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Global Staffing in the Big Four

Perspectives of Decision-Makers



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Louise Hällje (21200)

Natalie Groh (40234)

Supervisor: Andreas Werr

Examiner: Dag Björkegren

ABSTRACT

Existing literature on professional service firms (PSFs) has mainly focused on global integration and factors impacting global staffing on a macro-level. Little attention has been paid to how individuals take global staffing decisions at the micro-level. The aim of this thesis is to fill this void in literature by analysing the purposes driving global staffing and the enablers and barriers affecting global staffing decisions through interviews with HR-Managers and Partners in the consulting divisions of the Big Four in Sweden and Germany. We find that HR-Managers and Partners have partly conflicting approaches to global staffing, paradoxically resulting in enhanced international collaboration. Our results support and nuance previous research: we confirm empirical findings from other markets and identify previously unrecognized purposes and barriers to global staffing in PSFs. We contribute to academic literature by furthering the understanding of how decision-makers at PSFs choose global staffing, as well as by extending the geographic scope of research in this area. We offer guidance to practitioners on the value-creating design and execution of global staffing.

Key words: global staffing, international collaboration, professional service firms, Big Four

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DEFINITIONS

Professional Service Firms

Consultant	Professional working in consulting irrespective of the career level
HR-Manager	Non-Consultant employee working with global staffing
Junior	Consultant on one of the lower career levels
Senior	Consultant on one of the higher career levels, including Partners
Partner	Highest career level ¹
Big Four	Deloitte, Ernst & Young, KPMG, Price Waterhouse Coopers
Company	Global network of national firms
Firm	National unit of the Company
Consulting	Consulting and advisory services
Office	Physical office location in a single city

Ways of Collaboration

International Collaboration	All kinds of collaboration, that involve more than one national firm (also including GKMS)
Multinational Team	Team consisting of Consultants with different nationalities
Global Staffing	Staffing of multi-national teams
Multi-Site Staffing	Staffing of multi-national teams without the physical movement of consultants
Cross-Border Staffing	Staffing that includes the physical movement of consultants across national borders

¹ One of the interviewees is a Senior with comparable staffing responsibility

ABBREVIATIONS

MNC	Multi-National Corporation
PSF	Professional Service Firm
KMS	Knowledge Management System
GKMS	Global Knowledge Management System
GMP	Global Mobility Program
EMEA	Europe Middle East Africa ²

² One firm also uses EMEIA as a region, which was replaced by EMEA to ensure anonymity

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1 INTRODUCTION & OVERVIEW

1.1 Background

“The globalization of production and services, which has been under way for many years, has increased in the past twenty years.” (Armbrüster, 2006)

In an environment of “rapid economic development in emerging markets” (Bernard & Byrne, 2007) and increasing presence of low-cost competitors, manufacturing companies are forced to foster global cooperation and adapt the configuration of their value chain in order to “overcome the organizational barriers to exploiting” (Porter, 1986, p. 56) their full potential. Therefore, an increasing number of global mergers and acquisitions as well as a trend towards outsourcing of non-core activities can be witnessed since only by adapting their structure and opening up towards an increasingly global environment, companies will be able to successfully compete in the international arena in the future (Morgan & Quack, 2005; Porter, 1986, p. 56; Boussebaa, 2007).

As a consequence of their changing environment and character, these companies increasingly demand external specialists, i.e. professional service firms (PSF), who support their development and are able to interact with the different parts of their network in a coherent and uniform way. Furthermore, the resulting consolidation, when companies follow these pressures and streamline their operations (Brondoni, 2007) combined with intensifying competition, led to a shift of power from PSFs towards clients. This consequently strengthens the latter and their demand for global services, further driving internationalization of PSFs (Roberts, 1999; Segal-Horn & Dean, 2009; Graupner & Richter, 2003; Kubr, 2002). Thus, PSFs have to respond by providing consistent, global business services (Brock, 2006; Boussebaa, 2007; Brondoni, 2007).

Following their clients’ claims on the one side and being encouraged by liberalization policies to expand into new geographic areas on the other side, global PSFs “derive increasing portions of their revenues from international markets” (Dou, Li, Zhou, & Su, 2010; Freeman & Sandwell, 2008; Chao, 2005) and portray themselves as ‘truly global firms’ towards clients through emphasizing their presence in hundreds of countries (Bäcklund & Werr, 2001; Lenz & James, 2007).

1.2 Problem

“The scheduling of working assignments is the single most important managerial activity in a professional service firm.” (Maister, 2003, p. 175)

Despite the demand for integrated global services, many consulting firms are still organized as partnerships (Greenwood & Empson, 2003) with considerable autonomy of the individual national firms and their Partners. However, if serving multinational clients goes beyond the sole establishment of a global presence, PSFs need to be able to (1) collect information more rapidly than a client firm, (2) gather data and knowledge from a variety of international sources, and (3) economize on tasks that are dissimilar to each other but recurrent across industries, regions, or countries (Armbrüster, 2006).

Consequently, obtaining “coordination, control and consistency across the global network becomes a key strategic priority” (Maister, 2003, p. 332) to continually exploit geographically dispersed skills and meet the demand for “integrated cross-national services” (Boussebaa, 2009). Consequently, PSFs have to strongly link HR activities and global strategies to build the capability and capacity for information and knowledge exchange “across countries, functions, and professional backgrounds” (Armbrüster, 2006; McNulty, De Cieri, & Hutching, 2009). Therefore, by using global staffing to take advantage of the “expertise of cross-border multidisciplinary teams” (Faulconbridge & Muzio, 2012) and combining subject specific expertise and local knowledge, the “ability to transfer knowledge, mobilize professionals and deliver services ‘seamlessly’ across national borders” (Boussebaa, 2007) can be obtained.

The conflict between this national focus of the organizational structure on the one side, and the intended differentiation through global image and service manifests in the promise of “the best person for the job” in “teams based on individual ability” and “client needs rather than geographical location” on the other side (Boussebaa, Morgan, & Sturdy, 2012).

However, “until the last decade, organization studies as a field of enquiry paid relatively little attention to MNCs as specific forms of organization” (Boussebaa, Morgan, & Sturdy, 2012). Thereafter, literature on globalization of MNCs focused on manufacturing companies, but devoted little attention to the globalization processes in consulting firms and the way in which they are organized across national borders (Boussebaa, 2007). However, PSFs need to be looked at specifically and cannot be fully covered under the broad scope of research, due to their unique corporate structure which commonly typifies these enterprises and differentiates them from other organizations (Malhotra & Morris, 2009). In this regard especially consulting firms need to be studied, since “popular and academic commentators seem largely to agree that management consultants and the ideas they purvey are highly significant” (Sturdy, 2011).

Only recently internal processes of how to cope with an increasing global client base have become a topic in Boussebaa's and Greenwood's research. Focusing especially on the question to which extent PSFs have been able to overcome the hurdles for collaboration and cooperation across national borders and developed their firms into truly transnational enterprises, they draw rather pessimistic conclusions. In fact, their analysis raises the question if the global presence under a common brand name is anything more than national projects with international scope (Boussebaa, 2007).

This defines the need to study global staffing in order to understand "intra-organizational coordination mechanisms" and the ways these firms find to "cooperate with colleagues in different countries and across other service lines" (Greenwood & Fairclough, 2010; Ferner, Edwards, & Sisson, 1995; Boussebaa, 2007). In this respect, determining the degree to which PSFs master "the complex managerial task of reaching for the benefits of both local autonomy and collaborative action" (Maister, 2003), key areas to study are the cooperation within the international firm network, as well as project staffing across national borders (Boussebaa, Morgan, & Sturdy, 2012).

1.3 Purpose

Considering the paucity of research, as well as the limitations current researchers identify in their work about the response of PSFs to the previously described external pressures for enhanced global integration, we want to contribute to this field by investigating conditions under which individuals make choices for global staffing at the micro-level. We assume that "learning and personal development", "efficiency and client demand" and "understanding of local contexts" influence the choice of the individual in charge while the interplay of enablers and barriers determines the final result. Comparing theoretical perspectives with the daily business practices in the Big Four, will then allow us to draw conclusions about the actual relevance of these factors for the individual. Looking also at the aforementioned conflict between the displayed image of a "truly global" company and the structure of the national firms, these findings will also allow us to understand to which extent arrangements such as profit pooling, network-specific investments and referral work are already established global elements in daily working life (Lenz & James, 2007) or if the "global and universal character of their service" (Bäcklund & Werr, 2001) is rather a symbol of financial value (Tengblad, 2004).

Setting this agenda for our research we seek to bring further clarification about the extent to which PSFs live up to their promise of global client services or if their global teams are instead "little more than local teams operating internationally" (Boussebaa, Morgan, & Sturdy, 2012). By investigating global staffing from the perspective of individuals in Sweden and Germany, we

further want to widen the geographic scope of literature, since “research is needed from the perspective of consultants in nations other than the UK” (Boussebaa, Morgan, & Sturdy, 2012).

1.4 Research Question

Therefore we phrase our research question as

“Which purposes drive global staffing and which are the enablers and barriers affecting individuals taking global staffing decisions?”

We want to study this overarching research question in two sub-questions:

Research question 1: Which are the purposes of choosing global staffing?

Research question 2: Which are enablers and barriers, which either facilitate or limit the choice of global staffing?

1.5 Disposition

In the following a brief summary of the structure will be provided as an overview over this thesis.

1. Introduction: introduces the topic and the gap in current research as a basis for the purpose and the question for our research.
2. Theory & Framework: provides an overview of recent research in the field of transnational enterprises, PSFs and knowledge management as background information. In the following the theoretical framework is presented which combines network theory and recent research about human resource management in an international context and PSFs, especially consulting firms.
3. Methodology: illustrates the method chosen for conducting this thesis
4. Empirical Findings: presents the core-case study, as well as summary tables about the reference cases, which serve as a basis for the analysis
5. Analysis: compares findings from the empirics with the theoretical framework
6. Discussion: discusses why insights from this study did not arise in previous research settings
7. Conclusion: summarizes the findings from this research
8. Limitations & Future Research: discusses the general limitations and identifies areas for future research, which will allow validating or extending the scope of the findings
9. Practical Implications: derives practical implications from this study

2 THEORY & FRAMEWORK

The following section presents the literature reviewed for this thesis by first summarizing previous theoretical findings to enhance the understanding of PSFs in a global context and then introducing the theoretical framework, which guides the forthcoming study about the choice of the individual for global staffing.

2.1 Previous Research

In the forthcoming section relevant literature will be reviewed to provide an overview of the changes in the global corporate landscape, which create the context for global staffing.

2.1.1 The development of the transnational enterprise

“The term “transnational corporation” refers to an economic entity operating in more than one country or a cluster of economic entities operating in two or more countries - whatever their legal form, whether in their home country or country of activity, and whether taken individually or collectively.” (United Nations, 2003)

Paying respect to the “importance of national borders on processes of global integration within the firm” (Boussebaa, 2007), which exhibit a significant influence on inter-office relations and staffing practices, the following section summarizes different levels of international integration and the degree to which these concepts help to understand the Big Four and their environment. The term “transnational” hereby has developed several connotations over time, ranging from “home-oriented concerns that operate abroad” (United Nations, 1973) on the one hand, to the recent definition as a “new form” with a higher extent of “global integration” than other MNCs on the other hand (Boussebaa, 2007).

If the operations of the MNC are hereby characterized by “self-contained”, “country-based” offices in form of “semi-independent, geographically dispersed units”, primarily coordinated on a national level (Boussebaa, 2007; Greenwood, Fairclough et al, 2010), consistency can become a major concern, especially in multinational projects, due to the dominant perspectives of the respective country firms (Barrett, Cooper, & Jamal, 2005; Boussebaa, 2007).

However, even if strategic issues are centrally coordinated by a global headquarter (Greenwood & Fairclough, 2010; Bartlett & Goshal, 1998) and “the center of gravity” is shifted to the international firm, local regulatory structures require the balance of both. Facing an environment of multinational clients, international standard setting and capital markets on one side, and the interest to develop local clients and markets autonomously, “significant strains

within the multinational firms themselves” arise (Barrett, Cooper, & Jamal, 2005; Greenwood & Suddaby, 2006).

In order to overcome these strains the firm develops industry specific expertise and focuses on coordination along industry lines, markets as well as global knowledge accumulation and dissemination (Greenwood & Fairclough, 2010) by moving “from the state-profession level [...] to the transnational level” (Suddaby, Cooper, & Greenwood, 2007). In this sense “globalization leads to both convergence and fragmentation” (Barrett, Cooper, & Jamal, 2005) when the central authority over the company is more equally distributed among the members of the network, while simultaneously the international collaboration among the individual firms intensifies (Giddens, 1989; Barrett, Cooper, & Jamal, 2005).

The combination of “global efficiency, multinational flexibility, and worldwide learning – all at the same time” hereby allows transnational enterprises to adapt to the increasing complexity of their business environment (Bartlett & Goshal, 1998, p. 18). Establishing a “frictionless flow of people and knowledge across borders”, providing opportunities for cross-national learning and the capacity to transfer such knowledge between different areas of the MNC” links national firms to each other as well as to the headquarters through and solves as a common approach problems of coordination and control (Bartlett & Goshal, 1998).

In this regard, Maister (Maister, 2003, p. 303) describes the “One-firm firm” as a structure of elite PSFs characterized by “institutional loyalty and group effort” as a key factor of their success. Hereby “without exception, one-firm firms are led (not managed) in a consensus building style” and as a key part, their governance relies on extensive consultation of their leaders prior to major decisions (Maister, 2003, p. 317).

On the contrary, other PSFs are mostly “federations of local organizations, trading under the same brand name” without a clear hierarchy (Maister, 2003, p. 329), but rather characterized by “a high degree of day-to-day decentralization” due to the “emphasis on professional autonomy” (Ferner, Edwards, & Sisson, 1995). However, even though “each Partner works as an individual unit” which leads to relatively independent national firms within a global network, the nationally distinct Partners and their firms share a common global brand and reputation to pursue their “strategic intent” (Koza & Lewin, 1999; Ferner, Edwards, & Sisson, 1995; Boussebaa, 2007; Mills, Hall, Leidecker, & Margulies, 1983; Ferner, Edwards, & Sisson, 1995).

Therefore to enhance the effectiveness of international collaboration in their set-up, clear financial and operating targets in form of e.g. a global profit-pool, can support the cultural dimension (Festing, Eidems, & Royer, 2007; Greenwood & Fairclough, 2010; Boussebaa, 2009).

2.1.2 PSFs as transnational enterprises

The global professional service firm (GPSF), employing thousands of professionals in dozens of jurisdictions and generating multi-million pound profits, is probably one of the most notable examples of change in the contemporary professions. (Faulconbridge & Muzio, 2012)

While literature commonly agrees, that in face of the increasing globalization of their client base PSFs had to introduce structural and organizational changes (Malhotra, Morris, & Hinings, 2006; Suddaby & Greenwood, 2005), several perspectives exist in how far PSFs already progressed towards being truly transnational, in order to “maintain their relationships with clients who themselves have been progressing along the path from multinational to international, to transnational enterprise” (Rose and Hinings 1999)” (Boussebaa, 2007). Even though operating internationally to follow the demands of globalizing clients increased the complexity of business activities, it also offered the potential for enhanced differentiation “along horizontal, geographic and demographic lines” (Boussebaa, 2007) and specialization regarding to “professional services, clients and markets” (Greenwood & Fairclough, 2010).

While some authors claim that in exploiting these potentials they already became “transnational in scope” (Greenwood & Suddaby, 2006), others say that they “will evolve into trans-national organizations” (Boussebaa, 2007; Bartlett & Goshal, 1998) or suggest instead “an intensification of both globalization and localization” (Barrett, Cooper, & Jamal, 2005). While also Greenwood et al. (2010) argue, that “PSFs show the emergence of a multiplex organizational form [...] developing highly differentiated structures to capture the benefits of deep specialization along several axes”; others oppose this view saying, even in face of “clients in the shape of large multinational companies which expect integrated worldwide service [...] they do not have at their disposal many of the coordination devices of more conventional, integrated firms” (Ferner, Edwards, & Sisson, 1995).

2.1.3 Advantages of being transnational in external relations

In the following the characteristics of the consulting industry and of consulting services as such will be described to understand the extent to which global staffing and international collaboration can be a competitive advantage in his context. Unlike most businesses, management consulting cannot be “segmented into sectors with clearly defined markets, legally and culturally agreed professional standards, and discrete products” (Glückler & Armbrüster, 2003) and “unlike accounting [...] never had the regulatory oversight that comes with professional status” (Suddaby, Cooper, & Greenwood, 2007). Due to this “absence of licensing standards, qualification requirements, or codes of conduct [...] malpractice cannot be defined against a set of determined norms” (Glückler & Armbrüster, 2003), which leaves clients without

“institutional clues to distinguish qualified from non-qualified consulting providers (Glückler & Armbrüster, 2003). Therefore, the reputation resulting from a proven track record of past successful projects across the globe can be seen as a way of the transnational PSF to provide a measure of expertise and experience (Nachum, 1999).

Furthermore, consulting services based on “many years of specialized study and experience” can be characterized by a high degree of “credence qualities” (Zeithaml, 1981) and “fall at the ‘extreme intangibility’ end of the tangibility spectrum”, since the ideas and solutions are based on intangible and barely quantifiable knowledge and experience (Amonini, McColl-Kennedy, Soutar, & Sweeney, 2010). However, this also makes any assessment of their quality highly difficult (Nachum, 1999). Especially, since their “extensive training or experience in a specialized skill” (Zeithaml, 1981) are the reasons for engaging professionals, “asymmetry of expertise” (von Nordenflycht, 2010) can be viewed as their unique selling proposition. Consequently, clients often remain uncertain about the delivered service quality even after the completion and are often unable to evaluate the chosen solution due to a broad scope of alternatives with other, but in retrospective hardly predictable outcomes and the lack of one clearly outstanding answer (Soriano, 2001; Zeithaml, 1981; von Nordenflycht, 2010).

Therefore “convincing clients of the splendor of their ideas and solutions” (Bäcklund & Werr, 2001) and shaping their personal experience through frequent interaction becomes the most important factor to increase transparency and their perceived control over the delivery process (Glückler & Armbrüster, 2003; Soriano, 2001). Furthermore emphasizing shared norms and values plays a key role for building trust in the outcome, as a basis for current satisfaction and positive expectations about the advantages of future collaboration and loyalty (Werr & Stjernberg, 2003; Zeithaml, 1981).

In this context global staffing and international collaboration can be seen as an advantage of the transnational PSFs as it enables the delivery of an “‘effortless experience’ to the client” in form of smooth and transparent processes as well as a high degree of integration and connection of project elements (Segal-Horn & Dean, 2009).

2.1.4 Global Staffing in PSFs

“Global staffing is defined as the process of acquiring, deploying and retaining a global workforce in organizations with operations in different countries” (Tarique & Schuler, 2008)

Coming from a global to a local level to understand the authorities for staffing choices, the hierarchy cascades “from the world-wide lead Partner, to country engagement Partners, and thence down to Partners responsible for local subsidiaries within a country” (Barrett, Cooper, & Jamal, 2005). Typically “ownership, management, and operations are fused” in the Partner-role

and consequently the Partner simultaneously as “an owner of a firm, is involved in its overall management, and is a key production worker” (Greenwood, Hinings, & Brown, 1990).

Therefore, Partners are key players for staffing decisions, who ““identify” the competencies (and individuals) needed for a project and “negotiate” to secure those resources” (Greenwood & Fairclough, 2010). Thereafter, HR departments “match team members with client projects, based on members’ availability and preferences and on the required expertise (usually specified by the Partner responsible for the project)” (Gardner, 2012), which Maister (2003) calls “a function of the four major variables of profitability, client satisfaction, staff morale, and professional development”. However, considering that rarely the entire resources of the firm are utilized simultaneously, while several projects run in parallel, the need to also balance individual and firm interests and resolve tensions between the Partners involved can be identified (Jones, Hesterly, Fladmoe-Lindquist, & Borgatti, 1998). In this regard, Collings et al. among others display a rather sceptical view, saying that “only a small number of firms are considered to have developed an effective capability to locate, source and manage human resources anywhere in the world” (Collings, Scullion, & Dowling, 2009).

2.2 Theoretical Framework

After describing developments in the external environment of PSFs and presenting the key characteristics of professional services in the previous sections, the forthcoming part will now introduce the theoretical framework, which served as a guideline for data collection and analysis.

2.2.1 Purpose

2.2.1.1 *Learning and development*

Project assignments play a crucial role, for the learning of the individual consultant, as well as the accumulation of human capital within the firm, since knowledge, in form of “information, which professionals acquire through experience and training, together with the judgment which they develop over time which enables them to deploy that information effectively,” (Morris & Empson, 1998) becomes embodied in the individual consultant. Hereby the type of a project, as well as its scope and the people with whom the consultant works hugely influence his personal learning, thus his individual accumulation of human capital (Chao, 2005).

Furthermore Chao (2005) outlines the importance of “stretch” assignments, which are in line with the development path, learning goals and ambitions of the individual consultant, and underlines the role of project managers as coaches and mentors to guide consultants by providing feedback on their performance. Additionally, Maister (2003) also draws on the

importance of the connection and sequence of individual assignments due to their role in the dissemination of expertise as “a primary vehicle for converting the experience and knowledge of individuals into the expertise and knowledge of the firm as a whole.”

In this regard, cross-national staffing leads to bilateral benefits in form of knowledge transfer to the “host” country and extension of the domestic knowledge base through newly generated experience and expertise back in the “home” country (*Wirth, 1992* in Bender & Fish, 2000). Furthermore, international assignments allow the “home” country practice to continuously build new relationships and expand existing networks (Hauser, 1998 in Bender & Fish, 2000). Ultimately this results in a “landscape of nascent communities” (Greenwood & Fairclough, 2010) where the collaboration of professionals with diverse backgrounds fosters and facilitates “innovation, organizational learning and corporate integration” (Collings, Scullion, & Dowling, 2009).

Having this in mind, it is interesting to find out, to which extent both the

- Learning of the individual
- Knowledge accumulation and development

of the practice guide the decision of Partners and HR-Managers about scope and design of international collaboration.

2.2.1.2 Efficiency and client demand

The canon of research identifies knowledge, as the core capital of PSFs, being both input and output at the same time (Sarvary, 1999; Nachum, 1999; von Nordenflycht, 2010; Boussebaa, 2009; Swart & Kinnie, 2010) and often discusses them as the “archetype of knowledge-intense firms” (Alvesson 1993, 1995; Starbuck 1992 in Werr & Stjernberg, 2003), as well as extreme examples and models for a knowledge based economy. Therefore, the advantage of a global firm over a national one requires “that a global reach contributes to the consultancies' knowledge stock” (Bäcklund & Werr, 2001), since the ability of PSFs to create value for clients, is largely dependent on the knowledge of consultants, used to develop and deliver the service solutions and their system of codifying and transferring knowledge and expertise (Sarvary, 1999; Ferner, Almond, & Collin, 2005; Lahti & Beyerlein, 2000; Swart & Kinnie, 2010). As often discussed basing the access to this “knowledge stock” hereby on exchange over distance is perceived as insufficient, which points towards the need for mechanisms to allocate human capital “across countries as a way of exploiting their skills and knowledge on a worldwide basis” (Beaverstock, 2004, 2007; Ferner et al., 1995; Boussebaa, 2009; Hitt, Bierman, Shimizu, & Kochhar, 2001; Bender & Fish, 2000).

This implies developing best practices and sharing knowledge “to avoid reinventing the wheel or providing patchy service quality” and ensures a consistent standard (Greenwood & Fairclough, 2010; Sarvary, 1999). For this reason global integration as a common basis for the creation of new knowledge is a key issue, which “becomes increasingly costly and difficult” due to the geographic spread of client sites and the decentralized structure of firms (Mors, 2010). Consequently, knowledge bases containing methodologies and techniques as a codification of experiences from previous assignments, as well as a symbol of the firm’s expertise serve as support for future projects (Lahti & Beyerlein, 2000; Beaverstock, Faulconbridge, & Hall, 2010; Fincham, 2002).

However, in a case of “causal ambiguity”, when success or failure of a practice are unclear, the future application bears considerable risks (Szulanski, 1996, 31; Ferner, Almond, & Collin, 2005). “Similarly, in an empirical study on knowledge transfer in an international consulting firm, Reihlen and Ringberg (2006) found that consultants had severe difficulties in appropriating advisory knowledge that was developed elsewhere in the company” (Reihlen & Apel, 2007). Furthermore, taking a more critical view on the role of internal knowledge transfer, Bäcklund und Werr (2001), argue that the value of global knowledge accumulation is related to the global standardization of management practices and only when assuming an increase in the latter knowledge gained abroad is valuable and applicable in the domestic practice. Similarly, Mors also argues that especially in an international or cross-border context, “the challenge of integration of diverse information outweighs the challenge of access to diverse information” (Mors, 2010). Therefore, Mors (2010) identifies dense network connections as enablers to transfer organizational capital, especially “when crossing both firm and geographic boundaries” as a benefit to facilitate knowledge sharing.

