Negotiating cultures of work in transnational law firms: the role of cultural entrepreneurship

James R Faulconbridge, Department of Geography, Lancaster University, Farrer Avenue, Lancaster, LA1 4YQ

j.faulconbridge@lancaster.ac.uk

Negotiating cultures of work in transnational law firms: the role of cultural entrepreneurship

Abstract

The geographical strategies of transnational corporations have received extensive attention from economic geographers. A particularly important line of study has focused upon the diverse national institutions that create geographically heterogeneous cultures of work. Yet none of these studies place questions about how global firms act as 'cultural entrepreneurs' at the centre of their analysis. This paper, therefore, uses the case of transnational law firms to extend theoretical debates about the geographies of learning and best practice through new micro-scale consideration of the way managers in TNCs act as cultural entrepreneurs, driving change in institutionalised cultures of work through strategies that alter the cognitive frames of workers. Drawing primarily on data from interviews, the paper reveals how the strategies used by influential partners in transnational law firms to drive changes in cultures of work do not lead to forms of global strong convergence in practice but converging divergences as cultures change in subtle, often unpredicted ways. It is argued that economic geographers need to pay more attention to the mechanisms of such changes in culture, and the processes of change in national business systems more widely, so as to contribute to debates about corporate culture but also the varieties of capitalism.

1) Introduction

The geographical strategies of transnational corporations (TNCs) have received extensive attention from economic geographers, most recently through work on global production networks (Hess and Yeung, 2006), relational economic geography (Yeung, 2005) and the concept of embeddedness (Hess, 2004; Jones, 2008). A particularly important line of study has focused upon the diverse national institutions that create heterogeneous cultures of work and define how firms are structured and operate (Gertler, 2004; Jones, 2003). Using the lens of work on the 'varieties of capitalism' (Hall and Soskice, 2001; Whitley, 2001), research has documented the difficulties associated with transferring best practices between countries, institutional settings and cultures (Gertler, 2004; Schohenburger, 1999) and the adaptation strategies employed by TNCs when operating in culturally diverse overseas markets (Christopherson, 2007; Wrigley *et al.,* 2005).

Yet few existing studies, with the exception of Schoenberger's seminal work (1997), place 'corporate culture' and questions about how global firms act as 'cultural entrepreneurs' (c.f. Garud *et al.,* 2007) at the centre of their analysis. This is a significant research void considering the potential impacts of firms' on the production of instability, convergence or even continued difference in national business cultures and norms. This paper, therefore, uses the case of transnational law firms to extend existing theoretical debates about the geographies of learning and best practice (Gertler, 2001) and the embeddedness of production networks (Hess, 2004) by analysing the forms of 'cultural entrepreneurship' occurring in TNCs. It does this by firstly integrating insights from work on corporate cultures (Trompenaars and Prud'homme, 2004) and the drivers and processes of change in national institutional systems

3

(Crouch, 2005; Djelic, 1998; Morgan, 2001) into existing geographical discussions of cultures of work in TNCs and then by examining empirical material detailing the way managers in transnational law firms drive change in institutionalised cultures of work in different international subsidiaries. This show that the use of the fine-grained empirical study that economic geographers are so adept at completing offers opportunities to enhance both theoretical work on corporate cultures but also the varieties of capitalism. The latter is especially timely considering the failure of economic geographers to engage with the varieties of capitalism debates, something Peck and Theodore (2007) have highlighted recently.

The rest of the paper is structured into four further sections. The next section explores existing approaches to cultures of work and argues that more understanding is needed of the role of TNCs as agents of change. Section three looks at the challenges posed to transnational law firms by diverse legal cultures of work before sections four and five use empirical material to analyse the strategies of partners in transnational law firms for managing and changing cultures of work in overseas offices. Section six provides conclusions.

2) Globalization and the challenge of 'cultures of work'

As Schoenberger (1997, 116) suggests, "Corporate culture is generally viewed as a set of social conventions embracing behavioural norms, standards, customers, and the 'rules of the game' underlying social interactions within the firm". 'Culture' emerges in organizations through the work of influential leaders but also because of 'external' influences on the social practices, norms and values of workers. Significantly, as Schoenberger argues, firms can face a

'cultural crisis' when diverse cultures within the firm cause tensions between different groups of workers or when competitors gain advantage because of advantages accrued from their culture. It is the first scenario that is the focus of this paper, and in particular how geographical heterogeneity in cultures cause tensions within firms.

Gertler's studies of the experiences of German manufacturers in Canada provide perhaps one of the most sophisticated analyses of how geographical cultural heterogeneity emerges and causes management problems in global firms (2004). As Gertler reveals, diversity in the institutional regimes of countries (employment laws, training and apprenticeship requirements, worker and trade union rights in firms) produce important differences in the way workers behave, expect to be treated and organize the production process. This means everything from shift patterns to machinery design need to be adapted if firms are to operate successfully outside of their home countries. Other examples of such detailed archaeologies of cultures of work include the writing of Saxenian (1994) and in relation to the professions MacDonald (1995).

Having such detailed understandings of how diverse cultures emerge is an essential starting point when seeking to develop subtle analyses of the nature and affects of 'cultural management' in global firms. In particular existing detailed archaeologies of cultures of work point towards the importance of developing better understanding of two issues. First, the need for *reflexivity* in management responses to cultural difference needs to be considered. Jones (2003) suggests that there needs to be macro- and micro-cultural tropes in global firms; a set of consistent worldwide values but also geographically-peculiar cultures and ways of working that reflect local norms. Echoing this idea Christopherson (2007) points out how managers in global retailers like Tesco have to constantly reconsider the appropriateness of their business models and

become cognisant of and sympathetic to the place-specific reactions of workers, suppliers and consumers to home-country models. Schoenberger (1999, 211-212) describes how, as a result, corporate best practices are managed in most firms not by making a choice between the binary positions of global roll-out versus host-country adaptation. Rather:

> "[t]he firm's dominant culture, created by and expressed through the activities and understanding of top management at headquarters, necessarily contains multiple subcultures...These sub- or countercultures emerge as the people in the corporate region confront their particular situation, which is likely to produce many kinds of problems and opportunities that not adequately addressed by central norms and standards…[the outcomes] reflect a dialectical process in which something new is produced through the encounter between the existing firm (a unit of which may be implanted in a new territory) and the particular piece of the world in which it has been established".

The description by Schoenberger of something new points to the second issue that must be considered in relation to cultures of work: if and how global firms engage in attempts to change existing and produce *new* cultures.

A vast literature has emerged from academics (Alvesson, 2002; Bjerke, 1999) as well as academically-informed management consultants such as Trompenaars and Prud'homme (2004) that suggests the corporate culture of global firms, and more precisely the ability of global firms to *reproduce* home-country corporate cultures overseas, is central to profitability. As Trompenaars and Prud'homme note, "Many problems within organizations are caused by conflicts between the different value orientations related to these different cultures…The art of creating a viable corporate culture is not to choose a fixed set of value orientations but to reconcile these contrasts or dilemmas" (Trompenaars and Prud'homme's, 2004, 24). The challenges of reconciling such

differences means that, for Alvesson and Willmott, management work in global firms is less about establishing formal rules and structures and more about using discourses to *mould* the cultures of workers (table 1). As they put it, "organizational control is accomplished through the self-positioning of employees within managerially inspired discourses about work and organization with which they may become more or less identified and committed" (Alvesson and Willmott, 2002, 620).

