Organizational responses to institutional change : a study of two local law firms in Singapore

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2016

Chow, D. Y. L. (2016). Organizational responses to institutional change : a study of two local law firms in Singapore. Doctoral thesis, Nanyang Technological University, Singapore.

<https://hdl.handle.net/10356/66011>

<https://doi.org/10.32657/10356/66011>

**ORGANIZATIONAL RESPONSES TO INSTITUTIONAL
CHANGE: A STUDY OF TWO LOCAL LAW FIRMS IN
SINGAPORE**

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A thesis submitted to the Nanyang Technological University in partial
fulfilment of the requirement for the degree of Doctor of Philosophy in
Business Administration.

2016

Acknowledgements

I would like to thank my supervisor, Associate Professor Tsui-Auch Lai Si, for her advice, guidance, mentorship, and deep academic insights. I would also like to thank my esteemed external examiners, who have provided many rigorous, thought-provoking insights and have shaped this work for the better. I would like to thank my husband and the rest of my family for their unwavering support all these years. Finally, I would like to dedicate this work to the glory of God; he has sustained me all these years— *Soli Deo gloria*.

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Abstract

Modern organization theory posits that organizations are largely unified by nature, marked by clear boundaries, and tend to reproduce over time. However, recent research has indicated that many organizations are increasingly located at complex boundary zones which are guided by multiple principles or institutional logics (Battilana & Lee, 2014; Friedland & Alford, 1991; Murray, 2010). As varied institutional logics overlap, conflicts over interpretations of roles and behavior often emerge. This causes a strain on organizations which are trapped within the shared boundaries. To reduce the strain, organizations tend to resort to hybrid strategies of action (Haveman & Rao, 2006). There are several major gaps in the research on hybrid strategies. Firstly, studies offer few insights into the conditions for the adoption of different hybrid strategies (Besharov & Smith, 2014; Murray, 2010). It is beyond doubt that there is no one-size-fits-all strategy for organizations. But under what structural conditions are different strategies developed and adopted merits further research. Secondly, most research works on hybrid strategies have not examined professional organizations, and for those on such organizations, law firms have been understudied.

Based on empirical case studies of two law firms in Singapore, this paper builds an ideal-type contrast of two logics—social trustee vs. client-service—which are most relevant to the law firms, and uncovers the different structural conditions (field position, founding origin of the firm, and type of clients) underlying the adoption of domination versus distinction hybrid strategies. I demonstrate that being a niche player, situated at the periphery of a field, and possessing a loyal base of clientele at inception would facilitate a strategy of distinction. These discoveries help build a more grounded framework for

analyzing hybrid strategy formation. At the same time, prior research has dwelt on the social trustee ideal, as well as a client-service logic, but these have not been adequately characterized. I contribute to the literature on institutional and organizational change by developing instantiations of these industry-level logics from my empirical data.

Introduction

Modern organization theory posits that organizations are largely unified by nature, marked by clear boundaries, and tend to reproduce over time. However, recent research has indicated that many organizations are increasingly located at complex boundary zones which are guided by multiple principles or institutional logics (Battilana & Lee, 2014; Friedland & Alford, 1991; Murray, 2010). As varied institutional logics overlap, conflicts over interpretations of roles, responsibilities, and behavior often emerge. This causes a strain on organizations which are trapped within the shared boundaries.

To reduce the strain, organizations tend to resort to hybrid strategies of action (Haveman & Rao, 2006). Some authors examine logic compatibility, and analyzed coexistence of logics (McPherson & Sander, 2013) or logic blending (Rao, Monin, & Durand, 2005). Others focused on logic incommensurability and analyze the domination by (Thornton & Ocasio, 1999), or distinction from, incoming, alien logics (Murray, 2010).

There are several major gaps in research on hybrid strategies. First, studies offer few insights into the conditions for the adoption of different hybrid strategies (Besharov & Smith, 2014; Murray, 2010). It is beyond doubt that there is no one-size-fit all strategy for organizations. But under what structural conditions are different strategies developed and adopted merits further research. Next, most research works on hybrid strategies examined social enterprises (Battilana & Dorado, 2010), academia (Murray, 2010), public organizations (Arellano-Gault, Demortain, Rouillard, & Thoenig, 2013), privatized firms with mixtures of private and public ownership (Stark, 1996), and industrial organizations (Yoshikawa, Tsui-Auch, & Mcquire, 2007). Few examine professional organizations; and for those on such organizations, law firms have been understudied. Last, while a notable

exception of Smets et al. (2012) does examine the legal profession, it is situated in the Western context. That in the non-Western context such as the dynamic Asian region remains to be unexplored.

My research is also relevant given that one important issue in economic globalization would be how organizations within non Anglo-American economies are affected by the opening up of markets. Indeed, due to economic globalization, the nature of legal work and the profession itself is rapidly changing not only in the West but also in Asia, and these issues cannot be ignored in practice or in research.

For this research, I conducted in-depth field studies of two legal firms in Singapore using theory-guided analysis to help fill in the existing gaps. I attempt to answer the following key research questions. First, have any logics been instantiated by the liberalization of the legal sector by the state, and do any core logics remain resilient? Second, what hybrid strategies have legal firms adopted as a result, and what are the structural conditions that shape the strategy adoption?

The remainder of this paper is composed of five sections. First, I review the existing literature, identify the gaps, and specify the theoretical underpinnings of this research. Second, I outline the case study design, multiple data sources and collection methods, as well as data analysis processes. Third, I present the case study results, based on which to advance two contributions to the literature by: (1) building an ideal-type of two logics—social trustee vs. client-service—which are most relevant to the law firms and their professionals, and (2) specifying the different structural conditions (field position, founding origin of a firm, etc) underlying the adoption of domination versus distinction strategies. Last of all, I summarize the findings and suggest future research directions.

Literature Review

Increasingly, globalization has led to new modes of doing business. Some innovations would include the rise of MNEs, more inventive financial products, different jurisdictional compliance needs and sweeping technological change. The result of such changes is that organizations are increasingly caught in shared boundaries which lead to institutional complexity (c.f Greenwood et al. 2011), and they cannot simply deal with one institutional logic but instead have to contend with many conflicting logics within a pluralistic environment. Therefore, the research question is this: what hybrid strategies would organizations adopt to address competing institutional logics? How do structural conditions, such as a firm's 1) position within the field; 2) status; and 3) founding origin, influence firm strategies? My analysis is built upon perspectives of logic multiplicity and hybrid organization, and in the following section I present a literature review of some key concepts which direct my research and help illumine my findings.

Institutions

Institutions are defined as social structures which are comprised of 'regulative, normative, and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life' (Scott, 2008: 48). These regulative, normative and cultural 'pillars' are meant to govern perceptions of 'how to' behave. Essentially, institutions can be any collective and regulatory complex that shapes organizations due to their enforcement of laws or norms, both formal and informal (Child and Tsai 2005; Henrique and Sadorsky, 1996; Lu and Lake, 1997; North, 1990, 2005; Powell and DiMaggio, 1991). The upshot of these definitions is that institutions provide a reified framework for social interaction and thus 'habitualize' activities (Berger and

Luckmann 1967). Hence, institutions are supposed to provide a degree of stability and social order.

Institutional Theory and its applicability

High-context perspectives such as institutional theory (Meyer and Rowan 1977, Zucker 1977, DiMaggio and Powell 1983) interrogate the notion of how national distinctiveness in culture, cognition and institution can account for differences in governance structures and systems (Tsui-Auch and Chow 2013). Given that my analysis is sited within an organizational field which comprises actors at various levels, i.e., individual law firms, their clients, the state, and how these interact within the broader external environment of global market realities, a clear understanding of institutional theory, institutional change, as well as the closely related concept of institutional logics is needed. Neo-institutional theory in its earliest form emphasized the role of modernization in rationalizing taken-for-granted rules, leading to insights on how organizations deal with conflicts between institutionalized rules and efficiency criteria (Meyer and Rowan 1977, Thornton and Ocasio, 2008). Essentially, the contention was that, at the level of the organizational field, bureaucratization and homogenization win out and organizations persist in conforming to expected norms that do not necessarily make them more efficient, but grant them the legitimacy that they need in order to succeed. The limitations of this theoretical approach were evident— there was an over-emphasis on the dominance of environment over social agents, too much focus on institutional embeddedness, and difficulties in accounting for how institutional change came about (c.f Kostova et al., 2008, Hasselbladh and Kallinikos, 2000, Friedland and Alford 1991).

In response to these limitations, the pendulum has swung in favor of more dynamic reconfigurations of neo-institutionalism with elements of agency, and is ‘part of a wider shift in the study of institutions in the social sciences from a view that emphasizes institutional embeddedness to one that is focused on active agency’ (Cantwell, Dunning and Lundan, 2010, p. 572). This theoretical shift has led to a focus on individual organizational responses such as institutional entrepreneurship, a theme which goes beyond the passive option of compliance. For example, Henisz and Zelner (2005) asseverated that MNCs engage in direct political pressure to change institutions and have many ways in which they interact with political entities to try to change outcomes. Thus their efforts at institutional entrepreneurship imply a departure from existing practices derived from the prevailing institutional prescriptions (Battilana 2006; Garud and Karnóe 2001).

Institutional Change and Institutional Logics

Institutional change is that which occurs when there are modifications in the character and content of either or both formal and informal institutions, and their relevant enforcement mechanisms (North 1990, Cantwell, Dunning and Lundan 2010). The process of institutional change, however, can be difficult to understand. Although researchers have made strides in terms of accounting for institutional change, many, including Greenwood and Suddaby (2006), believe that the ‘paradox of embedded action’ has not yet been fully resolved. In fact, Scott (2001) notes that endogenous change, by virtue of its definition, seems ‘almost to contradict the meaning of institution’ (p. 187).

The fact remains, however, that institutions do change, as can be seen from the many studies in various fields— for example, the US healthcare industry (Scott et al. 2000), the

mutual fund industry (Lounsbury (2002), textbook publishing (Thornton and Ocasio, 1999; Thornton, 2002), recycling programs (Lounsbury et al., 2003), the insurance industry (Schneiberg, 2002), accounting (Covaeski, Dirsmith, and Rittenberg, 2003), and museums (DiMaggio, 1991; Oakes, Townley, and Cooper, 1998). According to Reay and Hinings (2009), therefore, institutional logics are a valuable tool to unpack the black box of institutional change because a shift in the organizational field's dominant logic is fundamental to conceptualizations of institutional change. When new logics are introduced to a field, they provide guidance for field members, which leads to the possibility of endogenous change. Indeed, Greenwood and Suddaby (2006) note that it is a mistake to take at face-value the fact that widely shared social prescriptions are immutable. The fact is, models of institutional order are always inherently unstable since their meaning and interpretations are in constant flux, and in actuality they reflect political processes struggling for predominance (Cyert and March, 1963; Davis and Thompson, 1994, Fiss 2008). Therefore, implicit in most research examining logic shifts is the 'notion that the ascendance of a new logic results in the dismantling of the previously dominant logic because of their fundamental incompatibility' (Greenwood et al 2011, p. 332; c.f studies by Thornton & Ocasio, 1999; Thornton 2002).

Institutional logics, therefore, are that which define the content and inherent meaning of institutions (Thornton and Ocasio 2008). Institutional logics are the 'axial principles of organization and action' (Thornton 2004, p.2) prevalent in different institutional or societal sectors that guide actors as to how to interpret organizational reality, structure their decision making, and how to succeed in the social world (Friedland and Alford, 1991; Fiss 2008; Thornton 2004). Society is conceptualized as a system of multiple institutional

logics that “are interdependent and yet also contradictory” (Friedland and Alford 1991: p. 250). This means that logics can interact and compete for influence in all societal domains, and thus they provide inconsistent expectations that result in conflict (Nigam and Ocasio, 2010; Greenwood et al. 2011). Given the fact that conflicting institutional logics, by virtue of their incompatibility, reflect different political processes struggling for preeminence, institutional complexity often arises. For instance, logics often overlap such that actors confront and draw upon multiple logics from within, as well as across, social domains (Friedland & Alford, 1991; Besharov and Smith 2014). The manifestations of logics are in turn drawn from and nested within the larger scope of societal-level logics (Besharov and Smith 2014), which adds further complexity to an already multi-layered issue. For example, Thornton’s (2002) research on higher education publishing examined the industry’s editorial and market logics as derived from the bigger picture macrocosm of professional versus market logics. In all, since there usually is inherent rivalry between multiple logics, organizations need to address a plethora of different institutional demands in formulating their response (c.f Selznick, 1949; Meyer and Rowan 1977; D’Aunno, Sutton and Price 1991; Dunn and Jones, 2010; Edwards and Delbridge 2011).

A few researchers have questioned whether institutional logics are necessarily mutually exclusive. The answer is that it really depends on the nature of the logics being referred to. Research has generally acknowledged that logic incompatibility is driven by the elements of the logics themselves; for example, Besharov and Smith (2014) note that logic compatibility or lack thereof really depends on the case/industry in question. One way to tell whether logics are compatible or not is to see whether they differ in terms of goals or even the means by which these goals are to be achieved (Pache and Santos, 2010). For

instance, Besharov and Smith (2013) note that the ideal typical logics of the market and corporation are somewhat more compatible than those of the market and the state, since this level of compatibility is partially based on each logic's source of legitimacy. In this case, share price, a key source of legitimacy for the market logic, is relatively more compatible with market position, the primary source of legitimacy for the corporate logic, and relatively more incompatible with democratic participation, the source of legitimacy for a state logic (Besharov and Smith, 2013). Therefore, research on institutional logics generally acknowledges that researchers distinguish between logics by assessing them on a spectrum— i.e., their degree of incompatibility. Besharov and Smith (2013) note that logics are more compatible when they provide consistent and reinforcing prescriptions for actions and beliefs; however, they are more incompatible when they provide inconsistent and contradictory prescriptions, which is generally the case for most situations. However, it is likely that the influence of each logic manifests as a matter of degree, and usually, due to the incompatibility between the goals, and means, of the logics, at any one time one logic will overshadow or dominate the other (in terms of degree). It is likely that one logic is latent, though it will not disappear entirely. However, the fact remains that situations of some incompatibility would indeed engender the need for hybrid strategy formation.

In studies of professions such as law, researchers have proposed various logics to interpret the organizational field. In general, however, most of these logics come under the broader umbrella of two distinct, overarching logics, i.e., professional versus market. The former logic is characterized by professionals relying on abstract knowledge to conduct their practice solely or in partnership with others of the same profession, and largely results in professional control over the content, meaning, and organization of work

(Goodrick and Reay, 2011). Credentialing and training would be controlled by the profession, and the professionals are responsible for determining what constitutes quality service, and the pricing of products (Goodrick and Reay, 2011). The market logic, on the other hand, is characterized by professional work being encoded in the routines of the firm and subject to the administrative control of managers in a hierarchy, and it is these managers who determine the content and organization of work as well as the credentialing and training of the profession (Goodrick and Reay, 2011; Thornton, 2004). For the market logic, there is a constant emphasis on performance targets as measured by deliverables such as profits to the firm. So for example, Smets et al. (2012) proposed a framework to contrast a client-service logic (i.e., a market logic) with a fiduciary logic (i.e., a professional logic). Lounsbury (2007) is also a good example of this—the paper examined how the competing logics (trustee versus performance logics) rooted in different locations (Boston and New York) led to variation in how mutual funds conducted their business. Thornton and Ocasio (1999) as well as Thornton et al. (2005) also examined shifts from professional logics to market-oriented ones.

For Smets et al. (2012), their notion of a fiduciary logic is derived from Thornton et al. (2005), a line of research which highlights the clash of the corporate logic with a fiduciary logic within the accounting profession. For this paper, I build on the Smets et al. (2012) research and contribute something new by developing the concept of a ‘social trustee’ logic, a term inspired by Brint’s (1994) ‘social trustee’ ideal. This is because the concept of the fiduciary logic is more narrow in scope; although it refers to responsibility to the broader community, it tends to refer to a legal orientation to act solely in another party's interests for the safekeeping of money or assets (Legal Information Institute, 2015;

Thornton et al 2005). However, I would argue that certain professions, such as the legal profession, serve a gatekeeping function for society's moral or cultural values (Zacharias, 2004). For instance, a high profile general counsel or law firm partner can give a client in trouble the benefit of the lawyer's reputation for probity and upstanding ethics (Bainbridge, 2012); or when there is a matter of substantial public debate, lawyers play an important part in shaping societal mores. Hence, my characterization of the logic as 'social trustee' is preferred because it emphasizes the guardianship function of the profession in a broader sense.