From this perspective, the choice for international collaboration can also be guided by efficiency concerns:

- Knowledge dissemination
- Reduction of errors
- Access to expertise

2.2.1.3 *Understanding of local contexts*

“As trust is a culturally relative phenomenon, and to a large extent dependent on an overlap between the consultant’s and the client’s values and norms, the success of the consulting service can be argued to be dependent on its local adaptation” (Bergholz, 1999; Greiner and Metzger, 1983 in Werr & Stjernberg, 2003; Bäcklund & Werr, 2001)

Developing an appropriate solution to a unique client situation requires looking at and filtering “the latest global best practices”, but more importantly formulate and adapt these to local market and client specifics (Fincham, 2002).

First of all, different features of local markets such as maturity and structure, as well as the characteristics of established players influence the client situation and consequently impact the way in which consulting services are demanded locally (Boussebaa, Morgan, & Sturdy, 2012; Boussebaa, 2009). As a result, the global view is not universally applicable and instead the “general expertise of the PSF” has to be adapted individually to “the constraints and opportunities of the host environment” (Reihlen & Apel, 2007; Ferner, Almond, & Collin, 2005; Fenton & Pettigrew, 2003: 231).

Furthermore the characteristics of management practices in client organizations are a “very local phenomenon” and different cultural settings, attitudes and values lead to variations across the globe (Bäcklund & Werr, 2001). Therefore, relying solely on a global knowledge base and previous experience provides insufficient guidance in form of “overconfidence or myopia”, which might falsify assessments, judgments and decisions regarding the clients’ situation and needs (Reihlen & Apel, 2007). Additionally, “local knowledge asymmetry” - the extent to which the client’s exceeds the consultant’s knowledge of regional specifics - can negatively impact the legitimacy of the consultant’s knowledge and the firm’s expertise (Fincham, 2002). On the other side, obtaining knowledge about market, client and consumer characteristics will not only help to overcome local knowledge asymmetries but further serve as a “common ground” and improve the alignment of consultants and clients towards common goals for the project assignment (Dou, Li, Zhou, & Su, 2010; Glückler & Armbrüster, 2003).

In conclusion, one can say that not only the previously described global, subject-specific expertise but also experience with and knowledge of local conditions as a foundation for the client relationship come into play when assignment teams are composed. To get further insights, in how these factors might influence Partners and HR-Managers, one dimension of the framework will look at

- The impact of locality

2.2.2 Enablers

“global networks require heavy investment in three intra-firm processes to attain global integration: well-understood protocols, instant communication and trust between organizational members” (Segal-Horn & Dean, 2009)

While the previous section summarized different purposes for choosing international collaboration, the following section goes one step further and illustrates the enablers persons in charge may employ. First the formal structure and processes in place will be briefly described. Second, theories about the role of relationships and their impact on the choice to request support from foreign firms will be summarized.

2.2.2.1 Formal processes

Learning “from multiple national contexts and transfer” beyond the individual practice as the key advantage of a global firm as a can be realized (Boussebaa, 2007) by building organizational capital at a collective level through institutionalizing, codifying and disseminating knowledge using “organisational structures, systems, processes, databases, manuals and patents” (Swart & Kinnie, 2010; Youndt et al., 2004). Therefore the network of country practices comprises “the multiplicity of ways in which [...] [PSFs] cooperate for mutual benefit” and how “the coordination and integration of the exchanges among network members is facilitated through formal or informal control mechanisms” (Koza & Lewin, 1999). In this sense a higher degree of systematization and alignment through “common performance management systems, [...] common human resource management (HRM) practices, integrated reward systems, shared best practice and knowledge management systems [...] and intranet” as common platforms is an enabler of control and effectiveness of global activities and emphasizes the global dimension of operations (Segal-Horn & Dean, 2009; Jaakkola, 2011; Greenwood & Suddaby, 2006).

First of all, international collaboration can be based on “two related coordination systems: global resourcing systems and global service teams” (Boussebaa, Morgan, & Sturdy, 2012). On the one side, global resourcing systems are databases, which contain information about the availability, experience and location of each consultant, as well as descriptions of current and future projects, and thus support the decision-making process of the person in charge. On the other side, global service teams are assembled according to client demand and can be seen as one outcome of the choice for international collaboration (Boussebaa, Morgan, & Sturdy, 2012).

Second, “knowledge centres’ consist either of experts, whose subject specific advice can be requested if demanded for a certain project or codify the knowledge of “individual experience gained by consultants on assorted projects” (Suddaby & Greenwood, 2001).

Third, Greenwood et al. (Greenwood & Fairclough, 2010) describe the Client Management System - “an integrative mechanism which classifies and sorts clients according to various strategic and operational criteria, assigns responsibility for each to appropriate senior professionals (Partners), and assists in creating semi-permanent or bespoke client teams to address the needs of a client or a specific engagement” - as another common platform with the goal to foster quality consistency and coherence across national borders.

To be able to understand differences and maybe even conflicts in their choices for international collaboration and underlying purposes, themes of importance are

- Cooperation within a network structure
- Common platforms

2.2.2.2 Relationships

In “the view that a global reach contributes to the consultancies’ knowledge stock” (Bäcklund & Werr, 2001), national firms take advantage of their networks of intra-organizational linkages in order to effectively source and transfer knowledge (Tsai, 2000). Depending on the degree of coordination within a network, knowledge sharing and transfer are often stated reasons for increased productivity and improved performance as they facilitate learning and allow taking advantage of other members’ new ideas (Christopher & Gaudenzi, 2009; Inkpen & Tsang, 2005). However, due to imperfect information about the competence and reliability of other members, “developing a relationship with a new actor takes time and involves uncertainty” (Tsai, 2000).

This might hold especially true, when the characteristics of professional services as described earlier are taken into consideration. In this regard another contribution to uncertainty is that effective collaboration not only depends on the identification of the right knowledge, but also on the extent of compatibility regarding the individual’s working styles (Jones, Hesterly, Fladmoe-Lindquist, & Borgatti, 1998). Furthermore, Jones et al. identify a strong incentive to misrepresent the own capabilities and take advantage of the difficulty of other network members to disentangle the contributions of the individual, especially when promoting the own status within the network and becoming part of future assignments is dependent on experience and expertise of prior contributions, (Jones, Hesterly, Fladmoe-Lindquist, & Borgatti, 1998). Therefore, identifying and assigning professionals is a critical step, especially as it often takes the shape of adverse selection (Alchian and Woodward 1988) due to conditions of inaccurate and incomplete information (Jones, Hesterly, Fladmoe-Lindquist, & Borgatti, 1998).

However, overcoming uncertainty by relying on a stable portfolio of relationships is insufficient for meeting the unique characteristics of each assignment and the needs of a broad scope of clients, due to the changing business environment and client demands, as well as the

intensifying competition among PSFs. Therefore, developing new relationships is essential for the acquisition of critical resources and support from other firms (Tsai, 2000). Yet, in order to achieve integration and ensure cooperation within a network of member-firms, which are interlinked by independent relationships, “a high degree of trustworthiness is particularly important” (Tsai, 2000).

As a consequence research suggests, that “prior relationships facilitate the establishment and governance of future relationships” (Tsai, 2000) and by bridging links facilitate the information flow “about the availability and interest of an otherwise unrecognized individual” (Lin, 1999). In this respect, a central position within a network is generally viewed as the most attractive one, as it is associated with a high status within the hierarchy and “unique advantages in getting access to certain resources or actors” (Tsai, 2000). Furthermore, a belonging to a central unit is often regarded as attractive, based on the high potential of managing interfaces and dealing with “complex interunit relationships” (Tsai, 2000). In relation to the context of PSFs, this can be exemplified by the “power, prestige and wealth” of US and UK offices and their dominance based on “their historic role in developing the consultancy profession (McKenna, 2006; Boussebaa, Morgan, & Sturdy, 2012).

While some researchers (Inkpen & Tsang, 2005) claim that belongingness to an intra-corporate network serves as a sufficient signal of trustworthiness, Boussebaa’s research shows the difference of skill levels and expertise within the intra-corporate networks of PSFs and indicates a lack of trust between professionals from different country firms (Boussebaa, Morgan, & Sturdy, 2012).

In this sense, social interaction as “collaborative effort” can foster cooperation by promoting trust and reducing the perceived uncertainty about sharing knowledge with other network members (Tsai, 2001). Consequently the flow of knowledge and identification of Partners for collaboration within a network is determined and facilitated by trust, which itself is based on member’s experience, recommendation and reputation (Christopher & Gaudenzi, 2009; Jones, Hesterly, Fladmoe-Lindquist, & Borgatti, 1998).

On the side, experience-based trust and tacit understanding are based on first hand interaction in previous projects, and therefore provide reliable information about future quality of the services (Armbrüster, 2006). While building this kind of relation-specific capital takes time, once accumulated it “enables reciprocal and enduring relations” (Glückler & Armbrüster, 2003) and is “likely to direct people's attention to existing relationships rather than new ones (Tsai, 2000). Although this might be beneficial in client relationships, the drawback when looking at the intra-firm network is that experience-based trust limits the number of opportunities to

choose from and consequently, might “not allow access to those consultants that best meet the requirements for tackling a specific problem” (Armbrüster, 2006) and (Glückler & Armbrüster, 2003).

On the other side, the reputation for trustworthiness within a network is based on other’s perception and evaluation of the “integrity and reliability”. Also Maister (1993) and Lin (1999) view reputation as an “important asset that requires a substantial amount of effort and time to develop” (Maister, 1993), as it is built on helping others and spread through public recognition. Consequently, the reputation within a network is an important factor in determining future opportunities, as it influences the choice of others regarding the exchange of knowledge and professionals (Tsai, 2001). Furthermore, as an informal enabler networked reputation emerging from word-of-mouth recommendations can mitigate uncertainty and adverse selection when professionals from different member-firms of the network are chosen for the first time (Jones, Hesterly, Fladmoe-Lindquist, & Borgatti, 1998; Armbrüster, 2006).

Here, “informal lateral relations” manifested in social interaction among network-units allow them to build social capital, which facilitates knowledge sharing and thus, access to new knowledge and information (Tsai, 2001). Social capital can here be defined as the relational resources embedded within a network, which can be accessed and derived by utilizing social relationships, while investments in social capital in form of relationship building are undertaken to increase the expected returns (Tsai, 2000; Inkpen & Tsang, 2005; Lin, 1999). Inkpen and Tsang distinguish between individual and organizational social capital, where the first originates from the individual while the latter originates from the organizational network, which will be reflected in the analysis in the themes

- Networked reputation
- Personal relationships

2.2.2.3 Firm culture

“they [Partners] discussed how exchanges with their colleagues helped them interpret and integrate diverse information, and further suggested that this could be a deliberate strategy of bringing together contacts in their network” (Mors, 2010)

“To facilitate the cooperation of consultants across national boundaries, functions, and professional backgrounds” Armbrüster (2006) describes “features of governance” and “firm-wide culture” as enablers, and also others argue similarly that “these elements underpin the ability of the organization to ‘operate like a single firm’” (Segal-Horn & Dean, 2009). Similarly also Greenwood et al. identify and attribute a key role to the so-called “culture of reciprocity” as an enabler for the exchange of knowledge and human resources between country practices

(Greenwood & Fairclough, 2010). The expectation that requests and opportunities are reciprocated with future support and opportunities, define a cornerstone of the relationships between the firms in the global network (Jones, Hesterly, Fladmoe-Lindquist, & Borgatti, 1998). In this rather idealistic view Partners, aligned by the common goals of serving multinational clients and developing the firm as “normative glue” (Greenwood & Fairclough, 2010), utilize their personal network to identify experience in local practices and effectively collaborate by supporting each other to serve the interests of the firm and simultaneously enhance their individual careers (Greenwood & Fairclough, 2010; Engle & Mendenhall, 2004). Hereby cross-national mobility of consultants as support for practices in need for expertise is based on the experienced and expected reciprocity of past and future favours (Boussebaa, Morgan, & Sturdy, 2012). Therefore, when looking at how culture influences the collaboration between the national firms, research themes to look at are:

- Normative glue
- Reciprocity

2.2.3 Barriers

In theory, a transnational enterprise is characterized by a “free flow” of resources across borders. However, as already mentioned earlier, the literature often casts doubt on this “free flow”, often concluding that several, especially monetary obstacles in a “surprisingly fragmented world” hinder international cooperation (Boussebaa, The myth of the global management consulting firm, 2007). Therefore, the third dimension of this framework outlines several aspects that recent research has identified as barriers.

2.2.3.1 *Monetary obstacles*

Recent literature generally talks about the flaws in the systems of intra-firm compensation for assignments across countries, often concluding that especially monetary obstacles in a “surprisingly fragmented world” hinder international cooperation (Boussebaa, 2007).

While Ferner et al. argue, that international collaboration across country-practices is driven by the “introduction of a range of more formalized and bureaucratic, if not hierarchical, structures of management” (Ferner, Edwards, & Sisson, 1995), Boussebaa casts doubt on the practical success of international integration and describes the transnational field as “dominated by national forces” (Boussebaa, 2007). Going more into detail he, Greenwood and Ferner among others outline several obstacles that prevent international cooperation, concluding that PSFs often lack the right incentive systems and especially financial structures rather complicate than facilitate international cooperation. The “great degree of authority and power” of country leaders can be seen as one incentive, which reinforces the national dimension and focus

regarding performance optimization and prestige, instead of fostering international integration (Boussebaa, 2007; Boussebaa, Morgan, & Sturdy, 2012).

Another incentive for a focus on the national practice is “that profit pools are generally national, or even local, rather than international”. As Partner compensation in this case is directly linked to the performance of their own practice, profitability might have a major impact, when the individual Partner considers either sending consultants abroad, or foreigners on his projects. In an extreme case, this can result in an “eat what you kill” approach (Greenwood et al, 1991, p. 17), which defines the financial performance of the own profit centre as the overarching goal and priority over the collaboration within the global network (Ferner, Edwards, & Sisson, 1995; Ferner, Edwards, & Tempel, 2012). Additionally, if the success of a partnership is only the outcome of local, but not global performance and as a consequence the international structure can be compared to a contract-based “franchise agreement” (Burrows & Black, 1998), “a massive incentive to optimize local business” by using preferably domestic instead of the best available assets and hoarding the best resources to maximize individual profits can be identified. As result, only a sufficient share of an engagements profits will be seen as an adequate incentive for giving away resources to foreign practices and multinational engagements, which clearly shows the incongruence of this reward system with the transnational concept (Boussebaa, 2009; Boussebaa, Morgan, & Sturdy, 2012; Engle & Mendenhall, 2004; Lorsch & Tierney, 2002).

Adding another obstacle for cross-country collaboration Boussebaa further outlines, how both import and export of foreign professionals will result in a decrease in local profitability. Hereby the disadvantage of collaborating with foreign expert instead of staffing domestic professionals is, that fees for this professional and thus also a share of the profit have to be transferred to the foreign practice. On the other side, exporting a senior professional would also result in a loss of expertise for the domestic practice, as well as in a decrease of time during the assignment, which the respective professional could invest in business development. Hence, this also negatively impacts current and future profitability of the domestic practice. (Boussebaa, 2007; Boussebaa, 2009)

Choi et al. (Choi, Kim, Kim, & Zang, 2007) identify a positive correlation between office size and audit fees, which according to Boussebaa also applies to the consulting divisions of the “big Four”, saying that “Importing resources from the core was thus highly detrimental to the balance sheets of peripheral subunits” (Boussebaa, 2009). Also in line with (Choi, Kim, Kim, & Zang, 2007) findings of audit firms that office size and fees are further positively correlated with the audit quality, Boussebaa outlines that specifically the US and the UK practices possess “superior skills and expertise and thus commanded fee rates that were considerably higher than

those charged out to clients by offices located in other countries” (Boussebaa, 2009). This margin difference can be reasoned by a “different standard leverage” due to a different scope of assignments and structures of project teams. Hypothetically, even equal profits per Partner can be achieved by having high margin businesses with modest leverage on the one hand and thin margins combined with high leverage on the other hand – but due to this difference transfer of professionals between the two models is only advantageous in one way (Maister, 2003). This can be a major hurdle for international collaboration between large and smaller practices, since the latter which are more likely to be in the need for foreign expertise might not be able to utilize the firm network to improve their ability to serve especially larger international clients.

Looking at cross-country fee between central and peripheral practices from this angle, Boussebaa brings up the idea of cross-national staffing, as a mean to increase profitability by importing consultants from lower fee countries. (Boussebaa, Morgan, & Sturdy, 2012) If central practices primarily view cross-national assignments of consultants as a way of cost-cutting to increase competitiveness and maximize profits, this would result in “financialization” where monetary aspects are the key drivers of behaviour (Alvehus & Spicer, 2012), thus changing the focus of international collaboration from knowledge exchange to profit maximization. Consequently also the positive impact of international collaboration would change from the client, who benefits from the greater expertise of foreign professionals to the firm itself.

Taking this into account one can ask, in how far fee differences negatively impact the involvement of the transnational firm as such, as well as the motivation of professionals to collaborate, since transparency about the fee structure rather fosters unequal treatment of professionals than firm-wide consistency (Festing, Eidems, & Royer, 2007) or if this is compensated by other incentive structures (Boussebaa, Morgan, & Sturdy, 2012). As this could then add another or even completely change the goal of international collaboration from improving service quality as a benefit for clients towards pure profit maximization of the firm, themes for the analysis are:

- National profit-pools
- Fee differences
- Opportunity costs

2.2.3.2 *Cultural distance*

Boussebaa, Engle and Greenwood et al, describe the responsiveness to and balance of both global and local consideration as one advantage of the transnational enterprise (Boussebaa, 2007; Engle & Mendenhall, 2004; Greenwood & Fairclough, 2010). Even though management consulting becomes more and more a “global endeavor” due to the dominance of “global (multinational) innovation factories with an American heritage” (Meriläinen, Tienari, Thomas, & Davies, 2004), the local dimension continues to play a role of high importance due to the characteristics of management and consulting as interaction based client-service (Bäcklund & Werr, 2001; Werr & Stjernberg, 2003; Ferner, Almond, & Collin, 2005). Since especially the latter can be facilitated “by social, cultural or educational proximity between consultants and clients” (Meriläinen, Tienari, Thomas, & Davies, 2004), one has to ask in how far the diversity resulting from international collaboration might complicate the relational dimension. Furthermore understanding the client’s business environment might be of higher difficulty for foreign consultants, which could result in a barrier themed:

- Cultural and educational distance

2.3 Summary

As the theoretical framework (view illustration) shows, insights from previous research about the purposes for international collaboration cover the themes of “learning and development” and “efficiency and client demand”. Hereby, PSFs can rely on enablers in form of a formal and informal network, as well as their culture as aligning “normative glue”. However, several barriers categorized as either “Monetary Obstacles” or “Interpersonal Distance” might impact or even preclude international collaboration. While this framework also illustrates the richness of general theoretical perspectives on these dimensions, analysis at the level of the individual guided by the interplay within these three dimensions has previously been disregarded. Therefore, the forthcoming sections will use the case of the consulting departments of the Big Four Accounting Firms to analyse and illustrate, how these factors are reflected in the choice for international collaboration of Partners and HR-Managers.

PURPOSE	Learning & Development	<ul style="list-style-type: none"> ▪ Learning of the individual ▪ Knowledge accumulation and development
	Efficiency & client demand	<ul style="list-style-type: none"> ▪ Knowledge dissemination ▪ Reduction of errors ▪ Access to expertise
	Understanding of local contexts	<ul style="list-style-type: none"> ▪ Impact of Locality
ENABLERS	Formal Processes	<ul style="list-style-type: none"> ▪ Cooperation within a network structure ▪ Common platforms
	Relationships	<ul style="list-style-type: none"> ▪ Personal relationships ▪ Networked reputation
	Firm Culture	<ul style="list-style-type: none"> ▪ Normative glue ▪ Reciprocity
BARRIERS	Monetary Obstacles	<ul style="list-style-type: none"> ▪ National profit pools ▪ Fee differences ▪ Opportunity costs
	Cultural Distance	<ul style="list-style-type: none"> ▪ Cultural and educational distance

Figure 1 Theoretical Framework

3 METHODOLOGY

3.1 Method

“Non-standardized interviews are used to gather data, which are normally analyzed qualitatively, for example as part of a case study” (Saunders, Lewis, & Thornhill, 2009, p. 321)

In this section a description and evaluation of the chosen research methods will be presented. Overall, the research for this thesis is guided by our underlying theoretical framework, which explains the key areas and factors to be studied in the cases, constructs and variables of international collaboration as well as their assumed relationships (Voss, Tsikritsis, & Frohlich, 2002). Following the most common method for conducting case research the primary data of this thesis is the outcome of “qualitative data collected by semi structured interviews” (Easton, 2010). Hereby the approach is derived “from those that have been successfully utilized in previous comparable projects” (Shenton, 2004), namely Boussebaa, Morgan & Sturdy (Sturdy, 2011; Boussebaa, Morgan, & Sturdy, 2012)

Hereby the course can be described by a phase of “deduction“, in which the theoretical framework based on a review of current literature was developed and then “subjected to empirical scrutiny“ (Bryman & Bell, 2007, p. 11; Ghauri & Gronhaug, 2005). In the following phase of “induction“, implications based on the empirical findings, which either extend, support or deviate from previous knowledge are inferred into the theoretical framework (Bryman & Bell, 2007, p. 11; Ghauri & Gronhaug, 2005, p. 14).

This “process by which a researcher moves between induction and deduction while practicing the constant comparative method” (Suddaby, 2006) has been termed abduction and is a common method in qualitative research to take advantage of both deduction and induction by iterating between the two (Suddaby, 2006; Bryman & Bell, 2007).

3.1.1 Qualitative Research

Qualitative research was chosen as an approach for this thesis, since global staffing as the phenomenon to be studied is an infrequently made, strategic decision. This makes interviews as a primary source, according to Eisenhardt and Graebner (2007), “a highly efficient way to gather rich, empirical data”. Since the “multiplicity of factors” in form of purpose, barriers and enablers which ultimately result in the choice of global staffing are investigated “a research strategy that [...] emphasizes words rather than quantification” (Bryman & Bell, 2007, p. 27) is appropriate “to explicate the complex social processes involved” (Eisenhardt & Graebner, 2007).

By ensuring anonymity and enabling interviewees to follow up with extensions and alterations beyond the limited time of the interview, we tried to reduce unintended biases and obtain a comprehensive understanding. Furthermore a direct comparison of multiple interviews and also personal work experience in a similar setting enabled us to mitigate the risk of significant deviations from reality in the empirical findings (Alvesson, 2011, p. 136; Brewerton & Millward, 2001).

By being both present at each interview, we enhanced the explorative potential and further attempted to reduce the impact of individual biases (Voss, Tsikritsis, & Frohlich, 2002) arising from the way interviews are conducted, understood and analyzed, as well as from prejudices and pre-judgments (Gillham, 2005, p. 9). Furthermore the influence of observations from the interview setting in form of retrospective sense making and impression-management can be regarded as inconsequential, as the narratives about global staffing were not related to the setting (Eisenhardt & Graebner, 2007).

Even though the interviews were conducted in English, the risk of “a possible incongruence between what our interviewees may know and what they may be able to express” (Alvesson, 2011, p. 31) can be considered as insignificant, taking their educational background into account.

As the focus is on understanding, but not quantifying global staffing “from the perspective and actions” of Partners and HR-Managers (Alvesson & Sköldberg, 2000, p. 4), prioritizing measurability and generalizability by choosing a quantitative approach can be seen as rather contradicting the purpose of this thesis (Bryman & Bell, 2007, p. 163). Furthermore, the choice of global staffing results from the individual interpretation of enablers and barriers, which is naturally subjective, while quantitative methods are commonly viewed as especially appropriate, when objects are researched that cannot “attribute meaning to their environment” (Bryman & Bell, 2007, p. 402) and objectivity of the study is the major concern (Flick, 2009, p. 13). Furthermore, due to the very limited number of individuals responsible for global staffing choices, opportunities for studying “a big enough sample for a representative study” to reach “findings ready for generalization” are very restricted (Flick, 2009, p. 15).

3.1.2 Case Studies

“papers that build theory from cases are often regarded as the most interesting research”

(Eisenhardt & Graebner, 2007)

The case study approach was selected, as studying the groups of HR-Managers and Partners in the Big Four to understand the conditions of their global staffing choices is in line with Hartley’s

(1994, pp. 208-209) definition, of “a detailed investigation, [...] of one or more organizations, or groups within organizations, with a view to providing an analysis of the context and processes involved in the phenomenon under study’ (Yin, 2003, p. 7; Pauwels & Mathysens, 2004; Eisenhardt & Graebner, 2007). Global staffing can be seen as “a contemporary phenomenon” caused by the increasing internationalization of the business environment and therefore the choice of HR-Managers and Partners are made in a situation “when the investigator has little control over events”, which qualifies case studies as “the preferred strategy” (Yin, Case study research, 2003, p. 1) to study this phenomenon in its “real-life context” (Easton, 2010).