[Insert table 1 here]

Dicken (2000) perceptively broaches this subject when he describes not just the 'placing of firms' but also the 'firming of places': how TNCs are both embedded by territorial systems but also influence the places in which they operate. Coe and Wrigley (2007) also set the agenda for a debate within economic geography about the influences of TNCs on host countries when they describe the 'battlefield' global retailers face as they attempt to balance the need to both learn from overseas subsidiaries but also implement corporate best practices. As their earlier work has shown, "The task for the TNC, then, is to generate and/or discover best practices rooted in particular places/communities and, secondly, to circulate this tacit knowledge throughout its organizational space" (Wrigley *et al.,* 2005, 450). Similar insights have also be gained from work on US and UK financial institutions in Europe (Clark *et al.,* 2002; Wójcik, 2006) and the affects of the arrival of US TNCs on the way businesses operate in Asia (Yeung, 2000).[1]

---

[1] Importantly, in all of this work there is no suggestion of homogenisation; rather dialectical processes producing forms of hybridity are shown to be at work resulting in continued national distinctiveness but with greater points of convergence than in the past.

There is, however, a tendency in existing literature to focus upon only the way institutional arrangement lead to change in the ownership and structuring of firms with less attention given to how the activities of TNCs effect change in cultures of work and the implications of any changes. The latter is an important consideration because the impacts of changes in cultures of work are equally significant as far as processes of 'Americanization' and convergence in institutional arrangements are concerned (Djelic, 1998). I, therefore, build on the insights of existing work on corporate culture (Trompenaars and Prud'homme, 2004) and management 'identity work' (Alvesson and Willmott, 2002) to suggest that theoretical understanding of the multiple forms of 'embeddedness' affecting TNCs (Hess, 2004) and the impacts of TNCs on host-countries can be advanced by considering the strategies used to deliberately change cultures and minimise the adaptations firms have to make in their international subsidiaries.

Transnational social space and the negotiation of change in cultures of work

Changes in cultures of work can themselves affect firm structures, something especially significant in relation to law firms because questions about the Americanization of legal services, the spread of adversarial legalism and resultant challenges to national professional regimes are of growing importance (Flood, 2007; Quack, 2007). As Morgan and Quack (2005) show, the arrival of US and English law firms in Germany and their 'transplanting' of Anglo-American, mega-law firm cultures did not lead to copycat strategies by German firms. However, it did lead to the emergence of a German style of corporate mega-law firm, revolutionising the German market which had long been dominated by small firms and lawyers that acted primarily as civil servants. This

8

model emerged as German lawyers responded to the threat of competition from US and English firms whose lawyers had completely different cultures of work (a preference for large firms with teams of specialised lawyers) and importantly completely different cultures of client service (lawyers as trusted advisors to business).

Exploring the way TNCs open up what Morgan (2001) describes as transnational social spaces to 'transplant' home-country cultures of work into overseas offices is the first step in better theorising the role of TNCs in processes of change. Global law firms, like most TNCs, employ locally trained, educated and 'acculturated' workers. Therefore, intra-firm spaces that help manage cultures using tools including communities of practice, expatriates, the enrolment of employees on MBA programmes and the use of management consultants' services are vital. Other strategies can also include selective recruitment (Welch and Welch, 2006) and the mentoring of existing employees by individuals 'avowed' to the firm's culture (Covaleski *et al.*, 1998). Direct management work on identity is, however, perhaps the most critical part of the process of managing cultures. Surprisingly, though, there are few detailed empirical investigations of the nature of such management work and how it interacts with the strategies Morgan (2001) describes. The rest of the paper aims to help deal with this research lacuna

Following Alvesson and Willmott (2002, 625), management work "encompasses the more or less intentional effects of social practices upon processes of identity construction and reconstruction". Whilst it is often impossible to banish many of the institutional influences on workers that Gertler (2004) describes, management work can change workers' cognition, understandings and values, thus allowing cultures of work to be changed without creating fundamental conflicts between different understandings of how 'work' is

9

defined. As Clark and Tracey (2004) suggest, this is because geographically heterogeneous social structures (institutions) might condition individuals' behaviours and cultures of work, but the influence of these structures gets reproduced over time as a result of multiple forms of agency and the strategic choice abilities of actors. Clark and Tracey draw on the work of Giddens (1984) on structuration and in particular Archer (2000) to explain this process. Archer identifies the actors involved in forms of 'cognitive' change by distinguishing between 'primary' agents who reproduce social conditions and 'corporate' agents who can influence and change conditions through their actions. In the context of national business cultures and systems this means it is important to understand how primary agents (workers usually) are influenced by national institutional contexts but also transnational social spaces opened up by the strategies of managers and even 'deviant' workers (corporate agents). The actions of corporate agents can lead to change in the cognitive frames and behaviours of primary agents when effective strategies are used to negotiate the adoption of new values.

It is these negotiations of new cultures of work that the rest of the paper examines. Analysis below of interview data relating to transnational law firms shows that the discursive strategies Alvesson and Willmott (2002) outline (table 1) are particularly important in the work of corporate agents acting as cultural entrepreneurs.[2] Influential partners act as corporate agents and seek to change lawyers' values take advantage of the fact that, as Streeck and Thelen (2005, 9) note, institutions and cultures are socially constructed and legitimised norms that are continually challenged as well as reinforced. However, as becomes clear, changing cultures is a "precarious and often contested process…Organizational

---

[2] The importance of discourse in changing social structures is something both Archer (2000) and Giddens (1984) allude to in their own work

members are not reducible to passive consumers of managerially designed and designated identities" (Alvesson and Willmott, 2002, 621). Cultural entrepreneurship and the management work of corporate agents is, therefore about producing negotiated reconciliations between what Jones (2003) calls macro- (firm-wide) and micro-cultural tropes (local variations).

3) Transnational law firms and cultures of work

Transnational law firms have gained the title of the 'trade warriors' and the 'forward guard' or 'shock troops of capitalism', thus attracting increasing attention for economic geographers (Beaverstock, 2004; Faulconbridge, 2007a; Faulconbridge and Muzio 2007, 2008; Jones, 2005, 2007) and other social scientists (Morgan and Quack, 2005; Silver, 2007). Significantly, as Morgan (2001) explains, transnational law firms don't simply adapt to host-country contexts. Rather they also seeks to spread their home-country practices worldwide, something associated with the diffusion of an Anglo-American style of lawyering, initially to continental Europe and more recently to Asia (Economist, 1996; Faulconbridge, 2007a; Quack, 2007).

