

**Evidence Based Management in a Law Firm:  
The Example of Creating a New Practice Area—An Action Research Inquiry**

Thesis submitted in accordance with the requirements  
of the University of Liverpool for the degree of  
Doctor of Business Administration by Steffen Helbing

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<b>1.</b>	<b>Table of Contents</b>	
<b>1.</b>	<b>Table of Contents</b> .....	<b>2</b>
<b>2.</b>	<b>Table of Figures</b> .....	<b>5</b>
<b>3.</b>	<b>List of Abbreviations</b> .....	<b>6</b>
<b>4.</b>	<b>Abstract</b> .....	<b>7</b>
<b>5.</b>	<b>Introduction</b> .....	<b>8</b>
<b>5.1</b>	<b>Background of the research</b> .....	<b>9</b>
<b>5.2</b>	<b>Thesis outline</b> .....	<b>9</b>
<b>5.3</b>	<b>Research justification</b> .....	<b>13</b>
<b>5.4</b>	<b>Intended contributions of this research</b> .....	<b>14</b>
<b>5.5</b>	<b>The research site and locus of intended change</b> .....	<b>15</b>
<b>5.6</b>	<b>The researcher and the challenges of insider research</b> .....	<b>17</b>
5.6.1	Epistemological and ontological assumptions .....	18
5.6.2	Dealing with role duality .....	18
5.6.3	Dealing with pre-understanding .....	19
5.6.4	Dealing with organizational politics .....	19
<b>5.7</b>	<b>The action research (AR) framework and aim of the DBA dissertation</b> .....	<b>19</b>
<b>5.8</b>	<b>Decision-making in management as a search-inference process</b> .....	<b>21</b>
<b>6.</b>	<b>Research design and theoretical background</b> .....	<b>23</b>
<b>6.1</b>	<b>Research question and initial hypotheses</b> .....	<b>23</b>
6.1.1	Importance of the research question .....	23
6.1.2	Impact of the research goals on the research question .....	23
6.1.3	Different goals require multiple formulations of the research question .....	24
6.1.4	Definition of the research question .....	25
<b>6.2</b>	<b>Research methodology</b> .....	<b>30</b>
6.2.1	Using insider AR as a mode of inquiry .....	30
6.2.2	Data collection .....	31
6.2.3	Data analysis .....	33
6.2.4	Verification of results and the validity of research .....	34
<b>6.3</b>	<b>Evidence based management (EBM)</b> .....	<b>35</b>
6.3.1	EBM, a framework for decision-making.....	35
6.3.2	Causal models as the basis of EBM .....	37
6.3.3	Fundamental critique of EBM .....	39
6.3.4	The tension between EBM and AR.....	46
6.3.5	EBM: Types and sources of evidence.....	46
6.3.6	EBM and CIMO .....	52
6.3.7	EBM and Bayesian Inference .....	55
<b>7.</b>	<b>Literature Review</b> .....	<b>57</b>
<b>7.1</b>	<b>Literature as data - literature reviews in EBM</b> .....	<b>57</b>
<b>7.2</b>	<b>Methodology of literature review</b> .....	<b>58</b>
7.2.1	Systematic literature review .....	58

7.2.2	Overview: Steps of the literature review .....	59
7.2.3	Literature review as an information retrieval process .....	60
<b>7.3</b>	<b>Scope of review .....</b>	<b>63</b>
7.3.1	Level 1: The management of professional service firms (PSFs) .....	64
7.3.2	Level 2: Antecedents and drivers of innovation in PSFs .....	64
7.3.3	Level 3: Creation of new practice areas in PSFs .....	64
7.3.4	Level 4: How can we foster innovative practices in the creation of practice areas? .....	65
<b>7.4</b>	<b>Detailed analysis of literature .....</b>	<b>65</b>
7.4.1	Presentation of literature review results .....	66
7.4.2	Articles excluded from the presentation for brevity .....	66
7.4.3	The literature landscape on practice area creation .....	67
7.4.4	Maister, D.H., 1982. Balancing the PSF .....	80
7.4.5	Anand, N., Heidi K. Gardner, and Morris, T. Knowledge-Based Innovation: Emergence and Embedding of New Practice Areas in Management Consulting Firms. ....	83
7.4.6	Brock, D.M. and Segal-Horn, S., 2012. The globalizing professional service firm: managerial and organizational challenges .....	87
7.4.7	Fischer, A., 2011. Recognizing opportunities: Initiating service innovation in PSFs .....	89
7.4.8	Fosstenl�kken, S.M. L�wendahl, B.R., and Revang, �., 2003. Knowledge Development through Client Interaction: A Comparative Study; L�wendahl, B.R, Revang, �., and Fosstenl�kken, S.M., 2001. Knowledge and value creation in professional service firms: A framework for analysis; L�wendahl, B.R, 2012. Entrepreneurial strategies for professional service firms .....	93
7.4.9	Heusinkveld, S. and Benders, J., 2002. Between Professional Dedication and Corporate Design: Exploring Forms of New Concept Development in Consultancies; Heusinkveld, S., Benders, J., and van den Berg, R.-J., 2009. From market sensing to new concept development in consultancies: The role of information processing and organizational capabilities; Heusinkveld, S.; Benders, Jos; van den Berg, R.-J., 2012. New practice development in professional service firms: the role of market sensing .....	98
7.4.10	Hogan, S.J., <i>et al.</i> , 2011. Reconceptualising professional service firm innovation capability: Scale development .....	100
7.4.11	Greenhalgh, T., <i>et al.</i> , 2004. Diffusion of Innovations in Service Organizations: Systematic Review and Recommendations .....	102
<b>7.5</b>	<b>Summary of the literature review .....</b>	<b>105</b>
<b>8.</b>	<b>Creating local change .....</b>	<b>109</b>
<b>8.1</b>	<b>Change as an intentional, structured process .....</b>	<b>109</b>
<b>8.2</b>	<b>Local goal orientation and research validity .....</b>	<b>110</b>
<b>8.3</b>	<b>Structure of the local action research (AR) project .....</b>	<b>112</b>
8.3.1	Dimensions of framing the AR project .....	113
8.3.2	The project structure in the original research proposal .....	113
8.3.3	First revision of the project structure .....	114
8.3.4	The final AR project structure .....	117
<b>8.4</b>	<b>Local context at the research site – In-depth description of Calibur Law .....</b>	<b>118</b>
8.4.1	Local experience as “evidence” in the EBM framework .....	119
8.4.2	Local history as the basis of local discourse underlying organizational change .....	119
8.4.3	Local history and action research .....	120
8.4.4	History of the firm .....	121

8.4.5	Organizational structure .....	123
8.4.6	Compensation system.....	128
8.4.7	Standardization .....	129
8.4.8	Human resource management .....	130
8.4.9	Knowledge management .....	130
8.4.10	Role of marketing.....	131
8.4.11	Conflict management.....	131
<b>8.5</b>	<b>The local history of practice area creation .....</b>	<b>132</b>
8.5.1	Methodological approach to the local history of practice area creation .....	132
8.5.2	Vignette 1—Failed creation of the audit business (2007) .....	134
8.5.3	Vignette 2—Tax law practice: Doing it right the third time? (2010–2015) .....	137
8.5.4	Vignette 3—Construction law: (Des-) integration of candidates (2014 and 2015) .....	143
8.5.5	Vignette 4—More of the same: Building notary practices (1990–2015).....	146
<b>8.6</b>	<b>The local causal model of practice area creation .....</b>	<b>149</b>
8.6.1	Overview of local causal model .....	149
8.6.2	Localizing interventions .....	150
8.6.3	Expanding the four-quadrant model of practice area creation.....	154
<b>8.7</b>	<b>Creating a new practice area through the AR process.....</b>	<b>155</b>
8.7.1	Stakeholder positions on creating a new practice area.....	155
8.7.2	Using the local causal model to plan intentional change .....	157
8.7.3	Development of the new practice area .....	163
<b>8.8</b>	<b>Local learning from the action research process.....</b>	<b>168</b>
8.8.1	My personal learning .....	168
8.8.2	Organizational learning.....	168
<b>9.</b>	<b>Limitations of research and future inquiry.....</b>	<b>170</b>
<b>10.</b>	<b>Personal reflections .....</b>	<b>172</b>
<b>10.1</b>	<b>Personal and organizational development is not an isolated process.....</b>	<b>173</b>
<b>10.2</b>	<b>Telling my one story in different ways .....</b>	<b>173</b>
10.2.1	It could have been a different dissertation.....	173
10.2.2	A different audience, a different presentation.....	175
<b>10.3</b>	<b>Living the story .....</b>	<b>177</b>
<b>10.4</b>	<b>Dealing with conflict, emotional turmoil and evolving relationships.....</b>	<b>177</b>
<b>10.5</b>	<b>In a nutshell: Learning to live with paradox .....</b>	<b>178</b>

## 2. Table of Figures

Figure 1 - Intended knowledge claims of this research.....	15
Figure 2 - Pyramid of question formulation .....	25
Figure 3 - The AR action-reflection cycle.....	30
Figure 4 - The circular process of theory development and testing.....	31
Figure 5 - Causal models as the basis of EBM decision-making .....	37
Figure 6 - Causal model and statistical distribution of outcomes .....	39
Figure 7 - The iterative process of goal-oriented EBM.....	41
Figure 8 - The role of stakeholder values and ethics in decision-making.....	44
Figure 9 - Generalized and local knowledge in the localized causal model .....	48
Figure 10 - CGIMO and action research .....	55
Figure 11 - The connection between local context and literature review .....	59
Figure 12 - Systematic literature review and localized causal model .....	62
Figure 13 - Venn diagram of literature retrieved .....	63
Figure 14 - Model of service and employment market by Maister (1982, p. 25) .....	81
Figure 15 - Market sensing as information processing and resource matching .....	99
Figure 16 - Aim for transformatory change over time .....	116
Figure 17 - Widening income gap by department.....	129
Figure 18 - The localized causal model of practice area creation .....	149
Figure 19 - Expansion of the four-quadrant model.....	155
Figure 20 - Service description from current marketing material (translation from German) .....	166
Figure 21 – Restructuring cycle from the marketing material (translation from German).....	167

### 3. List of Abbreviations

AR	Action Research
CGIMO	[framework] Context, Goal, Intervention, Mechanism, Outcome
CIMO	[framework] Context, Intervention, Mechanism, Outcome
EBM	Evidence Based Management
e.g.	for example
PSF	Professional Service Firm
RBV	Resource Based View

#### 4. Abstract

**Title:** Evidence Based Management in a Law Firm: The Example of Creating a New Practice Area—An Action Research Inquiry  
**Author:** Steffen Helbing  
**Keywords:** Evidence Based Management, Action Research, Practice Area Creation, CIMO, Professional Services Firm, Law Firm, Insider Research, DBA

This dissertation presents an insider action research (AR) project in a mid-sized German law firm. The research created positive organizational change in the firm by (i) producing an explicit generic decision-making strategy applicable to the local context based on evidence based management (EBM), and (ii) the implementation of a new practice area, *business restructuring services*, through the application of this generic strategy.

The research contributes to the existing literature on EBM the concept of *causal models*, providing a link between academic knowledge described by generalized causal models and local, context-dependent interventions based on a localized causal model.

The study seeks to make explicit how the concept of EBM can be applied in a real-world context and how its limitations, namely in dealing with resource constraints, conflicting stakeholder positions and ethical constraints, can be approached. It provides an example of how an explicit design methodology rooted in a localized causal model was used to create the new practice area based on the analysis of evidence from academic knowledge and the local context.

Additionally, the dissertation shows how findings on different levels of analysis, such as academic knowledge, local context and organizational consensus may be integrated and presented. The research argues for the treatment of the literature as an important but unprivileged type of evidence used in the creation of causal models.

The research contributes to the AR literature by outlining the challenges to a participatory approach in the cultural context of a business law firm and delineating a model for creating change in this environment.



## 5. Introduction

The research of this DBA dissertation is situated in the context of my workplace, a mid-sized German law firm (codenamed “Calibur Law”) comprising about 50 legal and tax professionals as well as 100 staff members.

The overarching, practice-oriented research question is

*“How can we foster innovative practices—i.e. in the creation of new practice areas—in the context of our law firm?”*

As often is the case with action research (AR) projects (McNiff and Whitehead, 2011), the scope of the research question has expanded and narrowed during the 18 months of study. The research began with the goal to create at least one innovative, successful new practice area in Calibur law and thereby discern how practice areas can be developed in professional service firms (PSFs) in general.

Due to my growing interest in evidence based management (EBM; Briner 2007, Pfeffer and Sutton 2007, Rousseau and McCarthy 2007, Rousseau *et al.* 2008, Briner *et al.* 2009, Reay *et al.* 2009, Rousseau 2012, Gibbons and Woock 2013, Barends *et al.* 2014b), I began to ask

*“Can EBM be a tool to support the management of our own firm and what preconditions need to exist for its effective use?”*

I thereby created a second research question interwoven within the meta level of my research writing (Zuber-Skerritt and Perry, 2002) and the question of systemic change to management practice (Zuber-Skerritt and Fletcher, 2007; Reason and Bradbury, 2008).

To integrate my roles as DBA researcher and managing partner, the research bridges the gap between academic knowledge and practice by its discovery of existing knowledge on innovation processes in professional service firms (PSF) and the transfer of this knowledge to context-specific decisions through a defined, replicable approach.

## 5.1 Background of the research

PSF, such as a law or accounting firm, are a distinct type of organization characterized by high knowledge-intensity, low capital-intensity, and a professionalized workforce (Nordenflycht, 2010). Although this characterization has been criticized for certain types of PSF (Zardkoohi *et al.*, 2011), it has been used successfully as a framework delineating the challenges faced by the management of such firms (Kipping and Kirkpatrick, 2013).

Unlike companies that deliver physical products (such as car manufacturers or IT hardware vendors) and companies with an offering of narrowly specified services (such as repair services), the core offering of a PSF is the “practice area” (Anand *et al.*, 2007), which can be understood as a “container” of different, closely related services (Reihlen and Werr, 2012a). In the context of law firms, such a practice area may be the fields of family law, bankruptcy law or tax law, while a firm of architects may distinguish planning services for private home owners from those for commercial buildings.

Independent of the type of business, a wide range of management scholars agree that innovation is one of the core pillars of long-term business sustainability (Nightingale, 1998; Kash and Rycroft, 2002). As practice areas are the core delimitation of the service offerings of PSF, innovation in PSF largely relates to the creation and long-term embedding of new practices (Baba and HakemZadeh 2012, Barends *et al.* 2014b, Barends *et al.* 2014a).

## 5.2 Thesis outline

The format of this dissertation is loosely defined by the process model of EBM and the logic of the search-inference framework used, which are embedded in the iterative cycles of dissertation writing suggested by Zuber-Skerritt and Perry (2002). It moves from the general theme of the EBM concept, over the development of the idea of causal models for transferring evidence between contexts to gathering such evidence using the literature as well as information from the local context as data. From the localized causal model based on this evidence, concrete interventions are formulated and applied in a local change project.

The analysis deviates from the typical analysis presented in EBM research by loosening the hierarchy of evidence. In an attempt to overcome limitations of EBM that have been identified in the literature (Morrell, 2008; Morrell *et al.*, 2015), the study includes a model to transfer academic knowledge to a localized context and clarifies the role of ethical restraints. As its main challenge, the structure of the presentation seeks to deal with the multiple levels of analysis and various frameworks combined.

While the open and participatory worldview of AR (Borda in Reason and Bradbury 2008, p. 27) is at odds with the tendency of the EBM literature to narrowly limit the understanding of evidence and process in business decision-making (Baba and HakemZadeh, 2012), combining the two creates an effective working model of decision-making.

One of the main challenges I found in presenting this research is the need to consider the cyclical nature of AR, the interdependence between local context and action as well as existing and generated academic knowledge. These circumstances often required moving among different levels of analysis, revising results and clarifying the role of the individual context within my findings. While traditional research publications typically present the final, revised results, this text discloses the research journey and states intermediary results.

This text will reflect on my role as an insider researcher (see section 0) and provide a general outline of the AR strategy (see section 5.7). It then discusses the research design (see section 0), first describing the initial research question underlying the research project (see section 0) and its evolution over the project time.

This is followed by a detailed discussion of the research methodology (see section 0), including the link and tensions between general concepts of AR and the concrete methodologies used, particularly the tools of qualitative research and the understanding of literature as data. This section also addresses the process of data collection, the process of data analysis and the steps taken to ensure the validity of research results.

The presentation next seeks to link the research project to the goal of implementing local change. It introduces EBM as a strategy to devise management decisions based on evidence from academic sources, local contexts and stakeholder analysis (section 6.3). This dissertation project approaches

EBM as the link between generalized public knowledge and local application. In the spirit of critical appraisal, it suggests modifications to EBM strategies in order to consider the issues of managerialism, exclusionary stance and simplification (section 6.3.3).

This study offers the CIMO framework as a bridge connecting different types and levels of evidence by looking at the context, intervention, regulating mechanisms and outcomes (section 0). The discussion then describes how EBM may be embedded in the wider context of management decision-making by integrating the philosophical concept of Bayesian inference (section 6.3.7).

The introductory chapter closes by summarizing the justification for the current research in terms of the involved academic principles and ethical requirements for insider research (section 5.3).

As the first step to exploring evidence on the research question, the dissertation undertakes a systematic literature review (section 7). This chapter starts with a critical appraisal of systematic literature reviews in EBM (section 7.1) before discussing the methodology employed (section 7.2).

A literature review in the context of EBM is an information retrieval process that may require different formulations of the research question depending on the level of analysis (section 6.1.3.) It introduces the notion that a localized causal model can link the different forms of evidence and local action and decision-making (section 7.2.3.4).

The section then identifies the literature satisfying the search criteria in an overview form as well as detailed exemplary summaries for a selected number of articles, relating their content to a causal model (section 7.4). The discussion acknowledges the CIMO framework as the interface to connect the literature to the decision-making process and scrutinises selected texts to discern the different elements of the framework. Notes in the page margins give easier access to these elements.

The dissertation then describes how I used the evidence collected from the literature and integrated into a causal model as a starting point for the local AR project. Because of the special role of collecting and analysing local, context-specific data in insider AR and EBM, the process of data analysis and collection is discussed in detail.

The structure of the local AR project – the actual change endeavour undertaken – has changed significantly since its inception; section 8.3 provides an account of these changes, with an emphasis on researcher positioning, the mode of participation and the navigation of organizational politics.

By providing a bounding box for the potential states of reality, the localized causal model allows for the reduction of an overly complex system to its micro elements, thereby allowing one to develop plausible explanations of the inner workings of the system (Bedau in Greve, (2011, p. 59)). The model is an important communication tool utilizing the CIMO framework to map insights from the literature to the local context.

To make sense of the local data collected and to deepen the understanding of the localized causal model, the dissertation provides a rich narrative description of the local context at Calibur Law, including its history and organizational configuration (section 8.4) as well as a narrative of four attempts of practice area creation at the firm. These are conveyed in the form of short vignettes and serve as brief case studies (section 0). This section takes care to map the specific phenomena of the cases to the model using the CIMO framework.

The localized causal model developed integrates a general, four-quadrant model of business development PSF with a process model that defines path-dependent steps for the creation and sustainable embedding of a new practice area (section 1.1.1).

This analytical section is followed by a timeline-oriented description of the AR intervention: the creation of the practice of corporate restructuring at Calibur Law (section 8.7). It includes a dissection of the complicated and messy discussion among stakeholders in the process (section 0). A specific detail of the final project was the co-operation with another PSF of organizational psychologists. This co-operation brought additional challenges and opportunities, leading to the co-embedding of new practice areas (section 8.7.3.3).

Following analysis of the insight gained from the change project, the dissertation sums up local learning from the perspectives of personal learning, team learning and organizational learning (section 8.8).

The final chapter discusses the results of the research, as well as its limitations and the potential for future inquiry (section 0).

The dissertation closes with my personal reflections on the project and a discussion of my personal development from an AR and dissertation perspective (section 0).

### 5.3 Research justification

Practice-oriented research is subject to a two-fold requirement of justification by the academic need to contribute to knowledge, by filling a gap in the existing literature and by the need for action in the relevant organization. While the first two requirements reflect the traditional notion of the advancement of knowledge, the last reflects the ethical requirement that all action requiring the resources of an organization should contribute to the advancement of the organization.

This research describes in detail how the local organization has struggled to find a systematic method of developing a new practice area. In terms of the immediate action, the nature of the issue as a pressing unsolved problem of the organization and the research's potential to support the decision-making process by this research may be sufficient to justify the research. The imperative of the local change process in the notion of EBM does, however, require additional reflection on the resources required.

In terms of academic knowledge, there is comparatively scarce research on the immediate issue of practice area creation in PSF, and a subsequent lack of empirical insight into the relevant mechanisms driving this process. Although researchers have identified the creation of knowledge expressed through innovative products as a core requirement for PSFs (Zardkoohi et al., 2011), little is known about the antecedents of practice innovation. Existing research is limited to specific types of PSF, such as management consulting firms (Heusinkveld and Benders, 2002; Heusinkveld and Benders, 2005; Anand et al., 2007), and specific organizational issues, such as internationalization (Suddaby et al., 2008).

Exploratory, qualitative research by Anand et al. (2007) proposes a plausible theoretical model for the emergence and embedding of new practice areas. This model has not been empirically verified in a generalizable setting, however. Andreeva and Kianto (2011) empirically tested the proposed mediating

effects of knowledge processes on innovation, but the authors have not linked their research to the specific context of PSFs.

Furthermore, there is scarce research on the link between innovation and PSF performance; a positive relationship is often assumed as an unquestioned precondition (see Anand *et al.*, 2007).

The *Handbook of Research on Entrepreneurship in Professional Services* (Reihlen and Werr, 2012a) provides a recent overview of the field and identifies existing gaps in knowledge. All in all, sufficient justification of the research therefore exists in the form of a gap of knowledge both locally and in general.

#### 5.4 Intended contributions of this research

This dissertation targets four interwoven claims to knowledge: In the spirit of AR, it seeks to contribute to knowledge in the form of *local* actionable knowledge at Calibur Law by creating and implementing specific interventions aimed at creating a new practice area.

Beyond the implementation of the local goal of creating a new practice area, the research develops a *generalizable* process of decision making based on the extension of EBM by the concept of localized causal models, which serve as a bridge between knowledge derived from the literature and local context.

From a literature review, potential interventions to create new practice areas in PSF are identified and condensed into a generalized causal model. The generalized causal model, is then contextualized through the local identification of contextual features, creating a localized causal model which forms the basis for directed local interventions.

<b>process / methodology</b>	identification of local contextual features of Calibur Law; development of a localized change project based on localized causal model	extending EBM with the concept of localized causal models to transfer public knowledge for application in a local context based on CIMO logic
<b>content</b>	identification of specific interventions to create a particular new practice area at Calibur Law based on a localized causal model	identification of interventions to create new practice areas in PSF
	<b>localized</b>	<b>general</b>

Figure 1 - Intended knowledge claims of this research

As the proposed model of decision making relies on a (relaxed) notion of causality, which is identified based on the scientific method and using research methodologies in a management context, this dissertation may also be understood as research on research.

Underlying the presentation of this research is a conscious decision for the prevalence of local actionable knowledge. Therefore, the creation of a local practice area is narrated as the climax of my research storyline, where first an extended version of EBM as a management tool is created (section 6.3) and then subsequently used to derive data from the literature (section 7.1) and the local context and history (sections 8.4), which is then used to implement specific, goal-oriented interventions.

## 5.5 The research site and locus of intended change

The local AR project is situated in my workplace, a mid-sized German business law firm code-named Calibur Law, where I have been serving as a managing partner for the last 4 years.

All forms of research are context-dependent. However, insider AR in particular requires the clear delineation of the research site and research context (Coghlan, 2001; Checkland, 2010). This research follows the recommendations of Greenwood and Levin (2007), who emphasize that an AR project is

*“[...] guided by the learning gained through the process, not by a set of a priori norms or expectations imposed on the situation and actors”.*



This thus makes the site and context pivotal points of the research. Because of the explicit goal of this dissertation to exploit local contextual features in order to create a localized causal model, the description of these features becomes an important source of data.

## 5.6 The researcher and the challenges of insider research<sup>1</sup>

If asked to describe my attitude toward organizational research in a single sentence, I would describe myself as

*“A pragmatist grounded in a positivist epistemology and realist ontology, with a view to creating rigorous academic knowledge and presenting it in a way transparent to practitioners for use in evidence-based practice”.*

This self-description reflects my recent move away from “practical relevance” as the defining criterion of quality research to a view emphasizing academic rigour and a “transparent offer” to practitioners. This self-understanding belies the decision to give prevalence to local advancement over academic knowledge, which I made on ethical grounds (see section 0.).

While I had not considered the relationship between academic rigour and practical relevance before the DBA program, I have since embraced the “call for relevancy” of the proponents of “mode 2 research” (Gibbons et. al. 1994).

Based on my inclination towards evidence-based management, I would argue that not relevancy *per se* but an approachable presentation of research is important. The former, enabling practitioners to judge whether the research is relevant in to the context of their problem, which (i.e. by clearly reporting effect sizes to allow an interpretation of potential outcomes of an intervention) is needed to bridge the “academic-practitioner gap”.

This strategy aligns with the concepts of evidence-based practice, which aim to distil relevant knowledge for the current context from the sources of academic literature, personal experience and organizational context (Briner et. al. 2, 2009). In addition, I view relevancy as an important requirement for ethical research.

---

<sup>1</sup> This section 5.6 is based on an updated version of my original professional development plan from the DBA program

### 5.6.1 Epistemological and ontological assumptions

I am grounded in a pragmatic tradition as advocated by Morgan (2007), which is driven by a “version of abductive reasoning, that moves back and forth between induction and deduction”. This abductive reasoning moves from observation to theory and from theory back to observation through action, which creates a process that fits the cyclic nature of AR.

While I understand the world from a positivist perspective, I argue that it is possible to create change through language and discourse (Ford and Ford, 1995), although this position is more often associated with constructivism. A philosophically valid connection between these worldviews may lie in the more recent findings of neuroscience studies that show how physical perceptions may create worldviews through chemical processes in the brain and how language may shape these processes, in turn creating new reality (Panksepp, 1998; Rock, 2011; Bear *et al.*, 2016).

### 5.6.2 Dealing with role duality

My dual role as a practicing manager and researcher strongly influences the research structure, strategy, outcomes and presentation. In the context of Calibur Law, managing the different role expectations as partner, manager and researcher requires personal reflection and the management of organizational politics.

Given the potentially high stakes of the change project for Calibur Law, role duality also carries an ethical dimension: How do I decide when the aim to create additional insight for the thesis project requires “experiments” with an unknown outcome for the firm? In addition, the mere legitimization of research requires political movements, which bring their own ethical challenges (Roth *et al.*, 2007).

One of the greatest challenges of this research occurred in the move of the intended research collaborators from an “objective analysis, driven by the quest for insight” to a position emphasizing (and limited by) personal economic goals and individual resource restrictions. This challenge and my dealing with it are narrated in section 8.3.

### 5.6.3 Dealing with pre-understanding

Pre-understanding refers to the researcher's pre-existing assumptions, knowledge and insight prior to commencing the research project (Coghlan and Brannick, 2010). Pre-understanding may be helpful in the interpretation of research findings, but can also introduce bias if it results in the researcher being "too close to the data" (Coghlan and Brannick, 2010).

Pre-understanding may also be largely influenced by presentation, namely in what artefacts of organizational reality are presented to the reader. The critical chapters of this dissertation in this regard are the presentation of the research site (section 5.5), the discussion of the local AR process (section 0) and the transfer of the general causal model to the local context.

### 5.6.4 Dealing with organizational politics

All interaction in organizations is shaped by organizational politics (Mayes and Allen, 1977; Meyerson and Scully, 1995; Vince, 2004; Björkman and Sundgren, 2005; Hodgkinson, 2012).

I have opted to follow the advice of Björkman and Sundgren (2005), who advocate a "positive" use of organizational politics by taking advantage of the motivation of members of the organization in changing situations perceived as unfavourable.

## 5.7 The action research (AR) framework and aim of the DBA dissertation

The major defining characteristic of a DBA dissertation is the dual goal of creating public knowledge that adheres to academic standards of rigor (Bourner and Simpson, 2010) and creating localized knowledge that will create positive change to enhance the organization's daily practice.

The guiding framework for this personal and organizational learning process is the cyclic approach of "construct-plan-act-evaluate" (Coghlan and Brannick, 2010; McNiff and Whitehead, 2011) in the tradition of the family of AR methods. To resolve the tension between the different types of knowledge

to be created, I employ an integrated two-level cyclic process of local change and thesis writing (Zuber-Skerritt and Perry, 2002; Zuber-Skerritt and Fletcher, 2007; Coghlan and Brannick, 2010).

This approach considers thesis writing to be an overarching, incremental meta-process that critically reflects on the on-going change process of the lower-level action cycle (Zuber-Skerritt and Perry, 2002). It can be extended to additional research sites beyond the immediate workplace of the researcher and opened to the inclusion of other methodologies (Zuber-Skerritt and Perry, 2002).

As in any organization, issues of influence and power define much of the reality of Calibur Law (Björkman and Sundgren, 2005, p. 401). Dealing with these issues to legitimize my AR project requires a level of “political entrepreneurship”, which comes with its own ethical challenges (Björkman and Sundgren, 2005, p. 401; Roth *et al.*, 2007, p. 52).

I confront these issues by acting in a transparent way, with the aim to clearly and openly articulate my intentions and understandings of the situation. Therefore, I use the immediate team as a “sounding board” for my ideas and actively seek their input, use our institutionalized system of “partner dialogues” to consider the needs of individual partners and present the project in a detailed manner to our partnership.

All collaborative inquiry requires a definition of the different roles and responsibilities of participants (Heron and Reason, 2001, p. 147). Researcher responsibilities must be clearly delineated to ensure a transparent process that meets the requirements of academic thesis writing. The role of co-inquirers in this action inquiry can be introduced into the research process as follows:

<b>Task</b>	<b>Researcher role</b>	<b>Co-inquirer role</b>
Identification of available public knowledge	Core task of researcher, creation of “digest of existing knowledge” to inform co-inquirers	Informed by core researcher about available knowledge
Identification of local context	Responsible for the collection and analysis of data	“Sounding board” for core researcher and producers of data
Linking local knowledge requirements to generalizable, public knowledge and vice versa	Core task of researcher	“Sounding board” for core researcher and source of triangulation data

<b>Task</b>	<b>Researcher role</b>	<b>Co-inquirer role</b>
Creation of local change / decision-making	Shared responsibility	Shared responsibility
Thesis writing / reporting	Reporting the on-going development of inquiry is the sole responsibility of the researcher	“Sounding board” for core researcher and source of triangulation data

My interpretation of the action methodology used in this research assumes that the responsibilities for the initiation, design and development of the research process rest with the researcher. This is particularly true with the tasks of identifying, analysing and writing the information gathered. The participatory nature of the process advocated by many proponents of AR demands that decision-making (and therefore responsibility) for the actual change is shared between all co-participants; in this process, the main distinction of the researcher’s role is the responsibility to lead the process.

Over the course of the project, I have however found severe limitations to the potential of co-inquiry, leading to a personal move to a more self-centric version of the AR cycle. The silo nature of Calibur Law additionally limits the espoused aim for co-inquiry, as much of the action is vested in my responsibilities. The focus on replicable decisions is owed to the understanding that the practical application of scientific knowledge is expressed through its use in management that may be concerned with decision-making in a defined context (Greenwood 1981, Drucker 2008, Mintzberg 2011, p. 43).

## **5.8 Decision-making in management as a search-inference process**

To create a link between academic knowledge and the organizational decision-making process, one must define a formal model of decision-making in management. Such a framework may be descriptive, normative or prescriptive (Baron, 2008, pp. 31–32).

Normative models relate to a standard that would best achieve the decision-maker’s goals given unlimited resources. A prescriptive model is the best way of decision-making given the restrictions and complexities of a real-world scenario, however (Baron, 2008, p. 33). A descriptive model describes how people think and make decisions in real life, including the effects of cognitive and other biases observed by researchers (Baron, 2008, p. 31)

Since the aim of this DBA dissertation is to develop a practical application in a work-related context, a prescriptive model of decision-making is required. The prescriptive model is the essential tool in the “plan” and “act” phases of the action cycle, while a descriptive model may serve to support the “observe” phase.

This text uses the concept of a search-inference framework of decision-making as a prescriptive frame for decision-making, as recommended by Baron (2008, p. 6). The “search” part of this framework requires looking for: goals, which are the ultimate criteria to evaluate possibilities; possibilities, which may be seen as potential actions in the real world and evidence (Baron, 2008, pp. 6–8). “Inference” relates to inferring the potential relationship between possibilities and goals, as supported by evidence (Baron, 2008, p. 6).

The normative model underlying the search-inference framework is expected-utility theory (EUT, Neumann and Morgenstern, 2007; Fishburn, 1982; Schoemaker, 1982). In the application of the prescriptive model (in the “plan and act” stage), descriptive models such as prospect theory (Kahneman and Tversky, 1979) can be used to identify potentially deviating outcomes and allow for the correction of systematic biases. To avoid the simplification trap, the decision-maker must reflect on the actual interdependence of the various goals that are present in a real-world situation.

Since all management decision-making has to incorporate ethical and value decisions (Ghoshal, 2005), a purely monetary description of utility is insufficient to support practice. Rather, the ethical dimension must be incorporated in the process of identifying the utility of a proposed action-outcome combination and as an absolute constraint that limits the potential universe of actions and desired outcomes.

## 6. Research design and theoretical background

The following section introduces the overall research design from the perspective of the DBA dissertation. Since in fact the local AR project itself forms an intimately intertwined research project, additional design considerations are discussed in later sections. (Zuber-Skerritt and Perry 2002, Zuber-Skerritt and Fletcher 2007, Fletcher and Zuber-Skerritt 2008).

The idea of complimentary formulations of the research questions is introduced as a concept to deal with the different types of knowledge sought in DBA research. The role of research questions in the information retrieval process forming an important part of gathering evidence in EBM is discussed.

### 6.1 Research question and initial hypotheses

#### 6.1.1 Importance of the research question

Authors commenting on the structure of scientific enquiry have dubbed the research question the “keystone of the entire exercise” (Bordage and Dawson, 2003, p. 378) and emphasized the dependence of research on a clear definition of the topic of inquiry. Study design is thus a function of the outcomes of interest (Bordage and Dawson, 2003, p. 378).

#### 6.1.2 Impact of the research goals on the research question

In the context of systematic knowledge creation, research questions serve to define the scope of existing knowledge as a basis for furthering such knowledge or to define the scope of knowledge to be created.

Both types form an integral part of the overall research process. In social research, research questions may often form an entangled web. The individual weights of the different perspectives make change based on the individual goals of the research, personal preferences and political stakes.



The different goals of these types of research questions lead to different semantic formulations of the research questions; the former type will most likely be worded along the lines of “what knowledge is there about [research topic]”.

### 6.1.3 Different goals require multiple formulations of the research question

The research question is of importance to practitioner-oriented research, which aims to create both public and localized knowledge. While the generalizable insight sought may be defined in broad terms, effective local change requires a much narrower and more specific definition.

Before the researcher can approach any creation of knowledge, a precise research question is required to identify existing knowledge (see 2.3.1 below). Information retrieval may require a re-formulation of the initial research question. In the spirit of action methodologies, research questions are subject to change during the inquiry process, which makes them dynamic indicators of the evolving knowledge elicited through the research.

In a practice setting, information retrieval is required on two different levels: accessing generalized knowledge, which requires transfer to the local context, and accessing knowledge about the local context, which enables this transfer. Local knowledge may also exist independent from any generalized outside knowledge.

A framework for creating feasible research questions may look as follows:

<b>Task</b>	<b>Research question</b>
Retrieval of outside public knowledge	Split of research question with different levels of specificity
Creating local change / implementation	Specific, narrow task statement
Communicating public knowledge	Generalized research question
Assessing local context	Broad, “probing” questions

Within this framework, the research questions used for the external information retrieval task may be placed in the continuum between the task-oriented, specific research question used in practice and

the generalized form of research question used to communicate public knowledge. In addition, information retrieval may require further generalization of the research question to elicit knowledge about the “parent” discipline (Perry, 1995) of the relevant research domain.