Furthermore considering that the investigation of barriers and enablers, as well as purposes of global staffing choices is based on “how” and “why” questions in a field with very little research, the use of cases serve the intention of this thesis “particularly well” (Eisenhardt & Graebner, 2007; Yin, Case study research, 2003, p. 1) and enables taking advantage of “rich, empirical descriptions of particular instances” of this phenomenon (Eisenhardt & Graebner, 2007).

Basing each case on several interviews hereby keeps “the holistic and meaningful” (Yin, Case study research, 2003, p. 2) picture and consequently enhances the depth and width of comprehension (Easton, 2010), while generalizability and representativeness of the findings are simultaneously enhanced (Yin, 2003, p. 10; Easton, 2010).

Limiting the criticism about the low representativeness and limited possibility for scientific generalization to universal generalization, Yin states that case study research very well serves the purpose of theoretical generalization, which is also the aim of this thesis as current theories of global staffing are expanded and generalized for the specific context of the Big Four in Germany and Sweden (Yin, 2003, p. 10).

3.1.3 Multiple Case Studies

By studying the Big Four this thesis follows a “multiple-case comparative logic” (Eisenhardt, 1991; Voss, Tsikritsis, & Frohlich, 2002), which further enhances the generalizability through contrast, replication and extension of findings from the core case and enables comparisons to identify “whether an emergent finding is simply idiosyncratic to a single case or consistently replicated by several cases” (Eisenhardt, 1991; Yin, 2003; Eisenhardt & Graebner, 2007). Furthermore a “broader exploration of research questions and theoretical elaboration” (Eisenhardt & Graebner, 2007) is enabled as complementary aspects can be distinguished through the increased variety (Pauwels & Mathysens, 2004; Eisenhardt, 1991).

Upon request of the case companies, in the following they are referred to as Company-A, B, C and D.

3.2 Data collection through interviews

The process of the empirical data collection for this thesis through semi-structured interviews with Partners and HR-Managers will be described in the following.

3.2.1 Description of interviews

Based upon our theoretical framework we developed a question catalogue (cf. Appendix I) to guide and standardize our interviews. Hereby, we operationalized our theoretical findings about enablers, barriers and purposes by defining question categories, which cover the respective aspects of the theoretical framework but are open towards extensions and alterations of previous theoretical understandings.

To not limit the elaborations of our interviewees to the predefined purposes of global staffing in the theoretical framework, we included questions about the internal and external factors, which shape their choice in each section of the questionnaire.

By asking the interviewees to describe corporate “Staffing policies” and “Staffing processes” and their personal roles, we obtained a general understanding about the different ways in place, as well as the enablers, which facilitate global staffing.

Based on the aspects in the theoretical framework (cf. Figure 1) questions regarding the barriers of global staffing were derived and included in each part of the questionnaire to foster our understanding of the interviewees’ perception about the smoothness and coherence of “International Collaborations”, “Staffing policies” and “Staffing processes”. Since previously literature pointed especially towards Structural monetary obstacles as key barriers to global staffing, the final section of the questionnaire focuses on “Monetary issues” to gain deeper insights about the practical impact on the choice of individuals.

3.2.2 Semi-structured interviews

“It could be argued that the semi-structured interview is the most important way of conducting a research interview” (Gillham, 2005, p. 70)

Similar to Boussebaa’s research, which served as an important source for this thesis, primary research took place in form of “a series of semi-structured interviews within four of the world’s largest and most successful PSFs” (Boussebaa, 2009).

Semi-structured interviews conducted for this thesis were based on the question catalogue summarized in Appendix 1, but varied in selection and order according to the conversation flow. Generally, the interviews followed a funnel model, starting off with “broad and open-ended

questions” to gain an overview over the interviewees’ experiences and becoming more specific as the interview progressed (Voss, Tsikritsis, & Frohlich, 2002). This allowed us to cover the themes associated with purpose, enablers and barriers of global staffing in a broad and flexible way by attributing a higher degree of influence over the interview direction and depth to the respondents (Alvesson, 2011, p. 53; Fisher, 2004, p. 133; Saunders, Lewis, & Thornhill, 2009, p. 320; Easton, 2010). Compared to an even more open unstructured approach this allowed us to implement the theoretical framework as an interview structure and mitigate the risk of digression and high probability of associations in “for the research irrelevant and unproductive directions” (Alvesson, 2011, p. 52).

For this reason, semi-structured interviews are often regarded as reconciliation of the advantages of both unstructured and structured approaches as considerable space is provided for the interviewees to determine the depth, as well as the scope of their explanations and even contribute to the research by leading into novel, previously unconsidered areas, while still maintaining higher comparability than completely unstructured interviews (Brewerton & Millward, 2001, p. 70; Alvesson, 2011, p. 53; Saunders, Lewis, & Thornhill, 2009, p. 324). Not being dependent on a fixed structure also allowed us “to probe answers”, where further explanations and ideas could enhance the overall understanding (Saunders, Lewis, & Thornhill, 2009, p. 324).

A rather loose interview structure does not only offset the disadvantages of highly structured interviews but it specifically pays respect to education, position and experience, as well as the eloquence of the subjects in “elite interviews” Gillham (2005, p. 54).

3.2.3 Setting

To maximize the personal interaction, enhance reaction and clarification, and overcome the perceived effort of answering, which often restricts the elaborateness in written communication interviews were conducted face-to-face at the firm’s premises in Sweden and via phone in Germany, as a preferable method for primary data collection over distance (Gillham, 2005, p. 102). While facial expression could not be observed, this can be seen as insignificant for the data quality as a phenomenon with little emotional involvement is researched. As the design of semi-structured interviews is influenced to a considerable degree by the depth and scope of each interviewee’s elaborations, the duration of the interviews varied between 45 and 60 minutes.

Instead of using “field notes” as “the classic medium for documentation in qualitative research” (Flick, 2009, p. 296) the interviews in our research were recorded with mobile phones, because “their prevalence has made them lose their unfamiliarity for potential interviewees” and thus

help to reduce skepticism and bias of interviewees (Flick, 2009, p. 294), while simultaneously taking advantage exactness of taping (Yin, Case study research, 2003, p. 92).

3.2.4 Sample

Theoretical sampling is generally regarded as the appropriate method for extending current theories and resulted in the choice of the consulting departments of the Big Four in Germany and Sweden, where individual choices of global staffing haven't been studied before (Eisenhardt & Graebner, 2007). As a "description of the empirical object targeted for study is vital" (Alvesson, 2011, p. 136) in the following the sample as "the entities that define our research field, [...] their relationships and [...] their powers and liabilities" will be described (Easton, 2010), as well as the theoretical logic on each step of the sampling process (Pauwels & Mathysens, 2004; Voss, Tsikritsis, & Frohlich, 2002).

3.2.4.1 *The Big four as research objects*

The Big Four are representative knowledge-intensive GPSFs and suitable research objects, as their size and geographic spread provides ample opportunities for global staffing. Additionally they are comparable on several dimensions, such as global revenues, number of employees, international presence, Anglo-American heritage and diversity of services (see Table 1) and therefore chosen as primary source for this thesis.

Table 1 Overview Big Four

Fiscal year 2011	PwC	Deloitte	Ernst & Young	KPMG
Origin*	US/UK	US	US/UK	US
Global revenues	29.2 bn USD	28.8 bn USD	22.9 bn USD	22.7 bn USD
Audit, % of total revenues	48	43	46	46
Tax, % of total revenues	26	19	26	21
Advisory, % of total revenues	26	38	28	33
Global presence, no. of countries	158	153	140	153
No. of employees	169 000	182 000	152 000	145 000
No. of employees Sweden	3 443	1 054	1 948	1 600
No. of employees Germany				

Established in Sweden*	1986 ³ /1997 ⁴	1993	1981 ⁵	1990
Global assignment volume, yearly	2 483	4 429		2 250

*Sources: (Furusten & Bäcklund, 2003)

3.2.4.2 *The consulting departments as research objects*

Within the Big Four the consulting departments were selected, due to their way of portraying “themselves explicitly and publicly [...] as truly ‘global’ firms (Boussebaa, Morgan, & Sturdy, 2012) in contrast to the more traditional audit and accounting services. To exemplify, both the advisory page on Ernst & Young’s global website (“Evolving your business. Globally.”⁶) as well as the corporate strategy services page of PwC (“A global network delivered locally. We deliver solutions that work with access to the expertise of the wider firm network.”⁷) emphasize their global network as part of their client promise, similarly to Deloitte’s and KPMG’s⁸. In contrast, little or no emphasis on international networks can be found in the presentations of the Big Four’s audit and accounting services. Therefore, one can assume that a global presence is more important for the delivery of consulting services, which qualifies these departments as empirical site. Furthermore their similarity allows to overcome the general “considerable variation within management consultancy” regarding firm size and practice area (Sturdy, 2011). Notably, the consulting departments are also interesting research objects within the Big Four from an economic perspective, due to a growing share of firm-wide revenues derived from their services and their resulting increasing economic importance within the Big Four. According to Kipping and Armbrüster (2001), they even have come “to occupy leading positions, outgrowing and, as a result, displacing many TSOs [Traditional Strategy and Operation Consultancies]”.

Table 2 Revenue split (%) for individual US Big Five (now Four) firms: 1975 - 1999

	<i>Year</i>	<i>Audit</i>	<i>Tax</i>	<i>Consulting</i>
KPMG	1975	70	20	10
	1986	56	22	22

³ Coopers & Lybrand/Öhrlings was established in 1986

⁴ Price Waterhouse was established in 1997

⁵ Ernst & Young’s parent company was established in 1981

⁶ <http://www.ey.com/Services/Advisory>

⁷ <http://www.pwc.com/gx/en/corporate-strategy-services/index.jhtml>

⁸ http://www.deloitte.com/view/en_GX/global/services/consulting/index.htm

<http://www.kpmg.com/Global/en/WhatWeDo/Advisory/management-consulting/Pages/default.aspx>

	1994	49	21	30
	1999	34	23	43
Deloitte Touche	1975	68	17	15
	1986	64	23	13
	1994	52	22	26
	1999	40	19	41
Ernst & Young	1975	68	21	11
	1986	56	26	18
	1994	45	19	36
	1999	38	25	37
Price Waterhouse	1975	76	16	8
	1986	58	24	18
	1994	43	25	32
	1999	42	20	38
Coopers & Lybrand	1975	69	19	12
	1986	60	21	19
	1994	58	18	24
	1999	47	19	34

Sources: Public Accountancy Report, various years and Fortune in (Suddaby, Cooper, & Greenwood, 2007)

Table 3 Proportional US revenue sources for Big Eight (now Four) firms

	1975	1990	1999
Audit	71	49	30
Tax	17	25	21
Consulting	12	26	49

Sources: Public Accountancy Report, various years and Fortune in (Suddaby, Cooper, & Greenwood, 2007)

The empirical studies within these departments consist of “quality-selected interviews”, prioritizing the knowledge “of highly qualified people with the “right” experiences and an ability and willingness to communicate these” over the representativeness of a large-scale study and random sampling (Alvesson, 2011, p. 50; Shenton, 2004). As persons in charge of global staffing Partners and HR-Managers are “highly knowledgeable informants who view the focal phenomena from diverse perspectives” (Eisenhardt & Graebner, 2007), thus interviewing both ensured breadth and variation through multiple views, enhanced the representativeness “of voices in the group being studied” (Alvesson, 2011, p. 49) and reduced the likelihood of biases in each case (Voss, Tsikritsis, & Frohlich, 2002). Since “gaining access to management consultancies is known to be difficult” (Sturdy, 2011), we followed Boussebaa and Sturdy by using the “snowball sampling method” as a strategy of increasing the sample size through asking “interviewees to suggest people that are especially worthwhile to talk to” (Alvesson, 2011, p. 51) within the targeted group of Partners and HR-Manager.

3.2.5 Unsolicited documents

Webpages, viewed as unsolicited documents with open access (Flick, 2009, p. 256) and a “timely form of communication and self-presentation for [...] organisations” (Flick, 2009, p. 278) serve as a way to show, how the firms want to be perceived in public, especially by potential clients and applicants. Acknowledging that the “credibility” (Flick, 2009, p. 257) of these documents is limited, as they are biased towards a more positive view of firm, specifically this difference between the intended presentation and internal perception of our interviewees adds value to our analysis.

3.3 Empirics and Analysis

“the chain of evidence consists of the explicit citation of particular pieces of evidence, as one shifts from data collection to within-case analysis to cross-case analysis and to overall findings and conclusions” (Yin, 1981)

The “pathway” to answer the research questions and objectives of this thesis “is reasonably defined” due to clearly identifiable individuals, who face certain enablers and barriers, in their choice about global staffing (Saunders, Lewis, & Thornhill, 2009, p. 502). In this sense, the framework of theoretical propositions as “answers to how and why questions” provides “extremely useful” (Yin, 2003, p. 112) guidance, since key issues that led the research design remain in focus and guide the organization of the case study analysis, as well as the definition of alternative explanations (Yin, 2003, p. 111).

The analysis of the empirical data followed Saunders et al. (2009, pp. 482), who identify aggregation and structuring as crucial steps for the subsequent analysis of narratives, in order to pay attention to the “non-standardized and complex nature” (p. 482) of the qualitative data collected. Hereby, the use of semi-structured interviews proved to be advantageous, as it “anticipates analysis, and facilitates the organization” (Gillham, 2005, p. 75) and identification of key issues during the transcription and coding process, where theory is developed from the data by breaking down, conceptualizing and categorizing evidence (Flick, 2009, p. 307). Therefore, only the first interview was fully transcribed, while later transcriptions were limited to those sections that are pertinent to the theoretical framework and analysis (Saunders, Lewis, & Thornhill, 2009, p. 486; Fisher, 2004, p. 155).

In an initial step of open coding, the data collected was “disaggregated into conceptual units” and labeled according to the theoretical framework (Saunders, Lewis, & Thornhill, 2009, p. 509). In the following step of “axial coding” the focus was on the exploration and explanation of relationships between purpose, barriers and enablers of global staffing, as well as on role

differences between HR-Managers and Partners (Saunders, Lewis, & Thornhill, 2009, p. 511). Through selective coding in a final step, the evidence from one firm was supplemented through cross-national comparison, as well as further evidence from unsolicited documents to develop the case study.

Subsequently, the theoretical framework was compared with the empirical results, since “pattern matching” is “the most desirable technique” (Yin, 2003, p. 116) to strengthen the internal validity of the study by identifying correspondence (Yin, 2003, p. 116; Saunders, Lewis, & Thornhill, 2009, p. 500). Furthermore the comparison of both corresponding and diverging patterns between theory and empirical findings, across Germany and Sweden, as well as across the cases of the Big Four, which will be illustrated in the forthcoming sections, allowed to test the emerging theoretical propositions and further strengthened the validity of the study (Saunders, Lewis, & Thornhill, 2009, p. 495). Here, summary tables proved to be “a particularly effective way to present the case evidence” as they signal “depth and detail of empirical grounding” and therefore can be found in both the presentation of empirics, as well as the analysis (Eisenhardt & Graebner, 2007).

3.3.1 Comparative cross-national study

Even though PSFs are implementing ‘global’ firm structures and trying to project an image of global integration, previous literature argues that they are in practice often distributed power structures, fragmented into core and peripheral subunits (Boussebaa, 2009; Boussebaa, Morgan, & Sturdy, 2012). Therefore, the cross-national comparison between Germany and Sweden allows identifying and excluding country- and size-related biases, which we regarded as especially important taking into account that some researchers found a division between large, central offices and small, peripheral ones, where the former exercises power over the latter (Boussebaa, Morgan, & Sturdy, 2012). Considering these structural differences we based our research on a “systematic international comparison [...] to determine whether an explanation developed in one or more cases has wider applicability” (Hantrais, 2009, p. 49). Therefore, basing the core case of Firm-A on an equal number of interviews in Germany and Sweden and paying respect to differences in the analysis enhanced the validity considerably, since “theory development in one country is more valid if it applies to others” (Hantrais, 2009, p. 10), and allows to determine the extent to which generalizations are possible (Hantrais, 2009, p. 38). Furthermore, looking at a large and a peripheral national firm, helped to “identify, explain and interpret [...] variations” (Hantrais, 2009, p. 11) arising from the different sizes of the national firms, as well as to “test the transferability or generalizability, and robustness of a theory or hypothesis” (Hantrais, 2009, p. 11).

3.3.2 Cross-case analysis

One could assume that global staffing is dependent on general firm-specific processes and guidelines, which then would exercise a considerable influence on the choice of the individual Partner or HR-Managers. Therefore, employing a multiple cases approach and investigating global staffing in the Big Four, allowed to “improve the likelihood of accurate and reliable theory” and distinguish “novel findings” from firm-specifics (Eisenhardt, 1989). By using the theoretical framework as a basis and looking for similarities within the core case of Company-A first, and then comparing the findings with the cases of Company-B, C and D to identify company-specifics in form of “intergroup differences”, we ensured that the comparison covered the categories identified by previous research and was not limited to the specifics of Company-A (Eisenhardt, 1989). Furthermore the cross-case analysis, not only enabled us to distinguish firm-specifics in Company-A from general patterns occurring in the majority of the Big Four, but also identify general patterns, which occurred in the majority of the Big Four, but not in the core-case. Hereby the comparison of “lessons from each case study” enabled us to generalize the findings from Company-A, and develop a “common explanation” about the role-differences of HR-Managers and Partners (Yin, 1981).

3.4 Quality Aspects

“there is no such thing as the perfectly designed study” (Marshall & Rossmann, 1999)

Retrospectively evaluating the methods applied in the course of this study, the following section thus seeks to explain the measures taken to enhance the scientific strengths of the findings, as well as to draw out the limitations of the conclusions. Hereby, validity and reliability can be seen as the most critical deficiencies of qualitative research methods (Brewerton & Millward, 2001, p. 69) caused either by an inaccurate display of reality by interviewees or misinterpretations and misperceptions of interviewers. To enable a detailed analysis the forthcoming assessment of methods and findings is structured according to Bryman & Bell’s “criteria for the evaluation of business and management research” (Bryman & Bell, 2007, p. 41) and will be preceded by two general remarks.

First, taking the perspective of a “critical realist”, one has to note the differences between “the empirical, the actual and the real” stemming from the biases of individuals as data sources and the extent to which their explanations are influenced by interpretation (Easton, 2010).

Second, a general limitation of any research within the consulting industry is the lack of “texts [...] that are eager to take a neutral position” (Alvesson & Johansson, 2001). The literature in the field of management consultancy can be split, on the one side into the “traditional, pro-

consultancy” view of authors, who influenced from their occupation as practicing consultants tend to be “very normative and self-promoting”, as well as the “pronounced academic texts often tak[ing] a critical position and [being] typically written by more pure academics [...]” on the other side. While the stance of the first group is often perceived as “self-celebratory texts on management consultants – on consultants, by consultants and, one is tempted to say, for consultants, not only as a target group as readers, but as a group whose interests, status and egos are promoted”, the latter shows instead a more critical view “as a healthy reaction” (Alvesson & Johansson, 2001). However, by combining a theoretical framework based on the academic perspective with empirical data collected in the professional firms, this thesis pays respect to both views.

3.4.1 Validity

According to Bryman and Bell (2007, p. 42) “validity is concerned with the integrity of the conclusions”. Engaging in a process of communicative validation by obtaining the approval of the content from each interviewee in retrospect, both built trust during the interviews and ensured the authenticity of the findings (Flick, 2009, p. 391). Furthermore, being both present at each interview enhanced the quality of observations (Bryman & Bell, 2007, p. 395).

3.4.1.1 *Credibility (Internal Validity)*

Related to case study research, Yin defines internal validity, as the extent to which causal relationships can be established and consequences of specific conditions can be determined with certainty (Yin, 1994, p. 35). Hereby global staffing as a choice based on various purposes, affected by several enablers and barriers was studied by incorporating multiple data sources in the within-case-analysis.

3.4.1.2 *Transferability (External Validity)*

In relation to this thesis external validity as the extent, to which findings can be generalized beyond the context of the specific study (Bryman & Bell, 2007, p. 43; Voss, Tsikritsis, & Frohlich, 2002) can be seen as the degree to which the findings and conclusions apply for firms other than the Big Four, countries other than Sweden and Germany, as well as service lines other than consulting.

Hereby, a validation beyond the context of the single core case could be achieved through extension of the scope towards a multiple cases study and the subsequent comparison of the evidence across these firms (Voss, Tsikritsis, & Frohlich, 2002; Hantrais, 2009, p. 11). Furthermore also the use of multiple sources of evidence enhances the validity of results (Yin, Case study research, 2003, p. 35), which we implemented by extending the geographic scope to

two country-practices of different size and conducting interviews with both HR-Managers and Partners.

3.4.2 Replicability

Eisenhardt and Graebner argue that case-study research “is likely to produce theory that is accurate, interesting, and testable”, because theory building “is deeply embedded in rich empirical data” (Eisenhardt & Graebner, 2007). Therefore, we conclude that this study could be replicated by others (Bryman & Bell, 2007, p. 42), since none of us was part of the companies during the study and thus the findings are unrelated to our persons.

3.4.3 Dependability (Reliability)

According to LeCompte and Preissle-Goetz (LeCompte & Preissle-Goetz, 1982), the social setting and the conditions cannot be kept constant over time and therefore reliability in the common sense, as the extent to which a repetition of the study would yield similar results (Yin, 2003, p. 34), is infeasible. This holds especially true for this thesis, as global staffing and international collaboration are becoming increasingly important and thus, changes within the PSFs can be expected. Furthermore the need for global staffing is depending on the knowledge pool of the local practice, the current local utilization of resources, client demand, and the characteristics of the particular business case and the individual choices of the persons in charge of it. Moreover, due to the typical fluctuation of consultants (Maister, 2003, p. 173), the persons in charge and consequently familiarity and experience with global staffing vary over time, thus this study can only provide a momentary picture and a replication at a later point of time might show deviating results.

Moreover, by consistently applying the previously outlined research methods and measures, reliability could be further enhanced (Voss, Tsikritsis, & Frohlich, 2002; Bryman & Bell, 2007, p. 41). Taking the importance of keeping full records during the research phase into account, recording interviews was considered as preferable over field notes, as it allows repeated reassessment of the exact wordings posthumous to the interview and consequently reduces sources interviewer bias in the succeeding interpretation (Brewerton & Millward, 2001, p. 71; Flick, 2009, p. 386; Bryman & Bell, 2007, p. 398). Furthermore, previous professional experience and training in interviewing of both researchers was advantageous for decreasing the interviewer bias during the phase of data collection, and thus beneficial for ensuring reliability (Flick, 2009, p. 386).

3.4.4 Confirmability (Objectivity)

The joint collection and analysis of empirical findings enhanced the overall objectivity of this thesis, since observations and interpretations could be compared to reduce the impact of individual biases, values and prejudices on the interpretations (Bryman & Bell, 2007, p. 43; Flick, 2009, p. 391). Nevertheless, one always has to take into account that course and outcomes are “colored by [personal] values, assumptions and prejudices” (Fisher, 2004, p. 225).

4 EMPIRICAL FINDINGS

In the following sections, findings from the interviews with employees involved in global staffing processes within the Big Four will be presented, following the structure of the theoretical framework outlined in section 2.2. The theoretical framework served as a starting point and core structure of the presentation, but was adjusted to the findings and therefore complemented by new sub-categories when needed, as shown in Figure 2. This will allow us to later compare the factors described in previous literature with the factors brought up during interviews, in the following analysis, section 4.2. This division further allows us to contrast the purpose section, describing the ideal picture of global staffing in the Big Four, with the enablers and barriers, illustrating to what extent this ideal picture of global staffing is achieved in practice and why there is a gap between the ideal picture and the actual picture.

This structure implies that we will start by presenting findings about *why* the Big Four have global staffing in section 4.1.1 “purpose”. The three key purposes previously presented in the theoretical framework, Figure 1, will be complemented by one more purpose that arose as important during the interviews, namely “uneven resource demand”. The following part will describe *how* global staffing is done in the Big Four, or more precisely what “enablers” they use to make it work. In three sub-sections, the enablers presented in the theoretical framework will be described. In the final section, barriers to global staffing will be presented. The two groups of barriers presented in the theoretical framework, will be complemented by three more barriers that were found to be important. The additional barriers are “price sensitive clients”, “language” and “personal reasons”.

Below, we will start by presenting the findings from our core case study, Company-A. Thereafter, the findings from the three reference case studies, Company-B, C and D, will be presented in Table 7, Table 8, and Table 9 to provide a better overview and enhance comparability, while the case studies will be provided in the Appendix. In all case studied the references indicate if the interviewee is a Partner or works in the HR function, as well as what country the interviewee works in.

