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Up or out? Archetypes and person-organization fit in Dutch law firms

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Discussion

1. Introduction

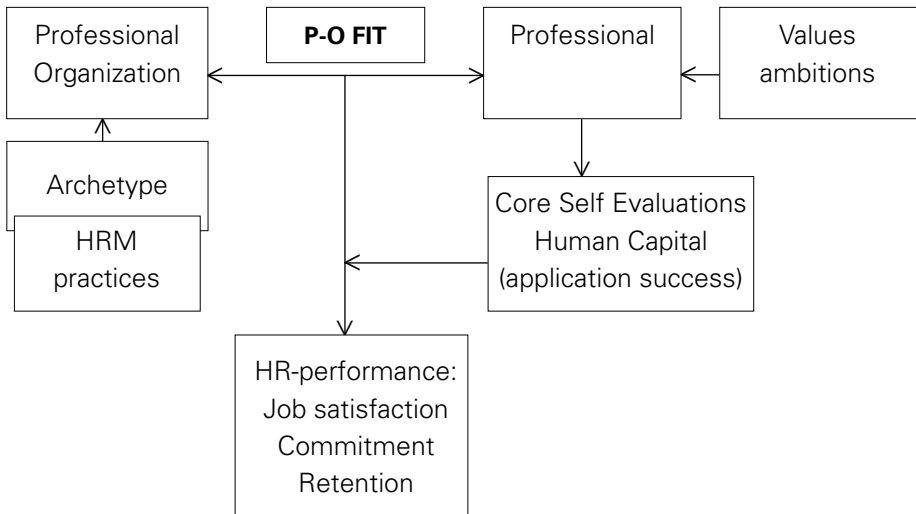
In this final chapter, I will summarize briefly the results of this research (Section 2) and then continue with a concluding discussion of the central themes as well as some findings that did not yet receive full attention in the preceding chapters (Section 3). Finally I will indicate the limitations of this research (Section 4), the implications for further research and theory development (Section 5) and the implications for practice (Section 6).

2. Summary of the results

Recruiting and retaining talent is essential for the performance of law firms and the law industry. Talent is scarce and will be more and more difficult to attract and retain, due to changing ambitions, increasing mobility and an ageing population. A diversifying law industry with a diversifying workforce runs an increasing risk of mismatches between law firm and lawyer.

The purpose of this research was to investigate the mechanisms and the effects of fit and misfit between the values and ambitions of lawyers and the values of their law firms. The central question was, whether and how fit or misfit affects the attitudes of the lawyers; their satisfaction, commitment and their intention to stay. I further hypothesized that core self-evaluations and human capital would influence the relationship between P-O fit and fit effects. The research questions are represented by the model in Figure 1.

Figure 1



Central in this model is the fit between person and organization (P-O fit); that is, in this study, between professional organization (law firm) and professional. This P-O fit is expected to be determined by the archetype of the law firm on the one hand and the values and ambitions of the professional on the other. The archetype of a law firm is assumed to be defined by its HRM practices. The degree of fit between organization and professional influences the job satisfaction, commitment and retention of the professional. This relationship is expected to be moderated by the cores self evaluations (CSE) and the human capital of the professional.

2.1. HRM practices and archetypes.

Investigating the fit between firms and lawyers required a method to distinguish relevant differences between the values of law firms. I proposed that different firm values would be expressed by different sets of HRM practices and that these practices could be related to different archetypes of the firms. Archetype theory distinguishes the professional partnership (PP) as the traditional archetype of professional services firms and the more recently arising managed professional business (MPB). I proposed that these archetypes would be discernible among the big Dutch law firms and found this proposition largely confirmed. The internal alignment of HRM practices ascribed to the professional partnership and the managed professional business was recognizable in the outcomes of the interviews with the managing partners. The HRM practices that fit the PP archetype

were, among others, an up-or-out career system, only incidental permanent senior associate positions, tenure based salary systems and, at the utmost, moderate variable pay. The MPB-related practices included a differentiated, individualized career policy, several permanent senior associate positions, performance based salary systems and substantial variable pay levels.

I also proposed the HRM practices to be aligned with the strategy, governance and management elements of the archetype. The results supported this partially. More firms with PP-like HRM practices focused on a reputation of scientific expertise and on a strategy of customization. Partnership culture and partner's involvement in management were more intensive, frequency of partner meetings was higher in the PP firms. There was some difference of non-partner management and of practice group management structures, but less convincing. Other elements, such as intensity of management control or strictness of appraisals, appeared to be more closely linked to factors of economic performance than with archetypal differences.

2.2. P-O value fit.

From the elements that determine the archetypes according to existing research literature as summarized in Chapter 2, I deduced five sets of values and goals: expertise, management, short term reward, long term perspective and partnership. I investigated P-O fit as the fit of these sets of values. I distinguished between objective fit, the fit between lawyers' values and the archetype character of their firms, and subjective fit, the fit between lawyers' values and the firm values as perceived by the lawyers. I measured actual firm values by scoring the interview answers of the managing partners as described in Chapter 2. My hypotheses stated that objective and subjective fit would be related to three types of outcomes: satisfaction, commitment and intention to stay. Further, I added as hypotheses that core self-evaluations and human capital moderated the relation between fit and outcomes. "Core self-evaluations are defined as the mental premises that individuals hold about themselves and their functioning in the world." (Judge, Erez & Bono 1998, p. 168). The concept of core self-evaluations (CSE) covers both self-esteem and self-efficacy and includes neuroticism and locus of control as well. The application success of the lawyers (number of job interviews and job offers) was regarded as an expression of their human capital. The moderation hypotheses were based on the idea that employees with higher self-evaluations and more human capital report more extreme positive effects of fit or negative effects of a lack of fit, because they are better prepared to express and act upon their appreciation of the work

environment.

I tested the hypotheses by two consecutive surveys among 305 young, starting lawyers, employed by the 19 firms that participated in the interviews described in Chapter 2. At the time of survey T1, they were employed between 3 and 12 months. Survey T1 received 95 responses. For the purpose of investigating fit and fit effects after the first year of employment and the changes in values and value fit that occurred in this period, the survey was repeated among the same population ten months after the first measurement, with 66 lawyers responding.

I used polynomial regression analysis to test the hypotheses. For objective fit, except for the effects of expertise values on intention to stay, significant regression results were found in neither survey.

Subjective fit between the lawyers' expertise, management, short term reward and long term perspective values with the perceived firm values had significant effects on satisfaction and commitment; expertise and Short value fit were significantly linked to intention to stay. For management, short term reward, and long term perspective, misfit of values showed stronger effects than fit. The outcomes were lowest when lawyers' values were high and firm values low; this has also been found as a general characteristic of misfit (Kristof-Brown et al., 2005). Following P-O fit theory, I had expected that the outcomes of fit would not differ according to the level of the fitting values; for example, fit of high firm and personal values would be related to an equal level of satisfaction as fit of low firm and personal values. In contrast however, fit of management and short term reward values produced higher outcomes at lower levels of fitting values; as for expertise and long term perspective values, fit outcomes were higher at higher value levels. Regarding the short term reward values, different outcomes of different fitting value levels appeared to be related mainly to differences in lawyers' values, while different outcomes of different long term perspective value fit levels were related dominantly to differences in perceived firm values. Fit effects on satisfaction and commitment were similar, but more pronounced on satisfaction.

