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**Global Integration and Management of Professional Service Firms: A Review of the Literature and Suggestions for Future Research**

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# Global Integration and Management of Professional Service Firms: A Review of the Literature and Suggestions for Future Research

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## Abstract

*This article reviews the literature on global integration and management in professional service firms (PSFs). The paper classifies the literature by various criteria and develops an integrative framework, which identifies key antecedents, processes and outcomes as well as challenges of global integration and management in PSFs. Furthermore, the paper summarizes what we have learnt from existing studies, where differences between authors or industries exist and what gaps in the literature are still prevailing. Based on the latter, suggestions for future research are made.*

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**Keywords:** Professional Service Firms, Global Integration, Global Management, Accounting Firms, Law Firms, Consulting Firms, Advertising Agencies, Literature Review

## Introduction

Over the past 20 years, professional service firms (PSFs) have undertaken significant changes in their governance, structures, processes and culture. In many cases, this has involved a move from loosely coupled networks of largely autonomous national member firms to much more closely integrated transnational organizations. This happened in response to the needs of clients who have themselves in many cases integrated their operations globally and request seamless “effortless experience across borders” (Segal-Horn and Dean, 2009) from their service providers. This process of integration and the management of global PSFs more generally have also been investigated in the academic literature. However, literature on the topic is widely disparate in terms of outlets, industries covered and theoretical perspectives and no systematic review of this literature has taken place yet. Therefore it is appropriate at this point to review the 20 years of research, establishing what we have learned, where differences exist and what the remaining gaps for future research are.

This review is also of interest beyond scholars focusing specifically on PSFs for several reasons. PSFs play an increasingly prominent role in the global economy. They have become a major sector of the global economy and the largest among them have been characterized as “massive international operators” (Ferner et al., 1995: 343). While growth in the manufacturing industry is decreasing, it is accelerating among PSFs as part of the global move from capital-intensive to knowledge-based industries (Boussebaa, 2009: 830). A large part of the literature on international and global strategy deals with the internal management of multinational enterprises, in particular international coordination and integration (Segal-Horn and Dean, 2009: 42). A key issue in this context is the tension between global integration and local responsiveness (Ibid). PSFs have been characterized as exemplars of the model of the “Globally Integrated Network”, which is often described as the ideal solution of this tension (Bartlett and Ghoshal, 1998: 830; Boussebaa, 2009).

The structure of this review is as follows: First, the focus of the review will be explained and the key concepts used will be defined. Then the methodology for the literature search and coding will be outlined. This is followed by the presentation of an integrative framework that reflects the key insights from the literature. The following section reviews what we have learned, where differences exist between authors or industries and what gaps exist in the literature that warrant further research. An overall evaluation follows that reviews how the body of literature is composed in terms of units of analysis (field, organization or micro), focus (antecedents, process or outcomes of integration), industry focus (accounting, advertising, consulting, law), regional focus, research method and theoretical perspective. After outlining recommendations for managerial practice in PSFs, the review concludes with a summary of suggestions for future research.

## Focus and Definitions

This review deals with two related but distinct phenomena and explicitly excludes a third but related phenomenon. As terminology used in both the PSF literature and the wider literature on multinational enterprises (MNE) is very inconsistent, it will be defined how terms will be used here, being aware that inevitably parts of the literature use them differently. Both global integration and global management are based on a global strategy which “takes an integrated approach across countries and regions” (Yip, 2003: 7) and “facilitates the coordination and integration of the firm’s resources and capabilities worldwide” (Doz et al., 1981: 64). *Global integration* is typically achieved by some combination of centralization, formalization or socialization, with varying degrees of emphasis (Bartlett and Ghoshal, 1998: 181-191). Implementing global strategy also typically implies an enhanced level of standardization of products and services and their branding, marketing and delivery (Yip, 2003). In PSFs, global integration is aimed at a stronger coordination and integration of their erstwhile more autonomous member firms and specially at establishing new global systems, processes, and policies for globally consistent services (Løwendahl, 2000: 152) and a global high quality standard of service (Fenton and Pettigrew, 2003). Here the term *global management* is used to refer to the ongoing management of an MNE’s activities across borders to achieve an “effortless experience” for global clients across multiple countries (Segal-Horn and Dean, 2009). Excluded from this review is what is referred to here as *internationalization*, the international expansion of PSFs from a home country into foreign countries leading to “a presence in non-domestic markets with no integration necessary” (Segal-Horn and Dean, 2009: 44). While this often precedes the two phenomena included in this review, it exhibits very different dynamics and issues, typically including topics like motives, timing, mode of entry, location and dynamics such as learning (Buckley and Ghauri, 1999; Dunning, 1993; Nachum, 1999; Reich et al., 2006; Reihlen and Apel, 2007; Roberts, 1998; Roberts, 1999) rather than discussing how to integrate and manage an existing set of subsidiaries of a multinational enterprise (MNE).

While the term PSF encompasses a broad range of industries (von Nordenflycht, 2010), this review focuses on the following ones: Accounting firms, law firms, consulting firms and advertising agencies. This selection is warranted by the recent typology of PSFs by von Nordenflycht, where they together constitute the categories of “Classic PSFs” (Accounting firms, law firms) and “Neo PSFs” (consulting firms and advertising agencies) (von Nordenflycht, 2010). These two categories share several characteristics. In particular, autonomy and informality are traditionally very important for these two categories of PSFs and these are directly challenged by global integration as integration typically involves centralization and formalization. Therefore, it is especially interesting to investigate global integration and management in these four indus-

tries. As a side note, for architects, which are also classified as „Classic PSFs“ by von Nordenflycht, the topic was deemed not relevant, so they were not included in the review.

## Literature Search: Approach

The search for relevant papers dealing with global integration and management of PSFs in the four selected industries proceeded in four steps. First, a selection of the most relevant high-ranking management and organization journals was made using the VHB-Jourqual2 journal ranking. Relevant high-ranking journals were selected from the categories of general management, international business, organization, accounting and the services industry and additional journals with a European focus. This yielded a list of 20 journals that could be considered as most relevant for quality papers on the topic (see table 1). Using Business Source Premier (BSP), articles were searched in the 20 selected journals using a set of appropriate search terms for PSFs and the four industries in title, abstract and subject terms (terms from the thesaurus for the latter). As the number of papers on PSFs in most of these journals is manageable, all literature on PSFs and the four industries was searched for in the first instance. The resulting list of articles was then reviewed manually for relevant papers by examining title, abstract and subject terms. This avoided accidentally excluding relevant papers that don't contain particular search terms relating to the subject matter.

Academy of Management Journal	Journal of International Business Studies	Management International Review
Academy of Management Review	Journal of International Management	Organization Science
Accounting, Organizations & Society	Journal of Management	Organization Studies
Administrative Science Quarterly	Journal of Management Studies	Scandinavian Journal of Management
British Journal of Management	Journal of Service Management	Schmalenbach Business Review
Human Relations	Journal of World Business	Service Industries Journal
International Business Review		Strategic Management Journal

**Table 1. Selected Journals**

As a second step, the reference lists of the selected papers were reviewed for further relevant papers and ISI Web of Knowledge was searched for papers citing the selected papers, thus searching both forwards and backwards from each paper. As a third step, the same snowball procedure was applied for each additional paper found, using Google Scholar for searching citations of edited book chapters, until saturation was achieved and no further papers were found. Finally, publication lists of a dozen scholars known for research in PSFs were reviewed for relevant papers as well as relevant edited books on the subject (Aharoni, 1993; Aharoni and Nachum, 2000; Brock et al., 1999b). This led to the selection of 43 papers.

## Coding of Papers

Following Hutzschenreuter & Kleindienst (2006) who in turn refer to Ginsberg & Venkatraman (1985), a systematic review scheme is necessary for evaluating the contributions of a body of literature. The

classification they use when discussing literature on strategy-process research (antecedents, process, and outcomes) was found to be also very relevant for the topic of global integration and management of PSFs. This scheme is also consistent with the one used by Brock et al. (1999a) in their concluding chapter that reviews the papers in their edited book on restructuring the PSF. This scheme therefore constitutes the first dimension of the review matrix, the papers' focus:

*Antecedents:* reasons for why firms integrate globally

*Process:* what firms do to integrate globally, how they go about doing it; challenges that appear in the integration process

*Outcomes:* resulting organizational design, in particular how a globally integrated firm actually works; challenges that appear in the ongoing operation

As a second main dimension for classifying the extant literature the unit of analysis is used here as it became apparent that papers refer mainly to either the macro (field), meso (organization) or micro (individual) level:

*Field:* studies focusing on changes in the institutional field that enable global integration; activities by firms to change regulation; field characteristics; also including studies that make broad statements about all firms in the industry

*Organization:* studies focusing on the integration of one firm or a defined number of firms; studies on how they manage their global organization

*Micro:* studies on how integration and coordination plays out in daily practice at the individual level

For both dimensions, not all papers fell clearly into one category. For example, several discussed both the integration process and its outcome. So in several cases papers were classified by multiple categories within one dimension. However, a classification by all three categories of a dimension was avoided whenever possible. Table 3 displays how all papers are distributed in a matrix of these two dimensions. In addition, all papers were classified by their industry focus, regional focus, research method and theoretical perspective. Finally, key findings and themes were briefly summarized for each paper. All papers and their classifications can be seen in table 2.

## **Integrative Framework**

Based on the review of the coded literature in the three categories of antecedents, process and outcomes, an integrative framework (see figure 1) was built that synthesizes the key insights from the literature. This will be outlined in this section.