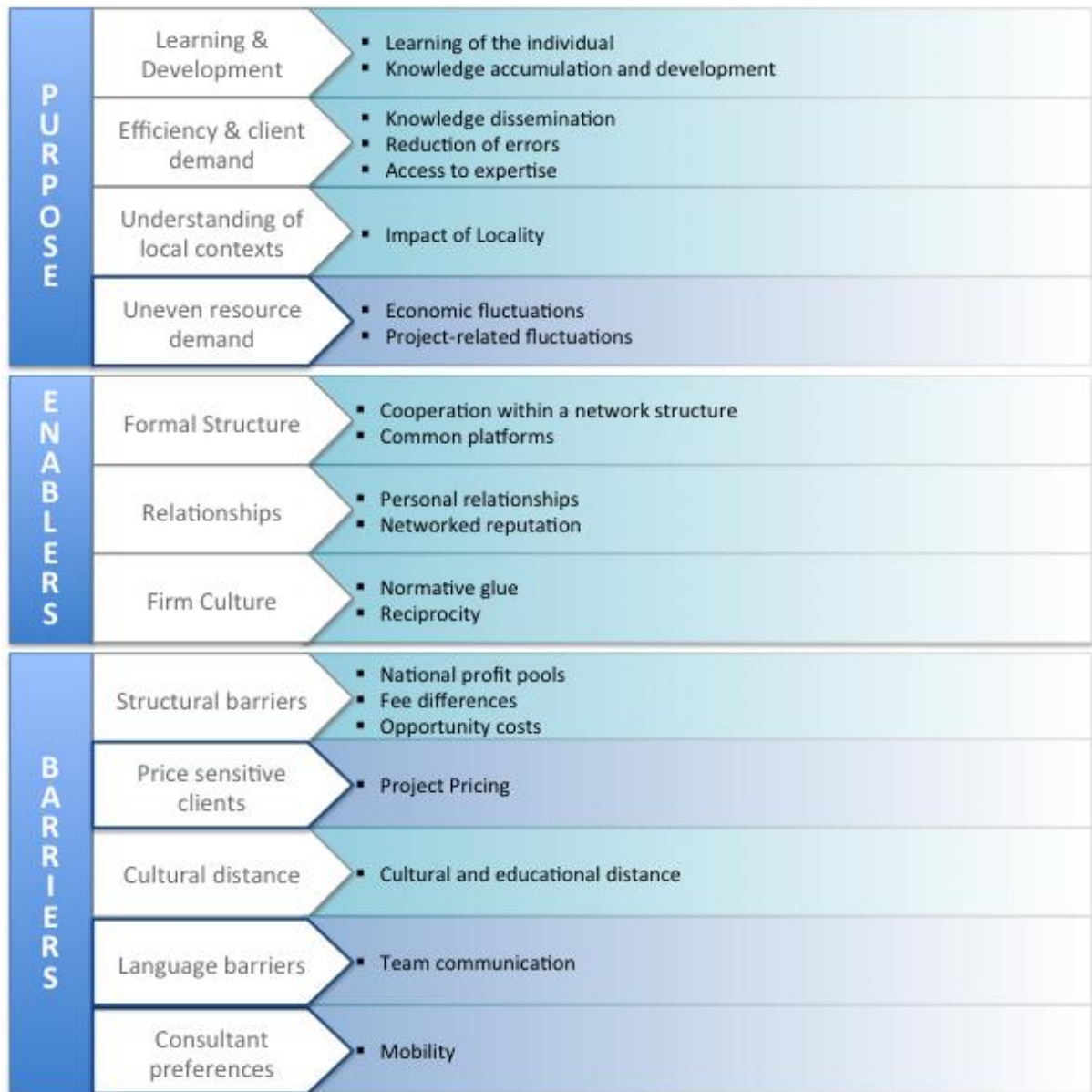


Figure 2 Theoretical Framework (Extended)

4.1 Case Study A

“International staffing is always part of the job.” (Firm-A-Sweden HR1, 2012)

In Firm A, people seem to have different perceptions about the amount of global staffing that is taking place depending on what country and function they belong to. The interviewees’ answers on the question “how many percentage of your projects involve international cooperation?” ranged from 10% to 60%.

4.1.1 Purpose

4.1.1.1 *Learning and development*

In the interviews with Company-A, learning and development were brought up as an important reason for global staffing, and both learning of the individual consultant and knowledge accumulation and development of the firm were highlighted. Individual learning through international project assignments was discussed as part of the individual career development and as a way to keep employees stimulated and satisfied, while simultaneously resulting in knowledge accumulation and development of the national firm. In this sense individual learning and firm development are perceived as closely linked, “the best incentive system is actually to look at the development opportunities for each individual” (Firm-A-Sweden HR1, 2012) to increase global staffing and develop the national firm’s resources.

4.1.1.1.1 Learning of the individual

As mentioned above, the development of people is one reason why firm A sends people abroad as “international experience is valuable for the personal development of consultants” and “you learn a lot of things, even though it would “just” be Denmark” (Firm-A-Germany HR1, 2012). As mentioned, some concrete benefits of international assignments are that consultants learn “to understand the different roles (in a project team)” (Firm-A-Sweden HR1, 2012) and that “it increases the consultants ability to work in different cultures and to take into account all sorts of factors, which somebody who is just working locally on projects would be missing” (Firm-A-Germany HR1, 2012). As one Partner summarized it, “one big benefit for everybody personally is to widen their personal horizons, getting new ideas and getting broader perspectives” (Firm-A-Germany P1, 2012).

According to the interviewees, especially younger consultants are eager to work abroad, and often ask about international project opportunities. This is also reflected on Company-A’s career section on their website, where international opportunities are described, but where it is also stated a couple of years of experience is required before one gets the opportunity to go abroad⁹, as a way of “managing expectations of the younger consultant” (Firm-A-Sweden HR1, 2012). Based on the view that consultants develop through the actual project work, staffing the firm’s own Juniors on projects so they can “grow” is prioritized over bringing in Juniors from other firms, which complicates finding projects abroad for Juniors compared to Seniors (Firm-A-Sweden HR2, 2012).

⁹ The Big Four’s websites are all in the reference list to ensure anonymity

4.1.1.1.2 Knowledge accumulation and development of the local practice

In Company-A, the employees have to work a couple of years at their home office before going abroad, so they have the knowledge and competence to contribute to the office they are visiting, and are able to absorb new knowledge and experiences to share with colleagues once they are back at the home office¹⁰. In Company-A cross-border staffing of consultants should benefit both the sending and the receiving country, which is expressed in the following quote: “it’s very important that it’s good for the market in the actual country, either because you send people away that go away and then bring some new knowledge home, or you have an actual need that needs to be fulfilled” (Firm-A-Sweden HR1, 2012). In their view, the business need and firm development are central in global staffing decisions, as international assignments are not only “enriching” (Firm-A-Germany P1, 2012) for the outgoing consultants, but also a way of transferring knowledge between offices since “the consultants come home with a lot more experience” (Firm-A-Sweden HR2, 2012). In this regard “the UK is an export organisation” (Firm-A-Sweden HR1, 2012) of expertise within EMEA with “a leading position in many projects” (Firm-A-Germany HR1, 2012) due to their size. Therefore, cooperation with the UK is viewed as attractive in Company-A and one interviewee also indicated that the UK helps Sweden much more than the other way around (Firm-A-Sweden HR2, 2012).

4.1.1.2 Efficiency and client demand

Looking first at the client demand for expertise, one interviewee phrased it; “we wouldn’t be in the market if we didn’t reach out to our network to bring the best people to the client” (Firm-A-Sweden HR1, 2012), while another said, “without any doubt I’d say that international project collaboration and staffing is something that has become a pure market necessity from all sides” (Firm-A-Germany P1, 2012). The reason for these statements is that “large clients would just expect that we bring the best possible solution to them, and if we do not have an expert here and there is an expert in the UK, they would just expect that we bring in that expert” (Firm-A-Sweden HR1, 2012). The interviewee further explained: “for the large international clients it [access to global experts] is definitely a prerequisite to work with us” (Firm-A-Sweden HR1, 2012). When a need for specific experience or expertise arises that is not available locally it is “obvious already before the proposal is sent out that you have to reach out to experts abroad” (Firm-A-Sweden HR1, 2012). In Company-A, experts are sometimes involved in client-meetings during the proposal process, as this was perceived to enhance the chance of winning the project (Firm-A-Sweden HR1, 2012). However, when staffing a project the national firms are not

¹⁰ Ibid.

immediately looking for international experts. Instead, both firms in Germany and Sweden first try to find suitable consultants within their respective countries, but pointed out “when we really see that we need a specific expertise, then we will try to get that from another country” (Firm-A-Sweden HR2, 2012). However, they emphasized that they are generally “looking for the best skill match for the request, so if the specific skills are lacking in Germany, or the specific country, then we connect on the EMEA level” (Firm-A-Germany HR1, 2012).

“The combination of the breadth and depth of the services in the geographies is something that I think normal consulting companies have difficulties to cope with and that is an asset of the Big Four” (Firm-A-Germany P1, 2012). According to one interviewee, it is “almost always possible to find the right expert within the broader network” of firms, which allows them to take advantage of the fact that similar projects have been done elsewhere in the network before (Firm-A-Sweden HR1, 2012). The interviewee also explained that they often receive requests for project-assistance from other firms and if they have experience from a similar project they respond by sending material that could be useful (Firm-A-Sweden HR1, 2012). But it varies to what extent they get involved in helping the other team, sometimes they support during the proposal phase and help selling the project and other times they only send some material (Firm-A-Sweden HR1, 2012). The advantage of this type of help was confirmed by another interviewee saying: “I experienced that when it comes to building up credibility in the acquisition phase of a project it helps a lot to get an international perspective and hands on experience from senior consultants from all over the world” (Firm-A-Germany P1, 2012). By taking advantage of the collective experiences accumulated in previous projects throughout the network, they can decrease the total amount of working-hours spent.

An advantage of having someone from another practice in the project team instead of only taking extracting information from the knowledge management system, is that they for example “get access to that the UK firm’s internal network” (Firm-A-Sweden HR1, 2012). Access to the internal network is valuable because it contains more detailed information than the GKMS, since “you have to wash things before you put them out” in an open database (Firm-A-Sweden HR1, 2012)

4.1.1.3 Understanding of local contexts

According to one interviewee, “profitability is not the main driver of international staffing” instead, “the main reason is that we integrate teams according to the local market knowledge or special expertise” (Firm-A-Germany P2, 2012). As the demand for special expertise is discussed above, this section focuses on the demand for local market knowledge. Since “multinational clients demand multinational teams” (Firm-A-Germany P2, 2012) the firms try to satisfy this

demand by international collaboration. To exemplify, the Swedish firm “had a project last year for a large client in Sweden, but with a lot of business in Germany and the Netherlands” in which it was “very natural” for the Swedish firm “to get people from the Netherlands and Germany, to have a team that mirrors the clients organisation” (Firm-A-Sweden HR1, 2012). In firm A setting up a project team in this way is viewed as “often very valuable for the client because then they feel that we try to match their organization” and as facilitating communication and collaborating as the client’s “team will always consist of Swedish, German and Dutch people” (Firm-A-Sweden HR1, 2012). Similarly, a German interviewee said, “if other countries have projects with clients with operations in Germany then they would contact us and say that they need local experts” (Firm-A-Germany HR1, 2012). In this case they could either request “a consultant from Germany who can come to their local market and work with the team there, or it could be that the German consultant works with the project in Germany and then just send information to the local team” (Firm-A-Germany HR1, 2012). This means that they not always physically move people when a need for local expertise arises, but sometimes rely on phone or email contact (Firm-A-Sweden HR1, 2012). However, “when it comes to doing transformations ‘on the ground’ in different countries”, having local consultants in the team is “extremely helpful” and “sometimes required by the clients” (Firm-A-Germany P1, 2012).

According to one interviewee, international clients take it for granted that Company-A will provide the best team even though “they mostly do not explicitly request local consultants” (Firm-A-Germany P2, 2012). But as the interviewee phrased it: “when we present a proposal, we often get very positive feedback if we have international staffing with people from the local markets” (Firm-A-Germany P2, 2012). The interviewee further argued that it “is always an advantage in the proposal presentation if we present the people that have the local knowledge”; meaning that, even though including consultants with local knowledge in the team is the firm’s choice, “in the end it’s a competitive advantage” to do so (Firm-A-Germany P2, 2012).

4.1.1.4 *Uneven resource demand*

Another reason for global staffing mentioned by Firm-A, is the fluctuating demand for resources (consultants) over time and depends on their way of working with project proposals. Because they do not always win the projects they are competing for, they simultaneously work with several proposals, and therefore also propose the same consultants to several projects at the same time (Firm-A-Sweden HR1, 2012). Consequently one firm could have “a lack of resources even though they actually have the expertise, they just do not have enough resources” at a specific moment (Firm-A-Sweden HR1, 2012). In this situation they typically know slightly later in the process, after the proposal phase, that they need resources from abroad (Firm-A-Sweden HR1, 2012). As one interviewee explained, “since the consulting business is moving very

quickly, you never know from week to week, everything can happen between two weeks, so when working on proposals and opportunities, you just have to live with the fact that you do not know exactly how to staff it” (Firm-A-Sweden HR1, 2012). Because of this uncertainty, they view the opportunity to “borrow consultants from other countries” when needed as useful (Firm-A-Sweden HR2, 2012). It is also common for the Swedish and also other smaller firms with relatively low capacity to need resources from abroad when they win large projects (Firm-A-Sweden HR2, 2012). One interviewee said, “So, in the cases we end up not having enough resources, we’ll just apply to the other Nordic practices first, and then to other EMEA firms” to see if they have resources (Firm-A-Sweden HR1, 2012).

4.1.1.5 Summary

PURPOSE				
	Learning & Development	Efficiency & Client Demand	Understanding of Local Contexts	Uneven resource demand
HR-manager	<ul style="list-style-type: none"> ▪ Very important ▪ Both individual and firm level is emphasized 	<ul style="list-style-type: none"> ▪ Important ▪ Clients expect the best people ▪ Looking abroad only when they cannot find consultants "at home" ▪ Use of existing knowledge is stressed 	<ul style="list-style-type: none"> ▪ Not main reason ▪ Team configuration mirrors the client organisation 	<ul style="list-style-type: none"> ▪ Important ▪ Solve temporary lack of resources when the firm has many or big projects by "borrowing" resources from neighbours
Partner	<ul style="list-style-type: none"> ▪ Important ▪ Individual learning is mentioned more than firm development 	<ul style="list-style-type: none"> ▪ Very important ▪ Clients expect that they bring the best people ▪ It helps them win projects 	<ul style="list-style-type: none"> ▪ Important ▪ Team configuration mirrors the client organisation ▪ Competitive advantage to provide local expertise ▪ Locals facilitate communication and understand market specifics 	<ul style="list-style-type: none"> ▪ Not main reason
Country specifics	<ul style="list-style-type: none"> ▪ No big differences ▪ Sweden is slightly more dependent on the UK 	<ul style="list-style-type: none"> ▪ No big differences ▪ Sweden brings it up this aspect slightly more 	<ul style="list-style-type: none"> ▪ No differences 	<ul style="list-style-type: none"> ▪ No big differences ▪ Sweden brings it up this aspect slightly more

Table 4 Summary - Purpose Company-A

4.1.2 Enablers

4.1.2.1 *Formal processes*

One interviewee described Company-A's knowledge management systems as "yellow pages" (Firm-A-Germany P2, 2012), in place to facilitate the identification of international experts. Another adds "it's really good because the systems are global", so they can find CVs from all over the world and increase their chances to find experts in their particular area of interest (Firm-A-Sweden HR2, 2012).

One interviewee explained that in the "knowledge sharing database you do not only find CVs, but also references, proposals, everything", which facilitate the identification of experts (Firm-A-Sweden HR2, 2012). The interviewee further explained that the Swedish HR "replicate the Swedish database to the global database so everybody can see the availability" of consultants in all countries (Firm-A-Sweden HR2, 2012). However, the interviewee added that sometimes there "could be things that are not in the system", for example "if the consultant is proposed to another project or cannot travel", which is why Partners should not directly contact consultants abroad but instead "always go through the staffing manager" (Firm-A-Sweden HR2, 2012).

The interviewed Partners stated that using their personal networks is their first thought when they need an expert from abroad and only if this fails they use the "global knowledge management system", or as a third and final option go through the staffing manager (Firm-A-Germany P2, 2012). One reason provided was that if they contact the Partner in the other country they can "ask about availability directly", which accelerates the process compared to going through the staffing managers (Firm-A-Germany P2, 2012). According to the same Partner, "the staffing managers do it the other way around" and look first at home for a suitable person, than as a next step they "contact other staffing managers in countries nearby" and lastly they contact staffing managers in countries further away (Firm-A-Germany P2, 2012). This sequence was confirmed by another interviewee saying that they look for suitable consultants in Germany first "since we know them the best", and then within Europe because of "the free movement of human capital", which facilitates and accelerates administration (Firm-A-Germany HR1, 2012). Also in Sweden they look "first in Sweden, then in the Nordics, and then other countries" (Firm-A-Sweden HR1, 2012). Another interviewee added that staffing managers within the EMEA network have "a scheduled conference call once a week, when we go through a list of open roles that the staffing manager cannot fill in their own country" (Firm-A-Sweden HR2, 2012).

However, one interviewee explained that if local expertise from another country is needed, the staffing manager sends a request to the staffing manager in that particular country with

“information about the project, the specific skills needed, how many days the person will be needed and the amount of money that is budgeted for this consultant” (Firm-A-Germany HR1, 2012). Then “the local staffing manager can match the request with candidates and then the Partner can pick the one that best fits” (Firm-A-Germany HR1, 2012). In other cases, when not local knowledge, but a specific functional or industry expertise is needed, the staffing manager sends a request to all staffing managers in the EMEA network, and then “it’s random which country who happens to have exactly this expert and proposes that consultant for the project” (Firm-A-Germany HR1, 2012).

But even though they see many advantages in having a global system where all consultants in Company-A upload their profile, there are some things that they cannot get from a system. One drawback mentioned is that in the staffing system “you wouldn’t have the same quick response” as when using personal networks (Firm-A-Sweden HR1, 2012). Furthermore, “with a system it’s more difficult to know what you really get” since it can be very difficult to judge from a CV if a person is really the best match for a specific project (Firm-A-Sweden HR1, 2012).

Because Partners tend to use their personal networks first and “prefer to work with people they have worked with before” (Firm-A-Sweden P1, 2012) whose competence they know, staffing managers feel they sometimes have to balance the staffing process by “looking at the whole picture all the time, and make sure we’re not sub optimizing” the resource allocation (Firm-A-Sweden HR2, 2012). Because it is more convenient for Partners to pick somebody they have worked with before, staffing managers see it as their role to get all consultants “growing” and “make sure that people who have been on the bench for a while can come out and work” (Firm-A-Sweden HR2, 2012). One HR-Manager explained that the staffing process is therefore often a discussion between the Partners and them, and that they have to “push back and say that’s not the way we are working” when Partners are “trying to pick their own people”, and added “it’s always important with networking, but it’s important that you follow the rules and processes” (Firm-A-Sweden HR2, 2012).

In the discussion about potential improvements of the formal structures and processes, one interviewee said, “there is always a possibility to do more, but Firm A is already doing a lot” (Firm-A-Germany HR1, 2012). One example that was brought up was a new initiative to make it easier for individual consultants to look for opportunities abroad and take a more active role in the application process for such opportunities (Firm-A-Germany HR1, 2012). Therefore, now “information about open slots in other countries is public and everybody can apply and the best will be selected”, in order to make the process more transparent and independent on personal networks (Firm-A-Germany HR1, 2012). This interviewee also stated that even more “standardisation of processes, a more common way of capturing skills for example” would make

it possible to respond to requests from other countries even faster than today (Firm-A-Germany HR1, 2012). Another interviewee pointed out that even though systems are more advanced than in the last decade, consultants often lack the time to enter information into the knowledge management system when they “are running from project to project”, which decreases their usefulness (Firm-A-Sweden P1, 2012). This interviewee also stated that the development of formal processes and systems majorly originates from the UK and the US, whose size allows them to dedicate resources to work with these issues (Firm-A-Sweden P1, 2012; Firm-A-Sweden HR2, 2012). Even though it is too costly for a small country like Sweden to involve in development processes, the general perception in the interviews was that Sweden can still influence the development of Firm A by contributing with ideas (Firm-A-Sweden P1, 2012; Firm-A-Sweden HR1, 2012; Firm-A-Sweden HR2, 2012).

4.1.2.2 *Relationships*

4.1.2.2.1 *Personal relationships*

When a consultant from abroad is needed different sources you can be used for identification. According to one interviewee, “the first one of course is what comes with your prior experience with performed networks within the firm” (Firm-A-Germany P1, 2012). The interviewee further explained that using personal relationships is “a much faster approach” and “mostly has bigger success rate because you have the established confidence” knowing that the person will live up to the expectations (Firm-A-Germany P1, 2012). Another interviewee further explained, “It’s a matter of speed actually. If you have a personal network then you have a direct response, and you can also discuss in a more qualitative way and try to explain what you actually need”, also saying that “you get more nuances, that you could never find in a staffing system” (Firm-A-Sweden HR1, 2012). Therefore, according to their view, an ad-hoc arising need can more easily be filled by using personal networks (Firm-A-Sweden HR2, 2012). However, not only finding somebody fast, but also finding the right expert “is something that you need to do through your network”, since it is “very difficult through any system” (Firm-A-Sweden HR1, 2012). Furthermore, personal networks were perceived more reliable because “if you know people and you give them a call, they will really call you back”, while in a system you never know if and when you will hear back (Firm-A-Sweden HR1, 2012).

One interviewee said: “even if we have the best systems [...] I think we would be nothing without our personal networks” (Firm-A-Sweden HR1, 2012). In Company-A personal networks are regarded important for both the whole company and the individual consultant. In this regard one interviewee said, “it’s always better the more people you have contact with, the more people you have worked with” as it facilitates finding both people if you need help and

opportunities for working abroad (Firm-A-Sweden HR2, 2012). Therefore, one perceived benefit of going abroad is that “you get to know peers from other countries” and establish an international network of people, through personal working experience, that is useful in future projects (Firm-A-Germany P1, 2012; Firm-A-Sweden P1, 2012). By the same token one interviewee describes the process of network building, saying, when you have worked a while you often specialize in a certain industry or functional area and then you establish a network of people within that area and “you have a certain counterpart within the different countries” (Firm-A-Germany P2, 2012) and you “know quite well what strength each firm has” so you “basically know who to contact” straight away if you need help (Firm-A-Sweden HR1, 2012). However, a risk of using only personal networks for project staffing, mentioned by another interviewee, is “if a Partner is always picking the same consultant for projects, it is limiting the career growth of that consultant” (Firm-A-Germany HR1, 2012).

4.1.2.2.2 Networked reputation to reduce uncertainty

“They say there are seven steps to Dalai Lama in the world, but in the Company-A world there are just three steps, then you reach the expert.” (Firm-A-Sweden HR1, 2012)

One interviewee explained that even when being part of a global network within the industry or function, sometimes they still “cannot find the right expert”, but then can “just call anyone who has been in the network longer, and ask which country is best in this area” to get help (Firm-A-Sweden HR1, 2012). In this way a person’s number of contacts “multiplies very quickly”, even though the own network might be relatively limited (Firm-A-Sweden HR1, 2012). This is also emphasized by the saying in ‘Firm A’, “if you have just one contact there are never more than three calls to make before you reach the actual expert - and that’s quite fantastic.” (Firm-A-Sweden HR1, 2012). To exemplify the interviewee continued, “I used that once [...] and I had to just actually go three steps and I reached the person in the US that [...] had exactly the right profile, so it’s really working” (Firm-A-Sweden HR1, 2012). This interviewee also perceived it as advantageous that “if you have met a person and you know something about each other”, then you know that you will get honest answers and that the person would not recommend somebody to you unless “it was really a good person” (Firm-A-Sweden HR1, 2012). However, as also pointed out as a precondition “you need to establish this first network to be able to reach out to the wider network” (Firm-A-Sweden HR1, 2012).

4.1.2.3 Firm Culture

According to the interviews, supporting each other is expected as part of Firm A’s culture in order to best serve their clients (Firm-A-Sweden P1, 2012). Even though they see the option to refuse cooperation, one interviewee said that they normally try to be as cooperative as possible

because “if you start saying ‘no’ on a regular basis, why are you then part of the network?” (Firm-A-Sweden P1, 2012). Another added that they help each other because they are “one firm” (Firm-A-Sweden HR2, 2012). In the view of this interviewee, the concept of the global knowledge management system is built on the contribution of all firms - “if we bring things in to the system, we also can get things from it” (Firm-A-Sweden HR2, 2012).

According to one interviewee, Sweden is “really depending on exchange” from the larger firms, since a small country like Sweden cannot have experts in all areas (Firm-A-Sweden HR1, 2012). Also adding that, bigger practices also request people, but for them the reason “might be a resource constraint for them”, that they need to fill through global staffing (Firm-A-Sweden HR1, 2012). However, this interviewee also pointed out that an international project team could be beneficial for both countries involved, since “both UK and Sweden learn from each other”, (Firm-A-Sweden HR1, 2012). One described example, is that an expert from the UK helping a Swedish team in a project could be joined by a Junior from the UK, so that the UK firm can also benefit from the cooperation (Firm-A-Sweden HR2, 2012).