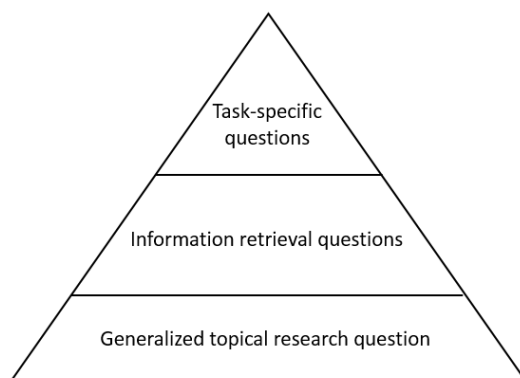


Figure 2 - Pyramid of question formulation

#### 6.1.4 Definition of the research question

##### 6.1.4.1 Delineation of process and content innovation

The literature exhibits a wide range of definitions for the term “innovation”. In the context of PSFs, innovation relates to the creation of products, processes, services, management, marketing and work organization (Wang and Ahmed, 2004; Hogan *et al.*, 2011, p. 1266).

A line can be drawn between process and content innovation. Content refers to the actual service offered to the client and not the internal processes of creating this client offering. The current research concentrates on creating content innovation in the form of a new practice area.

##### 6.1.4.2 Generalized topical research question

The research question of

*“How can we foster innovative practices—i.e. in the creation of new practice areas—in the context of our law firm?”*

can be reformulated to serve as a generalizable research question to communicate public knowledge by replacing the individual context of “our law firm” with the more general contexts of law firms and PSFs.

This broader question provides the ability to establish the focus of a study without limiting its scope to a single, individual problem context, which would limit potential generalization (see Denyer and Tranfield, (2009, p. 681). In an attempt to provide an anchor point to future researchers, the wording may be translated from the question format to a format emphasizing the variables analysed:

*“Antecedents and drivers of innovation in PSFs”.*

#### **6.1.4.3 Task-specific research question**

The overarching question of

*“How can we foster innovative practices, such as in the creation of new practice areas, in the context of our law firm?”*

must be narrowed to an individual innovative practice in order to serve as a “muster case” to create manageable change.

This question defining a muster case is the “practitioner question” identified by Denyer and Tranfield (2009, p. 682). This task-specific research question locates the narrative description of “taking action”; in it, local context forms the most important research data.

In the tradition of AR methodologies, the muster case must involve “high stakes” for participants in order to ensure it is a “hot topic” in the organization (Coghlan and Brannick, 2010, p. 37; McNiff and Whitehead, 2011, p. 32; Revans, 2011, p. 11). The topic has been a theme of all partner conferences for the last six years; the partnership agrees that the creation of new practice areas is a topic of importance. The literature is also united in its support of the importance of practice area creation (Anand *et al.*, 2007).

Partners are interested in creating a new practice area in the field of restructuring and insolvency law (see section 8.7). Although there have been attempts in the past to create such a practice, these have been unsuccessful, with work in that field providing less than 0.5% of the firm's turnover.

The task specific formulation of the research question is

*“How can we create a new practice area in restructuring and insolvency law within our law firm?”*

Although the wording of the research question suggests a single goal of creating the practice area as a defined entity, the actual implementation process will be much more fuzzy, due to the need to define the exact scope of the practice area within the large field described by the research question and the fact that the process of “taking action” in relation to the research question does not have clear-cut boundaries but is embedded in the ongoing efforts of specialization by existing partners and associates.

#### **6.1.4.4 Information retrieval form of research question**

The task-oriented form of the research question for information retrieval may in theory lead to an “immediate answer” if applicable research exists. This naive hope underlies many EBM scholars' arguments (Morrell, 2008).

However, it is likely that no immediately usable research in the form of an “identical case” exists. Where such research exists, relying on a narrow set of research publications carries the risk of oversimplification of the “wicked situations” posed by the web of complex interactions in any real-life context (Rittel and Webber, 1973, p. 161).

One of the major points of critique of EBM is its reliance on “directly transferable right solutions” for a complex management problem, which defies such simple answers (Morrell, 2008; Morrell *et al.*, 2015). This critique calls for an extension of the methodological approach of EBM.

To define the research question, one must therefore differentiate between questions used to assess generalized knowledge or the local context in order to allow the researcher to map general and local knowledge.

A too narrow research question may limit recall, leaving relevant information from the literature undiscovered, while a too-broad research question will limit precision, producing a large set of irrelevant documents (Manning *et al.*, 2009).

While this potential trade-off would theoretically call for the identification of an “ideal” research question used for information retrieval, the AR cycle of “trial and error” proposes an exploratory approach to knowledge. Advanced methods operating on the document data exposed by large research databases, such as automated text classification, topic extraction and clustering provide support for the exploratory approach (Manning *et al.*, 2009; Srivastava and Sahami, 2009; Cristianini and Shawe-Taylor, 2012).

It is therefore advisable to define a range of research questions and anchor them by the broad question used to define the issue and the narrow question used for defining the individual action task in a management context. Since these questions will most often be used in querying electronic document databases, they may adhere to the requirements of such information retrieval processes rather than the needs of human researchers. These “questions” may therefore resemble topic descriptions and not answerable questions.

In addition to the “vertical” research questions on the continuum between generalized and task-specific forms of questions, a “horizontal” structure of questions may be defined by using a pre-defined framework such as the CIMO approach suggested by Denyer and Tranfield (2009). Instead of relying on a single research question, the information retrieval task requires a set of questions spanning an area of potential issues related to the initial research issue.

Level	Research Question / Topic description
L1a: Parent discipline analysis	Management of PSFs
L1b: Parent discipline analysis	Antecedents of innovation in business
L2: Generalized research topic	Antecedents and drivers of innovation in PSFs
L3: Generalized research topic	Creation and development of new business fields

L4: Generalized research topic	Creation and development of new practice areas in PSFs
L5: Task-specific research question	How can we foster innovative practices in the context of our law firm?

In this hierarchy, levels L3 and L4 form narrower versions of level L2. In theory, these levels are not discrete but exist on a continuum of research questions. They may, therefore, be understood as bridges between generalized and local knowledge.

The CIMO approach can be used to formally define the boundaries of the information retrieval process (Denyer and Tranfield, 2009) and thus define the knowledge sought (see section 0 for a detailed discussion). The information gained from formulating the task-oriented research questions can be translated into a description of one or more of the “puzzle pieces” of context, intervention, mechanism and outcome.

For the current research, context and intended outcome are known, while the researcher hopes to gain insight into potential interventions and mechanisms of the process (“what to do” and “why does it work?”, respectively).

Level	Context	Intervention	Mechanism	Outcome
L1a: Parent discipline analysis	PSF	Unknown	Unknown	Management goals
L1b: Parent discipline analysis	Business	Unknown	Unknown	Innovation
L2: Generalized research topic	PSF	Unknown	Unknown	Innovation
L3: Generalized research topic	Business	Unknown	Unknown	New business field
L4: Generalized research topic	PSF	Unknown	Unknown	Practice area creation
L5: Task-specific question	Research site	Unknown	Unknown	Specific practice area

The purpose of the information retrieval process is to gain a picture of the unknown positions of intervention and mechanism in the different contexts. Since the goal of research is to find answers to the research questions on the level of the generalized research topic and the task-specific research question, insight gained from the literature review on other levels must be translated through the transfer of interventions and mechanisms from other contexts.

A prescriptive model of decision-making must consider the limited resources available to the decision-maker. This is even more true for a typical management question faced by a scholar practitioner, as such questions often must be tackled on short notice.

## 6.2 Research methodology

### 6.2.1 Using insider AR as a mode of inquiry

I have chosen AR as a general mode of inquiry. There is a large variety of AR types. Generally, the AR community agrees that AR necessarily involves researching and taking action to improve practice in order to generate new understandings (McNiff and Whitehead, 2011, p. 10). This strategy of inquiry is aligned with the dual goal of DBA research, as it creates local and generalized knowledge.

In the tradition of action methodologies, the hallmark of AR is its cyclic action-reflection cycle, which moves from observation through reflection to action (Coghlan, 2001, p. 50; McNiff and Whitehead, 2011, p. 9).

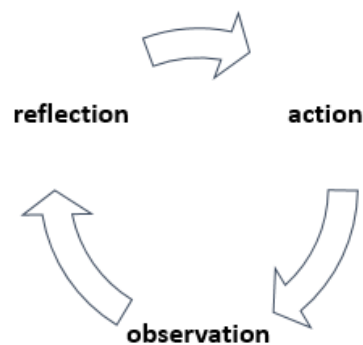


Figure 3 - The AR action-reflection cycle

From a theoretical perspective, the action-reflection cycle does not require any specific ontological or epistemological assumptions. The idea of an ongoing development of the situation through action based on reflected observation could be situated in positivist or constructivist world views; however, the interpretation of the mechanisms of change creation would differ between these camps. Likewise, there is no theoretical need to associate the theory with any particular political stance.

Notwithstanding the possibility of a worldview-agnostic action-reflection cycle, most theories of AR are founded in a participatory political agenda that aims for the inclusion of previously unheard voices (Reason and Bradbury, 2008, p. 7).

Based on the different levels of creating local change and generalized knowledge, a modified version of the AR cycle may illustrate the cyclic process of theory generation, testing and use in the local change process:

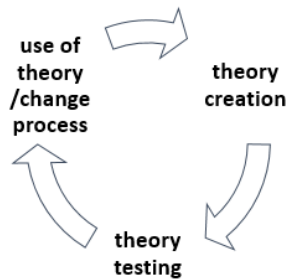


Figure 4 - The circular process of theory development and testing

## 6.2.2 Data collection

### 6.2.2.1 Types of data

The data collected included data intentionally created for further analysis in the research process: semi-structured interviews with members of Calibur Law; data from the local AR project not explicitly created for further analysis and local artefacts, such as protocols, memorandums and strategy documents. Literature was also treated and assessed as a type of data.

### 6.2.2.2 Process of data collection

As managing partner of the firm, I had unrestricted access to all written data existing in the intranet of Calibur Law. In addition, due to my involvement in several projects analysed, I was in possession of various strategy documents and informal correspondence. Interviews were either recorded and transcribed verbatim or notes taken by me during the interviews.

### 6.2.2.3 Description of interview sample

Semi-structured interviews were undertaken with 11 partners and 5 associates (in total more than 30% of the population of professionals). The sampling was based on availability and willingness to participate. Also, partners were approached if mentioned by others to have played a role in a practice area creation process.



#### 6.2.2.4 Interview Questions

Based on the goal to develop an account of local experience with practice area creation (see also the detailed narrative description of vignettes in section 8.5), a semi structured interview technique was used. All interviews were held in German.

In the original interview sketch, I had used an opening question of

*“Please tell me a story of a new practice area that you were involved in”.*

When two of the three initial interviewees interpreted this question in relation to a *successful* practice area creation only, I expanded the question to

*“Please tell me a story of a new practice area that you were involved in, whether it was successful or not”*

Prompted with this question, all interviewees could describe processes of practice area creation, although more than half stated their lack of involvement in the individual process. All interviewees but one mentioned more than one practice area.

In reaction to the individual answers to the opening question, I followed up with the question

*“How would you explain the success/failure of this practice area creation”*

At this point in the interviews – notwithstanding the potential of introducing bias – I challenged the immediate answers of interviewees, urging them to give a detailed explanation of their views of the mechanism underlying success and failure. For most interviewees, this trigger led to an expansion on their original answer.

To saturate the description of individual vignettes, I also prompted interviewees by asking about practice areas mentioned by other interviewees. An example of such question is

*“What do you remember about the creation of the audit business?”.*

In a few cases (see vignettes below), presentations and/or protocols related to an individual practice area creation attempt were discussed with an interviewee.

In addition, to deepen the conversation, concepts from the literature review were introduced in the later interviewees. Question such as

*“how do you see the role of knowledge management in this process?”*

were used.

### **6.2.3 Data analysis**

All written data, notwithstanding its source, was converted to PDF-documents and subjected to an OCR-process to make the full text searchable. Interviews were transcribed and that text discussed with relevant participants to ensure validity; a limited number of corrections was requested by the participants.

The data analysis followed the process suggested by Corbin and Strauss (2008, p. 159). I categorized all written data into a continually updated categorization scheme of first-order concepts. The preset categories from the CGIMO framework (context, goal, intervention, mechanism and outcome, see section 6.3.6.2) were used to mark-up relevant parts of the data.

In the beginning, the data analysis used two different software packages, NVivo for the analysis of interview transcripts and written artefacts and Citavi for the categorization of literature. Due to my growing conviction that the use of the EBM framework requires an integrated treatment of literature

and other data, I began to explore the possibilities of using a single software for data analysis. Surprisingly, the Citavi literature management program proved a convenient tool for this purpose. The ability of the software to visually mark documents was particularly helpful in this process.

First-order codes were collapsed into second-order concepts, which were used to create interconnected causal models to synthesize outside and local knowledge (sections 0 and 8.6). Narrative excerpts from the data were prepared; these formed the basis of the narrative description of the contribution of the literature to the general model (see section 7.4).

The detailed description of the local context at the research site and vignettes of past attempts at practice area creation provide an in-depth look at the local context of Calibur Law, providing the local contextual data for the application of the EBM framework (see sections 8.4 and 0). In the margins of the site description, the literature review and vignette sections, relevant categories, most notably from the CGIMO framework, are marked for the convenience of the reader.

The overall process used closely resembles the cyclic nature of AR and is described in more detail in later chapters, moving from a generalized causal model to an individual localized model underlying the implementation of interventions. Going from (initial) concepts of the mechanisms at work introduced by interviews, these were scrutinized against the findings from the literature base. In this regard, the process of data analysis and theory creation is inseparable from the application of theory, whereas theory and practice were used to continuously refine each other in the incarnations of the causal models.

#### **6.2.4 Verification of results and the validity of research**

Traditional research emphasizes the verification of results and validation of the research process. While much of the discussion on validity relates to the criteria used to evaluate different types of research, most researchers agree that all types of research should be rigorous and relevant to qualify for their practical applications.

The nature of goal-oriented AR creates limitations associated with the fact that local change is its explicit goal. This goal-orientation would allow for a simple binary test of validity, whether or not a pre-defined measurable goal has been reached. Coghlan and Brannick (2010, p. 65) state that the success of the underlying change program is a successful indicator for quality.

I would argue that rigor and relevance are ultimately constructed categories in the relationship between the author and the audience of an academic presentation. Thus, rigor can be shown by making transparent the process employed by the author to develop theory.

I have chosen to include narrative descriptions of the gradual process of theory creation as space constraints allow. I believe readers are interested in relevance in the analysis, which will likely coincide with the closeness of the organizational context to the reader's context. The interest of the reader is fostered by the provision of "surprising" insights that had not been available to the reader before.

The trustworthiness and reliability of evidence integrated into the local causal model provide an additional dimension of relevance (Herr and Anderson, 2015, p. 65). The discussion of the structure of the local AR project in section 8.2 will further describe the potential validity criteria in this context.

### **6.3 Evidence based management (EBM)**

#### **6.3.1 EBM, a framework for decision-making**

Because of the openness of the AR framework, a *process model* must be devised for use in the knowledge extraction and decision-making processes. This process model must differentiate between the "process" and "content" sides of the decision-making process. The general process may serve for a multitude of management decisions, while the content framework must be developed for each individual decision or knowledge domain through a principled approach.

This research uses the concept of evidence based management (EBM) as a general framework for knowledge discovery and decision-making because EBM provides general guidance of integrating generalized and context-specific knowledge in a principled and repeatable manner (Pfeffer, Walshe and Rundall, 2001; Kovner and Rundall, 2006; Pfeffer and Sutton, 2006a; Briner, 2007; Pfeffer and Sutton, 2007; Rousseau and McCarthy, 2007; Rousseau *et al.*, 2008; Briner *et al.*, 2009, 2009; Reay *et al.*, 2009;

Frese *et al.*, 2012; Goodman and Brien, 2012; Jelley *et al.*, 2012; Madhavan, 2012; Rousseau, 2012; Gibbons and Woock, 2013; Barends *et al.*, 2014b; Morrell and Learmonth 2015).

Following “evidence-driven” trends in fields such as medicine, various authors have proposed EBM as a framework to connect the practice of management to the findings of academic research (Rousseau and McCarthy 2007, Denyer and Tranfield 2009, Locke 2009, Charlier *et al.* 2011, Rousseau 2012). Nearly all available scholarly articles on EBM were written by academics, while the practitioners’ voice remains absent.

Briner *et al.* defined EBM as follows:

*“Making decisions through the conscientious, explicit, and judicious use of four sources of information: practitioner expertise and judgment, evidence from the local context, a critical evaluation of the best available research evidence, and the perspective of those people who might be affected by the situation.” (2009, p. 19)*

This dissertation considers “judicious use” of information to be the principled application of the search-inference framework and its underlying assumption of evaluating alternative choices by their expected utility (Baron, 2008).

The goal to bridge the academic-practice gap is supported by EBM’s use of academic research, local context and practitioner expertise as complementary sources of knowledge. The attention to the perspective of those affected (“stakeholders”) resonates with the moral requirements of AR as well as the experience of “political entrepreneurship” (Björkman and Sundgren, 2005).

Even though EBM has strong potential as an integrating framework for management decisions, a limited number of detailed descriptions of its application exist in the literature. There are no fully usable examples of EBM in a practical context due to the lack of practitioner accounts. Books on EBM that allegedly provide advice to practitioners on the status of knowledge in a certain content field of scientific research resort to a “cook-book” style that simplifies complex interactions between an intervention and its outcome to a single causal relationship (see Locke, 2009; Latham, 2009).

While much of the EBM literature stresses the need to integrate different sources of knowledge (see Barends *et al.*, 2014a; Barends *et al.*, 2014b), the literature offers no consistent model for said integration. When authors discuss the role of different types of evidence in decision-making, the analysis remains superficial. This is exemplified by the graphical “funnel analogies” used by Baba and HakeemZadeh (2012). Scarce advice exists concerning how the integrated generalized knowledge may be transferred to the local context for application. This research therefore presents a strategy for using EBM in a real-world scenario.

### 6.3.2 Causal models as the basis of EBM

In line with my positivist inclination and the decision-making process outlined in section 5.8, this dissertation views causal models as the basic building blocks for the management decision-making process in EBM. This theme fits broadly with Dewey’s (1997) understanding that evidence is the “seen things” that form belief in the “suggested things”.

Causal models link intentional management interventions to outcomes. As all causal relationships are inherently context-dependent, a management decision must be based on a localized causal model. However, the restriction to intentional management interventions does not suggest that other outcomes than those due to management action are not driven by causality. Such causal processes are viewed as features of the local context that must be considered in the creation of the localized causal model.

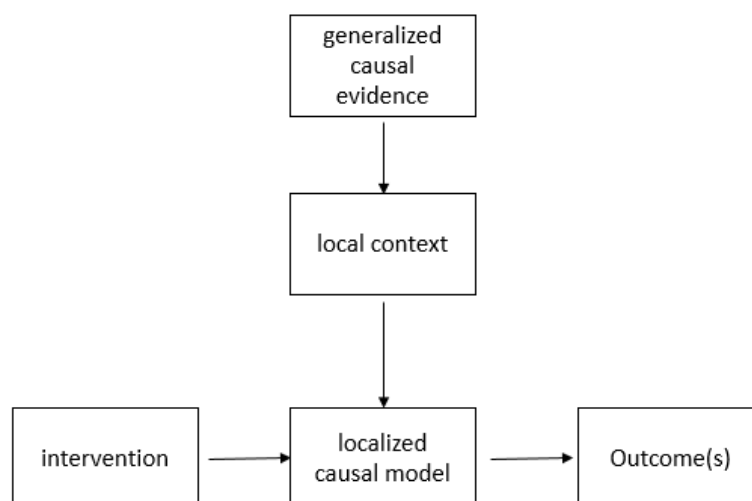


Figure 5 - Causal models as the basis of EBM decision-making

This simplified depiction of the creation of a localized causal model must be extended by a more detailed description of the features of the local context, such as stakeholder positions. The birds-eye view of the above figure, however, hints at an analysis of the local context as a filter for the generalized causal evidence obtained from external sources (see sections 0 and 0 for a more detailed discussion using CIMO logic).

Researchers typically study management goals through an iterative path-dependent series of management interventions in the AR cycle (see section 6.3.3.1). The notion of causality must undergo a shift away from a mere technical and cybernetic understanding of organizational processes in order to loosen the connection between intervention and outcome. Instead of a *proof* of causality, sufficient evidence for the causal link must exist to justify action based on a causal model.

In its strongest incarnation, this link can be deduced by logic. For example, the amount of personnel cost saved by corporate layoffs can be easily calculated. However, the impact of the layoffs on the bottom line of the company cannot be so easily calculated, as bottom line is driven by a complex set of causal relationships, including impacts on worker motivation.

Statistical correlation between intervention and outcome, as well as descriptions of plausible causal mechanisms, serve as evidence for causal relationships that cannot be deduced by logic. While both types of evidence must exist to justify any management intervention, the Bayesian view advocated in this research (see section 6.3.7) holds that strong statistical evidence requires less detailed plausible mechanisms and vice versa. Identical interventions may be connected to a number of different outcomes. These outcomes may exist in parallel, in the form of side effects.

Outcomes may also be alternative, with their distribution driven by stochastic effects. Outcomes may also be alternative and parallel, such as stochastically distributed side effects.

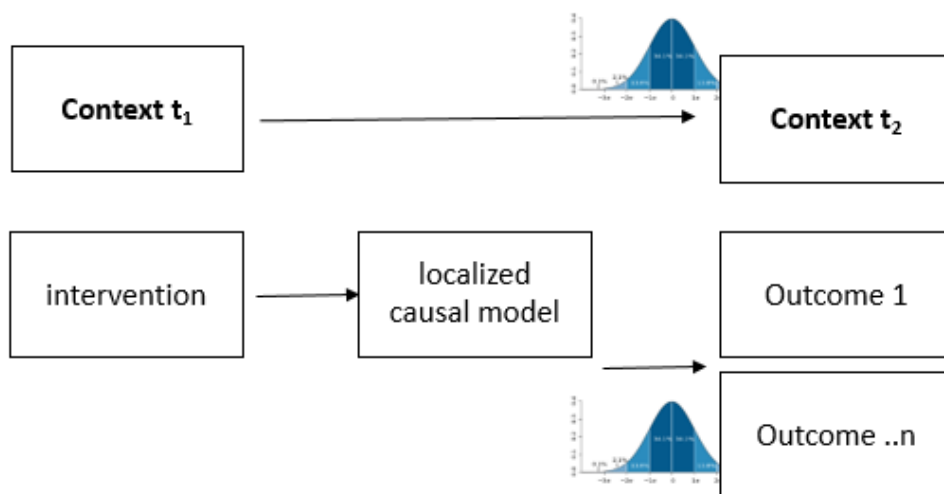


Figure 6 - Causal model and statistical distribution of outcomes

In this model, the outcome(s) of the intervention, determined by statistical relationships and the ongoing development and emergence of other contextual features, determine the organizational context after an intervention.

Although this research refers to the singular “causal model”, the required knowledge for action under the EBM framework often cannot be distilled into a single, integrated model. More frequently, the local knowledge domain is represented by a portfolio of causal models. This portfolio view also allows one to gradually build knowledge by refining the existing local causal models with additional evidence and adding additional local causal models to the portfolio

### 6.3.3 Fundamental critique of EBM

In addition to the lack of a usable framework for EBM in a practitioner context, researchers have provided a pronounced fundamental critique of the concept and its underlying assumptions (Morrell, 2008; Archibald, 2015; Morrell *et al.*, 2015; Morrell and Learmonth, 2015), its blind spot to political evidence construction (Hodgkinson, 2012) and its devaluation of certain types of knowledge (Morrell, 2008).

The EBM literature indicates awareness that it requires a solid empirical foundation (Reay *et al.*, 2009; Charlier *et al.*, 2011; Baba and HakemZadeh, 2012, p. 833). Although authors typically trace EBM to its



roots in other evidence-based practices, the differences between various practices warrant emancipation from earlier evidence-based movements (Briggs and McBeath, 2009, p. 255; Baba and HakemZadeh, 2012, p. 836; Booker *et al.*, 2012, p. 123).

### 6.3.3.1 Exclusionary view of evidence

According to Morrell (2008, see also Morrell and Learmonth, 2015), EBM excludes certain voices from the discussion through a narrow and exclusionary view of what constitutes valid evidence.

This critique focuses on the hierarchy of evidence, which is present in many writings on EBM and other “evidence-based” fields (see Petticrew and Roberts (2003)). For example, Morrell and Learmonth (2015) find that Barends *et al.* (2014b) exclude knowledge based on the opinions of experts in favour of scientific evidence and a general devaluation of experiential insight.

This analysis falls prey to the same assumption of simplification with which authors criticize EBM scholars. In a real-life context, there is no possibility to escape the decision-making; EBM researchers acknowledge this when they postulate that practitioners should act on the “best available” evidence (Rousseau and Barends, 2011; Barends *et al.*, 2014b). The outcome of the decision-making process may also be a decision not to act, but this is no less a decision than any other.

Therefore, a hierarchy of evidence may only be invoked in cases where a discrepancy exists between the causal relationships suggested by different types of evidence. In all other cases, it is the responsibility of the researcher-practitioner to integrate complementary perspectives of different forms of evidence, where the integrated “accumulated” knowledge forms the “best available” evidence. In this regard, the critique might be based on a mere semantic issue by (mis-) understanding the use of the best available evidence as a choice rather than an integration problem by critiques.

In this study’s Bayesian approach, integration requires that all evidence be weighed. The individual weight of evidence is not exclusively determined by its type but also in relation to the context.

For example, narrative accounts of local experience (i.e. the description of failure in the vignette presented in section 0) may weigh higher than a rigorous and convincing study of causal effects in a slightly

different context, which hints at yet unexplored characteristics differentiating two complex scenarios. On the other hand, the advantageous outcome of a systematic, test-based hiring process demonstrated by many quantitative studies clearly calls to debunk the “myth of local experience” manifested in the hiring practices at Calibur Law described in section 8.4.8.

Therefore, the process of integrating evidence must begin with an assessment of the local context. The cyclic approach of AR allows frequent revisiting of the evidence base with the growing insight of the researcher into the underlying mechanisms. As shown in section 0, local stakeholder positions form part of the context, as suggested by some EBM researchers (i.e. Barends *et al.*, 2014b; Petticrew and Roberts, 2003). In addition, the analysis must consider the changing local context over time, as it may shift the weights of the available evidence. This iterative process is depicted below:

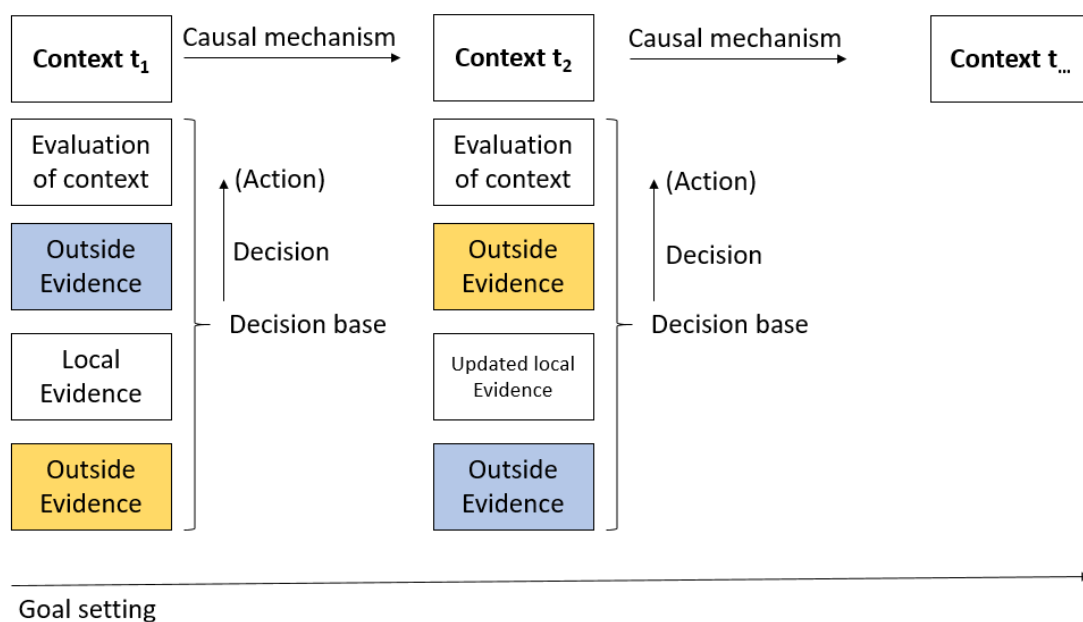


Figure 7 - The iterative process of goal-oriented EBM

The model assumes that the process starts with goal setting in a given organizational context. This assumption reflects the intentional nature of action in the AR framework.

The organizational context is constantly evolving through causal mechanisms and such change can be influenced by intentional action. Potential actions are evaluated on a decision-based format by the

integration of external and local evidence. Different pieces of evidence may be updated throughout the process with different weights based on changes of context.

### 6.3.3.2 Simplification of complex contexts

Researchers argue that EBM ignores the complexity of the real-life situations faced by those active in organizational settings (Morrell, 2008). If EBM is employed as a mere technique without any discretion to the professional, a “[reduction of] their status to technicians” might occur (Morrell, 2008).

EBM is often justified by the successful use of evidence based methods in medicine (Pfeffer and Sutton, 2006a; Briggs and McBeath, 2009; Baba and HakemZadeh, 2012). The hierarchy of evidence used in the medical field, however, founds a major part of the critique of EBM.

One can indeed argue that seeking a single “right answer” would be too simplistic and naïve in most managerial situations, although it suits fine in certain medical contexts. The main challenge for management is to obtain merely sufficient information to justify a particular intervention (Mintzberg 2011, p. 52). This necessity to act on incomplete information is mirrored by the concept of “best available” and not “complete” or “correct” evidence in EBM (Pfeffer *et al.*, 2009; Briner and Rousseau, 2011; Baba and HakemZadeh, 2012; Briner and Denyer, 2012, 2012; Barends *et al.*, 2014b).

However, EBM’s acknowledgement that the available information will never fully explain a real-life situation can be considered one of its strengths. Furthermore, application of the Bayesian view outlined in section 6.3.7 can extend EBM by more clearly delimiting the concept of “good enough” evidence given a complex management scenario. This concept calls in addition to the search-interference process of obtaining evidence for an informed judgment whether the obtained evidence provides a clear enough picture of the causal processes to act on it.

This judgment beyond an analysis of the quality of evidence must account for the potential risk of side effects and the risk of failure.

It is only natural for evidence-based medicine to consider potential side effects of an intervention, as physicians regularly must weigh the benefits of a potential treatment against its effects. This dissertation's view of expected utility considers such side effects and the ethical implications vital in the ranking of alternative actions.

### 6.3.3.3 Managerialism

Critiques that EBM is managerialistic are largely based on the absence of ethical discussions in the early evidence-based literature and an alleged denial of the day-to-day dilemmas of navigating ethics and politics (Morrell and Learmonth, 2015, p. 524). Morrell and Learmonth (2015, p.524) opine that questions relating to ethics are "often a challenge to evidence-based approaches because they often cannot be thought of in aggregated terms".

Additionally, while stakeholder values and expectations are mentioned either as sources of evidence, factors in decision-making or constraints to the available options for action, their role in the EBM decision-making process remains unclear. A focus on evidence to prove causal relationships may promote a cybernetic view of management that reduces it to a mere, technical decision-making role (Mintzberg, 2004, pp. 38–39).

This critique overlooks that modern accounts of EBM explicitly acknowledge the dimensions of ethics and politics (see Baba and HakemZadeh, 2012, p. 848; Briner *et al.*, 2009, p. 21); none of the proponents of EBM actually argue that ethical decisions should be made based on aggregated evidence. Ethical considerations may, in fact, pose an absolute limitation to the potential management interventions available. This view of ethics as an absolute constraint aligns with recent EBM literature (Baba and HakemZadeh, 2012, p. 848):

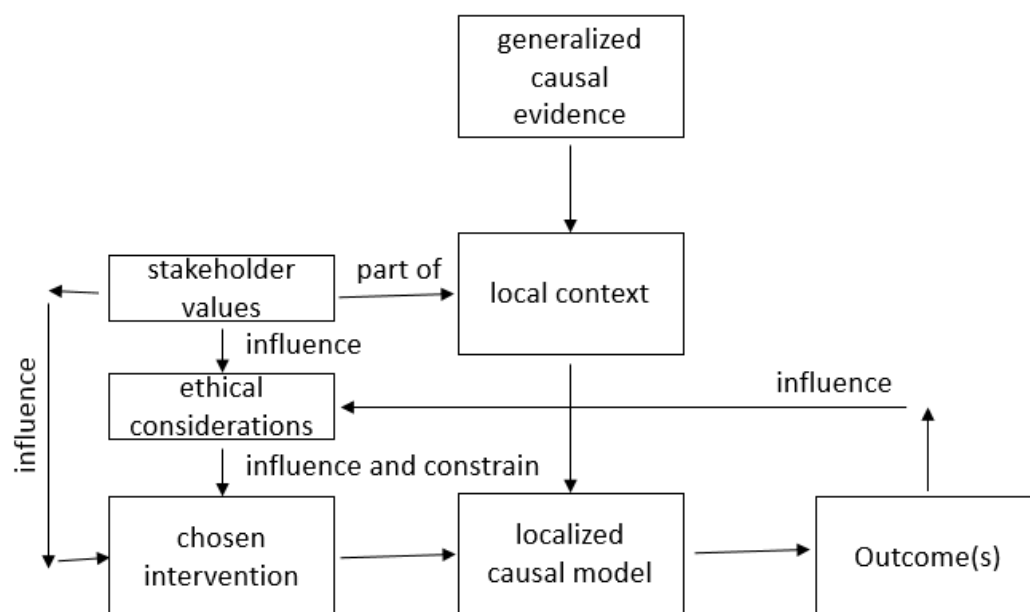


Figure 8 - The role of stakeholder values and ethics in decision-making

In the model of EBM decision-making described by Baba and HakemZadeh (2012, p. 848), the decision options obtained from an analysis of evidence influenced by management and stakeholders' preferences and values are limited by ethical constraints before the ultimate decision is made. This simplified model of decision-making has a blind spot in its ignorance of how the dual role of stakeholder positions direct decisions because of the influence of these roles on management goals and the features of the local context.

The explicit considerations used in the in-depth analysis of stakeholder values and ethics, which is used to choose among potential interventions (based on an analysis of utility including these positions) avoids the trap of managerialism that may occur with an un-reflected focus on causality.

To choose among interventions, potential interventions are first identified through various sources of evidence, such as a systematic literature analysis or the assessment of local experience. Those interventions that would break ethical constraints are removed.

Next is the collection of evidence for the causal relationship between the remaining interventions and outcomes. The decision maker must exercise care in determining the local causal models through an analysis of the local context. Interventions are once more excluded where their potential outcomes would break ethical constraints. In the case of a statistical distribution of different outcomes, discretion must be exercised, as the probability of a negative outcome is accepted before a decision to exclude the intervention is made.

The remaining interventions (which do not break any ethical constraints) must be ranked based on their individual joint probabilities of positive and negative outcomes. The rankings are determined by weighed factors describing the individual positive or negative utility of these outcomes in relation to the resource consumption of the interventions. The process of assigning individual utilities to the different outcomes allows for the inclusion of stakeholder values and ethical considerations into the decision-making process.

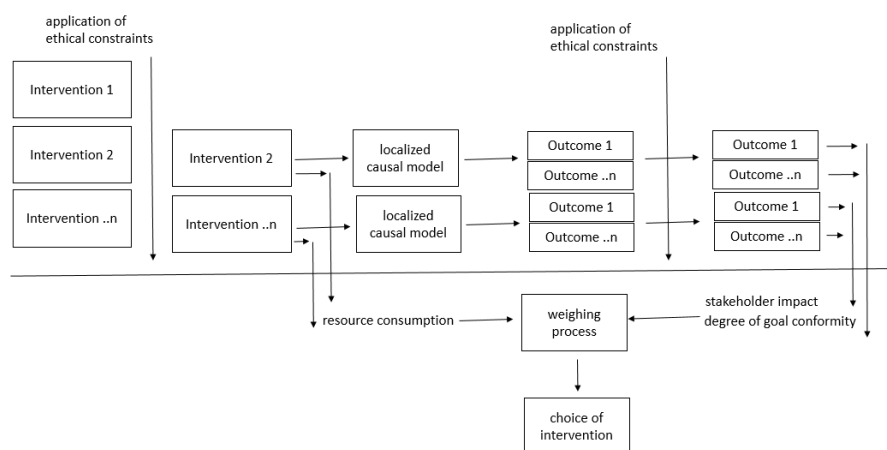


Figure 8 - Ethical constraints and weighing of resource consumption and outcomes

The process depicted above is different from the choice between interventions suggested in the previous EBM literature, due to its clear delineation between the application of ethical constraints and the view of stakeholder positions as inputs into an explicit weighing process.