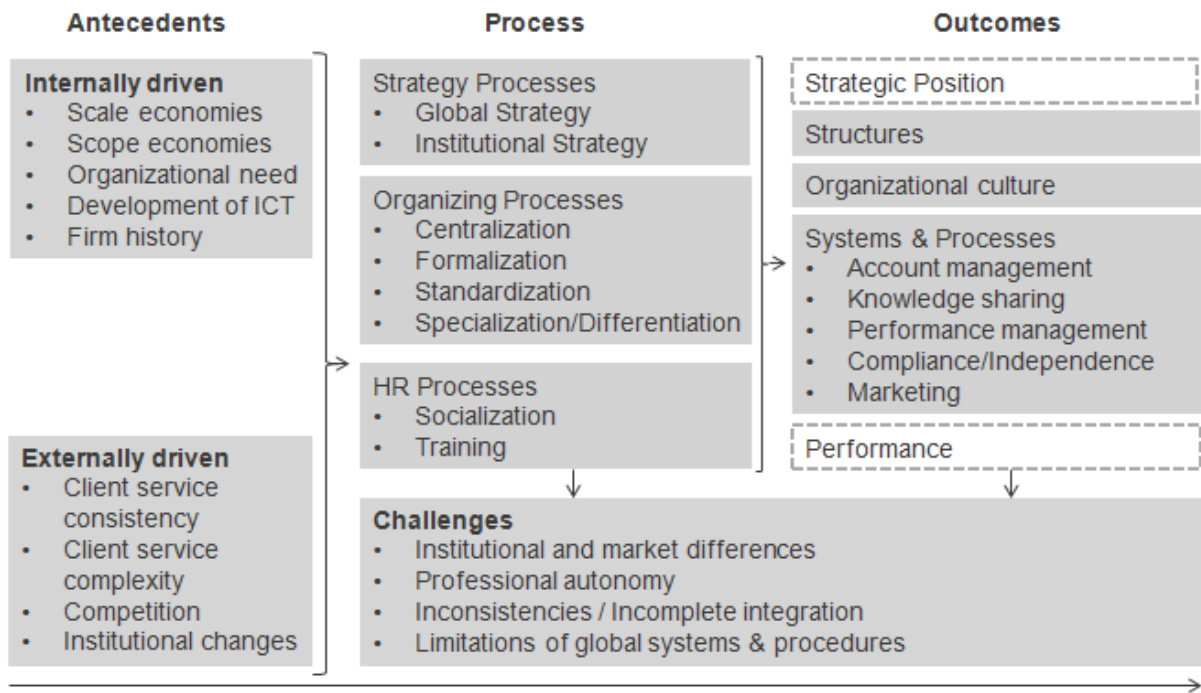


Figure 1. Integrative Framework

## Integrative Framework - Antecedents

### Internally-driven Antecedents

Reviewing the literature on antecedents of global integration in PSFs, the antecedents discussed can be classified as either internally-driven or externally-driven. Internally-driven antecedents include *scale economies* (Aharoni, 1999) that can be achieved by a centralization of functions in advertising agencies (Daniels, 1995) and in law firms (Segal-Horn and Dean, 2011), however they are seen as less relevant than for manufacturing firms (Campbell and Verbeke, 1994; Segal-Horn and Dean, 2011; Walters et al., 2008). *Scope economies* are achieved by the spread of centralized innovations across the firm (Campbell and Verbeke, 1994). *Organizational need* as an antecedent for integration results from the legacy of internationalization, which created a large number of subsidiaries over which the centre wants to establish greater control (Baden-Fuller, 1993) with a new governance for coordination and strategy (Greenwood et al., 2010; Reihlen et al., 2009). The *development of information and communication technology* (ICT) was seen to facilitate increased global coordination within PSFs (Brock, 2006; Brock et al., 1999a; Reihlen et al., 2009) or even to exert pressure to create integrated systems internally (Cooper et al., 2000). Finally, also *firm histories* or administrative heritage including early decisions on governance, domain, initial expertise, design of the firm and internationalization experience were seen as important to explain why some firms integrate globally while others don't or do so to a lesser degree (Cooper et al., 2000; Greenwood et al., 1998; Walters et al., 2008).



## Externally-driven Antecedents

Four external antecedents for global integration have been identified in the literature. The one mentioned most often is *client service consistency*. As important clients globalize, their service providers need to follow suit (Brock, 2006; Brock et al., 1999a; Brown and Cooper, 1996). PSFs are seen to require a structure that mirrors that of their clients (Daniels, 1995). In particular, clients are said to require a consistent service globally (Aharoni, 1996; Greenwood et al., 2010; Greenwood et al., 1998; Reihlen et al., 2009; Rose and Hinings, 1999; Segal-Horn and Dean, 2009). *Client service complexity* is about the complexity or diversification of work clients require (Aharoni, 1999), resulting in the need to coordinate and manage cooperation that integrates diverse knowledge located in the various subsidiaries to serve clients (Morgan and Quack, 2005; Morgan and Quack, 2006). This can extend to experience in managing multi-country projects (Cooper et al., 2000; Segal-Horn and Dean, 2011). Increasing *competition* was seen by several authors as an antecedent of global integration (Brock, 2006; Cooper et al., 2000). The reason for this is that a competitive failure in one market can have a negative effect on others so firms must take control of their global organization (Walters et al., 2008). Segal-Horn and Dean (2011) see global integration as a defensive move to fend off competitors. Finally, *Institutional (regulatory) changes* such as the European Union's facilitation of cross-border ownership of accounting firms (Reihlen et al., 2009) or the internationalization of accounting standards (Brock et al., 1999a; Cooper et al., 2000), facilitated global integration.

## Integrative Framework - Processes

### Strategy Processes

Driven by a combination of internal and external antecedents, according to the literature, many PSFs venture into a process of global integration, which includes pursuing some of the following processes. Authors see developing a *global strategy* as an important first step for global integration (Brown and Cooper, 1996). This can include planning for strategic investments in emerging markets (Cooper et al., 1998) and alignment around accounts (Perry, 1990; Segal-Horn and Dean, 2009). Next, several PSFs undertake *institutional strategies* to enable or facilitate global integration by taking an influence on their external institutional environment. The Big Four accounting firms lobby for trade deregulation with the WTO to enable global integration (Arnold, 2005). Leading advertising agencies try to drive clients towards creating global brands and campaigns and identify global cross-country market segments to facilitate this (Leslie, 1995; Perry, 1990).

## Organizing Processes

All of the three coordinating mechanisms for MNE – socialization, centralization and formalization (Bartlett and Ghoshal, 1998) – were at play in the PSFs investigated by the literature reviewed here.

*Centralization* was evident in hierarchical structural integration and the centralization of support functions. Hierarchical centralization was observed in the creation of integrated international structures (Perry, 1990; Reihlen et al., 2009), addition of layers of hierarchy (Fenton and Pettigrew, 2003) and a more formal decision making hierarchy that reduced local autonomy (Segal-Horn and Dean, 2007, 2009). Back office functions (Brown and Cooper, 1996; Jones, 2005; Segal-Horn and Dean, 2007) and IT systems (Fenton and Pettigrew, 2000, 2003; Jones, 2005; Segal-Horn and Dean, 2007, 2009) were integrated.

*Formalization* in the integration process included moving from federal, informal network organizations to more formal network structures with corresponding systems and management styles (Fenton and Pettigrew, 2003) and the introduction of formal bureaucratic structures and processes for budgeting, performance measurement, appraisal and dismissal (Ferner et al., 1995). The related process of *standardization* included the use of “abstract systems” like standard methodologies and templates as a coordinating mechanism (Barrett et al., 2005) or more generally the transfer of home country practices and systems (Faulconbridge, 2008), often transferred using trainings (Faulconbridge et al., 2012). Business processes and procedures (Fenton and Pettigrew, 2003; Post, 1996) and protocols and specifications (Segal-Horn and Dean, 2009) were standardized as well as tools, professional standards and quality assurance (Post, 1996).

*Specialization* plays a role as firms leverage the new critical mass of their entire global organization to develop specialized services in specific locations and offer them across the globe. This was achieved through the decentralization and focusing of operations (Fenton and Pettigrew, 2003) and enabled by new communication technology that allows firms to seek resources internationally so that experts could be drawn from wherever they were located (Brock, 2006; Brock et al., 1999a). In advertising agencies, this included venturing into adjacent businesses, enabled by holding structures (Perry, 1990).

## HR Processes

Several authors report on HR processes that supported integration. Here, in particular *socialization* and *training* are included under this heading. *Socialization* involved international management meetings (Baden-Fuller, 1993), partner retreats and social events (Segal-Horn and Dean, 2007, 2009), secondments and expatriation (Baden-Fuller, 1993; Jones, 2005). Incentives for international networking and collaboration were provided (Fenton and Pettigrew, 2003; Jones, 2005; Segal-Horn and Dean, 2007). International mobility is used strategically (Beaverstock, 2004; Greenwood et al., 1998). Joint internal projects are used as a means of fostering international identification (Koza and Lewin, 1999). For law firms, Jones (2007)

goes further by arguing that the need for face-to-face interaction constrains the extent to which transnationalization can be achieved. Corporate communication is used for socialization and to achieve commitment to the organization (Post, 1996). Frequently, international *training* courses that brought employees together across borders were seen as important mechanisms (Baden-Fuller, 1993; Fenton and Pettigrew, 2000) that, besides fostering consistency and coordination, also explicitly aimed at socialization, building intra-firm trust and relationships (Greenwood et al., 1998; Jones, 2005; Post, 1996; Segal-Horn and Dean, 2007, 2009). Some accounting firms have centralized training to ensure global consistency in methodology and the adoption of central innovations, whereas other firms, as well as law firms (Faulconbridge, 2008; Faulconbridge and Muzio, 2007), emphasize more responsiveness to local customers by local trainings (Campbell and Verbeke, 1994).

## Integrative Framework - Outcomes

### Structures

Outcomes of integration manifest themselves in the structures, culture and the various processes and systems of the firms analysed in the literature. Governance structures that resulted from integration vary widely between industries and between firms within industries. Hence, several authors created typologies (see table 4) that attempt to capture and systematize this multiplicity (Campbell and Verbeke, 1994; Greenwood et al., 1998; Morgan and Quack, 2005; Morgan and Quack, 2006).