4.1.2.4 Summary

E N A B L E R S			
	Formal Processes	Relationships	Firm culture
▪ HR-manager	<ul style="list-style-type: none"> ▪ Important ▪ HR use global systems and formal processes primarily ▪ Regular conference calls to discuss availability of resources 	<ul style="list-style-type: none"> ▪ Important ▪ Faster and more qualitative ▪ More reliable because you know you will get an answer ▪ Referrals to people outside your own network increases the base of candidates ▪ Could lead to sub-optimization 	<ul style="list-style-type: none"> ▪ As part of the global network you are expected to help each other across national borders ▪ Both countries should benefit from the exchange
▪ Partner	<ul style="list-style-type: none"> ▪ Not main enabler ▪ Useful as a complement to personal relationships ▪ Often too slow and not reliable and informative enough for project staffing ▪ Partners use HR-manager as a last option 	<ul style="list-style-type: none"> ▪ Very important ▪ Most successful mean ▪ Faster and more qualitative ▪ People you know and trust help you find the best consultant ▪ Prefer to work with people they know 	<ul style="list-style-type: none"> ▪ As part of the global network you are expected to help each other across national borders
▪ Country specifics	<ul style="list-style-type: none"> ▪ No differences 	<ul style="list-style-type: none"> ▪ No differences 	<ul style="list-style-type: none"> ▪ Sweden mentioned this aspect more than Germany

Table 5 Summary - Enablers Company-A

4.1.3 Barriers

Among the factors that complicate international collaboration, the ones that interviewees perceived most important will be presented below.

4.1.3.1 *Monetary obstacles*

4.1.3.1.1 National profit pools

One interviewee explained that due to Company-A's national profit pools, national firms have to negotiate each time they cooperate, which makes the process "a bit lengthy, at least lengthier than if they would have a global profit pool" (Firm-A-Germany P1, 2012). The interviewee exemplified, "you often negotiate very long for internal agreements [regarding profit-sharing] when you work with Eastern Europe" (Firm-A-Germany P1, 2012). Therefore, the German firm rather works with for example the Dutch or the UK firm which are perceived as easier to cooperate with (Firm-A-Germany P1, 2012). According to another interviewee, Company-A has "at least" established a process of how to work with "inter-firm agreements based on specific rates" (Firm-A-Germany P1, 2012). This was exemplified as, "if it's a Swedish project, then the Swedish firm invoices the client", while afterwards the money is split between the participating countries according to their expenses (Firm-A-Sweden HR2, 2012; Firm-A-Sweden P1, 2012). However, there is always a discussion between the firms about "the availability of the right profile and [...] the fees", and interviewees concluded, that even "fixed fees" for all consultants or a "totally homogenous profit sharing scheme", would still result in negotiations because "you could still not just pick somebody from the resource pool of other practices" (Firm-A-Germany P1, 2012). Another Partner added, "the discussion about who gets what proportion of the project fees is constantly going on because each country wants to optimize themselves" (Firm-A-Germany P2, 2012). However, the same interviewee also added that "from a cultural perspective we are working as one company, and as soon as the paper work is done for the project as such, then we are working together in one team" (Firm-A-Germany P2, 2012). Another interviewee stated that because of the partnership structure with national profit pools, if possible, they always want to say yes to requests from other countries, because the chargeable hours contribute to their firm's profits and in the end also increase the bonuses of consultants (Firm-A-Sweden P1, 2012). However, this interviewee also added that national profit pools rather negatively impact international cooperation, because they increase the

importance of not having “people on the bench¹¹” in their own country (Firm-A-Sweden P1, 2012).

It is occasionally discussed in Company-A, if it is “an obstacle, not having a profit sharing system” between the member firms (Firm-A-Sweden HR1, 2012). But even though “it might be a bit easier to have a shared profit pool” (Firm-A-Germany P1, 2012), all interviewees still considered the current system as satisfactory. Furthermore, one interviewee pointed out, that when having a common profit pool “you run into other issues” that have to be dealt with instead (Firm-A-Sweden P1, 2012). Another interviewee added as a reason why it works well without profit sharing, that “the majority of people (...) realize that it’s not about optimizing internal (local) profits” but instead “more about winning good work and performing good work for our clients” (Firm-A-Sweden HR1, 2012).

4.1.3.1.2 Fee differences

It was pointed out that in some cases considerable fee differences among the firms within Company-A’s network exist (Firm-A-Sweden HR2, 2012). Therefore, firms sometimes “have to refuse to work together because of profitability issues” (Firm-A-Germany HR1, 2012). However, according to one interviewee, even though this happens “probably in less than 10% of the cases”, it still indicates the need to take fee differences into consideration when choosing firms to cooperate with (Firm-A-Germany HR1, 2012). One stated example was the UK with “much higher rates than other countries” (Firm-A-Sweden P1, 2012), which led to the conclusion “if you have a person in Germany or Denmark with the same skills as a guy from the UK, then it’s much better for us to take the person from Germany or Denmark” (Firm-A-Sweden HR2, 2012).

As a way of dealing with the problems caused by fee differences within the network, Firm A recently launched an initiative about “rate equalization help” (Firm-A-Sweden HR1, 2012). In cases, when firms “cannot put the best team forward because of rates” they can “apply for help from the global organization” (Firm-A-Sweden HR1, 2012).

4.1.3.1.3 Opportunity costs

As stated in the interviews, due to market differences across countries different fee levels are unavoidable, but unless the firms could offer their consultants to each other at the sending firm’s ‘normal’ rates, one of the two firms would be “losing money” because of the opportunity cost associated with having a consultant working at a lower fee rate than what would have been the case in the home country (Firm-A-Germany HR1, 2012). However, one interviewee

¹¹ Currently not on a client project

indicated that sometimes if a foreign firm requests help for a project that is considered to be really interesting or important for the German firm, they “could sometimes send a consultant for a limited time, even for half price” by actually “investing money” (Firm-A-Germany HR1, 2012). However, “normally if the requesting firm cannot pay the rate” the German firm “cannot send anybody” (Firm-A-Germany HR1, 2012).

Referring to larger firms with higher fee levels, which support smaller firms with lower fee levels; one interviewee explained that currently there is “actually not anything in it for them to help us” (Firm-A-Sweden HR2, 2012). Another interviewee added that this lack of incentive becomes especially visible in downturns and recessions when firms focus on maintaining their own profitability by highly prioritizing their consultants’ utilization (Firm-A-Germany HR1, 2012) and consequently reducing international transfers. However, according to one interviewee, the UK firm normally does not hesitate to send consultants to Sweden, even if they potentially benefit the UK firm more on a domestic project (Firm-A-Sweden HR1, 2012).

4.1.3.2 Price sensitivity of clients

In addition to fee differences, generally incurring travel and hotel costs were also mentioned as factors, why foreign consultants mostly are more expensive than domestic ones. One interviewee explained that because of this, the firms sometimes cannot afford international consultants (Firm-A-Sweden HR2, 2012). The reason why higher costs are sometimes perceived as a problem, is because the clients are “used to the domestic fee levels and not always prepared to pay” what it costs to bring in a foreign consultant (Firm-A-Sweden HR1, 2012). This applies especially to UK-consultants due to their “much higher” fees (Firm-A-Sweden P1, 2012). According to one of the interviewees, normally only if the clients really need an expert who is not available domestically they are willing to pay extra (Firm-A-Sweden HR1, 2012). The interviewee further added that large international clients are mostly more willing to pay for international experts while domestic clients often do not see the benefit of bringing in consultants from other countries (Firm-A-Sweden HR1, 2012). They, according to the interviewee, are more focused on the total project cost and furthermore “the projects are too small to bring in international people” (Firm-A-Sweden HR1, 2012). Because of this, it’s sometimes easier for Company-A to win smaller projects by proposing a domestic team and keeping the total cost at a minimum (Firm-A-Sweden HR2, 2012). Another described option to keep the costs down, if they cannot avoid bringing in a foreign expert is to keep the amount of chargeable hours on a minimum (Firm-A-Sweden HR2, 2012).

Interviewees also indicated that in some types of projects clients are generally more price sensitive than in others. Technology, IT and large implementations, were stated as projects,

where mostly costs are kept down by using consultants from low cost countries, such as India, in order to be competitive (Firm-A-Sweden HR1, 2012; Firm-A-Germany P2, 2012). This is viewed as a way to be able to compete with for example “large scale implementation consultancies” (Firm-A-Germany P2, 2012). As one interviewee put it, “nobody can sell IT projects today without using low cost countries” (Firm-A-Sweden HR1, 2012) and another added that also in other areas “it has been more and more up for discussion” lately, to use low cost countries to reduce costs (Firm-A-Sweden P1, 2012).

4.1.3.3 *Cultural distance*

One interviewee described, that the cultural differences within continental Europe are small and as the environment is getting increasingly global, their impact further decreases, consequently concluding that they do not have to be “so concerned about cultural aspects” when staffing projects (Firm-A-Sweden P1, 2012). Outside Europe, this interviewee saw more cultural differences, but viewed them as less problematic than for example language issues (Firm-A-Sweden P1, 2012).

One interviewee exemplified that while in Sweden people are “used to work very non-hierarchical”, in other countries the different roles are mostly clearer (Firm-A-Sweden HR1, 2012). Another interviewee specified that in the UK for example, consultants cannot say anything they want to a Partner if they are lower in the hierarchy (Firm-A-Sweden HR2, 2012), which also seems to apply to Germany. In this regard one interviewee described a meeting with a German Partner and a German senior manager, who kept quiet during the whole meeting, which the interviewee considered as odd and reasoned it by saying that “the senior manager was just not allowed to have an opinion” (Firm-A-Sweden HR1, 2012). The described difference to Sweden is the common acceptance that even the most junior consultants state their thoughts (Firm-A-Sweden HR1, 2012). In this regard one interviewee considered, “it might be hard for Swedes to accept the hierarchy when they go broad” (Firm-A-Sweden HR1, 2012). Another mentioned difference is, that few Swedish consultants are eager to work for example in London, where “the working climate is quite tuff” (Firm-A-Sweden P1, 2012).

4.1.3.4 *Language barriers*

Language issues were brought up as one of the most concrete difficulties that negatively impact international collaboration and furthermore decrease the diversity of cooperation Partners. One aspect mentioned, is that building relationships gets easier without language barriers. Similarly, one interviewee had a “much stronger network with Germany, Netherlands, Belgium, UK and the Nordic countries than with for example Italy and Spain”, because it is more “difficult to get close to people in Italy and Spain, because they are not as strong in English” (Firm-A-Sweden

HR1, 2012). In their view cooperating with consultants whose English is “poor” makes it difficult to understand each other and results in double work, because they have to “rewrite large parts of the report” before sending it to the client (Firm-A-Sweden P1, 2012). Due to these reasons consultants prefer to work with consultants with whom they share a common language. This is also confirmed by the German firm, who prefers to work with Austria, Switzerland, Belgium and the Netherlands, and therefore looks in these countries first if they need a consultant from abroad (Firm-A-Germany HR1, 2012).

During the interviews the fact was brought up that sometimes also clients are not willing to speak English, which limits the possibilities to bring in international expertise (Firm-A-Sweden HR1, 2012). This seems to happen both in Germany and Sweden, especially with smaller domestic clients (Firm-A-Sweden HR1, 2012; Firm-A-Germany HR1, 2012). In Sweden reluctance to speak English of companies in the periphery, as well as clients in the public sector, was described (Firm-A-Sweden HR2, 2012). However, it was also stated that in these projects they can still bring in Norwegian or Danish consultants (Firm-A-Sweden HR2, 2012), and in larger companies, working in English is almost never a problem (Firm-A-Sweden P1, 2012).

4.1.3.5 *Personal reasons*

In Company-A also personal reasons of consultants largely influence global staffing decisions. The fact that many consultants, especially more Senior ones, are not eager to work abroad to a larger extent, is viewed as one of the reasons why Company-A does not have more international staffing than they do (Firm-A-Sweden P1, 2012). All interviewees agreed that while Juniors are in general more eager to go abroad, the Seniors are the ones requested to join international projects because of their higher competencies and expertise. In this context it was also emphasized that in order to go abroad, a couple of years of experience is required to actually create value for the other firm¹².

Seniors’ lower willingness to travel was explained by their private situation and even stated sometimes as a reason why the Swedish practice has to refuse requests from other countries (Firm-A-Sweden HR2, 2012). The interviewee further explained that if they would “force a person to go abroad”, this person would most likely choose to leave the company, so their only option is to try to convince the person and find a solution together (Firm-A-Sweden HR2, 2012). One described alternative is, that the person only works part of the week abroad and the remainder “remotely from home” (Firm-A-Sweden HR2, 2012).

¹² The Big Four’s websites are all in the reference list to ensure anonymity

By the same token another interviewee said that many consultants like to work abroad as long as the country is close enough to commute on the weekends, “but as soon as the destination country is quite far away, then the motivation to go abroad is not as good” any more (Firm-A-Germany P2, 2012). While they generally still can find consultants who are willing to go abroad (Firm-A-Germany P2, 2012), one interviewee indicated that sometimes “it’s a challenge to find the right person, who is available and willing to travel” (Firm-A-Germany HR1, 2012).

4.1.3.6 Summary

BARRIERS					
	Structural Monetary Obstacles	Price Sensitivity of Clients	Cultural Distance	Language Barriers	Consultant Demands
HR-manager	<ul style="list-style-type: none"> ▪ Important ▪ Fee differences reduce global cooperation and impact choice of cooperation partner ▪ Delivering good projects is more important than maximizing national profits 	<ul style="list-style-type: none"> ▪ Important ▪ Clients are not always prepared to pay for foreign consultants, only if special expertise is necessary ▪ Clients are used to domestic fee rates and foreign consultants are more expensive due to travel costs etc. 	<ul style="list-style-type: none"> ▪ Not main barrier ▪ Sweden is less hierarchical than Germany and UK ▪ Important to be prepared for differences 	<ul style="list-style-type: none"> ▪ Very important ▪ Reduce global cooperation and impact choice of cooperation partner ▪ Easier to build relationships with people you share a language ▪ Small clients often prefer to work with people who speak their mother tongue 	<ul style="list-style-type: none"> ▪ Important ▪ Junior are more eager to go abroad, while seniors are more requested ▪ Sometimes they have to say no because people don't want to travel ▪ They cannot force people to go abroad because then they would lose them ▪ Challenge to find the right person willing to travel ▪ Important to find solutions for the individual
Partner	<ul style="list-style-type: none"> ▪ Very important ▪ Negotiate fees before each project, often lengthy ▪ Partners want to keep utilization of their consultants high to maximize national profits 	<ul style="list-style-type: none"> ▪ Important ▪ Outsourcing to low cost countries is discussed as a way to keep prices competitive 	<ul style="list-style-type: none"> ▪ Not main barrier ▪ Not concerned about cultural differences when staffing ▪ UK has a "tuff" climate, which reduces interest to go there 	<ul style="list-style-type: none"> ▪ Very important ▪ Reduce global cooperation and impact choice of cooperation partner ▪ Poor English skills leads to double work in projects 	<ul style="list-style-type: none"> ▪ Important ▪ Junior are more eager to go abroad, while seniors are more requested ▪ Most consultants do not want to go too far away
Country specifics	<ul style="list-style-type: none"> ▪ No difference 	<ul style="list-style-type: none"> ▪ Sweden mention this aspect slightly more 	<ul style="list-style-type: none"> ▪ Sweden mention this aspect slightly more 	<ul style="list-style-type: none"> ▪ Sweden prefer to work with UK, Nordics, Germany and the Netherlands ▪ Germany prefer Switzerland, Austria and the Netherlands 	<ul style="list-style-type: none"> ▪ No difference

Table 6 Summary - Barriers Company-A

4.2 Summary-Tables Cross-Cases

4.2.1.1 Purpose

PURPOSE				
	Learning & Development	Efficiency & Client Demand	Understanding of Local Contexts	Uneven resource demand
Company-A	<ul style="list-style-type: none"> Important HR emphasized this more Emphasize mutual benefits for both countries involved Both learning of the individual and development of the firm is important 	<ul style="list-style-type: none"> Very important Partners emphasized this more Help in acquisition process mentioned Clients expect that they bring the best people Use of existing knowledge is stressed 	<ul style="list-style-type: none"> Quite important Partners emphasized this more Team configuration mirrors the client organisation Competitive advantage to provide local expertise Locals facilitate communication and understand market specifics 	<ul style="list-style-type: none"> Quite important HR emphasized this more Solve temporary lack of resources when the firm has many or big projects by "borrowing" resources from neighbours
Company-B	<ul style="list-style-type: none"> Important HR emphasized this more Sweden emphasize bringing back knowledge to Sweden and getting help in developing new service lines 	<ul style="list-style-type: none"> Important, but not the main reason today Partner emphasized expertise and the need to get better at using global knowledge and resources HR emphasized efficiency 	<ul style="list-style-type: none"> Quite important Both partners and HR mentioned this Client organisation guides team configuration 	<ul style="list-style-type: none"> Quite important Both partners and HR mentioned this Solve temporary lack of resources by "borrowing" resources from neighbours
Company-C	<ul style="list-style-type: none"> Important HR emphasized this more 	<ul style="list-style-type: none"> Important Both partners and HR emphasized this 	<ul style="list-style-type: none"> Quite important HR emphasized this because they handle these requests Client organisation guides team configuration 	<ul style="list-style-type: none"> Quite important HR emphasized that in large projects they "borrow" resources from abroad Partners emphasized that when the national firm has people "on the bench", then they are eager to send them
Company-D	<ul style="list-style-type: none"> Important HR emphasized this more You have to look at the business case for both countries 	<ul style="list-style-type: none"> Very important Partners emphasized this more Emphasize the use of their international network to meet client demands 	<ul style="list-style-type: none"> Quite important Partners emphasized this slightly more than HR Client organisation guides team configuration 	<ul style="list-style-type: none"> Not main reason
Country specifics	<ul style="list-style-type: none"> No big differences Sweden is slightly more dependent on the UK Sweden mentioned development of the firm more 	<ul style="list-style-type: none"> No big differences Sweden brings it up this aspect slightly more 	<ul style="list-style-type: none"> No differences 	<ul style="list-style-type: none"> No big differences

Table 7 Summary - Purpose Cross-Case

4.2.1.2 Enablers

ENABLERS			
	Formal Processes	Relationships	Firm culture
Company-A	<ul style="list-style-type: none"> • Important • HR use this more • Relatively well developed systems and processes • Seen as a complement to relationships • Partners find it slow • Weekly HR conference calls 	<ul style="list-style-type: none"> • Very important • Partners prefer this mean and think it generates best result • Faster, more qualitative and more reliable • Referrals to people outside your own network increases the base of candidates • HR bring up risks 	<ul style="list-style-type: none"> • As part of the global network you are expected to help each other across national borders • Both countries should benefit from the exchange
Company-B	<ul style="list-style-type: none"> • Important • HR use this more • Working on improving systems and processes, which partners stressed the need of • Seen as a complement to relationships • HR responsible for the GMP, partners responsible for project staffing 	<ul style="list-style-type: none"> • Very important • Partners preferred way • Easier, faster, more reliable • You expand your reach through references 	<ul style="list-style-type: none"> • You are expected to help each other • Sweden is dependent on exchange
Company-C	<ul style="list-style-type: none"> • Important • HR use this more • Working on improving systems and processes • Seen as a complement to relationships • Bi-weekly HR conference calls 	<ul style="list-style-type: none"> • Very important • Partners preferred way • Faster, more reliable: you get an answer • Partners preferred way 	<ul style="list-style-type: none"> • As one company, you are expected to help each other across borders
Company-D	<ul style="list-style-type: none"> • Important • HR use this more • Seen as a complement to relationships • Working on improving systems and processes • Monthly HR conference calls 	<ul style="list-style-type: none"> • Very important • Partners preferred way • Easier, faster, more reliable • More likely to get a good consultant when using personal networks 	<ul style="list-style-type: none"> • You have to look at the business case for both countries, both countries should benefit
Country specifics	<ul style="list-style-type: none"> • No differences 	<ul style="list-style-type: none"> • No differences 	<ul style="list-style-type: none"> • Sweden mentioned this aspect more than Germany

Table 8 Summary - Enablers Cross-Case

4.2.1.3 Barriers

B A R R I E R S					
	Structural Monetary Obstacles	Price Sensitivity of Clients	Cultural Distance	Language Barriers	Consultant Demands
Company-A	<ul style="list-style-type: none"> Very important Partners emphasize this more Fee differences reduce global cooperation and impact choice of cooperation partner Negotiate fees before each project, often lengthy Recent rate equalization help initiative Partners want to keep utilization high to maximize national profits 	<ul style="list-style-type: none"> Important HR emphasize this slightly more Clients are not always prepared to pay for foreign consultants, only if special expertise is necessary Clients are used to domestic fee rates and foreign consultants are more expensive due to travel costs Outsourcing to low cost countries is discussed as a way to keep prices competitive 	<ul style="list-style-type: none"> Not main barrier Partners are not concerned about cultural differences when staffing HR: Sweden is less hierarchical than Germany and UK HR: Important to be prepared for differences Partner: UK has a "tuff" climate, which reduces interest to go there 	<ul style="list-style-type: none"> Very important Both HR and partners emphasize this Reduce global cooperation and impact choice of cooperation partner Easier to build relationships with people you share a language Small clients often prefer to work with people who speak their mother tongue Poor English skills leads to double work in projects Sweden prefer to work with UK, Nordics, Germany, Netherlands. Germany prefers Switzerland, Austria and the Netherlands. 	<ul style="list-style-type: none"> Important Both HR and partners emphasize this Junior are more eager to go abroad, while seniors are more requested Sometimes they have to say no because people don't want to travel They cannot force people to go abroad because then they would loose them Challenge to find the right person willing to travel Important to find solutions for the individual Most consultants don't want to go too far away
Company-B	<ul style="list-style-type: none"> Very important Partners emphasize this more Negotiate fees each time Need to develop structures about profit sharing Fee differences reduce global cooperation and impact choice of cooperation partner In bad economic times there is less cooperation. 	<ul style="list-style-type: none"> Not emphasized as much as by other companies Foreign consultants are more expensive due to travel costs Clients are not always prepared to pay for foreign consultants Small clients often don't see the value of international teams 	<ul style="list-style-type: none"> Not main barrier Partner : Some clients don't want consultant who don't understand their culture HR: Sweden is less hierarchical than Germany and UK HR: Important to be aware of differences and prepare for it before going abroad 	<ul style="list-style-type: none"> Very important Both HR and partners emphasize this Reduce global cooperation and impact choice of cooperation partner Clients prefer to work with people who speak their mother tongue Sweden prefer to work with the UK, Nordics, Germany and the Netherlands France, Germany and Spain require fluency in their mother tongue 	<ul style="list-style-type: none"> Important Partners mentioned this slightly more than HR Junior are more eager to go abroad, while seniors are more requested There is no point in trying to convince seniors to go if they don't want to More often people go abroad because they want to than because it is requested by clients, but there need to be a business case.
Company-C	<ul style="list-style-type: none"> Very important Partners emphasize this more Negotiation fees before each project, often lengthy Now, national profits are more important than cooperation Profit sharing could improve global cooperation 	<ul style="list-style-type: none"> Important Both partners and HR emphasize this Clients generally don't want to pay for travel costs. They use local clients to reduce travel costs They sometimes use low cost countries to reduce costs 	<ul style="list-style-type: none"> Not main barrier 	<ul style="list-style-type: none"> Very important Partners mentioned this slightly more than HR Reduce global cooperation and impact choice of cooperation partner Clients do not want to pay for consultants who do not speak their language Germany prefers to work with Switzerland, Austria and the Netherlands 	<ul style="list-style-type: none"> Important Both HR and partners mention this Junior are more eager to go abroad, while seniors are more requested
Company-D	<ul style="list-style-type: none"> Very important Partners emphasize this more Negotiation fees before each project, often lengthy They are currently working a lot with reducing the hurdles of cross-boarder staffing 	<ul style="list-style-type: none"> Important Partners emphasize this more Clients become more skilled at procuring consulting work Fees are considered when choosing who to work with to give the client a lower price Outsourcing is used more in the US than in Sweden. 	<ul style="list-style-type: none"> Not main barrier Partner: It would be good to discuss the cultural differences more so consultants know what to expect when going abroad 	<ul style="list-style-type: none"> Very important Both HR and partners emphasize this Reduce global cooperation and impact choice of cooperation partner Clients prefer to work with people who speak their mother tongue, especially in southern Europe In Sweden clients in the public sector sometimes prefer Swedish 	<ul style="list-style-type: none"> Important Partners mentioned this slightly more than HR Junior are more eager to go abroad, while seniors are more requested The younger generation have better formulated requirements on employers Employers have to take personal reasons more and more into account
Country specifics	<ul style="list-style-type: none"> No big difference 	<ul style="list-style-type: none"> No big difference 	<ul style="list-style-type: none"> Sweden mention this aspect slightly more 	<ul style="list-style-type: none"> No big difference 	<ul style="list-style-type: none"> No difference

Table 9 Summary - Barriers Cross-Case

5 ANALYSIS

The structure of the forthcoming analysis follows the theoretical framework. Each section starts with a within-case analysis based on the findings from Company-A, followed by a cross-case analysis comparing the findings from the within-case analysis with the findings from the reference firms, Company-B, C and D.