Although the figure may suggest a linear progression, the identification of potential interventions, localized causal models and analysis of potential outcomes and their impact are likely to resemble multiple iterations of a circular process.

#### **6.3.4 The tension between EBM and AR**

There is an inherent tension between the concept of EBM and AR, due mostly to the open and participative nature of AR. Much of the discrepancies between EBM and AR may be attributed to a managerialistic view of EBM. The considerations described above can help to minimize this issue.

A successful strategy to reconcile AR and EBM, should focus on the core understanding of the management process; both approaches consider this understanding when defining the causal relationship between directed intervention and outcome (i.e. Friedman in Reason and Bradbury (2008, pp. 132–133) for AR).

Following the mainstream participative stream of the AR literature (Park in Reason and Bradbury, (2008, p. 83)), the voices of different stakeholders need to be included in the EBM decision-making process. As discussed above, these voices and positions may be considered as constraints of potential interventions and the ranking of such interventions. In particular, the ranking of interventions may be organized as a participative process involving stakeholders.

The role of participants other than immediate management in EBM may therefore be threefold: collaborators in the collection of external evidence; active voices in collecting, integrating and communicating local evidence; and active partners in the weighing of evidence in decision-making. I considered these roles to be the main basis for the collaborative act of creating a new practice area, although these roles showed themselves to be more limited as the project developed (see section 8.3).

#### **6.3.5 EBM: Types and sources of evidence**

This research defines evidence as any context-bound piece of information suggesting a causal relationship between an intentional intervention and outcome in a defined organizational configuration. Evidence serves as the building block of the local causal models used in EBM decision-making.

A detailed systematic discussion of the types and sources of evidence is absent from much of the EBM literature (Baba and HakemZadeh, 2012, p. 833). Some of the literature simplifies the issue so much as to merely equate evidence to information (Barends *et al.*, 2014b).

Other authors create a list of types and sources of evidence borrowed from evidence-based medicine (Briggs and McBeath, 2009, p. 255; Barends *et al.*, 2014b). An article supposedly aimed at “concept cleaning” describes “evaluated external evidence” as one of the foundations of decision-making, besides practitioner experience, stakeholder values and context, without detailing how such evidence can be obtained and evaluated (Briner *et al.*, 2009).

#### 6.3.5.1 Types of evidence, standards of validation

The role of evidence is to support the causal links assumed by the model.

This definition excludes information not directly related to causal rules. Information regarding local context, including the organizational goals, the epistemological and ontological positions of organizational members and stakeholder values and positions. These influence the local causal model either through the transfer of generalized knowledge or through constraints in the decision-making process.

The context-dependence of causal relationships requires that the evidence collected always includes information about the local context. From a theoretical perspective, knowledge about local causal relationships without any reference to generalized knowledge would be sufficient to support decision-making; generalized knowledge, however, requires information about the local context to justify its transfer to the local model.

The reliability of such isolated local knowledge may, however, fall prey to statistical irrelevance because the information is based on a low number of observations. Nonetheless, localized information, including anecdotal and narrative evidence, may be used to identify features of the local context that hint at likely causal relationships and allow for the transfer of more generalized information.



If we understand the field of management as a market in which generalized knowledge is the main commodity (Abrahamson and Eisenman, 2001), information about local context (including stakeholder positions) may be considered a shopping list for such knowledge.

We may therefore postulate that any evidence giving direction on the existence or absence of causal relationships between intentional management interventions and outcomes can be used in the EBM decision-making process.

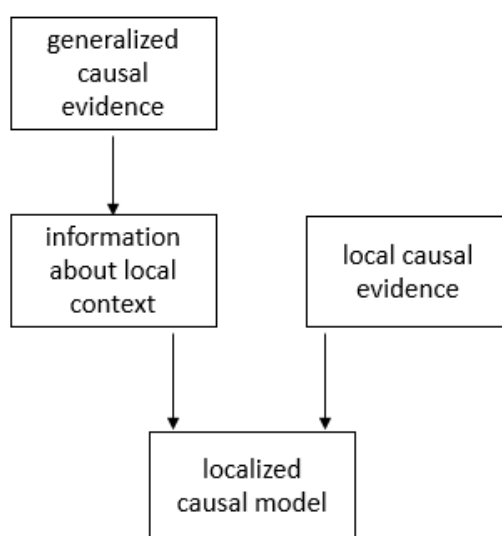


Figure 99 - Generalized and local knowledge in the localized causal model

Reserving the term evidence for information relating to causal processes, we see that local causal evidence can be used directly to create the localized causal model while generalized causal evidence requires interpretation through information about the local context. The practical application of the knowledge-creating process requires strategies to generate these three types of knowledge.

The said types of knowledge may exist in different forms. While some forms may be evident in all three types of knowledge, others are limited to generalized or local evidence. The literature qualifies information as evidence if it exists within certain categories of quality (Baba and HakemZadeh, 2012, p. 839).

These forms of evidence include the following: systematic reviews of randomized controlled trials; single randomized controlled trials; pseudo-randomized or non-randomized trials; cohort studies, time series or matched case-controlled studies; non-experimental studies from more than one research

group; case reports; the opinions of respected authorities based on clinical evidence; descriptive studies; and the reports of expert committees (Baba and HakemZadeh, 2012, p. 839). This list may be found in one form or another in a number of publications on EBM and clearly displays its historical roots in evidence-based medicine. It hints at a formal hierarchy of evidence.

Qualitative contextual research is not among these categories, although it forms a significant portion of the accumulated evidence in the field of management. The restriction of usable evidence is problematic, due to the implicitly assumed superiority of insight based on statistical relationships found in studies with a large number of cases, which often do not exist in management because causal processes in organizations are more context-dependent than the relevant processes in medicine.

For the field of management, I would argue that the relative weight of generalized evidence in the decision-making process is largely determined by its transferability to the local context and not by its method of production. This method of production needs to be considered when evaluating the reliability of evidence, which is an additional input factor of the weighing process. The role of localized evidence, including information on observed local causal processes, is unique to the social science fields. Observed repetitive processes may have the potential to describe expected local intervention-outcome relations.

Treatment of a patient in evidence-based medicine must be based on a cross-case review of other patient histories, since it is unlikely that the individual patient has already suffered from the same condition. Evidence-based medicine must transfer supporting information on the individual patient context without individualized evidence.

When it comes to localized evidence, existing external knowledge may be validated by comparison to the local context. This extends the process of transferring knowledge that has been pre-validated to the application of frameworks that may still lack validation, which is presented by most EBM scholars (or may be presented without making the validation process transparent). Such frameworks must be checked for logical consistency.

One such theory, which is logically consistent but comes without the transparent “proof of evidence”, is Maister’s (1982) market-framework (see section 0). This framework fits the local experience and is

one of the core pillars of the local AR project. The lack of data transparency in this case is likely to be associated with the chosen outlet, the Sloan Management Review.

### 6.3.5.2 Sources of evidence

This research assumes a wide, unrestricted, inclusionary use of sources for evidence. These may include academic journals, grey literature, observations from the local context, local organizational artefacts (such as memorandums, presentations and email-exchanges), expert opinions, narrative descriptions and oral explanations by organizational members.

Knowledge may only be understood as “available” if it can be used by the decision-maker or group of decision-makers. This research assumes that the weighing of evidence in the decision-making process is based on a contextualized analysis of the reliability of the relevant local causal models: there is no privileged source of evidence independent from the local context. This understanding aligns with the inclusionary ideas of AR and counters the critique brought against EBM concerning its fixed hierarchy of evidence.

Knowledge used to support an individual decision is a function of the explicit and tacit knowledge available to the individual or group of decision-makers. The integration of explicit and tacit knowledge is made through a weighing process that may occur consciously (see section 6.3.5.3) or subconsciously; in the latter case, the decision-making may often be understood as a result of tacit knowledge.

To be used in the decision-making process, a source of knowledge must be known, understandable and integrable to the decision-maker. While the first prerequisite points to the physical availability of information, the latter indicates the need to actively extract evidence on causal models. The requirement that knowledge must be “known” does not refer to the knowledge of the decision-maker at the beginning of the decision-making process, but rather what is known after an informed search-interference cycle. All three requirements are time- and path-dependent.

Since the latter requirements are connected to local context and the decision-maker’s personal disposition, different EBM strategies may use different sources of evidence. This goes against the implicit assumption underlying much of the EBM literature, which argues that a systematic literature review,

or at least a reliance on a certain amount of academic evidence, is a necessary step (Hirsh, W., Briner, R., Pfeffer and Sutton, Pfeffer and Sutton 2006b, Cascio 2007, Briner *et al.* 2009, Briner and Rousseau 2011, Charlier *et al.* 2011, Booker *et al.* 2012, Briner and Denyer 2012, van Aken and Romme 2012, Barends *et al.* 2014b). The most trustworthy evidence may come from the local context, however.

This prescriptive position must not be confused with the descriptive observations by Baba and Hake-mZadeh (2012, p. 851) that managers determine what items to use as evidence to generate decision options as a function of their training, experience and judgment. Rather than accepting any strategy used by the decision-maker, this research argues for a reflected use of evidence that weighs the as-sumptions and experiences of the decision-maker.

### 6.3.5.3 Weighing of evidence—Is there a hierarchy of evidence?

While theorists argue the merits of the completeness of evidence, the actual amount of evidence used in practical application is determined by resource constraints and the limits of insight available to a particular individual. This bounded rationality argument has been a long-standing staple of organiza-tional research (March and Simon, 1993).

This insight is mirrored by the EBM literature in its proposal to use the “best available” evidence (Baba and HakemZadeh 2012, Barends *et al.* 2014b, Barends *et al.* 2014a).

The contextualized nature of the weighing-process speaks against a fixed hierarchy of evidence inde-pendent from the context. While the critique of EBM often assumes that it uses a fixed hierarchy (Mor-rell, 2008), EBM proponents accept the need to contextualize evidence and move away from a posi-tivist view (Denyer and Tranfield, 2006; Denyer *et al.*, 2008; Rousseau *et al.*, 2008).

### 6.3.6 EBM and CIMO

#### 6.3.6.1 The CIMO framework

The CIMO approach (Context Intervention Mechanism and Outcome) (Denyer and Tranfield, 2009; Denyer *et al.*, 2008) provides a way to define the boundaries of the research question used in the information retrieval process.

One of the most important features of the search-inference framework of decision-making is the need to consider alternative explanations of causal relationships between observed data (Baron, 2006). Without such consideration, the relationship between a potential management intervention and its outcome might be misinterpreted (Baron, 2006, p. 198).

To avoid this faulty conclusion, one must search for potential interventions, explain the mechanisms connecting intervention and outcome and consider the existence of alternative causal relationships (see Baron, 2006, p. 199 for a slightly different description of these requirements).

Although a lack of attention to any of the four parts of the CIMO framework will lead to a loss of reliability in the relevant management intervention due to the breakdown of the logical basis of EBM in the probability assumptions underlying the search-inference framework, the literature hardly mentions that these parts are a strict requirement in the application of EBM.

The CIMO framework is grounded in the paradigm of design science and “its potential for increasing the relevance and application potential of the research base” (Denyer *et al.*, 2008, p. 393). Rather than considering CIMO as a necessary requirement for the justification of management decisions in an EBM context, the research sees the framework as a means of research synthesis, such as in statistical meta-analysis or a narrative summary of the literature (Denyer *et al.*, 2008, p. 398). This approach creates a causal model connecting potential interventions and outcomes.

The understanding that the inference of the expected outcome from a context-specific intervention is the core of decision-making in EBM requires a plausible mechanism explaining this relationship to justify the assumption of causality. We may therefore propose that the existence of all four parts of the CIMO-logic is a requirement for any intervention.

The EBM literature suggests that CIMO may frame questions for systematic reviews to make academic insight accessible to practitioners in a particular context (Briner *et al.*, 2009, p. 25). In the extreme, such a “cookbook” approach would justify the critique that EBM uses a “one-size-fits-all” process (Reay *et al.*, 2009; Morrell *et al.*, 2015). However, although all elements of CIMO must exist in an informed intervention, these do not must be derived from a single source, such as a systematic literature review.

### 6.3.6.2 CIMO and the goal dimension

The CIMO framework in the form presented by Denyer and Tranfield (2009) asks of the outcome dimension: *“What are the effects of the intervention? How can the outcomes be measured? What are the intended and unintended effects?”*.

This wording displays an academic view for studying an intervention from the outside that lacks focus on intentional outcomes. Instead of a causal effect between intervention and outcome, goals in a management context will typically be reached through a chain of actions that create a series of new contexts, from which new interventions will create new outcomes.

Using an unmodified version of the CIMO framework in the context of the current research would be similar to asking what single intervention could be used to create a new practice area in the context of Calibur Law. This strategy would ignore the insight that organizational change is reached through a change process that has a temporal dimension.

The outcome dimension in CIMO can be unpacked into the immediate outcomes of an intervention and a “goal” dimension, which creates a CGIMO framework. In planned management interventions, the goal dimension will stay relatively stable, while context and outcome are likely to change during the project.

The introduction of the goal dimension allows for a paradigm shift in the application of EBM. The literature assumes that answers to management challenges exist in the academic body of knowledge and may be derived and applied through appropriate procedures. This “they just know it all” assumption (Archibald, 2015) triggers much of the EBM critique.

While proponents of EBM deny the assumption that schematic answers to management questions exist (Briner *et al.*, 2009, p. 27; Briner and Denyer, 2012, p. 337), the assumption is inherent in any hierarchy of evidence that prioritizes quantitative research. In contrast to the “academic knowledge first” view, starting with a goal dimension explicitly makes clear the prevalence of the local action and decision-making process.

### 6.3.6.3 The CGIMO framework and Design Science

AR (Cole *et al.*, 2005) and the CIMO framework (Denyer *et al.*, 2008; van Aken and Romme, 2012) have close connections to the concept of “design”.

Following Simon’s (1996) interpretation of management research as a science of design, van Aken and Romme (2012) proposed to interpret EBM as a design process. Their central concept is the idea that EBM changes “the actual into the preferred” through a research-informed creative process that designs structures, processes and interventions (van Aken and Romme, 2012, p. 143).

The CGIMO framework can be used as a bridge to design-oriented approaches. The goal dimension represents the “preferred future” to be reached through a series of outcomes that are created in a circular process of intentionally designed interventions.

### 6.3.6.4 Using the CGIMO framework in the context of EBM and AR

The CGIMO framework may also play multiple connecting roles to combine EBM and AR.

At the heart of the integration of the framework into EBM lies its focus on the causal relationship between intervention and outcome. The mechanism component of the framework is of great importance in the weighing process discussed above, because a plausible mechanism sufficiently supports assumed causal relationships.

The intervention in the CGIMO framework may be equated to the action in the cyclic AR process. Since all action in the AR model is directed, the intended outcomes are driven by the goal dimension. In the

cyclic process, the observed (often multiple) outcomes are evaluated against the intended outcome and on a higher level against the goal dimension.

The goal dimension allows for reflection on how change to the organizational context after the intervention has moved toward or away from the goal, instead of mechanically comparing the intended and actual outcomes.



Figure 100 - CGIMO and action research

### 6.3.7 EBM and Bayesian Inference

The status quo of EBM lacks a detailed concept for integrating the various sources of knowledge. This research suggests the use of Bayesian methods for such integration. Bayesian methods use a probability approach to decision-making that continuously updates the rate of belief in a causal relationship based on the available information (Held and Sabanés Bové, 2013; Humphreys and Jacobs, 2013; Gelman *et al.*, 2014).

Although researchers have suggested that Bayesian methods could prove a means of integrating qualitative and quantitative knowledge (Roberts *et al.*, 2002; see also the summary of potential synthesis methodologies by Dixon-Woods *et al.*, 2005, p. 51) and examples of its use in decision-making are abundant in the literature (see the anecdotal account by McGrayne, 2011), none has developed an



integrative approach combining Bayesian analysis for knowledge discovery and decision-making to the context of EBM.

Bayesian analysis may help to avoid the dilemma that various types and sources of knowledge must be integrated to support a single decision. Bayesian methods are based on the derivation of a probability distribution for an event in question and the continuous update of this distribution based on the provision of additional information (Downey, 2013). Over the last two decades, the computational implementation of Bayesian methods have progressed to allow for the numerical solution of most Bayesian models (Downey, 2013).

It is likely that this probability approach has a great appeal to management practitioners, because it provides an insight into the probable outcomes of an intervention based on all available information. While Bayesian approaches are sometimes criticized because estimations of the *a priori* distribution of population parameters used by the method are subjective, such informed, subjective judgment is inherent to the practice of management.

In addition, the literature notes that Bayesian methods are likely to provide a “common ground” for the integration of qualitative and quantitative evidence (Dixon-Woods *et al.*, 2005, p. 51; Lockwood and Hannes, 2011; Humphreys and Jacobs, 2013). This integration is reached via the influence of the different types of knowledge on the final distribution of judgment parameters used in the decision-making process.

## 7. Literature Review

### 7.1 Literature as data - literature reviews in EBM

EBM scholars suggest that research should start by providing “systematic reviews” of the literature (Denyer and Tranfield 2009, Briner and Denyer 2012). Working systematically may allow the potential replication of the review, but will not necessarily create insight beyond the context-specific outcomes of other studies.

This research assumes the primacy of the local causal model used to design goal-oriented management interventions (see section 6.3.2). It recognizes that the EBM process requires a constant consideration of resource-consumption in the gathering of evidence. A (systematic) literature review is therefore justified if it allows for the integration of results into the local causal model and the causal evidence likely to be created from the review holds against other causal evidence (such as local experience).

A view on resource constraints makes attractive the concept of some EBM scholars, who propose collecting readily available systematic literature reviews in order to provide decision-makers with the currently available academic knowledge on the subject (Locke, 2009). Such collections, modelled after similar resources in evidence-based medicine (Higgins, Julian and Green, 2008) will necessarily lack reference to a specific local context, and thus provide only part of a solution to enabling access to academic knowledge.

Furthermore, the wide range of types and sources of evidence advocated by the current research poses a significant challenge in creating condensed summaries of the current state of knowledge as envisioned by these authors. While researchers have developed different methodologies for summarizing quantitative knowledge (such as meta-analysis, see Rauch and Frese, 2006), there are fewer methodologies to synthesize qualitative knowledge and mixed research (Hoon, 2013).

Even if the issue of integrating quantitative and qualitative knowledge can be solved (see Lockwood and Hannes, 2011), such knowledge may not be readily usable in a practical context. The lack of condensation of findings makes synthesized knowledge inaccessible to practitioners and the lack of context-specific information makes findings largely irrelevant.

Research that does not provide a view on causality is unlikely to provide usable input for the local causal model.

The prescription of the current research is therefore that a systematic literature review should start from the analysis of the local context. Rather than simply transferring a pre-packaged systematic review, the methodology should transfer the literature findings to the context, intervention and mechanism components of the local causal model. Individual articles and existing systematic reviews can be used input into this model. Existing systematic reviews thus form a shortcut to the literature.

A drawback of applying the CGIMO model to the synthesis of the literature is that its components are not usually explicitly exposed in existing research, and therefore the research requires substantial additional effort.

## **7.2 Methodology of literature review**

### **7.2.1 Systematic literature review**

While the idea of a systematic review of the literature has been widely embraced in other disciplines, its use in the management field remains scarce: A search for “systematic literature review” in the title field of the web of science core collection (CITE) yields 11.148 results. Narrowing the search to the management and business field by qualifying the search to these topic areas, however, limits the results to 85. Including the term “meta-analysis” in the search yields more than 160.000 results for the unrestricted search, but only 1.443 hits in the business and management category.

One reason for the limited use of systematic reviews in the management field may be that in comparison to other fields, more varied contributions such as quantitative, qualitative and theoretical research are considered appropriate methodologies (Denyer and Tranfield, 2009, p. 672). Most research articles that self-identified as systematic reviews in the management and business field followed the procedure of locating relevant studies using keyword searches applying Boolean logic operators, as suggested by Denyer and Tranfield (2009).

Authors have in practically all cases justified the effort of a systematic review by invoking the avoidance of researcher bias while maximizing replicability and precision. Advanced bibliometric methodologies

such as citation network analysis, text classification or other exploratory approaches have been used by a handful of the self-identified systematic reviews in the field of business. In the synthesis of their findings, most of the identified systematic reviews do not use a pre-defined framework such as the CIMO approach (Denyer and Tranfield, 2009), but rather resort to a purely narrative description of research findings.

Due to the absence of an analysis of individual interventions and a description of explanatory mechanisms, only a limited number of articles that self-identify as systematic literature reviews are directly usable in the decision-making process of EBM.

### 7.2.2 Overview: Steps of the literature review

To create a local causal model, one must begin the literature review with the definition of the management goal. The goal of this research is in line with the research question of “creating a sustainable new practice area at Calibur Law”.

The resource-orientation of the process calls for an analysis of the local context. Such analysis keeps the review’s scope in check by including only relevant research. From a practical perspective, the scope of the review is subject to a cyclical process of refinement, wherein additional important features of the local context that require analysis may appear from the literature.

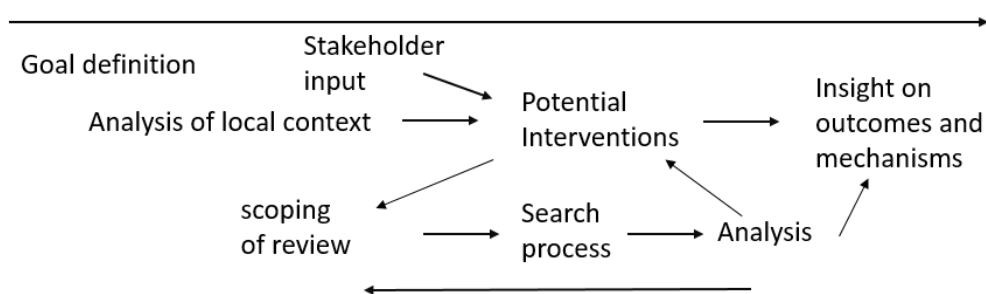


Figure 111 - The connection between local context and literature review

From the initial analysis of the local context and stakeholder input, potential interventions may be identified that add to the scope of the review. Based on the scope of the review, a search process is initiated to identify the subset of literature used for further analysis.

### **7.2.3 Literature review as an information retrieval process**

As discussed above, a literature review in the context of EBM serves to elicit the “best available evidence” available in the literature (Denyer and Tranfield, 2009, p. 675).

Management action may only be informed by a clear view of a potential intervention and its relationship to the intended outcome. The information retrieval process shall therefore ideally produce all existing knowledge that may support the evaluation of potential interventions to reach a predefined outcome in the relevant practice setting.

Two types of limitation are used in this research: a limitation to particular levels of the research question (see 7.3) and a limitation based on the requirements of the local causal model (see 7.2.3.4). These are not exclusive to the literature research, since the model of EBM proposed using the literature as just another type of data to inform the decision-making process.

#### **7.2.3.1 Replicability of research / Pre-defined search strategies**

Most fields of science consider the replicability of research to be one of the core requirements of rigour (Bourner and Simpson 2005, Denyer and Tranfield 2009). In the presentation of systematic literature reviews, many authors seek to fulfil this requirement through an explicit description of their search strategies in literature databases and pre-defining explicit inclusion and exclusion criteria (Denyer and Tranfield 2009, p. 674).

The drawback of any predefined inclusion and exclusion criteria is its ignorance of the evolving nature of the local causal model in an approach combining AR and EBM.

Instead of strictly applying initially defined criteria, the current research relies on making transparent how the local causal model evolved from the ongoing engagement of the researcher with the literature. The element of replicability is the reader's following of the author in the research journey; this dissertation does not present a pre-defined recipe that could be expected to derive identical results in a different context.

### 7.2.3.2 Avoiding potential bias through completeness of literature review

One of the core arguments supporting a systematic literature review, the call for predefined search criteria and the demand for completeness of the review is the aim to avoid bias in the literature review.

The most obvious bias risked by any research publication is availability bias (Kahneman *et al.*, 1999; Kahneman and Tversky, 2000; Gilovich *et al.*, 2002; Kahneman, 2012); this limits the analysed literature to the body of work known or remembered by the researcher.

This bias is somewhat countered by the research's explicit focus on a local causal model supported by a Bayesian view, where sufficient evidence for the causal mechanisms at work must exist. A review can be considered sufficiently complete if the evidence found provides plausible explanation of the cause-effect relationships beyond a threshold that will vary based on the type, importance and potential side effects of the goal and intervention dimensions.

### 7.2.3.3 Integration of qualitative and quantitative knowledge

If we accept that a systematic review's goal is to discover public knowledge to be used in the decision-making process in a real-world context, we need to define a framework to integrate such knowledge in a format that maps the variables defining the individual context. Such a framework must link the potential interventions to outcomes through proposed causal mechanisms (Briner and Denyer, 2006).

A major obstacle in the search for completeness is, by definition, related to the scope of the research. In the case of an AR project, the scope is related to the local action goals. Where "completeness" may entail a wide scope that integrates small causal effects into the model, effective action will require limited complexity.

This limitation of complexity may occur either in the creation of the general causal model from the literature review or on the level of the interface between general and local causal models. The advantage of limiting complexity on the interface level is the potential independence of the two causal models.

In the context of the current research, I have therefore opted for a meta model that includes additional feedback loops where local context and local causal model influence the definition of the literature review scope. In practice, this means that local findings may be evaluated against existing academic research.

#### 7.2.3.4 Systematic literature reviews as the input to a localized causal model

Denyer and Tranfield (2009) argue that, because of the complexity of organizational settings, the output of systematic review in management should take the form of a “design exemplar”.

This design is in the model advocated in this dissertation a *causal model*, which links not only to the literature but also the local contextual features. If the collection of evidence in EBM creates a goal-based localized causal model that connects interventions to outcomes, we may refine the step model of the literature review (see 7.2.2) into a process of designing the localized causal model.

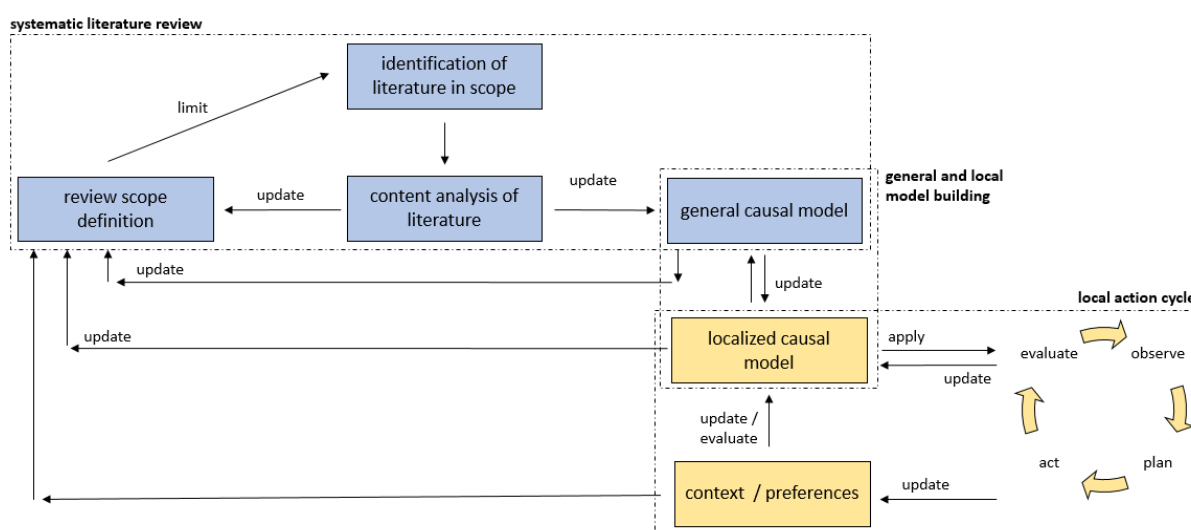


Figure 122 - Systematic literature review and localized causal model

In this process, the systematic review of the literature adds to the localized causal model through the definition of general causal models, which are transferred to the localized model by means of the CIMO framework. In addition to explicitly referring to the components of the CIMO framework, useful generalized summaries of the literature may thus contain descriptions of such models.

The emergent nature of knowledge leads to a constant update of the general and localized causal models.

### 7.3 Scope of review

The scoping of the literature review starts with the practice-oriented research question, which is strictly informed by the local context. The following account seeks to make transparent the process of identifying the literature analysed in detail for its potential contribution to the local causal model.

The literature analysis was initially based on searches of the core collection of Thomson Reuter’s Web of Science, a database chosen for its broad coverage of business topics. The trade-off between recall and precision in the information retrieval process can be illustrated by graphing the overlap of results from different queries into literature databases based on the different levels of the research question (see 0). While a query on the topic of “PSF\*” (with the TOPIC query including all documents with the search terms in either the title or the abstract of the document) yields 302 documents, a TOPIC query with the boolean search term “practice AND area AND service\* AND (creation or innovation) yields 216 documents.



Figure 133 - Venn diagram of literature retrieved

The three documents shared between the result sets represent the topic on level 4: “Creation and development of new practice areas in PSFs”, which is close to the task-specific research question.



As an alternative to keyword-based search, the diagram also shows a “related document search” in the Web of Science based on Anand *et al.* (2007); this shows all documents citing the resources cited by this article. The relatively small number of shared resources between the earlier result sets and the related article search reflects the citation of general research and management literature by the reference article.

### **7.3.1 Level 1: The management of professional service firms (PSFs)**

This research uses the management of PSFs as the broadest category of analysis. The decision to do so is arbitrary, since management in PSF is naturally informed by insights on management, which is in turn informed by knowledge of the processes of human interaction in organization and so on.

In total, 28 topical journal articles and one book chapter were identified based on the research question on this level. The current research question is thus an important topic in the professional services management literature.

#### **7.3.1.1 Level 1b: Antecedents and drivers of innovation (in services)**

More than 140 articles were identified. The topic proved too wide for meaningful transfer of evidence to the localized context for much of the literature, however. Further analysis was restricted to a high-quality systematic review on the topic (Greenhalgh *et al.*, 2004),.

### **7.3.2 Level 2: Antecedents and drivers of innovation in PSFs**

In total, six topical journal articles not identified in the broader searches were identified based on the research question on this level.

### **7.3.3 Level 3: Creation of new practice areas in PSFs**

The narrow scope of the research question on level 3 restricts the immediately scoped journal articles to 2. In addition, three chapters of the Handbook on Entrepreneurship in Professional Service Firms

are immediately relevant to this formulation of the research question. This narrow result points to an existing gap in the literature.

#### **7.3.4 Level 4: How can we foster innovative practices in the creation of practice areas?**

The level 4 research question is unlikely to yield direct results in the literature research. It should be noted however, that an understanding of literature as a non-privileged source of data blurs the line between literature research and the use of data from the local context, in particular written artefacts.

In addition, it can be noted that lawyers from Calibur Law have published an account of the business model of the firm (Appelhagen, 2002), which can be understood as literature dealing with the immediate context. Rather than including this book in the literature research, I have however opted to use it as a local artefact, mostly due to its apparent lack of rigor, which limits its use to a more detailed understanding of local history.

#### **7.4 Detailed analysis of literature**

Based on the search results, identified articles were screened for minimum relevance to the research question. At this stage, a total of 13 articles was excluded. At this stage, no detailed analysis of the usefulness or relevance of the article in the concrete research context was undertaken; therefore, articles that were obviously non-topical were excluded.

The remaining identified body of literature (consisting of 37 individual research articles and the chapters contained in Reihlen and Werr (2012a)) was scrutinized for concepts applicable to the creation of practice areas. In interfacing to the ideas of EBM, the CIMO logic was employed to map the content of the individual pieces of literature to a conceptual map of “what is known” and the local context of the research site, in an aim to define potential interventions in the action research (AR) project.

An article was considered as useful evidence under the EBM framework if all four of the pillars of the CIMO framework including “context” were present at least in rudimentary form, the context of the research was close enough to the local context of Calibur Law, making the article relevant and the research fulfilled adequate requirements for academic rigor.

A relatively low hurdle for the existence of the CIMO criteria was set, acknowledging that the typical standardized structure of research articles does not call for the explicit identification of these criteria. In particular, quantitative articles often emphasize statistical relationships between intervention and outcome, speculating on potential mechanisms only in the discussion section. In contrast, qualitative research focuses on context and mechanism without a detailed analysis of intervention.

In addition, an attempt was made to identify the professional background of the individual authors to further contextualize the research. The rigor of the individual research was assessed based on the criteria suggested by Shrivastava (1987). Although the original unit of analysis of Shrivastava (1987) were research programs in strategic management, his criteria prove useful also for the assessment of individual research pieces.

#### **7.4.1 Presentation of literature review results**

The order in which the literature is presented has been chosen to present a consistent narrative of the evidence found in relation to the current research project.

After the full set of literature was reviewed based on the criteria of the CIMO framework, an initial model was derived and refined by incorporating additional aspects from the literature as described below. This strategy resembles the idea of a model-based meta-narrative used by Greenhalgh *et al.* (2004) in their systematic review of the literature on innovation diffusion in service organizations.

#### **7.4.2 Articles excluded from the presentation for brevity**

For the sake of brevity, parts of the literature identified to lie within the scope of the research question in the systematic literature review process have been removed from the detailed discussion.

The following description of the evidence from the literature is therefore limited to a total of 12 journal articles and book chapters from the total of 55 literature pieces (roughly 20%) identified by the process described above. These were chosen since they illustrate particular facets of the generalized causal model developed.

In a more resource-critical environment – in particular in the field application of EBM in day-to-day management –, it is likely that additional literature would be removed based on the judgment of the person undertaking a literature review without any further mention

This form of presentation is closer to a more traditional literature, where the literature is used to support the author's argument without making transparent how the choice of citations has come about. What makes the presentation different is the overarching connection to the local causal model, understood as the centrepiece of the flavour of EBM advocated in this research.

### 7.4.3 The literature landscape on practice area creation

#### 7.4.3.1 New service development

If we define new practice development as the creation, embedding and use of innovative forms of expertise (Heusinkveld *et al.*, 2012, p. 203) and the provision of such “expertise” to clients as a “service”, the literature on practice area creation in PSF forms a subset of the wider literature on the new service development.

The concept of new service development (NSD) is relatively recent, with the bulk of attention appearing since the mid-90s (Menor *et al.*, 2002; Bullinger *et al.*, 2003). Related to this marketing-oriented concept, *service engineering* is understood as a methodological approach, aiming to transfer the engineering approach of traditional product development to service innovation (Menor *et al.*, 2002, p. 154; Bullinger *et al.*, 2003, p. 275; Salunke *et al.*, 2011). NSD extends the literature on service design, which focuses on the content and configuration of service offerings in contrast to the process of innovation (Menor *et al.*, 2002, p. 137).

In addition to arguments that services “happen” rather than being created (Menor *et al.*, 2002, p. 136) and the difficulty in understanding customer demands for intangibles (Bitran and Pedrosa, 1998, p. 170; Hogan *et al.*, 2011), a major obstacle to a methodological approach to service innovation has been the need to define *services* based on their characteristic attributes and not through the negative definition as distinct to physical products (Bitran and Pedrosa, 1998; Bullinger *et al.*, 2003, p. 276). Furthermore, authors have seen additional opportunities for value creation because of the difficulty for clients to adequately evaluate service quality (Hogan *et al.*, 2011).

Unpacking the desired *outcome* of the new service development process, Bullinger *et al.* (2003) have defined a *service concept* as consisting of the product model, a process model and a resource concept. The product model represents the service content, often in the form of the modular structure. It is the product which is offered to clients and marketed (Bullinger *et al.*, 2003, p. 279).

The process model defines how the service is produced and connects to the resource concept, analysing what organizational resources are required in the provision of the service (Bullinger *et al.*, 2003, p. 280).

While this definition of the *outcome* of the service development process seems fruitful, much less is understood about the actual process of how a service concept may be created. Based on outcome-oriented model, generic models for service development may be defined; these generic models - such as waterfall approaches, spiral models and prototyping models - however lack sufficient level of detail to be used in practice (Bullinger *et al.*, 2003, p. 284).

Rather than a generic structure for the development of any kind of service, analysis must concentrate on the individual type of service (Menor *et al.*, 2002, p. 138; Consoli and Elche, 2013). Furthermore, empirical insight suggests, that the possibility of success for formal planning of new service development is limited by the complexity of the process and the desired outcome, and the need for improvisation and complexity-reducing mechanisms such as internal competition must be accepted (Edvardsson *et al.*, 1995).

In the light of the current research, a formal service concept as defined by Bullinger *et al.* (2003) can be used to define the desired outcomes in the AR process, where it serves as a constantly updated definition of the vision of the new service offering.