More detailed reviews of the aims and strategies of transnational law firms (table 2) are provided by Beaverstock (2004), Faulconbridge (2007a, 2007b) and Jones (2007). It is, however, worth revisiting discussions of the approaches firms have used to establish global presence because of their influence on how cultures of work are managed. As Beaverstock *et al.* (1999) describe, the process of globalization in the legal industry has led to the emergence of two types of firm. First, firms with a direct presence facilitated by the establishment of an office which is staffed by local and/or expatriate lawyers.

Second, firms with indirect presence facilitated by membership of a legal

network such as Interlex or through the establishment of a 'best friends'

arrangement with 'local' law firms in overseas jurisdictions. The indirect strategy

is perhaps the least popular strategy today with all of the firms listed in table 2

relying on direct presence. This is significant because lawyers in the overseas

offices of the firms listed in table 2 are employed by a single transnational firm

and, as such, should not have conflicting commitments to multiple organizations.

It might, therefore, be expected that they would be devoted to the values of the

firm they represent and, as a result, would be responsive to management work

on culture. The very nature of 'work' in law firms, and the importance of the local

lawyer and client, does however make such an assumption problematic.

[Insert table 2 here]

'Work' in the transnational law firm

There are multiple influences upon the nature of work in transnational law firms

and these also define cultures of work; the 'rules of the game' by which

interactions between colleagues and clients are defined (Schoenberger, 1997).

First, and perhaps most fundamentally, lawyers as well as law firms continue to

be regulated at the national scale. Extensive work on the sociology of the

professions has revealed that the national or regional institutional apparatus

regulating professional work - professional associations and professional

education - itself produces distinct cultures of practice (Broadbent *et al.,* 1997;

MacDonald, 1995). [3] As Faulconbridge and Muzio (2007) describe, transnational law firms employing 'local' lawyers, therefore, encounter practitioners already socialised into particular cultures of work. Table 3 identifies some of the key values of lawyers and how they differ as a result of the influence of diverse national institutional backdrops. In line with existing work on labour geographies (Peck, 1996; Herod, 2001), this reveals the important forms of territorial and societal embeddedness that influence workers in TNCs and their cultures.

[Insert table 3 here]

Second, the nature of work in transnational law firms is also defined by the peculiarities of providing legal advice. Here the tension alluded to in table 3 between those seeing themselves as independent advisors and those familiar with legal practice as teamwork is significant. As has been described elsewhere in relation to professional service firms (Alvesson, 2002; Faulconbridge and Muzio, 2008; Grabher, 2002), there is an increasing preponderance to the organization of work through 'temporary teams' that are formed to fulfil a client's requirements and then disbanded. In transnational law firms these teams are often cross-border in nature and require cooperation and collaboration between lawyers in several jurisdictions.

The main strategy transnational law firms have used to manage this need for teamwork is the practice group. As worldwide groupings practice groups act as an umbrella under which all lawyers with the same legal speciality sit. As Faulconbridge (2007a) describes, the aim of firms is to make practice groups cohesive and based on a common set of values. To this end, each

---

[3] Of course, as Gertler (2001) points out, variations can also exist at the sub-national level. This is particularly significant in the USA where New York legal cultures are different to cultures in other cities (e.g. Chicago or Los Angeles).

practice group often has its own unique sub-culture. For example litigators, perhaps unsurprisingly, often display more ruthless attitudes to work and performance whereas corporate lawyers are more likely to engage in negotiation and debate, reflecting the norms of their legal work. Lawyers remain in the same practice group for long periods of time but have to work with international colleagues in the same and other practice groups when temporary teams are formed to fulfil the requirements of a transaction. For those less acquainted with such team-based approaches a difficult adjustment is needed, both in terms of getting used to teamwork itself but also in terms of the compromises needed to accommodate different modes of working when teams are made-up of lawyers from several countries.

Finally, thirdly, the nature of work in transnational law firms is also defined by the client. Lawyers in transnational firms are the 'trusted advisors' of business (Maister *et al.*, 2002) increasingly fulfilling commercial rather than fiduciary roles (Hanlon, 1999). This means that client expectations inform cultures of work in two overlapping ways. First, and because of the importance of repeat business and the establishment of long-term relationships with large TNCs, a core group of often US and English firms define many of the norms of service delivery. The profits generated from relationship clients and the fact that these clients often use the services of all or several of the firm's offices means their expectations form the basis of firmwide cultures of work. Second, and in contrast, cultures of work in transnational law firms are also influenced by a constant search for new business in overseas markets. As a result, and countering the affects of US and UK relationship clients, cultures of work in offices are also influenced by local norms of legal work and service delivery. In order to make, for example, German or French clients feel comfortable using an English or US transnational firm the ability to also provide services in a local

manner is essential. This means firms search for a delicate balance between firmwide values and cultures of work (macro-cultural tropes) defined by relationship clients *and* local responsiveness and integration (micro-cultural tropes).

Renegotiating 'work'

The renegotiation of cultures of work in transnational law firms is, therefore, a complex process defined by geographical variations in the meaning of work. The remainder of the paper explores the strategies of the partners involved in negotiations about cultures of work and considers how their strategies allow sensitivity to but also manipulation of the multiple influences on the way lawyers behave. This reveals the tensions that emerge between 'top down' management work and the 'bottom up' influences of both powerful local lawyers and clients. The compromises needed result in slow but subtle changes in how lawyers work in both the home-country and host-countries of transnational law firms. I explore these issues using data from interviews completed in late 2005 and early 2006 with 25 partners working in transnational law firms. The aim of these interviews, which were conducted in London and New York, was to examine the various types of management work employed by English and US transnational law firms to deal with the challenges of diverse cultures of work. As a result, charting English and US cultures of legal work, whilst important for identifying the values and norms the firm sought to reproduce, was only one of the aims of the interviews. Indeed, as has been widely noted (Jones, 2003; Trompenaars and Prud'homme, 2004), studying 'cultures' is an immensely difficult task and it often more fruitful to examine the management work used to regulate the affects of differences in cultures than it is to study 'cultures' in isolation as independent

entities. Most importantly, then, interviews sought to reveal the experiences of managing partners and other influential players in relation to strategies for managing cultures of work and their affects in different legal jurisdictions. Interviews with individuals holding such influential positions were conducted in six of the firms listed in table 2 (two English and four US firms) with interviews also completed with partners holding non-managerial positions in three of these firms. Those interviewed had experience of working and managing cultures of work in the USA (for English firms), England (for US firms), Germany and Hong Kong.

All interviews with the exception of two were recorded and transcribed. Data was used to allow a grounded theory approach to theory building to be with recurrent themes and processes identified in interview data. Themes and processes were then further explored using secondary data, primarily in the form of reports from the legal press (e.g. *The Lawyer*; *New York Lawyer*). It is, therefore, important to acknowledge that the following discussion does not claim to provide a comprehensive analysis of differences in cultures of work *per se*. Rather, the aim is to explore the processes of management work and how these respond to and are affected by the diverse cultures that exist in transnational law firms.