Author	Typology	Characteristics
Campbell & Verbeke 1994  (Cross-PSFs, incl. Consulting)	2x2 matrix of - Centralized innovation vs. high national responsiveness - High vs. low networking capability	Centralized innovation & high networking capability: consortia where sub-units have different operating forms High national responsiveness & high networking capability: firms use project teams with experts from any country (e.g. Ernst & Young) Centralized innovation & high networking capability: firms follow a focus strategy, centralized training (e.g. Arthur Andersen) High national responsiveness & low networking capability: branches have a high level of autonomy
Greenwood et al. 1998  (Accounting)	Unitary model Confederation model	The unitary model is close to the "international" model of the MNE (but includes lateral structures and culture instead of hierarchy), the confederation model to the "multinational" model (but no home country)
Morgan & Quack 2005  (Cross-PSFs)	Collegially-coordinated Hierarchically controlled Financially controlled Reciprocity-based networks	In collegially coordinated firms, coordination happens through personal linkages between senior partners, in hierarchically controlled firms based on shared procedures, processes, knowledge and commitment, in financially controlled firms through financial mechanism based on performance, in reciprocity-based networks there is only a medium to low level of coordination
Morgan & Quack 2006  (Law)	Global Firm - Exporting - Integrative Network firm - International referral - Integrative - Quasi-firm	Global firms have their own offices in different locations and have a presence in key global cities. Exporting firms export a particular type of law; integrative firms incorporate different types of law.  In network firms, national firms retain autonomy, but attain transnational reach by relations with firms in other countries. Networks are distinguished by degree of cooperation.

Table 4. Typologies of PSFs

Generally, in spite of efforts at centralization, most authors describe the resulting structure as still rather decentralized. The reasons for this is that centralization is seen as detrimental to the organization (Aharoni, 1996). Global integration of partnerships is characterized as difficult due to liability and remuneration (Morgan and Quack, 2006) and local institutional embeddedness (Post, 1996). According to Grabher (2001), structures in global advertising networks are in constant flow as overlapping and rival member firms constantly develop new approaches where higher levels have only limited control over lower ones. For consulting firms, Jones (2002) maintains that control happens by distributed partners, not headquarters. In spite of marketing a global image, consulting firms (Morgan and Quack, 2006) and advertising firms (Walters et al., 2008) are still confederations of national firms. Some authors present a more differentiated picture of centralization outcomes. Cooper et al. (2000) compare Arthur Andersen that had developed a high degree of integration with KPMG which remained much more federal. Following Faulconbridge and colleagues, in law firms key practice groups are defined as firmwide, but their content can be defined locally (Faulconbridge, 2008; Faulconbridge and Muzio, 2007). According to Hermelin (2009), in advertising agencies global holding structures provide governance whereas the key value-adding activities take place locally. Brock et al. (1999a) add the observation that hybrid structures result as previous archetypes of collegiality and autonomy remain in place besides the new more centralized structures. In two papers, authors describe matrix organizations as outcomes of integration processes in PSFs. According to Greenwood et al. (2010), similar to Rose and Hinings (1999), the big accounting firms have developed “multiple axis of expertise”.

### Organizational Culture

While the organizational culture of PSFs after integration has rarely been described, Greenwood et al. (2010) emphasize its importance extensively as a key element and find that in large accounting firms, a culture of reciprocity containing norms, rules and processes has been developed which enables international collaboration and coordination.

### Systems & Processes

Authors describe widely the various processes and systems in the firms studied that result from integration. A key item widely covered is *account management* systems that most authors see as important for attracting business and then servicing clients across borders. Account management systems have been established in advertising agencies (Leslie, 1995) and accounting firms (Greenwood et al., 2010) to prioritize clients. Client teams have been established, led by an account partner, to establish strategies for client service and satisfaction monitoring (Rose and Hinings, 1999), to lessen the need for negotiation and im-

prove response times (Greenwood et al., 1998). Agencies in an advertising network join forces for pitching for clients (Hermelin, 2009). Interestingly, several authors argue that in large advertising agencies, there is deliberate competition for client contracts between local member firms (Daniels, 1995; Grabher, 2001). Also interestingly, according to Daniels (1995), while in advertising agencies strategy for global clients is developed centrally, it is then determined whether it needs to be adapted locally. Several authors state that client projects are key arenas where otherwise less integrated firms develop temporary global structures in accounting (Cooper et al., 2000) and advertising (Grein and Ducoffe, 1998). This is as agencies flexibly adapt to client structures (Grabher, 2001; Grein and Ducoffe, 1998; Tharp and Jeong, 2001). Global projects are supported in transferring people across borders (Aharoni, 1996; Beaverstock, 2004), in some firms by using international resource management systems (Boussebaa, 2009). Global projects are further facilitated by standardized norms, work processes and quality assurance (Aharoni, 1999), engagement letters (Faulconbridge, 2008), common audit standards, reinforced through international training and peer review (Ferner et al., 1995) and by drawing on checklists, forms and manuals (Post, 1996). However, some authors have stressed that only systems and procedures have been standardized, not the output of advertising campaigns (Walters et al., 2008) or legal work (Segal-Horn and Dean, 2009). In advertising agencies, following Grabher (2001) projects provide “trading zones” between different philosophies, business models and identities.

Differences appear in the level of centralization of service delivery on client projects as described by authors. In accounting, according to Aharoni (1999), managing partners set priorities for work done for clients. They set rates, determine who should work on the job and how the work should be done (Barrett et al., 2005). However, Barrett and colleagues also outline how the instructions are made sense of differently in different locations (Ibid). In large advertising agencies, while creative work has been centralized, according to Daniels (1995), campaigns can be adapted by local network agencies. Several authors outline that at the start of a campaign, a creative idea competition between offices takes place and the best idea is chosen and can then be locally challenged if it is proven to require adaptation (Grein and Ducoffe, 1998; Tharp and Jeong, 2001). This avoids frustration of staff, as staff from several countries is involved (Leslie, 1995). Hermelin goes further by arguing that creative work and media remain largely national (Hermelin, 2009).

In terms of *knowledge sharing*, accounting firms like Arthur Andersen have standardized the rapid transmission of best practices (Faulconbridge, 2008) and industry committees are used for product development and acquisition (Greenwood et al., 1998). Networking provides access to specialist knowledge and market opportunities, reinforced through trainings and transfers (Beaverstock, 2004; Ferner et al., 1995).

Firms use the cross-border flow of employees on international projects as a mechanism for knowledge sharing (Boussebaa, 2009).

Further processes and systems have been discussed far less by authors and can hence be summarized more briefly. *Performance management* is discussed mainly by Faulconbridge et al. relating to law firms where they stress how it is locally adapted. Minimum billable hours are defined globally but control and enforcement happens by local offices as they see fit. The up or out system has to be “punctuated” in some countries to accommodate the local culture and for remuneration negotiated hybrid forms are used (Faulconbridge, 2008; Faulconbridge and Muzio, 2007). Ensuring *compliance* and checking for conflicts of interest and *independence* breaches is done centrally in law firms according to Faulconbridge and colleagues (Faulconbridge, 2008; Faulconbridge and Muzio, 2007), whereas Grabher (2001) reports how in advertising agencies, keeping separate brands within the network allows them to avoid conflicts of working for competitors of accounts. As for *marketing*, we learn only that globally integrated PSFs are often marketing the seamless nature of their client service (Morgan and Quack, 2006 for management consulting; Walters et al., 2008 for advertising).

#### Strategic Position and Performance

Figure 1 contains two further elements of outcomes – strategic position and performance – that one would expect to find in the literature dealing with the outcomes of global integration. One would expect firms who integrate globally for competitive advantage to achieve a new strategic positioning. Also, one would like to hear about the performance outcomes of firms who undertook an integration to achieve “effortless experience across borders” (Segal-Horn and Dean, 2009). However, these two elements have hardly been investigated yet, so they are marked in dotted lines in figure 1.

### **Integrated Framework - Challenges**

Because challenges that are reported in the literature for the integration process and for the ongoing operations post-integration can be largely summarized under the same four headings, they are summarized together in what follows. Researchers report that *institutional differences* were evident when the transfer of home country practices and systems met with inconsistent responses (Faulconbridge, 2008), transferred practices conflict with locally developed practices (Faulconbridge et al., 2012) and diverse forms of professionalism between countries hinder consistent structures and practices globally (Faulconbridge and Muzio, 2007). Similarly, local market differences play a role, as when Fenton and Pettigrew (2000, 2003) report how different market conditions and capabilities of local firms and structural differences between member firms create incompatible goals. In another case, Cooper et al. (2000) describe struggles between a focus on global clients versus local clients in emerging markets. Boussebaa (2009)

holds that it is expensive for emerging market firms to employ experts from mature countries due to fee rate differentials. Likewise, Ferner et al. (1995) describe how a local firm in an emerging market had to grudgingly accept low fees for the audit of a global firm headquartered in a mature market.

A second challenge reported in the literature is the traditional *professional autonomy*. Fenton & Pettigrew (2003) noted how integration comes up against challenges due to the decentralized, individualistic, entrepreneurial culture of PSFs. Ferner et al. (1995) hold that the bureaucratization often involved in global integration sits uneasily with the ethos of professionalism in partnership-based firms. Hence, in one case partners expressed concerns about the delegation of professional autonomy to cross-border committees (Segal-Horn and Dean, 2007). In another, the integrating organization was perceived by partners as increasingly dominated by the headquarter location (Fenton and Pettigrew, 2000). Accordingly, Aharoni (1996) identified contradictory pressures for more central control and independence as firms are constrained by their administrative heritage of independent partners.

The third challenge noted in the literature relates to an *incomplete integration* that leads to *inconsistencies* between integrated and not yet integrated aspects of the organization. Fenton and Pettigrew (2000, 2003) identified a lack of incentives for cooperation and sanctions for non-cooperation as these continued to operate only at the national firm level in their case studies. Ferner et al. (1995) found how the international firm's strategic aims were not compatible with the interest of the national firms as profit continued to be pooled at national level, so local partners had no interest in staff being transferred abroad, as they want to retain them for their profit pool. Vice versa, but for the same reason, Boussebaa (2009) additionally found that partners prefer to use their own staff for projects as they lose profitability by employing people from other member firms. Koza and Lewin (1999) report a case study of a network alliance of audit firms where member firms set up rival operations directly poaching other member firm's clients instead of referring business to them. In other cases, authors found that the international firm had a lack of authority (2003). Accordingly, Ferner et al. (1995) found that strategic planning in the absence of authoritative control mechanisms was impeded in their case study by different interests of national partnerships. Likewise, authors detected the difficulty of enforcing work done for global clients across their country subsidiaries (2009), such as in multinational audits (Aharoni, 1996).

