <p>Creation of <i>Top Legal</i> as media outlet dedicated to the activities of corporate law firms</p> <p>Creation of awards and conferences focused on subfield members and activities</p> <p>Demerger of <i>Legance</i> from <i>Gianni Origoni</i> to form two large Italian corporate law firms</p> |

Table 2. The development of elements of the institutional infrastructure of the Italian corporate law sub-field and differences compared to the Italian legal field

| | Italian Legal Field infrastructure | Italian Corporate law Sub-field infrastructure | Mechanism producing sub-field infrastructure (and time period) |
|---|--|---|---|
| Categories | Generalist Practice | Corporate and Financial Specialisms | Focussing on new opportunities (1995-2000) |
| Organizational models or templates | Professional Partnerships in small firms; self-employment | Managerial Professional Businesses and large firms; employee status | Focussing on new opportunities (1995-2005) |
| Relational channels | Localized – linking to competing firms, civic universities, repeat clients | Global – linking to similar firms in similar sub-fields in other countries, to clients that operate across multiple sub-fields, and to elite universities elsewhere | Intra- and inter-subfield networking (2000-2005) |
| Dominant logic | Fiduciary logic emphasizing social trusteeship | Corporate logic emphasizing client service and commercial value | Intra- and inter-subfield networking (2000-2005) |
| Internal governance units | CNF | ASLA | Distinction (2000-2005) |
| Infomediaries | Generally absent. Limited reporting activity by local branches of CNF | Developed specialist press | Distinction (2005-2010) |
| Field configuring events | Limited. Localised in nature | Regular cycle of industry focused, awards, red carpet and media events | Distinction (2005-2010) |
| Status Differentiators | Limited. All professionals equal | Highly stratified into various annual rankings | Distinction (2005-2010) |

Source: Elements of institutional infrastructure derived from Hinings et al., 2017; Italian specificities identified through authors' research.

Table 3: Career Histories: Employment, Internships and Secondments

| | Year of qualification | 1990 and before | 1991- 95 | 1996- 2000 | 2001- 05 | 2006- 10 | 2011 and after | Total |
|--|--------------------------|-----------------------|-------------|---------------|-------------|-------------|----------------------|-------|
| % of those with previous employment that have worked in a sub-field or equivalent global firm | | 85.7 | 88.0 | 73.5 | 68.0 | 74.7 | 76.8 | 75.0 |
| % of those with an internship that have been intern at a sub-field or equivalent global firm | | 0 | 0.0 | 0.0 | 15.4 | 28.3 | 36.1 | 31.4 |
| % of those with a secondment that were seconded to a sub-field or equivalent global firm | | 60.0 | 66.7 | 62.5 | 60.0 | 40.0 | 20.3 | 44.1 |

Table 4: Educational Backgrounds: Under-graduate Degrees

| Year of qualification | 1995 and before | 1996-2005 | 2006-15 | | | |
|--|-----------------|-----------|------------------|------|------------------|------|
| Undergraduate Degrees – Top 5 providers (% of database) | La Sapienza | 37.1 | La Sapienza | 16.1 | Bocconi | 14.9 |
| | Milan | 20.2 | Milan | 16.1 | Luiss, Rome | 13.5 |
| | Genoa | 6.4 | Luiss, Rome | 12.8 | Milan | 8.5 |
| | Luiss, Rome | 5.9 | Cattolica, Milan | 8.4 | Cattolica, Milan | 6.2 |
| | Bologna | 5.1 | Bologna | 4.4 | La Sapienza | 5.8 |