Core self-evaluations had the expected moderating effects on the relation between fit and outcomes. The effects of fit and misfit at a high level of CSE appeared more pronounced. In survey T1, lawyers with high CSE appeared to appreciate a fit of high management values less and of high short term reward values more. Survey T2 showed the expected, more pronounced pattern for management value fit for lawyers with high CSE. Short term reward value fit was related to the highest satisfaction of high

CSE lawyers when the levels of fitting values were moderate. Also in survey T2, long term perspective value fit produced a pattern of satisfaction and commitment with high CSE lawyers that reached the highest level when values were moderately high. Application success (AS) showed some of the expected moderating effects. For lawyers with high application success, the short term reward value fit as well as long term perspective fit produced the highest levels of intention to stay at high fitting value levels, while the fit of management values was related to the highest satisfaction at a low fitting value level.

Although the number of significant regression results was smaller, survey T2 repeated the result patterns of the first. Fit and misfit of expertise values explained more variance of the outcome variables in survey T2, fit and misfit of long term perspective values explained less variance. Lawyers' values dominated the differences in fit effects of different levels of expertise value fit, as did firm values for long term perspective value fit. Survey T2 indicated that fit at moderate levels of management and short term reward values was related to the highest outcomes.

The hypotheses of this study were confirmed for subjective fit, not for objective fit. The hypotheses about the effects of the moderation by CSE and application success on the outcomes of subjective value fit were also confirmed.

The lack of significant results for objective fit did not mean that objective and subjective fit were found to be completely disconnected. In both surveys, lawyers' and firms' expertise values were significantly correlated with the PP-MPB measures, as were short term lawyers' and firm values.

2.3. Changes of value fit and fit effects over time.

Only 38 lawyers had responded to both surveys, not enough for longitudinal statistical analysis. I inspected the changes in the fit and outcome variables of these lawyers to see whether any change patterns could be discovered. In 50% of the cases of these respondents, satisfaction, commitment and/or intention to stay had decreased. In a large majority of 25 cases, fit that was stable or had increased over the two measures could be linked to stable or higher outcomes, and decreased fit to decreased outcomes. These observations supported the relation between changes in value fit and changes in attitudes that had been found by the P-O fit research (Kristof-Brown et al., 2005). Apparently, changes in the personal values of young lawyers or changes in their perceptions of firm values that result in more or less fit are related to improvement or decrease of their satisfaction, commitment and intention to stay. I will discuss the nature of these changes

in the next sections of this Chapter.

Interviews young lawyers.

Interviews with 11 young lawyers from the target population provided illustrations of the fit and misfit effects that were found in the analysis of the survey results. Expertise ambitions were vital for almost all lawyers; they were in some cases disappointed by the nature of the work, by changes of practice area or lack of perspective in the preferred expertise area. Management values were associated with practice group and process management and with the performance of firm management at critical moments. Material short term rewards were not an issue for the lawyers in the PP-like firms, though the absence of immaterial feedback was noted; lawyers in more MPB-firms appeared more concerned about a fair reward for different performances. Only one interviewed lawyer expressed a direct long term partnership ambition; with some others, this ambition was more ambiguous, while most interviewed lawyers shrank back from the work-life consequences of partnership. Nevertheless, most lawyers appreciated the long term perspectives that their firms offered. In more MPB-like firms, some lawyers considered permanent non-partner positions such as salaried partner a serious alternative to the partnership position.

3. Discussion

In the following section, four central issues that evolved from the main themes of this study will be discussed in more detail:

- the nature and meaning of the archetypes Professional Partnership and Managed Professional Business among law firms in The Netherlands;
- the HRM practices as elements that distinguish between the archetypes;
- the nature and meaning of the expertise, management, short term reward and long term perspective values;
- the relationships between archetypes, HRM practices, professional values and the attraction of young professionals.

3.1. Do the professional partnership and the managed professional business exist among Dutch law firms?

In recent years, authors have tried to categorize Dutch law firm according to their governance and management set up, but without finding clear distinguishing features other than the intensity of involvement of the partners (Kil, 2010; Wanrooy, 2007). The HRM practices offered a better angle to identify different types of firms, with different values. Especially the distinction between a (moderate) form of up-or-out and a more differentiated, individualized notion of the lawyers' career was found to be related to

fundamental differences between the value sets and configurations of law firms. Some elements of the governance and management of the firm could be linked directly to this difference in HRM practices, especially when the position of the partners was involved. Other elements, such as the position of managers and the strictness of appraisal and control systems appeared to be linked rather to size, profitability or geographic structure, than to different values or strategic goals. The firms with the highest profitability had the more intensive management control processes. The management and governance elements may therefore be regarded as more opportunistic and less fundamental for the firm's intrinsic values.

Of course, the PP and MPB archetypes describe theoretical configurations that do not exist in real life. Every firm has its own position between the extremes of PP and MPB. The more traditional, partner-centred configuration and culture of the professional service firm is recognizable in the PP-like firms, but has still solid remnants in the MPB-like firms, where partners also retain the dominant position. Nevertheless, besides individualized HRM practices, a more elaborate management structure is an inherent part in this configuration.

The partnership culture and HRM practices of the PP archetype appeared more frequently in single office firms where peer feedback and control can be more easily maintained. Although the research offered no solid basis for a differentiation of reputation and expertise, indications can be found in the interviews with managing partners and young lawyers; examples are the high and homogeneous expertise levels and the positive appraisal of partnership ambition in the PP in comparison with a more differentiated expertise level and a more critical attitude towards colleagues with partnership ambitions in the MPB. Firms with the highest professional reputation among their peers seemed to prefer the PP. These firms aim at attracting and retaining the brightest lawyers, who appreciate the partner autonomy that the PP offers.

The findings of this study support the observation that the PP archetype is not disappearing in favour of the MPB (Pinnington et al., 2003), but that firms choose from – elements of – both archetypes the configuration that fits them best. Although elements of the managed professional business are discernible among several of the large Dutch law firms, the interviews with managing partners and young lawyers indicated that the adoption of MPB features is still limited. HRM practices such as differentiated development tracks and performance management are at most modestly developed. The same applies for process management, standardization and quality control,

features that were observed to proliferate in US and UK firms (Cooper et al., 1996; Lowendahl et al., 2001; Malhotra et al., 2010; Malos et al., 2000).