A fourth challenge, identified in integrated firms, relates to *limitations of "impersonal" or "disembodied" global systems and procedures*. Boussebaa (2009) found how impersonal global systems such as resource management were circumvented in his case study firms as they did not guarantee the quality and preferred characteristics of staff so people continued to use local networks for staffing projects. Barrett et al. pointed out regarding an accounting firm the role of the local audit team's relationships with the client's

local subsidiary in a global audit as a factor limiting strict adherence to global audit instructions (Barrett et al., 2005).



No.	Author(s)	Industry Region	Method	Perspective (Research Field)	Unit of Analysis	Focus	Key Findings / Themes
1	Aharoni (1996)	Cross PSF Global	Conceptual	Contingency Theory	Field	Antecedents - Outcome	PSFs have certain key success factors that require different forms of global organization than manufacturing MNE; differences between PSFs imply contingencies for different forms of global organization Themes: contingency theory of organizational design of global service firms
2	Aharoni (1999)	Accounting Global	Conceptual / desk-research	Contingency theory (of the MNE)	Organization	Antecedents - Outcomes	The more global the firm becomes and the more standardized services need to be, the greater the need for integration and centralization. However, the strategy of integrated services is in contrast to the structure of quasi-autonomous firms. A contingency theory is needed specifying variables affecting internationalization process and structures and processes of firms. There is no one way for internationalization. Themes: integration; centralization; one firm strategy; coordination; standardization; formalization
3	Arnold (2005)	Accounting US, Europe	Desk research (+ interviews)	Institutional theory	Field	Process	Transnational accounting firms and industry lobbies exploit the authority of the WTO service agreements to create a global market for audit services rather than reactively adapting to globalization. The US and EU position has been influenced by service free trade lobbies including the Big Four that advise them and formulate positions. This has implications for accounting professionals as it limits national government regulation of the industry. Elimination of national regulations benefits only the elite of transnational accounting firms who export services and facilitates consolidating their global operations. Themes: Disciplining domestic regulation; institutional model of globalization
4	Baden-Fuller (1993)	Cross PSF US, Europe (Italy, UK), Australia	Interviews	Theories of the MNE	Field – Organi- zation	Antecedents – (Process)	Firms in the study are integrating their international operations into their overall business. Headquarters wanted better control of subsidiaries. Integration involved regular international management meetings, secondments and joint international trainings. Themes: Turbulent markets, strategic innovation [most of the paper treats internationalization]
5	Barrett et al. (2005)	Accounting North America, Europe	Interviews, (participant) observation	Structuration Theory	Micro	Process - Outcome	The coordination of work links Global and Local in a dialectical manner; local responses impact the global audit; abstract global systems are differently appropriated at the local level Themes: Coordination; abstract systems as coordinating mechanisms; work practices; reflexivity and identity; local-global dialectic: reproduction and local appropriation; standardization

No.	Author(s)	Industry Region	Method	Perspective (Research Field)	Unit of Analysis	Focus	Key Findings / Themes
6	Beaverstock et al. (2000)	Law US, Global	Desk research	World cities	Field – organization	Outcomes	Besides global branding and reputation for global quality assurance, law firms need to be located in strategic cities. While the philosophies of organization of top law firms are different, their geographic location patterns are very similar. This suggests the importance of external factors compared to internal factors. Firms must achieve balance between global coordination and local sensitivity. Global organization only suits a minority of firms. Themes: World cities; economic reflexivity; geographical centrality [paper deals mostly with global presence for law firms]
7	Beaverstock (2004)	Law UK, Global	Interviews	Theories of the MNE; Knowledge Management in PSFs	Field	Outcomes	Expatriation is a major globalization strategy of PSFs. They use expatriation to diffuse knowledge from the centre to subsidiaries and between firms in the network with the aim of serving clients with the required skills, to develop and manage subsidiaries and to develop expatriates' skills and networks. There are different patterns in the role of expatriates relative to local partners and staff between Eastern and Western host locations. Themes: expatriation; knowledge management
8	Bourssebaa (2009)	Management Consulting UK	Interviews	Institutional Theory; Theories of the MNE	Organization - Micro	Outcome	Firms in the study had institutionalized transnational resource management systems. However the process of resource management showed many conflicts and tensions that undermined it. Themes: Coordination; horizontal flow; formalization; globally integrated networks; competing rationalities; national institutional contexts
9	Brock (2006)	Accounting Law Health Care Global	Conceptual	Archetype theory	Field	Antecedents – Process	Changes in the environment (increasing competition, globalization of clients, information & communication technology) challenge existing interpretive schemes and lead to a new archetype. The Global Professional Network archetype implies increased global reach. New communication technologies allow firms to seek resources internationally. Themes: Archetypes; coexistence of competing archetypes; Global Professional Network (GPN)
10	Brock et al. (1999)	Accounting Law Health care Global	Conceptual	Archetype theory	Field	Antecedents – Process - Outcomes	The GPN as a new emergent archetype is characterized among other things by new management functions, structures and methods and a trend towards globalization, the latter facilitated by new communication technology that enables global sourcing or resources, international standardization such as in accounting standards and client demands. However, hybrid structures ensue as elements of previous archetypes like collegiality and autonomy remain in place, distinguishing GPN from industrial multinationals. Themes: Archetype; hybrid structures; drivers of change; change process – enabling factors: interests & power, resource dependency, reflexivity; outcomes of change; global professional network (GPN)

No.	Author(s)	Industry Region	Method	Perspective (Research Field)	Unit of Analysis	Focus	Key Findings / Themes
11	Brown et al. (1996)	Accounting, Europe	Interviews	Literature on Strategic Alliances; Theories of the MNE (N-Form)	Organization	Antecedents - Process	The Big Six can be usefully described as alliances of national firms that agree to work together under a common name. Profit sharing and partnership can only be achieved in the national firm, hence primary allegiance is to the national firm. As large clients become global and demand seamless service, accounting firms follow. The fact that many national firms had moved to the MPB form facilitated global integration. Global integration was undertaken by creating a strategic plan, a governance structure and international support staff. Themes: Strategic alliance between complementary equals; P <sup>2</sup> , MPB; quality management, training, secondments; coordination, formalization, centralization, standardization; joint investments; N-form
12	Campbell & Verbecke (1994)	Financial Services, Management Consulting, Hotels, Data processing Global	Interviews	Theories of the MNE	Field	Antecedents - Outcomes	Models of MNE management developed for manufacturing firms cannot be transferred easily to service firms. Global competitiveness implies choice between local responsiveness and centralized innovation (leading to scope economies) as in PSFs they can't be achieved simultaneously. This should be complemented by high networking flexibility to improve the firm's legitimacy in the eyes of customers. This needs to be developed at any geographic level. Themes: Service intangibility, inseparability, heterogeneity; networking flexibility
13	Cooper et al. (1998)	Accounting Russia	Interviews	Theories of Identity and nationalism	Organization - Micro	Process	Nationalism disrupts attempts by accounting firms to provide "seamless service" across borders. Global strategy is enmeshed with nationalism. At the firm studied there were struggles between a focus on global clients and local clients in emerging markets. This was confounded by the lack of a global "brain" and seamless coordination was exacerbated by lack of global profit sharing. Themes: Nationalism vs. globalization; limits of rational decision making in complex organizations; global vs. client focus [paper mostly dealing with internationalization]
14	Cooper et al. (2000)	Accounting Global	Interviews	Biographical perspective (Kimberley)	Organization	Antecedents - Outcome	Firm histories explain current international structures and management processes. Early decisions on governance, domain, initial expertise and organizational design continue to shape the Big Five's organizational arrangements. While all Big Five face the same pressures from the environment, individual firms developed differently. Arthur Andersen is highly integrated whereas KPMG has a more federal structure. Themes: History; governance; expertise; domain; design; critical decisions; transnational environment

No.	Author(s)	Industry Region	Method	Perspective (Research Field)	Unit of Analysis	Focus	Key Findings / Themes
15	Daniels (1995)	Advertising Global	conceptual	descriptive	Field	Antecedents - Outcome	Large advertising firms have restructured into transnational networks co-ordinated by holding companies. This is the most effective way of serving multinational clients with global product development but local selling of products. Although product types and advertising become increasingly global, local culture and preferences have to be considered. In the typical transnational advertising agency subsidiaries have much autonomy. Economies of scale can be achieved by centralizing creativity, however leaving room for local adaptation. Themes: Transnationalization
16	Faulconbridge & Muzio (2007)	Law US, UK	Interviews	Sociology of the professions	Field	Outcomes	The agency of heterogeneous professionals and their peculiar professional values makes the implementation of global structures derived from manufacturing MNE difficult. Professional desire for autonomy and input into strategy is a challenge for hierarchical organization. This is neglected by archetype theorists. The embeddedness of PSFs in both home and host countries creates layers of complexity. Accordingly, law firm's organization is reflexive towards local cultural differences. Themes: Professionalism; Varieties of professionalism;
17	Faulconbridge (2008)	Law UK, US	Interviews	Relational approach (economic geography)	Organization - Micro	Process - Outcome	Institutions create nationally specific work practices. Complex relational geometries lead to inconsistent responses to the transfer of home-country systems. Due to strong institutional embeddedness and professional's desire for autonomy, PSFs are particularly sensitive to institutional difference. Responses to practice transfer depend on the level of institutional difference between home- and host country systems and management's ability to gain acceptance from local partners. Some practices are applied consistently following a "global" model, others are locally modified (international), others differ locally (multinational). Themes: Negotiation; practice transfer; professional autonomy; home- and host country institutional systems
18	Faulconbridge et al. (2012)	Law Italy	Interviews	Comparative Institutionalism	Organization - Micro	Process	English law firms in Italy attempt to govern the practices of Italian lawyers. However, they are in conflict with practices developed locally by local institutions. Institutional differences continue to fragment transnational law firms. Themes: Workplace cultures & practices; varieties of capitalism; institutional diversity; 'governing' workplace practices; identity regulation
19	Fenton & Pettigrew (2000)	Engineering Consulting Global	Interviews	Network Theory of Governance	Organization	Process - Outcome	In this case study, social control mechanisms were prominent, but had limitations in the complex global network. Contextual (different market conditions and capabilities of member firms) and historic factors (perceptions of inequality, cultural fragmentation, lack of incentives, structural imbalances) undermined the integration, leading to mistrust and opportunistic behaviour. Themes: Social mechanisms of control; market conditions; internal capabilities; perceptions of inequality; lack of incentives; cultural fragmentation; structural imbalances