Therefore, in my study, I argue that two competing logics—a 'social trustee' logic and a 'client-service' logic—apply. At the same time, my characterization of the logics inherent in the legal industry reflects the larger trend of market versus professional logics as presented in the research. For the social trustee ideal, the literature on the professional's role identities indicates that the identity of the professional is to be found in espoused values of service and society (Larson, 1977, as cited in Greenwood and Suddaby 2005). Overt commercialism is suppressed, and the logic draws its inspiration from nineteenth-century standards of professionalism, when professionals were an elite class of aristocratic gentlemen who pursued professional occupations out of an altruistic desire to acquire an esoteric body of knowledge for knowledge's sake, rather than for personal compensation (Greenwood and Suddaby 2005, Brint 1994). So, for an example, at the onset of the industrial revolution in Victorian England, Thornton et al. (2005) notes that the accounting profession's main focus anchored on protecting public interest from market opportunism. There is also an assumption that there are asymmetries of power and expertise between professionals and clients since the former possess 'exclusive, proprietary knowledge'

(Greenwood and Suddaby 2005; Scott 2008) due, perhaps, to years of training. Equally, the assumption is that the professional will not abuse his position due to strong, public interest norms that motivate his behavior. So, for example, for the 1940s and 1950s Boston mutual fund industry, the main goal of managers was conservative, long-term investing to ensure wealth preservation, as opposed to cutthroat profiteering (Sheehan 1934, as cited in Lounsbury 2007).

According to the social trustee logic, the lawyer is a skilled craftsperson responsible for helping clients to navigate the abstruse requirements of the law. This kind of work ethic is consistent with that found in the craft industry, where skilled artisans handle the job from start to end, and the client is a layperson with little grasp of the exclusive proprietary knowledge the independent craftsperson wields to preserve the purity of his/her materials and production process of his/her objets d'art. Similarly, the lawyer's higher social purpose is to uphold his/her duty as officer of the court (according to Smets et al. 2012, p.885, this is termed as *Organ der Rechtspflege*, or 'agent in the administration of justice'), and even if he/she is in private practice he/she must be 'committed to serving justice in a...more disinterested sense' (Keillmann, 2006: p. 311, as cited in Smets et al. 2012). This is consistent with Thornton et al's (2005) assertion that the logic of aesthetics in architecture makes the architect an artist-entrepreneur, who, as solo practitioner uses the design skills of his or her small atelier to enhance a greater cause, in this case, the beauty of the built environment. Similarly, for nouvelle French cuisine which emphasizes authenticity and purity of form, the chef's highest purpose is to convey a 'revelation' of the food's essential truth (Fischler 1993:238, as cited in Rao et al. 2005).

On the other hand, the client-service logic is a rent based one. Smets et al (2012) typifies it as a logic which utilizes the law to serve clients' business interests. Reviewing the literature on logics inherent in other industries also clarifies this point. For example, Thornton et al's (2005) corporate logic of the accountancy industry posits that accountants' main purpose is to sell services and generate profits. Similarly, Lounsbury (2007) notes that for the performance logic inherent in the growth fund movement, the main basis of attention would be seeking higher short-term annualized returns through aggressive investing techniques.

For lawyers, therefore, claims to professional status are based on the knowledge of an abstract body of laws (Brint 1994; Greenwood and Suddaby 2005; Reed, 1996), and the market mechanism generally rewards those who can capitalize on their expertise to serve clients' needs. In other words, adequately fulfilling the needs of consumers represents the highest level of consumer welfare, where 'good ethics makes good economics' (Greenwood and Suddaby 2005; p. 48). There is compatibility of the law firms' profit maximizing goals with clients' commercial objectives. In practice, following a client-service logic means that lawyers adopt a highly pragmatic approach to work, and they utilize their in-house support functions such as technological databases and marketing departments, a necessity given that a more business-savvy, packaged solution is required by the client.

So far, in the literature, both the social trustee ideal and the client service logic have not been adequately characterized. For example, Brint (1994) only refers to the social trustee model as an 'ideal' but fails to explore any of its dimensions, for example, its basis of strategy, logic of investment and source of legitimacy. For the client-service logic, Smets

et al (2012) did mention a few dimensions, for example, the role identity of the professional and the role of clients as the key referent audience, however, their dimensions are very much focused on everyday work practices. Their study could be improved upon by extending the dimensions. Based on the results of my study, I improve on the current framework, build an ideal-type contrast of the social trustee and client-service logics, and elaborate on their differences in orientation, client role, sources of legitimacy, rationale for investment as well as *modus operandi*.

Hybrid strategies

To understand organizational response better, the concept of hybrid strategies has been developed. Reconfigured neo-institutionalism makes the assumption that organizations are not passive recipients of institutional prescriptions, but that they interpret, translate and, in some cases, transform previous templates (Greenwood et al 2011, Kraatz and Block 2008). Depending on their resources, structure, position or other factors, organizations will enact different kinds of responses (Oliver 1991). Essentially, hybrid strategies are produced as a result of boundary work by the organization. Murray (2010) agrees with this in that she notes that different institutional logics give rise to conflict over interpretations of behavior and meaning. Thus the interstitial zones produce liminality and creolization, and more research needs to be done in terms of exploring the conditions under which boundaries dissolve to produce hybridity, generate distinction, and/or new forms of categorization (Lamont and Molnar, 2002).

Essentially, hybrid strategies can be understood as activities, structures, processes and meanings by which organizations make sense of and adapt different institutional logics for their purpose (Battilana and Lee, 2014). Elements from the different templates can be

refashioned radically or superficially, held together tightly or loosely in an easy or uneasy marriage, depending on what the case might be.

One type of hybrid strategy is a blending one, which is when firms use blending mechanisms to reduce the distinction between previously different institutions (Hannan and Freeman 1989). Usually blending strategies are adopted for practical reasons, with no value judgment as to which logic is better (or not). For example, Rao et al. (2003) highlighted how, to revive the restaurant industry, French chefs incorporated elements of Nouvelle cuisine, with its emphasis on fresh ingredients, into classical cooking techniques. Both schools of thought showed mutual respect for each other's cooking style. Other examples include the mixed hybrid of public and private ownership in Eastern Europe (Stark 1996), the mixture of US and Japanese corporate governance practices in Japan (Yoshikawa, Tsui-Auch and McQuire, 2007), and the common organizational identity forged by banks in producing a commercial microfinance logic (Battilana and Dorado, 2010). Thus blending strategies postulate that boundaries between the different logics are relatively porous and unstable, with low maintenance of boundaries and frequent modifications of practices being the order of the day.

A domination strategy (Kuttner, 1997) is adopted when hybrids are produced as a result of the invasion of one logic by another. For example, Thornton and Ocasio (1999) explore the shift from an editorial logic to a market logic in publishing. A domination strategy is considered to be a type of hybrid strategy because the organizational field was initially rife with multiple logics, but one logic emerges as the dominant one over time, overshadowing but not totally eclipsing the other(s).

What blending and domination strategies share in common is that there is an erosion of boundaries between distinct logics, leading to low maintenance of boundaries at the interface. On the other hand, a coexistence strategy enables high separation of distinctive boundaries between resilient logics that are kept intact. For the coexisting worlds view, strategies supporting coexistence need not be internally consistent; so, for instance, museum curators advocating both conservation and education illustrate a hybrid that equally allows for both professional rhetoric and administrative pragmatism in their place (DiMaggio 1991; Murray 2010). In other words, boundaries are stable and no careful coordination between templates of action is required.

Distinction, however, is a hybrid strategy that involves differentiating between logics rather than merely blending them, and it illustrates how logics are maintained in productive tension rather than through easy coexistence. Coexistence makes too easy an assumption in that it emphasizes ‘apparently unproblematic’ combinations of multiple and often conflicting resources and meanings at liminal zones (Rao 1998, Orren and Skowronek 1999; Schneiberg and Soule 2005 as cited in Murray 2010). The distinction strategy fills the gap in the research in that it tries to account for the tensions that trigger skilled actors to reinterpret or transform the meaning of the resources of an ‘alien’ logic to defend their own distinctive institutions, thus preserving the essence of their preferred logic. For instance, when commercial realities forced scientists to protect their inventions, scientists changed the traditional meaning of patents and used them as a means of maintaining, and even strengthening, the distinction between the academic and commercial logics (Murray 2010). The perception, therefore, of the foreign ‘invading’ logic is a negative one, and there are thus high maintenance of boundaries, but the original logic has

been skillfully adapted to fit the changed institutional environment in a largely ceremonial fashion.

To date, most of the research has concentrated on blending, domination and coexistence strategies. Murray (2010) also highlights distinction as a possible option for firm strategy. O’Kane et. al (2015) built on her research by looking into how University Technology Transfer offices (TTOs) used identity-conformance and identity-manipulation to shape a dual identity, one scientific and the other business, within the University. Ultimately O’Kane et. al (2015) demonstrated how this combination of identity strategies was inadequate in shaping the meaning of the TTO, and they made the tentative conclusion that TTOs need to reinforce a distinctive identity in order to enhance legitimacy, although they did not explore exactly how distinction as a strategy was to be enacted. In the healthcare industry, Blomgren and Waks (2015) examined how different institutional logics coexist within an organization via hybrid professionals’ construction of meaning, but they did not delve into what a distinction strategy entails, save for acknowledging that hybrid professionals have the power to analyze and interpret meaning. The fact which remains is that research on how such hybrid strategies arise is still in its initial phase. At the same time, research sites have been largely limited in geography and context, i.e., Asian environments have been left out and limited service fields explored.

As such, Murray (2010) calls for more research into the conditions that lead to various hybrid strategies. She had previously posited some tentative provocations that might facilitate a distinction strategy: 1) when skilled actors have considerable flexibility to transform resources and shape their meaning, i.e., they are not prevented by law from doing so; 2) when the institution under threat is secure, and the incursion of an alien logic

is merely encroachment but not a bid for total control; 3) when there are prior social structures (for example, network resources) that can provide an important scaffold for a distinction strategy. Similarly, Greenwood et. al (2011) note that, to properly compare organizational fields, more substantial and dynamic accounts of their different institutional infrastructures in the form of their diverse structural conditions need to be studied so as to better understand how firms in various fields deal with organizational complexity.

Accordingly, in line with calls for such research (c.f Greenwood et al. 2011, Lamont and Molnar 2002, Murray 2010, Westphal et al. 1997; Van de Ven and Hargrave 2004), I conduct in-depth case studies so as to gain insight into likely conditions that might give rise to different hybrid strategies. The aim is to gain a more holistic understanding of how hybrid strategies develop in the first place.

According to Greenwood et al. (2011), structural conditions such as position within the field, status, and founding origin, do have implications on the type of hybrid strategy pursued. Position within the field is an example of a field level filter that should affect an organization's response. By organizational field, I mean 'those organizations that, in the aggregate, constitute a recognized area of institutional life' (Dimaggio and Powell 1983, p.148), and in Singapore's legal industry context these players would be the government agencies, the centrally located, large law firms, the small-medium enterprise law firms, as well as their respective clients. In the Greenwood and Suddaby (2006) research on the accounting field, change originates from elite, central organizations (the Big Five firms) rather than from peripheral, marginal players. Elite, central organizations are usually defined as well-regarded (i.e., that have status), large-sized firms (size is usually associated with age) located at the focal point of the field (Greenwood et al 2011). Greenwood and

Suddaby (2006) reason that change originates from elite, central organizations because they have market activities that span different organizational fields beyond the jurisdiction of individual field-level regulations, and so they are more likely to be exposed to field level ‘contradictions’ (Seo and Creed’s 2002 term). This enables them to move ‘from unreflective participation in institutional reproduction to imaginative critique of existing arrangements to practical action for change’ (Seo and Creed 2002, p. 231, as cited in Greenwood and Suddaby 2006). Such a finding is at odds with extant theory which prescribes that organizations at the field’s center are more embedded and therefore more resistant to change as compared to those at the periphery who are more motivated to change because they are less privileged (Leblebici et al 1991, Kraatz & Moore, 2002; Haveman & Rao, 1997; Hirsch, 1986; Palmer & Barber, 2001, Greenwood and Suddaby 2006). Whether position in the field affects organizational response to logic multiplicity and the adoption of hybrid strategies is an issue that merits further research.

Status, on the other hand, refers to the organization’s ‘socially accepted, inter-subjectively agreed upon ranking’ (Washington and Zajac 2005, p. 284), in other words, its relative positioning within a hierarchy of collective honor (Deephouse and Suchman 2008). Concurrent with this idea is the notion that organizations that have status will find it easier to gain legitimacy and garner resources for survival and longevity. Legitimacy in this case is commonly defined as the ‘degree of cultural support’ for the organization, i.e., the extent to which the array of established cultural accounts provide explanation and justification for the existence, jurisdiction and functioning of the organization (Meyer and Scott 1983, p. 201). For example, Sherer and Lee’s (2002) study showed that highly prestigious law firms were more free to depart from the dominant recruitment model in the

field because their reserve of legitimacy capital allowed them to initiate change without fear of retaliation by external constituents. This finding is consistent with that of other research which argues that comparatively large, high status organizations are able to diverge from prevailing cultural expectations (Edwards & Ferner, 2002) because the esteem and deference they command makes them supposedly beyond the control of regulatory agents (Greenwood et al. 2011; Greenwood & Suddaby, 2006; Kostova, Roth, & Dacin, 2008). Similarly, Deeds et. al (2004), as cited in Deephouse and Suchman (2008), noted that US high tech firms receive higher IPO valuations when they have founders or managers from the top 10 research universities. Pache and Santos (2010) also observe that organizations that already possess legitimacy capital are better positioned to deviate from fixed patterns of behavior and come up with their own alternative adaptations, whilst organizations suffering from an initial legitimacy deficit are more constrained to 'demonstrate their fit' with predominant practices.

Finally, founding origins is another factor that could affect firm strategy. Founding origins refers to the events, decisions made, and environmental conditions surrounding the founding of the firm that have long-term effects (Boeker 1988). For example, the decision of the founder at the company's inception to depend on his relational network for business is a form of imprinting that leaves inertial properties on the organization (Boeker, 1988; Kelley and Rice, 2001; Kimberly, 1975; Lawrence, 1984; Stinchcombe 1965; Tornikoski and Renko 2014). As another case in point, Bamford et al. (1999) found that initial founding decisions were significantly related to the growth potential of new ventures even six years after firm birth, but the impact upon profitability was much less important except in predicting short-term profitability. Also, referring again to the Pache and Santos (2010)

study, founding origins played an important part in determining the organization's initial degree of social acceptance, and in a field dominated by social mission, organizations originating from the social sector were freer to adopt alternative templates because of their reliance on a priori legitimacy capital, i.e., institutional referents do not question the organization's good faith (Pache and Santos 2010). By contrast, organizations emanating from the commercial sector are perceived by external constituents as 'original sinners' and thus suffer from an initial legitimacy deficit because their motives to enter a social mission field are suspect (Pache and Santos 2010). Thus they overcompensate as compared to their social sector counterparts by adopting strategies from the prevailing *modus operandi*.

To summarize, I draw upon the foregoing research so as to move beyond general description to more specific theory building. I seek to determine structural conditions that affect the organization's choice of hybrid strategy, so as to move the research on institutional complexity forward. Figure 1 below is a general illustration of the organizing framework for my study. Structural conditions are posited as possible moderating factors that affect the adoption of firm hybrid strategies. Also, by siting the context of study in the legal industry as opposed to the accounting (Greenwood and Suddaby 2006) or academic (Murray, 2010) fields, I am able to assess the contextual limits of theory (Whetten, 1989). For instance, Greenwood and Suddaby (2006) postulate that for the accounting industry, central organizations are more motivated to change, but that for more conservative professions, such as law, central organizations might anchor institutional practices and be more prone to inertia. I test the contextual limits of such suppositions by analyzing two detailed cases of law firms in Singapore, and iterate between the data and the literature so as to extend the research in this field.