The within-case analysis discusses similarities and differences between Partners and HR-Managers, the two roles responsible for global staffing to analyse variations in purposes for international collaboration as well as enablers and barriers that might have an impact in Company-A. Furthermore, additional findings not represented in previous literature will be added and analysed.

In order to distinguish company-specifics from general findings, the subsequent cross-case analysis focuses on a comparison of differences and similarities among the four cases. Since data was collected in two different countries, this allows identifying and pointing out intra-firm differences caused by firm- or market-specifics, which will be done both in the within- and cross-case analysis.

Due to the qualitative nature of the data, determining the extent of international collaboration in the four companies is difficult, but one can still argue that differences exist and that especially the Swedish Firm-B stood out as the one with the least global staffing. The German Firm-C had frequent cross-border staffing with Austria and Switzerland, but relatively little with other countries. In Company-A and D global staffing seems to be more established. These differences can help explain some of the variations in other areas discussed below.

5.1 Purpose

5.1.1 Learning and development

Learning and development were unison emphasised by HR-Managers and Partners in both countries as key for international collaboration and cross-national staffing. This finding also corresponds to the career sections on Company-A's webpage, which indicates that international assignments appeal especially to younger people and can serve as a way to attract prospective employees. Therefore, one could conclude that international experience is generally considered an important part of a consulting career and related with the perceived attractiveness of the firm.

The homogeneous views about learning and development in the empirical findings could be attributed to the importance of learning and development for consultants in general. Similarly, Kubr (2002) describes that the “maintenance and further development” of consultants are key success factors as the company largely depends “on the capabilities and knowledge of the members”.

Table 4 shows, that HR-Managers emphasize this aspect slightly more confirming the impact of global staffing on the development. They point out that “the type of project [...] dictated the learning content” (Chao, 2005). Global staffing can hereby be perceived as an important part of the individual’s development course, since assignments are mainly decided on expertise in a certain area and thus, provide an opportunity to learn and develop further by applying previous knowledge in a new setting.

HR-Managers also emphasised the positive impact on the overall firm development slightly more and thus attribute a “key role in innovation, organizational learning and corporate integration” (Collings, Scullion, & Dowling, 2009) to cross-national mobility, which supports the view of the consultant as a vehicle for knowledge transfer.

While both Partners and HR-Managers stated a minimum tenure within the domestic firm of at least two years before working abroad, looking at their reasoning different tendencies can be identified. While in the view of HR-Managers, previous experience of working for Company-A domestically yields higher benefits for the consultants themselves as it facilitates learning and developing abroad; Partners tend to focus more on the actual value of the project contributions for the foreign firm.

As a potential reason for this restriction one can assume:

First, during the initial years spent in Company-A, consultants develop a basic skill set and their benefit, as well as contribution in this regard is very alike across projects. Consequently, even though working abroad may be considered attractive, in terms of professional development the outcome would be comparable to working on domestic projects and as such less interesting for the sending and receiving firms.

Second, possessing already sufficient knowledge about subjects and working routines in the domestic firm before moving abroad allows consultants to distinguish general, firm-wide knowledge from county-specific differences, which might be especially valuable for the domestic practice. Therefore, once the consultants are familiar with general working procedures, working abroad can provide further insights and allow them to “develop their existing knowledge or gain unique knowledge” (Bender & Fish, 2000).

Third, by exporting experience about working routines and the knowledge acquired throughout their tenure from the domestic to the foreign firm, consultants can contribute to the knowledge stock of the foreign firm, by providing new ideas and ways of working, which proved to be successful back home.

Cross-case analysis

All four companies showed a similar picture regarding learning and development and offer GMPs as a complement to global project staffing and a way to increase the opportunities for consultants to get international experience

Importing knowledge to drive learning and development of the national firm was emphasized the most by Firm-B Sweden, where the consulting department was established the latest. Therefore, one could conclude that the higher demand and dependency on foreign knowledge is caused by a more limited internal knowledge stock and smaller record of previous projects. Even though firm development seemed to be one of the key purposes for importing foreign consultants to build specific practice areas, global staffing of domestic consultants was least established in Firm-B. This indicates that the stage of firm development affects the amount of global staffing as well as its direction but also that development of the domestic knowledge base is preferred over the international experience of a single consultant until the firm is established in the local market. However, since Firm-B Germany could not be interviewed a clear distinction between company-specifics and firm specific development is not possible.

5.1.2 Efficiency and client demand

Cooperation across borders to provide the right competence to clients was overall perceived as very important in Company-A, but seemed to be especially advantageous for serving MNCs and more common in this context. However, it can be assumed that project types and individual client-portfolio of Partners influence the demand for international expertise, since primarily projects within an unfamiliar and highly specific area or international scope requires the support of foreign specialists.

First, as long as projects scopes are rather general or in line with the expertise of the national firm, no demand for foreign expertise arises since the national firm already possesses appropriate resources and knowledge stock. Second, the emphasis on large clients indicated that the involvement of international experts seemed to be less appreciated by smaller clients. Consequently, if a Partner mainly works for smaller domestic clients less demand for international expertise might arise. A reason could be

that the engagement of Company-A is less based on the reputation of their global network, but rather on the reputation in a specific area or higher price-sensitivity, which will be discussed in 5.3.2.

Requesting international expertise is slightly more common in the Swedish firm than in the German, which could be reasoned by the smaller current resource pool, as well as the shorter record of past projects and thus a smaller internal knowledge base. Smaller firms with a lower overall number of projects but a similar service range apparently require and develop consultants with more general competences, who can contribute to a broader range of assignments. Especially, since frequent projects in the same area are required to accumulate and continuously develop special expertise according to latest changes and trends, employing specialists in small firms could be less useful due to a lack of demand. Therefore, providing appropriate development opportunities and exposure to projects in a very specific area, would require a large extent of global staffing without further benefits for the development of the national firm.

Partners further explicitly indicated the benefit of involving experts in the proposal phase, where the notion of a need for international support mostly arises. Presumably, the Partner at this point decides if the client is worth the investment of searching and bringing in foreign experts. Interpreting the proposal presentation as a customized advertisement for Company-A's service offering, the presence of a foreign expert can also symbolize Company-A's global network and serve as a proof for Company-A's promise to utilize international relationships and bring the "person for the job" (Boussebaa, Morgan, & Sturdy, 2012). The presence of a foreign expert could further enhance the impression of the team's qualification, supported by showing CVs with subject related expertise and build trust, in line with Anderson-Gough et al. (2000) stating that "appearance and social skills are paramount to the ability to present a professional image to the client". In this way the participation of foreign experts in the pitch signals the value of the relationship for Company-A and thus shapes the client's impression and expectancy about the future collaboration.

However, this still seems to be an exception due to the fact that identifying and involving foreign experts into every project and pitch could be too time-consuming and costly, and beyond the scope of many projects. Furthermore, Partners generally decide to pitch for projects in their specializations where they have reputation from previous projects and are able to capitalize upon the knowledge base and resources of their own firm. Consequently, the necessity to pitch with an expert from abroad arises either if the client offers prospects for follow-up assignments or access to a larger conglomerate, or

if the firm wants to develop a new practice area and regards the project as investment in the own knowledge base and reputation. In this regard, Partners are more driven by a project-related focus with building and maintenance of client relationships as key priority, illustrated by their willingness to invest time and expensive foreign resources to win a single project.

Generally, choices of HR-Managers seemed to be more driven by efficiency and cost considerations, and their key priority seemed to be utilizing national resources, whereas global staffing was primarily considered a last alternative for overcoming knowledge gaps of the national firm. Nevertheless, they also emphasized the advantage of Company-A's global network for accessing existing knowledge, which can be related to the point that relying and building on previous knowledge "avoids reinventing the wheel" (Greenwood & Fairclough, 2010), but also to their higher familiarity with Firm-A's KMS. Even though they stressed the general role of foreign support in the project delivery slightly more, looking at the personal background of the interviewed HR-Managers as previous Consultants and Partners, one cannot necessarily conclude a higher importance of this aspect within HR, but could also see their broad experience as a reason.

Cross-case analysis

The reference firms confirmed the important role of the global network as a complement to the knowledge stock of a single firm. While this aspect was important among all firms, especially the Swedish firms stressed the role of the UK as a "knowledge hub" which could be explained by their smaller overall size and the resulting lower number of experts in Sweden. In line with Company-A, reference companies confirmed the impression that international knowledge and resources are slightly more important in Sweden due to the smaller firm-size and less diverse expertise.

However, similarly to Company-A, the reference-firms stated their preference for domestic consultants, although foreign experts might enhance the chances to win pitches. The firms furthermore found the use of existing knowledge to increase efficiency important since reapplying proven company practices allows cutting overall project costs by saving time and involving more Juniors.

In line with Company-A the reference firms confirmed the impression that international knowledge and resources are slightly more important in Sweden due to the smaller firm-size and less diverse expertise.

5.1.3 Understanding of local contexts

While the opportunity to gain access to local knowledge through Company-A's network was discussed rather briefly by HR-Managers it seemed to be highly valued by Partners in both countries as a way of improving client service.

This finding confirms the theoretical perspective that "intimate knowledge about local market subtleties, such as local competition, consumer trends, and consumer preferences" is crucial for understanding clients and "finding a common ground regarding project goals" (Dou, Li, Zhou, & Su, 2010). While access to local knowledge seems to be taken for granted by clients, it is perceived as an advantage and a way to win proposal pitches in Company-A. In this regard the global network is generally perceived as a key advantage of Company-A over smaller competitors as it guarantees access to personal insights from local consultants in market characteristics and their business environment, and facilitates the interpretation of local contexts in almost every country worldwide.

Furthermore, using the global network to overcome local knowledge asymmetry which occurs when clients' possess a deeper and more advanced understanding of the local environment allows Company-A to enhance the credibility of their solutions and build trust by proving their client-proximity. This can especially be an advantage when competing against companies with higher specialization in the respective area, such as the large strategy-consulting companies, since a higher degree of general expertise does not necessarily translate in better applicability of solutions if the understanding of the local environment is lacking. While subject-specific expertise can be learned and acquired almost irrespectively of the geographic location, local knowledge is more based on the experience and education of national consultants in their home country. Drawing out the advantage of a global network even more, while subject-specific expertise for a certain assignment can probably coincide with the knowledge stock of a single-office PSF, "the ability to draw upon the competencies residing outside one's home practice to deliver a local client solution" requires a global network as a basis for "competency based collaboration" (Boussebaa, 2007). Therefore, one can conclude that the access and width of the company's network is a key distinction, which contributes considerably to the competitive strengths of Company-A.

Cross-case analysis

Being able to "mirror the client organisation" (Firm-A-Sweden HR1, 2012), as a competitive advantage over smaller firms, was also confirmed by the reference firms and seemed to be a common practice in the Big Four.

Interestingly, different marketing approaches for local knowledge became apparent: Company-A and D emphasized the benefits of providing a deeper understanding of local conditions and characteristics for the client, while Company-C rather focused on splitting the project into local sub-teams in order to reduce travel costs and price for the client.

5.1.4 Uneven demand of resources

While the reviewed literature focused only on international collaboration based on either knowledge constraints or knowledge extension, especially interviews with HR-Managers in Sweden pointed towards the use of the global network as a way to leverage fluctuating demand and overcome resource constraints in general. Based on the fact that the aggregate project related fluctuation is lower on an EMEA-level, cross-national staffing can help to even the fluctuation of projects and connect consultants who are "on the bench" in one country to projects in countries with temporary resource constraints. However, this is more beneficial within a limited geographic region where the benefits can offset the travel costs. Nevertheless, in projects with unrelated parts, even remote collaboration on a global level is possible. We find this aspect to be strongly dependent on the local firm's size and opportunity to source teams from several offices as is exemplified by the lower importance of this aspect for German firms.

Being able to use global staffing as a way to leverage the utilization of the domestic firm can allow smaller firms to balance economic fluctuations and realize large-scale projects, which would exceed their overall capacity otherwise. Similarly, the international network can also be used to overcome unanticipated shortages of expertise, which frequently arise when consultants with a certain area of expertise are simultaneously proposed for several assignments or clients request a change of the starting date or extension of the project period. Consequently, the overall capacity of the firm can be steered more independently of economic cycles, offsetting the risk of slack resources without compromising the ability to conduct large, resource intense projects.

Following this line of thought beyond the empirical content, large-scale projects could also serve as a way for Juniors to gain international experience as in these cases the

primary focus for seeking international support is a general lack of resources in contrast to the previously analysed assignments, where local and subject specific expertise of Seniors are required.

However, due to the larger size and the opportunity to source teams from several offices, this option seemed less important for the German firm.

Cross-case analysis

The four companies all mentioned that they to some extent rely on global staffing to even out resource demands. While Company-A, B and D only emphasized that they "borrow" consultants when they have especially large or many projects, Firm-C Germany also emphasized that they are eager to send consultants to other countries when they have low utilisation in order to improve their P&L. The fact that firms need to "borrow" consultants from other countries in case of particularly large projects, was pointed out by interviewees in several companies.

5.1.5 Summarizing Discussion – Purposes

	Learning & Development	Expertise & Efficiency	Local knowledge	Uneven demand
Location	<ul style="list-style-type: none"> ▪ Anywhere ▪ The more far away the better for the intercultural experience ▪ Where experts are, best for the general development ▪ Where the biggest differences between the national firms are, best for the personal development 	<ul style="list-style-type: none"> ▪ Anywhere ▪ The closer the expert the better ▪ The lower the fees of the national firm the better 	<ul style="list-style-type: none"> ▪ Specific place ▪ Country of the assignment / client 	<ul style="list-style-type: none"> ▪ Independent of the location ▪ The closer the better
Direction	<ul style="list-style-type: none"> ▪ Firm sends people abroad 	<ul style="list-style-type: none"> ▪ Firm requests from abroad 	<ul style="list-style-type: none"> ▪ Firm requests from abroad 	<ul style="list-style-type: none"> ▪ Firm requests in peak time or large project ▪ Firm sends in weak times
Initiator	<ul style="list-style-type: none"> ▪ Consultant & HR Manager 	<ul style="list-style-type: none"> ▪ Partner 	<ul style="list-style-type: none"> ▪ Partner ▪ (cross case doesn't completely confirm) 	<ul style="list-style-type: none"> ▪ HR ▪ (cross case doesn't completely confirm)
Reason	<ul style="list-style-type: none"> ▪ Recruitment & Retention ▪ Long-Term Development 	<ul style="list-style-type: none"> ▪ Client demand / Win project 	<ul style="list-style-type: none"> ▪ Client demand / Win project 	<ul style="list-style-type: none"> ▪ Resource capacity of the national firm ▪ Economic situation
Network scope	<ul style="list-style-type: none"> ▪ Global 	<ul style="list-style-type: none"> ▪ Number of people and variety important so any are can be covered 	<ul style="list-style-type: none"> ▪ Network spread – the more countries covered the better 	<ul style="list-style-type: none"> ▪ Regional Network, EMEA
No consultants / target group	<ul style="list-style-type: none"> ▪ Large ▪ Min tenure 2 years national firm 	<ul style="list-style-type: none"> ▪ Very limited ▪ Senior, specialized knowledge in one specific area that matches project 	<ul style="list-style-type: none"> ▪ Depending on the size of the national firm ▪ Depending, experience with local contexts and understanding 	<ul style="list-style-type: none"> ▪ Juniors & Seniors

Table 10 Summary - Purposes Analysis

Across the four companies, *learning and development* and *efficiency and client demand for expertise* were the two dominating purposes, while HR-Managers and Partners

weighted their importance slightly differently. In Company-A, HR-Managers tend to emphasize the importance of *learning and development* and *uneven demand for resources* more, while Partners tend to emphasize *efficiency and client demand for expertise* and *understanding of local contexts* more. However, according to the cross-case analysis, only HR-Managers' stronger focus on *learning and development* and Partners' stronger focus on *client demand for expertise*, and to some extent *efficiency* were confirmed while the significance of the other two purposes was unclear. Therefore, the forthcoming discussion based on the summary of the analysis in Table 10, focuses on understanding why HR-Managers and Partners have different priorities by discussing their general roles and responsibilities.

HR-Managers' focus on *learning and development* can be explained by their overall responsibility of fostering the individual learning and career development of all consultants. Their overall perspective, focusing on the long-term development of human capital within the firm as a whole, explains also why they emphasize the development of the firm and the local knowledge pool. This more holistic approach furthermore allows them to see how all projects, taken together, develop the firm's competence in a certain direction, while Partners might be more focused on their own area of expertise. Looking at global staffing their focus is primarily on sending consultants abroad and three different goals could drive the allocation of a consultant in a foreign firm, which could be described as providing an intercultural experience, learning from an expert in a certain area or getting an impression of different working styles in a foreign firm.

On the other hand the main responsibility of Partners is to win and deliver projects successfully, for which access to expertise and local knowledge were stated as advantages. Therefore, they naturally have stronger focus on their individual projects and client relationships. The fact that project deadlines are often tight and Partners' have to be client oriented explains their more short-term focus and priority on current projects and proposals. This can also explain why Partners not only considered the benefits of international experts to enhance the project quality, but also considered the actual effect of international collaboration on the client, especially in the proposal phase. Hereby the diversity of the consultants, as well as the geographical spread of the global firm network determines their opportunities to access expertise and local knowledge through the global firm network. Local knowledge was found to be less related to high expenditures and search costs than subject-specific expertise since general information can be provided by a broad scope of people, which also bears the advantage of a shorter response time. Furthermore, if the requesting team can conduct the parts of the project

as for instance the analysis without a need for further interpretation, foreign Juniors can be involved in the research process and consequently local knowledge can be obtained for a limited investment. This enables the integration of local knowledge in projects for more price-sensitive clients. Furthermore contributions of foreign experts potentially enhance overall efficiency as these experts can capitalize on their previous knowledge and deliver better results faster. This might be another incentive for Partners to request the best consultants from abroad since their evaluation and compensation are partly based on their project performance and ability to generate new projects.

The understanding of local contexts and uneven resource demand was pointed out by both HR-Managers and Partners. The lack of a clear trend in the four companies could perhaps be understood by the fact that these factors in different ways impact both HR-Manager and Partners in their day-to-day work. HR-Managers typically deal with the requests concerning local consultants and they also try to minimize “bench-time” in order to keep utilization and learning high. Partners on the other hand are directly affected in projects when they need local consultants, and the overall utilization of staff impacts their bonuses.

The higher relevance of leveraging uneven resource demand in the HR-interviews can be seen as a further indicator, that Partners’ thinking is rather determined by a project-view and driven by the purpose to achieve an optimal resource allocation on their individual assignments, while HR-Managers pursue the goal of optimizing the overall utilization of resources within the firm. However, this seems paradox, since Partners’ compensation is also depends on the overall profit-pool, determined by the sum and not by individual projects. One could argue that HR-Manager get a better oversight about the overall utilization, since their systems generally provide an overview of current and future projects, as well as the current and future allocation of each consultant. Especially in recessions or booms when leveraging resource demands is an issue, Partners are required to focus on pitching and selling projects. Therefore, they are especially concerned about specific projects and pay less attention to leveraging the overall resource pool.

5.2 Enablers

In the following section the empirical findings regarding the enablers used by both Partners and HR-Managers will be analysed, following the structure of the theoretical framework by looking at (1) formal processes, (2) relationships and (3) culture.

5.2.1 Formal processes

HR-Managers as well as Partners view common platforms and systems as facilitators of international collaboration but describe their impact on daily work differently. The KMS seems to be the primary enabler for HR-Managers to identify and allocate consultants which could either be related to the time they daily spend on working with this system or to their responsibility to ensure equal opportunities of all consultants.

Even though HR-Managers state the utilization of the national firm as their primary goal, appropriate resources might not always be available locally. In this case, potential candidates from abroad can be found by screening CVs in the KMS. Here, slightly different formal procedures were described in the interviews for identifying either local knowledge or subject-specific expertise.

In search for local knowledge, the national firm is determined by the assignment and the geographic scope is restricted to a single country. On the contrary, when looking for subject specific expertise, the scope for searching can be much wider as this kind of knowledge is not bound to a certain geographic location. Here, summaries of previous projects in the KMS can be seen as an advantage, providing an indication of appropriate Partners and an inspiration about structures of similar previous projects. However, since confidential information is often “cleaned” (Firm-A-Sweden HR1, 2012) incomplete information is a major weakness of the KMS increasing the risk of misunderstanding and inappropriate application. Especially considering that consultants are familiar with the important role informal networks play for staffing decisions, one can rather conclude an incentive to directly prove the personal value for projects and developing networks instead of investing scarce time on maintaining a profile in the KMS and adding information about previous projects. Therefore, the KMS is an easily accessible starting point and enabler for finding expertise, which is especially valuable when the project scope covers topics unfamiliar to the Partner or geographic areas the personal network does not reach. However, it does not fulfil the actual need of expertise by itself.

Besides using the KMS staffing managers can send a request to their EMEA-wide network. In this case “it’s random which country happens to have exactly this expert and proposes that consultant for the project” (Firm-A-Germany HR1, 2012). Even though this process offers less control, it allows developing new ties within the network and identifying previously unknown, potentially valuable resources. However, a major drawback is the high extent of uncertainty about respondents’ qualification as their

motives can actually vary from real interest and high degree of specialization to sending slack resources in order to increase the utilization of their practice. Here CVs in the KMS can provide a first impression about the profile of the proposed consultant, even though they mostly contain very broad and unspecific information.

While the resource management system as part of the KMS allows insight in the current availability of each consultant worldwide, constraints of the future availability due to propositions for upcoming assignments as well as the inability to travel are only known to the domestic staffing manager. It can be argued that on the one hand this enhances the position of the national HR-Managers as persons with firm-wide oversight and efficiency-focus, but on the other hand results in a lack of transparency, which could hinder international collaboration and search for consultants. Especially since the need for international expertise arises during the proposal phase, global transparency of future allocations could facilitate and accelerate the staffing process. In this regard the weekly staffing call as a common platform of staffing managers for discussions about open roles reflects a similar understanding of the limits of the global resource base and serves as a complement which adds human interaction as well as “things [...] not in the system” (Firm-A-Sweden HR2, 2012) to enhance reliability about the availability of resources.

Talking about how often they receive requests about previous projects the interviewees indicate, the well-working way of using codified project experience to find consultants, but also the limitations caused by incomplete information. Therefore, requests are commonly answered by sending more detailed material, since the requesting firm might need further clarification to evaluate their demands, before the collaboration is specified and the extent of required support is determined.

Furthermore, supplementing the limited national knowledge stock with codified knowledge from abroad seems to be more important for the smaller Swedish firm, which can be further strengthened by the fact, that they consider access to a foreign firm’s internal knowledge base as an important benefit of importing foreign experts. However, it is questionable to which extent incentives are in place to provide records of strategically novel projects to other firms when only offering fragments can lead to requests for consultants to go abroad and drive the local utilization. One could further argue that the use of systems and formal processes signals transparency, legitimacy and professionalism towards employees and clients. Marketed strategically in a proposal presentation, the KMS could even be communicated to clients, as a proof of previous experience in the area and hereby create trust in proposal and solution. On the contrary,

emphasising codified knowledge to a too large extent could create the impression of replication and a lack of creativity. In this regard also (Haas & Hansen, 2005) even argue, that searching and relying closely on codified project material even harms the quality of a project pitch, when search time, evaluation and interpretation of previous presentations reduce the time spent developing customized, creative solutions.

Cross-case Analysis

The reference firms confirmed that formal processes and systems are important enablers for identification and transfer of knowledge and people across borders and valuable complements to relationships, but not sufficient on their own. In all companies, HR-Managers use systems and formal processes more than Partners

While all companies indicated to continuously improve their systems, Company-A and D seemed more developed. This not only confirms the general impression of Company-A's and D's higher degree of international collaboration, but also leads to the conclusion that more advanced systems and processes facilitate and therefore increase integration. By the same token also company Company-C mentioned that the introduction of a common global system three years ago, enhanced and facilitated global staffing and thus supported the view on systems and processes as key enablers for global integration within the firm network.

While Company-A, C and D have scheduled conference calls to provide a regular platform for personal staffing discussion, this is not established in Company-B. A reason could be the lower involvement of HR-Managers in project staffing, which instead is primarily done by Partners. Considering in this respect that Partners might rather prioritize their projects and clients over the engagement in global platforms and thus attribute only limited time to global staffing, this could explain, why Company-B has generally less global staffing and integration.

5.2.2 Relationships

HR-Managers and particularly Partners expressed the high importance of personal relationships for global staffing as a crucial enabler to identify suitable experts in other national firms. This view confirms also previous research by Greenwood et al. (2010), who consider an "extensive network" as an enabler "through which [...] expertise can be identified and relationships can be leveraged in order to negotiate resources for strategically critical client engagements".

Interestingly, two different approaches of using a personal network can be distinguished comparing HR-Managers and Partners. Generally, HR-Managers screen their personal network in ascending order of geographic distance to keep travel costs at a minimum in case a physical transfer of consultants might be required later. Following their approach, one can conclude that global staffing takes majorly place within a limited geographic area which on the one hand bears the advantage of similarities in language, lower travel costs, and convenience for consultants and on the other hand allows drawing on most likely already existing relationships and reducing uncertainty due to a common record of previous successful collaboration between the two national firms.