4) Spatial heterogeneity in legal cultures of work

Table 4 provides two examples of how the challenges posed by heterogeneous cultures of work can affect firms financially and in terms of reputation. It also points towards the strategies used to solve these conundrums. As the data shows, there is no one-way (home-country outwards), linear

rationality in the way changes in cultures of work are negotiated because of the complex forces defining different parts of work cultures. As a result, the work of influential partners in law firms is defined by the outcomes of the months or even years of careful work designed to identify the most appropriate strategy to minimise cultural difference and invoke changes in culture in each office. The starting point for understanding the strategies used is to consider how firms seek to minimise the emergence of cultural differences in the first place.

[Insert table 4 here]

Selective recruitment and promotion

A key strategy adopted by transnational law firms in their attempts to manage cultures of work is selective recruitment when opening or expanding offices (Morgan and Quack, 2005). This usually means either: (a) merging with a firm with experience of working overseas and which is populated by lawyers who are sympathetic to Anglo-American practices; and/or (b) recruiting lawyers that have educational or work experience in the UK or USA. Examining the latter strategy in detail reveals why such careful recruitment is important for firms trying to manage cultures of work and develops existing understanding of this corporate tactic.

In Clifford Chance's Tokyo office only one partner does not have a degree-level qualification from outside of Japan.[4] The most common qualification is an English or American law degree or MBA. This reflects the trend Yeung (2000) noted in the Asian context with managers with Western experience

---

[4] Data collected from Clifford Chance's website (www.cliffordchance.com) in September 2007.

influencing transitions in business systems. One partner described the effect of such careful recruitment strategies in the following terms:

> "And the lawyers that I've dealt with a lot in Europe, it's very easy to get on with them and they're probably more like minded that I'm used to when working with overseas lawyers, I guess it's because the culture is the same…I suppose we're particularly careful in whom we pick and a lot of them are more international that those I've come across before, they've come to [US firm x] because they've worked in America" (7, managing partner US firm London).

The hope is that selectively recruited lawyers will have had their cognitive frames changed by their socialising experience overseas. In effect, recruiting lawyers with experience of Anglo-American education is seen as a way of short-circuiting and reducing the strength of institutionalised norms of work, ensuring individuals are already familiar with the principles of teamwork and are aware of Anglo-American clients' expectations. As a result, all recruitment in transnational law firms is culturally selective. As the partner quoted above described:

> "Anybody coming into the practice is seen by a lot of people…And they might come in for half a day and have a whole series of half hour slots and they'll see people one after another…And part of what they'd be looking for, because they would see lawyers who wouldn't necessarily be in the same practice area so it's not going to be a technical examination, it's largely to see if they fit culturally"

Indeed, the *Lawyer* (2006a) noted how Clifford Chance was preparing for the much-expected deregulation of the Chinese market by targeting so-called 'sea turtles' or 'hai gui' – Chinese nationals who have or are currently working outside of China and are looking for an opportunity to return home. In the words of the firm's Asian Managing Partner, this strategy is a response to the fact that "While clients recognise the strengths of the domestic law firms, they've expressed a

view to us that what they really look for is to have an international law firm that knows them far better" (quoted in *The Lawyer,* 2006a). Meanwhile Freshfields Bruckhaus Deringer, formed through the merger of an English and German firm, has joint senior partners, one from England and one from Germany. Significantly the German senior partner is based jointly in London and Frankfurt and studied at a German law school before going to the Wharton School of the University of Pennsylvania.

By employing lawyers with educational experience in England or the USA transnational law firms do not hope to achieve the production of a home-country clone. Rather a layering process takes place with lawyers being accustomed and more sympathetic to US and English styles of practice. This means their cultures of work are influenced by a mix of home- and host-country norms and it is easier, as one interviewee put it, "to bring them up as an [firm x] Germany lawyer" (21). Recruiting individuals with experience in England or the USA also means responses to in-house training and expatriate management work on identity are likely to be more positive than individuals without such experience. Indeed, the response of new recruits to such management work on identity often determines an individual's career trajectory. Demonstrating commitment to the 'preferred' values and cultures of the practice-group and firm is often one of the promotion criteria in law firms. Those junior lawyers with experience in England or the USA often find it easier to adjust to such values and, as a result, are often able to gain the support needed from partners worldwide to achieve promotion to the level of senior associate or partner.[5] As one partner described this state of affairs:

---

[5] Promotion in law firms for junior lawyers is normally granted by an all-partner vote or by a committee of partners from throughout the firm. This means it is necessary for an individual to get the support of partners both in the country they work but also overseas

"if you want to control quality and make sure you're offering to the World a unique 'this is us' there has to be certain standards everyone adheres to. And that's attained through the partnership process. If you don't make those standards then you don't get in" (1, partner, US firm in London).

Of course, selective recruitment and subsequent training is not possible in all cases and even when implemented does not eliminate cultural difference. Consequently additional strategies, primarily relying on management work on identity by incumbent partners are vital.

5) Management work and the negotiation of change in identity and cultures

As Lazega (2001) describes, it is an influential cadre of senior and managing partners, famed for their ability to generate work and respected because of their technical skills, that are centrally involved in producing and renegotiating cultures of work. These individuals use their respect to gain election to senior 'managerial' positions and as corporate agents (Archer, 2000) carefully examine all of the influences described above on cultures of work (national institutional contexts, the role and nature of teamwork and client expectations) and the way these interact with and determine responses to any attempts to reproduce home-country norms. They then use this knowledge to develop strategies that have the potential to change the norms and values of lawyers overseas but also, on occasions, in the home-country of the firms.

and most importantly in the home-country of the firm, which is often over-represented on such committees.

Expatriates

As the seminal study of Edström and Galbraith (1977) highlights, expatriates can both socialize local managers into the values of the firm and provide information to headquarters about the challenges and opportunities faced when attempting to align subsidiaries with worldwide strategies. Beaverstock (2004) also notes that expatriates act as vectors for knowledge and the transfer of corporate best practices in law firms through transnational knowledge communities. Interviews completed as part of this study confirmed these suggestions. I explore the role of the 'management intelligence' expatriates can provide other partners in the section on partner negotiations below. Here I focus upon the crucial role of expatriates as they actively attempt to change the understanding and outlook of lawyers in relation to cultures of work. This reveals further insights into how expatriates form one part of a multifaceted process of discursive management of cultures of work

Expatriation strategies usually operate at the practice-group level with expatriates working in the same practice group regardless of which overseas office they temporarily dwell within. The aim is to create the connections and integration needed to allow lawyers to work as one seamless, culturally aligned team. This means expatriates reproduce the peculiar cultures of their practice group. However as Beaverstock (2002) shows, expatriates do not simply reproduce the cultures of the practice group in the office in which they temporary reside. Expatriates rarely become assimilated into the local communities they become temporary members of, instead acting as bridging agents devoted to the firm's values but also cognisant of local norms. This means they play a vital role in management work on cultures because, as one expatriate managing partner charged with establishing an overseas office commented:

"So, why a middle age Brit, first of all in Germany and then in New York?...both the cases of Germany and the US it was a strategic decision and we took the view that they were very important markets for us as an evolving global organization but they were not markets, for a variety of reasons including business cultural reasons, where it would be easy for us to grow… for that purpose you need a lot of cultural glue or you end up having a very different culture of the business" (21, English Managing Partner of New York Office of English Firm).