Figure 1: Organizing framework

Method

Research Design

The case study approach is particularly suitable to empirical inquiry in situations where causal dynamics are not immediately obvious, and when the boundaries between the phenomenon and context are not clearly evident (Yin 1981). For my study I used a qualitative research design, since the changes in the legal industry involved a hard-to-untangle, complex interplay of factors, such as the changing nature of legal work, the incursion of economic globalization on the legal sector, as well as government policy response to this. My study is a multilevel one with different corporate governance stakeholders. I applied a multiple-case, multiple-level study design since a multiple-case study, as opposed to a single case study, has a wealth of data that enhances theory building (Eisenhardt 1989; Yin 2003) and permits the induction of a well-grounded framework (Eisenhardt 1989; Miles and Huberman 1994).

Case Context

I sited the study within the legal profession. The law is one of the oldest professions in history (Brundage 2008), and is arguably one of the most protected, as compared to, say,

the accounting profession. This could be because of the fact that lawyers, perhaps more patently than other professionals, are viewed as responsible for shaping a society's cultural values. Scott (2008) notes that professions exercise control by defining reality through ontological frameworks that shape our ideas of the world. The legal profession is special in that it is active in constructing prescriptions specifying what individuals, groups, organizations and states 'should' do, and at the same time, it has privileged access to regulatory powers to enforce its decisions, its jurisdictional claims, or even conditions for entry into practice (Scott 2008). Therefore, choosing the legal profession for my study was intentional, because logic clash within this context would be most acutely felt.

Additionally, the nature of legal work and the profession itself is changing due to economic globalization (Flood, 1996). Post 2008 financial crisis, alternative fee arrangements continue to grow in importance (The Economist, 2011), as cost-conscious clients demand more for less. Concurrently, given global regulatory changes and the need to adhere to new compliance regulations, financial instruments have changed and, therefore, the structuring of legal vehicles. Lawyers need myriad skillsets, for example, project management knowhow. Legal-process outsourcing firms, which do not do transactions but specialize in routine work such as reviewing documents, are also putting downward pressure on prices (The Economist, 2011). The focus of this research is not to examine how each of these innovations have differentially impacted the nature of legal work and the industry. Rather, these regulatory and technological changes have all contributed to the inexorable pressures of economic globalization on legal firms that wish to do cross-jurisdictional work. In turn, economic globalization has triggered institutional

change on the part of the State (the government) which impacts the law firms, an issue which I examine.

Also, Meyer (1982), as cited in Suddaby and Greenwood (2005), notes that conditions that favor institutional entrepreneurship (acts to alter or replace an institutional logic) are frequently associated with exogenous “jolts”, such as technological or regulatory discontinuities. Given that one of the objectives of my research is to examine the conditions that trigger acts of institutional entrepreneurship, the legal industry seemed an excellent choice.

At the same time, the context of Singapore was chosen for the study. Singapore’s economy is small, highly open and dependent on international trade. It is directed by ‘state-led capitalism’ (Carney 2014), bears the legacy of an activist state, and is characterized by low levels of minority shareholder activism (Gourevitch and Shinn, 2005). These features of state led capitalism and having low levels of minority shareholder influence are features commonly found in other countries in the Asia-Pacific region. For example, in South Korea, institutional change in the business system has, until more recently, been driven predominantly by the state (Carney and Witt, 2014), and minority shareholders have limited influence on managerial decision-making (Carney and Witt, 2014). Although countries in the Asia-Pacific region are by no means a homogeneous, monolithic bloc, the commonality of these aforementioned environmental conditions makes Singapore an appropriate case for studying government policy change that impacts the legal sector. Since the year 2000, the legal industry in Singapore has undergone progressive liberalization, for example, foreign firms were allowed to engage in the practice of

Singapore law by forming alliances (Joint Law Ventures, or JLVs) with local law firms. 2008 was again a watershed year in that foreign firms were allowed to practice Singapore corporate law, but this time as direct competitors to local law firms through the QFLP (Qualifying Foreign Law Practice) scheme. Although the liberalization is progressive in that there are certain ring-fenced areas such as litigation which are protected by the Singapore government, clearly, allowing foreign firms to practice corporate law was a shakeup for the industry. Table 1 provides a summary of government policy changes in the Singapore legal context. Similar to the legal fraternity in most countries that favor protectionism, Singapore's legal fraternity worried that the liberalization attempts would overwhelm local firms and stifle the development of the local bar (John, 2012). The way the government navigated the changes and addressed these concerns makes Singapore's case highly relevant. For example, if we compare the pace of liberalization of the legal industry for the various countries, Hong Kong and Japan would be the fastest to liberalize, Singapore would be in the middle, followed closely by South Korea, and lastly, India (Grimley, 2015; Hsieh, 2013; Tan, 2009). Singapore's relatively calibrated approach (not as fast as Japan and Hong Kong and not as slow as South Korea and India) to liberalizing its legal sector, and its mixed results thereof, could hold valuable lessons for countries such as South Korea and India, which have yet to accelerate the pace of their liberalization attempts.

Table 1: Summary of government policy (institutional changes) in the Singapore legal context

Before 2000	After 2000
Legal system highly protective of local law firms and held in place	1. First wave of liberalization: Legal Profession (Amendment) Act passed by

<p>restrictions for foreign law practices - foreign law firms were not allowed to practice Singapore Law. They could only practice “offshore”, i.e. international law, their home country law or third country law (Chan, 2009).</p>	<p>Parliament in January 2000 allowed for the formation of Joint Law Ventures between local and foreign law firms. This scheme allowed a loose coupling between foreign and local firms, giving a foreign firm the leeway to refer its clients to its Singapore law practice in the JLV for matters that required the practice of Singapore law. In turn, Singapore law firms could also refer work to their foreign counterparts. However, without their JLV partner foreign law firms were still restricted to practising offshore law in Singapore (Chan, 2009).</p>
	<p>2. Second wave of liberalization: The government allowed for the establishment of Qualifying Foreign Law Practices (QFLP) in 2008. Essentially the QFLP is a foreign law practice which is allowed to practice Singapore Law, but ‘only through Singapore lawyers who are its partners or associates’ (Chan, 2009). The QFLPs are free to practice Singapore Law in all areas of legal practice, except for ring-fenced domestic areas such as litigation, family law, conveyancing and probate law (Ministry of Law, 2013). Six foreign firms were awarded QFLP licenses in the first round (Ministry of Law, 2013). These were the following: Allen & Overy, Clifford Chance, Herbert Smith, Latham & Watkins, Norton Rose and White & Case.</p>
	<p>3. Third wave of liberalization: In 2013, the Ministry of Law continued the process of liberalization by awarding QFLP licenses to four foreign law firms namely, Gibson, Dunn & Crutcher, Jones Day, Linklaters and Sidley Austin (Ministry of Law, 2013).</p>

Firm Case Selection

As Eisenhardt (1989) suggests, the selection of cases should be based on a theoretical, rather than completely random, sampling, so that the research can focus on incremental theory building by filling in conceptual categories. With this in mind, my selection of cases was purposive. I selected two cases based on theoretical criteria derived from the literature review and my data collection. Based on the literature review, the founding origin of an organization (Pache & Santos 2010), its position in the field (Greenwood & Suddaby 2006), and its status (Sherer & Lee, 2002), are hypothesized determinants for firm strategy.

I therefore chose Firm A and Firm B (named so as to protect their identities), two law firms that provided a study in contrasts. Firm A has been corporatized for many years and enjoys the status of a central player in the field, in that it is considered a large law firm in Singapore as it has over 100 fee earners (lawyers) and legal support staff combined. To give some context to this, as of August 2014 there were 848 firms in Singapore, of which only 10 were QFLPs. From this it is clear that the majority of firms were local firms, and Firm A is one of only 18 classified as a large firm (above 31 fee earners)¹. In essence, Firm A is a full-service commercial law firm with specialized corporate, banking, litigation, intellectual property and real estate departments. On the other hand, there are 830 small-medium enterprise law firms, and Firm B is one of them. Firm B was initially a sole proprietorship before it became a partnership, and it is a boutique law firm incorporated in Singapore. Firm B mainly deals with corporate and litigation work. Essentially, by looking

¹ Statistics taken from the law society website at <http://www.lawsociety.org.sg/AboutUs/GeneralStatistics.aspx>

for cases with enough variation in terms of their structural conditions, I should be able to glean interesting results that would extend emergent theory (Pettigrew 1988; Eisenhardt 1989).

Data Collection

Data collection was done via three methods- personal, semi-structured interviews, participant observation and documentary research. All data collection, including the necessary rapport building with potential interviewees, the interviews and repeat interviews, and the analysis of data, lasted from 2012 to 2015. To help crystallize and clarify the initial research ideas, pilot interviews with lawyers were conducted. The second phase involved formal or informal interviews and fieldwork. I conducted most interviews with the help of a research assistant. As mentioned before, the research topic is a multilevel one involving the different corporate governance stakeholders, and so interviewees were chosen from the different groups of stakeholders, namely, the government, the suppliers of service (the law firms), and the customers (the inhouse legal counsel working in commercial banks). I had the essential corporate connections to find the initial interviewees, after which, interviewees were selected based on snowball, formal or opportunistic sampling methods. Personal interviews based on semi-structured questionnaires (gauging firms' perception of the organizational field change, their approaches in handling logic multiplicity, as well as the conditions for the adoption of hybrid strategies) were conducted. Interviews were audio taped and transcribed verbatim where possible, but when they could not be audio taped, detailed notes were taken down

and interviews transcribed within 24 hours of the event. Interviews ranged between 20 minutes to 2 hours and 9 minutes, with a mean of approximately 46 minutes.

For field site visits, I had a two week observational attachment with Firm B, during which I observed all work proceedings within the firm. Observational research benefitted my research because I was able to observe more closely work practices in situ, and by attending both work and social events within this context, I was able to clarify work rationales soon after (Jarzabkowski et al., 2009; Kellogg, 2009; Smets et al., 2012). Although my primary role was as an observer, I was sometimes asked to help out with minor tasks, which is a standard practice that allows one to ask questions and understand the work environment better (Hammersley and Atkinson, 1997; Michel 2011). I sat in on client meetings and interviews with potential hires. I shadowed the lawyers to court and went with them for mediation trials. I had full access to firm materials, including, but not limited to, the following— billings, draft agreements, written submissions, draft responses, best practice guidelines, websites, subscription and shareholder agreements, memorandums of understanding, master agreements, transaction schedules, schedule comparison, term sheets, engagement letters, time sheets, previous cases, precedents, transaction schedules (timetable for clients), project execution timelines, responses to MAS (Monetary Authority of Singapore) consultation papers or governmental consultation papers, declarations, meeting minutes, marketing materials for the firm, and pro-bono material. To increase sample validity, I wrote down minute details of day-to-day happenings at the firm, as well as the activities engaged in. I also joined training sessions, listened in on conference calls, and had informal lunches with the lawyers, which helped me form a coherent picture.

I was unable to get a work attachment with Firm A due to the fact that the management wished to preserve the confidentiality of specific client names. Given that I was unable to procure a work attachment with Firm A, I was unable to conduct an in-depth intra-firm analysis, or do a longitudinal analysis over a period of years. To mitigate the bias this might introduce, interview questions were carefully thought through, and categorized as before/after the institutional change. This would help to overcome the limitation of a lack of longitudinal analysis. Also, in-depth, repeat interviews were conducted with Firm A interviewees, and to enhance the construct validity of the research, triangulation was done using multiple sources of data (Yin 2003), because if common themes emerge from different sources of information such results are more credible (Creswell and Miller 2000; Golafshani 2003).

Archival data collected and analyzed amounted to over 1142 pages of legal news (media articles, press releases, commentaries, parliamentary speeches, etc) that was directly related to the research topic; another 641 pages of articles were collected for background knowledge of the subject. Other secondary data included academic literature on the nature of the legal industry. Apart from conducting interviews with lawyers and legal staff from Firms A and B, I also conducted interviews with lawyers (partners, associates and trainees), business development executives, University academics and civil servants who represented a broad spectrum of opinions from Singapore's legal industry (refer to table 2 for a description of the backgrounds of the interviewees). In total, I interviewed 50 professionals from the industry. Getting a wide range of perspectives from so many different practitioners enhances the external validity of the study, since replication does increase external validity (Cook and Campbell, 1979). Internal validity, on the other hand,

was improved by repeat interviews with the same interviewees and feedback from participants. The issue of reliability was addressed by following an interview protocol (see appendix) for the semi-structured interviews, and by setting strict transcription standards (Schweizer 2005; Tsui-Auch and Mollering 2010). The full list of interviewees is given in table 2 below. To prevent self-presentation bias, my interview protocol had a good mix of questions, asking for respondents' general views on how professionals in the industry would perceive the changes, before asking for personal viewpoints. To encourage frank responses, I assured interviewees of confidentiality, and only report the content of the interviews herein, and do not divulge personal information that could lead to respondents' identification.

Data Analysis

My analysis adopts Eisenhardt's (1989) combined deductive-inductive approach, which employs a number of techniques, including a series of cumulative coding cycles and reflective analytical memoing to extrapolate to theory (Miles, Huberman and Saldana 2014). For this approach, an investigator might move from cross-case comparison, back to redefinition of the research question, and back out to the field to gather evidence on an additional case; at the same time, he/she must be alert to the tension between divergence into new ways of understanding the data, as well as convergence onto a single theoretical framework (Eisenhardt, 1989). As such, my data analysis was performed by iterating between the data and the literature so as to converge on an emerging framework (Eisenhardt, 1989; Locke, 2001; Smets, Morris and Greenwood 2012; Miles and Huberman 1994; Strauss and Corbin 1990).

Following the approach of Tsui-Auch and Mollering (2010), first, I uploaded the data to a common database for each case. Next, a within-case analysis was performed across all interviews and documents, and I identified themes with the help of NVIVO 10. In particular, coding was done not just in terms of manifest content, i.e., the actual, literal content of what interviewees said, but also, in terms of the latent content of the data, i.e., their underlying meaning (Suddaby and Greenwood 2006). For example, an entry in one transcript read as such, “Competition in some areas is very fierce because...the foreign law firms, when they came in, they were very fierce in undercutting so as to get the deal. So the local firms expand abroad to have more offices to try to expand their client pool. They market it as an advantage but actually...(laughs).” Coding by manifest content assigned this the codes of “branding and marketing” as well as “competition for work”, but coding by latent content focused on the deeper meaning behind the words, i.e., that expansion was really for firm survival. I, together with another graduate student, performed the coding, and the reliability of coding was tested on a random sample of about 10% of all the data. Interrater reliability was above .7, which indicates substantive agreement (Landis and Koch 1977). Thirdly, I performed a cross-case analysis by utilizing a matrix technique. I held no prior hypotheses and compared the cases by identifying similar themes and essential differences (Kotabe et al., 2007; Tsui-Auch and Mollering 2010). The comparative case analysis led to further iteration between the data and theory to help develop coherent explanations (Shapiro, Ozanne and Saatcioglu 2008). Finally, I was able to build the most defensible arguments for conditions underlying the ideal-type contrast of the two cases.