The professional partnership might still be regarded as the dominant paradigm of professional services firms, at least of law firms in The Netherlands, a paradigm that is followed and enforced by partners, managers and by young lawyers themselves as well. Even though the traditional characteristics of the PSF are repudiated in other contexts, such as work/life balance or diversity discussions (Mueller, Carter, & Ross-Smith, 2011; Vodeb, 2011) *Advocatie* May 20, 2008, January 19 and June 1, 2011; *Advocatenblad Special Carriere & Opleiding*, November 25, 2011), these characteristics remain strongly present in the professional mentality. The central position of partnership, the up-or-out career, the aversion to formal management and appraisal systems are elements of the professional partnership that colour the observations of lawyers, even in firms that resemble the MPB.

An archetype has been defined as a set of values, organized into a coherent interpretive scheme (Cooper et al., 1996; Greenwood et al., 1990). For lawyers in The Netherlands, the professional partnership clearly reflects this definition and remains the dominant interpretive scheme.

Meanwhile, the world is changing. Several recent surveys and discussions (Spangenberg & Lampert, 2010; Vodeb, 2011), indicate that the ambitions and needs of young professionals nowadays are increasingly out of line with the career practices of the professional partnership. Growth and diversification of the professional workforce have brought along different needs, especially a more individualized design of professional development and a better work/life balance. The interviews in this study offer illustrations of these needs. The law firms with more MPB-like features may offer better possibilities to cater to these needs, for instance by opening alternative career tracks.

Not only the needs of young professionals, also the servicing of clients and the changing character of law practice may diverge increasingly from the archetypical professional partnership. The scope of international transactions in some legal practices or the efficient provision in legal commodity services require project and process management techniques (Gardner, Anand, & Morris, 2008). Improvements in the management of law firms and law practices are not difficult to imagine nor necessarily very complicated, but can have a distinctive impact, for instance offering frequent and clear performance feedback. This kind of management improvements might be applied within a professional partnership; as we have seen, some managerial practices are combined with maintaining the partnership values and HRM

practices of the PP. But PP-like firms may also choose to enter the MPB world and leave the partnership dominance and the corresponding HRM practices.

Probably, following labour market and organizational needs and pressures, more firms will adopt elements of the MPB. However, the PP may remain the suitable configuration for high profile firms that offer the opportunity to realize top expertise ambitions to the brightest lawyers and base their market position upon top expertise reputation. Central features of this configuration are a homogeneity of talent, autonomy of professionals, peer control and feedback and partnership ambitions – also described as the option based firm (Malos et al., 1995, 2000). The PP may be characterized as the Peer & Perspective oriented configuration, the MPB as the Management and Performance oriented. This study demonstrated that the PSF archetype theory as originally developed, offers a useful theoretical basis to study PSF configurations, as well as a practical framework for firm management to analyse, align and improve their organizations.

3.2. HRM practices as distinguishing elements

In this study the archetypes of the large law firms in The Netherlands appeared to be best characterized by the HRM practices – partnership included – that these firms apply. What does this conclusion imply for the meaning and influence of HRM practices in PSFs or organizations in general? Clearly, in the observations of managing partners and young lawyers alike, HRM practices are signals of the value system of the firm as defined by the signaling theory (Spence 1973, Murray 1991). This was to be expected. HRM practices are about reward and recognition, appraisal and feedback, elements that are strongly linked to the professional ambitions and identity. Especially, HRM practices answer questions about in- or exclusion that are vital for the young professional, such as “Is this firm prepared to invest in my development? Does the firm foresee a future in a law career at this firm for me? Are my efforts effective and appreciated?” HRM practices therefore are an important factor in P-O fit, as proposed in HRM literature (Werbel et al., 2005). This was confirmed in this study for the short term reward and long term perspective values expressed by the compensation and career practices of the firm.

The expression of the values and goals of the organization by HRM practices is expected to be stronger as these practices are more visible, consistent and consensus based, as Bowen and Ostroff (2004) proposed. Consistency means that HRM practices are vertically and horizontally aligned. Consensus requires that managers explain and enact the HRM practices in

the same manner. Contradictory and inconsistent messages produce a weak climate, wherein behavior of employees is less effectively directed to the goals of the organization.

HRM practices in most big law firms do not appear to meet the criteria of Bowen and Ostroff as supporting a strong organizational climate. The extensive training programs that all law firms offer a professional expertise development but are hardly distinctive for the climate of a specific firm. Compensation practices are transparent and have impact on young lawyers, but the consistency of and consensus on these practices appeared weak in many examples from the interviews. Career practices are frequently implicit or ambiguous; none of the firms appeared to have communicated an explicit up-or-out career policy. Young lawyers deduced the career policy from practices such as permanent senior positions. They implicitly assumed a form of up-or-out as the professional norm, even if the firm did not have this policy. From the effects of long term perspective fit in the surveys as well as from the interviews, this implicit professional norm appears solid and persistent. The up-or-out career as well as other archetypical elements of the professional partnership, such as the dominance of partners over management, is reflected in the interviews. The professional values influence the expectations of the lawyers, their perceptions of the HRM practices of the firm and thus the organizational climate. Other HRM practices that are not congruent with these values are perceived as weak and ambiguous; the permanent senior positions are the obvious example.

The professional values may influence the perception of HRM but also the presumed effectiveness of specific HRM practices. For instance, performance based reward is generally accepted as an effective HRM practice; it is one of the practices included in the High Performance Work systems (Delery, 1998; Huselid, 1995). However, as we have seen, in the more PP-oriented professional services firms, the performance effects of short term reward may be reduced by the long term professional ambitions. In up-or-out, long term ambitions make short term rewards – as incentives – superfluous (although PP law firms use modest bonuses to maintain a competitive compensation level). Similarly, the choice between differentiated or uniform training and development programs is contingent on the character – especially the career orientation and homogeneity – of the professional workforce of a firm.

The research that has tried to establish a direct relationship between specified HRM practices (HWPS, best practices, HRM bundles) and firm performance has not yet produced conclusive evidence (Paauwe, 2009;

Verburg et al., 2007). Among others, Paauwe (2009) even has serious doubts that this is feasible; in reality, firm performance is influenced by so many different factors – such as structural or temporary economic circumstances, employee characteristics and attitudes, firm structure and strategy, internal and external cultural aspects – making it extremely difficult to isolate the effects of HRM practices as one of these factors. However, recent studies have demonstrated that organizations with a persistent HRM strategy that is aligned with their strategy, structure and other characteristics perform better than those that simply adopt best HRM practices without taking this vertical alignment into consideration (Chênevert et al., 2009). Vertical alignment of HRM practices is found to be a stronger determinant of firm performance than the choice of a specific bundle of horizontally aligned practices (Subramony, 2009; Verburg et al., 2007).