Expatriates can help produce, then, what Covaleski *et al.* (1998) would call an 'avowed' lawyer. As role models and through the training they offer new recruits and the peer-pressure they exert of local partners who might behave in a manner contrary to the principal home-country norms of the firm, expatriates can change the perspectives of overseas workers. Of course, this is a delicate balancing act and the aim is not to homogenise cultures of work worldwide. So when expatriates use the demands of home-country relationship clients to encourage lawyers to change their ways of working there are inevitable rebuttals from local lawyers who highlight the importance of also serving local clients in a manner to which they are accustomed. Developing knowledge of the nature of such rebuttals and identifying ways to negotiate around them is all part of the role of an expatriate. Indeed, eradicating all traces of local culture was widely recognised by interviewees to be counter-productive. As the English expatriate managing partner went on to say about the socialisation process:

"It's very difficult to do it and there are blatant examples of failure, but our clear view is that to really be an effective multi-jurisdictional organization…you've got to be a deeply rooted local Dutch firm, Belgium firm, Luxembourg firm or wherever it is. But you've also got to have a set of values, a set of priorities, set of objectives, set of shared values and strategy for the firm that binds you

together…You have to have a strong homogonous culture for the firm itself, and that's very often in quite subtle ways, its more about values, how you do things and that doesn't happen by accident you have to work at that".

As a result, the management work of expatriates' results in subtle changes in values as individuals become more committed to serving the firm and fitting with its norms but in their own personal way. This outcome mirrors the ideas of Delmestri (2006) who has shown that when workers are socialised into the culture of the firm by expatriates they often develop multiple identities that reflect both the institutionalised norms of their place of education and training but also the values of the firm. The latter often become dominant with the former 'repressed' by the individual as a display of commitment. This does not mean, though, that the former disappear. Hence there is never a homogenisation process in terms of cultures of work.

Expatriates, as agents able to actively engage in identity work but also develop management intelligence of cultural differences, tend to be used in two situations in transnational law firms. First, when 'cultural' challenges are significant and pose a threat to the effective operation of the firm. Second, during the first years of new offices, the assumption being that more established offices having a number of trusted, socialised indigenous leaders. For example, Clifford Chance has only three expatriates in its well-established thirty-four partner strong Paris office but six expatriates in its relatively new thirteen strong Tokyo office.[6] Meanwhile David Childs, the worldwide managing partner of Clifford Chance, relocated to New York in 2005 to 'steady the ship' and drive the somewhat drawn-out transition of the office into the Clifford Chance culture after

---

[6] Data collected from Clifford Chance's website (www.cliffordchance.com) in September 2007.

the firm's 2001 merger with Roger Wells (FT, 2005). In addition, in such

situations expatriates are also complemented by careful partner negotiations,

the role of which is reviewed below.

Partner negotiations

In collaboration with expatriate partners, the most influential individuals in

transnational law firms – the senior partner, practice-group leaders, and

managing partners –have a central role in the management of cultures of work.

As part of their frequent business travel to visit overseas offices (see

Faulconbridge and Beaverstock, 2008) and through speeches at all-partner

conferences, memos to partners and video-conferences these individuals use

their influence to further align the values and understandings of lawyers in

overseas offices with those of 'the firm'. Interestingly these influential individuals

are not always from the home-country of the firm. However, only those who

display allegiance to the firm's core values usually fill senior positions.

In addition to personal influence and status in the firm, various other

resources are also used in negotiations to change the perspectives and norms

of lawyers. The need to recruit US and English multinationals as clients provides

one example of how such resources are used by senior and managing partners.

All lawyers working for the firms listed in table 2 are expected to be acutely

aware of the 'trusted advisor' role they fulfil and, as one managing partner

described the use of clients as a resource for changing cultures:

> It's [the way we work] defined by the client in terms of their expectations. And
>
> businesses with the highest expectations and the most onerous requirements
>
> tends to be US businesses investing in Europe because they have a high level
>
> of expectation and a high level of sophistication in the way they use the

law…And so we tend to have developed our systems around the expectations and requirements of US businesses" (2, Managing Partner, London office of English firm).

Senior and managing partners will build, then, discursive strategies designed to convince lawyers of the legitimacy of home-country 'firm' model by drawing on relationship clients' demands. Tactics related to this include, for example, highlighting the potential for competitors to steal clients who feel they are not receiving the service they are accustomed to. This mirrors, then, Alvesson and Willmott's (2002) description of 'management work' based on discourses (table 1). Influential partners' tactics define preferred identities and position problematically the identity of lawyers displaying disliked cultures of work (parts one, two and six, of table 1). Ultimately, such an approach is important because, as one managing partner noted:

> "The trick when you've got scale is to try and develop a broadly similar view and a consensus around the specifics of the strategic direction of the firm. And it does mean an acceptance by partners of some reduction in their autonomy for the sake of performing and implementing [home-country] strategy" (2).

This approach and the consensus it produces is powerful because, as both Archer (2000) and Giddens (1984) recognise, language and discourse are mechanisms associated with the reproduction of social values and norms. Of course, this does not mean that partners in offices outside of the USA and England do not resist such change. As noted above, 'local' lawyers will engage in their own propaganda war to try and change perspectives about the appropriateness of their culture of work. Evidence of the success of this can be found in the resigned comments of the managing partner quoted above who went onto suggest, "German businesses have different expectations and

standards and also a different attitude and appreciation of the advice and service they're being given…And that's incredibly important because there are many businesses in Europe that don't appreciate the American style".

Hence we do not see the intact transfer of practices from country-to-country. Instead, compromise leads to evolutions in the perspectives of lawyers, not necessarily so that they wholeheartedly accept the practices and associated cultures emerging from the home-country of the firm, but so that layered change can occur and new, often hybrid forms of practice emerge. Therefore such change is not predictable and negotiations can fail or lead to unexpected outcomes. This mirrors the ideas presented in table 4 and it is worth investigating in more detail one of the changes described. To do this I draw on insights from interviews as well as reports in *The Lawyer (*1999, 2004, 2005), *Financial Times* (2005) and the *New York Law Journal* (2005) to unpick the management work associated with changes in remuneration cultures in one transnational law firm.

Renegotiating cultures of remuneration

For one English firm, failure to recognise the norms of partners in the New York office who were trenchantly wed to the 'eat what you kill' remuneration approach caused major problems. The rollout of home-country practices resulted in the alienation of partners in New York who began to leave the firm as a result of their dissatisfaction. Consequently the senior and managing partners spent a significant amount of time making partners both in the home- and host-country aware of this problem and sensitive to the impacts on the firm. In effect they used discursive strategies designed to change the knowledge and

understanding of partners (parts three, four, five, eight and nine of the model described in table 1). This helped change the perspectives of lawyers in both the London and New York offices and created opportunities for change in both home- and host-country cultures.