No.	Author(s)	Industry Region	Method	Perspective (Re- search Field)	Unit of Analysis	Focus	Key Findings / Themes
20	Fenton & Pettigrew (2003)	Management Consulting, Engineering Consulting Global	Interviews	Complementarities perspective (Industrial Economics)	Organization	Process - Outcome	PSFs need creative solutions to overcome traditions of informal networking and forsake established patterns for a more standardized, company-wide approach. Coexistence of old management processes and incentive systems with new global structures creates tensions. Market differences create incompatible goals between country practices and the network. Themes: Standardization vs. customization; specialization; additional layers of hierarchy; decentralization & focusing of operations; complementary change; formalization; dualities
21	Ferner et al. (1995)	Accounting Europe (UK, Spain), Canada	Interviews	PSF Literature	Organization	Process – Outcome	There is a tension between the global strategies of PSFs and their decentralized structures, e.g. the interests of national partnerships in the absence of authoritative control mechanisms. Bureaucratization sits uneasily with the ethos of professionalism. Corporate culture that held the firm together is weakening. Themes: “Corporate glue”; coordination; bureaucratization; formalization
22	Grabher (2001)	Advertising UK, Global	Interviews	Theories of the MNE (heterarchy)	Organization	Outcomes	The London based advertising agencies in the study are organized as heterarchies that balance differentiation and rivalry with integrative practices of “tags” and “projects”. Their structure mirrors client’s structures. Projects provide “trading zones” between different business models within the organization. Projects also help the group challenge its own organization. Themes: Heterarchy; differentiation, rivalry, tags, projects; locational heterarchy, functional heterarchy; soft assembly; trading zones; reflexivity
23	Greenwood et al. (1998)	Accounting Global	Interviews	Theories of the MNE	Organization	Antecedents - Outcomes	There are two distinct models of organization in accounting firms with considerable differences – the unitary and confederation model. The unitary model is close to the international model of the MNE, but instead of bureaucratic hierarchy there is emphasis on lateral structures and cultural values. The confederation model is similar to the multinational model of the MNE, but has got no domestic home country. Also, there is need for coordination across countries to serve global clients. Hence, the two firms don’t really fit in the Bartlett & Ghoshal (1989) model. Differences are due to managing professionals. The existence of two models is explained by organizational histories. They also impact future development paths. Themes: Organizational history; unitary and confederation model; hierarchy of authority; limited management tenure; lateral, collective structures; partnership governance; collegial control; organizational culture; training; standardization of practices; global, international and multinational model of the MNE; pressures for tighter coupling; lead partner; industry committees; international mobility

No.	Author(s)	Industry Region	Method	Perspective (Research Field)	Unit of Analysis	Focus	Key Findings / Themes
24	Greenwood et al. (2010)	Accounting Global	Conceptual	Organizational design	Organization	Antecedents – Outcome	<p>Increasing global scope and complexity requires a new governance for coordination and global strategy. In order to serve global clients across borders, PSFs developed multiple axes of expertise, client management systems and a culture of reciprocity. The culture of reciprocity is built by organizational strategy &amp; rhetoric, role models, the alignment of organizational processes and visible consequences of reciprocal relations.</p> <p>Themes: Multiple axes of expertise; client management systems; culture of reciprocity; multiplex organizational form</p>
25	Grein & Ducoffe (2001)	Advertising US	Interviews	Theories of the MNE (integration – responsiveness framework)	Field	Outcomes	<p>Advertising agencies mirror their clients' structures. International accounts are the binding forces across offices. Agencies can adapt to both centralized and decentralized clients' structures. There is a bias towards centralization. The agencies studied prefer full ownership of subsidiaries. Agencies can be highly coordinated when required. At the start of a campaign a creative idea competition between offices takes place and one idea is chosen. The chosen idea can only be challenged if it is proven that it doesn't work locally. Agencies face both strong forces for integration and responsiveness.</p> <p>Themes: Integration, responsiveness; coordination</p>
26	Hermelin (2009)	Advertising Sweden	Secondary data	"Spaces of flow" theory (economic geography)	Field	Outcome	<p>Advertising agencies operate on two scales: Global holding structures provide governance whereas production happens locally in the various agencies. Creative work and media remain largely national. Agencies in a network join forces for pitching for clients. Mainly this and "general management strategies" provide economies of scale. Winning global clients is as much a matter of prestige as it is of economic value.</p> <p>Themes: spaces of flow; inter- and intra-organizational relations</p>
27	Jones (2002)	Management Consulting, Investment Banking US, UK	Interviews	Actor-network theory	Organization	Outcome	<p>Management control in multinational PSFs is not concentrated in headquarters, but diffused throughout the organization. Senior managers act as team leaders rather than dictating top-down decisions. Often decisions are left to autonomous managers in the locations. Decisions may be taken at headquarters, but the actual practice of control is constituted through activities of managers throughout the firm's transnational social context. This is due to the "information dense" type of business requiring extensive local knowledge &amp; client relationships. In the management consulting firms, partners made the bulk of the decisions. Head office control is mostly focused on global strategy.</p> <p>Themes: Global city; diffuse management; transnational social context</p>

No.	Author(s)	Industry Region	Method	Perspective (Research Field)	Unit of Analysis	Focus	Key Findings / Themes
28	Jones (2005)	Management Consulting, Investment Banking US, UK	Interviews	Relational approach (economic geography)	Organization	Process	Whether a company is global cannot be determined simply by the extent of locations where it is doing business. Rather, corporate globality requires that firms integrate their operations, integrating back office functions at specific global locations. This transformation happened in the late 90s in the management consulting sector. Remunerations and incentive systems are integrated, global mobility and expatriation increase, ICT is used for global integration and a global culture is created. However, integration encounters various challenges, leaving integration incomplete and old geographic structures in place besides the new functional structures. Themes: Corporate globality;
29	Jones (2007)	Law UK	Interviews	Cross-disciplinary literature on face to face interaction	Micro	Outcome	Proposes a framework for the function of face to face interaction in globalizing MNCs generally and transnational law firms in particular. This remains important in globalizing law firms, thus presents firms with serious challenges. It constrains the extent to which transnationalization can be achieved. Themes: Face-to-face interaction;
30	Koza & Lewin (1999)	Accounting Global	Longitudinal case study (interviews)	Coevolutionary perspective; complex organization theory	Organization	Outcome	Nexia International is a network alliance of independent national audit firms. Differences to integrated firms like the Big Four are emphasized. Several coordinating and integrating mechanisms are used, including joint internal projects. Conflict arises out of two issues: Member firms setting up rival operations directly poaching other member firm's clients instead of referring business; the proposal of introducing a joint brand audit signature intended to increase identification encountered resistance by local partnerships who see their autonomy impeded. Tensions and instability may be inherent in network alliances. Themes: Network alliances; coevolution
31	Leslie (1995)	Advertising US, Canada	Interviews	Theories of Globalization	Field	Outcomes	Global advertising agencies have reorganized in order to facilitate a global advertising approach. Global advertising agencies also promote their global reach and "global advertising" and play a key role in encouraging manufacturers to create global brands. To avoid frustration of staff with less creative work required on global campaigns, staff from several countries is involved in the development of global campaigns. To facilitate global advertising, advertising research methodology is standardized. Market segmentation takes place globally across nations. Saatchi & Saatchi created a global network and introduced global account management. Themes: Globalization; global village; global advertising

No.	Author(s)	Industry Region	Method	Perspective (Research Field)	Unit of Analysis	Focus	Key Findings / Themes
32	Morgan & Quack (2005)	Cross PSF Global	Conceptual	Comparative Institutionalism; dynamic capabilities	Field	Antecedents - Outcomes	<p>PSFs must develop cross-national governance and cross-national activity and learning and integrate diverse knowledge. Internationalizing PSFs take various structures with different advantages and disadvantages. A typology of four types of PSFs is presented. Collegially coordinated firms face challenges of formalizing and coordinating interaction and limits of informal networking when internationalizing. Hierarchically controlled firms standardize procedures, develop more firm specific assets and are often controlled by powerful national partners. The financially controlled firm abandons partnership for incorporation, solving national partnership autonomy issues. Reciprocity based networks are based on referrals to 'best friends' firms in other legislations.</p> <p>Themes: Collegially coordinated, hierarchically controlled, financially controlled firm, reciprocity-based international network; cross-national standardization, formalization, coordination; international coordination of skills, organizational learning, organizational reconfiguration</p>
33	Morgan & Quack (2006)	Law Global (US, UK)	Desk Research	Comparative Institutionalism	Field	Antecedents - Outcomes	<p>Clients of lawyers increasingly demand international capabilities. Law firms have either followed a network model or global firm model. The partnership structure is difficult to internationalize due to liability and remuneration issues. Network forms are diverse, four types are distinguished. Two types of integrative global firms exist. Structural responses depend on client needs.</p> <p>Themes: Network model; global firm model; partnership structure; international referral networks, integrative networks, quasi-firm network, best friends network; exporting global law firm, integrative global law firm; practice groups</p>
34	Morgan et al. (2006)	Management Consulting Global	Secondary data	Comparative institutionalism	Field	Outcome	<p>There is a disconnect between the global image and local reality of management consulting firms. The persistence of global images has to do with legitimacy considerations, i.e. reputation, not efficacy. Consulting firms are still confederations of national firms, leaving a high potential for political behaviour. Also, costs for global coordination are high, so coordination is kept limited and global integration not actually achieved.</p> <p>Themes: Global image and local reality; reputation and legitimacy</p>
35	Perry (1990)	Advertising Global, New Zealand	Desk research, longitudinal	descriptive	Field	Process	<p>In addition to alignment around accounts, advertising agencies have developed global holding structures to overcome limitations on expansion. Customers prefer alignment with one or few agencies worldwide for efficiency and global branding reasons. Advertising must often be adapted to local situations, which requires the involvement of an agency located in that market. Holding groups allow for expansion without being restricted by account conflicts. Holdings also facilitate a diversification in the offer, venturing into adjacent services. Leading agencies attempt to drive towards global brands and therefore identify international market segments.</p> <p>Themes: Holding groups; diversification; international market segments</p>



