**Research Proposal**

**“Local Reactions to Global Integration”**[[1]](#footnote-1)

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**Introduction**

**Relevance.** The rise of transnational professional service firms (PSFs) such as accounting conglomerates, global consulting, technology, and outsourcing firms, law firms, or global advertising agencies have become a focal topic in international business and professional service research. These firms that emerged from loosely coupled federal networks to become transnational PSFs are today among the largest companies in the world in terms of number of geographical locations and size ([Boussebaa & Morgan, 2015](#_ENREF_7); [Greenwood, Suddaby, & McDougald, 2006](#_ENREF_16); [Reihlen & Rohde, 2006](#_ENREF_25)).

Successfully integrating global practices has been considered vital to transnational PSFs ([Barrett, Cooper, & Jamal, 2005](#_ENREF_3); [Segal-Horn & Dean, 2009](#_ENREF_28)). This study therefore examines how global integration is achieved or disrupted through organizational practice transfer within a transnational PSF. By global integration I refer to ‘an integrated approach across countries and regions’ ([Yip, 2003: 7](#_ENREF_32)) that ‘facilitates the coordination and integration of the firm’s resources and capabilities worldwide’ ([Doz, Bartlett, & Prahalad, 1981: 64](#_ENREF_11)). This coordination and integration is typically achieved by some combination of centralization, formalization or socialization ([Bartlett & Ghoshal, 1989](#_ENREF_4)) and an enhanced level of standardization of products and services and their branding, marketing, and delivery ([Yip, 2003](#_ENREF_32)).

**State of the Art.** Over the last 20 years, issues in global integration have been widely researched and produced a large number of studies in various professional service industries addressing why and how PSFs respond to challenges of globalization ([for an overview see Boussebaa & Morgan, 2015](#_ENREF_7)). However, previous literature has largely been focused on the macro-level of organizations, including their strategy, governance, and culture, and interaction of these factors with the institutional environment. An implicit assumption in previous research is that global integration can be understood by studying headquarters-subsidiary relations between embedded, but collective actors. Yet, little scholarly attention has been paid to the role of individual agency below the level of a subsidiary’s top management or ‘transfer coalition’ ([Kostova, 1999](#_ENREF_20)) who enact, reproduce, or fail to globally integrate specific practices across locations.

**Research Gap/Problematization**. Given the more recent plea to address micro-level analysis ([Johnson, Melin, & Whittington, 2003](#_ENREF_18); [Powell & Colyvas, 2008](#_ENREF_24)) and the desire to move our scope from the organizational to the individual level, researchers need to better understand why locally embedded individuals facing a multiplicity of institutional pressures ([Phillips & Tracey, 2009](#_ENREF_23); [Saka-Helmhout & Geppert, 2011](#_ENREF_26); [Tempel & Walgenbach, 2012](#_ENREF_29); [Vora, Kostova, & Roth, 2007](#_ENREF_30)) respond differently to global integration initiatives. In particular, this research project ask (1) how professionals react to global integration intended to achieve a degree of service standardization and (2) what factors explain differences in individual responses to global integration whose practices are supposed to be consistently reproduced in daily operations across different locations of a transnational PSF.

To examine these questions, an in-depth case study of a top-tier ‘transnational PSF’ ([Greenwood, Morris, Fairclough, & Boussebaa, 2010](#_ENREF_15); [Klimkeit & Reihlen, 2015](#_ENREF_19)) will be conducted and is intended to develop an empirically grounded theory explaining how partners respond to a global integration initiative and which moderating factors influence partners’ responses to pressures of conformity from a newly created regional headquarters. This work responds to earlier calls to study challenges of global integration in subsidiaries of PSFs in more peripheral regions ([Boussebaa, Morgan, & Sturdy, 2012](#_ENREF_8)) and use a multi-comparative research design that investigates how the same home-country practice is introduced into different host-country jurisdictions ([Muzio & Faulconbridge, 2013](#_ENREF_22)). The intended study is unique in doing exactly this by comparing responses to the transfer of a centrally created business development campaign in one (peripheral) Eastern European subsidiary and one (central) Western European subsidiary.