Table 2: Backgrounds of interview informants

Firm or company	Interviewee's Position within the company	Number of years of legal practice (for lawyers)/number of years working in the legal sector (for non-lawyers)
Law Firm A	Partner 1	12
Law Firm A	Partner 2	14
Law Firm A	Partner 3	10
Law Firm A	Partner 4	10
Law Firm A	Partner 5	12
Law Firm A	Partner 6	11
Law Firm A	Senior Associate 1	5
Law Firm A	Senior Associate 2	5
Law Firm A	Senior Associate 3	4
Law Firm A	Senior Associate 4	7
Law Firm A	Senior Associate 5	5
Law Firm A	Associate	2
Law Firm A	Trainee	Not yet called to the bar but currently undergoing training within the firm.
Law Firm A	Secretary	14
Law Firm B	Managing Partner	17
Law Firm B	Senior Consultant	22
Law Firm B	Senior Associate	6
Law Firm B	Associate	2
Law firm Alpha	Partner 1	25
Law firm Alpha	Partner 2	18
Law firm Beta	Managing Partner	24
Law firm Beta	Associate	3
Law firm Beta	Trainee	Not yet called to the bar but currently undergoing training within the firm.
Law firm Gamma	Partner	10
Law firm Gamma	Associate 1	3
Law firm Gamma	Associate 2	5
Law firm Delta	Partner	23
Law firm Epsilon	Partner	13
Law firm Epsilon	Associate 1	1
Law firm Epsilon	Associate 2	1
Law firm Zeta	Trainee	Not yet called to the bar but currently

		undergoing training within the firm.
Law firm Eta	Managing partner	40
Law firm Theta	Managing partner	26
Law firm Iota	Counsel	14
Law firm Kappa	Partner	14
Law firm Lambda	Partner	17
Law firm Mu	Partner	24
Law firm Mu	Business Development Associate	2
Law firm Nu	Senior Associate	13
Financial Institution 1	In-house legal counsel	10
Financial Institution 2	In-house legal counsel	21
Financial Institution 3	In-house legal counsel	16
Financial Institution 4	In-house legal counsel	22
Financial Institution 5	In-house legal counsel	13
Financial Institution 6	In-house legal counsel	14
Financial Institution 7	In-house legal counsel	1
Government Institution 1	Civil servant	17
Government Institution 2	Civil servant	1.5
University 1	Academic, Head of Division	24
University 2	Academic	7

Case Study Results

Singapore's legal market context

The results from the case studies presented in the section below can be sharpened by reference to Singapore's legal market context. On the 17 August 2006, Singapore's Deputy

Prime Minister and Minister for Law commissioned a committee to undertake a comprehensive review of the legal services sector, particularly in relation to Singapore's exportable legal services, so as to ensure that Singapore would be at the cutting edge as an international provider of legal services (Report, 2007). Until the 1990s, Singapore's government had been highly protective of local law firms and held in place practice restrictions for foreign law firms. This policy had allowed the social trustee logic to flourish. However, as earlier noted, legal work had become more multi-jurisdictional in nature, a direct corollary of economic globalization; and if stifled by a protectionist policy, Singapore could not be an effective international provider of legal services (Report, Sept 2007). It had already fallen behind other jurisdictions such as Hong Kong that had already opened their doors to foreign firms. The committee thus recommended that the sector be liberalized. Hence, it is clear that the forces of economic globalization triggered coercive institutional pressure on the part of the state to liberalize the legal sector that had hitherto been embedded in its dominant social trustee logic. This regulatory change was necessary, but to local law firms, it had led to an increased penetration of the client-service logic within the field.

By allowing for freer operation and movement of foreign lawyers and law firms in the country, the government hoped to increase the workflow of large commercial transactions. In essence, the most coveted type of corporate legal work that the government hoped the foreign firms would bring in was referred to as Tier 1² work. Then, in descending order of

² A more technical definition of tier 1 and tier 2 work is given by the Attorney General's Chambers: Tier 1 banking, finance and corporate work refers to legal work required for "cutting edge" financial products and other strategic financial products developed in connection with any or all of the following: (a) project finance for infrastructure, such as power, roads, water resources and

preference, there was tier 2 work, and some practitioners even attested to the existence of another category, a tier 3. In essence, tier 1 work refers to complex legal advice that has the highest transactional value, and which is offered by premium clients (i.e., usually MNCs and international institutions) who have deep pockets and can pay top dollar. Tier 2 work refers to legal advice in less complex matters, whilst tier 3, refers to non-listed company work, i.e., legal advice done for private individuals, as this respondent testifies,

“...cross-border M&A, international work...that is one category...that is top tier, tier one work. Not everyone uses the term, but it is work of the highest value in terms of how much you charge and how much you earn from it. It is also more complex, because it requires cross jurisdictional knowledge, knowledge of the laws of different countries, and overseas contacts...2nd tier would be work for other listed companies that don’t generally have a multi-national presence...then 3rd tier work would be run-of-the-mill, non-listed company work that you do for private individuals...who want to raise funds or whatever, but not work for listed companies. Say if they want to enter into contracts, raise funds...venture capitalists pumping money into small set ups before they become big, etc. So there’s a lot of this kind of work as well, and [the international law firms] don’t really want to participate in this space, they’ll rather go for the top end work that’s

telecommunications; (b) international capital markets; (c) asset securitisation; (d) structured finance including leasing and acquisitions (AGC 2012).

Tier 2 banking, finance and corporate work refers to legal work required to provide financial services in any or all of the following: (a) the issue and trading of capital market instruments, including equities, bonds, warrants, medium term notes, fund management products, currency and interest rate swaps, futures and derivatives; (b) onshore and offshore financing, such as syndicated and multi-currency loans; (c) mergers and acquisitions, takeovers and buy-outs; (d) related regulatory services; and (e) Singapore law opinions relating to Tier 1 financial products (AGC 2012).

more complex which involves listed companies and involves high value transactional work.” (interview, academic, Head of Division, University 1).

Other respondents concurred, for instance:

“The AGC did define Tier 1 and tier 2 work differently- tier 1 is more cross-jurisdictional. Tier 2 has a less cross-border element, and it appears to be less complex...it seems to be mainstream stuff, not difficult-to-understand rocket science... tier 1 work is also only offered by premium clients because it’s high value, and so the law firms can charge more. So it has to be more sophisticated type of work”. (interview, partner 2 of Firm A).

At the same time, it was generally acknowledged by respondents that Singapore’s homegrown law firms were either large, or small and medium sized enterprises (SMEs). These firms, in turn, tended to do different types of work. In answer to the question as to which local firms would be most affected by the entry of foreign entrants, respondents were unanimous that the larger ones would be most affected, and the smallest the least because the international law firms were not their direct competitors:

Definitely the bigger...firms in Singapore...that do the same kind of work. Small and [some] mid-sized firms would be shielded from it, and the foreign firms are not competing in that space, neither are they interested in that space. (interview, in-house legal counsel, financial institution 2).

The [big] firms on the other hand, they do high value add work, the same sort of work the foreign firms do. (interview, partner, law firm Delta).

[Tier 1 work] is done by those firms with international presence and those with strong links overseas. That is one category of work that mid-tier and small law firms generally (I say generally) don't engage in...mid-tier and small law firms do more of tier 2 work. So the top tier work would be more difficult [for them because] it's cross-jurisdictional. You may need informal or formal tie ups with legal practices in those other countries. (interview, academic, head of Division, University 1).

Based on these observations, it would seem that smaller local players with no aspirations of serving premium MNC clients would be content with tier 2 or even tier 3 work, whilst the larger, so-called "higher status" firms serving premium institutional clients would be more affected by the increase in international competition.

It really boils down to what type of value work that they're doing...if you want to do work for listed companies with some major financing implications...you eventually have to compete in that space...so international firms would compete in that space. So you need to compete with them or join them if you can't compete. So if you're competing for equity cap market deals or M&A, then you may have to be their outpost. It depends on your aspirations, the founder, or partner aspirations. If you're happy to do small pieces of work, you have loyal family firms...loyal customers...if you have a lot of SME clients, you're happy doing SME work, if you're plugged in with the Chinese speaking market, you do a lot of work for the Chinese Chamber of Commerce...that sort of thing, then you're fine. (interview, Partner 1, law firm Alpha).

These observations would help explain why Firms A and B adopted the strategies that they engaged in, as described below. Essentially, Firm A competes for the same type of value add work as their international competitors. At the same time, firms such as Firm A suffer from a disadvantage because commercial realities are in favor of the international law firms. Although it enjoys a high status in terms of size, and reputation within the Singapore market for servicing premium clients prior to the liberalization, in a sense its early success came easy because the legal market in Singapore was protected. Firm A, as well as the other larger local law firms in Singapore, suffers from not being an originator of scripts. For instance, syndicated lending and other sophisticated financial products were created by Anglo-American law firms in the 1980s (Smets et al. 2012), and as such the Anglo-American law firms are better positioned to advise on complex, tier 1 work relating to such financial products. Interviewees also emphasized the first mover and other natural advantages international firms have:

The foreign firms have more experience because they come from more developed jurisdictions where the top guys are...they're from New York and London, where the most innovative financial instruments are created and developed. The most creative financial instruments and technology emanates from these hubs of creativity. Obviously the precedents developed, and the kind of experience they have in structuring agreements around these financial instruments, is superior. Singapore law firms will never be able to create such products, or give such advice, we can only pick their brains, advise around them and whatnot. (interview, Partner 3, Firm A).

In the loan syndication market...it's unglamorous but it's dominated by Allen and Overy and all that...all those English law firms. Because English law is the governing law of such contracts. (interview, in-house counsel, financial institution 2).

By rule of thumb... most of the project financing agreements will be governed by English law...[t]hat's why they (the international law firms) get the big projects. Singapore lawyers...are competing against the Allen & Overy, the Linklaters and all these fellows. They got all this expertise, they got thousands of lawyers working for them. And they've practically done every project financing that needs to be done. And they have the, they are able to tap on expertise back home. Singapore, where do you tap? Nothing (Interview, Managing Partner, Law firm Eta).

It's not possible to roll back liberalization because it's really dependent on client demand...it's not possible to go backward...clients want the best advice and if offshore law firms can give that, that level of sophistication and advice, you can't say that I don't want to give my clients that. So is it possible to roll back liberalization? I think no. Even for the legal market in India, they can say they protect it for political reasons or whatever, but revenues are going down. India can afford to be a bit more protective because they have such a huge economy, but for an open economy like Singapore, no way. It's not possible to roll back liberalization. (interview, Partner 2, law firm Alpha).

Triangulation with archival information also revealed the same pattern— even the authorities acknowledged that “[i]t is often the international full-service law firms that are best positioned to serve clients in commercial matters, both locally and internationally” as this is an “important way in which regional legal centers anchor themselves to the global legal system and thereby integrate more fully within the global market place” (Report, 2007).

On the other hand, Firm B is content to serve clients within its niche area of work, and so it does a piecemeal adoption of foreign firm practices, such as having a precedent base, a specialization strategy by having different silos that specialize in either corporate, litigation, or insolvency and restructuring, an innovative “regionalization” strategy of targeting mid-range work from smaller counterparties from a particular geographic region (Indonesia), and hiring partners previously from top law firms who have the expertise and ability to do top-notch work so that they can charge decent margins. In essence, Firm B displays inertia towards radically changing its current business strategy, preferring to adapt from status quo, and to do what one observer termed as “rely[ing] on traditional, pre-existing client relationships and the modus operandi”.

In the light of this context, the detailed case studies of the two firms are presented below.

Firm A: Domination of the client-service logic

Firm A is a large law firm in Singapore with specialized corporate, banking, litigation, intellectual property and real estate departments; these departments are further streamlined into focused areas, for example, the banking department has corporate banking, enterprise

banking, and project finance specialisms, amongst others. Typically, full-service law firms such as these draw a large proportion of their work from transactional and advisory services in banking, corporate and financial services, (Leong, 2013), an area which has seen the direct entry of foreign players.

Essentially, law firms have always been profit-making enterprises, however, whilst previously the social trustee and client service logics might have been equally important to the firm, it is clear that a dominant client service logic has replaced the former in terms of relative importance:

Well, with increasing competition and more pricing pressures, and the need to deliver our services at a much higher speed and to deliver them more efficiently and effectively, it's only natural for lawyers to feel that law has become much more of a business than a profession. Gone are the good old days when senior lawyers could leave the office in the afternoon and focus on their golf game. Now things are much tougher, no? Now, increasingly, clocking time and filling up time sheets have become more and more of a focus for local firms. Lawyers need to work for a targeted number of hours per year. So setting minimum hours, as well as setting target hours worked for each year has become more and more important. This all goes into performance measurements...something that follows the pattern of the international firms (Interview, partner 3 of Firm A).

In other words, the economic rationale appears to dominate Firm A's strategy in the face of competition. Given that Firm A is a large, established law firm, it needed to cement its legitimacy as the defacto service provider in a crowded market. "I think [reputation is]

definitely a big factor, especially for the type of clients that we want to choose. Say for premium clients for example, premium clients generally would want to know who is the best” (interview, partner 3 of Firm A). For its corporate and banking divisions, clients for Firm A were mainly legal counsel from transnational MNCs:

I would say, yeah, we are doing work for premium kind[s] of clients...premium clients...generally would [refer] to the top corporates of the world. That’ll be your top banks, the fortune 500 type of companies. (interview, partner 1 of Firm A).

It’s always about...referrals...and even service providers— in my industry I have a lot of service providers like fund administrators and custodian banks who are trying to...and even offshore law firms, when I say offshore law firms I mean firms that do work in jurisdictions where funds are set up like in Cayman islands, which is a favorite jurisdiction in the BVI...so these firms that are based there would then come to Singapore and try to develop relationships with us...bring us for drinks and all that...generally that’s the whole reason, to have cross referrals so that the business can grow. (interview, partner 2 of Firm A).

Such clients needed firms to offer them an increased range of services to meet their expanded needs. As such, Firm A restructured its teams and workflow processes to reflect the needs of its clients. At the same time, IT systems and precedent bases became more sophisticated:

The departments have become more streamlined into different divisions. There’s increasing specialization of departments... many of the local firms have practice

groups and departments that are similar to how the international firms designate their practice groups and departments. [This] happened within the last 10-15 years....in line with the kind of corporate or financial services work that you do. For example, international firms for a very long time had certain teams in their M&A departments focused primarily on private equity M&A, and in more recent years, that is also a strategy a number of local firms have also decided to pay attention to (interview, partner 3 of Firm A).

I think in terms of like, more streamlining of processes, [we] have restructured [our] teams in the last about 4 to 5 years so that they reflect the different work flow (interview, associate 1 of Firm A).

We do lots of precedent management...matter management...knowledge management...going on, [we] have a lot of these IT systems that are very good in managing the different work streams or flows and calculating the fees and...kind of like internal admin organizational aspects (interview, associate 1 of Firm A).

In essence, Firm A's strategy was shaped by the type of clients it wished to serve (premium clients that were more likely to pay more):

[At] the end of the day, if you are a law firm, you want to get work from your clients, you want to show you share the same values. If your client doesn't do...is anti, let's say, tobacco, [and] then if you go act for, let's say, tobacco companies, they'll be, you know, like, hey you're acting against my enemies. (interview, partner 1 of Firm A).

On partnering or cooperating with other law firms:

You want to make sure the other firm is not, like, ambulance chasers, you know, like doing accidents and insurance. You damage your own branding...so, [instead] you look for someone, I suppose, fairly close yet complementary to [you].
(interview, partner 1 of Firm A).

Firm A's clientele also included legal counsel from large local firms from within Singapore.

But I think we still rely a lot on top local clients as well. I think, at least, we then have a base, you know. Even when, let's say the QFLPs come in and all these international clients decide that, you know, I am not going to use you any more...then you wouldn't suffer so much, I suppose. (interview, partner 3 of Firm A).

However, there was growing recognition that large full-service law firms could not solely depend on local clients, and diversifying risk to the rest of the region was an idea that was gaining traction, a point highlighted by lawyers from other law firms:

The local Singapore market...is a very different market from the regional market...the bigger law firms here cannot survive on the local market. You don't have the margins there. There isn't the money to pay. It is a very cost conscious market and...and legal services are commoditized already. (interview, senior consultant of Firm B).

Clients [generally] don't want to pay premium, top dollar. They do a lot of shopping, in terms of lawyer shopping. For example, they say things like, 'I've got a quote that's this much. Can you lower yours to this much?'(interview, Partner of firm Epsilon)

[The large full-service local law firms] were already moving regionally. They have moved regionally. Right. They have not stayed [local]. You can't support a staff...you can't support a structure *that* size on the floor. There isn't enough. (interview, senior consultant of Firm B).

The larger local firms appeared to be countering the onslaught of the international firms by becoming multi-jurisdictional or by making their service offering cross-border. Triangulation with interviews by interviewees from other firms corroborated this:

...to compete with an offshore law firm become an offshore firm yourself... I don't want to use the word expansion, that [the larger local law firms] expanded, because that would imply a choice, rather, these local law firms have gone regional due to competition. You either go regional or you die (interview, Partner 2, law firm Alpha).