No.	Author(s)	Industry Region	Method	Perspective (Research Field)	Unit of Analysis	Focus	Key Findings / Themes
36	Post (1996)	Accounting Netherlands	Interviews	Theories of the MNE; Organization Theory	Organization	Process – Outcome	The international structure of accounting firms is different from MNE. Global integration mainly affects the standardization of practices, procedures, tools, professional standards and quality assurance as well as training and socialization of professionals. Due to both lack of necessity and local institutional embeddedness, accounting firms maintain a “hybrid” federative structure rather than a structure based on common ownership. Themes: “Professionalism”; standardization; socialization
37	Reihlen et al. (2009)	Accounting Global	Longitudinal, historic (archival data + interviews)	Archetype theory / Process theory of strategic change	Organization	Antecedents - Process	The firm went through various stages in its development from a correspondent network via an international federal network to a global advisory firm, undergoing various stages of decoupling, transition and reorientation. Internationalization processes are seen as strategic change. Themes: Archetypes; paths; dynamic factors of change ; correspondent network; international joint company; global advisory firm; limitations and influencing factors; interpretive schemes; interests and power structures
38	Rose & Hinings (1999)	Accounting Canada, Malaysia, Singapore	interviews	Theories of the MNE	Organization	Antecedents - Outcome	The organizational structure and culture of global business advisory firms changes as they pursue large global clients. In order to serve their global clients, GBAFs have developed structures and systems of global coordination and control. The structural response to market pressures resembles the differentiated network structure, however is more complex than in the Nohria & Ghoshal (1997) model. Different country contexts affect the success of integration initiatives. In the conditions of GBAFs, governance should focus on social controls, however internationalization makes them difficult, hence more formal procedures are required. Themes: Differentiation; integration; local autonomy; global efficiency; international headquarters and regional structures; client management structures and lead partners; industry business units
39	Segal-Horn & Dean (2007)	Law UK	Interviews	Global Strategy	Organization (Micro)	Process – Outcome	Global law firms become less distinctive and more like other businesses. They now reflect most elements of a global strategy. They operationalize global practices through common IT platforms and practices, common HRM processes and building cross-border relationships. Themes: Shift to a managed firm; decline in autonomy; formalization of decision making; standardization of IT systems, HRM practices; centralization (hierarchies); operationalizing global policies
40	Segal-Horn & Dean (2009)	Law UK	Interviews	Global Strategy	Organization	Process – Outcome	Globalization in law firms happens through the integration of internal processes, protocols and practices that improve consistency rather than through the globalization of products and services. Besides standardized protocols, information technology is used for cross-border communication and direct personal cross-border relationships are built. Themes: Personal relationships & shared culture; standardized protocols and specifications; ICT integration; integration and coordination; internal consistency; internal connectedness; effortless experience

No.	Author(s)	Industry Region	Method	Perspective (Research Field)	Unit of Analysis	Focus	Key Findings / Themes
41	Segal-Horn & Dean (2011)	Law UK	Interviews	Theories of the MNE (Global Strategy)	Field	Antecedents	There are benefits for pursuing a global strategy, which is however only really being pursued by a small "super-elite" group of global law firms. There are both demand-side and supply-side drivers for globalization. While government/regulatory drivers inhibit global strategies, market and competitive drivers mostly enable them. Super-elite law firms attempt to achieve long-term competitive advantage by their global strategies, betting on the trend for drivers for globalization to continue and therefore their investments to pay out as they reap a first-mover advantage. Themes: Global strategies; global industry drivers – market, government/regulatory, cost, competitive; global coordination
42	Tharp & Jeong (2001)	Advertising Global	Secondary data review	Descriptive	Field	Outcome	The increasing role of global markets for brands led to the rise of global network communication agencies. These use global planning procedures and best practices. Global holding structures attract clients that value "one stop access, global implementation". They have also diversified into complementary services to increase their business with clients. Best practices for agency networks have developed, including mirroring client's structures, global reach and diversification. Firms pursue a hybrid "glocalized" strategy. Creative strategy is often developed by one office with input from others and can then be adapted locally. Themes: Global network communications agency; mirroring clients, one stop access; glocalization; standardization of tools
43	Walters et al. (2008)	Advertising UK	Interviews	Theories of the MNE (Global Strategy)	Field - Organization	Antecedents - Outcome	Market drivers are important as clients often require globally consistent service, while others require local adaptation, so agencies must provide flexible responses. Also competitive pressures are significant, while regulatory and cost factors are less relevant for global strategy. Standardization of procedures and systems is necessary, but not the standardization of the advertising output. While marketing presents a global face, most business activities are decentralized. However, in terms of actual strategic behaviour, there is significant difference at the firm level. This is mainly due to the need for responsiveness as well as administrative heritage, organizational culture and experience. Themes: Global Strategy; resource-based view; administrative heritage

Table 2. Selected Papers

# Literature Review

## What have we learnt, differences and gaps

### Antecedents – what have we learnt?

In this section, it is summarized where there is largely a consensus among scholars relating to the antecedents of global integration. Both internal and external factors play a role, but external ones seem to dominate the literature. In particular, most of the papers stress the role of international clients, either international consistency required by international clients or the complexity of client service expectations that requires integration to be able to provide the whole global scope of services to each client. Internal scope and scale economies are seen as less important. In particular, scale factors have explicitly been mentioned as less relevant compared to manufacturing firms by several authors and are mostly seen to be achieved by back office integration. Organizational need for integration is seen to follow on from a preceding internationalization. Authors see competition as a secondary factor, for example where firms follow first movers in global integration. Authors mentioning information and communication technology see it mostly as a facilitating rather than a driving factor. Firm history is seen as a factor that can explain differences in the level of integration between firms in the same industry.

### Antecedents – differences

Three major differences were noticed, two based on industry differences, one on differences between authors. While Segal-Horn and Dean (2011) argue that in the case of law firms economies of scale do play a role at least as a secondary factor, Walters (2008), drawing on the same global strategy framework, maintains for the case of advertising agencies that they are unimportant as an antecedent. This is due to two factors explained by Walters (Ibid): clients in advertising are not overly cost conscious and willing to pay for quality advertising. Also, agency fees make up only a small part of the cost for advertising with the media cost of the actual campaigns constituting the bulk of the cost. A second industry difference relates to the role of regulatory changes that enable integration. They were mentioned only in relation to accounting firms (Brock et al., 1999a; Cooper et al., 2000; Reihlen et al., 2009). This is not surprising in view of the importance of regulation for this industry where cross-border integration has been facilitated by both bodies like the European Union (Reihlen et al., 2009) and the internationalization of accounting standards (Brock et al., 1999a; Cooper et al., 2000).

A difference in position between authors can be identified relating to whether global integration and local responsiveness (Bartlett and Ghoshal, 1998) can be achieved simultaneously. Campbell and Ver-

becke (1994) claim they can't be achieved simultaneously in PSFs as global integration involves centralized innovation, which is not compatible with local responsiveness. Others however argue that they must be met simultaneously, particularly for advertising. For example, Walters (2008) suggests that some clients require globally consistent service, while others require local adaptation, so firms must be flexible. Grein and Ducoffe (1998) also find that agencies face strong forces for integration and responsiveness and have therefore developed the ability to be highly coordinated when required and be locally responsive at other times.

#### Antecedents – gaps

No study investigates antecedents at the micro level. While antecedents are typically associated with challenges in the environment or at organization-level, recent developments in strategy research under the heading “strategy as practice” (Jarzabkowski and Spee, 2009) have shown the role of individuals and groups of managers as originators and makers of strategy. Such a perspective could help explain beyond the “administrative heritage” or “firm history” argument (Cooper et al., 2000; Greenwood et al., 1998; Walters et al., 2008) why some firms in the same industry decide to integrate internationally while others don't. This would allow us for example to understand why KPMG and Ernst & Young, two firms that were traditionally considered as very decentralized (Campbell and Verbeke, 1994; Reihlen et al., 2009), have now become the most integrated firms in the accounting industry. A “firm history” perspective would be hard pressed to explain this phenomenon while a perspective taking into account cognition of key leaders and how they rally support and finally obtain approval for a decision to integrate might open up new explanations.

#### Process – what have we learnt?

Several authors see the development of a global strategy as a basis and starting point for integration. Some firms provide the ground for or the market for their global integration by engaging in institutional entrepreneurship. Companies pursue in varying degrees the organizing processes of centralization, formalization and standardization. Some firms pursue specialization/differentiation strategies that leverage the new critical mass and increase the lateral interdependency of member firms in line with the transnational model of the MNE (Bartlett and Ghoshal, 1998). These are complemented by HR processes, including socialization and training. Issues are due to local institutional/market differences, conflicts with traditional professional autonomy or an incomplete integration where not yet integrated elements are inconsistent with integrated elements of the organization.

## Process – differences

In terms of differences in the integration process, mainly two differences between firms and one in the author's position were found. One main difference between firms is whether international profit pooling was introduced or not. Several authors mentioned that firms left profit pooling at national level, which constituted a challenge for cross-border collaboration (e.g. Boussebaa, 2009; Ferner et al., 1995). The law firms mentioned by Segal-Horn & Dean (2009) did pool profits, however the authors only mentioned this parenthetically as a sub-bullet in a table and not elaborated it at all even though this must be a very key “make or break” element in view of the aforementioned challenges in firms where profits continued to be pooled at the local level. Regarding differences in HR processes, training courses were found to be conducted locally in law firms (Faulconbridge and Muzio, 2007), while in other industries such as accounting they were deliberately moved to the international level to foster integration (Campbell and Verbeke, 1994; Greenwood et al., 1998).

Significant differences between authors' positions can be observed regarding the evaluation of global integration. Some authors write from a managerialist perspective, commenting critically on local resistance to global integration. Fenton & Pettigrew (2003) are a case in point, stating for example that firms need to “overcome traditions of informal networking” and “forsake established patterns for a “more standardized company-wide approach” (Ibid: 233). Several authors in contrast take a more critical perspective. For example, Arnold (2005) argues that institutional entrepreneurship only benefits the Big Four, while smaller firms cannot take advantage of trade liberalization and, above all, it reduces national democratic control of the industry. Ferner et al. (1995) suggest that global expansion, M&A, differentiation and more business like procedures have weakened the corporate glue that holds PSFs together. Barrett et al. (2005) maintain that local adaptation of global standards is necessary to make a global audit work and highlight the role of local knowledge and client relationships. Faulconbridge et al. (2012) see the transfer of home country practices as an attempt to “govern” workplace practices at the local level in spite of their lack of local fit.