Table 5: Educational Backgrounds: Post-graduate degrees and International educational experiences

| Year of qualification | 1995 and before | 1996-2005 | 2006-15 | Averages for whole database | | | | |
|---|---------------------------|-----------|----------------------|-----------------------------|----------------------|------|----------------------|-----|
| Master's Degrees – Top 5 providers (% total) | New York University | 18.3 | University of London | 13.1 | Luiss, Rome | 13.5 | University of London | 9.6 |
| | University of London | 12.7 | New York University | 7.1 | Bocconi | 11.1 | Bocconi | 6.6 |
| | Michigan | 11.3 | LSE | 5.4 | University of London | 7.0 | New York University | 6.2 |
| | College of Europe, Bruges | 5.6 | Columbia | 5.4 | New York University | 4.7 | Luiss, Rome | 5.6 |
| | La Sapienza | 4.2 | Luiss, Rome | 4.8 | Kings College London | 3.5 | Columbia | 4.5 |
| International Master (% of Masters Degrees) | 57.7 | 56.5 | 38.7 | 51 | | | | |
| US Master Degrees (%Masters Degrees) | 32.4 | 18.5 | 9.3 | 20.1 | | | | |
| UK Master Degrees (% of Masters Degrees) | 15.5 | 22.6 | 18.5 | 18.9 | | | | |
| Other International Education (% of Database) | 18.2 | 21.1 | 25.1 | 21.5 | | | | |
| Any International Educational Experience (% of Database) | 24.6 | 28.4 | 31.9 | 28.3 | | | | |