#### **7.4.3.2 Management and organization of PSF**

Although generalized findings of the wider management and organizational literature apply to PSF, distinct patterns are shared by PSF in regard to antecedents of organizational performance (Gilson and Mnookin, 1984; Glunk and Wilderom, 1998), organizational structure (Nelson, 1988; Greenwood *et al.*, 1990; Greenwood *et al.*, 2010), strategic positioning (Muir *et al.*, 2004; Jennings *et al.*, 2006; Mayson, 2007) and human resource practices (Gilson and Mnookin, 1989; Malhotra *et al.*, 2010).

In the context of the current research, authors have identified the role of power relations (Anand *et al.*, 2007, p. 407; Lawrence *et al.*, 2012), professional identity (Barley and Kunda, 2006; Jennings *et al.*, 2006; Brivot, 2011) and the need to manage individual contributions by professionals (Maister, 1982; Consoli and Elche, 2013). In contrast, efforts to use a simplified model of strategic management in PSF as a choice between cost leadership and differentiation (Ou and Chai, 2007) seem problematic because the core cost positions of PSF are manifested in the people it employs, making any untangling of cost and knowledge base seem impossible.

Although such patterns are often shared across PSF types, a detailed analysis also must consider the differences between different types of PSF, namely in regard to the nature of knowledge produced, jurisdictional control, client relationships, organizational form, form of knowledge delivery, profit-sharing and remuneration (Malhotra and Morris, 2009; Blindenbach-Driessen and van den Ende, Jan, 2010; Zardkoohi *et al.*, 2011).

Due to the partnership model and professional identity of firm members, the role of leadership in PSF is different than in other organizational contexts (Stumpf *et al.*, 2002, p. 267); leadership in PSF may be seen as the “appearance of multiple individuals as symbols, mediators and brands” (Strannegård, 2012, p.177).

#### 7.4.3.2.1 Definition of PSF

Although researchers agree that organizations such as law firms and consultancies qualify as PSFs, the literature lacks a consistent definition of what constitutes a PSF. Researchers debate the necessary components of such definition (Nordenflycht, 2010, 2011; Zardkoohi *et al.*, 2011).

According to Nordenflycht (2010), a PSF is characterized by knowledge intensity, low capital requirements and a professionalized workforce. His characterization is known as the KLP framework (Nordenflycht, 2011). See Reihlen and Mone (2012) and Tether *et al.* (2012) for similar criteria.

Opponents criticize Nordenflycht’s (2010) definition based on empirical counterexamples such as novel organizational forms and the optimization of organizational services to avoid “too many exceptions” (Zardkoohi *et al.*, 2011). This critique aligns with empirical evidence that larger PSFs tend toward

a “managed professional business”, which makes them less distinct than other corporate entities (Pinnington and Morris, 2003; Kipping and Kirkpatrick, 2013, p. 778).

There is little to no contest that PSFs are defined by the pivotal role of the professional and the associated “claim over some area of expert knowledge applied in a work setting” (Teece, 2003; Malhotra and Morris, 2009, p. 895), however. The KLP definition of PSF serves the current research well in that it identifies a common context between organizational environments that highlights the challenges of knowledge management and the management of independent professionals. The organizational and management structure of Calibur Law resembles the prototypical PSF described by the KLP framework.

PSF are self-organizing heterarchies governed by the mutual constraints and interdependent influence of different internal communities (Reihlen and Mone, 2012, p. 108). According to Reihlen and Werr (2012b, p. 5), however, the institutionalized notion of professionalism typical for PSF may be at odds with the process of opportunity exploitation that characterizes entrepreneurship.

Even within the constraints of professional identity, professionals striving for challenging assignments and financial rewards may be motivated to exhibit entrepreneurial behaviours. Shared entrepreneurship activities may thus be further restricted by professional autonomy (Teece, 2003; Reihlen and Werr, 2012b, p. 8). This contrasts with the actions of institutional entrepreneurship found in maturing professions. Professional firms, on the other hand, strongly influence the institutional environment in which they operate, such as, influencing regulation through professional organizations and efforts to legitimize the organization and build its reputation (Smets and Reihlen, 2012)

#### **7.4.3.2.2 Organizational and management structure of PSF**

The empirical literature has long noted that PSF organizational strategy is almost exclusively characterized by a melange of the legal organization as a partnership and a notion of professionalism that stems from a strong professional identity (Greenwood *et al.*, 1990; Pinnington and Morris, 1996; Brock, 2006; Greenwood and Suddaby, 2006; Lawrence *et al.*, 2012).

This professional bureaucracy (Mintzberg, 1979) emphasizes democratic and collegial values in the decision-making structure, with autonomy, participation and consultation as shared core values

(Brock, 2006, p. 159). As an outflow of these values, professional partners not only own and manage the firm but also act as service producers (Brock, 2006, p. 159).

This dual role limits the management skills evident in PSFs (Amonini *et al.*, 2010). Furthermore, professional identity often makes partners shun the value of management and marketing activities (Amonini *et al.*, 2010), notwithstanding the empirical result that market orientation strongly correlates to performance (Vickerstaff, 2000; Sweeney *et al.*, 2011; Lettice *et al.*, 2014). Although interaction marketing exists in many PSFs, its correlation to performance is mediated through a lack of marketing competency (Sweeney *et al.*, 2011).

#### 7.4.3.2.3 Knowledge management in PSF

PSFs must ensure that consumers can easily attain the knowledge required to access services, either via the active knowledge of PSF members or the knowledge available to members through research processes or collaborations. Werr (2012) argues that PSFs may be considered “distributed knowledge systems, [...], possessing potentially valuable knowledge for the creative solution of a specific client problem” (p. 23). Knowledge is not only the key commodity offered by PSFs—it is the main factor shaping PSF organizational structure (Morris and Empson, 1998; Tether *et al.*, 2012).

By extending the notion of knowledge as an individual possession, we may view expertise as a product of social relationships manifested through communication (Treem, 2012). This view may be related to the co-creation of knowledge in client interactions and the embedding of knowledge transfer in the enacting of professional identities. As change might be a result of shifting organizational discourse (Ford, 1999), the creation of a knowledge base might be a discourse on topics within the constraints of the profession.

The challenge of intangibility (Bitran and Pedrosa, 1998, p. 170) may be at its extreme in the creation of professional services, which usually have no material components (Heusinkveld and Benders, 2002; Heusinkveld *et al.*, 2012, p. 202). The expertise used by professionals is a mix of formal and tacit knowledge (Anand *et al.*, 2007, p. 407).



The main commodity of knowledge includes knowledge (expertise) held by an individual professionals within the firm and the firm's collective pool of knowledge, which is vested in its institutional structures, procedures and processes (Terrett, 1998; Robertson *et al.*, 2003, pp. 833–834). The creation of the first type of knowledge is termed “personalization” strategies, while the latter is termed “codification strategies” (Hansen, 1999, p. 87; Robertson *et al.*, 2003, p. 834).

Uncodified knowledge often corresponds to the tacit knowledge acquired by individuals through experience (Hansen, 1999, p. 87; Hitt *et al.*, 2001; Werr and Stjernberg, 2003) but may also manifest in codifiable knowledge withheld from documentation by members of the organization in their exercise of power (Brivot, 2011).

Although some PSFs invest significantly in knowledge codification (Werr and Stjernberg, 2003; Brivot, 2011), the mere application of codified knowledge without a tacit ability to solve unique client problems can be catastrophic (Brivot, 2011, p. 489). Nonetheless, PSFs must create managerial routines that allow for the ongoing deployment of both types of knowledge (Poulfelt *et al.*, 2010). Current research identifies the individual behaviour of knowledge-holders as the main challenge of capturing and disseminating knowledge (Werr, 2012, p. 23).

Reihlen and Nikolova (2010) have found that, although PSF knowledge is vested in individual professionals, it is created and developed through various feedback loops involving the local team of professionals, the PSF practice groups, the clients, the professional community and the wider public. In law firms, knowledge creation requires a high degree of interpretation with the goal of legitimization via a collectively validated documentary record (Robertson *et al.*, 2003, p. 852).

This level of interpretation is even higher for the knowledge underlying new services, and the need for legitimization is an outflow of the institutional influence's conflict with top-down management approaches (Robertson *et al.*, 2003, p. 853; Gardner *et al.*, 2008). An important part of knowledge management in PSFs involves the transfer of knowledge to new employees of the firm. In the case of uncodified knowledge, this transfer requires the active participation of “those in the know”: the partners of the PSF (Hitt *et al.*, 2001). Formal knowledge management systems may also form part of this education process, but are often unlikely to provide knowledge not already present due to the professional's formal education.

The strategy for the local AR project must ensure that both the personalized and codified knowledge required for the new service offering are available. Codification and transfer processes therefore need to be integrated into the design of the formal service concept. Because personalized knowledge is essential, knowledge collection and transfer must be legitimized to gain the necessary support of knowledge-holders. This certainly validates Werr's (2012) concerns that one must ensure a pattern of "heedful interrelating" among professionals enacting a shared pool of knowledge rather than relying on a mere cognitive framing of knowledge integration.

The underlying interpretational process closely relates to the professional identity of firm members (Werr, 2012, p. 31). Knowledge integrating behaviours, such as help seeking, giving and reflective re-framing, will only increase in an interactive climate of psychological safety, care, trust and power equality where the representation of knowledge fits with the social identity of the professional knowledge-holder (Werr, 2012, p. 38). Potential interventions for fostering such a climate lie in the organizational structure and HR processes, particularly career model fit and recruitment practices (Werr, 2012, p. 38).

#### **7.4.3.2.4 Performance and productivity measurement in PSF**

The goal oriented nature of the EBM framework requires that outcomes be measured in terms that are comparable. Research on performance management systems as a tool for the management of PSF shows that the mere transfer of shareholder-oriented approaches does not satisfy the constraints due to PSF's characteristics of ownership by professionals and professional identity (Schulze-Borges, p. 65).

##### **7.4.3.2.4.1 Definition of performance**

The term performance is ambiguous because it may be used in an output-oriented or input-oriented manner. As organization members are immediate producers of the services rendered, we may distinguish between the individual performance of professionals and the overall performance of the organization, which is related but not identical to the sum of individual performances.

On the firm level, performance is typically defined in terms of absolute or relative monetary or other numerical amounts (Crook *et al.*, 2011). Constructs used for the performance variable in the literature

include absolute earnings, net cash flow, revenue growth, stock market returns, number of employees and rate of return on assets (Crook *et al.*, 2011).

Net amounts describing account revenue and cost positions provide a first link between input and output variables before additional productivity measures.

#### **7.4.3.2.4.2 Definition of productivity**

At the highest level, firm productivity is a ratio between outputs produced and inputs used, and assumes a constant quality of output (Grönroos and Ojasalo, 2004).

Research has typically situated the question of how to adequately measure the productivity of professional services in relation to manufacturing-based measures, albeit with the caveat that “factors determining productivity [in PSF] are only partially known” (Nachum, 1999). Transferring a concept of the relationship between input and output variables, particularly the use monetary measurement of turnover or market share as the output variable, to PSF may overlook a connection to professional identity.

Research has considered ownership by professional producers (the P<sup>2</sup>-model) as one of the drivers of productivity and performance in PSFs (Greenwood *et al.*, 2006). The view of ownership as an input variable falls short of reality, however; ownership by professionals introduces goals for the firm other than monetary performance. Its members expressly define their professional goals beyond monetary terms, such as “personal satisfaction of the professional and the informed client” (Appelhagen, 2002). Furthermore, the assumption made by manufacturing-based productivity models that the configuration of input resources does not impact the quality of the output does not hold true for services (Grönroos and Ojasalo, 2004; Calabrese, 2012).

The issue of multiple organizational goals may be dealt with by assuming a single, monetary performance goal of the firm and treating other organizational goals as contingencies, thereby limiting the range of potential interventions to reach the focal goal, or by defining a common measurement scale that would translate different goals into a common unit for comparison.

The literature on service performance, particularly on the performance of professional services, has commonly used the first approach (Chang and Birkett, 2004), except when seeking a common-denominator description for the trade-off between service productivity and quality. The productivity measure used by most PSFs is the ratio of hours spent by professionals in the creation of the provided services divided by the fees charged (Maister, 1982; also see Chang and Birkett, 2004, p. 10).

#### **7.4.3.2.4.3 The relationship between human capital and performance in PSF**

The most-researched input-output relationship in PSF literature is the impact of human resources on performance (Sherer, 1995; Hitt *et al.*, 2001; Teece, 2003). As individual knowledge is a firm resource, PSF competes not only for clients but also for human resources (Maister, 1982; Stumpf *et al.*, 2002, p. 261; Teece, 2003). Different types of client demands typically require professionals of different experience levels (Maister, 1982)

Hitt *et al.* (2001) find a positive relationship between leveraging human capital and monetary firm performance; this relationship is dependent on the tenure of employees and exhibits a curvilinear connection, with a negative relationship early on that becomes positive as new employees mature in the firm. This curvilinear relationship may also explain the typical career models in PSF, which show that associates attain an increase in value and negotiation space over time.

Recent research suggests that person-organization fit between the early career lawyers and the firm determines a long-term perspective of sustained tenure moderated through satisfaction, commitment and intention to remain (De Haas, Maarten and van Eerde, 2015). From a management perspective, this requires assessment of the PSF's values and of potential young professionals. In the context of the legal apprenticeship system in Germany and other Continental-European countries, the apprenticeship term may prove an adequate time for this evaluation.

Beyond the creation of client knowledge through the transfer of professional knowledge, professionals legitimize knowledge based on their expert outsider status (Sturdy *et al.*, 2009). This legitimization process requires tacit skills that are often gained through experience. Legitimization might also result from externally validated professional qualifications and corporate branding strategies. The value of experience and professional qualifications further enhances competition on the hiring market.

#### 7.4.3.2.5 Change processes in PSF

The specific characteristics of the PSF organization and its professional members generate distinct patterns of change processes (Cooper *et al.*, 1996; Sherer and Lee, 2002a; Kipping and Kirkpatrick, 2013). In addition to the generalized concept of a change model that is integral to this study's EBM framework, the design of the change process must be amended in a context-specific way.

Professional organizations are actors in field-level social change that create and shape the professional fields within which services are delivered (Lefsrud and Suddaby, 2012). They are also the subjects of ongoing change, and are influenced by the external environment and internal members (Sherer and Lee, 2002b).

Changes in PSFs are related to shifts in the internal discourse on professional identity and the interpretation of organizational structures (Cooper *et al.*, 1996). Since the creation of a new practice area can be considered a change process, the integration of an adequate change process model into the local AR project is an important prerequisite for success.

Research has found strong evidence that the successful embedding of a new practice requires ongoing organizational support (Anand *et al.*, 2007), which in turn requires a project that has cognitive and social-political legitimacy (Gardner *et al.*, 2008). Legitimacy depends on the fit of the project with the organization's interpretation of its own values and self-understanding as expressed through the ongoing organizational discourse (Ford, 1999).

Within the local AR project, professional identity and self-understanding must be assessed carefully and related to the definition and impact of the specific new services designed.

#### 7.4.3.2.6 Characteristics of law firms as a distinct type of PSF

Legal firms, alongside their siblings of accountancy, tax advisory and consulting firms, share typical characteristics in their career and profit sharing models as well as their modes of knowledge-production.

#### 7.4.3.2.6.1 Career models—The tournament of lawyers

The most important of these characteristics is a typical career path by which employees move from new associate to partner, coming to own and manage the firm by achieving one or more well-defined steps (Gilson and Mnookin, 1989; Galanter and Palay, 1991; Sander and Williams, 1992; Kordana, 1995; Galanter and Henderson, 2008). Employees are driven by the goal of “making partner”, which is motivated by the promise of large financial incentives (Gilson and Mnookin, 1989; Kordana, 1995; Sherer, 1995).

This pattern once led to a “tournament of lawyers” (Galanter and Palay, 1991; Galanter and Henderson, 2008) that caused associates who were not promoted to the next career level to leave the firm. This was known as the “up or out” model (Sherer, 1995, p. 674; Sherer and Lee, 2002a, p. 104). Empirical evidence indicates that the strict version of the tournament is gradually being replaced by alternative structures, such as the engagement of permanent staff lawyers without partnership opportunities (Sherer and Lee, 2002a; Galanter and Henderson, 2008, p. 1876; Smets *et al.*, 2012b). However, the general tournament structure remains intact.

The justification for the tournament model may be found in the nature of individual knowledge as the basis of services sold to clients—the only potential for partners as the owners of the firm to leverage resources is through hiring associates with no claim on the profits of the firm (Sherer, 1995).

The tournament model has strong implications for the organizational structure of PSF, which often leads to a pyramid structure with a few (equity) partners on top and broadening levels of professionals at different stages of the career path below (Maister, 1982).

#### 7.4.3.2.6.2 Profit sharing models

The dubbing of partners as “the human capitalists” (Gilson and Mnookin, 1984) hints at the pivotal role that profit sharing schemes play in PSFs.

The full extent of the profit sharing scheme usually applies only to equity partners, who own a legal share of the partnership and are compensated by a share of its profits, as determined by the compensation scheme. In the absence of large capital requirements (Gilson and Mnookin, 1984; Nordenflycht, 2010), compensation schemes based on individual merit, fixed percentages and percentages related to organizational tenure prevail (Gilson and Mnookin, 1984).

For lawyers on the tournament career path, compensation is often below-par until they reach the level of equity partner (Gilson and Mnookin, 1984). Although the literature describes alternative compensation systems (Teece, 2003), these are seldom used.

#### 7.4.3.3 Practice development in PSF

Authors devote their interest to one of two areas of interest: “grey literature” in professional magazines and academic peer-reviewed efforts. While the former concentrates on outcomes, often describing the novel or particularly successful services of individual firms, the latter emphasize the process of practice development without detailing the services offered (Hogan *et al.*, 2011; Heusinkveld *et al.*, 2012).

Practice areas in this context are understood as “identifiable subunits within the firm, providing services based on knowledge-based structures” (Anand *et al.*, 2007, p. 408). If we understand that practice development creates a practice area that does not yet exist in a particular PSF but may already exist in other firms, the concept of innovation becomes relative to the local context. This focus on local creation processes is different from that held in the wider innovation literature, which tends to look at innovation from an industry perspective and restricts the term to new products and services not existing in any firm.

Creating a new practice area may thus be interpreted as the imitation of a successful rival firm (Semadeni and Anderson, 2010).

Heusinkveld *et al.* (2012) distinguish among three streams in the academic literature on new practice development. The first stream relates to stage models of distinct phases of product development that

lead to a marketable service commodity. A second stream concentrates on the different routes of development connected to different organizational configurations. The third stream hints at the often chaotic, contested and political nature of the practice area development.

All literature streams are closely interwoven, which reflects the complexity of the subject of study. Most authors concerned with the process of practice development seek a connection between the market for a PSF's services and its internal resources, whether existing or under development (Vickerstaff, 2000; Hopewell, 2001; Hogan *et al.*, 2011; cf. Brock and Segal-Horn, 2012; Glückler, 2012; Halinen and Jaakkola, 2012; Lettice *et al.*, 2014). The resulting processes are often "opportunity driven" reactions to assumed voids in the services available to the market (Løwendahl, 2012; Reihlen and Werr, 2012b, p. 4).

While the second stream of literature concentrates on how these internal resources can be configured for "productization" through procedures and processes (Jaakkola, 2011), it also accepts the role of "market sensing" (Heusinkveld *et al.*, 2009; Fischer, 2011; Heusinkveld *et al.*, 2012) and client interaction (Fosstenløkken *et al.*, 2003; Nikolova *et al.*, 2009; Nikolova, 2012; Sieg *et al.*, 2012) required to define the desired outcome of the process, which makes it converge to the first stream of literature. As individual expertise is the core value driver in the service offerings of PSF, the diversity of professionals may enhance a PSF's ability to offer a broad range of expertise (Mahnke *et al.*, 2012).

Awareness and legitimacy of a market-oriented approach are the most important factors in transferring what is known about new practice area creation to the local context of Calibur Law. This insight is likely to be challenged by a despise for marketing and a concentration on existing obvious knowledge and resources.



## 7.4.4 Maister, D.H., 1982. Balancing the PSF

### 7.4.4.1 Scope, research question and context of study

Maister (1982) is one of the first authors aiming to provide an integrated model for the management of PSFs.

The article concentrates on traditional types of PSF, such as law and accountancy firms. It describes the strategic management goal of PSFs with an implicit notion that the economic success of the firm is expressed through the long-term income function for its equity partners. The author's "balanced" approach to strategic management is similar to the balanced scorecard approaches of other Harvard scholars (i.e. Kaplan and Norton, 1996).

**Context:**  
PSF with a traditional organizational structure

### 7.4.4.2 Methodology, rigour and relevance

The study presents a theoretical model without explicit reference to empirical evidence; data is presented in the form of examples without making clear the source of the data. The research does, however, define potential interventions and their mechanics to reach management outcomes for the PSF. The validity of the research is supported by the consistent logical structure of the argument and the model's closed form.

Much of the lack of academic references and explicit data analysis is likely due to the intended audience of the outlet *Sloan Management Review*. Although this "lack of evidence" would invalidate the research under the criteria of most EBM frameworks, a strong fit with local experience exists (section 5.5) that justifies the study's inclusion in the portfolio of localized causal models (section 6.3.2).

### 7.4.4.3 Summary of findings

The theoretical model postulated that PSFs compete in two markets: an output market for the services of the PSF and an input market for the recruitment of professionals (Maister, 1982, p. 15). The requirements of these two markets need to be balanced through the economic and organizational structure of the firm, which may be accomplished by choice decisions based on different variables selected by management (Maister, 1982, p. 16).

**Mechanism:**  
Competition in the service and HR market

The following figure reproduces the graphical representation of the model given by Maister (1982, p. 25):

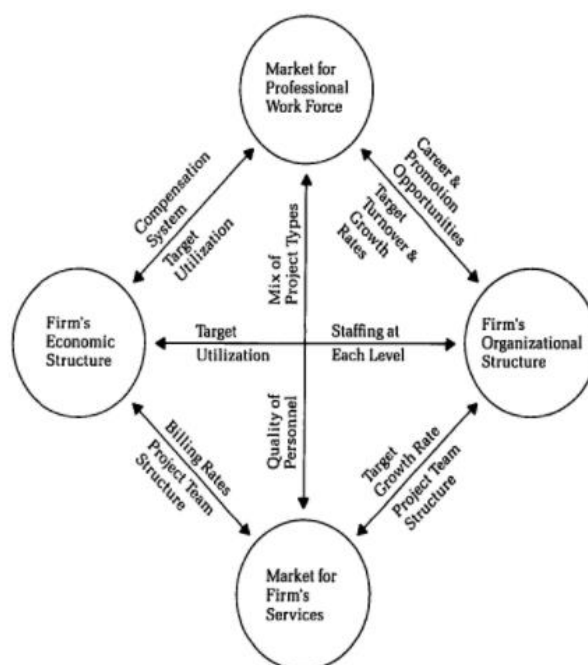


Figure 144 - Model of service and employment market by Maister (1982, p. 25)

A core assumption is that the defining characteristics of the model can be expressed quantitatively and are subject to the influence of management interventions (Maister, 1982, p. 26). From a decision-oriented point of view, the model can be deconstructed into decisions related to the market for the services of the firm and the market for its professional work force (Maister, 1982, p. 15).

While Maister (1982, p. 26) proposes a balanced approach to this decision-making, the existing local context at a given firm may form a contingency to the available decisions, at least in the short term.

Maister (1982, p. 24) distinguishes between “grey hair”, “brains” and “procedural” projects. Where brains projects require extraordinary talent and creativity and procedural projects represent repetitive tasks, grey hair relates to the use of the growing stock of experience of individuals along their career path at the firm.

The different types of staff required for these types of projects form a connection to the firm's (internal and external) market for human resources. The growing cost base for the services of those further

along the career path make it necessary to generate adequate revenues from their work, which requires that they move away from procedural projects.

At the same time, the staffing of procedural projects requires an ongoing “fresh supply” of juniors who one day require more demanding project work.

Maister (1982) also proposes that the target growth rate for firm professionals is set by management and relates to explicitly set goals in both the service and employment market.

**Intervention:**  
Target HR growth rate, choice of project types

#### 7.4.4.4 Contribution to research model

The integrated model for the management of a PSF suggested by Maister (1982) serves as a framework to identify potential interventions based on the interdependencies of the market for the services of the PSF, the market for the professional work force, and the firm’s economic and organizational structures. The different management intervention points of the model and their underlying mechanics can be mapped to the CGIMO model.

The explicit goal of strategic management in Maister (1982) is the economic success of the PSF. The model’s notion of balance accepts that all interventions may have different outcomes relating to the firm’s structure and market context. Due to the interdependencies, no single choice has a direct, unmoderated effect on the performance goals but has to be aligned to the overall portfolio of choices made in the local context (Maister, 1982).

Intervention	Mechanism	Outcome
Choice of project type	Different revenue potential, different staffing requirements	Offering on the client market
Setting of HR target growth rate	Ability to offer different types of project, cost function	Offering on (internal and external) hiring market, impact on promotion policy

Maister (1982) assumes that management decisions are made on the firm-wide level. Both project types and target growth rate might also be set on a practice area or department level, which makes the firm-wide rates a result of their combination.

#### 7.4.5 Anand, N., Heidi K. Gardner, and Morris, T. Knowledge-Based Innovation: Emergence and Embedding of New Practice Areas in Management Consulting Firms.

##### 7.4.5.1 Scope, research question and context of study

The exploratory study by Anand *et al.* (2007) seeks to identify the paths by which innovative, knowledge-based structures emerge and become embedded in PSF. The research question was explicitly framed to study the creation and embedding of new practice areas (Anand *et al.*, 2007, p. 408).

**Mechanism:**  
Pathways of embedding new practice areas

The research was undertaken in four international management consulting firms, two firms of which were active in only a few countries and one of which was a vast, international consultancy (Anand *et al.*, 2007, p. 408).

**Context:**  
Four international management consulting firms

##### 7.4.5.2 Methodology, rigour and relevance

The research design was defined as a two-phase multiple case study (Anand *et al.*, 2007, p. 409).

The study meets all criteria of rigour and relevance in the framework of Shrivastava (1987). The explicit repeated validation of the qualitative findings at different levels of analysis shows a rigorous use of methodology that also enhances the “meaningfulness” (Shrivastava, 1987, p. 79) of the analysis by ensuring accuracy of description.

##### 7.4.5.3 Summary of findings

The authors explicitly view the embedding of a new practice area as a process that may be described as “a sequence of events that combine elements leading to an outcome” (Anand *et al.*, 2007, p. 408), cf. Mohr (1982).

They call such a unique combination of elements a “pathway”, which they analyse using the framework of generative mechanisms offered by Van de Ven and Poole (1995). These generative mechanisms are

developed by condensing first-order informant concepts (such as “personal brand building”) into second-order dimensions and then into generative elements (such as “socialized agency”) (Anand *et al.*, 2007, p. 411).

The study identifies four generative mechanisms: socialized agency, differentiated expertise, defensible turf and organizational support (Anand *et al.* 2007, p. 411).

**Mechanism:**  
Socialized agency, differentiated expertise, defensible turf and organizational support

Socialized agency describes actions taken by individual members of the organization to align their career goals with the firm’s growth goals and promotion requirements (Anand *et al.*, 2007, p. 411). Differentiated experience refers to knowledge that is distinct from the firms’ existing practices (Anand *et al.*, 2007, p. 411). Defensible turf means a practice area that can be defended both internally and externally (Anand *et al.*, 2007, p. 413). Organizational support is provided by sponsorship, personnel and resources (Anand *et al.*, 2007, p. 411).

Organizational support and individual agency’s requirements align with the systematic review by Greenhalgh *et al.* (2004), which identified active change agency as a prerequisite to the intentional dissemination of innovation and its connection to the user system.

The study identified a clear temporal sequence of the emergence and embedding of new practice areas in all cases (Anand *et al.*, 2007, p. 415). As a major finding, the authors identified socialized agency as the initial precondition and “kick-starter” of the emergence phase in all cases (Anand *et al.*, 2007, p. 415). In these cases, a practice area emerged only if socialized agency combined with one other generative mechanism (Anand *et al.*, 2007, p. 415). The relevant pathways are therefore named: “expertise-based pathway”, “turf-based pathway” and “support-based pathway” (Anand *et al.*, 2007, pp. 415–423).

A second major finding is the need for all four generative mechanisms to be present to create a sustainable structure, the “embedding” of a practice area (Anand *et al.*, 2007, p. 417). Based on the model of generative mechanisms, the authors used a qualitative validation strategy to explicitly recount 25 cases of practice area creation (Anand *et al.*, 2007, p. 418). In all cases, the lack of any one generative mechanism was associated with the failure of the emergent practice area.

**Outcome:**  
Sustainable embedding of a new practice area

In an attempt to explain the role of the generative mechanisms identified, the authors draw on the literature on knowledge intensive firms (Alvesson, 2004) and communities of practice (Wenger et al., 2002). Social agency, they found, may be a catalyst for new practice areas due to the incentive structures of partnership-based firms, where the visibility and commercial success provided by the successful creation of new business are integral parts of the career track (Anand *et al.*, 2007, p. 424).

In agreement with earlier research on partnerships and communities of practice, the “paramount role of politics” (Anand *et al.*, 2007, p. 425) in the creation of new practice areas shows in the requirements of defensible turf and organizational support. New practice areas may be seeded either through loose structural influence (pathways based on expertise and turf) or through direct top-down action (support-based pathway) (Anand *et al.*, 2007, p. 425).

#### **7.4.5.4 Contribution to research model**

The temporal sequence identified by the study provides a clear frame for initiating, creating and embedding a new practice area. The closeness of the research context of the study to the local situation at Calibur Law hints at the potential transferability of the findings.

The model offered by Anand *et al.* (2007) can also be integrated with the resource-based view (RBV) by equating the existence of generative mechanisms with the resources of the organization. The search for interventions creating generative mechanisms is also a way to develop organizational resources, as it opens an opportunity to integrate with the vast literature from the RBV research stream.

The authors do not differentiate among the various motors of development as transfer conditions to the next stage of development and the effect of these mechanisms in shaping the outcome. This provides a deeper understanding of “what happens” in the individual phase. In the expertise-based pathway, the existence of differentiated expertise in addition to socialized agency may be enough to enter the emergence phase. During the emergence phase, socialized agency (i.e. in the form of personal motivation) must stay stable so that the offering of the practice area can be shaped and communicated based on the existing differentiated expertise.

Although all cases described by the authors involve the intentional creation of a new practice area, the model is lacking a “creation phase”, in which intentional acts by stakeholders occur as antecedents to the emergence of the new practice area. An extended model of practice area creation that adds such a creation phase based on the findings of Anand *et al.* (2007) might look as follows:

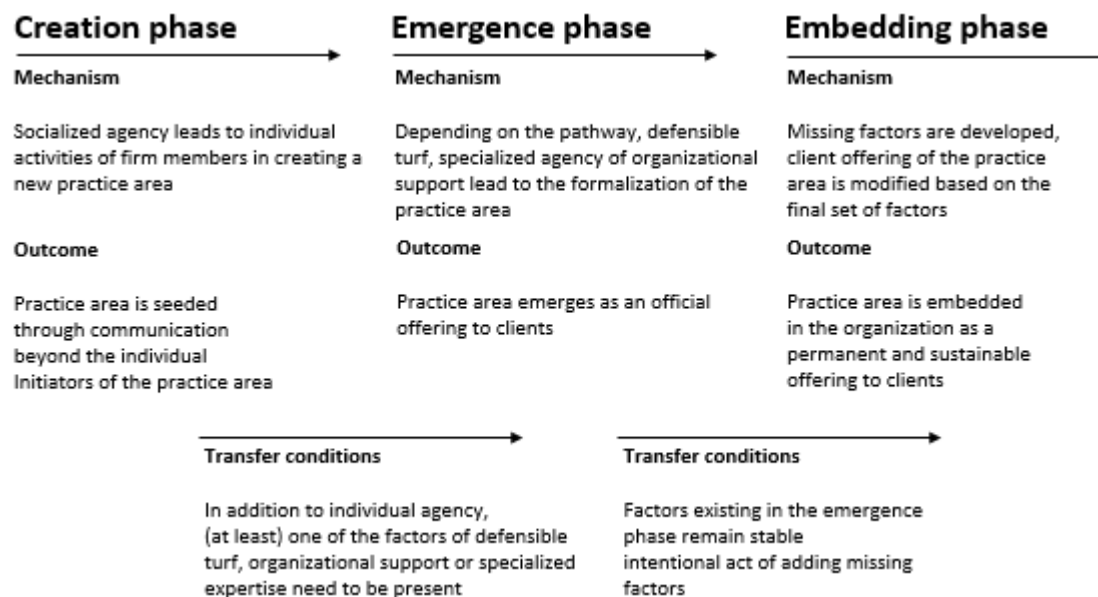


Figure 15 - Phase model of practice area creation

The outcome of each phase must be manifested through communication in line with the understanding that these outcomes are socially constructed.

All elements of the CIMO framework are present, with a clear focus of the authors on the mechanisms at work in the different faces. The broad scope of the analysis provides, however, only for a limited number of directly actionable interventions. Although the analysis allows for a description of the creation and embedding process, the study does not answer how the generator mechanisms are influenced by management.

In order to create defensible turf and differentiated knowledge, the PSFs required different actions based on the individual practice area to be created. Providing or obtaining organizational support and defending internal turf requires highly situational political navigation. Furthermore, the framework

does not consider how an individual member or group could recognize an opportunity for creating a practice area in the first place.

#### **7.4.6 Brock, D.M. and Segal-Horn, S., 2012. The globalizing professional service firm: managerial and organizational challenges**

##### **7.4.6.1 Scope, research question and context of study**

The authors build on the literature to analyse strategies for PSFs that wish to extend their business geographically (Brock and Segal-Horn, 2012, p. 241). The research question is framed against the background of internationalization and globalization of PSFs.

**Goal:**  
Geographic expansion

**Context:**  
PSF aiming for international expansion

Since the study is theory-based, there is no specific empirical context. The context of the research is bounded by the definition of a PSF and the notion of international expansion underlying the research question.

##### **7.4.6.2 Methodology, rigour and relevance**

The authors build their theory on a review of the literature with a resource-based view of the firm (Eisenhardt and Martin, 2000; Barney, 2001; Lahiri and Kedia, 2009) and the aim to identify the capabilities required to create a global firm. Their explicit lens of analysis is institutional theory, with an aim to identify “how [...] rules, norms, and routines arise, diffuse [...] get adopted and adapted [...] and change over time” (Brock and Segal-Horn, 2012, p. 241).

The research is well grounded in the (bounded) body of literature analysed by the authors. Although the study does not present any new empirical evidence, it serves its goals of presenting the accumulated knowledge of capabilities required for the international expansion of PSF with methodological rigor (Shrivastava, 1987, p. 80).

##### **7.4.6.3 Summary of findings**

The authors stress that, although PSFs rely on the same financial, physical, human, social and organizational resources as other organizations, intangible human and social resources are of particular importance for them (Brock and Segal-Horn, 2012, p. 243).



They follow Mayson's (2007, p. 153) categorization of resources as human, social and organizational capital and his definition of organizational capital as "relating to either or both of (i) the method of delivering services such as teams, knowledge management systems and routines and (ii) the context for that delivery such as reputation, brand, culture, context, structure and strategy". As have prior researchers (Malhotra, 2003; Blomstermo *et al.*, 2004; Hevner, 2007), the authors use the term experiential knowledge to summarize the firm's core capabilities.

The study argues that the firm's experiential knowledge forms a key set of capabilities resting in its human and organizational capital (Brock and Segal-Horn, 2012, p. 243). The firm's ability to approach challenges in governance and organizational structure, the scale and scope of the firm and its market entry strategies will shape its effectiveness in geographical expansion (Brock and Segal-Horn, 2012, pp. 243–245).

**Mechanism:**  
Exploitation of experiential knowledge

#### 7.4.6.4 Contribution to research model

Although the context of international expansion does not apply to Calibur Law, the challenges described by the authors are similar to those of creating new professional service areas. Both strategies include expanding existing business as part of a venture into unfamiliar territory (Brock and Segal-Horn, 2012, p. 238).

The main factor that must be considered in the transfer of knowledge between these contexts is the different degrees of uncertainty associated with local and geographic expansion. In addition, the fact that global PSFs are often many times the size of most local PSFs (Brock and Segal-Horn, 2012, p. 240) may require adjusting for different corporate structures associated with firm size.

The conceptualization of experiential knowledge as a basis for the firm's entrepreneurial activities allows additional insight into the antecedents for practice area creation in all stages of the phase model.