The present study adds to these findings by demonstrating that vertical alignment does not only entail the internal elements, but can also be strengthened or weakened by external norms and values that influence the values and expectations of the workforce, such as the ideas within a profession about the professional career and the position of partners. Especially in the professional environment, these external values and norms might be quite influential, shaping the expectations of the professional before she enters a firm. It can be argued that also in other occupations, external norms and values have a similar meaning – one could think of banking, civil services, crafts, or quality and safety related jobs. The strength of the climate that results from HRM practices depends on the internal consistency as well as on the consistency with these external values. These findings support the contingency approach of studying HRM practices in connection – aligned or not – with the other elements of a firms' configuration and of the firms environment. The archetype theory of professional service firms is an example of such an approach.

3.3. What are the values really about?

Lawyer values appeared to matter. The analysis of the changes of values and value fit between both surveys was limited, but illustrated the relationship over time between value fit, satisfaction, commitment and intention to stay that was established by the surveys at separate moments. Objective fit – measured by using the archetypical character of the firms - produced no significant regression results except for the effects of expertise value fit on intention to stay. Several researchers have observed that P-O fit, affecting individual attitudes, is necessarily based on perceived values; after all, employees can only act upon their perceptions. Perceptions of

organizational values may deviate greatly from reality as perceived by others (Dusschooten- De Maat, 2004; Kristof-Brown et al., 2005). Nevertheless, congruence with objectively measured values may strengthen the effect of subjective P-O fit. Expertise and short term reward perceptions of the lawyers were related to the information given by the managing partners. Also the significant increase of the correlation between management values and short term reward values in survey T2 was an indication of congruence between actual and perceived values. High management and short term values both are characteristics attributed to the MPB; it was to be expected that young lawyers gradually developed more realistic perceptions of the management and short term reward values of their firm.

Expertise values. Expertise and short term rewards are features that are apparently transparent to starting lawyers as indicated by the correlations between the objective and subjective measures. Expertise is probably also confirmed by their firms' reputation as seen by colleagues from other firms, publications and surveys. As illustrated by the interviews, younger lawyers may direct their expertise ambitions to specific practice areas. Fit of expertise values may be based upon the opportunity to realize these ambitions. But also the general level of expertise in the firm, perceived as well as objective, matters to the lawyers (indicated by the significant correlations between expertise firm values, satisfaction and commitment), as well as the homogeneity – in more PP-like firms – or diversity of this level, as illustrated by the interviews. The lawyers themselves recalled in the interviews that, before and short after entry, they were hardly able to distinguish between firms; they all assessed the expertise level of their firms as high. Yet gradually they come to appraise differences within their firm and between firms. In this process, the effects of expertise value fit on satisfaction and commitment get stronger while the effects on intention to stay remain. The fit of expertise values had more impact on intention to stay than the other values. For lawyers with high expertise ambitions, the expertise level of their firm is clearly a motivator and satisfier. High lawyers' personal expertise values dominate the effects on intention to stay as well as their satisfaction. Possibly, lawyers that do not find their ambitions accommodated by the firm lower their ambitions simultaneously with their staying intentions, while postponing their departure until after the end of their traineeship. Meanwhile, the correlations indicated that their appraisal of their firm's expertise values is not unrealistic; this was supported by the significant effect of objective expertise fit on intention to stay. Expertise firm values appeared in survey T2 as distinct from the other investigated firm

values; expertise firm values did not correlate with short term reward and long term perspective values. The tendency to appraise one's firm more or less positively on all value aspects does not include expertise values.

Expertise values produced the only significant effects of objective fit. In the young lawyers' perceptions, expertise values clearly stand out. This is not greatly surprising; the ambition to develop into an expert professional is closely connected to the professional character. The lawyer who applies with a big law firm might be assumed to have a considerable amount of expertise ambition and this lawyer may presume a profound level of expertise values with the firm. However, there appeared distinctive differences between lawyers as well as between firms, differences that are relevant to the fit between firm and lawyer and for work satisfaction, commitment and retention.

Management values. Management values occupied a less prominent place in the mind of the lawyers. Management value fit had significant misfit effects, but not many significant fit effects. The interviews indicated that practice group management and firm management of critical incidents were the management aspects with the strongest impact on the starting lawyers. However in most firms the most salient feature of law firm management, including HRM, for young lawyers was its absence. In some firms on the MPB-side of the scale, lawyers observed a conscious management of work allocation and individual coaching in the practice group. Survey T1 indicated that, for lawyers with high self confidence, satisfaction was highest at moderate fitting value levels. Also, satisfaction of lawyers with high application success is highest at low value levels. These findings indicate that, for lawyers with high CSE and human capital, a modest management intensity of the firm suffices: they are prepared to find their own way and prefer moderate or no management involvement. The interviews offered several illustrations. However, almost all interviewed lawyers indicated that they would have appreciated more attention to practice group management. Moreover lawyers who are – temporarily or permanently – low on CSE – e.g. who are insecure about their expertise level, their health, their relation with the supervisor, their chances to survive traineeship - appreciate and welcome a more conscious practice group management as well as interventions of firm management.

Management values appeared mainly a dissatisfier in case of misfit: for self confident lawyers that are bothered by management or for insecure lawyers in need of support by their supervisor or by firm management.

In survey T2, women scored lower on CSE and higher on management

values. This is indicative for the different impact of management value fit according to the level of the core self-evaluations.

Short term reward values had a similar dissatisfying effect as the management values. As illustrated by the interviews, the personal experience of young lawyers with material short term rewards or with immaterial feedback was not abundant. However, short term reward values of the firm were transparent to them, as the correlation with actual archetype elements indicated. In survey T1, outcomes of short term reward value fit were highest when lawyers' values were moderate. High personal short term reward values are easily disappointed by low firm standards, as the interviews illustrated. Short term reward values were the only firm values that did not correlate positively with commitment; contrary to the other values, a higher level of short term reward values is not always appreciated. Fit of short term reward values is related to higher satisfaction and intention to stay, but these outcomes are even higher as the level of the fitting short term reward values is lower. For lawyers with high CSE however, in survey T1 higher levels of fitting short term values resulted in higher satisfaction also. The same was visible for the effect on intention to stay for lawyers with high application success. In survey T2, moderate firm values were related to the highest level of satisfaction, for lawyers with high CSE scores. As explained, the results of the firm's short term reward systems may dissatisfy the expectations of self-confident lawyers; one interview offered a clear illustration of the dissatisfying effect of a variable pay system.

The MPB applies more intensive short term reward systems. The interviews indicated that the more heterogeneous capacities and ambitions of the lawyers in this type of firm induce the need for these systems to satisfy and retain the best performing lawyers. The balance between satisfaction and dissatisfaction by short term rewards appeared very delicate, also in these firms. In general, a moderate level of short term rewards offers the best chance to satisfy and commit the employees, but this balance might be different for each lawyer – in this study, differences were found related to CSE and human capital. The interviews illustrated that not only the level of the short term reward, but also the design and criteria of the short term reward system effect the satisfaction of the lawyers in different ways.