Figure 1: Coding structure

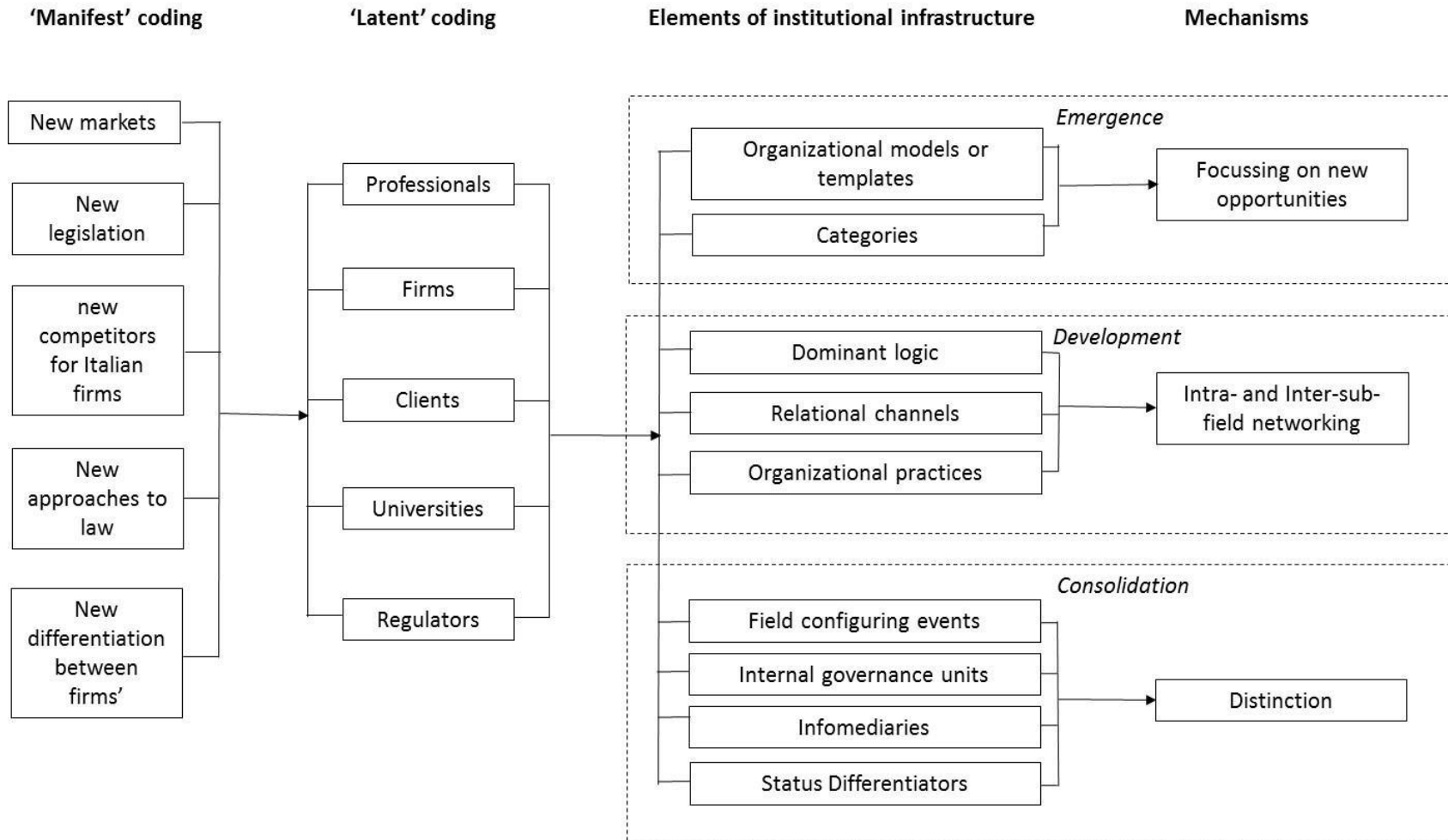
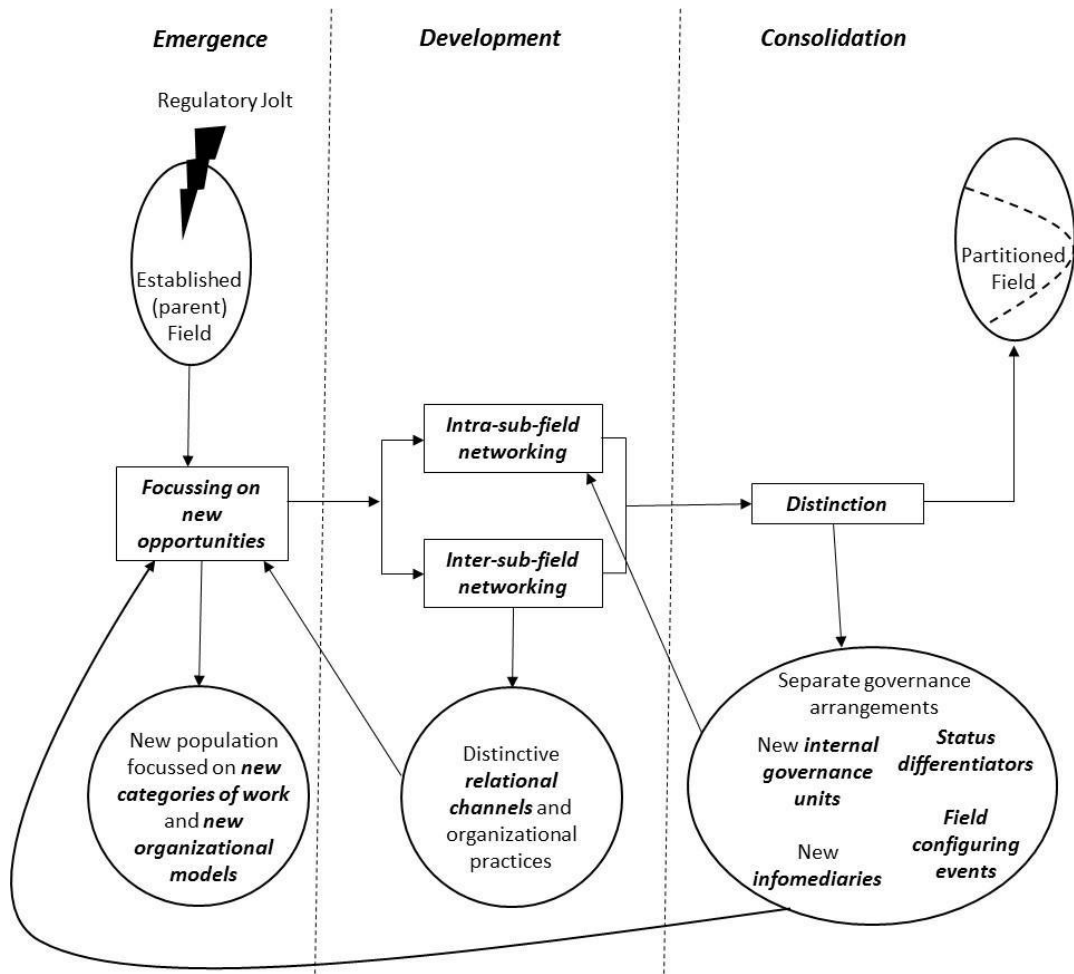