So we focus on all regions, in addition to China and India, we look at ASEAN too, which is growing. The outlook for China and India is quite obvious...you look at transactions, you look at the size of transactions which are huge...(interview, Managing Partner, law firm Beta).

[W]e have [set up] our own law firm [in YY country]³ which can do the work...we offer one-stop shop rather than having to instruct one law firm to another. (interview, Managing Partner, law firm Beta).

So you need to compete with [the international firms] or join them if you can't compete. So if you're competing for equity cap market deals or M&A, then you may have to be their outpost (interview, Partner 1, law firm Alpha).

Triangulation with archival sources also revealed this pattern of regionalization by the large domestic law firms. Given the fact that both international and large local law firms serve the same type of clients, the latter sought to counter international firms directly in the same markets.

Singapore firms have not taken the invasion into Singapore legal practice lying down. Many have continued to build on their cross-border practices, continuing to compete with QFLPs based in Singapore for work in Indonesia, China, Vietnam, India, Thailand, Philippines, Cambodia, Myanmar and so forth (Lee, 2012).

Rajah and Tann managing partner Lee Eng Beng points out that his firm has seen a surge in intra-Asian investments and transactions, but clients in some of the emerging parts of Asia are underserved by international firms. Asian firms with a regional offering can...compete with international firms (The Lawyer, 2014).

However, international law firms clearly had first mover advantage, with Singapore's law firms trying to play catch-up:

³ The country cannot be identified because that would possibly lead to an identification of the firm.

The largest Indonesian law firms often tie up with big UK firms, and US law firms like Baker & McKenzie. Assegaf Hamzah is the first major Indonesian firm to tie up with an Asian (Singaporean) law firm [in May 2013]. (Lee, as cited in Leong, 2013).

All things considered, it will be fair to conclude that before embarking on any plan of regional expansion, a (Singapore) firm will need to search deep within itself to answer some difficult questions about whether its very DNA carries the gene that will see it through to actually becoming a regional firm (Lee and Ong, 2013).

Local full-service law firm representatives spoke bravely of being better in their regional service as compared to international law firms, because they tied up with other Asian firms who viewed “South-east Asia as their home and want[ed] to remain local” (Lee, as cited in Leong, 2013), and had “deeply local” connections (Lee, as cited in Leong, 2013). This was a sentiment echoed by interviewees, “...at least there is a sense of familiarity and goodwill with us because we’re from ASEAN too.” (Academic, University 2). But this optimism, however, was balanced by others who gave a pithy assessment of the situation, “Singapore law firms have historically [delivered integrated legal solutions across borders] through a ‘best friends’ model with local law firms in other jurisdictions. However, increasingly this is insufficient and a more integrated solution is required...to continue to participate in top tier work, Singapore law firms may well have to be part of a global firm” (Lee, 2012).

Firm A was no different from the other larger local firms facing competition in that, due to the exigencies of business, a client-service logic dominated Firm A’s operations and

practices. The interviews revealed increased specialization of departments and skillsets, increased impetus towards best friends networks, considerations of Greenfield strategies, branding and marketing emphases, and concerns with lowered fees in the face of rising costs. There were increased initiatives to form alliances with other law firms, and offices had been set up overseas.⁴ These were all reactions to their foreign competitors' strategy, and were very much in line with what these competitors were doing. For example, in the matter of rising costs in the face of lowered fees, lawyers from Firm A complained of increased pressures:

Well, I think clients have a much stronger bargaining position. They are able to put pressure on your fees because they can always say they would go somewhere else. They ask for discounts; they are able to, I guess, extract more from the relationship. Because obviously, [in] many relationships, especially business relationships, when one party is in a stronger position then that party is likely to get his or her way more of the time. (interview, partner 3 of Firm A)

...try to keep...clients close as much as possible... and maybe just remain competitive, look at cost, I would think. It's really just a function of the market (interview, Partner 5 of Firm A)

I think there's a bump up in [the] salary of...the junior lawyers. That has taken place to incentivise them to stay...but you know, it really makes things difficult because clients will expect a local firm to charge lower fees than an international

⁴ Specifics on the locations of the offices and the kinds of alliances cannot be revealed in order to protect the identity of the firm.

firm even for the same type of work that they're doing...So if you are, as a business you are charging lower fees, or you are expected to charge lower fees but at the same time you are expected to pay your employee the same or more salary than what the international firms are paying, then something has to give in the end. So, it eats into the profits of the firm. (interview, partner 2 of Firm A).

In terms of reporting, well, I think there's a lot more concern now in terms of profits...I would say, that's [a] bigger issue because of competition. So, reporting-wise, I think, [at] the back of everybody's mind is whether we can survive and how we are able to...we have to show, we have to report to management that we are still able to bring in the numbers, you know. So, that has never been a bigger concern. I mean, it has been a concern all along but now it's a bigger concern because the threat is impending. (interview, partner 3 of Firm A).

Triangulation by interviews with in-house counsel also revealed that clients' demands had increased drastically:

From a client's perspective, I am now a buyer of services, and we need international services, or law firms that have international law capability. So that means, for example, if we look at a GLC IPO and you want to distribute a share to US investors you have to make sure that your transaction documents take into account US laws, so you need a US law firm to take into account US laws. You always will need to distribute in the US because they're a big market, and maybe Europe too, so you need to have European law capability, within the various jurisdictions in Europe. But if it is also a Singapore IPO you also need to do the

Singapore aspect. Last time you had to go to two firms, for example, a local firm...and an international firm to advise on the international aspects. Now Clifford Chance and Allen & Overy are able to be a one-stop shop for our international transactions (interview, in-house legal counsel, financial institution 3).

...obviously the bankers have pressures, time or otherwise, and there will be some pressure to use an international firm. From an in-house perspective I don't necessarily think that the international firms have better expertise, but the bankers pay for the service in the end, so we don't want to waste time and have duplicitous service...as in have to liaise with two different firms, a local firm and an international firm (interview, in-house legal counsel, financial institution 3).

...definitely...that's a very natural consequence, you have to be very competitive in terms of fees...[s]peaking from an in-house position, we'd expect law firms to provide advice not just found in a textbook, that'd be subpar, now there are so many options, that would not be enough. People travel a lot now, you get people with a lot of talent even in in-house roles. Typically we don't outsource (to law firms) unless it's a very complex issue. We now go to law firms, not for bread-and-butter advice issues. Granted the law is not always clear, you know you still need to provide practical solutions. Expectations of local law firms are A LOT higher now...every time we go to a law firm, it must be an issue we can justify. We can just do it in-house if it's simple...we are a bank and we have to be cost-

conscious...and there are now so many choices of law firms (interview, in-house legal counsel, financial institution 1).

Other than a greater commercial orientation toward clients in terms of lowering fees and improving product offerings, the larger firms tended to display a greater commercial orientation toward its employees. Employees were under more pressure to meet targets, yet at the same time firms tried to throw more remuneration at them in a bid to keep them happy. A conundrum of rising costs due to increased payrolls and lowered profits was becoming more evident. Third party reports and interviews attest to the new paradigm.

Almost overnight, in order to attract and retain young Singapore lawyers, Singapore law firms had to raise pay. Not only did annual associates' packages rise, it also became essential to pay much more in the fixed monthly component (Lee 2012).

Singaporean firms, increasingly competing against internationals at home and across the ASEAN region, are under pressure to up their game in retaining talent (The Lawyer 2014).

[W]ith more players chasing an already crowded market for Singapore legal work, there has been continued pressure on fees which (with rising costs) have squeezed margins for all players in the Singapore market, QFLPs and Singapore firms alike (Lee 2012).

...there are now more than a 100 foreign law firms in Singapore...at last count it was 130 or something ridiculous like that...competition is very tough, it's driving

down margins...international firms are trying to market to domestic clients too...the people who benefit would be the lawyers because there's not only competition for clients there's also competition for talent. Clients benefit because they have more choice, and more people are lowballing fees and trying to get more work. But I think the growth of the domestic law firms suffer...because there is not much space in the market for local law firms to grow organically. It's like biology...when the jungle is too crowded you don't get enough sunlight and nutrients...every plant is competing for these and so there is no dominant plant life (interview, Partner 1, law firm Alpha).

The partners of Firm A also spoke of pressures, and their increased need to attract and retain their subordinates through restructuring of remuneration packages.

We decided to up the pay of associates by frontloading the bonuses. Local firms used to pay huge bonuses at the end of the year which was very discretionary, but you know, foreign firms don't do that? So local firms again had to improve their remuneration practices to be in line with foreign practices. (interview, partner 2, law Firm A).

There was more emphasis on branding and marketing the firm to their employees:

[I]t doesn't help that a lot of QFLPs coming from New York and the UK, whilst they work their people very hard they have some policies...[that] can be quite attractive...for example...they have things like...very nice...retreats. I mean, we have retreats and they have retreats but I know, like, [for] some UK firm, when

they go overseas for retreats, everybody stays in Ritz Carlton. Whereas for [a] local firm you go for retreat...you stay in a...I don't know, few shades lower, like I said. You can imagine for a young lawyer coming out, it's...you see they are good at attracting people. So I think that... there's always so many distractions that these local junior lawyers...can run to. This time around the alternative is very *formidable*, you know... Ritz Carlton and all that. You try to step up to try to keep them I suppose. (interview, partner 1 of Firm A).

I think the senior lawyers will tell the younger ones that working in a local firm has more job security, less [of a] hire-and-fire culture. I guess you will focus on what's bad about working in a foreign firm as opposed to what's good about working in a local firm and hope that [the message] sticks (laughs). (interview, partner 3 of Firm A).

In spite of all their good efforts, however, Firm A's partners acknowledged that the realities of the employment situation had changed due to the liberalization of the sector. Now, employees were more mobile and empowered:

I'll give you an example. You know, in my time...[versus] the associates [now], in my time...my boss calls me, you know, lunch time is, let's say, 1 to 2, [he] calls me in at 12:55pm, wants me to take instructions, gives me work on this thing. I'll go get my notepad, 'okay, what's going on'. I know it's lunch. [But nowadays]...I heard a story, one of the other partners called an associate at 12:50pm. The associate came in and said, "Actually, I've got lunch appointment." You know!! Last time, in my time, nobody...if you've got lunch appointment, you just keep

quiet. You just continue, and then you try to tell your friend that you can't make it.
(Interview, partner 1, firm A).

Of course with increased competition you need to be nicer to employees because they are now more mobile, all things being equal, there are more opportunities that have opened up to them given that there are now more players in the market. People will gravitate toward organizations with better and more evolved HR practices. (Interview, partner 2, Firm A).

Branding and marketing also applied to efforts to woo clients. Concurrently, in an attempt to emulate the international law firms as best they could, specialization of skills was emphasized:

[Our] lawyers are encouraged more...than before to be more specialized in the type of...the skill sets that they have because the international firms are really specialized in the work that they do. That's generally the trend. So they have very, very specialized skill sets. So, we are also trying to, in that aspect. (interview, partner 2 of Firm A).

One constant refrain of the Singapore local managing partners is that Singapore lawyers all need to upgrade their marketing and PR skills. Therefore local firms had to up [the] PR and marketing skills of their lawyers. But that is not surprising since, if you think about it, having a monopoly would have, in a sense, retarded [the firms'] ability to grow in those ways. [Now] they bring in professionals from overseas to train the lawyers on social etiquette, public speaking skills, PR skills,

negotiation skills, etc...all these are very new initiatives because of the need to restructure to meet the competition. (interview, partner 3 of Firm A).

Also, branding and marketing now played a critical function, when previously it was conspicuously absent:

In the past, marketing and business development was not necessary, but if they chose to do so, lawyers could afford to do these themselves without professional help. Now, we actually have full time professionals, like marketing professionals, to carry out these roles. But these sort of marketing functions have been prevalent in international firms for a very long time before the local firms had to do the same, like now. (interview, partner 1 of Firm A).

There were also more explicit attempts to gain work from cross-referrals:

I think now there's more of an emphasis in having best friends relationships with more, with other independent firms and international firms as well. Since we're all alone [as an independent player] there's no fear...we can...be in a relationship with any firm. (interview, partner 2 of Firm A).

It could be that we see ourselves faring...better as an independent law firm...[being] best friends with many other local and many other foreign firms [as opposed to]...get[ting] stuck with one joint venture partner. (interview, partner 1 of Firm A).

Despite the obvious cleaving to a client-service logic of increased rent seeking and cost consciousness, Firm A's lawyers still reiterated their responsibility to uphold their duty as

officers of the court and advise clients of the regulatory norms in Singapore. At the same time, the reputation of key individuals, a tenet of the social trustee logic, cannot be done away with completely, simply because law is a service industry, and trust is important between the client and the firm. Therefore, Firm A's adherence to certain tenets of the social trustee logic meant that there was no complete collapse of the logic. Quotes from Firm A's lawyers and triangulation with others in the industry revealed this pattern:

From my experience, yes, [there is more of an impetus to please the client] because of competitive pressures. So, lawyers are driven to engage more and more with clients and to perhaps go out of the way for them...[though] obviously as lawyers you have to advise your client of the risk and discharge your responsibility and duty to them by advising them...[on] what the position in law is. (interview, partner 3 of Firm A)

Law firms [belong to] a pure service industry...personalized service means a lot...the lawyer, if he earns the trust of the client it means a lot...it's a bit different from accountancy service, the audit partner is not such a big personality. But I want a lawyer who [offers] good service...I want a lawyer who can give me creative solutions to problems...[so we can't do away completely with the personality element], and [it helps] if any personality is able to build a team around him/her [Partner 1, firm Alpha].

Given the firm's overall preoccupation with costs and competitive pressures, however, it is clear that, overall, a client-service logic dominated.

[We're] [n]ot particularly discerning where these premium clients come from as long as it's good business (laughs). (interview, partner 1 of Firm A)

We advis[e] clients how to go about doing their business so that they won't fall afoul of the law. So that's part of our business, and our business for us is to make money. (interview, partner 2 of Firm A)

We can only see that it's a good thing if we try to do what our strongest competitors are doing. (interview, partner 3 of Firm A)

To summarize, for Firm A, there was a clear reorganization of the firm to manage the penetration of the client-service logic, as follows:

Table 3: Internal organizational structure of Firm A before/after institutional changes

	Before	After
1. Departments*	Firm had little differentiation between departments.	Greater emphasis on the specialization of departments; firm began to have different departments and practice groups with designations and functions similar to international law firms. For example, as opposed to one generic team to handle all M&A work, now there has been a reorganization of the department to focus on separate, growth areas of M&A work, such as private equity M&A. The administrative arm of the M&A department was also spun off to become another department. These measures reflect an increasing refinement of the departments into specialist silos.
2. Marketing and Business Development	Little emphasis placed on these functions since work was plentiful.	Marketing and business development function critical- now, the firm had specialist departments staffed by full time professionals trained in marketing and business development.

3. IT infrastructure and knowledge management	State of technology very much in start-up phase; more primitive since there was no need to manage so much information.	Sophisticated file management system and IT infrastructure to manage large and continually expanding precedent database.
4. Human resource process changes	Performance assessment targets of individual employees not clear, i.e., not based on revenue generated. Pay tends to be discretionary, for example, there is a large variable component for year-end bonuses of associates, which can be easily altered.	Restructure the pay system to be in line with performance assessment targets. Performance assessment based on numbers, i.e., revenue generated. Pay of associates increased, pay system restructured by frontloading the bonuses, there is no longer a large discretionary bonus component at the year end.
5. In-house Training of lawyers in the areas of public relations and client-facing skills	Virtually non-existent.	Emphasis on training lawyers in the areas of social etiquette, public speaking skills, public relations skills, negotiation skills, etc. Professionals brought in from overseas to train the lawyers in these areas.

* Here, departments refer to those that carry out actual, business legal services. Marketing and business development are considered support functions of the organization, and they do not have lawyers that advise on clients' legal matters.