## Process - gaps

Two main gaps in the literature relating to the integration process were identified. First, while papers in this category are labelled here as “process”, many just describe what firms have done, i.e. what new structures, processes etc. have been established. However, many authors do not describe how these were established, in which sequence, how the decision to integrate originated, how it was advocated, how local partners reacted, how leaders responded to local reactions etc. In terms of exceptions, Fenton & Pettigrew

(2003) do look at the sequence of events, Barrett et al. (2005) and Faulconbridge et al. (2012) at how change plays out in practice. However, the latter two are very focused (audit practices; training). Second, the most recent integration efforts among some of the Big Four accounting firms have not yet been investigated even though they are very interesting in view of the extant literature. Integrated international partnerships and international bodies with control over national member firms have been created (Manuzi, 2008), something some authors of the existing literature would not have seen as feasible (e.g. Aharoni, 1996; Post, 1996). Investigating these, apart the empirical interest, might also help question some of the taken for granted assumptions of the PSF literature about characteristics like local partner autonomy and informality.

Outcomes – what have we learnt?

Many firms now have account management systems and global headquarters with global strategy as their main role. Systems and procedures have been standardized, but not the output or content of work, in both law and advertising. Some accounting firms and advertising agencies are able to set up temporary global organizations when needed. Structurally, PSFs across all industries are traditionally mostly federal confederations of national firms rather than integrated firms. This is due to several factors: Traditional forms of centralization have been perceived to be detrimental to the organization. It allows better responsiveness to specific local contexts. It is due to liability and remuneration issues. It allows member firms to retain their own identity, which avoids losing people who don't want to work for a large firm, particularly in advertising. Finally, it is due to the local institutional embeddedness of firms. Several authors observed a process of sedimentation so that hybrid structures result as previous archetypes of collegiality and autonomy remain in place besides the new structures. Besides the continuing problems outlined in the literature dealing with integration, in the outcome of integration, limitations of impersonal formal global systems and procedures led to problems at the local level.

Outcomes – differences

Regarding differences, one main difference between authors' positions and several differences between firms and industries were observed. While several authors draw on archetype theory to analyse integration processes (Brock, 2006; Brock et al., 1999a; Reihlen et al., 2009), Faulconbridge and Muzio (2007) accuse archetype theorists of underestimating the role of professional values and identities in PSFs as they describe the shift to a more managerial archetype.

In terms of differences between firms and industries, while in law firms, checking for possible conflicts of interest and independence issues is done centrally and consistently (Faulconbridge, 2008;

Faulconbridge and Muzio, 2007), in advertising, keeping separate brands within the network allows firms to avoid conflicts of working for competitors of accounts (Grabher, 2001). So conflict avoidance is built into the structure. While in audit firms, a standardized execution is expected, and adaptation and differential interpretation happens informally at local level (Barrett et al., 2005), in advertising agencies, local adaptation and actually participation in the development of global campaigns is built into the design of projects (Daniels, 1995; Grein and Ducoffe, 1998; Leslie, 1995; Tharp and Jeong, 2001) and the actual execution happens locally in the various agencies (Hermelin, 2009). While the literature over the past 20 years shows accounting firms and law firms as constantly moving towards greater international integration and mostly operating under one brand name, advertising agencies have deliberately chosen a group holding structure with local brands and a high degree of independence for member firms (Grabher, 2001).

### Outcomes – gaps

Five gaps in the literature relating to outcomes were identified. Looking at descriptions of the various processes and systems of integrated PSFs, it is striking that little is known in detail about global PSFs' marketing efforts. We mainly learn that globally integrated PSFs are often marketing the seamless nature of their services to clients (Morgan et al., 2006; Walters et al., 2008), but we learn nothing about where marketing is located (global vs. local), how campaigns are developed, whether they are locally adapted etc. Also, little is known about how globally integrated firms actually work in day-to-day micro-level practice (mainly from Barrett et al., 2005; Boussebaa, 2009). Hardly anything is known either about the new strategic position that has been achieved by integrated firms or about their performance. Finally, mirroring a limitation of the process literature, no investigation has taken place yet of how some of the Big Four accounting firms' most recent bold moves towards globally integrated partnerships actually look like and work in practice.

### Overall Evaluation

In this section, the literature will be reviewed based on the codification by unit of analysis and focus, industry, region, method and perspective, which allows identifying further suggestions for future research.

Looking at table 3, it is striking that in terms of *unit of analysis* only 6 out of the 43 papers have investigated the phenomenon of global integration and management of PSFs at the micro level. This must be seen as a gap as several of the studies that do so, typically in-depth case studies such as Barrett et al. (2005), Boussebaa (2009) or Faulconbridge et al. (2012), have shown the value of such a level of analysis,

painting a rich picture of how integration and management of PSFs actually plays out in practice, adding significantly to our understanding. More specifically, table 3 also shows that no study investigates antecedents at the micro level. Above, it was elaborated on why this is a gap warranting future research.



	<b>Antecedents</b>	<b>Integration Process</b>	<b>Outcomes</b>
<b>Field (Macro)</b>	Aharoni (1996) Baden-Fuller (1993) Brock (2006) Brock et al. (1999) Campbell & Verbecke (1994) Daniels (1995) Morgan & Quack (2005) Morgan & Quack (2006) Segal-Horn & Dean (2011) Walters et al. (2008)	Arnold (2005) (Baden-Fuller (1993)) Brock et al. (1999) Brock (2006) Perry (1990)	Aharoni (1996) Beaverstock (2000) Beaverstock (2004) Brock et al. (1999) Campbell & Verbecke (1994) Daniels (1995) Faulconbridge & Muzio (2007) Grein & Ducoffe (2001) Hermelin (2009) Leslie (1995) Morgan et al. (2006) Morgan & Quack (2005) Morgan & Quack (2006) Tharp & Jeong (2001) Walters et al. (2008)
<b>Organization (Meso)</b>	Aharoni (1999) Baden-Fuller (1993) Brown et al. (1996) Cooper et al. (2000) Greenwood et al. (1998) Greenwood et al. (2010) Reihlen et al. (2009) Rose & Hinings (1999) Walters et al. (2008)	(Baden-Fuller (1993)) Boussebaa (2009) Brown et al. (1996) Cooper et al. (1998) Faulconbridge (2008) Faulconbridge et al. (2012) Fenton & Pettigrew (2000) Fenton & Pettigrew (2003) Ferner et al. (1995) Jones (2005) Post (1996) Reihlen et al. (2009) Segal-Horn & Dean (2007) Segal-Horn & Dean (2009)	Aharoni (1999) Beaverstock et al. (2000) Boussebaa (2009) Cooper et al. (2000) Faulconbridge (2008) Fenton & Pettigrew (2000) Fenton & Pettigrew (2003) Ferner et al. (1995) Grabher (2001) Greenwood et al. (1998) Greenwood et al. (2010) Jones (2002) Koza & Lewin (1999) Post (1996) Rose & Hinings (1999) Segal-Horn & Dean (2007) Segal-Horn & Dean (2009) Walters et al. (2008)
<b>Micro</b>		Barrett et al. (2005) Cooper et al. (1998) Faulconbridge (2008) Faulconbridge et al. (2012)	Barrett et al. (2005) Boussebaa (2009) Faulconbridge (2008) Jones (2007)

Table 3. Unit of Analysis – Focus Matrix

A review of the papers by *industry* (see table 5) shows that the majority of papers investigate the phenomenon in accounting firms (15) and law firms (12). What is striking in this context is that there is virtually no cross-pollination between literature on global integration and management in advertising agencies on the one hand and accounting, law and consulting firms on the other hand. While for example Brock studied the phenomenon in both accounting and law (2006; 1999a), Jones in both consulting and law (Jones, 2005, 2007) as did Morgan (2006; 2006), authors on advertising did not study the phenomenon in any of the other three industries or vice versa. Also, the papers on advertising do not reference any of the

papers on the other industries in our review. With the exception of Beaverstock et al. (2000), dealing with law firms, who cite Leslie (1995) and Perry (1990), dealing with advertising, there is also no cross-citation in the other direction. As this review has shown, the challenges that firms face integrating globally or managing their global operations are very similar across the four industries while the strategic responses are in some cases quite different, therefore warranting more cross-industry comparison. This has to be seen as a gap in the extant literature and it is a contribution of this review to have identified some first insights from such a comparison.

Reviewing the papers by *region* (see table 5) reveals a strong bias towards studies focusing on North America (12) and the United Kingdom (14). Only 9 papers focus on individual countries outside of North America and the UK, only 7 on non-Anglo-Saxon countries. In order to obtain a further understanding of global integration and management of PSFs, it would be desirable to study the phenomenon in further countries outside of those two global hub countries/regions, and in further non-Anglo-Saxon countries. In particular, studies that compare the differential impact and perception of global integration and management in several countries outside of North America/UK would yield important further insights. Also, as growth is shifting towards emerging markets such as Asia, studies in these markets should be conducted. Finally, studies in peripheral markets such as developing countries in Africa would be of interest since in these regions PSFs must operate under different conditions.

Region		Industry
<b>Asia Pacific: 3</b>	<b>Europe: 23</b>	Accounting: 15
Australia: 1	UK: 14	Law: 12
Malaysia & Singapore: 1	Cross-Europe: 3	Advertising: 8
New Zealand: 1	Italy: 2	Consulting: 7
	Netherlands: 1	
<b>Global: 19</b>	Russia: 1	Cross-PSF: 3
	Spain: 1	
<b>North America: 12</b>	Sweden: 1	

Table 5. Literature by industry and region

Table 6 displays the literature by *method* used for data collection. The majority used interviews (27). It is worth pointing out that only one study also included (participant) observation in addition to interviews. The rich data showing how a global audit actually works in practice presented by Barrett et al. (2005) shows the value of such an approach and further studies of this kind would enhance our understanding of other aspects of our topic. Also more longitudinal studies should be encouraged as the few that exist (Koza and Lewin, 1999; Perry, 1990; Reihlen et al., 2009) have provided interesting insights not available from cross-sectional or case studies that investigate the phenomenon at only one point in time. Surprisingly no larger scale, quantitative survey has been conducted yet, to validate the findings of existing

exploratory studies on a broader scale. Finally, a network analysis study might be interesting in showing how interaction across countries of an integrated organization actually maps out, also ideally comparing networks before and after integration. This would show to what extent a formal global integration actually leads to more cross-border collaboration and communication or if in practice networks remain largely country-based or regional.