Negotiations with partners in New York were initially difficult. In part this was probably because of the lack of intelligence from expatriates due to their limited numbers in the New York office. As one partner working in New York commented about this issue:

> "right now our managing partner isn't here and he's never here…and it's hard to think how many expats are floating around, I can only come up with one and he's marginal" (20, partner, New York).

This situation was rectified when the managing partner of the firm moved to New York. As well as directly negotiating with partners, the insights he and others provided into the nature of conflicts were vital for informing negotiating tactics. This allowed the identification of the areas in which compromise might be reached and the types of changes that would satisfy partners in the overseas office.

Discussions with partners in the home-country (the London office) were facilitated by two contextual factors which provided important resources that were enrolled to help change perspective and values. First, the fact that the USA was widely seen by partners in the home-country as an important market for the firm to succeed in. Second, the problems caused by the arrival of a cohort of US firms in the City of London using the 'eat what you kill' model. US firms were poaching star lawyers by tempting them with inflated salaries that could not be offered in a 'lockstep' model. Lawyers in London already recognised the need for revisions to existing practices to address this 'poaching' problem. Knowledge of these two issues allowed firm-leaders to build discourses promoting change by

focussing on issues associated with group identity, the need for a new set of

rules of the game, and the importance of responding to changing contexts (table

1).

Ultimately the senior partner and managing partner of the firm managed

to gain agreement from partners for the introduction of a performance culture

into remuneration decisions, in contradiction to the fundamental culture of the

English lockstep. Of course, in a market seen as financially less important the

response from partners in the home-country is likely to have been far less

vigorous with interpretations of the challenges and suitable responses differing.

This means, as Gertler (2001) and Whitley (2001) have suggested that home-

country feedbacks whereby negotiations change the perspectives of those

operating in the incumbent regime are likely to be the exception rather than the

rule. Nevertheless, in each case outcomes are dependent on interactions

between contending parties that play-out differently depending on the stakes,

forms of cultural heterogeneity and actors involved. Two-way learning and

changes in home-country cultures are, therefore, always possible.

Conclusions

There has been widespread reporting of the adaptation strategies needed to

prevent 'culture clashes' in TNCs (Christopherson, 2007; Wrigley *et al*., 2005)

but, as this paper has shown, adaption is not the only strategy TNCs employ to

deal with geographically heterogeneous cultures. Increasingly important yet

somewhat understudied is the role of strategies designed to drive change in

cultures of work so as to help minimise the affects of cultural heterogeneity on

TNCs'. The analysis provided in this paper highlights two particularly important issues in relation to such cultural entrepreneurship in TNCs.

First, the value of studying the micro-level processes, strategies and forms of 'corporate' agency that lead to changes in the values and attitudes of workers in TNCs is emphasised by the research presented. The insights gained from detailed empirical study of transnational law firms and their use of selective recruitment, expatriates and management negotiations to change cultures help develop theorisations of the 'firming of places' (Dicken, 2000) and of the role of transnational networks in producing dialectic relations between TNCs' subsidiaries (Hess, 2004; Wrigley *et al.,* 2004). The findings suggest that more attention should be paid to how, when empowered with suitable forms of agency, managers are able to engage in informed bargaining that skirts around and deals with the challenges of cultural difference. Altering the cognitive frames of workers (Clark and Tracey, 2004) and creating acceptance in either home- or host-countries of new models of working can minimise (but not completely abolish) the changes needed when transferring business models between countries. This is an important strategy used by TNCs to cope with the management of corporate cultures across space and deserves further attention from economic geographers.

In addition, second, the fine-grained empirical study of cultural entrepreneurship reported here provides new insights into the nature of changes in 'national' cultures of work driven by processes of globalization (Yeung, 2000). The data examined here suggests that we should not get carried away with discussions of processes of change as evolutions are often moderate, far from teleological and the result of delicate negotiations between contending parties, the outcomes of which cannot be predicted and might even result in failure and the reactionary reinforcement of existing values. The analysis reveals, then, that

cultures get produced and reproduced as they move in transnational communities (Gertler, 2001; Morgan, 2001; Wrigley *et al.,* 2005). Nevertheless, the analysis in the paper does also suggest that, to use the terminology of Katz and Darbishire (2000), the production of converging divergences is increasingly common as a result of the work of TNCs. The data reveals that the cultures and institutionalised norms of 'primary agents' in firms can be fundamental altered by forms of management work by 'corporate agents' (Archer, 2000; Giddens, 1984). When considered in the context of work on the varieties of capitalism (Hall and Soskice, 2001), the finding, and the suggestion of micro-scale study as an approach for understanding if and how change might occur, could help geographers rectify their lacklustre attempt to engage in debates about the way globalization has produced instability in institutional regimes (Peck and Theodore, 2007). Future research might, then, examine how detailed empirical study can enhance existing understanding of the forms of pressure, imitation and influence that lead to more widespread changes that re-define not just firm-specific cultures of work but also national and/or regional norms as TNCs act as vectors for the spread' and reproduction of Anglo-American business practices in different societies. This would open-up a whole new domain of research for economic geographers.

References

Alvesson, M. (2002), *Understanding organizational culture*. London, Sage.

Alvesson, M. and Willmott, H. (2002), Identity regulation as organizational control: producing the appropriate individual. *Journal of management studies* 39 (5) 619-644.

Archer, M. S. (2000), *Being human: the problem of agency*. Cambridge: Cambridge University Press.

Beaverstock, J. V. (2004), 'Managing across borders': knowledge management and expatriation in professional legal service firms. *Journal of Economic Geography* 4: 157-179.

Beaverstock, J. V. (2002), Transnational elites in global cities: British expatriates in Singapore's financial district. *Geoforum* 33 525-538.

Beaverstock, J V., Smith, R., Taylor, P J. (1999), The long arm of the law: London's law firms in a globalising world economy. *Environment and Planning A* 13: 1857-1876.

Bjerke, B. (1999), *Business leadership and culture*. Cheltenham, Edward Elgar.

Broadbent, J., Dietrich, M., and Roberts, J. (1997), *The end of the professions? The restructuring of professional work.* London and New York: Routledge.

Christopherson, S. (2007), Barriers to 'US style' lean retailing: the case of Wal-Mart's failure in Germany. *Journal of Economic Geography* 7: 451-469.

Clark, G., Tracey, P. (2004), *Global competitiveness and innovation. An agent-centred perspective*. Basingstoke: Palgrave Macmillan.

Clark, G. L., Mansfield, D., Tickell, A. (2002), Global finance and the German model: German corporations, market incentives, and the management of employer-sponsored pension institutions. *Transactions of the Institute of British Geographers NS* 27: 91-110.

Coe, N., Wrigley, N. (2007), Host economy impacts of transnational retail: the research agenda. *Journal of Economic Geography* 7: 341-371.

Crouch, C. (2005), *Capitalist diversity and change. Recombinant governance and institutional entrepreneurs.* Oxford: Oxford University Press.