Firm B: two worlds in productive tension

Firm B is a boutique law firm incorporated in Singapore, with approximately 12 legal staff (inclusive of the office manager and secretaries), and the firm also usually employs a few interns on top of these permanent staff. The firm deals in a variety of legal services, for instance, litigation, arbitration and dispute resolution, as well as corporate, employment, trusts, and estate planning, but its mainstay is its corporate and litigation work. The firm was founded within the last 10 years, and, similar to the practice by Banki Haddock Fiora (BHF), a Sydney law firm, firm B's top management positions are filled with top-tier partners formerly from big law firms (local as well as international law firms). The

decision to hire partners formerly from Big Law is a deliberate, explicit one— by doing so, the firm has the necessary expertise to provide high quality professional service, but, at the same time, is able to be “cheaper than the bigger firms” [informal interview with the senior consultant, one of the founding principals of Firm B].

As will be elaborated below, Firm B appears to have been relatively unscathed from the competition due to the liberalization of Singapore’s legal market. This is despite the fact that their mainstay is in corporate work, an area in which local law firms have come under direct threat due to the 2000 Parliamentary Legal Profession (Amendment) Act. According to Firm B’s partners, this is because they have found a niche clientele, i.e., they act in different client markets from the international law firms. For example, on any deal that they are working on, Firm B usually acts for the smaller counterparty. So for instance, in the case of a mine acquisition, the firm usually acts for the smaller counterparty. Their opposing counsel would usually be a big law firm acting for a large MNC or transnational corporation. Generally speaking, since the large MNC or transnational corporation already has a legal department, in essence, the big law firm’s clients are actually the legal counsel of the large MNC, who already have some expert knowledge of the subject, but may not have the necessary expertise to advise on matters of larger significance⁵. By servicing a niche clientele, Firm B is still able to do interesting, and relatively lucrative corporate

⁵ Varoujian, (2011), notes that the primary role of in-house counsel is to manage the company’s risk. However, in-house counsel are, by-and-large, generalists, and in the case of complex or specialist legal matters need to instruct an external firm of private practice lawyers to act for them. Additionally, given that laws are constantly changing and that they have constraints in terms of lack of resources, in-house counsel usually need outside input for any detailed research on the finer points of law (Varoujian 2011).

work that big law firms are unable to do, due to the fact that the latter have been conflicted out of serving the smaller counterparties due to their work for the big transnationals.

If you look at the resources deals, the party on the other side is almost always invariably a big 4, is almost always invariably a big law firm. We are unusual players in Indonesia. In that we tend to do the fairly good deals, but we will act for the smaller party. The bigger party is almost always invariably represented by one of the big international firms. (interview, senior consultant from Firm B)

From the foregoing, it is clear that, based on their experience from Big Law, the founders of Firm B have regionalized their practice by focusing on certain niche areas, a practice that they have adopted from Big Law, and transmogrified to fit their context. They have streamlined their departments into various specializations (e.g., Corporate, litigation, and insolvency and restructuring practices), similar to how international law firms structure their organizations. However, categorizing their departments into various specializations may not be so meaningful, given the smallness of the firm. Despite this, Firm B did indeed have definite protocols on file opening and work allocation according to the departments' specializations, "you have to follow some protocol", and admitted that all their administrative systems were learnt from international best practice, "[a]dministratively, yes of course...you take...you take into account that normally British firms, and especially American firms are better regulated, because their law societies require a lot more of them. So things like, we did know-your-customer checks long before it was ever implemented in Singapore" [interview, senior consultant from Firm B].

In terms of actual legal knowhow, however, Firm B had a more ad hoc, scattered approach, preferring to let its associates learn by trial-and-error. They maintained a precedent base as a store of information, but this was rather basic, with the founders preferring to have an open-door policy with their associates should they require any guidance or advice.

[The big firms] are rich in years of experience. For example, if I have a coal-mining matter, buying over a coal mine, for instance, they can pull out [many] years' worth of precedents on this and give to their lawyers as a basis for the new matter. But this breeds laziness. They're not reactive. For some big firm meetings, I have gone there and the other side's lawyer (from the big firm) says, I can't do this clause because it's not standard. What does that mean? Just adapt it! Use your head! (interview, managing partner of Firm B).

This emphasis on the personal capitalism of the founder, i.e., that the individual owner-managers should be the ones to control the firm entirely (Langlois, 1998), was a philosophical bias, and based on a strong belief that, "firms are managed fairly basically" (interview, senior consultant of Firm B), with little need for the elaborate artifacts and organizational structures of the Anglo-American law firms. Dependence on key individuals such as the founder was encouraged, and if any help was needed one just had to "shout out" from one's room.

In terms of (organizational culture)....we are very comfortable....We never learn anything, you don't want to learn anything from big firms. It's a different temperament here, I think you'll have noticed, from other firms.

We do [have a system]...but we don't have to check and balance so much. [Between the managing partner] and I...we would probably [know]. (interview, senior consultant of Firm B).

At the same time, it was observed that for corporate work, Firm B chose its clients from a core geographic region, i.e., Indonesia. This was a deliberate choice:

We have a great level of detail in our work, we dwell on a niche area. We specialize in Indonesia...[t]wo days in a week, I am based in Indonesia...listening, talking to, understanding my clients through the whole process. (interview, managing partner of Firm B)

By doing so, Firm B has tried to follow a regionalization model of “innovative expansions to exert influence over geographical cum jurisdictional space” (Lee and Ong, 2013). However, unlike their international counterparts, Firm B's regionalization model is different in some key aspects. Firm B focuses on “exporting” Singapore governance structures to other jurisdictions, in other words, Firm B is only interested in advising on its home country laws, primarily to reinforce and strengthen its home market logic. Firm B has no interest, manpower resources, contacts or expertise to advise on legal matters with cross-border elements.

A lot of our clients are Indonesian clients...[t]hey may or may not be investing in Singapore, but they like to use Singapore law as a governing law, primarily because it's more stable compared to Indonesian law. (interview, associate from Firm B)

Going to court is by definition local, right. You're going to a local court...Indonesia is [our] biggest market, and Thailand. We do some Malaysian... we do some work in Hong Kong. But it is basically from our clients going out as opposed to...I mean people from Hong Kong would just come and look for us [and not we them]. (interview, senior consultant of Firm B).

On the other hand, the international law firms use Singapore as a base for other work, to serve clients from other countries in the region, but especially their own giant "home-grown corporates" expanding into emerging economies. Thus the international law firms have an interest in advising on the laws of as many jurisdictions as their clients are committed to.

The largest offshore deals, transactions and disputes, have for a long time now been the mainstay of the most well known international firms who have long invested in serving the biggest corporate names (Lee and Ong, 2013: 2)

The pressure of regionalization and globalisation continues apace...[m]ore and more transactions are not just cross-border, but multi-jurisdictional. The pressure is on to deliver integrated legal solutions across many borders (Lee, 2012).

An examination of the content from other archival documents also confirms the growing importance of the Southeast Asian market and Singapore's position within it. Robert Dell, Managing Partner at Latham & Watkins, confirmed Singapore's usefulness as a part of the international firm's global strategy, "Singapore is an economic powerhouse and it is a major regional business and legal hub. It remains a strategically important market for our

growth plans in the region and globally”(The Business Times, 2014). An opinion piece by Dr. Stephen Moss, chairman of Eaton Capital Partners and international law firm advisor and strategic consultant, also noted that:

The few international firms who now have QLFP status (in Singapore) will clearly have a global advantage. (Moss, 2013).

Essentially, being a one-stop shop with multiple jurisdictional capabilities is the ultimate goal:

There is something about being able to tell a client we can handle everything, including the Singapore aspects. In the scheme of things, that is the biggest win- we can go out there and say ‘we can do this, only a third of the market can, two thirds of the market can’t’ and we’re on the good side of that. (interview with Jones Day Partner Dennis Barsky, as cited in Broomhall 2013).

If you’re offering a suite of services to your clients and they have an aspect of Singapore law that they need advice on, it is much better to be able to provide a one stop shop...if our competitors have local capability and we don’t, then we are at a natural disadvantage. (interview with Linklaters Partner Kevin Wong, as cited in Broomhall 2013).

In-house counsel, typically the clients for the larger law firms, also confirmed the usefulness of a one-stop legal shop for all their needs:

The reality is that as the international law firms beef up on their capability, their proposition becomes more attractive to us then because they're a one-stop shop. (interview, in-house legal counsel, financial institution 3).

[If] I'm HSBC and my Singapore business is 2-3% of my overall business (I don't know, I'm just giving an example), so when I come to Singapore, my big share of the business comes from New York instead...my New York law firm may be handling most of my business already, and most of this work is multi-jurisdictional, so [I] can do most of my work with the NY law firm. You really don't want to manage fifty different approaches because you have business in fifty different countries. E.g., if I have standard forms, and I come to Singapore, I want to amend it slightly to fit the Singapore context, but I don't want it to redo everything, all my forms. And handle so many different law firms and parties...it becomes a nightmare! (interview, in-house legal counsel, financial institution 6).

By contrast, Firm B took a regionalization approach distinct from Big Law. As mentioned, it focused on smaller counterparties within a specific geographic reach, probably due to its own manpower constraints, but also, in the belief that it could do things better by relationship building, and its cynicism of Big Law's touted 'good' service. Thus it reinterpreted the meaning of regionalization by focusing on applying its own brand of personalized service:

I've been in Indonesia for 16 years! No Singapore lawyer has half that experience. That is the nature of work that we do. You know, there are all these lawyers...sitting in high positions in foreign law firms, large local law firms...but

we, here in the industry...we're in the know! We know who really does the work, who really knows the work, who are the clowns, etc. (interview, managing partner of Firm B).

Therefore, based on the foregoing analysis, as well as participant observation, the archival documents, internal circulations and interviews, it soon became clear to this researcher that Firm B practiced a distinction strategy through differentiation, as further elaborated below. Previously I noted that a distinction strategy involves a negative perception of a foreign logic, and that skilled actors will transform its meaning to defend their preferred logic. This is consistent with Firm B's *modus operandi*. In terms of its strategy of regionalization, Firm B selectively emphasized the 'expert knowledge' of its founder in providing tailor-made legal advice, and deemphasized the cross-jurisdictional legal element (knowledge of multiple countries' laws) implicit in a regionalization model. This it was able to do because it targeted a niche clientele with specific needs. Additionally, Firm B had the power and flexibility to shape the discourse with its clients especially since its clients were mostly laymen and loyal to the firm.

...for us it's a very relationship thing? Most of our clients have been with us...I understand this from the partners, they have been our clients from, like, 10 years? So there is an ongoing relationship, and um....the bosses have...a good perspective of...what our clients want. (interview, associate from Firm B).

Firm B was very much motivated by practical considerations to keep its outlay and operations small, and to conform to the firm's manpower constraints.

[W]e definitely don't try and compete with the big firms to do all sorts of M&A work; we don't do work that requires due diligence, cos we don't have the manpower for it. So I don't think we directly compete with them (interview, associate in Firm B).

From the interviews, the many disadvantages of the client-service logic approach were emphasized upon. Technology is a support function of the client-service logic, to help lawyers produce packaged solutions for their clients, but this was viewed rather poorly by the management. For example, the partners pointed out the inefficiency of technology and demerits of a rigid KPI system.

There are inefficiencies of technology. At the end of the day, sometimes the traditional systems work best. For example, when I was working in [a large international firm], there could be a partner who was working...20 hours a month? And he charged for exactly 20 billable hours. So his efficiency looked like it was 100%. Whereas I would work for, say, 120 hours a month, and bill like, for 90...no, 100 hours? But it looked like I wasn't 100% efficient. That's where computers don't capture the full story. It looks like I'm not meeting my KPIs, when in actual fact I am exceeding my billable targets! I'm working to, like, midnight or whatever, and (generating so much more profits) than he is. So after a while, I got fed up...I had to justify myself...what for? (interview, managing partner of Firm B)

The bureaucracy, red-tape and politics inherent in the client-service logic approach were also criticized:

In some firms there's too much orientation toward money. There's politics where people are insecure, the question is, always, are you encroaching on my practice areas. (interview, managing partner of Firm B)

No, no we especially disliked [the management structure and the remuneration systems in international firms], that's why we moved out. So... no we didn't [want to learn anything about their management structure and culture]. I mean...[for the international law firms]...[e]ither you have a lot of partners...an executive committee...[e]verybody abides by it. Or you are like us...right? (interview, senior consultant of Firm B).

As another example, other than the requisite corporate brochures that the firm would disseminate amongst existing clients, the firm also appeared to place little emphasis on marketing. Marketing was rather peremptorily dismissed, since, as noted earlier, most of the firm's work came from clients who were with them since the inception of the firm; the rest were from client referrals.

My website is not there to market my firm. It is only there for information purposes. We mainly depend on loyal clients and referrals. We don't cold-call. Because we believe, in this day and age, if you don't have a good friend who's a lawyer, or who's friends with a good lawyer, that's unusual. (interview, managing partner of Firm B)

We don't market [our] service...we can't cope even with the current...I don't think we want to market any further. Because... we can barely cope with our

existing clients...we don't think we would want any more... (interview, senior consultant of Firm B).

Therefore, it is patently clear that the founders of Firm B drew upon what it deemed to be the advantage of the international law firms, for example, a specialization strategy in niche areas of professional service, but adapted this to defend its own social trustee ethos. Fundamentally, the firm's partners did not like the ensuing problems of following a client-service logic, for example, the red tape and bureaucracy that followed with having a posse of partners and an executive committee to decide on the direction of the firm, but which was more institutionalized. They also tended to shrug off the support functions of the client-service logic, i.e., marketing and technological tools. But at the same time, they acknowledged that top quality legal advice was needed by the clients. Therefore, the dictates and pressures of the client-service logic were satisfied with judicious hiring of partners from top law firms who had the expertise and ability to give quality advice to clients. However, interviewees thought of this as an adaptation, not a fundamental change in the attitude of such firms:

In order to 'game' the system...such firms keep doing what they're good at but then they procure talent to reassure clients that they have the expertise. To impress clients? I guess it's a very superficial way but it does help to impress clients. (Interview, in-house legal counsel, financial institution 7).

Firm B's position was secure in that most of their clients were non-expert practitioners in the law, and so it was able to defend its core social trustee logic. Firm B took pains to

defend its core social trustee logic with respect to its legal and fiduciary duty. For example, the lawyers in the firm believed the purpose of the profession was to help frame legality:

[T]here is some social good in what we do...in the situations where you act against banks...and we do, quite a bit of that kind of work...we act for individuals...so if you get a good judgment on their behalf in that sense you crystallize the law, you can change the banking laws...and affect the judgment for the greater good. This is a very important contribution because Singapore has a pro-banking outlook. If you think about it, if you contribute to developments in the law, whether it be for consumer rights or if it's individual-related in whatever aspect, this can help to crystallize rights more clearly, which obviously is helpful for the individuals...That's where we help. That's where the lawyers can help...in persuading the court to develop the law. This social ethos...is definitely an underlying factor [Senior Associate, Firm B].

Additionally, using NVIVO software, analysis of the data from Firms A and B supported this. Firm A's interviews emphasized market realities, cost pressures, pricing demands, service quality, employee retention through pay, and the importance of firm branding to an inordinate degree. Clearly, Firm A's key preoccupations coalesced around a client-service logic orientation. Table 4 provides a compare and contrast between the two firms, of the frequency of occurrence of four codes that pertain to the client-service logic. Even after controlling for size of sample, the frequency of usage of phrases pertaining to commercial orientation toward clients, commercial orientation toward employees, competition for work and branding and marketing emphasis are still significantly more in Firm A's data.

For instance, references associated with the firm's commercial orientation toward clients appeared at least five times more in Firm A's data, and Firm A interviewees used branding and marketing references at least eleven times more than Firm B respondents.

Table 4: Frequency of occurrence of key codes associated with client-service logic

	Firm A*	Firm B
Code Name		
Competition for work	68	8
Commercial Orientation toward clients	58	11
Commercial Orientation toward employees	30	6
Branding and marketing emphasis	45	4

*frequency is after controlling for differences in total transcript length

Triangulation with other data sources also corroborated the findings. Other lawyers, when asked to comment, also noted that, full-service local law firms such as Firm A tended to have the same practices as the international law firms, especially in terms of specialization, marketing, and maintaining a rich precedent base:

Between international law firms and our big local law firms, I think...there is not much difference. Their support staff is professional, they have, like, for example, [a particular full-service local law firm], they have a department called knowledge management...I don't know if you've heard of that...it's basically, just like a library and a lawyer in charge of all the precedents...this lawyer graduated (from one of the best universities in the world)...they have that, and I'm sure big international firms have that as well, so, I think, if you're making comparisons between those big international law firms and our large law firms I think there is not much [of a] difference. (interview, associate 1, firm Epsilon).