<b>Method</b>	
<b>Conceptual: 7</b>	<b>Interviews: 27</b>
<b>Secondary data/desk research: 8</b>	Longitudinal: 1 (Koza & Lewin 1999)
Longitudinal: 2 (Reihlen et al. 2009, Perry 1990)	Including also (participant) observation: 1 (Barrett et al. 2005)

Table 6. Literature by method

Table 7 shows the literature reviewed by *theoretical perspective* or *field of research*. The focus here is on the theoretical perspectives, while research fields were identified only in those cases where no theoretical perspective was mentioned or otherwise evident in order to locate those papers at least in some field or body of literature wherever possible.

<b>Theoretical perspectives</b>	<b>Research fields*</b>
Institutional theory: 6	<b>International Business</b>
Archetype theory: 3	Theories of the MNE: 12
Contingency theory: 2	Global strategy: 4
Relational approach (economic geography): 2	Strategic alliances / network theory of governance: 2
Actor-network theory: 1	
Biographical perspective: 1	<b>Organization</b>
Co-evolutionary perspective: 1	Organizational design / organization theory: 3
Complementarities (industrial economics): 1	Dynamic capabilities: 1
Structuration theory: 1	Face-to-face interaction (cross-disciplinary literature on): 1
	Process theory of strategic change: 1
	Theories of identity & nationalism: 1
	Sociology of the professions / PSF literature: 2
	<b>Other</b>
	Economic geography (World cities, "spaces of flow"): 2
	Theories of globalization: 1

\* Research fields were only identified when no theoretical perspective was indicated or otherwise evident

Table 7. Literature by theoretical perspectives and research fields

The most frequently used perspective is institutional theory, which is not surprising as at least the "Classic PSFs" (accounting and law firms) are seen as highly institutionally embedded (Greenwood and Suddaby, 2006). This perspective allowed showing how the Big Four influence trade liberalization to enable global integration (Arnold, 2005) and how national institutional differences provide challenges for the consistent deployment of global practices and systems (Boussebaa, 2009; Faulconbridge et al., 2012; Morgan and Quack, 2005; Morgan and Quack, 2006; Morgan et al., 2006). Three papers draw on archetype theory (Brock, 2006; Brock et al., 1999a; Reihlen et al., 2009), which allows viewing global integration in the context of a series of broad changes that PSFs have undertaken over many years and which connects in particular forces for change, change in interpretive schemes and interest and power to observable outcomes.

As displayed in figure 2, perspectives can also be mapped temporally. The first papers in the early 1990s addressed the nascent topic in a descriptive manner without a particular theoretical perspective (Daniels, 1995; Perry, 1990). Then in the mid-90s, Aharoni (1996, 1999) furthered our understanding of how different antecedents impact outcomes with a contingency perspective. What followed could be characterized as a phase of searching for new perspectives that enlighten our understanding beyond contingency arguments. This included the co-evolutionary perspective (Koza and Lewin, 1999), archetype theory (Brock et al., 1999a), the "biographical" perspective (Cooper et al., 2000), actor-network theory (Jones, 2002) and the complementarities perspective (Fenton and Pettigrew, 2003). While some authors continued to apply an archetype theory perspective well into the first decade of the 21st century (Brock, 2006; Reihlen et al.,

2009), institutional theory forcefully entered research into our topic with a large number of studies that continue until today (Arnold, 2005; Boussebaa, 2009; Faulconbridge et al., 2012; Morgan and Quack, 2005; Morgan and Quack, 2006; Morgan et al., 2006). At the same time, new perspectives entered the research field that share an increased attention to micro-level activities as they interact with more meso or macro factors – structuration theory (Barrett et al., 2005) and the relational approach in economic geography (Faulconbridge, 2008; Jones, 2005).

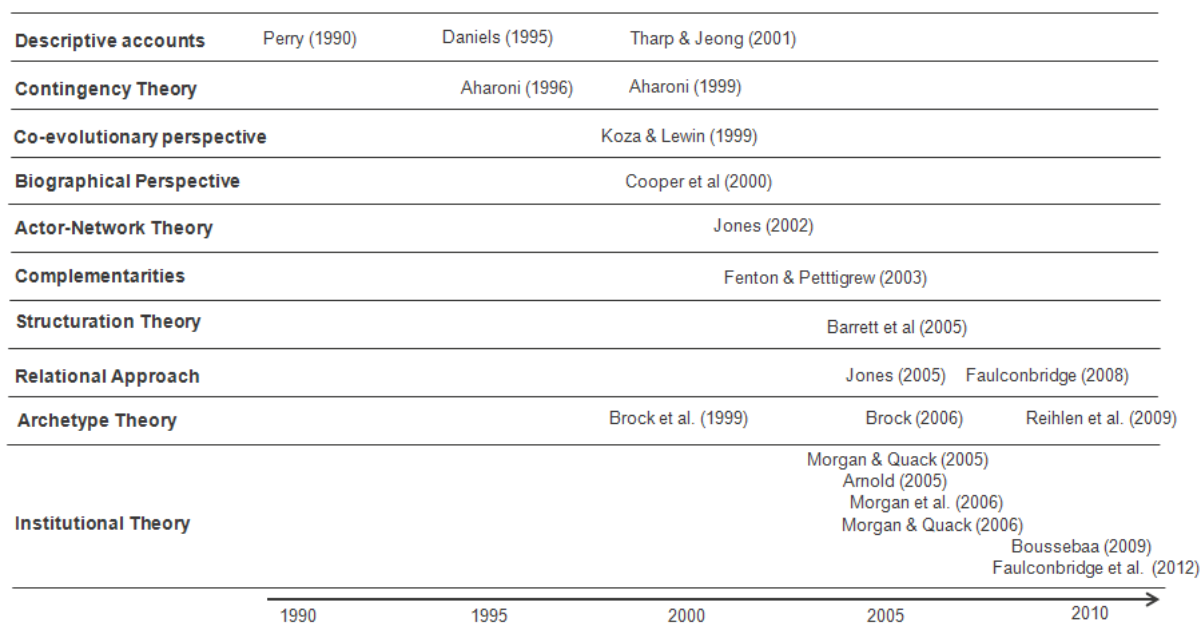


Figure 2. Overall Evaluation: Perspectives over Time

Only structuration theory, actor-network theory and the relational approach could be characterized as systematically taking into account a micro perspective, while the other perspectives tend to be mainly macro-oriented. Interesting papers like the ones from Barrett et al. (2005) and Faulconbridge (2008) show the value of a perspective that systematically includes a micro view as already outlined above. For example, Barrett et al. (2005) have shown how in an accounting firm that on the face of it has got globally consistent audit procedures, in practice they are interpreted and implemented differently at the local level, drawing on local knowledge and client interaction. This perspective also enabled the authors to identify the importance of professional identity as these local adaptations reaffirmed local audit partner autonomy. Further papers from a structuration theory perspective or the recent contributions on institutional work (Lawrence et al., 2011) or strategy as practice (Jarzabkowski and Spee, 2009) approaches might yield further insights into the actual working of global integration and coordination in PSFs.

Regarding papers without a particular theoretical perspective, but embedded in a field of research, the majority is set within the international business domain with the large majority referring to theories of the MNE, drawing in particular on the seminal work of Bartlett and Ghoshal (1998) on the transnational organization or in some cases on Yip's (2003) framework of global strategy. Several other papers can broadly be located within organization studies.

### **Implications for managerial practice**

Three insights from the literature may be of particular interest for PSFs undergoing global integration or managing their global operations. First, the campaign development process of some large advertising agencies could serve as an inspiration for firms in other industries. As outlined above, some firms conduct cross-firm idea competitions for campaign design and select the best idea, thereby allowing all subsidiary firms to be involved and leveraging the whole firm's creative potential. Also, resentment against a central teams' centralized approach in a global project as reported in the literature could be addressed that way. The option to locally adapt a campaign when it is proven that adaptation is necessary provides "built in" local responsiveness that would benefit some of the more centralized firms in other industries. Obviously, the applicability of this approach varies between industries and is certainly less appropriate for audit or legal work, but might be appropriate for non-client delivery activities (support functions) or non-compliance oriented client delivery services (e.g. advisory work in accounting firms) in these industries.

Second, firms should undertake a diligent assessment of which organizational functions, processes, policies etc. need to be global and which should remain local. Also where this is possible and appropriate, for standards that are generally global, firms should allow a level of local adaptation to „translate“ them into the local institutional context to make them meaningful to local constituents.

Third, firms should avoid inconsistencies that come about when globalizing some organizational aspects while leaving complementary aspects local. This would apply for example to an expectation of global collaboration and sharing of resources across borders when profit pools are kept at the local level. Several studies highlighted such discrepancies (e.g. Fenton and Pettigrew, 2003; Ferner et al., 1995). For example, Boussebaa (Boussebaa, 2009) showed how partners in a consulting firm in his study resisted requests to provide staff from their team to international projects as this would have put them at a disadvantage in terms of profitability. While a system for international staffing had been created, local profit pools continued to provide incentives to partners for employing their staff on local projects as only then profits generat-

ed by staff contributed to the success of the local practice. This contradicted the idea of providing staff with the best required skill set to clients internationally.

## **Conclusion**

The review of the literature on global integration and management of PSFs has shown that a good deal of progress was made over the past two decades. While several perspectives have been applied over the course of time, the current intellectual landscape of recent studies draws on the relational approach, archetype theory or institutional theory. Together, they have shed light on both the wider context in which global integration and management of PSFs takes place as well as some aspects of how these processes are reflected in the practice of firms. An integrative framework outlining antecedents, processes and outcomes of global integration was developed in this paper. This has highlighted some gaps in our understanding. Future research is suggested relating to certain levels of analysis, perspectives, methods, geographic focuses and organizational dimensions of PSFs. As the literature is quite fragmented, more cross-fertilization is suggested. It is hoped that this review has achieved some first steps towards this goal and that it has shown where future contributions would be most useful to further our understanding.

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