**Research Contribution**. The study contributes towards the global-local debate in multinational enterprises (MNEs) and transnational PSFs in three ways. Firstly, it moves beyond existing macro-level studies that so far largely considered strategic and organizational responses to global integration on the level of the subsidiary. In particular, the study will focus on pluralistic responses instead of collective choices, which helps to bridge the gap between more recent conversations around agency ([Battilana, Leca, & Boxenbaum, 2009](#_ENREF_5); [Lawrence, Suddaby, & Leca, 2009](#_ENREF_21)) and questions of cross-border organizational practice transfer. Secondly, the intended grounded model of local responses to a centrally developed organizational practice contributes to research explaining why individuals choose to appropriate a globally created organizational practice or resist in doing so. Thirdly, this research may show how organizational practice transfer is intermingled with PSFs’ professional identity. While the professional service literature has focused on professional identities and self-images ([Alvesson, 2000](#_ENREF_1); [Empson, 2004](#_ENREF_13); [Grey, 1998](#_ENREF_17); [Schilling, Werr, Gand, & Sardas, 2011](#_ENREF_27)), in this research those identities are considered as a source of resistance for cross-border practice transfer that may undermine global integration.

**Research Design**

To gain insights into the effects of global integration in a transnational PSF, I’m interested in accounts of how partners and managers interpreted and reacted to newly established structures, systems, and work practices. Thus, the case study method, which involves tracing processes in their natural contexts, appears most appropriate. My aim is to study a single, unique case study of a top-tier transnational PSF that allows investigating phenomena of global integration in depth ([Eisenhardt, 1989](#_ENREF_12); [Yin, 2003](#_ENREF_31)).

Following theoretical sampling ([Glaser & Strauss, 1967](#_ENREF_14)), I will built in different instances of the global integration phenomenon to find variations in the data and to identify potential contingencies that might explain emerging patterns of action. We will select instances along various dimensions such as regional locations, service lines, and ranks of interviewees. It is intended to investigate one Western and one Eastern European location as “embedded units of analysis” within case study firm. The underlying assumption is that the AREA integration might be perceived quite differently in a smaller Eastern European than in a large long-established Western European member firm. Also, in the Western European firm, interviewees will be selected from different offices varying from small via medium to large in relative size. Studying the phenomenon across the various service lines of the firm in question provides additional opportunities for variation within the two regional locations as was the case with interviewing both partners and managers.

The casestudy is based on multiple data sources. *Primary data* will be collected through face-to-face interviews with partners and managers coming from different service lines and two different countries. The interviews will focus on partners’/managers’ reflections on their experience with the AREA integration and the main changes it had brought for their practice. *Secondary data* sources will include a full screening of all articles in the weekly editions of the internal email newsletter of the respective firm over at least two years following the formal announcement of the AREA or other aspects of the AREA integration. In addition, further company documents relevant to the AREA integration, will be taken into account. These data will be used to prepare interviews, validate informants’ statements, and recast questions to interviewees.

Data analysis will follow what Corbin and Straus ([2008](#_ENREF_10)) refer to as grounded theory framework, which in essence is an open-ended discovery of emerging themes. These themes, though conveyed through the interviews, are often latent to practitioners. An open-ended coding allows both explicit and tacit themes to be identified.

**Intended Research Findings**

While the rise of transnational PSFs has been witnessed and investigated over the last two decades ([Brock, Powell, & Hinings, 1999](#_ENREF_9); [Greenwood et al., 2010](#_ENREF_15); [Segal-Horn & Dean, 2009](#_ENREF_28)), the more recent emergence of integrated international partnerships among some of the largest transnational PSFs is unprecedented and has only begun to be explored empirically by academic research ([Angel, 2007](#_ENREF_2); [Boussebaa, 2015](#_ENREF_6); [Boussebaa et al., 2012](#_ENREF_8); [Klimkeit & Reihlen, 2015](#_ENREF_19)). Key findings of my study will inform scholars in international management and professional services who have debated over how subsidiaries respond to global integration and what influences their patterns of response.

**Structure of the Thesis**

**1. Introduction**

**2. The Global-Local Debate in the Professional Service Field**

**3. Context and Methods**

3.1 Site

3.2 Sampling and Data Collection

3.3. Data Analysis

**4. Case Findings**

4.1 Establishing a Rationale for the AREA

4.2 New Governance: From Collegiality to Managerialism

4.3 Making Tangible Changes to Practices: The Business Development Campaign

4.4 Responses to Institutional Pressures from the Campaign

**5. Discussion**

5.1 From Collective Choice to Individual Agency

5.2 Explaining Heterogeneous Responses

5.3 Professional Identity Threat and Resistance to Global Integration

**6. Conclusion**

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1. This research proposal is adapted from the paper Klimkeit, D., & Reihlen, M. (2016). Local responses to

   global integration in a transnational professional service firm, *Journal of Professions and Organization*, 3, 39–61.

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