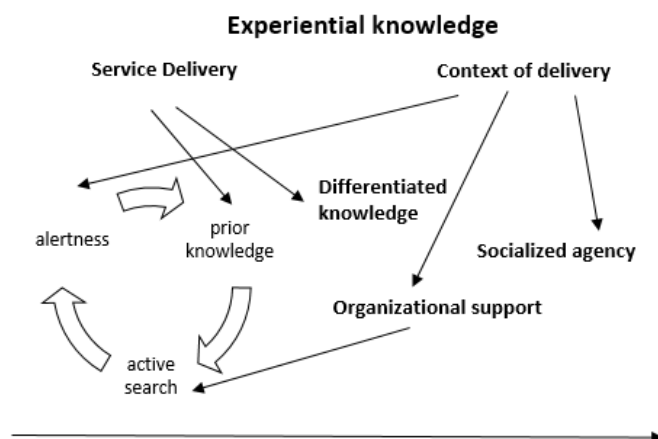


Figure 16 - Experiential knowledge as a basis of entrepreneurial activities

Beyond the individual socialized agency related to the human capital of the firm, the organizational capital categories of service delivery and context of delivery may be mapped to the mechanisms responsible for practice area creation and embedding. The firm's capabilities in service delivery (in particular transferable routines) are likely to provide the prior knowledge needed for the identification of business opportunities and the differentiated knowledge necessary for a sustainable embedding of the practice area (Anand *et al.*, 2007).

The context of delivery—firm culture and organizational structure—strongly shapes organizational support; in turn, this supports the active search for new opportunities (Fischer, 2011). An organizational culture fostering innovation rather than punishing out-of-the-box thinking is also likely to be an antecedent for individual social agency (Anand *et al.*, 2007).

#### 7.4.7 Fischer, A., 2011. Recognizing opportunities: Initiating service innovation in PSFs

##### 7.4.7.1 Scope, research question and context of study

The research seeks to explore the initiation stage of (client) service innovation in PSFs. The research question queries the role of interplay among client interactions, knowledge management and alertness as antecedents for recognizing entrepreneurial opportunities in PSF.

The author focuses on service innovation by individual professionals rather than teams of professionals or other organizational groups. This focus aligns with the understanding of Anand *et al.* (2007), whose

concept of socialized agency also applies on an individual level. The study also seeks to answer how knowledge management can support the innovation process.

The single case study presented is situated in a Big Four accounting and consulting firm in Switzerland. This context is close to the local context at Calibur Law from the perspective of services offered. However, the size and organizational structure of the firms differ significantly.

**Context:**  
Big Four accounting  
firm in Switzerland

#### **7.4.7.2 Methodology, rigour and relevance**

The research is based on a literature review combined with qualitative interviews. A predefined coding scheme derived from the categories identified in the literature review was used to analyse interview data. A case study is used to illustrate findings.

The study is of high relevance in the current research context since it explicitly describes the initial antecedent of any new practice area creation: organizational members' recognition of entrepreneurial opportunities.

The empirical part of the study is not particularly rigorous due to the shallow description of the case study. The contribution of the research therefore lies in its review of the literature and the synthesis of the antecedents of opportunity recognition into the categories of prior knowledge, alertness and search.

#### **7.4.7.3 Summary of findings**

The study identifies the categories of prior knowledge, alertness and search as a basis for the recognition of opportunities and initiation of service innovation in PSF (Fischer, 2011, p. 916).

In the literature review, the author follows two major streams of prior literature: the literature on innovation and the service industry, with PSF forming a segment of this industry, and the literature on management and organization of PSF (Fischer, 2011, p. 916).

The service industry literature includes the notion that there exists an “idea stage” at the beginning of an innovation cycle (Fischer, 2011, p. 917). In line with the literature on PSF management, the author sees the entrepreneurial activities of employees as the precondition for developing new business (areas). He stresses the connection of these activities to personal goals of promotion to partner (Fischer, 2011, p. 916).

**Mechanism:**  
Sequential stages of service innovation led by an idea stage

The research emphasizes that management can enhance the alertness of employees to business opportunities by incentivizing entrepreneurial activity (Fischer, 2011, p. 919). The author recommends creating a tool by which professionals may store and share knowledge to enable recognition of patterns for identifying business opportunities (Fischer, 2011, p. 920). He stresses that it is necessary to acquire and create new knowledge beyond the existing tacit and explicit knowledge of the organization (Fischer, 2011, p. 920).

**Intervention:**  
Incentives for alertness, KM tools based on patterns of opportunity, External knowledge acquisition

#### 7.4.7.4 Contribution to research model

The concept that opportunity recognition is a necessary prerequisite for the intentional creation of new client offerings forms a useful addition to the current research model.

Unlike other empirical studies (such as Anand *et al.*, 2007) that focus on the internal processes of creating a new practice area once a potential client offering has been defined, the current study focuses on how an organization can identify such opportunities.

**Mechanism:**  
Opportunity recognition

Opportunity recognition can be understood as the “initiation phase” of practice area creation. The concepts of prior knowledge, active search and alertness introduced by Fischer (2011) are closely related to the different generator mechanisms found by Anand *et al.* (2007): Firm member alertness is likely to enhance personal agency, because the more a person is able to spot potential opportunities, the more likely she is to discover an opportunity in line with the personal development interest.

In PSFs, personal development interest is typically framed in the partner promotion track (Anand *et al.*, 2007; Maister, 1982; Galanter and Henderson, 2008; Galanter and Palay, 1991). Partner requirements in PSF typically include an “entrepreneurial” component. This may be enhanced by promotion policy based on the economic success that follows the successful creation of new business (Nelson,

**Mechanism:**  
Personal development interest

1988; Galanter and Palay, 1991; Ferrall, 1996; Pinnington and Morris, 1996; Jordan, 1998; Morris and Pinnington, 1998; Galanter and Henderson, 2008; Malhotra *et al.*, 2010).

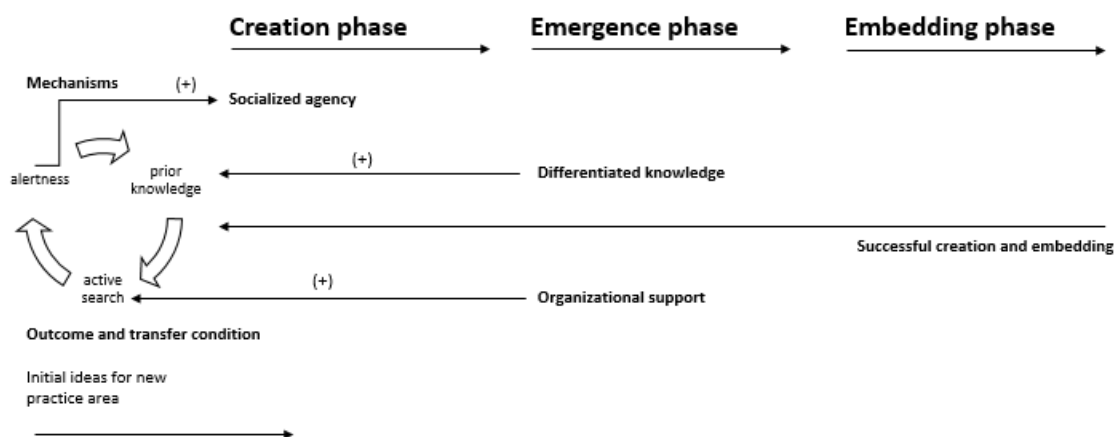


Figure 17 - Embedding of idea phase in the practice area creation process

The initiation of practice area creation may be seen as an ongoing, cyclical process in which alert individuals actively search for opportunities based on their knowledge of client demand. They must identify initial ideas to advance to the creation phase, but identification is not sufficient for the emergence of the practice area creation process. Socialized agency must also be present.

**Mechanism / Intervention:**  
Active search for opportunities

Prior knowledge of client demands is required to shape client offerings in the emergence phase and fulfil promises to clients in the embedding face. The understanding that new practice area creation is embedded in prior knowledge about client demands shows that practice area creation is fostered not solely by differentiated knowledge and the use of knowledge management.

**Mechanism / Intervention:**  
Knowledge of client demand

The research allows for the evaluation of different potential interventions in terms of whether they foster the creation of practice areas. This evaluation focuses on generating the employees' field of knowledge and alertness as well as incentives for active search activities.

**7.4.8 Fosstenløykken, S.M. Løywendahl, B.R., and Revang, Ø., 2003. Knowledge Development through Client Interaction: A Comparative Study; Løywendahl, B.R, Revang, Ø., and Fosstenløykken, S.M., 2001. Knowledge and value creation in professional service firms: A framework for analysis; Løywendahl, B.R, 2012. Entrepreneurial strategies for professional service firms**

#### **7.4.8.1 Scope, research question and context of study**

The three articles authored or co-authored by Løywendahl present two frameworks for the analysis of value creation in PSF.

Løywendahl *et al.* (2001) aim to develop a theory of value creation in PSFs. Fosstenløykken *et al.* (2003) study the role of client interaction in the knowledge-development processes of PSF, thereby extending this earlier research. The authors assess the strategy choices and resources required to create value in the PSF context, synthesizing a framework dubbed the “value creation processes of PSF” or “VCP of PSF”.

Løywendahl (2012) presents a complimentary framework before the background of entrepreneurial strategies in PSF, which are in turn embedded in the strategic management of PSF. This is the “ABC framework”, which argues that three different “configurations” of PSF call for different strategic choices in the value creation framework.

The comparative case study underlying the research is situated in two PSFs that provide engineering design and communication consulting to clients (Fosstenløykken *et al.*, 2003, p. 859).

**Context:**  
Engineering design  
and communication  
consulting PSF

#### **7.4.8.2 Methodology, rigour and relevance**

The empirical comparative case study focuses on professionals’ perceptions of value creation in PSF (Fosstenløykken *et al.*, 2003, p. 860) from a descriptive rather than a prescriptive perspective. It considers the frameworks developed to be prescriptive approaches to PSF management (Løywendahl, 2012).

### 7.4.8.3 Summary of findings

The “VCP of PSF” framework is largely based on a review of the literature on value creation processes and the role of organizational resources from a variety of research streams, including strategic management, organizational theory and pedagogy (Løwendahl *et al.*, 2001, p. 912). The study is grounded in a resource-based view of the firm (Eisenhardt and Martin, 2000) the considers knowledge to be the main strategic resource of PSFs (Løwendahl *et al.*, 2001, pp. 914–915).

The authors propose that value creation is driven by two contextual components: the domain choice and the resource base. Various constraints and enablers of individual service delivery activities originate from these components and flow into activities and tasks of service delivery (Løwendahl *et al.*, 2001, p. 925; Fosstenløykken *et al.*, 2003, p. 863).

**Intervention:**  
Domain choice

**Mechanism:**  
Interaction between domain choice and resource base

Existing resources enable strategy and domain choices, which in turn constrain the organizational demand for resources and hence the build-up of such resources (Løwendahl *et al.*, 2001; Fosstenløykken *et al.*, 2003, p. 863). The authors interpret the connection between domain choice and service delivery to be that of a learning process, whereas they consider service-delivery technologies to be improved through the prioritization of particular services.

Experience from service delivery creates new knowledge, thereby improving the resource base (Løwendahl *et al.*, 2001; Fosstenløykken *et al.*, 2003, p. 863). Entrepreneurial opportunity exists in the interaction between strategic domain choice and the improvement of service delivery processes (Løwendahl, 2012, p. 196). The idea that expertise-based service delivery is a key element of strategy interlocks with Brock and Segal-Horn’s (2012) findings.

**Mechanism:**  
Growing knowledge resources from experience

Categories in the resource dimension include individually held resources, collectively held resources, and combinations of resource types (Løwendahl, 2012, p. 189).

These dimensions converge into three different configurations: A, B and C (Løwendahl, 2012, p. 190). Type A firms are characterized by their reliance on individually held resources, where each professional brings in her business and acquires new business since through her network. Type B firms rely on collective knowledge resources, with knowledge management that resembles a codification strategy.

Type C firms show a mixture of the adhocracy of type A firms and the professional bureaucracy of type B firms.

The research suggests that both type A firms and type B firms are relatively stable over time, while type C firms are inherently unstable, and tend to move toward either type A or type B over time (Løwendahl, 2012, p. 192). Løwendahl (2012) provides prescriptive strategy suggestions for different types of PSF. Assuming that type A firms and type B firms are stable, only the preferred strategy of resource development is likely to change, thus converging the descriptive and prescriptive views.

In type A firms, due to the individual control of the knowledge base, entrepreneurial opportunities are mostly an outflow from the hiring of new members. In particular, the domain choice in creating new areas of practice are typically determined by the availability of knowledge on the hiring market, making recruiting the predominant strategy for developing the resource base.

The authors do not mention individual professional development as a potential additional strategy in the model; this may be practical for type A PSFs. The resource development strategy of type B firms seeks to implement a “reuse economy” that implements centralized research and process development, as well as external acquisition, through centralized knowledge management (Løwendahl, 2012, p. 197).

Both descriptive and prescriptive strategies for type C firms remain largely unclear in the research, which discusses type C PSF strategy as “entrepreneurial in its normal mode of business” and claims that “innovation is central to the services provided” (Løwendahl, 2012, p. 195). Due to this blurry view of type C firms, it may be advisable to analyse PSF in a practical context by their resemblance to type A and type B firms instead of trying to identify a generic “type C” strategy.

Fosstenløyken *et al.* (2003) integrate client interactions with PSFs into the value creation model by understanding these interactions as mutual learning processes, whereby professionals in the organization learn from client demands and client knowledge. Both the client and service delivery processes are improved based on this learning. The focal role of learning in this extension of the value creation model indicates the possibility that individuals may develop new knowledge resources without the need for external hiring.



#### 7.4.8.4 Contribution to research model

The choices of strategy and domain relate to the “intervention” category of the CGIMO model as well as of the AR framework. Resources form an important part of the context dimension. Based on the portfolio view of firm types, Calibur Law largely resembles a type A firm with a tendency toward type B institutionalization.

**Intervention:**  
Strategy and domain choice based on firm type

Individual members of the organization hold most of the knowledge resources of the firm in their areas of professional expertise. The tendency toward encapsulating individual knowledge is enhanced by the profit-sharing model of the firm, which provides strong incentives for the creation of individually controlled resources. At the same time, resources outside of the professional domain are independent from individual members.

Since the focus of the current research is on practice area creation, strategy and domain choice concentrates on the professional domain. Calibur Law can thus be considered a type A firm.

The view that extensions of the resource base of type A PSF are based on recruitment must be extended by the possibility of professional development for existing members of the firm. This possibility also relates to the institutionalization tendencies of Calibur Law, where individual professional development is influenced by the organization. For example, the firm demands that all of its members undergo certification as specialized attorneys (“Fachanwalt”) in their respective fields.

Based on the terms of Anand *et al.* (2007), the resources described by Fosstenløykken *et al.* (2003) can be understood as “specialized expertise” vested in either the individual people (in a type A firm) or the knowledge sharing mechanisms (in a type B firm) of the firm.

By analysing new practice area creation through the lens of resource creation processes, we may therefore distinguish different strategies by looking at the dimensions of “people” (specialized expertise / type A firm) and “business” (domain choice).

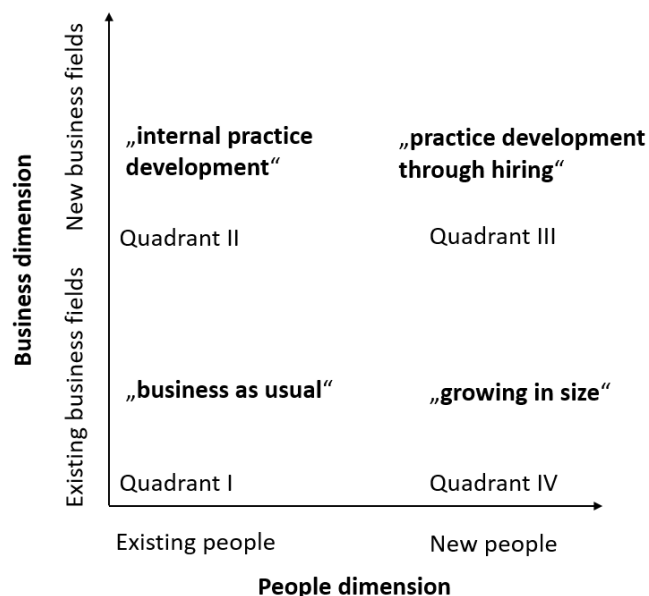


Figure 18 - The four-quadrant model of business development

In this model, quadrant I represents the development of the firm without any intentional practice area development. However, PSFs are in a constant state of flux and every individual practice area is likely to develop with its people, no matter the absence of intentional change. Quadrant IV represents the extension of existing practice areas by growing the number of people active in this area. The borders between the different quadrants are not clear-cut; new sub-specializations are likely to develop as annexes to the growing practice areas. Quadrant II and III both relate to the extension of the local knowledge based on the development of individual knowledge in the organization—the first based on the development of existing human resources, the latter on recruitment.

All three strategies of business expansion (quadrants II, III and IV) require that changes match client demand, which creates “defensible turf” (Anand *et al.*, 2007) and that sufficient professional expertise is created.

Anand *et al.*'s (2007) motor of organizational support is implicitly integrated into this simple model as a necessary prerequisite for the sustainable embedding of practice areas. This occurs either through the intentional decision to recruit (quadrants III and IV) or the provision of freedom or incentives to organizational members for their own professional development (quadrant II). Individual agency

(Anand *et al.*, 2007) is dominant in a quadrant II strategy, but is also required in the other strategies, where recruitment must be organized.

**7.4.9 Heusinkveld, S. and Benders, J., 2002. Between Professional Dedication and Corporate Design: Exploring Forms of New Concept Development in Consultancies; Heusinkveld, S., Benders, J., and van den Berg, R.-J., 2009. From market sensing to new concept development in consultancies: The role of information processing and organizational capabilities; Heusinkveld, S.; Benders, Jos; van den Berg, R.-J., 2012. New practice development in professional service firms: the role of market sensing**

#### 7.4.9.1 Scope, research question and context of study

These three research articles relate to the intentional process of new concept development in consultancies and its relationship to market demand (Heusinkveld and Benders, 2002, p. 104; Heusinkveld *et al.*, 2009, p. 509, 2012, p. 206).

**Context:**  
Business consultancy

#### 7.4.9.2 Methodology, rigour and relevance

The studies provide reviews of the innovation and market orientation literature, qualitative analysis in the form of interviews (Heusinkveld and Benders, 2002, Heusinkveld *et al.*, 2012) and a longitudinal case study informed by the insider account of one of the authors (Heusinkveld *et al.*, 2009).

#### 7.4.9.3 Summary of findings

The core argument is that PSFs are constantly involved in new concept development to meet market demand (Heusinkveld and Benders, 2002, p. 106; Heusinkveld *et al.*, 2009, p. 509). This matches Løwendahl (2012) and Fischer's (2011) concept of "opportunity recognition".

**Intervention:**  
Creation of market-sensing routines

**Mechanism:**  
Deployable repertoire of services fits client demand

The authors find that relevant market demand may not be integrated into the innovation process in a single one-off inquiry but that the PSF must continuously process market information and create internal organizational capabilities that enable them to learn about client requirements (Heusinkveld *et al.*, 2009, pp. 509–510). The organization therefore must deploy an ongoing "hunt for market information" embedded in its routines. The process of market sensing as a bridge between market demand and new concept development is understood as an *information processing task* enabled by organizational capabilities (Heusinkveld *et al.*, 2009, p. 510, 2012, p. 207).

The research shows empirical evidence for a stage-model of new concept development going through the stages of initiation, formation and realization and including the activities of construction and dissemination (Heusinkveld and Benders, 2002, p. 107).

#### 7.4.9.4 Contribution to research model

The research confirms the theory that innovation processes follow a sequence of stages.

The notion that the phase model and tools of new concept development are articulated by a particular terminology (Heusinkveld and Benders, 2002, p. 107) forms a connection to language as a driver of organizational change (Ford, 1999) and the importance of professional identity, which is itself defined through terminology. It is ultimately a matter of linguistic expression when professionals are sceptical of “marketing” while they embrace “client relationships” (Fosstenl kken *et al.*, 2003).

Integrating the concept of market orientation into the local causal model links market demand to the requirement of “defensible turf” for the sustainable embedding of a new practice area. Findings that the success of a product or process innovation requires a constant reaction to market the developments (Heusinkveld *et al.*, 2012) align with the process model of EBM advocated in this research, which relies on the ongoing adjustment of interventions based on the changing context.

The idea that information processing is the heart of the market sensing process may be extended to include the processing and matching of information on organizational capabilities.

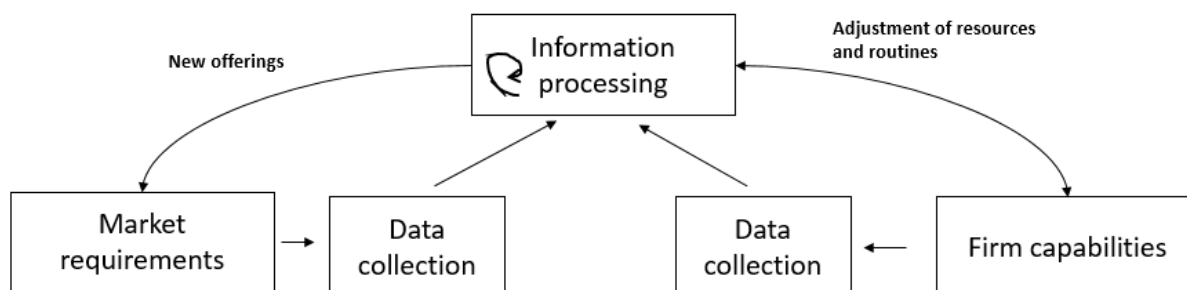


Figure 159 - Market sensing as information processing and resource matching

Market requirements sensed through various sources are processed on an ongoing basis and matched to existing firm capabilities. Firm capabilities may shift through the adjustment of resources based on market information. The information processing requires firm resources and routines.

**Intervention:**  
Staging of information processing resources for market requirements and firm capabilities

#### **7.4.10 Hogan, S.J., et al., 2011. Reconceptualising professional service firm innovation capability: Scale development**

##### **7.4.10.1 Scope, research question and context of study**

Hogan *et al.* (2011) seek to create quantitative measures of innovation capability and identify factors explaining an organization's individual innovation capability.

The empirical research was undertaken in Australian PSFs of different sizes, including engineering firms, accountancies, legal and consulting firms with an average age of 28 years, ranging from 1 year to 211 years, and an average number of 538 employees, ranging from one to more than 10.000 (Hogan *et al.*, 2011, p. 1266). Methodology, rigour and relevance

**Context:**  
Australian PSF of various sizes, industries and ages

The research is grounded in resource-based theory, with a view on innovation capability as follows: A firm's ability, relative to its competitors, to employ [its] collective knowledge, skills and resources to innovation activities relating to new products, processes, services or management, marketing or work organization systems, in order to create added value for the firm or its stakeholders. (Hogan *et al.*, 2011, p. 1266).

The study employs a quantitative, multi-stage scale development process with a first stage of structured interviews and a subsequent survey analysed through exploratory and confirmatory factor analysis.

##### **7.4.10.2 Summary of findings**

The research confirms the understanding that PSF innovation is a multi-dimensional concept (Hogan *et al.*, 2011, p. 1270). Based on in-depths interviews, the first stage of the research found seven distinct descriptive dimensions of innovation capability (Hogan *et al.*, 2011, p. 1267). The dimensions of service, marketing, strategy, behaviour and process align with the earlier literature. Interviews hinted at

two additional dimensions: technology, as a driver of innovation, and the PSF's ability to offer client solutions (Hogan *et al.*, 2011, p. 1267). This last category strongly relates to the question of the current research.

In the subsequent scale development process, the different dimensions were collapsed into three categories: client-focused innovation capability (CFIC), marketing-focused innovation capability (MFIC) and technology-focused innovation capability (TFIC) (Hogan *et al.*, 2011, p. 1268). Client-focused innovation capability synthesizes innovations of service and product, problem solutions and innovative firm behaviours. Marketing-focused innovation reflects the creation of novel promotional approaches, while technology-focused innovation reflects the use of new software and system technology (Hogan *et al.*, 2011, p. 1271).

A total of 13 scale items to measure the dimensions of innovation capability were validated by confirmatory factor analysis for the model (Hogan *et al.*, 2011, p. 1270):

**Interventions:**  
Innovation behaviours

#### **Client-focused innovation capabilities**

Services that offer unique benefits compared to competitors  
Solve client problems in very innovative ways  
Provide innovative ideas and solutions to clients  
Present innovative solutions to clients  
Seek out novel ways to tackle problems  
Client-focus innovation capability

#### **Marketing-focused innovation capability**

Develop "revolutionary for the industry" marketing programs  
Adopt novel ways to market our firm  
Innovate with marketing programs to keep ahead of the market  
Implement innovative marketing programs

#### **Technology-focused innovation capability**

Innovate with new software  
Innovate with new technologies  
Introduce new integrated systems and technologies  
Adopt the latest technology in the industry

Correlation measures for the three dimensions were calculated against the following constructs of firm performance: client satisfaction, sales volume and overall profitability (Hogan *et al.*, 2011, p. 1269).

Significant correlations among the different constructs of innovation and the different performance measures were shown (Hogan *et al.*, 2011, p. 1270).

#### 7.4.10.3 Contribution to the research model

Given the need to gain organizational support for innovation projects, the correlations to performance measures for the different innovation behaviours may be used to argue for the use of such behaviours in the “organizational politics” debate.

Hogan *et al.*'s (2011) findings serve the current research in two ways. First, the descriptive dimensions and scales developed help assess the current organizational context in relation to innovation capability. Second, most of the items can be operationalized as a basis for management interventions.

Some of the items presented may be interpreted as generic re-formulations of the concept itself. Furthermore, a number of the items (particularly those relating to technology-focused innovation capability) may be specific to only some firm types, such as engineering or consulting.

#### 7.4.11 Greenhalgh, T., *et al.*, 2004. Diffusion of Innovations in Service Organizations: Systematic Review and Recommendations

##### 7.4.11.1 Scope, research question and context of study

Greenhalgh *et al.* (2004) provide a systematic review of the literature on the spread of innovations in service organizations. The review focuses on health service organizations.

**Context:**  
Health Service Organizations

The authors aimed to provide an evidence-based model for the diffusion of innovations in health service organizations, to identify and knowledge gaps and to provide a methodology for the review of health service policy and management.

#### 7.4.11.2 Methodology, rigour and relevance

The authors provide a transparent view of their review strategy when they define a systematic review as “a review of the literature according to an explicit, rigorous, and transparent methodology”. The final report uses 213 empirical and 282 non-empirical studies to conduct a deep analysis.

The scope of the study is defined and rigorously followed throughout the review by Greenhalgh *et al.* (2004). The study delineates the treatment of different research traditions, thereby showing how the different types of knowledge are integrated into the recommendation phase.

#### 7.4.11.3 Summary of findings

Greenhalgh *et al.* (2004, p. 582) define innovation in service delivery and organization as follows:

A novel set of behaviours, routines and ways of working directed at improving health outcomes, administrative efficiency, cost-effectiveness or use of experience in the implementation of planned and coordinated actions.

From a birds-eye view, their findings may be categorized as procedural (relating to the change process underlying innovation diffusion) and conceptual (defining the interaction between resource and user systems in diffusion) (Greenhalgh *et al.*, 2004, p. 595).

The analysis distinguishes between different types of information spread on a continuum between the emergent, unplanned appearance of innovations to controlled innovations based on a metaphor of “re-engineering” (Greenhalgh *et al.*, 2004, p. 593). This continuum from “let it happen” to “make it happen” is easily associated with concepts from the literature describing change processes (see the model of institutional change described by Smets *et al.*, 2012a).

On this continuum, different types of innovation are associated with different mechanisms (ranging from naturally emergent, socially induced and technical to managerial) and contextual features (from unpredictable, over-negotiated and influenced to scientific, orderly and planned) (Greenhalgh *et al.*,

**Mechanisms:**  
Emergence, social relations, technical, managerial



2004). From this continuum flows a distinction among innovation diffusion (passive spread), dissemination (active and planned change through persuasion) and implementation (active and planned administrative efforts) (Greenhalgh *et al.*, 2004, p. 582).

In the conceptual model, system antecedents of innovation can be categorized as structural (size and maturity, for example), relating to the absorptive capacity for new knowledge (such as pre-existing knowledge) and receptive context for change (including leadership and organizational climate) (Greenhalgh *et al.* 2004, p. 596). The existence of these antecedents creates system readiness, which allows for innovation adaptation through active dissemination of passive diffusion (Greenhalgh *et al.*, 2004, p. 595).

**Mechanisms:**

System readiness

#### 7.4.11.4 Contribution to research model

Greenhalgh *et al.* (2004) contributed to the current research by situating the creation of service innovation in the change process required for the embedding of the new practice area. Although the organizational context of the research is quite remote from PSF and the local context of Calibur Law, the extraction of concepts from the literature and the clear definition of concepts, which allows for the weighing of transfer possibilities between contexts, make the research relevant for the local causal model.

The broad literature base analysed by the systematic review can also be used to further support evidence from other literature, which in itself is less well-grounded in empirical evidence, based on the Bayesian understanding that increased confidence is gained through adding up evidential data.

The author's definition of (positive) innovation can be mapped to the intentional creation of organizational resources supporting service delivery, which is a concept outlined in the model of PSF value creation by Fosstenl kken *et al.* (2003) (see also section 0). Their finding of a temporal sequence of system antecedents, system readiness and adoption/implementation of innovation also supports the conceptual model of Anand *et al.* (2007), which relies on the defined pathways of system antecedents as motors of practice area creation.

## 7.5 Summary of the literature review

The literature review reveals a portfolio of causal models for potential interventions and outcomes connected by plausible mechanisms that may be employed in the process of creating new practice areas in the local change project.

The literature review has unpacked factors that may influence the creation and embedding of a new service offering that—if sufficiently distinct from existing offerings—creates a new practice area in PSF. The potential areas of intervention may be summarized in terms of the CGIMO framework. The context named is the narrowest context in the literature that provides evidence for the intervention-outcome relationship.

Context	Intervention	Mechanism	Outcome	Goal	Localization
Service firms	Definition of service concept	Goal orientation, social legitimization, ongoing evaluation and assessment, design principles, simulation, client and market communication, resource-based analysis	Regularly modified blueprint for new service offering	Realization of new service	of Start with new service concept as a tool for internal legitimization, moving to a design-oriented analysis of required resources
PSF	Codification of existing knowledge	Availability and transfer of existing knowledge to designers and providers of the new service	Integration of knowledge into service offering	Realization of new service	of Identification of existing codifiable knowledge. Ensure legitimization of new service offering to motivate knowledge holders to contribute. Create adequate resources for codification
PSF	Transfer of personalized knowledge	Availability and transfer of existing knowledge to designers and providers of the new service	Integration of knowledge into service offering	Realization of new service	of Identification of knowledge holders. Ensure legitimization of new service offering. Make sure enough time exists to allow for the slow process of knowledge transfer

Context	Intervention	Mechanism	Outcome	Goal	Localization
Law firms	Profit sharing model	Motivation through monetary gains, prestige and perception of fairness	Increased individual performance	Firm level performance and productivity	Ensure profit sharing model aligns with goal of practice area creation. Ensure commensurability with career track. Balance with performance goal based on revenue-cost analysis
Law firms	Career track	Motivation through monetary gains, prestige and socialization strategies	Increased individual performance	Firm level performance and productivity	Identify existing career track. Ensure career track aligns with goal of practice area creation
PSF	Market sensing and client dialogue	Availability of information and ability for information processing	Early identification of existing opportunities	Idea creation for new services, alignment of service offerings was market and client to demand	Create awareness and knowledge of market analysis techniques. Raise acceptance of market-oriented management. Identify opportunities for client dialogue
PSF / law firms	Performance and productivity definition and goal setting	Goal orientation, social legitimization, ongoing evaluation and assessment, simulation, resource-based analysis	Measuring points in AR process, increased individual performance through motivation based on goals, connection to profit sharing and career models	Firm level performance and productivity, project control	Measures need to be in line with overall firm goals, whereas competing goals may be treated as contingencies. Selection of measurements should fit the participatory process
PSF	Design of the change process	Social legitimization and professional identity drive individual willingness to accept and promote to change	Intentional change of organizational context toward legitimized goals	Ultimately: realization of new service; Intermediate: partial outcomes on goal-path	The design of the change process must consider measures to attain goals and processes. Enlistment of change agents to create acceptance. The change process must be in line with social motivation and legitimization practices, namely compensation and career models
PSF	Fostering antecedents of knowledge-integrating behaviour	Knowledge transfer is a social rather than a technical process	Active sharing of knowledge by firm members	Availability of individual and codified knowledge	Creation of a climate of psychological safety, care, trust and power equality

The service concept offered by Bullinger *et al.* (2003) provides a good fit to the EBM framework as a basis for the formal definition of the goal dimension of the change process.

The core model derived from the literature must be localized to the context of Calibur Law. This process of localization involves the transfer of causal mechanisms based on the comparability of study and local context and the exercise of choice in relation to different potential goals, such as monetary or professional identity targets as well as ethical constraints.

In relation to the organizational development component of the AR project, the literature review indicates a need to consider the specifics of professional identity. New service offering legitimacy and the design process of the service's creation must be generated. Accepting the need for social legitimacy subjects the AR project to the risk of a "managerial approach", which privileges the status quo (Herr and Anderson, 2015, p. 34).

As this research understands the change process as an alteration of the local discourse (Ford and Ford, 1995; Ford, 1999; Ford *et al.*, 2008), it is essential for PSFs to actively communicate with stakeholders on the goals and the strategic processes of new practice area creation. The service concept provides a potential tool for this communication and allows for transparent changes based on stakeholder input. The formal service concept may be integrated with the stage model of "productization" identified in Jaakkola's (2011) qualitative research on the procedures, understandings and engagement underlying the creation of service offerings.

The discursive practices offered by Jaakkola (2011) yield potential starting points for the local change project, including the use of language to objectify and give form to services as "service packages", "service versions" and "service modules", to make the service and expertise seem product-like and measurable and to emphasize the rationalism and economic efficiency of management.

A visualization of the various factors may ultimately lead to the creation of a new practice area through a process of embedding. This shows the causal model as a tangled spider web of causal impacts.

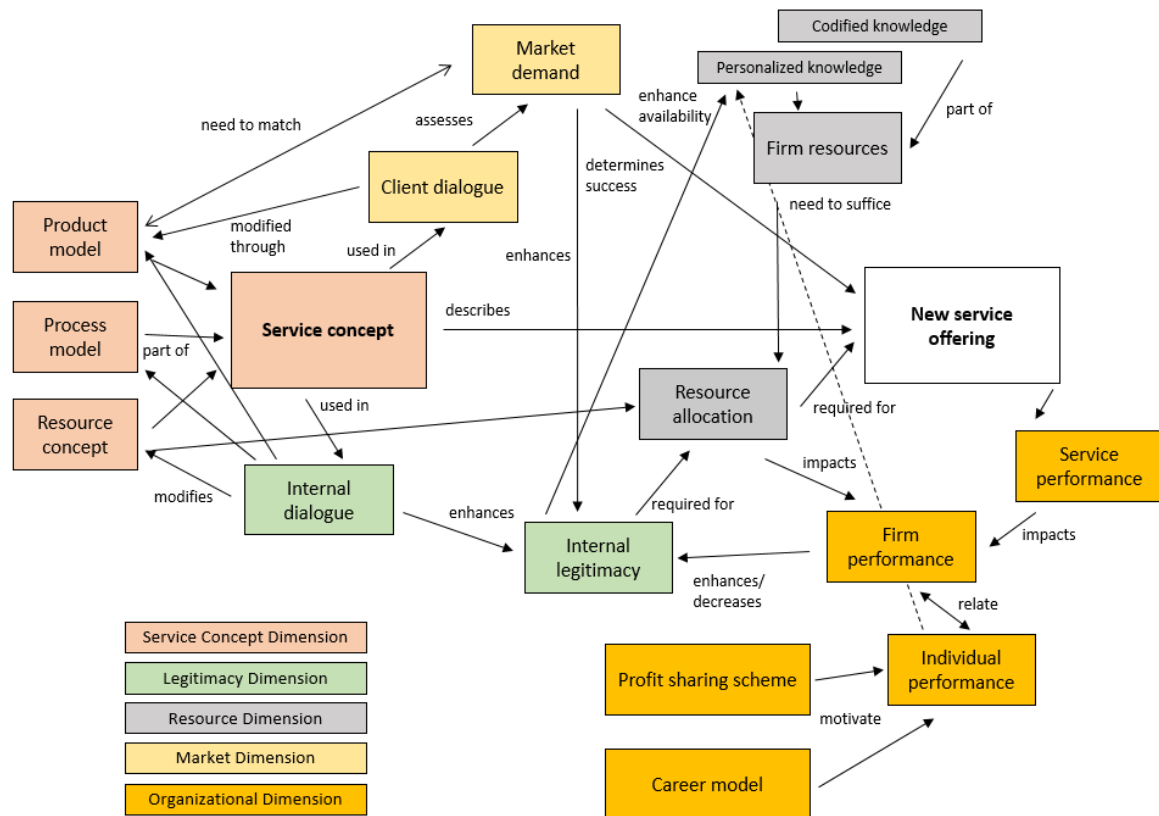


Figure 20 – The interdependency of factors in new service development in PSF

I have chosen to refrain from any goal for radical change implicit to some flavours of AR based on my understanding of the ethical responsibilities that come with the dual role of the insider researcher.