Covaleski, M. A., Dirsmith, M. W., Heian, J. B., Samuel, S. (1998), The calculated and the avowed: techniques of discipline and struggle over identity in Big Six public accounting firms. *Administrative Science Quarterly* 43: 293-327.

Delmestri, G. (2006), Streams of inconsistent institutional influences: middle managers as carriers of multiple identities. *Human Relations* 59: 1515-1541.

Dicken, P. (2000), Places and flows: situating international investment. In Clark, G L., Feldman, M., Gertler, M. (Eds). *The Oxford handbook of economic geography* Oxford: Oxford University Press: 275-291.

Djelic, M.-L. (1998), *Exporting the American model. The postwar transformation of European business*. Oxford: Oxford University Press.

Economist, The. (1996), The globalisation of corporate law. *The Economist.* November 1996: 109-112.

Edström, A., Galbraith, J. R. (1977), Transfer of managers as a coordination and control strategy in multinational organizations. *Administrative Science Quarterly* 24: 248-263.

Faulconbridge, J. R. (2007), London and New York's advertising and law clusters and their networks of learning: relational methodologies and scalar reflections. *Urban Studies* 44 (9) 1635-1656.

Faulconbridge, J. R. (2007), Relational spaces of knowledge production in transnational law firms. *Geoforum* 38 (3) 925-940.

Faulconbridge, J. R. and Muzio, D. (2007), Reinserting the professional into the study of professional service firms: the case of law. *Global Networks* 7 (3) 249-270.

Faulconbridge, J. R. and Muzio, D. (2008), Organizational professionalism in globalizing law firms. *Work, Employment and Society* 22 (1) 7-25.

Flood, J. (2007), Lawyers as Sanctifiers: The Role of Elite Law Firms in International Business Transactions. *Indiana Journal of Global Legal Studies* 14 (1) 35-66.

Flood, J. (1989), Megalaw in the UK: professionalism or corporatism? A preliminary report. *Indiana Law Journal.* Summer 1989: 569-592.

Financial Times, The. (2005), UK head of Clifford Chance focuses on shake-up with move to New York. *The Financial Times* January 5th 2005

Garud, R., Hardy, C., Maguire, S. (2007), Institutional entrepreneurship as embedded agency: an introduction to the special issue. *Organization Studies* 28: 957-969.

Gertler, M. S. (2004), *Manufacturing culture.* Oxford, Oxford University press.

Gertler, M. S. (2001), Best practice: Geography, learning and the institutional limits to strong convergence. *Journal of Economic Geography* 1: 5-26.

Grabher, G. (2002), Cool projects, boring institutions: temporary collaboration in social context. *Regional Studies* 36 (3) 205-214.

Giddens, A. (1984), *The constitution of society*. Cambridge: Polity Press.

Greenwood, R., Suddaby, R. (2006), Institutional entrepreneurship in mature fields: the big five accounting firms. *Academy of Management Journal* 49: 27-48.

Hall, P. A. and Soskice, D. (2001), *Varieties of capitalism. The institutional foundations of comparative advantage*. Oxford, Oxford University Press.

Hanlon, G. (1999), *Lawyers, the state and the market. Professionalism revisited*. London: MacMillan Business.

Herod, A. (2001), Labor internationalism and the contradictions of globalization: Or, why the local is sometimes still important in a global economy. *Antipode* 33 (3) 407-426.

Hess, M. (2004), 'Spatial' relationships? Towards a reconceptualization of embeddedness. *Progress in Human Geography* 28 (2): 165-186

Hess, M. and Yeung, H. W.-C. 2006. Whither global production networks in economic geography? *Environment and Planning A* 38 (7) 1193-1204.

Jones, A. (2008), Beyond embeddedness: economic practices and the invisible dimensions of transnational business activity. *Progress in Human Geography* 32 (1) 71-88.

Jones, A. (2007), More than 'managing across borders?' The complex role of face-to-face interaction in globalizing law firms. *Journal of Economic Geography* 7: 223-246.

Jones, A. (2005), Truly global corporations? Theorizing organizational globalisation in advanced business-services. *Journal of Economic Geography* 5: 177-200.

Jones, A. (2003), *Management consultancy and banking in an era of globalization*. Basingstoke, Palgrave Macmillan.

Katz, H and Darbishire, O. (2000), *Converging divergences: worldwide changes in employment systems*. Ithaca, NY: Cornell University Press.

Lane, C., Potton, M., Littek, W. (2002), The professions between state and market. A cross-national study of convergence and divergence. *European Societies*: 235-260.

Lawyer, The. (1999), Square Mile. *The Lawyer*: 8th September.

Lawyer, The. (2004), Lockstep revolution beckons. *The Lawyer:* 8th March.

Lawyer, The. (2005), CC's Cornell warns lockstep must become more flexible. *The Lawyer:* 28th February.

Lawyer, The. (2006a), CC ready for Chinese joint venture. *The Lawyer* 30th August 2006.

Lawyer, The. (2006b), *The Lawyer Global 100*. London: The Lawyer.

Lazega, E. (2001), *The collegial phenomenon. The social mechanisms of cooperation among peers in a corporate law partnership*. Oxford: Oxford University Press.

MacDonald, K. M. (1995), *The sociology of the professions*. London, Sage.

Maister, D., Galford, R. and Green, C. (2002), *The trusted advisor*. London, Free Press.

Morgan, G. (2001), Transnational communities and business systems. *Global Networks* 1: 113-130.

Morgan, G., Quack, S. (2005), Institutional legacies and firm dynamics: the growth and internationalization of UK and German law firms. *Organization Studies* 26 (12): 1765-1785.

New York Law Journal, The. (2005), Clifford Chance partners approve reform of lockstep compensation system. *New York Law Journal* 19th December.

Peck, J. 1996. *Work-place: the social regulation of labor*. New York, Guilford Press.

Peck, J. and Theodore, N. (2007), Variegated capitalism. *Progress in Human Geography* 31 (6) 731-772.

Quack, S. (2007), Legal professionals and transnational law-making: a case of distributed agency. *Organization* 14: 643-666.

Saxenian, A. (1994), *Regional advantage. Culture and competition in Silicon Valley and route 128*. London, Harvard University press.

Schoenberger, E. (1999), The firm in the region and the region in the firm. In Barnes,

TJ., Gertler, M. (Eds). *The new industrial geography. Regions, regulations and*

institutions. London & New York: Routledge: 205-224.

Schoenberger, E. (1997), *The cultural crisis of the firm.* Oxford, Blackwell.

Silver, C. (2007), Local Matters: Internationalizing Strategies for U.S. Law Firms.

Indiana Journal of Global Legal Studies 14 (1) 67-93.

Streeck, W., Thelen, K. (2005), Introduction: institutional change in advanced political

economies. In Streeck, W., Thelen, K. (Eds), *Beyond continuity: institutional change*

in advanced political economies: 1-39. Oxford: Oxford University Press.

Trompenaars, F. and Prud'homme, P. (2004), *Managing change across corporate*

cultures. Chichester, Capstone Publishing.