Long term perspective values. Short term rewards and long term perspective values of the lawyers were positively correlated, contrary to expectation. This correlation may be based on the common reward element in both value sets. However, fit and misfit of Short and Long values had rather different effects. Long term perspective value fit was related to higher

outcomes when fitting values were higher. Firm values were dominant in these fit effects. The lawyers may not yet have clear long term ambitions, they nevertheless appreciate the long term perspective that their firm offers. They tend to consider other career options when they realize that a career at their firm is improbable or undesirable. Strong career ambitions appeared more accepted among young lawyers at more PP-like firms, as might be expected.

The survey results of long term perspective value fit for lawyers with high CSE implied that Long firm values and value fit only resulted in higher outcomes up to a moderately high level. At extreme levels, outcomes declined again. There appeared a limit to the tolerance of long term ambition; too much emphasis on long term perspectives is not appreciated. For lawyers with high CSE and high Application Success, the effects of Short and Long values appeared similar. Long term ambition and short term recognition are both important for these lawyers. Firm values dominated the effects. When firm values are low, the personal values have strong effects on the outcomes; when firm values are high, the effect of the personal values is modest.

In survey T1, lawyers' long term perspective values were correlated to gender: male lawyers had higher long term ambitions. This correlation had disappeared in survey T2, possibly due to the smaller sample and an overrepresentation of female lawyers. Another possible explanation is that the long term perspective of many young lawyers does not reach farther than the end of the traineeship period, as was illustrated by the interviews.

Values and reward. Research on reward has pointed out that reward may address different needs of employees; besides material compensation, it includes recognition and distributive fairness (Gagné & Forest, 2008). Reward affects feelings of competence and self evaluation. Reward systems may have incentive and sorting effects – the latter meaning that employees who do not meet or appreciate the standards of the compensation system are motivated to leave the firm. Incentive pay systems aim at strengthening performance motivation, based on agency theory, thus aligning the interests of the firm and employees. Research has indicated however that incentive effects of reward systems in professional service firms are modest at most (Gagné et al., 2008; Subramony, 2009). Material incentives may even distract from internal motives and reduce intrinsic motivation. The risk involved in short term reward is considerable; the employee may regard appraisal and reward as subjective and unjust, resulting in reduced satisfaction and commitment.

Distributive fairness may address external as well as internal comparisons; internally, a bonus or positive appraisal affirms the self-evaluation of a lawyer versus her colleagues at the same firm; externally, the level of compensation is felt as a measure of the firm's relative position in the industry. The interviews confirmed that the incentive effects of short term rewards are weak or even negative, but that short term reward may meet the needs for recognition and distributive justice. This might explain why modest short term reward values were related with the highest level of satisfaction and commitment. The intrinsic professional motivation of the lawyers appeared dominant and is hardly impacted by additional extrinsic incentives, negatively nor positively.

The lawyer appreciates the possibility of a long term commitment with the firm as a reward for performance. However, long term perspective appears to be better aligned with the intrinsic professional motivation than short term rewards and therefore to have a stronger effect on commitment and intention to stay. Similar to expertise firm values, long term perspective values share this motivating potential through the alignment with professional ambitions. This motivating potential is confirmed by the analysis of changes, indicating a direct relationship between expertise and long term perspective firm values with satisfaction, commitment and intention to stay. Change analyses further confirmed the expected effects of increasing or diminishing value fit. In combination with the increasing congruence of objective and subjective firm values, it can be assumed that the impact of the archetypical character of the firm on the fit perceptions of the lawyers grows with their tenure at their firms.

Core self-evaluations and human capital. Core self-evaluations and human capital had the expected moderating effects; at high moderator levels, the effects of fit and misfit appeared more extreme than at low moderator levels. Moderation had some other effects as well. Several patterns of the outcome variables at high levels of CSE and human capital showed a preference for moderate levels of lawyers' and/or firm values: outcomes were highest at moderate value levels (management values: low to moderate; short term reward and long term perspective: moderately high). Also, the effects on the outcomes after moderation appeared to shift from value fit to a dominant effect of either lawyers' or firm values. It is imaginable that lawyers with a high level of CSE or human capital focus on the specific values – personal of firm's – that are most transparent and important to them. Piasentin et al. (2006) complained that fit studies did not yet really clarify the relationship between self-esteem and fit effect. By analysing the moderating role of CSE

– including self-esteem – this study may have reduced this gap.

Different fit effects of different values. Different values had different effects on the lawyers' attitudes. Although the impact of value fit on satisfaction is somewhat more pronounced over all, expertise value fit had a stronger effect on intention to stay and long term perspective fit on organizational commitment. These values are most closely connected to professional values and ambitions. It can be argued that these differences between the values are related to the professional character of the organizations and the employees in this study. In other organizations and occupations, similar values might have other effects; for instance, short term rewards for sales professionals probably have more effects on organizational commitment and intention to stay, while in more bureaucratic occupations the commitment effect of management values might be greater than in professional service firms.

The fit of some of the values, particularly the short term reward and management values, might be overlapping the construct of Perceived Organizational Support (Rhoades & Eisenberger, 2002). Rhoades et al. found that the antecedents of organizational support, fairness, supervisor support, rewards and favourable job conditions were related to satisfaction and commitment. These antecedents resemble the management and short term reward values, as the interviews indicated.

Although many studies maintained a single construct of person-organization fit (Ambrose et al., 2007; Piasentin & Chapman, 2006), some authors have distinguished P-O fit from "needs-supplies" fit (Cable & DeRue, 2002). Needs-supplies fit is defined as the congruence between employees' needs and the rewards they receive for their service and contribution on a job; it is not determined by matching values and goals, as is P-O fit. Needs-supply fit is found to be related primarily to job satisfaction, while P-O fit is supposed to have the strongest effects on commitment and intention to stay. Short term reward value fit as well as some elements of long term perspective and management value fit share the reward character and the effects of needs-supplies fit. The separate assessment of fit based upon different types of values demonstrates the composed character of the P-O fit construct through the relationships of the different values with different outcomes. Specific values within of the P-O fit construct overlap with other constructs such as needs-supplies fit or perceived organizational support. Many studies have applied a single measure to establish P-O fit, mainly asking employees directly about their perception of fit. As Kristof-Brown et al. (2005) observed, a single measure of P-O fit permits respondents to

pick the criteria they themselves find most relevant, leaving the researcher without clues about the specific values that determine the effects on different attitudes. For developing the research on P-O fit as well as HRM practices that may improve attitudes such as satisfaction and commitment, the usefulness of an undifferentiated construct of P-O fit has its limitations.

This is not to say that P-O fit could or should not be measured as a single construct. Results of the surveys in this study were in line with P-O fit research. Examples are the expected saddle shape of most of the surfaces as well as the asymmetrical effect of value misfit: high personal values along with low firm values had a strong negative impact on attitudes, while the reverse - high organizational values and low personal values - was much less pronounced (Kristof-Brown et al., 2005). Apparently, an excess of values that the employee does not appreciate is less harmful than a lack of values that are important to the employee. Further, the change analysis in Chapter 5 illustrated the underlying pattern of a central value system in the organization (Chatman, 1991; O'Reilly et al., 1991). In my study, the archetypical character of the firm represented this central value system.