The goal of this research is therefore the implementation and embedding of a new practice area within the constraints of the existing organizational structure. This does not mean that aspects of participation and social justice must not play a role in the decision-making process, but rather that these are interpreted as contingencies of action instead of primary goals.

## 8. Creating local change

Identifying a potential causal model of interventions from the literature review poses the question of how to implement the project in practice. This question is akin to the discussion on bridging the scholar-practitioner gap, which is a pet topic of academics (Coghlan and Shani, 2009).

### 8.1 Change as an intentional, structured process

While the literature contributes to the *content* side of the AR process, implementing a new practice mandates a structured approach to the *process* side of change. The content category and process of change category are closely interrelated. The decision to base a local change project on insights from a review of public knowledge embeds the review into the change process.

In addition, the change strategy must incorporate several characteristics from PSF change processes in general and law firms in particular. The underlying assumption of AR is the possibility of change as an intentional structured process instead of the result of uncontrollable influences. Therefore, an explicit plan for strategic change must be devised and regularly updated.

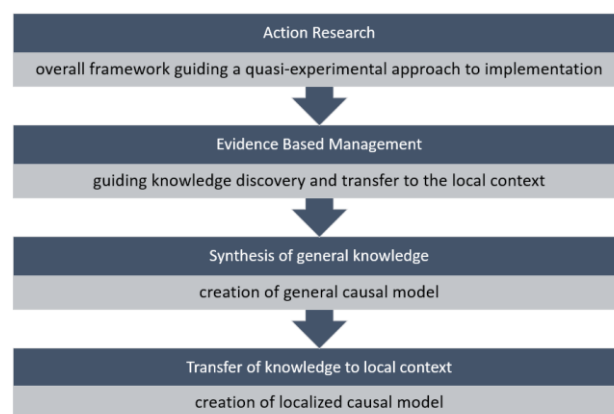


Figure 21 - The linear model of knowledge creation and implementation in AR project

Adopting a simplified linear model of knowledge creation associates the process side with the principles of action research (AR) and the synthesis of knowledge. The concept of EBM defines the process of distilling evidence to form a content framework, as exemplified by the causal model derived from the literature (section 0) and its transfer to the local causal model (section 8.6).

## 8.2 Local goal orientation and research validity

The goal orientation of the EBM process advocated in this study requires that actions defined in the local change project focus on achieving a defined goal.

The repeated measurement of outcomes is assessed by whether the interventions have brought the organization closer to the goal of creating and embedding a new practice area. The local research project is therefore validated by how close the assumed local causal model matches the observed intervention-outcome relationships. In the current context, validity is measured by the researcher's degree of belief in the tool, and not a measure of accuracy.

"Outcome validity" (Greenwood and Levin, 2007) is loosely defined as the measuring of "what works" (Barends *et al.*, 2014a, p. 3). Outcome oriented interpretations of research validity is at odds with the traditional understanding of scientific validity, however (Herr and Anderson, 2015, p. 67).

The circular process of AR suggests that outcome validity may be a sensible measure to define success; the actual process may demand a more complex understanding of validity. The macro process of AR includes a temporal sequence between goal-oriented interventions and their outcomes, which are connected by causality. Although a comparison of intended and actual outcomes determines the validity of any causal model, an *ex ante* measure of model validity must be used to determine what model to select.

From a Bayesian point of view, validity can be understood as the degree of belief in the causal model due to evidence (Kruschke, 2011; McGrayne, 2011). In EBM, this degree of belief is based on the combined causal evidence obtained from research on generalized knowledge, often through a systematic literature review, inquiry into the local context and interpretation and synthesis of data.

Different forms of evidence require different validations, which need to be synthesized. Integrating the interpretation and synthesis process as an object of validation may at first seem to create a circular reference. Once we accept that all types of evidence are manifested in the local causal model through its interpretation, the interpretation process itself becomes an important antecedent to validity.

This inclusion of the interpretation process into the validation process allows for a concept of *sufficient* validity instead of a requirement of absolute validity, which caters to resource constraints.

Measures of validity are relatively clear for quantitative evidence; they relate to the correct methodological use of statistical analysis based on accurate analytical constructs and data collection. Quantitative evidence related to the local context may be treated in the same way as public quantitative evidence. One must also consider the potential restrictions of local data collection due to political constraints.

Exploiting the categories of validity criteria suggested by Anderson *et al.* (2007, p. 40) and Anderson and Herr (1999) requires seeking potential measures of the validity applicable to different types of non-quantitative evidence (see figure 21). These authors do not mention the transferability of the research, however. The transferability criterion makes the concept of validity relative and subject to the usability of the appropriate research in the local context. The CGIMO framework may form a means of translation to the local context, and thus the explicit identification of its research categories becomes a validity measure.

By distinguishing between the external validity of research not immediately related to the local context and the internal validity related to the context and interpretation process, we find that external validity is associated with due, verifiable process and reliability of the input-outcome relationship.

In regard to quantitative local, contextual evidence, which is likely to be highly influenced by the political navigation of organizational stakeholders, the interpretative process of the insider researcher is necessarily selective not only due to resource constraints but due to the inaccessibility of certain pockets of information. The notion of validity may thus be limited. For such evidence, catalytic validity is the degree to which the research focuses and energizes local participants; dialogic validity emphasizes how evidence resonates with participants. The latter becomes meaningful when it is necessary to gain social legitimacy.



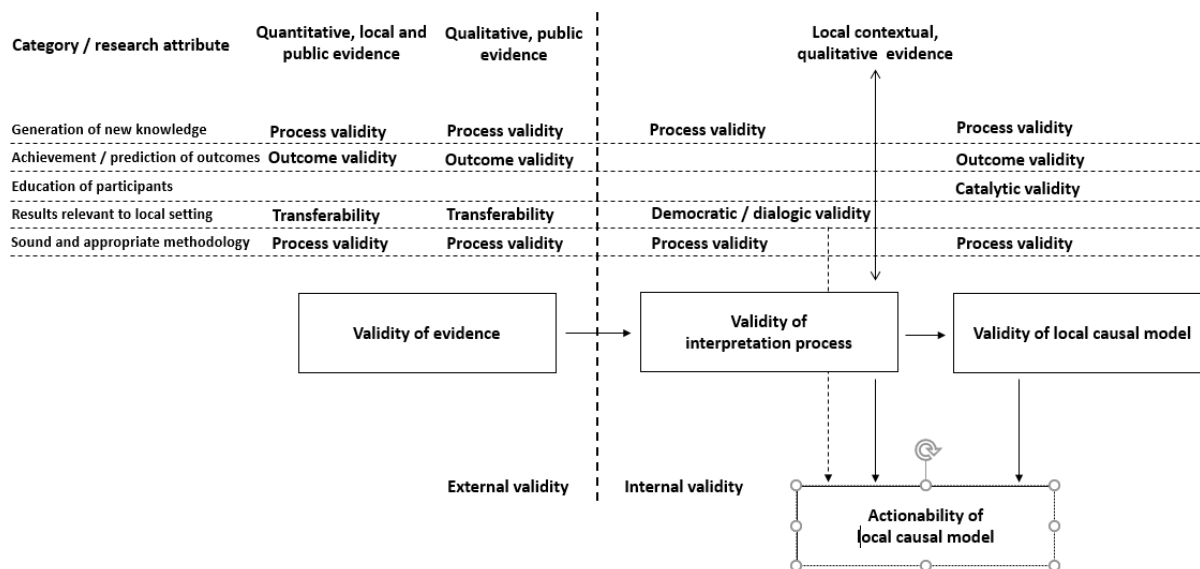


Figure 22 - Measures of research validity

### 8.3 Structure of the local action research (AR) project

The current research is designed to create local change. As a change endeavour (Townsend, 2013), an organizational AR project is intimately intertwined with the characteristics, structures, world views, interpretations, explicit and hidden agendas and beliefs of the organization and its members.

The structure of any AR project is likely to change over time. I learned how fundamental this structural change can become, as the final approach to the project was profoundly different from the original research proposal. The constant throughout this cyclical process was my insider role as the local change agent. However, the element of participation has moved from the original collaborative effort to a structure focused on my personal efforts but including the integration of perspectives from other members of the firm.

Although the development of the AR project was a continual process with gradually emergent changes, I've identified three phases with distinct project structures. The first structure is associated with the initial research proposal, in which I was ambitious about the participatory involvement of a few members and the stakeholders.

A revision of the structure coincided with the early stage of the process, when most of the other firm members indicated that they could not commit to performing their intended roles. The final structure of the AR project appeared toward its end, when the new practice area had begun to mature. The interpretive process of narrating the AR intervention inspired another turn in the understanding of the project.

### **8.3.1 Dimensions of framing the AR project**

### **8.3.2 The project structure in the original research proposal**

I originally positioned the intended local AR project to be collaborative; I planned to assemble an action team consisting of insiders who would drive the cycles of local change toward a goal in a participative manner.

#### **8.3.2.1 Insider versus outsider research**

Before engaging in initial discussions in the firm or creating my research proposal, I positioned the research from an “insider role first” perspective. In case of a conflict between the desire to foster local development and create public knowledge, I decided that the local agenda would prevail.

This understanding is mostly rooted in my ethical position that an insider research project may only be justified if it serves the organization it tries to alter and must not experiment with the local system without a clear commitment to advancing the system. I had assumed that the thesis project and the underlying change process could be kept apart to avoid conflict between the different objectives of research and local action.

#### **8.3.2.2 Mode of participation**

My initial view was heavily influenced by concepts of action learning, particularly the use of a diverse team of “comrades in adversity” to create organizational change (Pedler, 2008; Revans, 2011). I had defined my role as the gateway to academic knowledge for the local team. I assumed that the team

would be willing and able to gather a stock of local knowledge that could be fed back into the local system for positive change and scrutinized in my dissertation for generalizability.

From my earlier experience with change projects at Calibur Law, I understood that a new practice area could not last without incorporating the positions of other stakeholders into the change project. My initial literature search reconfirmed this impression through concepts such as Anand *et al.*'s (2007) "organizational support".

I had thus recruited five partners to directly contribute to the project with the hope that a more transformative approach to the co-creation of knowledge and change would arise.

### **8.3.2.3 Change management and organisational politics**

I knew I would require a distinct change management strategy, including sufficient support through navigating organizational politics for the success of the practice area creation. However, I projected that the participatory approach would be sufficient to ensure change agency and organizational support. I had not made any additional arrangements, except to attain the partnership's formal agreement and the participants' verbal commitment to the scheme.

At the time, I had read but ignored authors such as Herr and Anderson (2015, p. 79), who warned that the aim for participatory change often collides with an organizational culture valuing individual effort and conformity.

### **8.3.3 First revision of the project structure**

I had agreed with the co-managing partner that business development and practice area creation would be the main topic of the yearly partner's retreat in August 2014. In preparation for the partnership retreat, I prepared a PowerPoint presentation summarizing the initial results of my research.

I presented a strategic model for practice area creation (dubbed "paths to success") based on the findings of Anand *et al.* (2007) and adopted to the situation of our firm as I interpreted it at the time. This model did not include much input from other partners at the firm, despite my original intention to co-

generate results. For all paths of practice area creation, I strongly emphasized the need for personal commitment as a prerequisite for success.

I held the presentation on the morning of the second day of the retreat. It soon became clear that half of the partners regarded the topic as “irrelevant”, “not interesting” or “beyond our field of expertise”. Many repeated, “Why should we spend so much effort in building new business when we don’t know how to get done the work we already have?” One partner implicitly referred to the firm’s system of remuneration: “Building a new practice for others doesn’t pay off for me”.

This failure reconfirmed the challenges of knowledge dissipation, which is closely linked not only to the “neutral” content of knowledge but also to the power relationships and diverging interests of the organization (Robertson *et al.*, 2003; Brivot, 2011, p. 489).

#### **8.3.3.1 Insider versus outsider research**

My view on insider v. outsider research remained unaltered throughout the project. However, I learned to change how my dual role was communicated to the partnership. The first attempt to present a model of practice area creation to the partnership failed in part because I failed to communicate the results of my initial review of the literature in a way that spoke to the partners.

I realized how important it was to explicitly show the primacy of the local change project and communicate my engagement in making it a success. As members of the partnership repeatedly state, “Do good and speak about it”.

#### **8.3.3.2 Mode of participation**

I was immediately disillusioned in regards to the intended participatory nature of the project. I had underestimated the obstacles that would be faced by team members, most of whom were not fluent in English. Because any interpretation by me might affect their perception of the material, I had wanted to rely on directly providing access to the literature to the team. However, the vast majority of literature was in English.

As English is often used in client communications at Calibur Law, I had expected that all team members would have sufficient command of the language to read and understand academic texts. Unfortunately, accessing such literature proved difficult. The differences between legal education and social sciences made one partner comment: “These texts are incomprehensible”. Participants then started to back off from their commitment to the project.

At this time, it became clear that the profit-sharing model of Calibur Law would only allow the creation of a new practice area so long as a partner directly provided the services to that area; additional hires would not be available to assist.

### 8.3.3.3 Change management and organisational politics

Once I had begun to understand the relationship between the types of services offered and the underlying economies of scale associated with the career path and the compensation and profit sharing model of the firm, I started to question these structures. A developing radical approach and aim for transforming change became a risk for the existing structures and my position in the firm.

I also became more aware of the widening gap between my dual role as researcher and managing partner. In an attempt to commensurate these divergent positions, I first resorted to an understanding of myself as a “tempered radical” (Meyerson and Scully, 1995; Meyerson, 2009). This notion of a loyal organizational member committed to a cause (Meyerson and Scully, 1995) was not appropriate for my aim for the current project, as it had no benefit beyond the immediate goals of the organization.

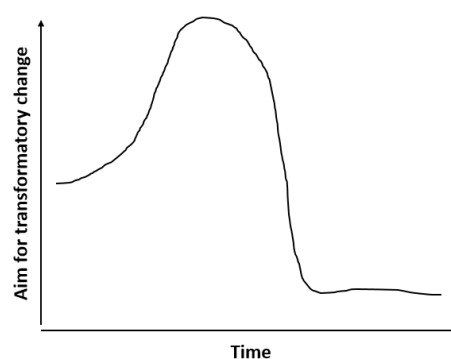


Figure 163 - Aim for transformatory change over time

Therefore, I revised goals for radical change, accepted the constraints existing in the organization and resorted to a policy of “small wins” for the change project.

### **8.3.4 The final AR project structure**

#### **8.3.4.1 Insider versus outsider research**

The journey from the original structure of the AR project to the one eventually implemented is a contraction of a wide and large project that involves stakeholders and team members in a demanding way to a much narrower project that relies on my actions within the existing constraints of the local situation.

This narrower focus withdrew some of the responsibility for communicating external knowledge to the team for evaluation. My role became that of a gatekeeper of external knowledge, which I made accessible to the organization through my interpretation and actions. This approach limited the discrepancies between my different roles within the organization, since I was largely undertaking the research to enhance my practice.

#### **8.3.4.2 Mode of participation**

The detriments of the narrower focus to participation are numerous. Contrary to the spirit of many modes of AR, I had taken control of the knowledge producing process. The validation routines I implemented were more similar to typical forms of external research than the shared decision-making advocated by AR.

Collective decision-making within the firm was still possible through the mechanisms existing in its structures. Recruitment decisions and any decisions about unbudgeted cost were made by the co-managing partners with full transparency to the partnership.

### 8.3.4.3 Change management and organisational politics

The narrow project focus eased the effects of organizational politics. The culture of Calibur Law has long been based on the individual's right to a "pursuit of happiness". The economic side of this understanding is reflected in the partnership agreement, where revenue and cost are attributed by partner.

The final AR project included a personal assessment of my actions and their results in the local context of Calibur Law. This focus is reflected in the creation of a practice area, which relies much on my abilities, engagement and resources (see section 0).

## 8.4 Local context at the research site – In-depth description of Calibur Law

The following in-depth description of the local context is based on the categories and interventions derived from the literature review. The narrative description is split into two parts, starting out with a general description of the local organization and its routines before moving to a specific analysis of historic attempts at practice area creation.

The inquiry serves three different purposes: evidence gathering for use in the EBM framework, local history analysis to stimulate organizational discourse and local history use as a cultural starting point for AR inquiry.

The final structure of the AR project shifted to a focus on my activities, and so the formal inquiry into local history also serves to integrate a wider range of firm members into the process without requiring them to serve as formal participants.

This approach is akin to validation procedures suggested for qualitative research, as the narrative summaries and evolving local models were taken back to interview partners for comment, discussion and refinement. Conversations were not limited to formal discussions on the scope of the project but also included interactions and discussions on adjoining topics, including questions of firm management, employment policy and the creation of client services.

#### 8.4.1 Local experience as “evidence” in the EBM framework

Local experience is one of the pillars of evidence used for decision-making in EBM (Briner *et al.*, 2009; Baba and HakemZadeh, 2012; Booker *et al.*, 2012; Barends *et al.*, 2014b). EBM has departed from its historic beginnings in evidence-based medicine, which used randomized controlled trials, to other contexts that require “weaker” types of evidence (Baba and HakemZadeh 2012, p. 837).

I would now argue that the clear identification of existing local knowledge may be more important than external evidence in EBM, due to the nature of management interventions as change processes (see 8.4.2). A clear picture of the local context, including the identification of previous successful and unsuccessful interventions, becomes the basis of importing (external) generalized knowledge.

The CIMO framework provides the link between local context and external evidence through its “C” component, which allows the identification of comparable contexts, and its “M” component, which provides deep analysis of the underlying social processes.

#### 8.4.2 Local history as the basis of local discourse underlying organizational change

The model of organizational change underlying this AR dissertation assumes that intentional change is facilitated by impacting the local organizational discourse through intentional communication (Ford and Ford, 1995; Ford, 1999). This view understands that organizational reality is socially constructed and interpreted, enacted, and maintained through discourse (Ford, 1999, p. 480). The role of the change agent is thus to construct, deconstruct and reconstruct existing realities to bring about change (Ford, 1999). The agent therefore must identify the discourse that defines the local reality.

When identifying existing local discourses, one may distinguish the categories of first and second-order reality (Ford, 1999). First-order reality may loosely be understood as the current status of practice areas described by organizational charts, financial performance reports and “official” marketing material. Second-order reality is the interpretation given to first-order reality by people in the organization.

The interconnection between first and second-order reality relates to the concept of sensemaking, which recognizes a circular process of “order, interruption and recovery” (Weick 2009 where organizing



reality is seen as “the act of trying to award things together by such means as text and conversation, justification, faith, mutual effort, transact of memory, resilience, vocabulary and by seeing what we say in order to assign it to familiar categories” (Weick, 2009).

### 8.4.3 Local history and action research

AR is supported by its close relation to practice (Greenwood and Levin, 2007, p. 65) and its imperative of practical applicability as an ethical requirement of organizational research (Coghlan, 2001, p. 50).

Despite the diverse approaches of different flavours of AR, all AR projects rely on iterative cycles of identifying a problem and planning, acting and evaluating the outcome of the intervention (Coghlan, 2001, p. 50). The identification of a local problem is the starting point of the AR cycle; the action researcher must understand the current status of the organization and the facts understood as problems by participants. This is an inevitable aspect of the participatory nature of AR (Coghlan, 2001, p. 50; Greenwood and Levin, 2007, p. 63; McNiff and Whitehead, 2011, p. 32).

The subjective declaration of an existing organizational state as problematic is inevitably linked to the local history of the organization. An existing organizational state will always be judged relative to earlier states. Stakeholders are much more likely than not to view positively improvements to the prior state of affairs. Furthermore, a non-satisfying organizational state will be judged less problematic if local history has shown the ability of the organization to succeed despite the issue. Such non-objective evaluations of the situation may be attributed to cognitive biases, anchoring mechanisms (Tversky and Kahneman, 1974, p. 1128), availability heuristics (Tversky and Kahneman, 1974, p. 1127), base rate neglect (Bar-Hillel, 1980) and contrast effects.

As the subjective interpretation of an organizational status is highly influenced by cognitive biases, one might assume that this is not the best way to isolate the “important problems” of an organization. However, I would argue that the situated evaluation of participants should prevail over an objective analysis unless the judgment of participants clashes with basic logical requirements.

If AR is considered to be a process of help, it is always embedded in the social and relational practices between participants and the researcher (Schein, 2011, p. 9). The effectiveness of this process requires that the helper is willing to inquire into the actual situation (Schein, 2011, p. 69).

Participants in an AR inquiry need to develop a shared understanding of the local context to determine potential positive interventions. Narratives of local history are a valuable means of creating this shared understanding; discussing these narratives with a view to expressing the most accurate understanding shared among shareholders caters to the participative nature of AR.

#### 8.4.4 History of the firm

Calibur Law was originally founded in the early 20<sup>th</sup> century by a well-known Jewish advocate. The offices of Calibur Law were geographically located in central Germany, on the western side of the former border between East and West Germany.

Growth of the firm remained unspectacular until the time of the German reunification in the early 1990s. During the 1990s and the early 2000s, the firm grew from 10 lawyers to its current size of more than 40 lawyers and tax advisors. The current total headcount at the firm is about 150.

**Context:**

Organization is more than 100 years old. Fast growth of the firm from 1990 until 2005. Rise and fall of new offices.

Calibur Law was one of the first West German law firms to open an office in former East Germany. This new office contributed to a large part of the original growth of the firm, until a downturn in revenues in the East Germany business occurred in 2010, after a number of partners left. The firm closed its East German operation in 2014.

**Context:**

A German law firm of 50 professionals

Calibur Law espouses itself externally and internally as a business law firm. The firm's business consists of providing legal advice to business and private clients, notarial services and tax advice. While the firm often defines itself as a business law firm, revenues are equally split between private and business clients.

**Context:**

Espoused as a business law firm

During the growth period, the firm's culture and organization were shaped by its managing partner, a fact that is strongly demonstrated by the change of the brand of the firm to his name in the 1980s.

This managing partner emphasized that the firm should operate on a “common theoretical understanding of the structure of a law firm” based on a number of “Leitgedanken” (guiding principles).

As the partnership agreement demonstrates, these guiding principles are specialization, institutionalization, payment based on individual merit, self-administration and personal independence. These guiding principles can be found in almost all existing documents of the firm relating to strategy; protocols of partnership meetings show that these thoughts are accepted unanimously without further reflection as the axiomatic foundations of the firm. A document from 2009 titled “Strategie 2025” (!), in a chapter called “Company Culture”, for example, calls for “the need to accept sanctions” by partners deviating from firm *raison* because of the precedence of *institutionalization*. Although the guiding principles are presented as normative prescriptions for creating a successful law firm, they may also be critically understood as mere descriptions of organizational reality (Appelhagen, 2002; Greenwood *et al.*, 1990; Greenwood *et al.*, 2005; Greenwood and Suddaby, 2006).

A mechanistic view of the organization is a common characteristic of explicit organizational routines documented in written artefacts at Calibur Law, and so this view prevails among employees (Morgan, 1997, p. 26). Work descriptions for individual departments include detailed instructions on the daily routines of the partner and secretarial staff, including guidance on the preferred temperature of tea consumed by the partner. In this same vein, business analytics used as an input for the profit distribution scheme rely exclusively on “objective factors” that analyse cost positions in a detailed fashion, such as calculating the exact amount of square meters of office space used by a partner.

**Context:**  
Mechanistic culture  
communicated in  
written artefacts

In contrast to the mechanical view espoused in corporate documents, a number of partners have described the organizational culture as “unpredictable”, “driven by emotions” and “like a family relationship with all its ups and downs”. These interviews, along with a large number of other discussions and encounters I reflected on, present an image of the organization that exists in stark contrast to the claim of other partners, that the written rules and routines of the firm accurately reflect its organizational reality.

**Context:**  
Role of emotions  
expressed by part-  
ners

#### 8.4.5 Organizational structure

The current research shares the opinion of Greenwood *et al.* (1990) that “the nature of an organization inevitably influences its strategic management processes”; thus, an understanding the organizational model of the firm is necessary to understand its internal workings. In this context, the legal structure of the organization must be distinguished from its internal structure, although legal structure is often driven by internal requirements and vice versa.

The legal organization of Calibur Law is a partnership with limited professional liability (Partnerschaftsgesellschaft mit beschränkter Berufshaftung – PartGmbH). This legal form was introduced into German law in 2013. It is modelled after an unlimited partnership while providing limited liability for professional errors and omissions.

**Context:**  
Legal organization as a partnership

The law makes this type of organization available to lawyers, patent attorneys, tax advisors and auditors. A similar architecture is universally found among PSFs not only in Germany, but worldwide (Mills *et al.*, 1983; Brock, 2006; Greenwood and Suddaby, 2006; Nordenflycht, 2010; Schilling *et al.*, 2012).

The firm is organized as a professional bureaucracy (Mintzberg, 1979), and many new bureaucratic structures were established during the growth period of the firm, between the early 1980s and 2010.

**Context:**  
Internal organization by semi-independent departments consisting of single lawyer/tax consultant plus support staff

##### 8.4.5.1 Management by “managing partners”

As is typical for PSF, and particularly law firms (Nelson, 1988), the firm has always been managed by one or more part-time managing partners chosen by vote of the partnership.

The partnership contract of Calibur Law gives limited guidance on the managing partner’s role and extent of decision rights. Therefore, the role of the managing partner is defined by the managing partner’s personal interpretation of his or her role and ability to manage organizational politics.

From the 1970s until 1998, the firm was headed by its name partner, who was uncontested as the leading figure of the firm notwithstanding severe critique of his treatment of younger partners and employees. Many described that he created an atmosphere of fear throughout the firm. This partner

had long fostered the development of a younger partner as his successor; the successor became managing partner in 1998, but died shortly after taking the helm of the firm.

According to interviews, the firm was unprepared for the challenge of immediately choosing a new managing partner, given its dependence on having a “strong man at the top”. It took the firm more than 10 years to return to a relatively stable management structure.

After an interregnum of one of the older partners, a new candidate was found. Interview partners relate that this candidate was chosen because

*“none of the strong partners wanted the job”.*

This period is now seen by many partners, including the partner who was in charge, as a time when management was largely in the hands of the office manager.

The departure of this office manager, who accepted an employment offer by one of Germany’s largest law firms, coincided with growing criticism of the managing partner. As an alternative, in 2000 the partnership installed a group of former managing partners, two from the East German and two from the West German office of the firm. This structure was reduced to two managing partners in 2002, when one of the East German managing partners left the firm.

During this time, a growing number of partners (including myself) became interested in the strategic direction of the firm. This interest marked a departure from the former “top-down” model for the organization’s strategy creation. In intensive discussions during partnership meetings, two committees were created with the formal role of “supporting the managing partners and suggesting strategic decisions to the partnership”.

After a deeply personal and, as many interview partners noted, “political”, discussion of their management style and the diminishing commercial success of the East German office, the two managing partners were replaced with another partner, who was one of the most commercially successful lawyers

of the firm. When referring to this period, partners often note that “there was a risk of the firm breaking up”. Coinciding with this vote, the committees were abandoned, since the majority of partners deemed them to be “useless” and “a place of just expressing personal opinions”.

The new managing partner resorted to what partners described as “management by checklist”, which they considered to be “uninspired”, although it was in line with typical mechanistic approaches (see Morgan, 1997). As in the past, many partners called for the hire of a professional manager from the outside. I was one of those opposed to the idea of outside management, based on my conviction that a professional service organization should be run by its partners.

Against minor resistance, the partnership hired an outside consultant to investigate the possible strategic directions of the firm. The consultant was an engineer, who specialized in optimizing logistic processes. In hindsight, his complete ignorance of interpersonal processes and organizational politics explains why his presentations were deemed “not helpful” by the partnership. In an attempt to save the project, the managing partner prepared a document called “Strategie 2025” for a two-day partnership meeting in 2009, where he tried to summarize ideas for the future strategic direction.

The various negative experiences of the last decade lead to an open discussion of expectations concerning the management of the firm. The partnership decided that a two-person management team should be the norm to avoid having strategy set by a single partner. Furthermore, an advisory board of four partners was installed explicitly to “transport the ideas of various groups in the partnership”.

As a compromise with partners advocating the implementation of outside management, an “assistant to the managing partners” was employed with explicit focus on market analysis and marketing. After two years, this assistant was fired after a conflict with the office manager and one managing partner.

From 2012, I took on the role of co-managing partner with the partner who had been managing partner since 2008. In 2014, this co-managing partner wished to concentrate on his notarial practice and was, after some discussion, replaced by one of the former managing partners who had been ousted in the “political turmoil” of 2007 by a nearly unanimous vote.

**Context:**  
Primary researcher  
is currently co-  
managing partner

We current managing partners have spent much time discussing our role in relation to the partnership, the firm (including employees and associates) and the advisory board. Our current understanding is that we ensure the ongoing administration of the firm in cooperation with the office manager and carefully provide direction for the strategic development of the firm. The tension between the voiced requirement of many partners, who call for “strong leadership” and the current lack of “any real right of the managing partners to actually make decisions” remains.

For strategic discussions, we aim to use the advisory board as well as partnership meetings in order to gain an understanding of urgent matters and as sounding boards for strategic ideas. Based on the critiques of the past management of the firm, we aim to provide transparency via by a monthly written report to all partners. The role of managing partner currently takes roughly 30% of our personal workload.

#### **8.4.5.2 Limited strategic control**

According to Hill (1988), the relationship between the organization and its business departments may be assessed in terms of strategic control, financial control and operating control. Hill’s (1988) framework characterizes the dimension of strategic control by the elements of rationality and interaction, the dimension of financial control by the specificity of targets, tolerance of accountability and time orientation and the dimension of operating control by the range of corporate involvement, the focus of corporate involvement and the antagonism of centralization (Greenwood *et al.*, 1990).

According to Greenwood *et al.* (1990), professional partnerships follow a distinctive pattern in relation to these dimensions due to the form of ownership and governance. In partnerships, authority is vested in the ownership structure (Greenwood *et al.*, 1990).

The partnership contract of Calibur Law espouses a number of principles (based on the “Leitgedanken” discussed above) for the interactions among the various departments. These principles are specialization, institutionalization, payment based on individual merit, self-administration and personal independence (§ 1 of the partnership agreement).

Institutionalization is interpreted at Calibur Law as a firm-wide practice of prioritizing the good of the firm (Appelhagen, 2002). There is a strong tension of this guiding principle against the idea of personal independence, which is one of the traditional pillars of the German legal profession. One partner reflected on the firm's mainstream understanding of this tension by indicating that this contradiction is resolved by "giving precedence to personal independence in the individual fields of practice" and "giving precedence to institutionalization in organizational matters". Recently, this formula has shown to be insufficient in cases where partners develop lucrative business models that other partners deemed to be inconsistent with or harmful to the overall strategy of the firm, however.

All interview partners described *specialization* as the defining characteristic of the firm, with many of them claiming superiority over comparable firms because of this feature. Their understanding aligns with the writings of the former managing partner of the firm, who defines specialization as the key to "*reaching the goal of a financially and personally satisfying work life*" (Appelhagen, 2002).

The organization holds a "Tayloristic" view that the output capacity of a professional may be enhanced by the repetitive nature of performing only within a specialized field of the law. This view also extended to legal secretaries, who are expected to function in the relatively narrow specialization fields as "junior lawyers" (Appelhagen, 2002).

#### 8.4.5.3 Limited leverage

A distinguishing property of Calibur Law is the ratio between partners and associates at the firm. Typically, law firms of the size of Calibur Law base their organization on the leverage-driven business model. In this model, partners are responsible for generating business that is implemented by associates (Gilson and Mnookin, 1984; Nelson, 1988; Morris and Pinnington, 1998; Muir *et al.*, 2004). In partnerships relying on this business model, partners are ranked (and their income distributed) according to the turnover directly acquired by each partner.

**Context:**  
Low ratio between partners and associates ("no leverage")

At Calibur Law, a formal policy for promotion to partner exists. In the view of many partners, however, this policy is loosely applied. According to them, the decision-making process strongly favours promotion. The current wording in the policy document from 2012 describing the promotion criteria refers



to personal human (sic!) competence, professional competence, entrepreneurial competence and financial sustainability. The current development of any associate in relation to these goals is documented every six months by the respective lead partner.

There are no formal rules for the assessment of these criteria, except for the assessment of financial sustainability. Financial sustainability is assumed if the associate has reached an accumulated excess of income of her department over the cost of the department, including the associate's remuneration. In the past, promotion to partner occurred in all cases where the financial sustainability criterion was met.

Other systems expect that the positive earnings of the firm are generated through the employment of associates; however, Calibur's system leads associates to generate a negative total income for the firm. One partner described this system as follows:

*"In our firm, the partners have to work themselves."*

Each associate receives a monthly overview of the income of his department. All associates are introduced by the managing partners to the financial numbers of all associate departments in the yearly workshop in order to "create entrepreneurial spirit among associates".

#### 8.4.6 Compensation system

Notwithstanding the low leverage between partners and associates, Calibur Law uses a slightly moderated eat-what-you-kill remuneration policy for partners based on attributed turnover and cost. The profit share of each partner is calculated as the average of that partner's profit share at the beginning of the previous year and the current profit of the partner's department divided by the overall profit of the firm. In addition, a minimum income comparable to the income of a federal judge is guaranteed by the partnership agreement to every partner.

**Context:**  
"Eat-what-you-kill"  
remuneration policy

This system of compensation leads to differences in income; in recent years, a widening gap has led to a factor of 14 between the lowest and highest earning partners. When the gap is plotted against the guaranteed minimum income to provide comparison, however, one notices that the overall income

level for all is fairly high. One might therefore assume that this high income discrepancy does not lead to severe discussions.

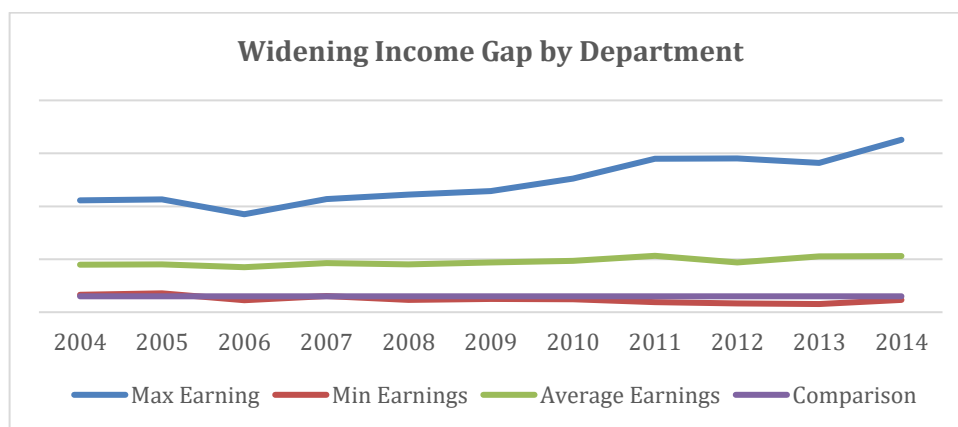


Figure 174 - Widening income gap by department

To the contrary, the income distribution scheme is the reason partners most frequently state as the obstacle to new business at Calibur Law. Partners argue that the focus on individual departments as profit centres creates a lack in the teamwork ability required for larger projects. Furthermore, the guiding principle of specialization, which in theory calls for the referral of business, often clashes with the remuneration scheme, effectively providing an incentive for partners to provide client services outside their fields of specialization.

#### 8.4.7 Standardization

The attempt to standardize professional services is attributed within Calibur Law to the principles of specialization and institutionalization.

The firm has developed a large body of documents formally describing the creation of client documents. Associates are expected to become familiar with the standards within the first year of practice. While the standards describe formal requirements for documents and standards for client interaction, they do not provide material legal content.