On the contrary, Partners seemed to directly contact their peers in the firm they consider most suitable and generally stated a preference for choosing consultants based on a common record of past projects independent of location, which is in line with the theoretical finding that “experience from previous interaction provides the basis for establishing personal trust” (Glückler & Armbrüster, 2003).

Alternatively to personal contacts, Partners to a large extent rely on referrals of persons in their network and strongly emphasized this opportunity of bridging structural holes as “quite fantastic” (Firm-A-Sweden HR1, 2012). A quote from Company-A states, “They say there are seven steps to Dalai Lama in the world, but in the ‘company A world’ there are just three steps then you reach the expert” (Firm-A-Sweden HR1, 2012). This reflects both a certain pride about the belongingness to this network as well as a high level of confidence, that any lack of either local or subject-specific knowledge could be overcome by utilizing international network ties. Furthermore, referrals from a personal network seemed to overcome the inherent insecurity about quality and accelerate building trust, also illustrated by (Firm-A-Sweden HR1, 2012), saying “if you have met a person and you know something about each other”, then you know that you will get honest answers and that the person would not recommend somebody to you unless “it was really a good person”.

In this way personal relationships are a way to successfully diminish the risk of moral hazard, since exploitation or references to consultants who deliver either services with inferior quality or do not match the required skill set will ultimately have a negative impact on the reputation of the Partner and the respective office or national firm. On the contrary one could argue that the positive experiences of using personal relationships are also partly caused by the fact, that requesting experts in a dialogue allows more nuanced clarifications about the exact demands and thus leads to more reliable results. The general perception of personal relations as a faster way of accessing expertise is not

only caused by the opportunity to be directly referred to the expert but also by the higher level of trust in this process and less required information in the decision making process. The preference for using personal relationships therefore is driven by the high influence of consultants' work on the project quality and success, as these affect not only Partners' P&L but also the perceived competence of the Partners and the entire firm.

Furthermore, not only personal, but also inter-firm relationships can evolve over time, shaped by the experiences of fruitful collaboration and the perception of the respective firm as a future Partner. Similar to findings of previous research the UK-firm gains a dominant position due to their comprehensive pool of expertise within the EMEA-region. However, even though the UK-firm occupies a dominant position in this regard, neither the Swedish nor the German-firm experience that the UK-firm uses this position to exercise a major influence on general decisions made within the EMEA-region which opposes previous literature. Instead, the opportunities to contribute to the global network of the Swedish-firm and similar others are rather limited due to the considerable resource investment, which the development and contribution of new initiatives to the network requires. Therefore, the influence in the network is not based on the power of large firms but results from the constraints of the smaller ones. Nevertheless once their input is developed, both the German and the Swedish-firm displayed confidence, that their contributions and initiatives would be granted the same attention as the ones from the UK.

Cross-case analysis

The reference firms confirmed the role of personal relationships as the preferred ways of Partners to find experts abroad.

They further confirmed the importance of establishing a personal network and also indicated cases when consultants in their networked bridged structural holes and referred them to suitable experts outside their network.

In line with Company-A, also Company-D highlighted access to more qualified resources and consequently higher trust as an advantage of personal networks.

5.2.3 Firm culture

HR-Managers and Partners in both countries similarly perceived the culture built on the basic assumption that different countries are "expected to help each other" (Firm-A-Sweden P1, 2012) as an important asset and facilitator of international collaboration in Company-A.

The statement “why are you then part of the network?” (Firm-A-Sweden P1, 2012) regarding whether they sometimes choose to refuse cooperation, shows that generally multilateral support as the purpose and benefit of being part of a global firm network is expected. In this regard, being connected by “normative glue” (Greenwood & Fairclough, 2010) can hereby be especially advantageous, when only incremental support in form of documents or simple requests for information is sufficient which cannot be transformed into billable hours, and thus will be provided free of charge. Furthermore talking about the network as “built on the concept that all firms contribute to it” (Firm-A-Sweden HR2, 2012) illustrates that “Partners understand that they must support their colleagues around the world in order to further the interests of the firm as a whole” (Greenwood & Fairclough, 2010). The quote “if we bring things in to the system, we also can get things from it” (Firm-A-Sweden HR2, 2012) hereby illustrates on the perception of databases that the value of the network for all members depends on their contributions and that current exploitation might diminish future benefits.

The fact that both HR-Managers and Partners are part of Company-A’s network, even if they use it with slightly differing purposes, explains why no differences across interviewees were found on this dimension. Accordingly both Partners and HR not only mentioned the benefits of the global network, but also indicated their obligation to contribute by responding to requests and providing support. In this way reciprocal relationships seemed to successfully diminish the risk of moral hazard, since exploitation would negatively impact the reputation of the Partner and the respective office or national firm and consequently decrease opportunities for future international collaboration. On the contrary, enhancing the own reputation as an attractive and reliable Partner for future collaboration within the network, as well as ensuring that other reciprocate in the same manner, can be seen as an incentive to provide valuable support in form of qualified resources, but also to be considered as a preferred Partner to overcome resource constraints.

As indicated, collaboration seems to take quite often place among a limited number of national firms and one could argue that this results in more direct and stronger reciprocal bonding and in a higher willingness to support each other with valuable resources, compared to more reluctance to help for the first time.

Overall, that the broader elaborations of Swedish interviewees regarding this aspect also indicate their higher dependency on international collaboration and thus a stronger feeling of obligation to find ways of reciprocation. This might be the reason why they developed another way of reciprocating support from larger practices, especially the UK,

by not only requesting Seniors, who actually possess the required expertise, but also being open for incoming Juniors. Hereby, the access to expertise of the larger practice is compensated by investing in the learning and development process of their Juniors and providing opportunities for international experience. Assuming that this might become a common way of reciprocation for other smaller firms, large practices will be able to already offer plenty of international opportunities to Juniors, who generally are most interested in going abroad. Ultimately, this would enhance the position of large practices when recruiting and keeping talent and thus, benefit the future development of their knowledge stock.

According to Greenwood's definition of "normative glue", global firm-wide platforms can also be seen as a way of "binding the elements of the multiplex organizational form together" (Greenwood & Fairclough, 2010). In this regard the KMS, showing the record of past projects and containing the codified knowledge of the global firm, can be interpreted as a symbol of the global firm's success. Furthermore, by providing worldwide access to CVs, as well as serving as a valuable mean to spread news across the firm the KMS puts a face to the global network, which otherwise might be hard to grasp.

Cross-Case Analysis

All four companies mentioned that as part of their global network they are expected to help each other across borders.

Company-D confirmed the importance of mutual benefits, but described them as somewhat unrelated to a specific project and rather as a fruitful collaboration in general.

Interestingly, Company-D explained that global staffing is a way of business growth for the UK-firm outside their saturated domestic market, which results in a generally proactive approach and a high willingness to collaborate with other country firms. Since international operations are common there is an increase of the current utilization but also access to prospective clients as potential benefits of the UK firm. Therefore, supporting smaller practices in their service-delivery and relationship-building can benefit the overall business development when clients either internationalize their operations or refer in their network to one of the Big Four.

Company-D also pointed out that when a firm sends an expert there usually are one or two of the sending firm's more junior consultants staffed on that project as a way of creating more favourable conditions for the sending firm.

Firm-B Sweden indicated a dependency on exchange, especially from the UK, which is not equally beneficial. However, even though the firm is unable to reciprocate each single transaction, they contribute more generally to the network by supporting business development in the Middle East which fosters a consistent impression and standard across the network and helps to promote the reputation in new markets promoted.

5.2.4 Summarizing Discussion – Enablers

	Formal Processes	Personal Network	Culture
Key Person	<ul style="list-style-type: none"> ▪ HR-Manager 	<ul style="list-style-type: none"> ▪ Partner 	<ul style="list-style-type: none"> ▪ Both
Enabler	<ul style="list-style-type: none"> ▪ KMS ▪ Staffing calls 	<ul style="list-style-type: none"> ▪ Personal relationships 	<ul style="list-style-type: none"> ▪ Reciprocity & Company development
Origin	<ul style="list-style-type: none"> ▪ Firm-wide resources & Routines ▪ Independent of the HR-Manager 	<ul style="list-style-type: none"> ▪ Build over project experience & meetings ▪ Attached to the person of the Partner 	<ul style="list-style-type: none"> ▪ Build on values & norms ▪ Attached to the Company and the way people interact
Reason	<ul style="list-style-type: none"> ▪ General overview over utilization ▪ Access to all CVs globally ▪ (Partner: Access to previous projects) 	<ul style="list-style-type: none"> ▪ Access to “the right people” ▪ More reliable, higher success rate, faster 	<ul style="list-style-type: none"> ▪ Not used but influences
Style	<ul style="list-style-type: none"> ▪ Formal ties ▪ Collaboration based on the role in the firm 	<ul style="list-style-type: none"> ▪ Informal connections ▪ Collaboration based on trust 	<ul style="list-style-type: none"> ▪ Intangible ▪ Collaboration based on shared values

Table 11 Summary - Enablers Analysis

Although formal processes and relationships were used by both HR-Managers and Partners, HR-Managers used systems and formal processes more extensively than Partners who preferred relying on personal relationships to identify foreign consultants.

While Partners develop a stronger personal network as well as a better understanding of consultants’ strengths and weaknesses due to the more frequent and subject-specific interaction with consultants, HR-Managers in their role as administrators have a broader, but more distant view and are less involved in subject-specific issues. In this respect, formal platforms have a higher value for experienced hires joining the firm on a Senior level and thus do not possess the relational capital of their peers to reach out for experts via personal relationships.

The use of formal processes is more time consuming but at the same time opens doors to new cooperation Partners and new knowledge that might not be “discovered” through established relationships. This holds especially true since the platforms of HR-Managers are not prone to physical distance whereas Partners’ personal networks often

are stronger within the geographic region of the national firm. Similarly, common platforms provide broader possibilities to find suitable opportunities for consultants who want to go abroad, but need to be allocated on a project in line with their competence and career development. In this regard, formal processes and systems can be viewed as an enabler for fulfilling the *learning and development* purpose, pointing to why HR-Managers employ them more than Partners. Additionally, formal requests through the HR-Manager network can be suitable for solving uneven resource demand, since the exact competence is then less important, but a broad audience needs to be reached.

However, Partner generally perceived formal processes and systems as less reliable and slower as they offer a lower level of control over the results relying on personal relationships. These limits of formal platforms were also stated by Partners as reasons for their preference of personal networks as enablers for accessing information and resources due to the higher reliability and faster response time. In line with previous literature addressing the inherent insecurity of formal processes and their inability “to guarantee the quality of the staff on offer” (Boussebaa, 2009) this shows the high value of personal contacts as a complement to ensure the correct understanding and completeness of the codified material.

Personal relationships are perceived as faster, more reliable, and more qualitative than formal processes making them more suitable to use under time pressure or uncertainty about the “quality” of the consultant, which might be especially vital for the success of a particular project if a foreign expert is requested. Therefore, personal relationships are better suited to fulfil the purpose *efficiency and client demand for expertise*, mainly influencing Partners to seek international support.

On the contrary, HR-Managers described the preference of Partners to choose similar project teams based on personal relationships and experience-based trust as hampering the development and learning of the consultants through lower variety in their work. Even though collaborating repeatedly with similar consultants “preserves existing relationships by reinforcing and stabilizing mutual commitment [...] the size of one’s network largely depends on the amount of effort one invests in making new acquaintances and in developing trust on a step-by-step basis” (Glückler & Armbrüster, 2003) which is as further reason why HR-Manager considered changing constellations of consultants as enablers to “initiate and reinforce intra-firm personal networks” (Segal-Horn & Dean, 2009). Therefore, their focus is more on variations within project

teams which also mitigates the risk of losing disproportionate parts of social capital, when consultants with a key role within the network leave.

Even though, one could argue that formal processes and relationships complement and reinforce each other due to their different strengths, it is quite natural that HR-Manager and Partners use them to a different extent and for slightly different purposes. However, the two planning processes in parallel bear conflict potential, when the resulting allocation of consultants differs.

Firm culture was mentioned by all companies as an overall facilitator, but was not emphasized as much as the other two enablers. The fact that firm culture is perceived to be a facilitator rather than an enabler explains why it is not especially connected to one of the purposes, but rather facilitates the fulfilment of them all. There were no differences between HR-Managers and Partners concerning their emphasis on firm culture, however there was a tendency of Swedish interviewees to mention this aspect slightly more than the German interviewees did. This difference could be related to Sweden's higher dependence on the global network leading to a stronger focus on establishing "one" firm.

5.3 Barriers

There are two levels of negotiations involved: negotiation about monetary aspects and negotiations about the resource in focus

5.3.1 Monetary obstacles

5.3.1.1 *National profit-pools*

The role of national profit-pools as barrier for international collaboration is mainly emphasized by Partners in both countries which could be due to their responsibility as project leaders for negotiating the conditions for global staffing, which affect the project profitability but ultimately also the national pool.

Since "national partnerships' profits [are] determined by their own performance rather than by that of the world firm" (Ferner, Edwards, & Sisson, 1995) each national partnership can be seen as an individual unit, following its own financial and operating targets. Being structured as "federation" of national organizations (Maister, 2003, p. 329) reinforces the prioritization of the national utilization and could therefore hinder global staffing with the primary purpose of learning and development of the consultant. The national focus also becomes apparent in the staffing process, where first the local

knowledge pool is evaluated against the required skills and expertise for an assignment and thus, “consulting projects were staffed first and foremost through local networks” (Boussebaa, 2009). This preference of national over international resources somewhat contradicts the promise of the best consultant since the availability of sufficient resources within the national firm automatically terminates the search, even if there might be better qualified expertise internationally.

Furthermore, the structure as national profit-pools impacts not only the choice about cross-national staffing of domestic projects, but also the collaboration with other practices in search of expertise, since “each country wants to optimize themselves” (Firm-A-Germany P2, 2012). This is further enforced since the variable share of salaries depends on national, but not global profits. Especially in economic recessions the focus seemed to be on ensuring business in the domestic firm while a lower tendency to request consultants from abroad could be related to the general lower utilization, in which appropriate skills in the domestic firms are more likely to be available.

Occasionally, global profit-sharing seemed to have been considered in Firm-A, but both HR-Managers and Partners indicated their satisfaction with the current system and doubted the improvements of a change, since “you could still not just pick somebody from the resource pool of other practices” (Firm-A-Germany P1, 2012), who might be needed elsewhere. One reason for the preference of national profit-pools could be the tremendous bureaucratic effort of integrating the different national firms, since the Big Four are present in many more countries and have a broader service offering compared to top-tier strategy consulting firms¹³. Contrary to the theory, which describes a dominant focus on the national profit-pool, integration and collaboration within the EMEA-region plays an increasingly important role in the thinking and acting of Partners and HR-Managers in Company-A.

5.3.1.2 *Fee differences*

Fee differences were stated by both HR-Managers and Partners as barriers and seemed to similarly affect the choices for global staffing in both countries. Approaching this issue, an initiative for rate equalization was launched to support firms in need for expertise by subsidizing fee differences from a global pool. This confirms that fees hinder global staffing, but also illustrates the global collaboration within Company-A.

¹³ <http://www.monitor.com/DE/tabid/159/L/en-US/Default.aspx>

In Company-A rates for exchanging consultants are determined by so-called “inter-firm agreements” (Firm-A-Germany P1, 2012) introduced to facilitate the calculation of projects through higher transparency and less room for negotiations. Even if this system accelerates the planning process, it overcomes neither the reluctance to send the best resources away nor the prioritization of national utilization. Instead, it might shape the choice of preferable countries to work with, which interviewees confirmed by saying, that the choice of a certain expert would be based on economic reasons if several options were available.

Considering the high fees in UK, but also its important role as expertise pool, it can be argued that this combination leaves potential for other firms to build a reputation in the network. Without monetary obstacles, a strong reputation might imply that any need for expertise would directly be forwarded to this firm without consideration of the wider network. Even though this minimizes search time, it also bears the risk that consultants in peripheral firms won't be recognized and therefore decreases the attractiveness to belong to any other country-firm than the central one. As a hypothetical long-term result, the overall level of expertise outside the centre would degenerate leading to a star-shaped network with one strong and dominant core. In this regard the fee differences between the UK-firm and other members of Company-A's network can be seen as a major factor to reinforce diversity and the development of new relationships. This implies a trade-off for global staffing choices between searching with a broader, more time consuming geographical scope or instead accelerating the process by incurring considerably higher costs.

5.3.1.3 *Opportunity costs*

Costs of global staffing can arise in several forms (Greenwood & Fairclough, 2010). One important factor in this respect is opportunity costs.

Especially Partners and very senior consultants might be able to dedicate less time to their domestic client base and personal networks. Second, while abroad they cannot contribute with their expertise to projects and proposals in the way they would otherwise. Even though this was mentioned by both HR-Managers and Partners with the former perceiving it slightly more important as the latter, both see it as a rather insignificant hurdle.

One possible explanation for this is, that the staffing of consultants is developed on a firm-wide national basis by HR-Managers, so ad hoc requests from abroad regarding consultants who are either staffed or proposed on other projects might require

considerable rearrangements of resources. Due to the variation in length, HR-Managers might not only need to adjust current but also future plans and find appropriate other resources as replacement. Furthermore, the request might also contradict development goals set by the HR-Manager, even though the generally positive perception of going abroad as a chance to develop seemed to be dominant

In this regard, sending consultants “on the bench” (Firm-A-Sweden P1, 2012) abroad or providing expertise over distance by working extra-hours, seemed to be preferable forms of international collaboration, if appropriate monetary incentives are in place. However, if a consultant could either contribute to a project of the local practice or go abroad, the paradox of “star consultants” comes into play. This refers to consultants who due to their role as “key resources” are least likely to be used on a worldwide basis (Boussebaa, Morgan, & Sturdy, 2012)

Cross-case analysis

The reference-firms confirmed the impact of national profit-pools and fee differences as barriers to global staffing, resulting in monetary obstacles and time consuming negotiations, which hinder more frequent international collaboration. While all companies mentioned having guidelines for how to split profits, Company-B, C and D indicated that there is a need to improve in this area. Company-B furthermore mentioned that concerning shorter separate projects they currently do not have “structures in place” and that they see a need to develop in this area.

Only Company-A mentioned “rate equalization help” as a recent initiative to reduce the barriers of global staffing for countries with low domestic fee rates. Only Company-C indicated that global profit sharing could improve global cooperation, while the other three companies regarded the current system as satisfactory, even though they prioritize their own P&L over global staffing.

Interestingly, Company-B and Company-D did not regard fee differences as problematic, which might for Company-B also be due to the fact that they generally have less global staffing and are therefore not facing these consequences. However, since in Company-B Swedish consultants are “really cheap” for the UK-firm this encourages requests from the UK. Company-D said that even if the Swedish firm does not pay the full UK-rate for a UK-consultant, the UK-firm is compensated by a higher margin when staffing Swedish consultants since they bill UK-fees while only paying Swedish-fees.

In both countries Partners tended to perceive obstacles arising from national profit-pools for global staffing stronger than HR-Managers did while both emphasized the problems related to fee differences and opportunity costs. A likely explanation is that Partners are more directly affected by the optimization of national profits due to their bonuses.

5.3.2 Price sensitivity of clients

Convincing clients who are anchored at the domestic price level to pay a premium for international experts was often mentioned as the major obstacle of global staffing, due to the resulting travel costs and higher fees. Especially pitches for smaller clients and assignments with a purely domestic scope seemed to require specific justifications for additional costs of foreign experts whereas the higher seniority of a domestic team seemed to be easier to grasp and legitimize. Consequently, a different project and client structure could be the reason why price consciousness in general seemed to be a slightly more important topic for the Swedish firm.

While this barrier was not explicitly stated in the literature it can be reasoned by the intensifying competition in the consulting industry (Brondoni, 2007), the increasing size and market power of clients, and the resulting pressure on the fee rates firms can command for their services. However, while previous literature identifies the changing market conditions as key for the increasing use of global staffing, the interviews rather indicate that global staffing gets restricted by increasing price pressure.

As one advantage of the firm's network, several complements evolved (cf. Figure 3), which enable international collaboration, even though global staffing is not possible due to monetary obstacles. Here the interviews showed that based on the depth and extent to which expertise is required, several ways for getting access to knowledge with varying required effort as well as investments are common in Company-A. In this sense a high degree of ambiguity or changing context, such as in large transformation projects might require continuous interpretation and adaptation of subsequent steps which can only be fulfilled through on-going client interaction. Furthermore, the visible presence of the whole team at the client-site can also shape the client perception in a good way.

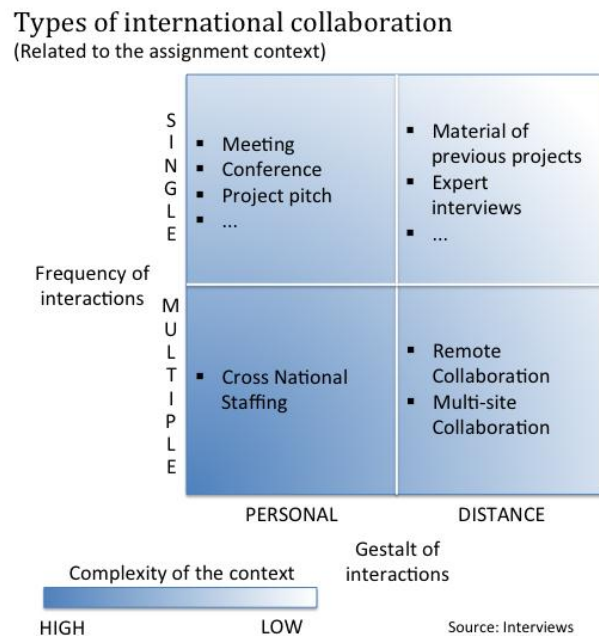


Figure 3 Illustration of complements

Working together remotely can be seen as a way of international collaboration without incurring additional travel costs and time which seems to be especially applicable when project parts are not interrelated and do not require frequent interaction of consultants. Due to the lower incurring travel costs, this way of project staffing allows Company-A to leverage the advantages of the international network and offer a price similar to a purely domestic team while it facilitates client-interaction on multiple geographic sites.

Partners also described outsourcing of routine tasks, which require neither client nor team contact to countries with lower fees as another form of international collaboration increasingly discussed within Company-A as a way to deal with budget constraints. While this aspect of international collaboration might be less communicated externally as a way to enhance quality, it rather serves as an internal mean to reduce costs and increase the competitiveness of the pitch. Furthermore, involving international firms in other time zones raises the total number of daily working hours and thus the effectiveness while lower labour costs increases project-margins. However, involving these more “competitively priced resource pools” (Brondoni, 2007) can also be problematic due to an inherent risk for the firm’s reputation and a potential further decrease of client’s willingness to pay once it becomes public. This aspect was primarily mentioned by Partners as they directly engage in project-planning while HR-Managers might not even notice why the Partner needs fewer consultants from the national resource pool.

Cross-case analysis

Since the Big Four compete in the same markets, the reference cases confirmed the general price sensitivity of clients and the low willingness to pay a premium for international expertise.

Company-C and D confirmed that outsourcing is a current issue. However, the perception of the value and appropriateness seem to vary and no clear difference between the companies or the countries in this area could be seen. Instead there seem to be large variations in attitudes within each company. While a Partner in Company-D said that outsourcing is used only to a small extent by the Swedish firm, an HR-Manager in the same company said that they never involve low cost countries to reduce cost, which could lead to the conclusion that "people are not really familiar and comfortable with it" (Company-D-Sweden Partner1, 2012).

The reference firms confirmed that a less costly way to take advantage of the global network is either choosing cooperation Partners within EMEA or using other ways of international collaboration. In their perception global staffing could imply both cross-border staffing and staffing of domestic sub-teams delivering a multinational project.

5.3.3 Cultural distance

According to one HR-Manager, hierarchy determines the Swedish working climate less than the German or the "tuff" UK (Firm-A-Sweden P1, 2012) which potentially discourages Swedish consultants to work in these countries since their say and impact on the project are reduced. The fact that German interviewees did not mention this aspect supports this finding and points towards a more similar working culture with the UK. However, neither when staffing consultants nor when personally supporting foreign teams were Partners concerned about this issue, which could be due to their high position in the hierarchy.

Cross-case analysis

While none of the companies considered cultural distance as a barrier they still found it important to discuss cultural differences and prepare consultants for the differences between the national firms before they go abroad to work. Firm-D Sweden confirmed the differences about working cultures identified in Firm A Sweden but rather saw them as a mutual benefit. While Swedish consultants develop expertise when working in the UK, the UK consultants gain from the less hierarchical climate in Sweden in their development of leadership skills.

Company-B expressed that clients are sometimes reluctant to working with consultants who do not understand their culture, especially small domestic clients and the public sector.

5.3.4 Language barriers

Both Partners and HR-Managers described language as a general barrier which limits the choice of collaboration partners internally since expected language barriers are associated with lower efficiency, conceptual misunderstandings, and errors. This contradicts the self-portray as a global firm as doubts about the ability to communicate were even stated about other European firms.