Figure 2: Theoretical model of field partitioning



Appendix 1: Top 10 law firms in Italy in 1989

| Firm | Year Founded | Partners | Total lawyers | Offices |
|-------------------------------------|--------------|----------|---------------|-------------------------------|
| Chiomenti e Associati | 1980 | 14 | 39 | Rome, Milan, Turin |
| Ughi & Nunziante | 1959 | 12 | 39 | Rome |
| Baker McKenzie | 1962 | 8 | 33 | US global firm |
| Carnelutti Milan | 1900 | 8 | 25 | Milan, London, New York |
| Studio Avvocati Ercole Graziadei | 1921 | 18 | 24 | Milan, Rome |
| Magrone, Pasinetti, Brosio & Castai | 1980 | 5 | 23 | Milan, Rome, Turin, Bruxelles |
| Studio Legale Bisconti | 1954 | 6 | 18 | Rome, Milan, New York, London |
| Carnelutti Rome | 1955 | 6 | 16 | Rome |
| Studio Ardito | 1961 | 8 | 15 | Rome, Milan, London |
| Gianni Origoni e Tonucci | 1983 | 5 | 15 | Milan, New York |

Source: Testoni (2013)

Appendix 2: Data sources

| Data type | Data form | Sources | Relevance to analysis | Key Concepts | Illustrative examples |
|------------------------------|--|---|---|------------------|--|
| Secondary archival documents | <ul style="list-style-type: none"> • Historical narratives • Reports on events and key actors (from the media) • Rankings and ratings of firms • Statistics about the firms in the field (collected in surveys). | <p>Published histories of the legal field by Stefanoni, 2009; Testoni, 2013; Pranstraller, 1967; <i>Legal Week</i> (144 articles) <i>Chambers Directories</i> (14 reports from 2002 to 2015) <i>Legal Community</i> (2014-2016) <i>Top Legal</i> (8 volumes, 2007-2015) Statistical reporting by Petrone and Pessolano-Filos (1991) and Censis (2016)</p> | <p>Provides information about the field from which the sub-field emerged. Allows the development of chronological narrative around the field partitioning process and the identification of additional data sources for our analysis.</p> | <p>Focussing</p> | <p>Over the period in question the Italian market became the largest in Europe for privatizations (Salento, 2014), ‘the second-largest in Europe after the UK’ for securitizations (The Lawyer, 2002) and ‘the third largest market in Western Europe for project finance, behind the UK and Germany’ (The Lawyer, 2000).</p> <p>“The important areas of legal work have changed in recent years. Finance work was almost non-existent before 1997. There has been a drastic increase in securities, capital markets and stock exchange work and national and international listings resulting from a change in business mentality” (The Lawyer, 2000)</p> <p>‘I get the feeling [English firm y] may choose focus on the areas where they are really a significant player, like banking and finance, capital markets and dispute resolution.’ (Lind, 2009b)</p> <p>Our selected firms won respectively eight and nine (out of ten editions) of the annual Top Legal awards for the key categories of corporate law and banking & finance. They also secured six out of ten of the prizes for best firm and best lawyer.</p> |
| | | | | Distinction | |