#### **8.4.8 Human resource management**

Calibur Law does not have a dedicated management structure for human resources (HR). The office manager is responsible for dealing with all non-professional staff. She has often been supported in this task by the managing partners, particularly when crisis intervention required dealing with the relationship between employees and partners.

The firm has long attempted to develop a formalized recruiting process. Unfortunately, informal and inconsistent processes define open positions and the hiring process. The need for new hires is often perceived by “gut feeling”. Based on an analysis of the nine different procedures for hiring proposed in the last two years, no consistent standards seem to be employed. Arguments for an open position range from “a suggestion by a client” and the “current workload of partners” to a detailed analysis of the age structure of partners in a certain field. These inconsistent standards have been influenced by a number of frustrating experiences with new hires.

The hiring process itself involves the informal review of applications, with a focus on grades in the second state exam, and an informal interview by the managing partners with at least one partner from the relevant specialization. The managing partners currently have the goal to formalize and professionalize the hiring process.

#### **8.4.9 Knowledge management**

Since the early 1980s, Calibur Law has attempted to implement formalized knowledge management systems. The firm has been successful in creating a knowledge management strategy for financial and administrative purposes, including a detailed classification scheme and intranet site.

However, Calibur Law has been unable to create any working knowledge management for its legal services. This failure is often attributed by interview partners to the profit sharing scheme of the firm, as “everyone wants to keep the knowledge for their own profit”.

#### 8.4.10 Role of marketing

The marketing budget of Calibur Law is consistently under 1% of turnover. No formal marketing plans exist. The marketing budget is split between expenses for client entertainment, visiting professional fares and a small amount of sponsoring.

A portion of the marketing budget is also used for client events; the construction law team's yearly invitation for more than 200 clients has proved the most successful in terms of public recognition. Appearances in the media are limited primarily to professional local magazines associated with individual fields of practice.

Individual marketing activities are consistently associated with the activities of individual partners. According to one member of the advisory board:

*"Spending money on marketing always means doing a favour to one of our partners by sponsoring his pet event".*

#### 8.4.11 Conflict management

Calibur Law has been surprisingly resilient to severe conflicts among members of the firm, including long-term partners. High-stake conflicts have triggered a high volume of office politics activities. For example, the ousting of the managing partner described above had been systematically prepared by the coordinated actions of various partners who had been taking a weeklong trip abroad to plan their actions.

These political activities notwithstanding, open discussion of issues almost always caused the invocation of the guiding principles ("Leitgedanken"). This limitation of "allowed action" through officially sanctioned principles may be interpreted both as a reliance on the core pillars of professional identity and self-regarding mechanism.

## 8.5 The local history of practice area creation

Deepening the above description of the local context, I undertook an in-depth inquiry into the local history of practice area creation. These are narrated in the form of four vignettes, forming mini case—studies

### 8.5.1 Methodological approach to the local history of practice area creation

As the research project developed, I found that an unmodified case study approach as planned in the original proposal was ill suited to creating shared local meaning. The problematic underlying assumption was that choosing the “right” cases would allow us to derive a set of objective findings. In addition, the methodology used must account for the different levels of analysis in order to generate the different modes of knowledge. Therefore, the data analysis process must generate localized evidence used in the EBM framework, generate generalizable theory and allow the local context to be connected to existing academic knowledge.

Following the initial discussion with other participants and a round of interviews with members of Calibur Law, I chose an information-oriented selection of cases (Flyvberg in Denzin and Lincoln, 2011, p. 307). I focused on extreme cases to attain maximum variety (Flyvberg in Denzin and Lincoln, 2011, p. 307). At this point, I had not yet considered the balance between descriptive elements and theory generation in presenting these cases, but planned to follow Creswell’s (2007, pp. 74–75) procedure of following a rich description of the case with a final interpretive phase.

The systematic literature review revealed that the case study approach would not help to generate localized knowledge. The intention to underlie the case study approach with a linear stage model (Creswell, 2007, p. 75) also seemed out of sync with the circular process model underlying AR.

I modified the original case study approach by introducing the concept of iterative theory development from grounded theory (Strauss and Corbin, 1998; Charmaz in Denzin and Lincoln, 2011, p. 364) and the use of a narrative approach (Creswell 2007, p. 53) to create individual stories of organizational reality. This hybrid methodology is justified by its ability to fulfil the threefold purposes of the analysis of local history.

Distinguishing among diverse cases allows the researcher to separate the concerns for different areas within the organization, which allows for the delineation of different theories for different contexts. This multi-case approach allows for the specific analysis of different theories for these contexts instead of attempting to apply a less specific general theory to the whole firm. This strength accompanies the need to define the boundaries of the individual cases and the risk that these boundaries' arbitrary constraints make the findings less generalizable (Creswell, 2007, p. 76).

Following the general idea of grounded theory, the analysis goes beyond description to generate new theory (Creswell, 2007, pp. 62–63). Although accepting organizational reality as a product of social construction invokes the constructivist aspect of grounded theory, the approach used for data analysis followed the systematic approach suggested by Strauss and Corbin (1998), following the steps recommended by Creswell (2007, pp. 66–67).

Although grounded theory typically assumes no prior theory (Creswell, 2007, p. 66), I decided to incorporate knowledge from the systematic literature review from the start of the interview process. Key concepts extracted from the literature were added as categories of information for the initial open coding step. The dimensions of the CIMO framework were added to the axial coding procedure. This modification to the grounded theory approach is justified in light of the understanding that the literature can be treated as a source of data.

Type of data	Source of data	Role of data
Individual narrative stories of firm members	Semi-structured interview	Primary data for analysis process
Written artefacts, such as power point presentations, emails and meeting protocols	Written artefacts from primary researcher archive, firm archive of protocols, interviewees	Saturation of case analysis
Literature	Literature review (see above)	Used in interpretation process
Primary researcher pre-knowledge and personal account	Primary researcher "self-interview"	Partly treated as primary data (i.e. vignette 1 and 4), interpretation and saturation.

#### Types and sources of data used in vignettes

The interviews and written artefacts identified eight clearly bounded cases of prior attempted practice area creation. From these cases, four were selected for presentation and the remainder, together with the organizational features presented above, were used to saturate the analysis.

The cases are presented in a narrative form that discusses how individual categories of the theory have emerged from the data. The quality of the analysis was checked against the criteria suggested by Strauss and Corbin (1998) in the form of Creswell's checklist (2007, pp. 216–217). All cases and their interpretations were discussed multiple times with members of Calibur Law.

## 8.5.2 Vignette 1—Failed creation of the audit business (2007)

### 8.5.2.1 Background of business decision

After a significant growth in the number of lawyers in 1990, Calibur Law added a tax consultant in 1991. Tax consultancy is a separate regulated profession in Germany, and this step made the firm interdisciplinary for the first time.

**Context:**  
Period of significant growth

After this partner left the firm in 1998, a new young tax advisor partner joined. This partner could grow his practice to a significant size within a few years, making him the highest-grossing professional of the firm by 2002.

Because of this success, many partners of the firm suggested that Calibur add the profession of auditor as another cross-disciplinary field. Since German law requires that all companies of a certain size utilize the services of an auditor, this move was thought to expand the client base to larger companies. The proposal was discussed formally and informally over many months.

### 8.5.2.2 Decision to create an audit business

At the time, I was one of the strongest proponents of building an audit practice. Before the partnership meeting in 2006, I stated [translated]

**Context:**  
Strong organizational support

*“this is the natural thing to do. We are serving our clients in all tax issues until they grow above [the size where they require an auditor]. Once they retain an auditor, this auditor takes all the tax consultancy work from us.”*

**Context:**  
Strong personal agency

In 2007, the partnership meeting decided formally to recruit an auditor; they put me in charge of the search process with a colleague who was a commercial lawyer. There was no formal business plan or

budget in place. It was agreed, however, that we would be allowed to offer an above-average compensation to candidates.

### 8.5.2.3 The external hiring process

Although the firm searched nation-wide for a candidate, applications by qualified candidates were scarce. Eventually, a single promising applicant appeared. This auditor had worked for one of the “Big 4” audit firms and had a specialisation in banking.

He communicated that he sought a better work life balance and the wish to bring up children in a smaller town, which was in line with the expectations of the firm. Furthermore, he expected to bring some business from former clients, including one of Germany’s largest banks. We agreed on an employment contract starting in the middle of 2007. I acted as the “lead partner” for his department alongside another partner specializing in tax law.

Getting business for the new audit division proved much more complicated than expected. Although the auditor brought with him two mandates from a former client, these were not renewed at the end of 2007. Meanwhile, the firm had not been able to acquire a single new audit mandate. Discussions with clients showed that they doubted the firm would have sufficient resources for these types of mandates, particularly because the mandates relied on a single professional qualified to sign the formal audit reports. Existing clients voiced concerns of a potential conflict of interest if Calibur Law audited their balance sheets and performed legal work.

**Context and Mechanism:**

Lack of defensible turf because of the nature of the new practice

It also became clear that the associate had no experience in acquiring new business; he had been working in a team of more than 50 auditors, and only the two partners involved were responsible for client contact.

**Context and Mechanism:**

No differentiated knowledge, potential conflict of interest

### 8.5.2.4 Tearing down the practice area

Upon realizing it was unable to build a sustainable audit business, the firm tried to transfer the associate into the tax practice. Although the associate tried, his knowledge of tax law was not sufficient. The parties agreed on a severance package, and he left the firm after exactly a year.

**Outcome:**

Failure of the practice area



### 8.5.2.5 Analysis, theory generation and contribution to local causal model

#### 8.5.2.5.1 Incomplete support-based pathway of practice area creation

This vignette validates the necessity of the strategic phase model for the local context. The emergence of the practice area was support-based, as it combined the primary researcher's social agency with the unanimous support of the partnership (see section 7.4.5.4.).

A category of "organizational support" emerged from the re-collection of this case in all interviews as an antecedent to practice area creation. Interview partners strongly emphasized the process to develop organizational support through a detailed discussion of the proposal, aiming to fine-tune the concept.

The initial phase of the practice area creation showed a successful attempt to navigate organization politics to gain support by the demonstration of the business potential of the new practice area and the weight of the personal agency of partners who are seen as successful. The overarching concept used to gain organizational support was not focused on the business perspectives of the proposal but rather accommodated organizational politics by incorporating the views of all stakeholders.

The firm lacked the requirements of defensible turf and differentiated knowledge (Gardner *et al.*, 2008). From a strategic point of view, the firm took no action to investigate the business potential prior to the hiring decision and did not check with the potential candidate to verify his experience in creating business opportunities.

**Mechanism:**  
Lack of defensible  
turf and differenti-  
ated knowledge

#### 8.5.2.5.2 Lack of market sensing

There was a clear lack of market sensing mechanisms. The desired practice creation falls into quadrant II of the four-quadrant model: "a new area of practice with new people". It had weak connections to the existing business model of Calibur law. The lack of proper market sensing was also related to ignorance of the fact that the audit business meant a venture into a different type of PSF with different economics.

**Mechanism:**  
Failure to recognize  
differences

### 8.5.2.5.3 Lack of knowledge transfer

The firm was unable to internalize knowledge from the candidate or provide him with the knowledge that he lacked. The vastly different cultural background of the large auditing firm for which the candidate had worked made it difficult for him to adopt the “learning by doing” culture emphasized at Calibur Law.

**Mechanism:**  
No active  
knowledge transfer

The local model used in the AR project therefore must consider the additional challenges of quadrant II practice creation, where the organization not only has to integrate new, sometimes strongly diverging business models but also new people from different firm cultures.

## 8.5.3 Vignette 2—Tax law practice: Doing it right the third time? (2010–2015)

### 8.5.3.1 Background of business decision

Until 1990, Calibur Law did not have either a tax law practice or any tax advisors. After the re-unification of Germany, the acting managing partner considered the possibility of adding a tax law practice to the firm. In the absence of any partners with experience in the field, the firm actively looked for a new associate.

**Context:**  
“Top-down” support for new practice area

### 8.5.3.2 The creation of the initial tax law practice

After some unsuccessful hires of more experienced lawyers, we hired a 30-year-old associate who had just completed his PhD in corporate law and gained first work experience at a national conglomerate in the energy sector. This lawyer describes his interview experience as follows:

**Intervention:**  
New practice through external hire (quadrant III)

*“I came in to my first day of work. [The managing partner] introduced me to my desk and gave me a number of files to work on. I soon realized that the firm did not have a single book on tax law. Neither had any of the partners or associates ever dealt with any tax issues more complicated than their personal income tax return. I decided to bring my own books from university the next day.”*

**Context/  
Mechanism:**  
“Grey hair” and “brains” projects entrusted to newly hired professional

Because it was developing closer connections to state authorities in the emerging East German Federal states and was positioned as one of the largest law firms in its area, the firm was soon able to generate a significant business in tax law. Six months after the associate was hired, the firm started work on the merger of utility companies in a federal state. This was one of the largest combinations of formerly State owned enterprises in East Germany. The transaction involved new tax law questions, in particular because of the geographical location of the companies in formerly unregulated East Germany.

### 8.5.3.3 Change of the initial tax law practice focus

While the work was interesting, the associate felt a high pressure given the potential risk of error. He reported:

**Mechanism:**  
Risk pressure

*“I could not sleep at night thinking about [name of the client]. I knew if I was wrong, the client would face a tax charge of more than 2 billion Deutschmarks.”*

Overwhelmed by the potential risk, the associate voluntarily terminated his employment after only a year. He entered the German court system as a judge. There, he “felt unimportant and bored. I did not want to end like my father as a government employee.”

After negotiating how he could be supported by the firm, the associate was rehired. He was able to develop his personal practice in the tax field and became a partner in 1994. Nonetheless, the firm seemed unable to further develop its tax law business, even after it had already grown a significant tax advisor practice.

**Mechanism:**  
Regained organizational support

The tax partner went more and more into “less dangerous parts of the field”—namely, into the defence of tax offenses and representation in tax advisor malpractice claims. He “wanted to deal with errors others had made, not make these errors myself”.

**Mechanism:**  
Lack of personal agency; Wish for different practice

Subsequently, he developed a strong professional liability practice with a tax law focus, concentrating on work for companies that insure tax advisers.

**Outcome:**  
Successful, but different practice

#### 8.5.3.4 The first, failed, attempt of a second tax law practice

Although his personal preferences were different, this partner was highly supportive of building what partners called a “real tax practice”, according to a partner from the corporate department during an interview.

After a few years of discussion at partnership meetings, a formal hiring process for a tax lawyer commenced. The successful candidate had many of the same credentials as the tax partner: a recently completed PhD and training as a tax assistant.

The hire was internally considered to belong in quadrant IV: developing an existing line of business by adding new people. Per a transcript from a partnership meeting, some partners questioned whether the hire would truly create a new practice, given that the business of the other tax partner had moved in a different direct direction from intended.

**Intervention:**  
Extending an existing line of business through external hire, quadrant IV

The practice of this associate never flourished. After three years, revenue created by the associate was less than a quarter of his salary. The tax partner and one of the tax advisors, who acted as a second lead partner, strongly supported retaining the associate, however. After heated discussion in a partnership meeting, the employment contract of the associate was terminated. Opinions were mixed about the cause of the failure:

**Outcome:**  
Failure of the newly created practice area

*“We just did not give him enough time. If we would have been patient, he would have learned what is needed.”* –The lead partner of the terminated associate

*“We should have terminated him much earlier. He just did not have the right kind of motivation to become a successful lawyer.”* – A co-managing partner from the corporate department

*“This shows a systemic failure of our lead-partner system; we need to talk about how we can educate our associates in the future. How to make them one of us. How to instil the spirit in them.”* – A partner from the tax department

### 8.5.3.5 Second, successful, attempt of a second tax law practice

Notwithstanding the experience, many partners at the firm held the view that a law firm the size of Calibur Law needed to have a professional tax practice. Instead of actively recruiting for the position, however, the firm waited for “an opportunity”.

**Intervention:**  
Extending an existing line of business through semi-external hire, quadrant IV

This opportunity came at the end of 2013, when the tax partner informed the partnership that one of his legal apprentices had fulfilled all requirements to achieve the position of a fully licensed lawyer. The apprentice’s position was changed to that of associate.

The new associate made the practice a moderate success. After 2 years, the practice of the new associate has developed slowly but steadily. She has invested significant efforts into furthering her education in tax law and fulfilling all the requirements for the tax law specialization that she aims to achieve after her obligatory three years of bar membership. The associate has also agreed to obtain the title of tax advisor through the State exam, the achievement of which requires a significant amount of work.

**Mechanism:**  
s

### 8.5.3.6 Analysis, theory generation and contribution to local causal model

#### 8.5.3.6.1 Growth strategies

The vignette may be interpreted as a comparative case study of three attempts at a tax law practice.

The initial venture of hiring an external candidate to create a yet non-existent practice area can be mapped to quadrant III of the four-quadrant model; the subsequent strategies fall into quadrant IV. The latter strategy was, however, not a pure “growing in size” venture, since the firm explicitly expected more consulting-oriented practice in addition to the existing business.

**Intervention:**  
Quadrant III and IV growth strategies

### 8.5.3.6.2 Knowledge management

The experience of the initial tax partner shows that, although the firm was unable to provide him with the required knowledge to practice tax law, he was able to gain this knowledge through experience and external sources. The case can, therefore, be interpreted as a successful attempt at knowledge creation through external hiring.

**Intervention:**  
Knowledge development through hiring

The two subsequent attempts at practice area creation and the failure of the first candidate also hints at the candidate's inability to gain sufficient explicit and tacit knowledge. In particular, the tacit knowledge to consider high-profile clients was an area of strong critique of the candidate by partners.

*When asked why the first candidate failed and the second succeeded, the tax partner commented laconically, "Willingness to learn and intelligence".*

On further questioning, he expanded his analysis:

*"She is really deeply interested and he was only looking for more and more shoulder stripes. Although, her background in tax administration is helpful. And, she is one of us. He only wanted more and more of the shoulder stripes, but he was not a deep thinker. We were just blinded by his PhD; we did not even ask for his grades."*

The insight is that the question of knowledge development must be considered in the hiring process. The less knowledge that already exists in the organization, the more should the candidate's knowledge be determined. The willingness to learn should also be a matter of interest.

**Intervention:**  
Modification of hiring process based on knowledge considerations

### 8.5.3.6.3 Risk taking as an entrepreneurial behaviour and organizational support

The changed profile of the original tax practice arose because of the perceived risk pressure on the associate due to the type and size of transactions supported. As a newcomer, he lacked tacit experience dealing with problematic, high-stakes assignments.

What may have had the greatest impact on his decision, however, was a feeling that he lacked organizational support:

*“I knew I was alone in this. No one at the firm had any real experience in dealing with large tax cases and most partners said they would not even understand what I was doing. [A partner] always only told me how important the client was. There was no second opinion in the firm, no one I could discuss with.”*

Although the perceived risk of the tax practice at the time may seem exaggerated, most new professionals hold similar risk perceptions.

While risk-taking is often seen as an entrepreneurial behaviour that is expected from professionals at Calibur Law, it is a core responsibility of the firm to reduce the actual and perceived risk of its professionals. The vignette shows that the firm was unable to reduce the risk in the case of the initial tax partner because of its lack of knowledge, which indicates the complex challenges of quadrant III growth.

**Intervention:**  
Risk reduction strategies

#### 8.5.3.6.4 Dealing with organizational politics

There were limited challenges to the second attempt to build the tax law practice. Discussions with partners indicate that the enthusiasm was related to the initial tax partner’s personality; he is well liked and seen as an “integrating figure”. A tax consultant partner commented, “If it was not for [G.], I would have never given my approval”.

**Context / Mechanism:**  
Personal relationships

A second factor was the closeness of the new practice to existing business. Although the project included elements of introducing a new business field, most stakeholders considered the move to be a mere growth in size.

In addition, the practice did not interfere with the existing business of partners. When the candidate communicated her decision to apply for the title of tax advisor, the tax advisor stated,

*“I am fine with this as long as she leaves our practice alone. I mean, if it is just for the shoulder stripes, let her do what she wants. But we need to make sure that she stays a lawyer, not a tax consultant. We see this as the responsibility of the managing partners”.*

For a new practice to be successful at Calibur Law, it thus must be both close to and different enough from existing business to gain organizational support.

**Context and Mechanism:**  
Closeness and Internal differentiation of new practice

#### 8.5.4 Vignette 3—Construction law: (Des-) integration of candidates (2014 and 2015)

##### 8.5.4.1 Background of business decision

Although Calibur Law defines itself as a business law firm, the largest team of experts (comprising about six lawyers or about 15% of the total number of lawyers) is the firm's construction law practice.

**Context:**  
Large and successful practice area

Until the 1970s, construction law had been regarded as “poor man's work”, and was looked down upon by tax and corporate lawyers. According to a former partner of Calibur Law,

*“Corporate lawyers had always been the aristocracy of the firm. This changed when [name of the now name-partner of the firm] found out that it was possible to make real money in the field. At a time, we represented almost all construction firms in [name of the city].”*

Asked to describe the development of the construction law practice, the earlier name-partner said:

*“It was all a matter of standardization. It was always hard for us to recruit top legal talent. In construction law, mediocre talent was sufficient. All that mattered was that one understood the standards. And that was why we developed the lead partner model, to have partners teach young associates the standards. Standards lead to specialization. And a specialist with three years of experience knows so much more than a generalist with 20 years of experience.”*

**Context and Mechanism:**  
(Aim) for standardization

In many interviews, partners at the firm traced the principal of specialization to the early development of the construction law practice.

##### 8.5.4.2 Death of a main figure in 1998, Success of young partners, further growth of the practice

The construction law practice had its ups and downs parallel to the development of the construction economy. A severe setback occurred, when the most prominent partner of the construction practice, who had recently succeeded the name partner as the head of the firm, died suddenly and unexpectedly.



Immediately, the younger associates of the construction law team started larger projects and much of the business that had been reserved for more experienced firm members, who in turn began work on the business of the deceased partner. The firm was able to win much larger assignments than ever through the marketing of “legal project management” services; the largest projects involving these services brought in revenues of more than a million Euro (then: 2 million Deutschmarks) each.

This apparent success led to a shared understanding that younger lawyers could be entrusted with challenging work much sooner than expected. The firm attributed this to the guiding principle of specialization. In the words of the name partner:

**Outcome:**  
Strong success of young associates

*“If you are specialized, you get the knowledge required for complex issues very quickly. It is also much easier to teach. We can get a young lawyer up to speed in a year or so.”*

Within a few years, the young associates in the construction law department were promoted to partners. Growth of the practice area did not continue, however.

**Mechanism:**  
Specialization and standardization

*“We are all quite busy. But it is not more than we could handle. It feels like we have all the business in the city. All of the major players in construction are our clients.” (Partner in the construction law department).*

#### 8.5.4.3 Differentiation of partner’s practices

Despite this market penetration, competitor firms could win construction law business. Meanwhile, the original concept of a standardized service product in construction law had worn off and partners focused on other projects. According to the current department head,

**Context:**  
Deviation from standardization by partners

*“I am working almost exclusively in legal project management. [Partner B] is working for private home owners. [Partner C, Associates ...] are working on smaller projects. [Partner D] is now only interested in construction procurement law. But however large the project, our real strength is litigation.”*

However, partner D views litigation in a different light.

*“[Outside of procurement law] I almost never go to court. If you sue in the types of projects I work on, your client will be lost. There will be just a complete standstill.”*

#### 8.5.4.4 High employee turnover from 2010

Until recently, the method of expansion was to recruit young lawyers without any work experience and teach them the standardized practice (quadrant IV growth).

In the last years, however, more than 50% of the new hires in the construction department left the firm after fewer than 2 years. In their exit interviews, most of them voiced their concern with the lack of knowledge transfer by the partners in the department:

*“[The lead partner] only gave me his assignments to work on. He just expected that I would know what to do.” (A 26-year-old associate on leaving after about 2 years).*

*“[The department head] is probably one of the best experts in construction law in Germany. I had hoped to learn so much from him. But it feels I can never make him happy with my work. He wants my work to look like his. I am willing to accept his legal advice. But I do not want to talk and act like him. No, this would be funny.” (An experienced 35-year-old associate on leaving after a year).*

In contrast, successful newcomers attributed their learning to a differentiation between explicit and tacit knowledge and behaviour:

*“[A former construction lawyer acting as lead partner] tried to teach me all the basics, he went through all my writing with me, he showed me all he could. But he never wanted me to be like him, he always said, I have to find my own way. He is more professorial and sharp; I prefer going to soccer matches with the clients. He said, find your own way if you want to make it to partner.” (A young associate who’s been with the firm for 4 years now)*

#### 8.5.4.5 Analysis, theory generation and contribution to local causal model

The analysis confirms the importance of knowledge transfer from the organization to the candidate in quadrant IV growth.

The main additional insight from the vignette is the challenge of teaching not only explicit but tacit knowledge in a field where success largely depends on tacit behaviours. While the idea of standardization seems to work for explicit knowledge, tacit activities must be in line with the personality of the professional to be authentic.

## 8.5.5 Vignette 4—More of the same: Building notary practices (1990–2015)

### 8.5.5.1 Description

One of the most successful businesses of the firm since its inception has been the provision of notarial services. Under German law, many contract types require notarization, including the sale of real estate and the formation of limited liability companies.

**Context:**  
Successful practice

Access to the position of a notary public is restricted by law. The federal state in which Calibur Law is situated allows lawyers to practice simultaneously as attorney and notary, so long as candidates for notary have at least five years of work experience.

**Context:**  
Highly regulated access to profession

Until 2011, the selection of candidates for notary was largely based on years of work experience and the number of training seminars undertaken. In 2011, a law was passed requiring an additional written exam. Selection is based on the outcome of this exam and the second State law exam. This changed practice has significantly widened the opportunity of younger candidates to become notaries.

Attorney work at Calibur law is characterized by partners as personal service producers, due to the low number of associates. This differentiates the firm from its competitors. The notarial practice differs significantly by its reliance on highly qualified non-professional employees to produce documents and deal with clients.

**Context:**  
Leveraged practice sanctioned by the firm

These practices, along with tax advisory, are the only areas at Calibur Law where consent exists to use economies of scale for profit generation. Currently, the four notaries at Calibur Law are among the partners with the highest personal incomes. The notarial practice enjoys high standing with clients and is perhaps the largest in the city.

Despite the income potential, most lawyers at Calibur law are not interested in becoming notaries, due to the repetitive nature of the work:

*“I would feel so bored. Creating the same type of deeds again and again. And then reading it to clients [...] This is work for trained monkeys, not qualified lawyers.” (A commercial law partner)*

On the other hand, some emphasize the challenging legal analysis required for complex deeds. As one of the notaries noted,

*“Much of the work is prepared by my galley of employees. This leaves me free for the most interesting and challenging work. I love the routine. This is so much less stress than litigation work.”*

The “galley of employees” refers to the pool of specialized employees who work for three of the four notaries on a shared basis. New employees typically specialize during apprenticeship and later receive further training under the more experienced notarial employees.

In the past, the appointment of a notary at Calibur Law was a matter of succession. New notaries continued the practice of a retired notary. Agreement existed that the successor would have access to all the clients his predecessor had served.

In 2012, I chose to undertake the required state exam myself, initially as an intellectual challenge. When I passed, I started to make concrete plans for building a notarial practice. I made clear to the partnership that I would only invest my time resources into a practice that complimented my attorney work. Since no other notary had retired recently and the only notary partner who planned to retire shortly had made arrangements for another notary to succeed him, it was clear that I would have to build from scratch.

Given the repetitive nature of most notarial assignments, I developed a plan to integrate notarial practice into my overall legal practice and make sure that my assistant had the prerequisite knowledge. When I started discussing the idea with my assistant, it became immediately clear that the workload of a modestly successful notarial practice would be too much for her to handle.

I consulted with our office manager to hire an additional employee to work for myself; since no specialized employees were available on the hiring market, we decided to enlist a young, highly motivated

employee who had only recently finished her apprenticeship. To my surprise, the partners and other staff resisted the structure I intended to create. As one of the employees commented,

*“This is an affront to the whole team. You need years of guided experience before you can work in this field without the risk of a liability case.”*

Since I believed much of notarial knowledge could be codified and made accessible through technology, the material issue did not concern me. I took care, however, to call the new structure “an experiment” to avoid further hassle with organizational politics. Complaints became much less after my small team developed a working relationship with the other notarial employees.

A major obstacle appeared in the integrated legal software system used by Calibur Law. A thorough analysis showed that every notarial employee and notary was using different templates for the same types of deeds. These templates had been developed over decades, and most did not meet current quality requirements.

**Context:**  
Dependence on codifiable knowledge and technology dependence

After discussing the situation with fellow notaries, we agreed to standardize the templates and aim to automate through software as many of the repetitive tasks as possible. The current software used by the firm was aimed at tax advisors and attorneys and only provided minimal support for notarial work. A project to evaluate new software has now been initiated but is not expected to provide results before the end of 2017. Meanwhile, a parallel project to create a consistent and up-to-date set of legal templates has produced the first few documents.

#### **8.5.5.2 Analysis, theory generation and contribution to local causal model**

The expansion of notarial practices does not fit the four-quadrant model of business development, but would best resemble a fifth quadrant of “growing in size through internal recruitment”. Notary practices constitute what Maister (1982) calls “procedure” work. If we understand the specialized employees as the “small lawyers” they are called at Calibur law, the business resembles the typical leveraged structure of law firms described by Maister (1982).

The objection of many lawyers to notarial work hints at motivation structures other than financial incentives and the need to make “the job fit the professional”. The analysis also confirms the necessity of carefully considering organizational resistance, particularly in relation to knowledge transfer. Codification of knowledge may be restricted by available technology.

### 8.6 The local causal model of practice area creation

As advocated in the EBM model proposed, the local understanding of causal relationships was synthesized from the various sources of evidence: the literature review, transfer to the local context and evidence collected from the local history.

#### 8.6.1 Overview of local causal model

The local causal model is not limited to a single, consistent set of interdependent variables but formed by a portfolio of models used to support local decision-making. The final local causal models are situated in the tradition of resource-oriented views.

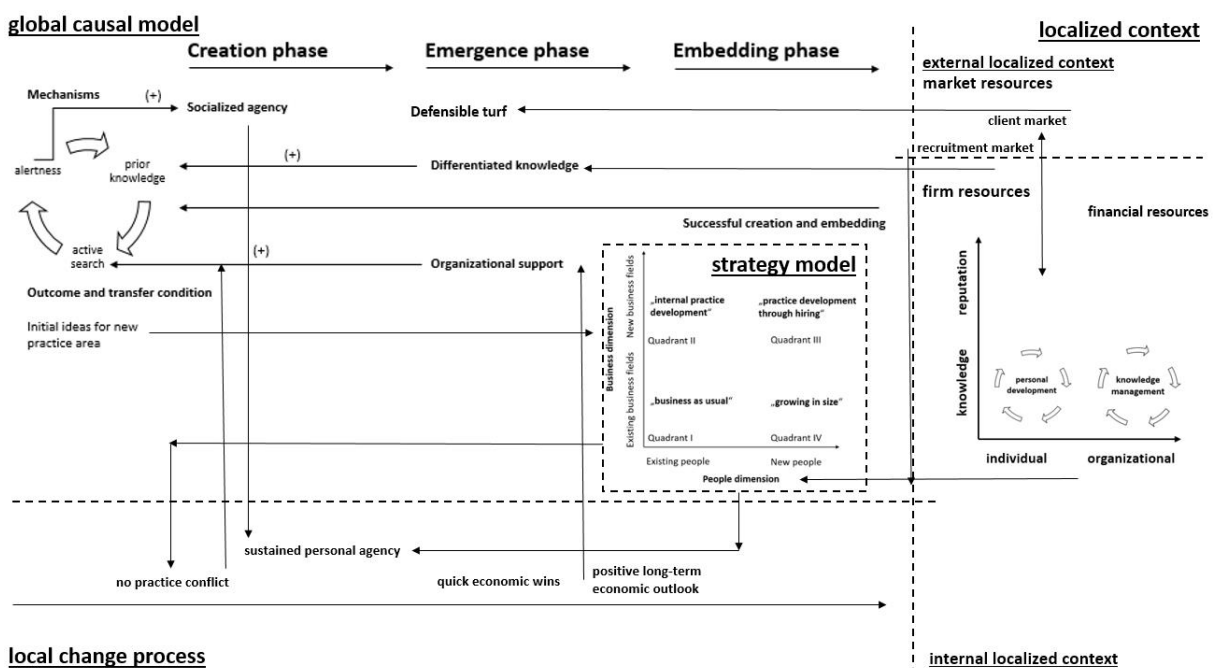


Figure 185 - The localized causal model of practice area creation

### 8.6.2 Localizing interventions

Revisiting the interventions distilled from the literature review (section 0), we can relate these interventions to the local evidence expressed in the in-depth description of the local context (section 8.4). This interpretative process is far from the unbiased transfer of external knowledge that many advocates of EBM hope for.

The following table summarizes the interventions, emphasises the connection to local evidence and points at the mechanisms identified above. Furthermore, the applicable context of the (generalized) intervention, as identified above, is provided. Many of the interventions discussed may be generalized to the realm of organizations in general.

It should be noted however, that although interventions may be applicable in a more general context than Calibur Law, these would need to be localized through a localized causal model in a similar way as presented in this dissertation for the research site. In many cases, this localization process can be thought of as moving down a hierarchical analysis, from organizations in general to market-oriented organizations, service organizations, PSF to the individual organization.

<b>Intervention</b>	<b>Relation to local evidence</b>	<b>Mechanisms (Summary), Relation to local evidence</b>	<b>Context, Relation to local evidence</b>
Definition of service concept	<p>Lack of formal definition of new services provided may lead to misinterpretation of expectations by newly hired candidates (vignettes 1 and 2).</p> <p>Standardized business allows for duplication (vignette 4). Similar business types may require a differentiated service concept when serving different clients or served by a different professional (vignette 3)</p>	<p>Promotion of goal orientation, social legitimization of the new service, ongoing evaluation and assessment of services, design principles, simulation, client and market communication, see also section 7.4.3.1</p>	<p>Service Firms in general.</p> <p>Closeness and Internal differentiation of new practice</p>
Codification of existing knowledge	<p>Failure of practice area because knowledge existing in the firm could not be transferred (vignette 1).</p> <p>Actual knowledge brought in by external candidate must be evaluated (vignette 1). Process knowledge is often codified; content is not.</p> <p>Technology requirements may hinder the codification of codifiable knowledge (vignette 4).</p>	<p>Formal knowledge base makes knowledge accessible to individual firm members, exploitation of experiential knowledge obtained by the firm over time, moving tacit to codified knowledge accessible by firm members, see also section 7.4.3.2.3, Standardization of processes</p>	<p>Organizations in general, Dependence on codifiable knowledge and technology dependence.</p> <p>Mechanistic culture communicated in written artefacts</p>



Intervention	Relation to local evidence	Mechanisms (Summary), Relation to local evidence	Context, Relation to local evidence
Transfer of personalized knowledge	<p>Failure of practice area because knowledge existing in the firm could not be transferred (vignette 1). Transfer of knowledge is a laborious task and time requirements should not be underestimated (vignette 3).</p> <p>The role of the lead partner in knowledge transfer must be clarified (site description). Beyond the transfer of knowledge among professionals, knowledge transfer to other employees must be ensured (vignette 4).</p>	<p>Accessibility of knowledge to individual firm members, transfer to client offering is achieved through individual professionals, Tacit knowledge often perceived as mere deviation from standardized practices.</p> <p>Learning mechanisms</p>	Organizations in general, Dependence on customization of knowledge, Personal relationships
Profit sharing model	Lack of financial incentives deters motivation for the local AR project (AR process description). Incentives other than financial success exist, such as in the form of interesting work (vignette 4).	<p>Motivational processes, both financial and non-financial, Strong personal agency.</p> <p>Organizational support</p>	<p>Professional Service Firms, Leveraged practices sanctioned by the firm, Successful practice able to provide financial incentives.</p> <p>“Eat-what-you-kill” remuneration policy, Partnership model</p>
Career track	<p>Must consider uncommon career track at Calibur Law with inverted partner/associate ratio in the transfer of evidence.</p> <p>Partners may seek to create work-arounds from the career track model, such as using non-professionals as “small lawyers” that implement a leveraged business model (vignette 3 and 4).</p>	<p>Motivational processes related to self-actualization and professional identity, firm loyalty and group affiliation.</p> <p>Strong personal agency, Organizational support</p>	<p>Professional Service Firms, Successful practice may provide incentives, “Eat-what-you-kill” remuneration policy, Partnership model.</p> <p>Internal organization by semi-independent departments consisting of single lawyer/tax consultant plus support staff</p>

<b>Intervention</b>	<b>Relation to local evidence</b>	<b>Mechanisms (Summary), Relation to local evidence</b>	<b>Context, Relation to local evidence</b>
Market sensing and client dialogue	Lack of market sensing leads to new practice area failure (vignette 1). Market analysis must consider market size, attractiveness and access through existing client relationships (vignette 1). The shunning of marketing activities must be considered (site description). Access to client business occurs through individual relationships to partners that take time to transfer (vignette 3). Standardized business allows for duplication (vignette 4).	Bridging market demand and service offerings through information processing, see 7.4.9	Market-oriented organizations, Differentiation of new practice, Espoused position as a business law firm
Performance and productivity definition and goal setting	Organizational goals are defined by the profit sharing system and “guiding principles” (site description).	Motivational and group processes, Negotiation processes related to organizational identity, Organizational support	Organizations in general, Mechanistic culture communicated in written artefacts
Design of the change process	Organizational support can be reached through personal agency (vignettes 1 and 2). Radical changes to the compensation system and career track are unlikely to gain organization. Resistance to the new practice area is closely associated with closeness and differentiation to existing practices (vignette 3).	Motivational and group processes, Negotiation processes related to organizational identity. Social legitimization of new service offering. Organizational support, Personal agency	PSF, Partnership model, Profit sharing and career model

### 8.6.3 Expanding the four-quadrant model of practice area creation

The knowledge gained from the vignettes allow for expansion of the four-quadrant model of practice area creation in relation to knowledge transfer and potential challenges for different types of business expansion. When choosing a growth strategy for an individual business area, one must consider both relationships.