Therefore, in the case of Firm A, it seems that a domination strategy results when the firm tries to select international, premium clients from transnational corporations. Such clients tend to exert power over the actions of the firm, and influence it in its quest for good reputation. The regionalization strategy of Firm A was also different to that of Firm B's; Firm B clearly operated in a different niche market (their different clientele being the smaller counterparties), whilst Firm A had to confront international law firms fighting for the same share of the pie in the same market.

I think, to put it very simply, lawyers used to have it easy in Singapore, because, there were not that many firms doing cutting edge work. You could count them in one hand. But now, with the opening up, I think many will realise those good old days...were more about the monopolistic position that we had as opposed to how good we were as firms because only when you see competition, and you face it upfront you would have assumed that you were really good at what you were doing. You only know how good you are when you face real competition... I think you can stem the flood but you can't stem the tide. You can put in defensive measures but in the end this is a structural change. It's a shift in how our legal services are going to be like, from a more monopolistic framework, to a more open, free-for-all framework, the fittest survive. (interview, partner 3 of Firm A)

Table 5, on the other hand, displays the frequency of occurrence of codes that pertain to a social trustee logic. Again, as can be seen, Firm B's references coded for the social trustee logic are also significantly more than Firm A's references. For example, Firm B's interviewees emphasized the social role of the legal firm 19 times more than Firm A, and

the social purpose of lawyers 5 times more than firm A. This table provides further support for the findings.

Table 5: Frequency of occurrence of key codes associated with social trustee logic

	Firm A*	Firm B
Code Name		
Social role of legal firm	0.7	19
Social purpose of lawyers	3.1	15
Dependency of client on lawyer	3.13	5
Reputation of the partners	1.0	5

*frequency is after controlling for differences in total transcript length

Discussion

The case studies in the above section illustrate contrasting results. Firm A, the large, centrally located player, shows an increasing domination of the client-service logic that leads to a regionalization model very much in line with that of large international legal firms. On the other hand, for the small, peripheral player, Firm B, there was tension between the two logics and the case study demonstrates how the firm reinterpreted the non-favored logic to protect its preferred logic. In line with my aim to build an ideal-type characterization of the social trustee logic and client-service logic, this section elaborates on the findings and how these contribute to my characterization of the logics. At the same time, I assess the contextual limits of theory (Whetten 1989) by analyzing the effect of structural conditions in an alternative setting.

Logic Multiplicity: Social Trustee Logic versus Client-service Logic

Table 6 provides a contrast of the contending logics based on an analysis of the findings from our study. In Singapore's legal context, legitimacy for sole proprietorship law firms (or those small firms with one or two founders) is derived from personal reputation of key individuals (especially the managing partner). Knowledge and business relationships reside in these few individuals, without whom the firm could not survive. In that sense, the smaller law firms are characterized by a lack of institutionalization. They tend to embrace the tenets of the social trustee logic because they are more ad hoc, with the personnel preferring to learn on the job, reacting to situations and learning from their mistakes in just-in-time fashion. For example, although Firm B staff had a precedent base, generally they preferred to depend on lessons learnt from 'collective history' and their key personnel to guide them in their work.

Drawing upon the case data, I reveal the existence of both logics in each firm as a result of the liberalization of the legal sector. In Firm B, I observe the adaptation of a key resource from the client-service logic—specialized knowledge – to protect the social trustee logic. As for Firm A, while I argue for the centrality of a client-service logic, I do not see a collapse of the social trustee logic. Instead, I contend that the influence of each logic manifests as a matter of degree. I therefore argue that there is no one-way shift from the adoption of a social trustee logic towards that of a client-service logic, unlike how Thornton and Ocasio (1999) argue for a shift from an editorial logic to a market logic in the publishing industry. Rather, the influence of dual logics on organizations can be conceived of in terms of degree and they are not mutually exclusive. Essentially, law

firms, like audit firms, are able to reconcile both market and professional pressures (Greenwood and Suddaby, 2006; Greenwood et al. 2010).

At the same time, the logic of investment for law firms like Firm B is usually marked by conservatism, minimum expenditure of resources and short-term gains, and they can afford to do so because the overarching business model is usually one of serving a niche segment well, and relying on pre-existing client bases. As such, these smaller law firms can afford key person's risk because they are, in the first place, a small set-up with little to lose, i.e., they are still very much in a state of startup and trying to grow.

On the other hand, based on the case study of Firm A, for large law firms, legitimacy is derived from the status of the law firm in terms of its brand, scale and scope across geographical boundaries. This is consistent with the literature which indicates that for other professions, such as accountancy, legitimacy is determined by the size of the firm, the scope of services offered, continual status enhancement of the firm through growth by mergers and acquisitions, and increasing differentiation of client services (Jones 1995; Previts, 1985; Thornton et al. 2005; Zeff 2003). Therefore, according to the client-service logic, the logic of investment would be the goal of higher rewards or ROI, along with higher outlays of capital. Archival documents also show evidence of a penetration of the client-service logic. In tandem with the surge of foreign direct investment into ASEAN, large local firms grew alongside their clients and injected more investment into regional expansion efforts. For instance, in 2013, FDI into the ASEAN-5 nations reached \$128.4 billion, outstripping that which went into China for the first time, and as a result, the larger

local law firms within Singapore grew their headcounts dramatically and enhanced their office networks (Kriegler, 2014).

This concept is also diametrically opposed to the social trustee logic that bases its source of legitimacy on key individuals' personal reputation and relations with professional associations (such as membership with the Law Society of Singapore). By contrast, law firms driven by a predominantly client-service logic orientation have departments that are very much streamlined with individual lawyers being part of larger teams. Individual lawyers are thus replaceable digits because knowledge is institutionalized, for example, in the form of solid precedent bases. Clients therefore go to such corporatized firms because they can expect a decent level of service and competitive pricing from them.

In other words, according to the client-service logic, the original source of professional legitimacy has changed, from relations with professional associations to relations with clients (Thornton et al. 2005). The relational foci has shifted so much so that the empowered client now dictates the flow of the entire client-firm discourse, and the client's profit-maximizing goals are aligned with that of the law firm. Consequently, the law firm has evolved to become an economic entity. This signals a dramatic change in its identity as a social entity with responsibilities to the general public. With regard to the role of the legal practitioner, clients expect business knowledge on the part of their lawyers, and certain legal work, particularly in the corporate and financial services sector, even requires lawyers to be involved with the structuring of financial products. Hence, lawyers have to wear many different hats. There are increased demands from the client to get 'more for less' not just in terms of increasingly sophisticated legal advice, but also in terms of

interfacing law with other facilities such as project management and/or possessing good public relations acumen.

Table 6: Ideal Type contrast of competing logics in the Singapore legal context		
	Social Trustee Logic	Client-Service Logic
1. Role/identity of a legal firm	A social role/entity to serve public good	An economic role/identity with a focus on extracting maximum rents for the benefit of the partnership
2. Role of a legal practitioner	Craft-based artisans; focus on esoteric requirements of the law as a discipline in itself	Commercially-oriented advisor. Boundary spanning role that includes project management service, business development, public relations. Value-add is essential otherwise service is too commoditized.
3. Client role in traditional discourse	Client largely disappears even though clients are critical to professional success	Client dictates flow of the entire discourse.
4. Sources of legitimacy	Reputation of key individuals.	Status of the firm—scale and scope, firm branding
5. Basis of strategy (modus operandi)	Primary responsibility is to develop the local market and perpetuate local governance structures with little attention to cross-border elements.	Regionalization strategy, i.e., responsibility to clients stretches across multiple jurisdictions—market driven, expansion in the form of best friends networks, tie-ups with other firms/regional firms, Greenfield strategies. Attention given to legal advice with cross border elements.
6. Logic of investment	Minimum expenditure of resources, conservatism, short term gain.	Higher outlays of capital, with the goal of higher rewards or ROI. A more speculative approach.
7. Work norms	Individual lawyers	Teams working in tandem with

	working independently of each other.	each other.
	Standalone files.	Project-based.
	Ad hoc, spontaneous.	Very systematic and procedural.

Hybrid strategies and structural conditions under which they operate

The difference in the type of client and the differing role of the client in the transaction process thus also explains why Firm B was able to pursue a distinction strategy as compared to Firm A. The source of power and legitimacy for the professional would be his or her possession of ‘exclusive, proprietary knowledge’ (Greenwood and Suddaby 2005; Scott 2008) over his or her clients. However, since most of Firm A’s corporate and banking clients were in-house counsel from MNCs, they already had a great deal of expert knowledge on the subject, and thus the lawyers’ natural advantage over them was eroded. According to Murray (2010), one of the key conditions that help facilitate a distinction strategy would be flexibility, i.e., that the organization in question has considerable leeway to interpret situations for its own purpose, and shape the meaning of the resources they put to work (p. 380). However, in this case, clearly law Firm A was constrained by the expert knowledge possessed by its clients, and so it had less flexibility in shaping the discourse with its clients. For these big, institutional clients, their giving of work to legal service providers was institutionalized in the sense that it had to be a matter that could be justified to head office, usually an overseas headquarters. In that sense, not only were in-house counsel more difficult customers, they also had to please internal referents as to their choice of legal service provider, and even if they preferred a certain firm, they might sometimes just be forced to use another on orders from HQ. As such, law firms like Firm

A really had very little room to maneuver. The domination of the client-service logic over the social trustee logic in its actions is a direct result of its intended target work, its premium paying clientele, and, from a macro-level, its position in the field as a central player with market activities that span organizational fields influenced by economic globalization. Although there could not be complete collapse of the social trustee logic as Firm A's lawyers still had the responsibility to uphold their duty as officers of the court, just like the international law firms, Firm A cleaved toward a client-service logic of rent seeking and cost consciousness. There was compatibility between the law firms' profit maximizing goals with clients' commercial objectives; everything else took second place to the main business of getting the work done.

In terms of *modus operandi*, Firms A and B both pursued a regionalization strategy with different implications. Similar to the international firms, Firm A tried to be as multi-jurisdictional as possible by being a one-stop shop for the region. According to the client-service logic in the context of my legal industry case, there are two elements to regionalization: 1) scope (the source of legitimacy for the law firm is derived from its scale and scope of services, because these enhance status, and 2) specialization (since the law firm spans multiple jurisdictions it can lay claim to be an authority as it has got experience doing work everywhere and has built up a rich knowledge base).

However, Firm B's preferred strategy was one of distinction. It emphasizes number 2) only, i.e., the specialist feature of regionalization, which meant that it emphasized the resource found in its key individuals (i.e., the founder), whereby knowledge and business relationships all reside with this key personnel. In that sense, Firm B takes specialization to

mean personalized knowledge tailored to fit the client. But it deemphasizes scope because it obviously does not have the wherewithal to expand into all regions. I can go further by positing that, by emphasizing the specialist function, it is clear that the small law firm tries to defend its core logic of legitimacy by reputation of key individuals, rather than reputation based on the scale, scope and branding of the firm. In that sense, Firm B has maneuvered within the space of 'institutional ambiguity' (Jackson, 2005) to exploit the multi-dimensionality of a regionalization strategy, by selectively emphasizing the knowledge of its founder as a desirable resource for specialization but downplaying scale and scope of the firm as indicators of quality. Institutional change has effectively emerged based on the firm's reinterpretation of the imported institution to fit their existing interests (Tsui-Auch and Yoshikawa 2015). This it has been able to do, because, as a small, peripheral player with a captive clientele, Firm B has more flexibility because it does not directly operate in the crosshairs of economic globalization, thus it is not constrained by competitive pressures arising from technological innovation or the need for seamless product offerings. In other words, it is fortunate because strategy in the space in which it operates is underdetermined, allowing the firm leeway for more creative interpretation (Murray 2010). This finding is also consistent with the theory that peripheral positions tend to provide greater scope for discretion and flexibility in responding to conflicting institutional demands (Greenwood et al. 2011, p.340; D'Aunno, Succi and Alexander 2000).

At the same time, for Firm B, there are clear asymmetries of power between the professional and the client. Also, Firm B did a lot of work for private individuals, for example, non-listed company work for venture capitalists and private owners of mines,

and these private individuals in turn did not have to answer to any parent company when they chose their legal service provider. As a result, Firm B could retain its many loyal clients. A combination of these factors meant that Firm B had even more tractability in reinterpretation and this enabled it to adhere to a resilient core logic.

Murray (2010) also notes that distinction can be practiced particularly in contexts in which commercial encroachment is not a bid for total control, i.e., a core logic might be threatened but actors do not feel that their jobs, livelihood, or even status are threatened. In my study, competition for legal work means that as the situation worsens the large firms would gradually have to move downstream and take some of the work from the small and medium sized enterprises, despite the fact that the latter's work yields lower margins. So in a sense, all firms would ultimately be affected by the competition. However, the fact remains that the most severely and immediately impacted would be the bigger firms, due to their clientele and the fact that their type of work coincided with that of the offshore firms approved to practice in the country. On the other hand, it is patently clear that Firm B operated in a different market from the international law firms. The international law firms were most interested in doing high value-add work that had the greatest transactional importance (tier 1 work), whereas Firm B was doing tier 2 or 3 work. Although it is true that eventually, competition would affect Firm B to a certain degree, for now it was relatively insulated. The fact that it was a small set up and did not require much to be profitable also helped its cause. As such, Firm B did not face overt threats to its livelihood and economic wellbeing, and the incursion of an alien logic was merely encroachment but not a bid for total control. Firm A, on the other hand, could not practice a distinction

strategy because it experienced far greater stress in terms of threats to its economic wellbeing. My finding thus provides support for Murray's (2010) conclusions.

Table 7 postulates how differing structural conditions would affect whether distinction or domination strategies are practiced. There are some overlaps in the conceptualizations of the filters, i.e., field position comprises centrality, size and status, because, as Greenwood et. al (2011) notes, central firms are usually highly visible, enjoy high status, have many resources, and are usually of a larger size. I can therefore combine the concepts; however, for purposes of clearer exposition, table 7 clearly separates the dimensions of each structural condition. As it stands, current research has been unable to fully take in the complexity of the concept of 'field position' encompassing so many concepts such as size, centrality, and status. Much confusion has arisen due to the conflation of so many terms. I would suggest, however, that field position and its dimensions are analytic concepts, not fully separable empirical phenomena (Deepphouse and Suchman, 2008), and rather than being fixated on defending the independence of its different dimensions, it would be better for research to concentrate on what instantiations of the different dimensions really signify in practice, in terms of organizational response.

Table 7: Field level or organizational level filters

Filters (field level/organizational level)		Firm A Domination	Firm B Distinction
1. Field Position	a. Centrality	Central player	Peripheral player
	b. Size	Large	Small

	c. Status	Dominant player, well-regarded by industry.	Boutique, niche player
2. Founding origin		Non-loyal base of clientele	Loyal base of clientele
3. Type of clients		Expert practitioners of the law Large, institutional clients. Constrained by parent companies (i.e., Singapore offices are mere subsidiaries of the main office). Less freedom of choice.	Laymen, non-experts. Small time clients (smaller counterparties to a deal). Clientele not constrained by parent companies' dictates and have freedom of choice.

Based on my findings as summarized by table 7, I find little support for the thesis that size and status provide an organization with a measure of immunity from institutional pressures, giving it leeway for re-interpretation and greater discretion as to how, if at all, to respond to these (Greenwood et al. 2011, Edwards and Ferner 2002). On the contrary, I find in favor of Greenwood and Suddaby's (2006) postulation that change originates from elite, central organizations rather than from peripheral, marginal players. The central player in my case study caved into institutional pressures and pursued a domination strategy by restructuring its practices so that it could catch up with the international law firms. By contrast, the peripheral player in the study displayed a piecemeal adoption of international firm practices; however, it did reinterpret the meaning of a regionalization model, a key tenet of the client-service logic.