Whitley, R. (2001), How and why are international firms different? The consequences of

cross-border managerial coordination for firm characteristics and behaviour. In

Morgan, G, Kristensen, PH., Whitley, R. (Eds), *The multinational firm. Organizing*

across institutional and national divides Oxford: Oxford University Press: 27-68.

Wójcik, D. (2006). Convergence in corporate governance: evidence from Europe and the

challenge for economic geography. *Journal of Economic Geography* 6: 639-660.

Wrigley, N., Coe, N., Currah, A. (2005), Globalizing retail: conceptualizing the

distribution-based transnational corporation (TNC). *Progress in Human Geography*

29: 437-457.

Yeung, H. W.-C. (2005) Rethinking relational economic geography. *Transactions of the*

Institute of British Geographers NS 30 (1) 37-51.

Yeung, H W-C. (2000), The dynamics of Asian business systems in a globalizing era.

Review of International Political Economy 7 (3): 399-433.

Table 1. The nine types of discursive strategy that can be used in 'management work' on identity.
Source: Alvesson and Willmott (2002, 629-632).

	Discursive strategy	Description of strategy
1	Defining a person directly	Explicit reference to key characteristics that all workers should base behaviours upon
2	Defining a person by defining others	The relational positioning of ideal behaviours by highlighting the appropriateness and inappropriateness of others' behaviour
3	Providing a vocabulary of motives	An interpretive framework is provided that workers can assess their behaviour against
4	Explicating morals and values	Espoused ideals exist as well as a clear identification disliked practices.
5	Knowledge and skills	Processes are used to ensure workers become influenced by knowledges that will promote certain forms of behaviour
6	Group categorization and affiliation	The dividing up of the world into 'us' versus 'them' at the level of groups of individuals or firms.
7	Hierarchical location	Helping workers identify 'who they are' in relation to others in the organization and what behaviours are expected as a result.
8	Establishing rules of the game	Identifying a natural way of doing things and communicating it to others.
9	Defining the context	Describing the conditions in which the organization exists and the influence on expectations

Table 2. Leading global law firms.
Source: The Lawyer (2006b) and fieldwork.
* Original firm (Freshfields) merged with German firm.
N/A: data not available

Firm	Country of Origin	Revenue (£M)	Lawyers	Remuneration model	Offices (2006)
Clifford Chance	England	1,030	2,432	Lockstep	28
Linklaters	England	935	2,072	Lockstep	30
Skadden Arps Slate Meagher & Flom	USA	885	1,699	Merit-based	22
Freshfields Bruckhaus Deringer	England*	882	2,013	Lockstep	28
DLA Piper Rudnick Grey Cary	England	856	2,900	Merit	59
Latham & Watkins	USA	776	1,669	Merit-based lockstep	22
Baker & McKenzie	USA	743	2,975	Varies by jurisdiction	70
Allen & Overy	England	736	1,760	Lockstep	25
Jones Day	USA	706	2,178	Merit	29
Sidley Austin Brown & Wood	USA	618	1,495	Lockstep	16
White & Case	USA	575	1,783	Merit-based lockstep	38
Weil Gotshal & Manges	USA	559	1,129	Merit	20
Mayer Brown Rowe & Maw	USA	539	1,331	Merit	14
Kirkland & Ellis	USA	533	1,056	N/A	8
Sullivan & Cromwell	USA	481	589	N/A	44
Shearman Sterling	USA	459	910	Merit-based lockstep	19
Wilmer Cutler Pickering Hale & Dorr	USA	448	976	N/A	15
McDermott Will & Emery	USA	439	1,018	N/A	14
Lovells	England	396	1,353	N/A	26
Dechert	USA	317	831	Merit-based lockstep	18

Table 3. Exemplary differences between national legal business systems and cultures.
Source: Fieldwork and Flood (1989), Hanlon (1999), Lane *et al.* (2002) and Morgan and Quack (2005).

Facet business culture	Differences between jurisdictions	Explanations and examples
Independence of professionals and role of commercialism in legal advice	The role of lawyers in society is diverse thanks to variable heritages influenced by lawyers' relationship with the state.	• US lawyers are zealous promoters of capitalism and have always been autonomous from the state. Large corporate law firms emerged in the early 1900s; • English lawyers increasingly entrepreneurial from 1960s onwards. Large law firms (more than 25 partners) allowed since 1967; • Germany lawyers traditionally civil servants and advised corporations of *the* law and its requirements, not how to manipulate it. Only recently has the idea of lawyers as corporate service providers emerged and only since 1987 have large corporate law firms been permitted.
Remuneration structure	The 'lockstep' system (all partners share profits with individual's share determined by seniority) versus 'eat what you kill' (an individual's profits reflect those they generated for the firm).	• The perception of lawyers being 'defenders' of capitalism in the USA leads to increased use of judicial processes with one corporate lawyer defending or promoting the case of their client to a judge. Consequently, eat what you kill individualism dominates. • English corporate lawyers rarely find themselves in such an adversarial courtroom role, instead normally acting as a team to negotiate on behalf of a client. Lockstep system thus preferred.
Lawyers as autonomous sole practitioners versus team-workers	Most marked between civil law (autonomous individuals) and common law jurisdictions.	• Anglo-American common law lawyers used to working in teams to deal with the complexities of interpreting regulation. • Continental European civil law lawyers used to acting as autonomous technical experts where value gained from an individual's expertise.

Table 4. The effects of negotiations on the practices of lawyers in overseas offices.
Source: Interviews, *The Lawyer* (1999, 2004, 2005) and *Financial Times* (2005).

Situation	Influences on meanings of work causing differences	Implications	Change strategy employed	Quote exemplifying challenge/solution
Offices outside of USA and Western Europe weren't meeting service standards and following 'best practice' procedures used in merger and acquisitions transactions.	Experience of 'team-working' and understanding of the need for procedures all follow when in a big team varied between jurisdictions.	Transnational clients do not receive the same standard of service from each office.	Practice-leaders from 'gold standard' jurisdictions, respected because of their expertise and track-record, coach colleagues in other offices and socialise them into the firm's 'best practice'.	"There are only certain offices in the network that are allowed to run multi-jurisdictional deals. They tend to be the money markets, so Chicago, New York, London and Frankfurt. So we tend to find that they're the offices that go off and train other offices on what the practices are for doing a multi-jurisdictional deal. So once a year, people from the London office go off and train all of Latin America associates on global M&A and try and get them to buy into our ways of working (1, partner, London).
Different remuneration cultures (i.e. eat what you kill versus lockstep).	Educational experiences, confounded by differing degrees of individualism and collaboration in work generally, created variations in cultures of pay between countries.	Implementation of worldwide model necessary to create an integrated partnership.	Develop hybrid model that adapts lockstep to allow super point rewards for exceptional performance. Lawyers had to be convinced by the managing and senior partner that this change was right for the firm.	"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 with a different set of values, primarily because if you have a different culture with a different set of values, and you're persisting with the 'one firm' approach, you can't help but to have real tensions because the cultures just don't mesh" (2, managing partner, London).