#### 8.6.3.1 Relation of the four-quadrant model to 7.4.3.2.3

In practice development through hiring for new types of business (quadrant III) and internal practice development (quadrant II), the knowledge flow occurs from the outside in. In quadrant IV, the routines and systems of the firm are taught to newcomers (vignette 3).

In the first case, the existence of knowledge and the candidate's willingness and ability to share this knowledge must be ensured. Furthermore, the firm must create a learning environment to dissipate this knowledge within the firm if the new practice is not to exist in isolation. In turn, internal practice development is essentially a learning endeavour for one or more members of the organisation. While the "teaching" requirements in quadrant III may seem obvious, one must create an active climate of learning to ensure the successful transfer of knowledge to new hires.

#### 8.6.3.2 Relation of the four-quadrant model to organizational support and resistance

In the history of Calibur Law, the least contested aims at business growth have always been in quadrant IV ("growing in size") by hiring new associates for existing successful practice areas, as seen in the example of vignette 3. In contrast, quadrant II (internal practice development) and quadrant III practice development (new practice through hiring) has been contested by partners who felt it may detract from their business (see vignette 2).

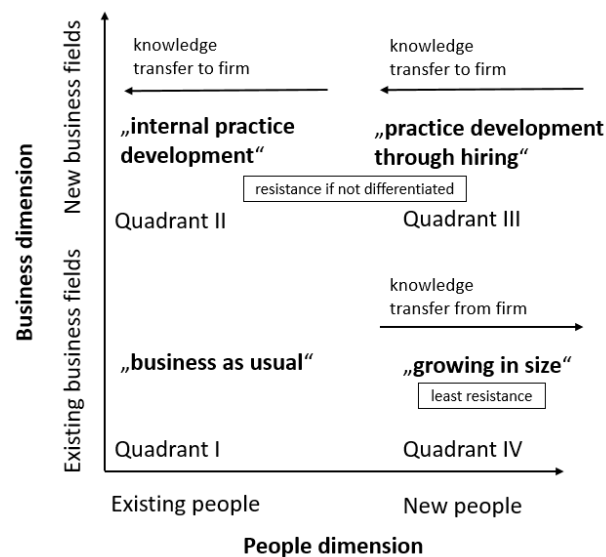


Figure 196 - Expansion of the four-quadrant model

From an analytical perspective, more empirical resistance exists to quadrant III hiring, where by definition new business is created. In quadrant IV, however, where new hires work on identical assignments to the existing practice, less empirical resistance exists. This may have to do with the uncertainty of actual opportunities in new fields, while partners feel more certain of “working away” existing client assignments.

## 8.7 Creating a new practice area through the AR process

### 8.7.1 Stakeholder positions on creating a new practice area

#### 8.7.1.1 Choosing a quadrant III strategy with a quadrant IV option

In line with the local causal model, organizational support is a prerequisite for any practice area creation strategy. As a starting point, I opted to use the four-quadrant model of practice area creation to discuss potential options.

Discussions with the team, my co-managing partner and stakeholders from our tax and corporate departments made clear that organizational support for an outright recruitment strategy would be hard to obtain. Stakeholders, however, clearly communicated that they would be willing to support new

hires in case an initial success in the new practice area could be proven. Therefore, the new business had to fall into quadrant II of the model, with a view to later expand the practice through quadrant III or IV strategies.

#### **8.7.1.2 Personal agency in the changing structure of the AR project**

At the initial point of the project, members were concerned about the potential workload of creating a new practice area. The project gradually shifted away from being a collaborative project (see section 8.3.4).

All other members of the initial team clearly communicated that although they were supportive of the process in general, they could not

*“afford to leave [my] current practice unattended”. (Voiced by one of the team members.)*

As quick wins were a necessary prerequisite to stabilize the required change process and such wins require strong, short-term efforts, I identified a practice area in which I could head development. Team discussions met this decision positively, albeit in a non-collaborative spirit of “this is your project anyway” (one team member) and “practice area development is your responsibility as a managing partner” (unanimous agreement by the team).

At this point, I was committed to act as the immediate change agent, fostering the personal agency required by all pathways of practice creation in the causal model (Anand *et al.*, 2007; Gardner *et al.*, 2008).

#### **8.7.1.3 Selection of new practice area: Corporate restructuring advice**

After reflecting that the new practice area would strongly depend on my leadership, I identified corporate restructuring as the area not yet existing within Calibur Law that had the greatest chance of success.

The intimate relation of corporate restructuring to the inner workings of the client organization makes this area of work unique from most practice areas offered by Calibur Law.

At first glance, the potential external market and firm resources seemed favourable: I felt prepared for the work because of my Master's degree in business administration and my experience in two large restructuring cases that I had worked on in the dual role of legal advisor and head of the supervisory board. At the same time, two large corporate clients with whom I had developed a trust relationship had entered a restructuring process and I hoped to win their business.

### **8.7.2 Using the local causal model to plan intentional change**

To move from the localized causal model in the CGIMO form to planning intentional change, one must concretize interventions. Areas of potential action are intervention categories that need to be filled with concrete actions.

Intervention	Mechanism	Context	Remarks
<b>Definition of service concept</b>			
<p>Clear definition of service concept as follows: integrated support for corporate clients in a crisis before and during insolvency procedures, based on an analysis of the legal and economic situation of the corporate entity, including support with the change processes triggered by the crisis stakeholder.</p> <p>This includes bank communication and validation through expert opinions to satisfy the relevant professional standard.</p>	<p>Creation of a formal service concept fosters social legitimation in the local mechanistic culture of written artefacts</p> <p>Promotion of goal orientation by a clear definition of intended outcomes and differentiation from other practices</p> <p>Client communication</p>	<p>Culture of written artefacts, Closeness and Internal differentiation of new practice</p>	<p>The wide definition of the service concept requires a critical analysis of existing resources.</p> <p>Service concept must be communicated by marketing material.</p> <p>Because it deviates from the typical business of Calibur law, additional internal communication is required.</p>
<b>Codification of existing knowledge</b>			
<p>Much of the conceptual work may be subject to reuse in new projects.</p> <p>Expert opinions are standardized, as are checklists for insolvency procedures. Access to knowledge must be ensured in the short time available in a liquidity crisis.</p>	<p>Formal knowledge base makes knowledge accessible to individual firm members.</p> <p>Exploitation of experiential knowledge obtained by the firm over time, moving tacit to codified knowledge accessible by firm members,</p> <p>Standardization of processes</p>	<p>Dependence on codified knowledge and technology dependence, Mechanistic culture communicated in written artefacts</p>	<p>The relevant professional standard IDW S6 for restructuring concepts and their documentation must be followed.</p>

Intervention	Mechanism	Context	Remarks
<b>Codification of existing knowledge</b>			
Knowledge about individual client context must be shared when cooperating internally. Knowledge about procedures and legal requirements must be shared with the client.	<p>Accessibility of knowledge to individual firm members, transfer to client offering is achieved through individual professionals,</p> <p>Learning mechanisms, "Grey hair" and "brains" projects entrusted to newly hired professional</p>	Tacit knowledge often perceived as mere deviation from standardized practices.	Co-operation brings the challenge of knowledge-sharing across firms.
<b>Profit sharing model</b>			
Financial incentives are sufficient because of the profit potential of the new practice area and the partner status of the main change agent (quadrant III business development). Sufficient differentiation exists to avoid internal resistance due to profit sharing considerations.	Motivational processes, both financial and non-financial, Strong personal agency, Organizational support	Leveraged practices sanctioned such as notarial services sanctioned by the firm, "Eat-what-you-kill" remuneration policy, Partnership model	Co-operation with other firms poses a challenge in creating an aligned billing and profit sharing model. Later growth of the practice area may demand adjustments.
<b>Career track</b>			
Financial incentives are sufficient because of profit potential of the new practice area and the partner status of the main change agent (quadrant III business development).	Motivational processes related to self-actualization and professional identity, firm loyalty and group affiliation, Strong personal agency, Organizational support	Partnership model, Internal organization by semi-independent departments consisting of single lawyer/tax consultant plus support staff, Quick partnership promotion upon financial success	Later growth of the practice area may demand adjustments.



Intervention	Mechanism	Context	Remarks
<b>Market sensing and client dialogue</b>			
Initial target clients are identified.  Business potential high, based on discussions with banks and other advisors. Adequate pricing and price sensitivity is unclear, as is acceptance of law firm service offering restructuring; these must be tested.	Bridging market demand and service offerings through information processing	Differentiation of new practice, Espoused position as a business law firm, May clash with goals of other partners due to individual remuneration policy	Moving into the realm of different PSF types will be challenging.
<b>Design of the change process</b>			
The design follows the “expertise-based” pathway by defining a differentiated service offering that is compatible with firm resources. Made explicit considerations for gaining organizational support.	Motivational and group processes, Negotiation processes related to organizational identity. Social legitimization of new service offering. Organizational support, Personal agency	Partnership model, Profit sharing and career model	Client projects, which are in themselves change projects, are interdependent.
<b>Fostering knowledge-integrating behaviour</b>			
Results are co-created with the client.	Removal of motivational deterrents to the development of a shared knowledge base. Organizational support	Dependence on codifiable knowledge and technology dependence	Co-operation brings the challenge of knowledge-sharing across firms.

### 8.7.2.1 Internal marketing to gain organizational support

At the time, insolvency law, the business area most closely associated with corporate restructuring, was represented by an older partner who had been absent due to illness for most of the last year. During this time, I had served as his representative, doing most of the firm's work in the area. The partner had already informed us that he intends to retire in 2016.

**Context:**  
Lack of internal competition in the business area

After discussing the situation with fellow partners, I opted to brand the project internally as a succession strategy and not a brand-new offering. As a result, no open resistance to the project occurred. Furthermore, I communicated the project's potential to inspire the cross-selling of services from other departments.

**Context:**  
Cross-selling potential

### 8.7.2.2 Definition of a service concept

Because of my central role, the service concept had to match the firm resources to which I had access, as well as my own. This limitation meant I could not offer "procedure" (Maister, 1982) services involving larger numbers of professionals. Instead, service offerings had to rely on "brains" and "grey hair" (Maister, 1982).

The original service description I created, with the help of two partners, was modelled after the professional standard IDW S6, which describes the requirements for turnaround concepts (Andersch and Philipp, 2010; Buth and Hermanns, 2010; Institut der Wirtschaftsprüfer, 2012). The standard is published by Institut der Wirtschaftsprüfer ([www.idw.de](http://www.idw.de)), the professional organization representing German auditing firms.

**Intervention:**  
Orientation on accepted professional standards

The standard holds that sustained restructuring of a corporate entity in crisis requires: that no legal requirements to file for insolvency exist, the development of a restructuring concept based on a sustainable market offering, the creation of an integrated financial model for the corporate entity based on the restructuring concept and that the probability of successful implementation can be shown based on the commitment of the companies' leadership and the financial model (Andersch and Philipp, 2010; Buth and Hermanns, 2010).

In the opinion of the German courts, a restructuring concept based on this standard fulfils the requirements for a diligent managing director in a crisis. With the original service offering, therefore, we aimed to provide expert opinions based on the standard but refrained from the actual implementation projects, which were outside our expertise.

### 8.7.2.3 Stabilizing the knowledge and resource base through external partnerships

I actively sought external partnerships to make available sufficient resources to meet client demand. These co-operations may be categorized as collaborations where services we offer ourselves are provided by third parties because of resource or other external constraints and complementarity services that Calibur Law would not offer.

**Intervention:**  
Resource provision through external partnerships

#### 8.7.2.3.1 Partnerships due to resource and external constraints

Discussions with potential clients revealed that Calibur Law's resources were insufficient to provide all the services required. In particular, a larger client required a full expert opinion on the possibility of restructuring the business outside of insolvency procedures to satisfy the demands of its creditors. The banks had clearly communicated that they would not accept an opinion by the client's ongoing legal advisor.

I aggressively offered our services as an intermediary between the client and a large consulting firm, offering to safeguard the client's interest in the restructuring process. When the client agreed to this proposal, we began a "beauty contest" for potential outside advisers. We selected one of the largest consulting firms in Germany was selected.

**Intervention:**  
New service offering "intermediary"

Based on this experience, we agreed on an ongoing co-operation with this consulting firm, as well as a number of smaller local consultancies, in order to fulfil similar client demands. I aimed to learn from these partners, and communicated to them my intention. Observing their standardized approach to a restructuring opinion enabled us to provide similar opinions for smaller clients.

**Intervention:**  
Active Learning from partners

### 8.7.2.3.2 Partnerships offering additional expertise

To complement our expert audit of restructuring concepts service, we initiated a partnership with a firm of organizational psychologists, which shall be named Personnel Partners (PP).

The firm concentrates on recruitment and leadership development, but had recently moved to advise in turnaround situations. The overall size of the firm is one-third that of Calibur Law, with a much higher leverage (five equity partners and 25 employees and freelancers).

The co-operation on the side of PP was driven by a single partner who was keen to develop new business opportunities.

**Mechanism:**  
Personal agency at partner firm

### 8.7.3 Development of the new practice area

#### 8.7.3.1 Initial marketing of the service concept

Because of concerns over resource constraints at Calibur Law, the new practice area was initially not marketed externally. Marketing materials were created for internal communication and to aid with the design process for the service offering.

**Intervention:**  
Limited outside marketing activities but internal communication

After the first client assignment and the cooperation with PP generated outside attention, we commenced marketing activities. These were limited to presentations at congresses and interviews with local business magazines.

#### 8.7.3.2 First client assignment and transfer of knowledge to and from clients

The first assignment of the new practice area was won from one of the intended clients. This client, a company manufacturing solar heating systems, had been through a long history of downsizing. The company experienced an acute liquidity crisis because of a multi-million bullet point payment that was due.

**Context:**  
Dealing with extreme uncertainty

This assignment brought the hoped-for but unexpected possibility of expanding client services beyond legal, tax and financial advice. It was very difficult, however, to work in such an intimate interaction

with clients who were in a threatening situation. There was uncertainty not only of the immediate future and the associated risk for the survival of the company, but also for our reputation as advisors.

The original assignment was to provide representation toward creditors and coordinate an external expert opinion; this changed dramatically when, a few months into the project, the managing director responsible for the company's finances resigned. The banks then imposed a three-week deadline for the advisory board of the company to present its restructuring plan. I teamed up with the head of the advisory board, who had meanwhile become interim managing director, to create the formal restructuring plan, which would include an integrated financial plan.

The severe downsizing required a complete reorganization of the business. I convinced management to structure a collaborative project in which I would coach a team to deal with the crisis.

I spent the following four weeks with the company to help the team design a new organization structure. Their approach to the situation impressed me—particularly their insistence to deal fairly with colleagues who had been laid off. As an interim result, the company was able to reach a moratorium with creditors and acquire new financial funds.

**Intervention:**  
Immersion in the client context

The client's interest was my primary goal. What proved difficult, however, was to clearly analyse what the client's best interest was. Since the client had a few hundred shareholders and hundreds of other private investors, stakeholder communication became an important mode of dealing with the crisis.

It was my explicit aim to integrate the learning from this project into the service offering. Knowledge transfer occurred through direct contact with the client's other partners when I began taking them to the client site.

**Intervention:**  
Transfer of knowledge by direct contact with client and context

### 8.7.3.3 Co-embedding of practices—Unexpected challenge and opportunity

Although Calibur Law had long self-identified as an “integrated firm” that delivered services from several different professions and had prided itself for having a large number of partnerships among neighbouring organizations, actual business from such collaborations contributed a meagre part of the turnover (less than 0.5%).

During the second client project, the cooperation with PP started to develop. After the first client project, I had made plans to integrate change management concepts into the service offering.

In this second assignment, which was acquired by PP, the original scope was to engage with the CEO and leadership team of a software and advisory company that provides knowledge management solutions in a turnaround situation. PP brought us in when they discovered that the extent of financial problems and legal requirements were unclear to management.

Our co-operation allowed us to create a survival plan for the company; it also spawned the epiphany that an integrated service shared by our companies would be beneficial to both parties. This required a complete redesign of the service offering.

In addition to agreeing upon the responsibilities of each firm, it was necessary to consider internal requirements and specific features of both firms. Their partners were concerned that my direct contact would lose focus on other important practice areas if distracted by a heavy workload from the new co-operation.

The co-embedding of practice areas requires that all requirements of the pathway-model (Anand *et al.*, 2007) must be met in all partner organizations in order to successfully create an embedded multi-firm service offering.

**Mechanism:**  
Co-embedding of service offering when requirements are met at all partner firms

#### 8.7.3.4 External evaluation of the service offering

Co-operation with PP inspired the opportunity for the external evaluation of our service offering, as PP employed a significant number of students working on their Master's theses.

A Psychology Master's student has shown an interest in evaluating the market adequacy of the combined offering of Calibur Law and PP from a client and stakeholder perspective. She has now developed an itemized survey through interviews with various clients and other stakeholders.

We anticipate using these results to update the service offering and lend it internal and external credibility.

### 8.7.3.5 The current service offering

After 18 months, the service offering has matured. The following is an English translation of the marketing material's overview of the service offering:

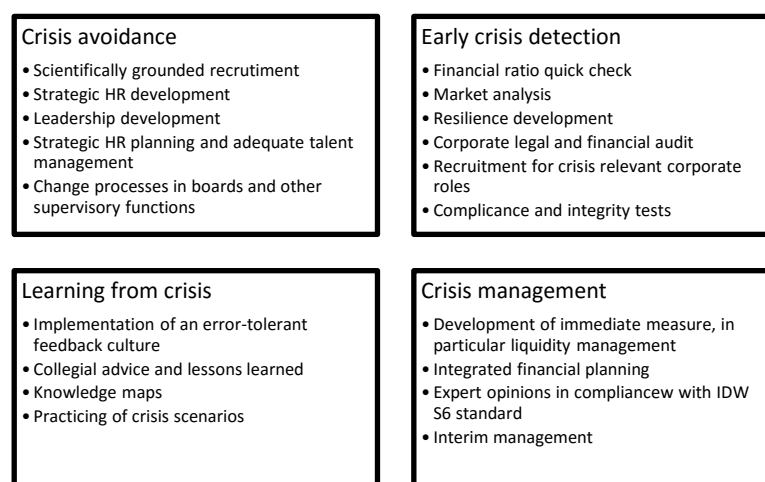


Figure 207 - Service description from current marketing material (translation from German)

The service offering package has deviated quite far from the traditional services of a law firm. The material communicates the core understanding of the restructuring process as a change process of trial and error, framed by the requirements of corporate and insolvency law as well as an integrated financial model of the business:

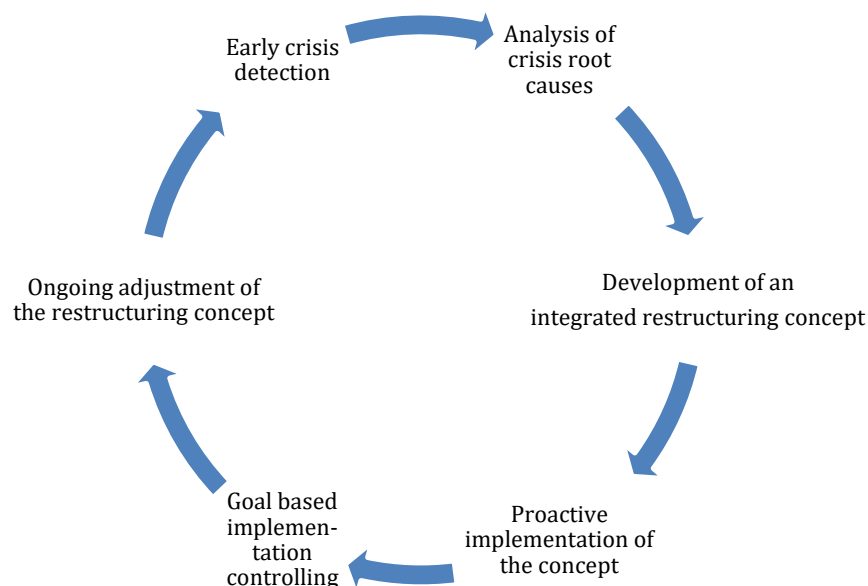


Figure 218 – Restructuring cycle from the marketing material (translation from German)

While a bird’s eye view reveals Calibur Law to contribute little to the services offered, the firm provides 60% of the services in terms of hours billed and 80% in revenue, due to relatively higher hourly rates. Although much of my personal effort is invested in the co-operation with PP and the development of the integrated service offering, most of the ongoing business projects are isolated assignments of Calibur Law’s.

About 70% of these assignments are related to a legal quick check of the need to file for insolvency. The remaining 30% of assignments, which contribute most of the turnover, are equally split between expert opinions on restructuring success and the integrated advice in complex restructuring situations.

#### 8.7.3.6 Economic development of the corporate restructuring services

The goal of economic “quick wins” was reached almost immediately by the corporate restructuring business. Internal accounting revealed that the practice area was profitable from the second month of operation. 11 client projects were concluded in 2015, with three more moving into 2016.

The first client project alone contributed roughly the turnover expected from a new hire in his first full year of practice. In 2015, the practice contributed more than half of my personal revenue and between 7% and 9% of the profits of Calibur Law.



The expertise-based pathway has now been completed, as it holds the elements of defensible turf and organizational support (Anand *et al.*, 2007).

## **8.8 Local learning from the action research process**

### **8.8.1 My personal learning**

Results were mixed. While the new practice area was a business success, the envisioned organizational development toward a more participatory and team-oriented culture was not realized. Purists might consider this a failure of implementation for the AR's political agenda (Reason and Bradbury 2008, p. 1, McNiff and Whitehead 2011, p. 30).

Although I was frustrated that much of the development of the business rested on my effort and agency, this aligns with the empirical evidence from the literature (Anand *et al.*, 2007) and the local causal model created, which emphasizes personal agency as the main motor of practice area creation. The experience was less than stark than it seemed, however. The team was supportive and creative in the creation of the local causal model. Almost all stakeholders with whom I discussed the local causal model were supportive and added important insight to the contextual and mechanism dimensions of the model.

The project has also promoted my development toward a more reflective approach to management. I have gained an ability to consider organizational politics in a manner that includes different viewpoints.

### **8.8.2 Organizational learning**

As I am an insider of the firm, my learning contributes to organizational learning. While my hopes for a transformatory experience for the initial AR team and the organization faded, my fellow team members have expressed satisfaction with their learning.

From the validation interviews, the other team members displayed a more positive worldview than I:

*“Your project was about cracking the code. You have shown a blueprint strategy for new practice development.”*

On my questioning whether in his view the change process was (also) about changing stakeholder positions and organizational discourse, he answered:

*“This may be the case. But getting this done is about following the procedure, making a step-by-step plan and executing it carefully.”*

The main learning success reported was the insight into the value of an explicit service description and of creating marketing materials describing the services.

## 9. Limitations of research and future inquiry

The results of the research add to the local knowledge and “actionable practice” at the research site, to the academic knowledge on business development and entrepreneurship in professional service firms (PSFs) and the theory of management decision-making. The successful creation of a new practice area through the proposed amended version of EBM has demonstrated the feasibility of the approach to using academic knowledge in a localized context.

The research answers critiques of EBM by extending its focus from a schematic application of “best solutions” to management challenges by providing a means for the transfer of knowledge to the local context. The conceptualization of generalized and localized causal models between interventions and outcomes, which are connected by context-dependent mechanisms, shows a way of bridging the alleged gap between academia and practice. Furthermore, it clarifies the roles of stakeholder positions and ethics in management decision-making.

The CGIMO framework allows the localization of causal models and opens an avenue for the generalization of local intervention-outcome relationships through an explicit definition of the application context and the plausible mechanisms for wider application.

The successful application of an extended EBM methodology in the creation of the corporate restructuring service offering has shown its usability in the context of Calibur Law. Based on this example, the methodological approach can be extended to the creation of other practices and areas of decision-making in the firm. The explicit integration into the EBM model of knowledge-management and navigating organizational politics allows its wider applicability to more contested issues and “wicked problems”.

The main restriction of this research is its implicit and explicit context-dependency. As the qualitative research is situated in a single research site, generalization of the more context-dependant results borders on speculation. While the research draws some of its unique strengths from the insider status of the researcher, this insider status allows for limited objective analysis.

In the case of Calibur Law, the research has shown a strong connection between the interaction among groups of partners and successful practice area creation. This connection might not exist in the context of smaller or larger organizations.

Future inquiry should inquire whether the propositions made for the local context hold in a more general context. Can the four-quadrant model of practice area creation be employed for other law firms and PSFs? In the co-embedding of service offerings by partner firms, must the embedding process follow the same pathway in each firm? Furthermore, the explicit lens of an outcome-oriented AR project chosen leads to a particular telling of the research story; telling the same story from a perspective of a prevalent goal of theory creation, using the field insight at Calibur Law as a case study to validate theory, would likely provide a different, more generalizable perspective.

The decision-making approach presented can be extended by an inquiry into the weighing mechanisms used for synthesizing evidence. A defining feature of the current research is the relative homogeneity of the causal models suggested by the literature; thus, diverse contexts and a larger literature base may require additional methodological analysis.

Future learning is likely to concentrate on making available the decision-making strategies discussed to a wider audience in the firm and extending these strategies to challenges beyond practice creation. Can an IT project be tackled with the EBM approach? Learning from failure will require reflection on how a more collaborative strategy can be implemented despite the organizational restrictions of Calibur Law.

This dissertation may also show DBA researchers how to present the struggle for reconciliation between academic knowledge and practical application.

## 10. Personal reflections

This DBA project has been a tumultuous two-year endeavour. My enthusiasm for AR has risen and waned; now, I view it as an integrated part of my approach to inquiry.

I have attained a large part of my organizational and personal goals, although those look different than when I departed on the journey. I attribute this changed view to another incarnation of the AR cycle. In this final chapter I aim to tell an account of my personal learning journey, and how those learnings relate to myself and my changing views on the world. While I consider the writing process of this dissertation as an embedded, integral part of the DBA, I understand these studies as in turn embedded in the overall journey of my work life.

Since in my own notion, "work life" forms an inseparable part of life, my learning within our organization has also strongly influenced my views of the world and personal behaviour in different circumstances.

Looking back at the previous five chapters of this dissertation, the description of my action research project forms a narrative told from a certain perspective and at a certain point in time. My way of telling the story reflects several choices made at the beginning of the dissertation project, in particular the aim for a relatively detached and "objective" analysis.

Expanding on the metaphor of the journey, while my travels over the last three years have not brought me to new places geographically, intellectually and emotionally I now stand at a different position. This chapter, which has been written as part of the revision of my work after the viva voce, therefore tells part of my story from a different angle, from a distance, both temporal and due to my evolving view of the world.

Funny enough, much of my personal learning and change is at first glance at odds with my own findings in this dissertation. Rather than negating either the personal learning or the findings described above, I strongly believe that we must accept that our world often involves paradox and that the complexity of human interaction almost always leads to discrepancies between different levels of analysis, an

example between looking at an overall organization and the deep interaction between two individuals in such organization.

### **10.1 Personal and organizational development is not an isolated process**

This chapter focuses on the period of my dissertation project and the direct impact of the research issues of my personal development. This impact does however not stand isolated. During this time, I was taking more responsibility as managing partner of our firm for the development of our associate lawyers. In this role, I moderated several workshops, immersing myself into techniques for group and team development.

At the same time, I completed my education as a certified mediator, learning about and reflecting on dealing with human conflict. Furthermore, the development of our new practice area exposed me to several different organizational contexts of companies in crisis. Dealing with these situations – often in tandem with our cooperation partner described above - furthered my understanding of behavioural patterns.

The exemplary process described in this dissertation is therefore only a puzzle piece of my own development. This is even more true of our overall firm, where I am only – although I believe important - puzzle piece myself

### **10.2 Telling my one story in different ways**

In my copyediting process and in particular during the viva voce, it became clear to me, that I could have told the story of my action research project in many different ways.

#### **10.2.1 It could have been a different dissertation**

One potential outcome of telling the story in a different way could have been a wholly different dissertation.

Over the writing process, I often felt uneasy about parts of the dissertation that I had written earlier. This was a surprising experience, since my work life consists of producing text documents, much like this dissertation and I had never felt such uneasiness.

For my current reflection, this uneasiness was largely related to the very structured outline of the dissertation I had developed at the start. Although it felt good to have a detailed frame for the final text – which was reflected in multiple levels of headings in my outline – this structure also constrained my ability to express my evolving thinking.

A much similar constraint was introduced by my interpretation of requirements and expectation for a DBA dissertation. My thinking at the time was, that although the DBA program accepted the complex and paradox nature of human interaction as well as context-dependence, the formal dissertation would require as an outcome an objective set of – preferably generalizable – hypothesis. As I see it now, this thinking was reinforced by my socialization as a legal scholar, where most of the formal training included inducing the “right solution” from an analysis of the facts.

How would I write this dissertation differently today? I would most likely start out with an introspection to my own understanding of the issue at stake and a view on which of my personal relationships within the firm would be affected by my intended change project.

Rather than starting out my preparatory work with an analysis of the existing literature on the broad issue of innovation and law firms, I would intend to obtain a more detailed understanding of the individual position of firm members. In this regard, I have moved much closer to the central idea of action research of uncovering the issues wanting attention through communication with participants (Coghlan 2001, p. 54) instead of focusing on gaps in academic knowledge. Different from the presentation chosen in this dissertation, I will likely view the final text as a low rate of account of “what happened” and not as a story of the implementation of knowledge derived from research.

I would also try to explain in more detail my changing emotional state during the action research project. As described in more detail above, I had strongly underestimated the importance of emotional and relational factors in the group effort. I had hoped that the interest, ideals and positions of others

would closely mirror my own thinking and quickly became disillusioned. Overcoming this frustration and achieving my set goal was a proud experience.

### **10.2.2 A different audience, a different presentation**

Outside of the formal constraints of a dissertation, my action research project would look totally different also if told to a different audience and/or in a different form of presentation. Looking at the potential direct impact of my research, such presentation might have a much stronger impact at an organizational level than a long-winding dissertation text.

When writing the dissertation, I had always viewed an anonymous audience of academics as a potential reader of the text. Although I had always had a hunch that my telling of the story would be different for different chosen audience, this insight struck me hard, when prompted to explain my research to two individual academics during the viva voce. The verbal presentation and, in particular the interactive, although short, dialogue allowed me to concentrate and reflect on individual pieces of my learning, that had been neglected in the presentation of the dissertation.

My thinking now is, that discussing my (and others) learning through verbal dialogue can strongly influence the organizational discourse, triggering positive change.

A direct example of such dialogue was also triggered by the above insight: During the viva voce, one of the examiners suggested that I add a personal letter to a young colleague, describing my personal story, as a reflective piece to the dissertation. I believe that this suggestion was prompted by my account of my attempt at advising one of our associates how she may develop her employment law practice based on the insights of my dissertation.

I was much intrigued by this idea. On the same day, I went to meet the colleague I had referred to and asked for her permission to write such a letter to her. Admittedly, I was nervous about her potential reaction to such (seemingly) intrusion. I was relieved, when she answered that she would be very happy to receive such letter.



In writing the letter over the next weeks, it became more and more clear to me, that the letter was dealing as much with our own professional and personal relationship as it would with “advice” in the form presented in my dissertation. This experience reinforced my understanding that individual relationships ultimately form the basis of the overall organization. In addition, adding a written exchange in the form of a letter to our dialogue felt like strengthening our personal discourse. An urge that was hard to overcome was to simply suggest following my footsteps in what I believed (and still believe) was a positive development for myself.

I have decided not to reproduce the letter here. What I try to describe however are the advice I tried to give this letter, the semantic wording I chose for them and in particular how those differ from the presentation of this dissertation:

The first core piece of my advice can be easily mapped to this dissertation: Experiment a lot! This ties in with the ideas of AR, but is at odds with a learning strategy promoted in our firm to “copy the best”. In her example, I tried to show my impression, that she was often copying the client offerings of her lead partner but could use many of her own talents in addition.

The second important point was: Find out, how you feel about it! Again, this is related to my current view of the importance of introspection as a starting point. Shifting the emphasis to herself (and not mentioning others) is much related to my view that she already has a lot of empathy for everyone.

I was surprised myself that I chose the imperative form for all my advice, although I wanted her to reflect on the usefulness of advice for herself.

Much of my letter related to general ideas of dealing with conflict and positioning yourself within our organization. I was taking much care to emphasize issues that I dealt only “between the lines” in this dissertation, but which I viewed as important when giving individual advice. This topic may also be an avenue for further research, when thinking about moving from the “localized causal models” described above to actual implementation.

### 10.3 Living the story

My (implicit) understanding of what is required in a DBA dissertation described above forms a discrepancy to my explicitly voiced goal of having organizational benefit prevail over academic learning.

My way of dealing with this issue is closely related to the insight that this research does not stand isolated from personal and organizational reality. I think that the true challenge is living our personal convictions, only part of which are formed by this dissertation, in our daily reality.

Coming from the original idea, that my research in an isolated way needed to provide a contribution to knowledge, I would now argue, that it forms part of the basis enabling myself to make ongoing contributions to the development of our organization and (hopefully) others. Going forward is about living and further expanding the story started (or given its own embeddedness, continued) here.

### 10.4 Dealing with conflict, emotional turmoil and evolving relationships

Two years ago, I did not take serious the warning of AR scholars, that insider research involves political, emotional and reputational risk for the researcher due to the challenge to organizational norms involved with any change project (Coghlan 2001, Coghlan and Brannick 2010).

At the beginning of my dissertation project, I was of the opinion, that dealing with conflict would require the open discussion of opposing positions in an objective way, identifying a mutually preferable way of going forward. I viewed myself at least in part as a potential judge of such opposing positions, justified by superior knowledge based on my research. In the same vein, I identified myself was a leadership role regarding the action research project. In this manner, I seriously overlooked the complexity and role of emotions in relationships within our organization.

A core insight for me was the need to deal with my own emotional position towards other individuals within the firm. Far from being objective, I found the need to self-identify these individual feelings. Furthermore, beyond individual emotions identified, I have come to the understanding, that conflicts may arise due to a fluid change of my own self-perceived identity over the course of the project (Shapiro 2016).

I now view negotiating the shared identity of the organization and its individual building blocks – such as individuals, departments, teams and work coalitions – as one of the most important aspects of an AR project.

### **10.5 In a nutshell: Learning to live with paradox**

If asked to describe my most important (current) learning in a nutshell I would say: We need to learn to live with paradoxes. As suggested by McNiff and Whitehead (2011, p. 57), I accept that I often experience myself as a “living contradiction”, finding my ideas and values initially rejected.

Compared to my self-understanding at the beginning of the DBA program, I feel now much humbler about understanding the world. Where I believed, that with more learning comes a more objective understanding of complex situations, I now accept that there is a limit to understanding and that seemingly opposing facts may exist at the same time. I also believe much more strongly in the importance of emotions and relationships in developing our (personal and work) environments.

I often find this understanding in conflict with other people in our firm. For me, it is sometimes hard to accept positions, which may be based on our shared socialization as lawyers, that I would have decidedly voiced myself a few years ago, but which I now despise based on my current but still evolving worldview. Working on understanding these challenges may be my next endeavour.

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