More detailed analyses of the surfaces complement P-O fit theory but do not contradict it. Also, the analysis of different effects of different values is a refinement that is not incongruent with existing theory. Nevertheless, these additions and refinements may be important for theoretical progress and practical use of P-O fit theory. As also recommended by other researchers, future P-O researchers might consider specifying the different values and analysing the effect of each value, the importance to employees and to the organizational value system and possible overlaps with other constructs such as perceived organizational support.

Archetypes, HRM, professional values and the attraction of young lawyers

The managed professional business will probably be better suited than the traditional firm to accommodate a growing part of the legal workforce, lawyers who are talented and ambitious but also value alternative, individualized development tracks and a good work-life balance. The diversification of the human capital, ambitions and self-confidence of professionals will continue (De Haas, 2005; Spangenberg et al., 2010; Stolk, 2008; Van Otterlo, 2004; Vodeb, 2011). A firm with a more heterogeneous professional workforce needs to be more consciously managed to treat differences fairly, as the interviews indicated.

Meanwhile, the influence of tacit professional norms and values poses a problem to the law firm that aims at another set of values than those of the professional partnership and the up-or-out system. Pinnington and

Morris (1998) observed that up-or-out persists as a professional norm also in firms that do not use it as a formal career policy; recently Malhotra et al. (2010) noted that associate lawyers themselves enact up-or-out by leaving the firm when partnership appeared out of reach. These observations are supported by the results of the present study. Most interviewed lawyers see no appealing alternative for partnership but departure; even at more MPB firms, alternative career tracks are not often considered attractive. The long term possibility to become partner is still a major motivator, even when partnership ambitions are not yet explicitly expressed. Young lawyers relate partnership perspective with their ambition to reach the highest expertise level in their profession. The results of this study have outlined the conflict between the professional values (such as reaching the top of the profession as partner of a law firm) and personal preferences (such as an intensive social or family life) that appears difficult to handle for young professionals.

To develop or maintain the HRM practices of a managed professional business may require a far more fundamental change than often depicted in the professional press in The Netherlands (e.g. *Intermediair* October 2007, p. 28, *Special Advocatenblad* November 2011) as well as abroad (e.g. *The Lawyer*, UK web based magazine, January 18 2007). Law firms may have underestimated the fundamental character of this change, as was illustrated by the uneasy acceptance of MPB-like HRM practices, notably the alternative career position. The mental obstacles to leave the partnership paradigm are still considerable. It will be a tough job to move a firm away from this paradigm, but it offers a world to win, especially by improving performance and efficiency and by providing development, mentoring and career tracks that may suit the needs of a large part of this - and possibly future - generations of professionals.

The choice between PP and MPB is also a choice between developing homogeneity and managing heterogeneity. This is not to say that the PP can afford to neglect management quality; the survey results and interviews pointed at risks of dissatisfaction and attrition as well as of loss of service quality. Although the PP may aim at a less ambitious level of management values, this level apparently still lets room for substantial improvements in order to stay the employer of choice for the most ambitious. The MPB may be better suited to facilitate different work-life balance preferences, however no firm can afford the liberty to neglect these preferences altogether, in danger of losing too much – especially, but certainly not exclusively female – talent.

3.4. Methodological issues

This research has demonstrated that combining theory and methods from the business and behavioral sciences may be fruitful in investigating the interaction of organizations and individuals. Organizational sciences provided the archetype theory on professional service firms, HRM research the theory of alignment of HRM practices; taken together, these offered a framework for the study of person-organization fit in law firms that was specific for the industry. Different bundles of HRM practices were found to be aligned with different archetypes of professional services firms. The values that were deduced from these HRM practices and archetypes appeared relevant for the fit between lawyers and firms and for the satisfaction, commitment and retention of the lawyers.

A direct link between the measurement of the organizational characteristics and the self report survey measures was not predictive of the outcomes. I measured the properties of the firms by rating the outcomes of the interviews with managing partners on scales that were deduced from the theoretical constructs of the PSF archetypes. I then selected the archetypes elements that were presumably relevant for starting lawyers and developed a survey scale of four items for each value. Possibly, these ratings of organizational properties and of the perceptions of young lawyers were entities too different to combine in one measurement. An alternative would have been to let the managing partners (and preferably, other partners and managers as well) answer the same value scales and then analyse objective fit as the congruence of the personal values of young lawyers with the scores of managing partners. On the other hand, this would have introduced an additional element of subjective perceptions. Another alternative measurement approach might have been to interview a large sample of young lawyers and asking them about the properties of the firm and their appraisal of these properties. This would not have been feasible in this study, but might be so in others. It remains a challenge for future researchers to develop measurements of objective organizational properties that can be matched with the perceptions of the employees. The only significant effect of objective fit in this study, the effect of expertise value fit on intention to stay, might indicate that constructing such a link is not altogether impossible.

The study confirmed the advantages of the polynomial regression analysis of P-O fit. The three dimensional visualisation and analyses of the regression patterns enables the researcher to distinguish the contributions to the fit effects of both fit ingredients, lawyer and firm values. Also, the possibility to differentiate between different levels of fitting values, that in some instances

appeared related to different outcome levels, was an important asset in this research.

Application success as a measure of human capital produced some significant and meaningful results in survey T1, not survey T2. Possibly, asking employees about their application experiences only results in reliable answers within a relatively short period after recruitment, when memories are still vivid. The job offer/job interview measure may be regarded as the most effective measure, because it includes the quality of the recruit's resume as well as the quality of her presentation. All large law firms employ a professional recruitment staff. Selection criteria emphasize intellectual abilities that are demonstrated by educational performance, next to relevant side jobs or social positions and international experience. Also, communication skills shown during job interviews may have some influence on application success. In general, application success of young lawyers mainly expresses intellectual abilities, educational curriculum and some social skills.

The intention to stay scale was defined specifically for the outlook of the trainee lawyer, but in doing so the normal intervals of a Likert scale were translated in different time perspectives, which may be open to discussion. The surveys produced some significant fit effects on intention to stay, thus measured, but less so than on satisfaction and commitment; however, some of these results were as predicted, as for instance the effects of the fit of expertise and long term values on intention to stay.

4. Limitations

The sample of 19 large law firms and the number of interviews for the research on archetypes and HRM practices were rather small. A larger sample of law firms however would have had other disadvantages, since the archetypes and HRM-practices in smaller law firms would probably have been less clear and distinctive. Further, the interview outcomes could be compared with other data on the HRM practices. Nevertheless, a more extensive data collection in the 19 law firms through interviews and other methods could have made the analyses of archetypes and HRM practices even more robust.