| | | | | |
|-----------------------|--|---|---------------------------|---|
| Biographical database | 1908 lawyers' biographies (a total of 24,233 pieces of information), assembled from: firms' webpages; LinkedIn; and Italian Bar Register | Provides insights into the professionals in the sub-field and how they contributed to the development of institutional infrastructure | Focusing | 59% of revenues in our firms originate from banking and finance and corporate/M&A law |
| | | | Intra-subfield networking | 75% of professionals in our database who have had more than one employer in their careers had previously worked at another of the top 13 sub-field firms or in an equivalent global firm elsewhere |
| | | | Inter-subfield networking | A third of lawyers in our database benefited from a transnational educational experience; 55% of those with a Masters degree gained this qualification outside of Italy, predominantly in elite Anglo-Saxon universities in London and New York such as: Columbia, King's College, Queen Mary or the LSE. |
| Transactions database | Details of 25 largest transactions in Italy at 5 years intervals between 1991 and 2016 and law firms working on these transactions | Provides insights into firms and clients in the sub-field. | Intra-subfield networking | 73% of the deals in our database involved at least one of the top 13 sub-field firms or an equivalent top 50 global firm on each side of a transaction |
| | | | Inter-subfield networking | 87% deals in our database features MNC clients |

Inter-
subfield
networking

‘I started working in London, I had already spent at least eight years intensively focused only on law, law and law. So what I realised was well the disadvantage was that I was not commercial, I was not really a business lawyer but I was a real lawyer. And my sensitiveness for purely legal issues was completely different from theirs’
(Partner, Milan)

‘Domestic Italian lawyers traditionally used to perceive them as only sort of technical professionals who are supposed to tell you whether something can be done, something cannot be done. In London you realise that a lawyer or let’s say a business lawyer, you have, you need to be much more familiar with all commercial aspects of a transaction, you are supposed to give solutions rather than preventing your client from doing things, which now is getting more and more important also here in Italy.’
(Partner, Milan)

Appendix 3: Leading corporate law firms in Italy in 2009

| Firm | Revenues (Euros, m) | Total lawyers | Partners | Offices | Chambers Guide Ranking | |
|---|---------------------------|------------------|----------|---|------------------------------------|------------------|
| | | | | | <i>Banking and Finance</i> | <i>Corporate</i> |
| Bonelli Erede Pappalardo | 130 | 197 | 56 | Milan, Rome, Genova, Brussels, London | 1 | 1 |
| Chiomenti | 123 | 277 | 225 | Milan, Rome, London, Brussels, New York, Berlin, Shanghai, Hong Kong | 1 | 1 |
| Gianni Origoni Grippo & Partners | 94 | 279 | 57 | Rome, Milan, Padua, Bologna, Turin, Brussels, London, New York, Hong Kong, Abu Dhabi | 3 | 2 |
| NCTM | 70 | 243 | 93 | Milan, Rome, Verona, London, Brussels, Shanghai | 4 | 3 |
| Freshfields | 57.5 | 89 | 19 | English global firm: offices in 27 countries including Milan and Rome | 3 | 3 |
| Clifford Chance | 46 | 101 | 17 | English global firm: offices in 26 countries including Milan and Rome | 1 | 3 |
| Allen & Overy | 42 | 83 | 16 | English global firm: offices in 32 countries including Milan and Rome | 3 | 5 |
| Cleary Gottlieb | 40 | 61 | 11 | US global firm: offices in 11 countries including Milan and Rome | 4 | 2 |
| Legance | 40 | 134 | 26 | Milan, Rome, London | 2 | 4 |
| DLA | 37 | 89 | 29 | English global firm: offices in 30 countries including Milan and Rome | 4 | 5 |
| Baker & McKenzie | 35 | 107 | 34 | US global firm: offices in 47 countries including Milan and Rome | | 5 |
| Simmons & Simmons | 34.7 | 92 | 15 | English global firm: offices in 17 countries including Milan and Rome | 3 | 5 |
| Pavia e Ansaldo | 28.6 | 105 | 32 | Milan, Rome, Brussels, Moscow, St Petersburg, Tokyo | | 4 |

From Top Legal (2010) and chambers legal directory 2009