In that sense, my findings are more in line with research by Greenwood and Suddaby (2006) and Seo and Creed (2002). Field level contradictions confronting large, high status, central organizations would in fact set the stage for ‘praxis’, whereby actors move from unreflective participation to imaginative critique of existing arrangements— in other words, change is more likely to occur where contradictions are most acute (c.f. Greenwood and Suddaby 2006). Intuitively, this makes sense, because even high status MNEs are not immune to isomorphic pressures and institutional constraints, contrary to the argument by Kostova et al. (2008) — for instance, even the multi-national behemoth Walmart failed in its business foray in Germany because it did not accommodate institutional demands (Knorr and Arndt 2003). If anything, the reality is that an organization’s size and status could, conceivably, intensify institutional demands because they provide visibility and thus attract greater scrutiny, whilst a peripheral player would be less likely to receive so much social nudging and policing (Greenwood et al. 2011; Westphal and Zajac 2001). Status thus gives an organization pressure to be at the forefront of change.

One issue in the context of this study would be who has collective authority over legitimation. Based on the findings, it would appear that the large law firm in this case study suffered from a disadvantage because, despite its status and reputation within the Singapore market, in terms of syndicated lending and other sophisticated financial products, it was not an originator of scripts. This was actually the preserve of the Anglo-American law firms, who had created such products in the 1980s (Smets et. al 2012), and as such, given their superior experience in structuring agreements on such matters, Anglo-American law firms clearly had the upper-hand. In that sense, the question of who has collective authority over legitimation in this case appears to be the market. Legal advice on

sophisticated financial products must closely follow consumer trend, and the liberalization of the legal industry was thus a function of market demand. Therefore, it can be argued that Firm A, despite its high status within the Singapore market, had a legitimacy deficit vis-à-vis its international competitors, and so was more constrained to demonstrate its fit (Pache and Santos 2010) with predominant practices by overcompensating. In fact, interviewees noted that, for large Singapore law firms to compete with the offshore firms, they had to become offshore firms themselves. Thus a domination of the client-service logic prevailed in Firm A.

Firm B, as a small peripheral player, however, had legitimacy credit in the sense that the market accepted the type of work they were doing and the segment they were targeting. ‘There will always be a place for small law firms because some segments of the market prefer to work with small law firms’ (archival document, interview with Eric Ng by Juris Illuminae, Singapore Law Review 2011). Some segments of the market, in particular, private individuals conducting business for themselves preferred lawyers who had personalized knowledge of their character and nature. Legal advice tailored to fit their requirements meant that it was important that they knew the law firm’s key personnel well, so if the law firm burnished the credentials of their key personnel that would indeed be a socially acceptable way of gaining credence. ‘A small firm will be a very personality based thing...[e]ven if the founder is not around you come and see the person for who he is, as in, the partner who serves you’ (interview, Partner 1, law firm Alpha). As such, Firm B was free to capitalize on the reputation of its key personnel and practice a distinction strategy. Therefore, my study supports the findings by Pache and Santos (2010), that

organizations are freer to adopt alternative templates if they have a priori legitimacy capital, and as such institutional referents do not question the organization's good faith.

At the same time, the results of the study reveal that law is similar to other professions that face increasing commodification and cost/performance pressures, such as healthcare or academia (Abbott, 1988; Tonkens et al., 2013). For instance, healthcare professionals have long been pressured by organizational demands of managerialism and the marketization of services (Tonkens et al., 2013), whilst scientific research is thought to be increasingly driven by industrial application. Similarly, law firms have always been profit-making enterprises, and certainly the client-service logic existed before the intensification of economic globalization. However, the results for Firm A clearly suggest a pattern of the client-service logic dominating; indeed, for firms that operate in the crosshairs of economic globalization they would naturally face more cost/performance pressures. Therefore, for such firms, it appears that the client-service logic has replaced the social trustee logic in terms of relative importance.

Limitations, Future Research Directions and Conclusion

My analysis is limited to the firm and institutional levels, and I focus on inter-firm comparisons. However, there is growing recognition that organizations are not reified wholes but that multiple logics could be instantiated within organizations (Kraatz and Block 2008; Besharov and Smith 2014). Indeed, the literature suggests wide variation in how multiple logics manifest internally, for example, in some organizations, multiple logics all influence strategy, whilst in others a dominant logic prevails and additional logics are peripheral (c.f. Pache & Santos, 2013; Jones, Maoret, Massa, & Svejenova,

2012). An intra-firm analysis might yield the possibility of other strategies such as blending at work within the organization, or the existence of intra-organizational conflicts wherein recurrent bouts of 'legitimacy politics' occur (Ocasio and Kim, 1999; Stryker, 2000). At the same time, given that there is a mutually constitutive relationship between logics and action, i.e., institutional logics shape rational, mindful behavior in a mutually recursive feedback loop, and individual and organizational actors have some hand in shaping and changing institutional logics (Thornton and Ocasio 2008), this research would be complemented by microlevel studies, or even cross-disciplinary studies. For example, in psychology, polyculturalism focuses on how people live coherent lives informed by multiple legacies, and how they react to incursions on their cultural outlook, which, in turn, has implications on their communities (Morris et al. 2015). Future research could therefore focus on how hybrid professionals (individual actors) react to global capital market forces of change and tailor foreign models to fit local contexts (Yoshikawa et al., 2007). Therefore, my meso (firm) level study would benefit from a micro level perspective. However, for my research I had a work attachment at Firm B but not A. Since the data is not parallel it would be unfair to conduct an in-depth intra-firm analysis on both firms. At the same time, this issue is more of an issue of feasibility. I was constrained by the secrecy of the legal industry, in that client matters are highly confidential and law firm proprietors worry about liability and suing should their client information be revealed, and they certainly could not consent to an observer being based in them for an attachment over a number of years (hence the inability to do a longitudinal study). The challenges in getting even a single work attachment at Firm B were great. I also note that my study is not a quantitative research of the firm. Instead, it is a comparison of how different structural

determinants affect the type of hybrid strategy firms adopt. Therefore identical procedures are not necessary; the value add is in getting as much additional data as possible, for example, by going for an attachment at Firm B, rather than simply depending primarily on interview and archival data. In fact, the attachment with Firm B was a main strategy I took to reduce the bias in what respondents felt comfortable to discuss, rather than simply depending on hearsay in the archival data, i.e., I needed to see if my observational research matched the findings from the interview and archival data. At the same time, this research is situated within the larger logic and change perspective, and so my approach was not from the strategy perspective. However, the results may have implications on business strategy pursued by the firms, and so strategy researchers can pose a different set of interview questions on how to compete in the industrial segment.

It must also be noted that the firms in this case study seemed to have encountered different levels of internal tension. In order to assess level of tension, the following factors must be looked at: 1) the duration of struggle and 2) how drastic (intensity of) the struggle. In this case, for Firm A, it seemed that the struggle was short-lived and there appeared to be no negative perception of the client-service logic, since Firm A accepted the institutional change by restructuring all of its processes and divisions very quickly. Therefore, for Firm A, there seems to be little intensity of struggle. Firm B, on the other hand, clearly had a negative perception of the client-service logic and so it transformed the resources of this logic to defend its own preferred core logic. In conclusion, it seems that Firm B had more of a struggle with tension between the logics, and the duration of its struggle has been longer. However, it would be better for future researchers to do an in-depth intra-firm and longitudinal analysis before this question can be fully addressed.

Overall, my research makes several theoretical contributions to the study of: 1) institutional and organizational change; and 2) hybrid strategies. With regard to institutional and organizational change, I have developed instantiations of industry-level logics from my empirical data, to show how changing institutions influence organizational change. Prior to this, much of the research has dwelt on the social trustee ideal, and also a client-service logic, but these have not been adequately characterized. My characterization of industry logics builds on the ideal type of societal-level institutional logics derived from Weber (1922/1978). Building on Weber's typification of societal-level institutional logics is an approach that other researchers (c.f Thornton 2002; Thornton et al. 2005; Thornton and Ocasio 1999) have also adopted.

Also, in general, researchers on professional work have acknowledged that the field can be organized by market versus professional logics, but that at the present, these concepts are rather abstract and not fine-tuned enough. More research needs to be done on professional work in different fields and in different contexts. At the same time, however, in building an ideal-type contrast of social trustee versus client-service logics, my research links to the broader set of literature on how professional fields are governed by professional versus market logics. Therefore, my research is fine-tuned, and yet has broader applicability to the research on professional versus market logics.

With regard to my theoretical contribution to the study of hybrid strategies, it must be noted that in existing studies, distinction as a strategy has hardly been dwelt upon. With the exception of Murray (2010), and a few other studies which have only just begun to

acknowledge how hybrid professionals reconstruct meaning (Blomgren and Waks 2015, O’Kane et al. 2015), studies have not clarified the specifics behind a distinction strategy. They have also been limited to academic-scientific or healthcare industry settings. My research builds on existing studies and plugs the gap, particularly with reference to uncovering possible structural conditions that lead to distinction and domination. I have identified status, position within the field, and founding origin as likely influencers of firm response. I have demonstrated that being a niche player, situated at the periphery of a field, and possessing a loyal base of clientele at inception would facilitate a strategy of distinction. These discoveries help build a more grounded framework for analyzing hybrid strategy formation. Also, these findings support previous research which notes that institutional entrepreneurship in the form of resistance or some form of negotiation by the organization in question is more likely when there is a lower level of uncertainty in the organization's environment or when there is more flexibility allowed (Oliver 1991; Jackson 2005; Murray 2010). The reverse is true when the organization has to acquiesce for the sake of economic wellbeing (Murray 2010; Oliver 1991).

My study also helps clarify thoughts on whether seemingly ‘more conservative’ professions such as law (Greenwood and Suddaby 2006) promote central organizations’ inertia toward change. While a lot more work needs to be done before more definitive conclusions can be reached, it would seem that Greenwood and Suddaby (2006) have made too sweeping an assumption here, that the legal profession is an exception to institutional change. The fact is, law is no longer a conservative profession, and it is not immune to the pressures of economic globalization. The nature of the profession has changed, and other research such as that by Sherer and Lee (2002), shows that large, high

status law firms can and do act as institutional entrepreneurs. Other research on legal firms, such as that by Smets et al (2012), have also noted that improvisations at work have led to practice-driven institutional change at the field level. Muzio and Faulconbridge (2013) go so far as to study international law firms as Global Professional Service Firms, and the lessons these hold for MNEs who also face problems with integrating their 'one firm' model within a host-country environment. Clearly, there is a growing recognition that the role of law firms has changed in a contemporary economy, and law firms face institutional complexity, whether at the cross-border level, at the field-level or within themselves. Hence they provide an appropriate and much-needed context in which to test propositions on institutional change and strategy.

My siting of the research context in the country of Singapore is also timely and relevant, because Singapore provides an excellent contrast to other countries in the region that have engaged in liberalizing their legal sector, and provides a middle ground from which to interpret the changes. Domination and distinction were the strategies of choice pursued by the firms in my study. Based on triangulation with interviewees from other law firms that occupied a wide spectrum of the industry, domination and distinction also appeared to be the main hybrid strategies pursued by other Singapore law firms not within my study. Although much more research must be done before any conclusions can be drawn, I would hazard a guess that distinction was probably facilitated due to the fact that Singapore took a relatively calibrated approach to liberalizing the legal sector. If foreign competitors had been allowed to practice law completely without restrictions and in all the traditional legal fields, immediately and without reserve, local law firms in Singapore might not have been able to practice distinction. As it is, due to the relatively calibrated approach to

liberalization by the government, local law firms such as those boutique, small law firms serving a niche clientele are somewhat shielded from the foreign competition. Hence, given the relatively placid environment within which they still operate, they can still choose to resist institutional pressures for change, or at least adapt the rules more creatively in their favor (Oliver 1991; Murray 2010).

In a sense, this study is optimistic for the future of small-medium enterprise law firms. After 15 years since the liberalization of sector, different hybrid strategies are still being enacted by different firms. Therefore it would seem that, despite the forces of economic globalization, it is not necessarily the case that domination would be the default strategy, or that one particular institutional logic wins out. In a sense, this finding is consistent with research that posits that firms can and do exercise social agency to counter the dominance of an encroaching logic, by outwardly playing by the rules but keeping the social trustee ethos intact. Depending on their different structural conditions, firms can survive by practicing different strategies. However, as mentioned earlier, it could be that firms in this context still have the luxury of agentic choice because the liberalization of the legal sector has been more measured, and small-medium enterprises have been afforded a degree of protection. By contrast, for places like Hong Kong, liberalizing the law sector was dramatic and full-scale, and law firms were afforded no such luxury of time or the leeway to adapt, hence it is more likely that a client-service logic would dominate in such a context, although research has yet to be conducted in this aspect. Alternatively, a micro level analysis of intra-firm tensions might yield the presence of other hybrid strategies, such as coexistence and/or blending. I invite other researchers to test my propositions

through single-country case studies or cross national comparative studies, and by so doing, the research would be greatly enhanced.

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Appendix:

Interview Protocol

Section A:

1. Please tell me about your academic (tertiary) and professional background. How many years have you been in practice?

2. What is your role within your organization? What kinds of activities does this entail?

3. The legal industry has seen substantial liberalization over the years.

Specifically, in the area of corporate, finance and banking law, the first wave of liberalization began in the year 2000 when Parliament passed the Legal Profession (Amendment) Act, allowing the formation of JLVs between local and foreign firms. To what extent has the formation of JLVs, and the QFLPs, changed local lawyers' orientations/attitudes towards the law/their service or duty as lawyers, and how?

4. Some people say that it is simply no longer good enough just to know the law, you have to be a lot more aware of commercial circumstances. Do you think this perception has increased or decreased as a result of the liberalization attempts, and the increased competition? For example, has the role of lawyers become more commercialized? Do you have to be a lot more solutions-orientated?

5. In line with the previous question, with respect to the role of clients in the transaction process, has there been any change in their role as a result of the formation of the JLVs/incursion of the QFLPs?

6. Some lawyers say that it is essential to think out of the box, and think about how one can structure around the issues rather than just saying “can’t be done”. In view of the intensified competition, does your firm experience greater pressure to please the clients in this way? Do you yourself experience any conflict between pleasing your clients, and satisfying the somewhat academic dictates of the law, and how do you deal with this?

7. After the liberalization, to what extent have law firms shifted their focus toward profit-maximization?

8. Would you say that law firms have tried to take a best-of-both-worlds situation, in terms of striking a balance between profit-maximization and perception of social responsibilities? How do they do so? How does your firm try to strike a balance?

Section B:

9. The liberalization of Singapore’s legal sector has resulted in some challenges for local firms. What sort of challenges has the liberalization posed for your firm?

10. Within your firm, have you noticed any changes in the way of conducting business since the increased moves toward liberalization? Or in terms of the organization of the firm and its processes?

Has there been any kind of reorganization, resource changes, HR changes, reporting structure changes, etc? Could you give any specific instances?

11. Most of the lawyers I’ve spoken to talked about concerns with job security as a result of the increased competition. Do you think there is now more of a concern with job

security? How does this change work relationships within a firm? Is there a change in work attitudes between juniors versus seniors?

12. Since the liberalization efforts, have you noticed any consolidation of resources? Do you notice any forging of new alliances or friendships between your organization and others? Please elaborate with specific examples.

13. What is the state of technology or knowledge management within your firm? Has this changed in any perceptible way since the increased liberalization?

14. Have the HR systems within your firm changed with the liberalization moves? Or have there been any significant changes on the HR front? Could you please elaborate with examples.

15. What do you think is the rationale for these changes?

16. What do you think are the factors that would determine what strategy a firm would adopt in the face of the increased competition due to the liberalization of the sector? Any structural reasons? Or for instance, in the case of your firm what were the factors that determined strategic response?

16. Is it important to your firm to increase premium international work? How important would you say are transnational law firms, transnational MNCs, or foreign clients to your firm? Do they play a significant role?

17. How significant a role do you think the reputation of your firm plays in helping secure business from clients? Also, does the reputation of a firm play a part in attracting foreign

law firms as merger partners? Does reputation of a local firm play a part in deciding best practices to adopt?

18. As compared to the larger local law firms, do you think smaller local law firms would respond differently to the increased competition? Why or why not? What factors would cause them to behave the same/differently?