The response samples of starting young lawyers (95 in survey T1 and 66 in survey T2) were relatively small for the purpose of polynomial regression analyses and the power might have been too low to provide support for the hypotheses. Larger samples would possibly have provided more reliable

outcomes. Especially, larger samples could have clarified, what results of the moderated regressions should be considered as the 'normal' patterns and what results as exceptional. For instance, survey T1 indicated that moderate *personal* short term reward values were related to high levels of satisfaction of high CSE lawyers, while in survey T2 this effect was related to moderate *firm* values. For the purpose of both surveys, I had direct access to the e-mail addresses of the lawyers and the support of the Dutch Bar association as well as firm management. It appeared hardly feasible to enlarge the response ratio within the same population. Enlarging the population by involving more law firms and lawyers with longer tenure would have diminished the homogeneity of the sample and brought about other limitations.

The most serious limitation was the number of lawyers that responded to both surveys. This number was too small for longitudinal statistical analysis. It was not possible to establish longitudinal relationships between (changes in) perceived values, value fit and the attitudinal outcomes.

I developed some measures (values, application success, and intention to stay) specifically for this research. The reliability (Cronbach's α) of some of the value scales was rather low. Although these measures produced useful results, they will have to be repeated and tested in other studies to gain solid validity.

The research covered a specific time span, 2008-2010. These years were characterized by an economic recession. Some outcomes might have been different in more prosperous times (Diloff, 2011).

The research is about trainee lawyers. It is arguable that values, perceptions and fit effects will be different among more senior lawyers and that results may not be applied to lawyers with longer tenure. Values and ambitions continue developing after traineeship (Cooman et al., 2009; Sturges et al., 2002); especially, short term reward and long term perspective values may be expected to gain importance after the traineeship period. However, it can also be argued that when significant results are obtained from a group with limited experience and insights, these results may be accepted as solid and relevant for a larger group of professionals. Archetype theory describes the configurations of PSFs, besides law firms mainly consultancy and accountancy firms (Mueller et al., 2011). As in law firms, the differences between up-or-out and other career policies also exist among these firms (Greenwood et al., 2007; Greenwood et al., 1990; Nierop, 2007). The results of this research may be relevant for these firms as well.

5. *Implications for theory development and further research*

5.1. *Archetypes; configurational approach; specific measures of P-O value fit.*

This study builds on archetype theory as developed in the late 1980s by Greenwood, Hinings, Brown and Cooper. It acknowledges the strength of the original concept of partnership versus more corporate configurations of professional services firms. The character of the archetype as an interpretive scheme or central value system, expressed in the different elements of strategy, structure, systems and especially in HRM practices, is reflected in the results of this study, notably in the meaning and effects of the different values to firm and lawyers. Of course, differences in size and profitability matter but they do not determine the archetypical character.

As far as I can tell from my overview of the relevant literature, this is the first empirical study applying the theory of archetypes of professional service firms outside the Anglo-Saxon countries. It has demonstrated that archetype theory offers a useful framework to analyze differences between law firms in The Netherlands and probably to study other PSFs in similar countries as well. The combination of archetype and HRM theory proved fruitful. HRM practices, especially career policy, appeared as distinguishing elements between the PSF archetypes and offered a useful point of view to study different organizational configurations. The opposite is also possible: analyzing the differences between organizational configurations also offers a framework to study the internal and external alignment of HRM. This study supports the contingency approach in HRM studies in describing how the strength and effects of different (bundles of practices) depend upon the vertical alignment with the other elements of the firms' configuration and values, but also upon the alignment with implicit professional norms that influence the perceptions of the professionals. HRM theory may profit from including the values and properties of a profession or occupation in studying the effects of alignment of HRM practices.

Critics of the archetype theory have tried to add other archetypes or to replace the original archetypes of the PP and MPB by others (Brock, 2006; Kil, 2010). In my view and the context of this study, this has not improved the usefulness of the theory. The opposing pair of the PP, the "peer and perspective" type of firm and the MPB, the "management and performance" type, offers in my view a clear and understandable analytical tool, as my study demonstrated. This is not to say that refining the theory to adapt it to a specific industry or geographic environment is without

purpose. Archetypes are theoretical constructs; to describe real organizations always requires fitting the theory to a specific environment. For law firms in the Netherlands for instance, HRM practices appeared to offer a better distinction than management or marketing practices, but this may be different in other industries or countries.

From the analysis of differences between organizations in the same industry, especially between HRM practices, followed the definition of specific values and goals that were closely connected to these differences. Using these values and goals to investigate P-O fit between organizations and employees - law firms and lawyers – offers the opportunity to detect mechanisms and effects of fit that are specifically relevant for an industry, a profession or an occupational group. This study showed that this approach may be a promising addition to more generic measures of value fit that are commonly used in P-O fit studies; an addition that may also further promote the use of the results of P-O fit research in actual practice. The approach requires the combination of business sciences, providing methods of identifying distinctive organizational configurations, and organizational behavioral sciences, providing the methods of P-O fit research. In future research, the identification of specific values and the measuring of P-O fit using these values could be expanded to and tested in other industries or similar environments.

5.2. Differentiation of values and value fit effects

Polynomial regression and surface pattern analysis make it possible to identify different effect patterns related to different values and to assess the relative contribution of both ingredients of fit, personal values and firm values. The results of this study made clear that P-O value fit is a multifaceted construct. The four value sets that I investigated had distinct effects on P-O fit, as discussed in Section 3.3. Aggregate measures of value fit, based on sets of different values, might hide these differences. P-O fit research as well as organizational practices can benefit from the understanding of the effect of fit of specific values. Polynomial analyses also expose the contribution of both fit ingredients, personal and firm values. Identifying the dominant value element and level may further contribute to the understanding of P-O fit. Also, analyzing the properties of values included in P-O value fit may reveal similarities with other constructs, such as needs-supply fit or perceived organizational support.

5.3. Attraction-selection-attrition; human capital.

The results of the studies among young lawyers in this thesis seemed to contradict the assumptions of the Attraction-Selection-Attrition theory and

the findings of ASA studies (Schneider et al., 1995). ASA theory proposes that P-O fit and the effects of fit – satisfaction, commitment, intention to stay – improve over time, as non fitting employees leave the firm (e.g. De Cooman et al. 2008). This proposition was not confirmed by the survey results or by the interviews. However, the ASA effects depend on the departure of non fitting employees. During the traineeship period, the barriers to leave the firm obstruct this attrition effect. While investigating ASA, researchers should beware of other than the usual obstacles to leave. These obstacles diminish attrition effects and postpone the predicted development of homogeneity of employees. In such a case, ASA theory would predict that attrition will increase only when the obstacles to departure will have disappeared. It would therefore be of interest to study the development of P-O fit in law firms or similar organizations during the first years after traineeship. Investigating the changes and effects of fit in later career stages could also establish the links between fit and actual retention and attrition, as well as the occurrence and effects of congruence between objective and subjective fit measures. It would be interesting to continue following the lawyers in the sample of the present study. Follow up studies also might include measuring the actual performance of the lawyers, so that the relations between value, value fit, attitudes, actual attrition and performance could be investigated. As demonstrated in this study, ASA might have different effects in different career phases.

Application success as a measure for human capital has been used in preceding studies. Although the measurement of application performance in this study was new and requires further testing and developing, it offers a promising measure of human capital in P-O-fit studies, especially when a highly educated, professional workforce is involved. The use of application success measurement might be improved by repeating or adapting these measures in similar environments.

6. Implications for practice

P-O value fit between law firm and lawyer matters. Better fit is related to satisfaction, commitment and talent retention. Probably, P-O fit is also advantageous for performance (Kristof-Brown et al., 2005). Firm values are expressed by the expertise ambitions, by HRM and other management practices that are part of the archetypical character of the firm. The results of this research may motivate law firms (and other PSFs) to inspect and clearly establish their – aspired - archetypical character and to align their HRM practices according to this character. Aligned HRM practices – especially

recruitment, development and compensation – may promote the attraction and retention of fitting lawyers. Including distinctive firm values, especially concerning expertise and career ambitions, in employer branding and labor market communication might discourage some recruits to apply but may attract others that have a better chance to fit and contribute to the firm's success. By identifying the values that influence P-O fit and the different effects of the fit of different values, a firm might analyze the urgency, direction and character of organizational improvements; for instance, it can discover what values to address to reduce turnover or to improve satisfaction.

Firms that aspire to maintain or develop management and HRM practices that belong to the MPB configuration should be aware of the implicit tenacious professional values of the PP. These values probably have to be very explicitly and consistently countered, for instance to position alternative career tracks as attractive perspectives.

Starting lawyers (and other professionals) may conclude from the results of this research that they are advised to consider their work and career ambitions carefully – especially concerning their expertise development, the quality of the work environment they expect, their need for reward and feedback and their long term perspective; to investigate the values of prospective employers and to include the congruence between their own and the employer's values in their job search strategy.

Law firms are probably well aware that specific expertise ambitions of young lawyers can be very strong motivators; if not, this research may promote this awareness. Expertise ambitions may regard the specialist area, the level and the challenging nature of the work. There is a substantial risk of diminishing commitment and intentions to stay when firms cannot accommodate these ambitions. It appears vital for talent retention that these ambitions are expressed and that the firm can offer a genuine perspective of realizing them.

Lawyers with a high degree of self-confidence and human capital – as expressed in the quality of their resumes - prefer a moderate intensity of management and reward systems and a high level of expertise challenge and long term perspective. To satisfy and retain them, it appears advisable to let them discover their own ways of getting things done. They need feedback just like the others do, but rather by the direct appreciation for their performance than through elaborated appraisal or reward systems. Self-confidence defines the reaction of young lawyers to their work environment and their ambitions to a major degree. Fit and misfit of expertise, reward and career values have stronger effects among confident lawyers. To retain them,

it is vital that their expectations are recognized.

On the other hand, firms should be aware of the need for feedback and support at critical moments during traineeship. HR management for young lawyers is balancing between too much and too little involvement. In the PP, HRM may choose a position at a greater distance than in the MPB, but involvement nevertheless should be close enough to observe changes in wellbeing or development.

The lack of practice group and process management in the big law firms that I found confirmed in the interviews with young lawyers is remarkable. Firms that resemble the MPB showed some signs of practice group management, but these were exceptions. One would expect that the development of practice areas that need teamwork and coordination would have promoted a more conscientious style of case management at these firms. Specialization of legal services and complexity of legal issues increase. As in other professional services, more assignments have to be handled by multidisciplinary teams. But the individualistic, short term orientation of the law professional appears to have prevailed. Besides loss of effectiveness, of quality control and problem solving capacity, this deficiency may hinder the development and satisfaction of young lawyers. Although part of the law practice will always require an improvising, direct problem solving approach, big law firms – and their clients - might profit from applying some project and process management methods for handling (larger) cases. The MPB may be better suited for this management approach. In the PP, teamwork may remain more reliant on the informal mutual exchange by peers. Both type of firms however might consider a more coordinated and effective approach to practice and project management. Also, firms and law schools in The Netherlands could consider including practice and project management in their traineeship programs and curricula (Diloff, 2011).

My research has confirmed that variable pay systems should be designed with the utmost care, to avoid that demotivating effects outweigh the motivating. PP firms with a homogeneous professional workforce might do (almost) without. Performance related pay for professionals is not likely to have an incentive effect additional to the intrinsic motivation of professionals, but it might answer the need for distributive justice. Most firms may prefer moderate bonuses, linked to performance outcomes that lawyers themselves consider relevant and distinguishing. The more heterogeneous, MPB-like firms may need more extensive short term rewards and reward systems, but they also should consider the relevancy and distinctiveness of these systems to the lawyers. Formal reward and appraisals however do not substitute the

direct feedback by supervisors that young lawyers appreciate but often have to do without.

The apparent indifference of trainee lawyers towards partnership and a long term career perspective does not imply that advising and coaching them on their career possibilities is irrelevant. The surveys as well as the interviews demonstrated that the long term perspectives that firms could offer mattered to the lawyers even in the early career stages. Long term perspective values of the firm had stronger effects on attitudes than lawyers' personal values. Young lawyers seem inclined to a restrictive assessment of possibilities, for instance about the combination of work and family life, even before discussing their ideas with their firm. At least an unambiguous and early communication of possibilities, impossibilities and alternatives for career development would assist the lawyers to develop realistic ambitions; in line, of course, with the archetypical character of the firm.

Some outcomes of the surveys and interviews might suggest that within this generation of young professionals, group norms promote individual growth and work-life balance and limit the expression of strong career ambitions. This could imply the risk that such ambitions would go unnoticed and that the most ambitious lawyers leave for one of the few – possibly international – firms that recognize them.

Up-or-out in the professional service firm is not an outdated career policy. The relative occurrence in a growing service industry may decrease, as up-or-out will be less appropriate for the needs of an increasing part of the professionals who prefer an interesting job in a well organized firm with good opportunities to accommodate individual choices regarding career and work-life balance. However for the partner-centered firm that aims at the highest expert reputation and abilities, it remains the appropriate career policy. Firms that apply up-or-out may mitigate the consequences, the dismissal of non promoted lawyers; they may retain good lawyers who do not aspire or qualify for partnership without obscuring the nature of the system. Up-or-out also includes taking good care of lawyers that have to leave the firm.

More fundamentally, up-or-out and the partner-centered career still reflect the values and ambitions that are inherent to the professional tradition. Young professionals in the big law firms – and probably in the big international accountancy and consultancy firms as well – seem to be hovering between this tradition and the desire for a more balanced, perhaps more flexible personal development. Firms might be advised to address both needs, make clear what the possibilities are and support young professionals in their choices.