Externally, especially smaller clients do not appreciate English as a working language, making the ability to communicate in the same mother tongue important as communicating in a foreign language would create unnecessary barriers and signal distance to clients. Therefore, firms prefer to collaborate within similar language areas on these kinds of projects.

Cross-case analysis

The reference firms confirmed the view of language as one of the most concrete and important barriers. The fact that clients often prefer to work with consultants who speak their mother tongue explains why language barriers are difficult to reduce and why they are equally present in all four companies.

5.3.5 Personal reasons

A dilemma frequently described by HR-Managers and Partners in both countries is that Juniors are more eager to go abroad whereas more experienced Seniors are requested who are less willing to work abroad for a longer time period due to private reasons. This contradicts, Morris & Empson's (1998) description of professionals as "one of the most mobile of occupational groups, reflecting their "cosmopolitan" orientation to work; compared to the top tier strategy consulting firms, the Big Four appear to attract slightly different types of professional characters. However, it barely happens that requests have to be refused completely as often either a compromise with the respective person in focus or a different consultant with a similar profile can be found.

The empirical findings indicate that international opportunities are important enablers of attracting and keeping consultants. International collaboration hereby becomes the purpose in itself, determining the attractiveness of a firm in the eyes of prospective and

current employees. In this regard one could see GMPs, where consultants become part of a foreign office for a fixed period of time, as a further way to satisfy international aspirations and overcome the barriers of project related mobility. This is especially valuable since global staffing, as one finding of this thesis, is less established in the Big Four due to price-consciousness of clients and the structure of national profit-pools than younger consultants would desire.

However, since GMPs are not restricted to a certain demand in a specific project, they offer more freedom of choice about a country-firm consultants want to join, in contrast to global staffing, where primarily the expertise or local knowledge of the consultant determines the request of a foreign firm and thus also the destination. Instead, GMPs were often mentioned by HR-Managers in association with gaining general work experience in another culture and widening the personal horizon with new ideas and perspectives. Nevertheless, when compromising the freedom of geographical choice, GMPs can serve the purpose of supporting the specialization in a certain field, if consultants base their choice on the experts within the respective areas.

A general advantage of GMPs over cross-national staffing are reduced monetary barriers, i.e. costs, as consultants are staffed similarly to their peers and contribute to the foreign profit-pool from which they are also compensated. Moreover their assignment on projects is not connected to any additional travel expenses compared to the other team members, as they are based abroad for a fixed period of time. Furthermore by being part of the foreign office the consultants gradually learn during their stay to adapt to differences in culture and working style, and therefore face lower obstacles when participating in the project work of the foreign firm.

Cross-case analysis

The reference firms confirmed the conflict between the willingness to work abroad and the actual demand for people on this level. Company-B and D confirmed that they in few cases had to refuse requests because of the respective person.

An interviewee in Company-D mentioned that the 'younger generation' has "better formulated requirements on employers", trying to combine a career in consulting with having a family, while "people typically dropped out" to the industry when they got kids just 15 years ago (Company-D-Sweden Partner1, 2012). Therefore, employers now have to take personal reasons and wishes stronger into account. Company-A and Company-B agreed that there is no point trying to encourage people to go abroad if they do not have any interest in doing so as most would rather leave the company than doing so

unwillingly. Here one could ask if this is also a general trend in consulting or especially in the Big Four.

GMPs are equally offered in the reference-firms to satisfy the demand from employees to go abroad. This indicates that Big Four face a complex situation where they have to balance demands from employees and clients who weigh low price and global expertise differently.

5.3.6 Summarizing Discussion – Barriers

	Monetary Obstacles	Price Sensitive Clients	Cultural distance	Language	Personal reasons
Factor	Firm Structure	Clients	Consultants	Consultants, Clients	Consultants
Measures	<ul style="list-style-type: none"> ▪ Increase national utilization to increase national profits ▪ Try to send consultants abroad who would be on the bench otherwise 	<ul style="list-style-type: none"> ▪ Use local resources to keep costs down ▪ Use outsourcing to keep costs down ▪ Use other ways of collaboration to keep costs down 	<ul style="list-style-type: none"> ▪ Prepare consultants for other working climates (only Sweden) 	<ul style="list-style-type: none"> ▪ Choose other cooperation partners or don't request 	<ul style="list-style-type: none"> ▪ Chose other consultants or refuse ▪ Find opportunities for juniors
Impact	High	High	Minor	High	Medium
Effect on global staffing	<ul style="list-style-type: none"> ▪ Request only by high utilization ▪ Send in weak times 	<ul style="list-style-type: none"> ▪ Use global staffing only for large clients and international projects, who pay ▪ Complement global staffing 	<ul style="list-style-type: none"> ▪ No impact 	<ul style="list-style-type: none"> ▪ Limits geographic scope to countries with similar language 	<ul style="list-style-type: none"> ▪ Find complements to global staffing ▪ GMPS Working remotely

Table 12 Summary - Barriers Analysis

While both HR-Managers and Partners similarly perceived that in general all five barriers discussed above were to some extent hindering global staffing and international collaboration, *structural monetary obstacles* were especially emphasized by Partners. No differences in this respect could be identified between Sweden and Germany either.

Structural monetary obstacles were perceived as more important by Partners as they are more directly affected by the profitability of separate projects. As discussed previously, the fact that Partners are rewarded based on the profitability of the national firm sometimes creates a tension between optimizing local profits and maximizing global cooperation. HR-Managers did not emphasize this aspect as much as one important part of their responsibilities are the GMPs, which are not facing monetary barriers to similar extent as other types of global staffing do. The reason is that during a GMP the consultant is typically shifted to the other country's payroll, which means that there are not the same problems concerning fee differences and national profit-pools.

The reason both HR-Managers and Partners are facing the other four barriers to a similar extent is due to the fact that these barriers are quite general, affecting all types of global staffing. The fact that the Big Four's clients are generally concerned about price to some extent reduces the possibilities for increasing cross-border staffing. Therefore, this is one of the reasons why the Big Four work with other forms of international collaboration that implies lower additional costs.

Language barriers and cultural distance are barriers that affect all discussed purposes, but are relatively difficult to overcome, which explains why all companies emphasized these aspects. Looking at consultant demands, the reason why all four companies face this barrier could be because they attract similar types of employees.

5.4 Overall wrap up

In the previous analysis, deviating approaches of Partner and HR-Manager as a result of their different purposes became apparent. In reaching these purposes both choose different enablers, but are affected by similar barriers, which arise either from the external environment of the firm or the structure and consultants within the firm.

Summarizing the different tendencies, Partners can be described as the ones, who win the projects while HR-Managers are the ones, who provide the resources to actually fulfil the project scopes. As project-related needs often arise ad hoc, Partners' interest for global staffing can be related to filling knowledge gaps on current or prospective projects, while HR-Managers rather focus on long-term development of consultants and the whole national firm. Furthermore Partners utilize current knowledge by looking abroad for the best expertise, while HR-Managers utilize resources with a stronger focus on the national firm. Therefore, Partners rather request support for their projects or respond to requests while HR-Managers focus more on sending out consultants from the national firm.

Consequently, Partners are the ones who negotiate to allocate the most suitable resources on their projects, while HR-Managers especially try to engage less experienced consultants "on the bench". Looking at the different economic situations, Partners can be seen more as reaching out to the global network in busy times to still ensure suitable consultants on their projects while HR-Managers tend to send away consultants in weak times to increase the overall utilization. Regarding the enablers chosen, Partners preferably rely on their personal network, which they perceive as faster and more reliable while HR-Managers use systems and common platforms, which provide a more objective overview.

6 DISCUSSION

In the following section we discuss: (1) why previous research does not find the roles of HR-Managers and Partners in global staffing processes to differ, (2) other ways of international collaboration which complement global staffing, (3) leveraging uneven resource demand as extension of the three purposes previously described in the theoretical framework and (4) three previously unrecognized barriers to global staffing identified in our study

First, since other researchers have typically interviewed either HR or Partners or, in some cases, Partners and consultants¹⁴ a direct comparison between Partner and HR-Manager was not made and differences between these two roles did not arise.

Second, since previous research focused on interaction and integration within the global network of PSFs on a more general level, project specific choices about the design of international collaboration have not been addressed in this context. However, looking at the decision making of the individual Partner or HR-Manager, the multitude of alternative options besides global staffing plays an important role for project scope and execution.

Third, by the same token it can be reasoned why global staffing to leverage uneven resource demand has not been described specifically in previous literature. Since the more general approaches of previous research focused rather on the extent to which global staffing is established and the question if it is used at all, the underlying purposes were not investigated as closely as in this thesis. Furthermore, previous research contributed to this field by considering the perspectives of consultants while our findings indicate that leveraging uneven resource demand with global staffing is rather considered by HR-Managers. Therefore, the difference in samples is the reason for why this purpose of global staffing has not been recognized previously.

Fourth, comparing our findings with other studies focusing mainly on top-tier consulting companies, some notable differences emerge. Previous literature studying the top-tier strategy consultancies has not found the barrier of clients' price sensitivity,

¹⁴ Examples: 21 interviewees were partners, 23 nonpartner-consultants (Boussebaa, The myth of the global management consulting firm, 2007) and consultants on various levels and partners (Boussebaa, Morgan, & Sturdy, Constructing Global Firms? National, Transnational and Neocolonial Effects in International Management Consultancies, 2012)

which we encountered in the Big Four. This results mainly from the fact that clients are used to paying higher fees to top-tier consultancies. Consequently, cost is not limiting global staffing in the same way as in the Big Four. Furthermore, the fact that many top-tier strategy consultancies have global profit-pools¹⁵ reduces monetary barriers to global staffing and reduces the need to focus on alternative, more cost efficient, ways of global collaboration as done in the Big Four. The cause why personal reasons were not found as a barrier in top-tier strategy consultancies could perhaps be related to the fact that these companies attract slightly different employees with different preferences regarding working abroad.

While many other studies have focused on the UK¹⁶, this study focused on interviewees in Sweden and Germany, which could explain why language and price sensitivity were recognized as barriers in this setting but not in previous ones. English as a working language was pointed out as an obstacle, resulting either from client preferences or from language skills of consultants from other firms, especially in Southern Europe. However, the natural familiarity with English as a language can be seen as a reason, why this barrier did not arise in studies on global staffing in the UK. Furthermore, in the UK, price sensitivity of client is likely to be less problematic since interviewees indicated that the UK-clients are used to higher fees than in the rest of Europe.

In sum, the previous discussion highlights that our findings are context specific, which raises the question to what extent they are generalizable and transferable to other contexts. In order to answer this question, further research is needed; this will be addressed in section 8. However, our findings from the Big Four in Sweden and Germany indicate that the results of this thesis are likely to be generalizable to the extent that they apply to consultancies similar to the Big Four in European countries other than the UK.

¹⁵ Examples: “Unlike most of its general management consulting competitors, Booz & Company does not follow a regional consulting model.” http://www.booz.com/global/home/join_us/faqs and “we operate as one global unit with one profit pool.” <http://www.monitor.com/DE/tabid/159/L/en-US/Default.aspx>

¹⁶ Examples: “All the interviews were UK-based consultants” (Boussebaa, The myth of the global management consulting firm, 2007) and “interviews were conducted (...) with staff based in the UK” (Boussebaa, Morgan, & Sturdy, Constructing Global Firms? National, Transnational and Neocolonial Effects in International Management Consultancies, 2012)

7 CONCLUSION

This thesis investigated the purposes that drive global staffing decisions as well as the enablers and barriers that affect individuals taking these decisions by looking at global staffing processes in the Big Four. According to Maister (2003) “collaboration and cooperation across (internal) boundaries [...] is hard to accomplish, [...] because of the complex managerial task of reaching for the benefits of both local autonomy and collaborative action” which can be seen as a reason for the often very critical view on the extent to which global staffing is currently established in PSFs.

While several of the purposes, enablers, and barriers of global staffing have been discussed in previous literature, the main contribution of this thesis is to shed light on: (1) the different approaches of HR-Managers and Partners to global staffing, (2) one purpose of global staffing not addressed in previous literature, (3) three previously unrecognized barriers of global staffing, and (4) the importance of ways of international collaborations not involving cross-border staffing.

First, while HR-Managers’ and Partners’ focus is overlapping, we found tendencies that they prioritize certain aspects differently, leading to different approaches to global staffing. HR-Managers on the one hand focus on learning and development of individuals ultimately resulting in firm development, primarily enabled by global systems and formal processes. Partners on the other hand focus mainly on winning and delivering successful projects by responding to client demand for expertise, primarily enabled by the use of relationships. These two different foci represent HR-Managers’ long-term holistic approach to global staffing and Partners’ more short-term approach focusing on their projects and client base. While there is a conflict between the two approaches, they at the same time reinforce each other and result in enhanced international collaboration. Hence, the tension between HR-Managers’ and Partners’ approaches to global staffing seems fruitful since their different foci widen the scope of collaboration rather than hinder it.

Second, it was found that global staffing could be used to even out fluctuations in resource demand by exchanges of resources between firms with temporary overcapacity and others with resource scarcity resulting in higher utilization and profitability.

Third, beyond the barriers previously recognized in academic literature, the new barriers found in the Big Four were: price sensitivity of clients, language barriers and consultant demands. Even though HR-Manager and Partners have different approaches

to global staffing they face by and large the same barriers to it. They differ merely in their assessment of structural monetary obstacles, which were perceived a greater hinder by Partners.

Forth, while the barriers discussed in this thesis limit the use of global staffing in the Big Four, several complements not requiring physical transfers allowed the firms to benefit from their global network.

This thesis contributes to current literature about global staffing in PSFs by focusing on the individuals taking global staffing decisions, thus providing insights concerning the purposes, enablers, and barriers which come into play on a micro level impacting interaction in a global network of firms.

8 LIMITATIONS & FUTURE RESEARCH

Several limitations should be taken into account when interpreting the results of this thesis. These can potentially serve as themes for future research.

First, since this thesis is based on only 14 interviews, compared to the 61 interviews in a similar study of “four of the world’s 20 largest international management consultancies” in the UK (Boussebaa, Morgan, & Sturdy, 2012) the generalizability of the findings is reduced. However, considering that the small sample size results from the fact that only few “elites” are in the position to make staffing decisions while similar research about the Big Four is generally based on interviews on all hierarchical levels, this thesis still provides a valuable understanding of the most important purposes, enablers and barriers to global staffing perceived by these “elites”. In this regard an interesting area for future research is to investigate how the identified barriers could be overcome, by aiming at identifying best practices leading to managerial implications.

Second, generalizability is further limited by the fact that findings from reference-cases were generally based on interviews within only one national firm. However, since the within-case analysis of Firm-A indicates only minor deviations between the German and the Swedish firm which is supported by the cross-case analysis of different national firms it can be concluded that the impact of this sample structure on the overall generalizability is most likely insignificant. Nevertheless, a further step would be extending the scope of this study to the largest and most dominating practices in the UK and the US as well as to practices in emerging markets and other cultural contexts to validate similarities and differences related to country-size and to see how other factors

such as national culture affect purposes, enablers and barriers. In this regard including the UK would be especially interesting as it could provide further insights about the similarity and power structure within the network of national firms in general as well the role of the UK as a strategic hub in EMEA in particular.

Third, given the lack of quantitative data about global staffing, findings and analyses were based solely on the experiences of interviewees. As similar studies found, this stems from an apparent reluctance of PSFs to provide quantifiable material PSFs which others describe as “extremely secretive, preserve few internal documents, and divulge even less” (Boussebaa, Morgan, & Sturdy, 2012). Nevertheless, quantitative data which would enhance the reliability and validity of the findings in this thesis and further lead to highly interesting areas of future research could include, but is not limited to statics of important indicators on global staffing as for instance frequency of staffing choices in general, ratio of domestic staffing to cross-national staffing, ratio of requests for support to provision of support, and search time HR-Manager to search time Partner.

Forth, as the current scope only focuses on the consulting departments of the Big Four, the generalizability and applicability of findings on other types of consultancies, PSFs and MNCs is reduced. Therefore, it would be interesting to investigate to what extent the findings in this thesis apply to other types of consulting firms, other service lines of the Big Four and also other types of PSFs, maybe even in more creative fields. Therefore, one step could be to compare top-tier strategy consultancies, with global profit and resource pools, to this thesis’ findings based on the Big Four, with national profit and resource pools, highlighting how structural differences affect purposes, enablers and barriers. Furthermore looking at the indications that the degree of the firm’s overall development and “age” impacts global staffing, it would be interesting for future studies to research this aspect by comparing one group of firms who are newly established with a group of firms that have come far in their development of service lines etc.

Fifth, Partners and HR-Managers as persons in charge of staffing decisions were selected as a sample, since the overall purpose of the thesis focused on understanding their individual choices. As one finding is the deviation of their ways and perspectives, extending the sample and considering consultants, who are not directly involved in global staffing decisions but directly affected by them, would allow obtaining a more nuanced picture. Furthermore extending the sample in this way could contribute valuable insights about the effect of personal preferences of consultants (barriers), as well as personal relations (enablers) and thus enhance the comprehensiveness of the overall thesis.

Sixth, as one of the findings international mobility was identified as a purpose for attracting and keeping employees within the Big Four. Therefore, when evaluating the findings it always has to be taken into consideration that the researchers as graduates are potential candidates, which might have influenced interviewees to highlighted single, successful cases of projects with an international scope and exaggerate the proportion of international collaboration, especially global staffing in order to enhance the attractiveness of their firm. However, since this applied to all the four firms in a similar way, it can be concluded that a comparison across the cases yields valid results, while the overall findings from this thesis might inhibit a positive bias. However, since one of the researchers has previous working experience in the consulting departments of one of the Big Four, strong deviations from reality could have been identified, if they had appeared.

9 PRACTICAL IMPLICATIONS

Our findings offer guidance to consultants regarding: (1) global staffing of Juniors as motivational tool, (2) roles and responsibility division between HR-Managers and Partners, (3) approaches to overcome language barriers and (4) global staffing as a way to improve firm-profitability.

First, our study has revealed that especially Juniors appreciate the possibility of working abroad while especially Seniors are requested for foreign projects. As Juniors are not as attractive for the foreign firm, they are less often considered for global staffing. Therefore, solutions which provide Juniors with the possibility to work abroad while keeping the costs for the firm acceptably low could be used as a motivational tool fostering Juniors' commitment. This could for example include cross-national Junior-exchange projects similar to GMPs, or joint assignments of a Senior and a Junior for certain foreign projects.

Second, our study points towards an inherent conflict between HR-Managers and Partners based on their different roles in and approaches to global staffing. However, we found that these conflicts actually foster global staffing and contribute to knowledge-exchange between firms. By making roles and responsibilities for global staffing clearer, frictions in global staffing can be reduced and its value-creating aspects from either side, HR-Managers' and Partners', amplified.

Third, language difficulties are one of the most prevalent barriers of global staffing. While language preferences of especially smaller client firms are difficult to influence,

introducing English as company-wide standard of communication facilitates integration of foreign consultants, international collaboration and further enhances the benefits from KMS.

Finally, our findings revealed the previously unrecognized purpose of global staffing as evening out fluctuations in supply and demand of resources, i.e. consultants. By sending consultants “on the bench” to foreign firms in times of fewer projects and taking on foreign consultants when demand is high, firms are able to account for these fluctuations in demand without establishing further resources, i.e. hiring, thus increasing their P&L

APPENDIX

1 INTERVIEW QUESTIONNAIRE

General Questions

1. What is your current position?
2. How long have you been in the company?
3. Do you have any previous international experience?

International Collaborations

1. What are general practices in your firm regarding international collaboration?
2. What is your personal experience with international collaboration across your firm network?
3. In which ways do you collaborate internationally?
4. What can you tell us about the type of projects and people involved? (Duration, industry etc.)
5. Are there any major obstacles, when it comes to international collaboration?

International network

1. What is your opinion about the international network of your company? Does it live up to the client promise?
2. What is the role of your practice looking at the global network and how does your interaction with other practices look like?
3. Do you think your international network is an asset, why clients choose your company? Is it specifically demanded or emphasized in a pitch?
4. Are there any tensions between the country firms or barriers of working together?

Staffing policies

1. How does your collaboration with the staffing manager in your practice / foreign practices look like?
2. Do you think your company has the right incentive system to encourage international staffing? Which are areas of improvement?
3. Have you done something in particular to improve international staffing?
4. Who decides on the policies regarding the cross national staffing?

Staffing Process

1. To which extent is global staffing established in your firm?
2. How does the process of global staffing look like?
3. At which point of time do you decide that you need international support? What is the time frame?

4. How do you identify and select international experts? What is more dominating: using international people because of their knowledge of a certain topic or because of their knowledge of the location
5. When you staff / plan a project – do you look at your practice first or also consider your international contacts right away?
6. In case of global staffing, to which extent do you rely on your personal network?
7. Were there any failures to get international people / practices on board? Why?
8. Do you have any preference for picking people from certain countries?
9. What do you consider as the benefits of global staffing?

Monetary Issues

1. How do profitability issues influence your thinking about international staffing? Are / can they be an obstacle? How does it affect other country firms?
2. How does the billing and profit sharing of international projects work? Is this a major point of discussion / failure?
3. Some literature says that international staffing is also a way to cut costs for countries with high fees – what's your opinion about this?
4. Which factors determine the ownership of the project?

2 OVERVIEW OF INTERVIEWS

Company	Country	Position	Date of interview
Company-A	Sweden	HR-Manager 1*	2012-03-29
		HR-Manager 2*	2012-03-23
		Partner 1	2012-04-24
	Germany	HR-Manager 1	2012-04-17
		Partner 1	2012-03-20
		Partner 2	2012-03-26
Company-B	Sweden	HR-Manager 1	2012-03-30
		HR-Manager 2	2012-04-13
		HR-Manager 3	2012-04-25
		Partner 1	2012-03-30
Company-C	Germany	HR-Manager 1	2012-04-10
		Partner 1	2012-04-23
Company-D	Sweden	HR-Manager 1	2012-03-28
		Partner 1	2012-05-03

*Former Partner or consultant

3 THE BIG FOUR

3.1 Company overview

Similar to other types of PSFs, the large international audit firms have emerged as a response to the demand from their increasingly global clients (Lenz & James, 2007). Other factors driving the development towards complex, transnational corporations, has been the “growth in international trade and extensive merger and acquisition activity during the 1980s and 1990s” (Greenwood & Suddaby, 2006). As these transnational PSFs enter new markets and face new managerial and organizational challenges, including the need to adapt to different legal, cultural and economic national environments, they have developed an organisational structure “characterized as a specific form of a strategic network” (Greenwood & Suddaby, 2006; Lenz & James, 2007). These large and diversified strategic networks are designed to respond to both the need from multinational clients to provide global services and to local clients’ need for local adoptions (Brondoni, 2007; Lenz & James, 2007). Therefore, the networks of audit firms represent a governance structure that is a hybrid between markets and hierarchies, where the “legal and economically autonomous partnership entities from different countries” are organised by “contractual relationships” (Lenz & James, 2007).

According to Greenwood et al. (2010) “the national firms remain the primary vehicle through which client services are delivered” in the Big Four. Furthermore, the fact that the complex, transnational accounting firms have emerged through mergers and acquisitions, as well as through the diversification of services, has resulted in a fragmentation of professional cultures, leading to challenges to coordinate strategy across the global firm (Ferner, Edwards, & Sisson, 1995). Moreover, the organizational form of the accounting firms was “originally intended for small groups of professionals serving local markets”, which also adds to the challenges in creating a unified global firm (Ferner, Edwards, & Sisson, 1995). But even though there are challenges associated with cross-national strategic unification in the Big Four, and even though the national firms are relatively autonomous in their operations, the firms are organized in a way where one or more lead firms typically take the strategic decisions and control the network through a committee structure (Lenz & James, 2007).

In general, there has been a development from fragmented industries with local and national firms with little international presence to more consolidated industries with a few industry dominant international firms (Morgan & Quack, 2005). This development is present also among audit and consulting firms. A few large global consulting firms are

dominating in both the US and in Europe, in terms revenues as well as in terms of media attention (Kubr, 2002; Kipping and Armbrüster, 1999 in Bäcklund & Werr, 2001). Also, most middle and large audit firms are part of an international network of independent firms, serving clients in different countries (Fisher L., 2005). As discussed previously, in auditing and consulting the evolution of large international firms has been driven by demands from their multinational clients, increasingly requesting global provision of consistent auditing and consulting services (Roberts, 1999; Lenz & James, 2007; The Economist, 1997 in Bäcklund & Werr, 2001).

Another factor contributing to the emergence of a market structure with a few dominating firms is the ‘advantages in knowledge creation and transfer’ for larger firms (Kipping and Scheybani, 1994) in Bäcklund & Werr, 2001). The advantage connected to the size of the firms is especially present in the consulting industry, since the main source of learning within consulting firms is their consulting assignments (Sarvary, 1999; Hansen, Nohria, & Tierney, 1999; The Economist, 1997 in Bäcklund & Werr, 2001). Thus, increasing size generates increasing learning opportunities for the firm (Sarvary, 1999; Hansen, Nohria, & Tierney, 1999; The Economist, 1997 in Bäcklund & Werr, 2001).

3.1 Market overview

The Big Four all started as accounting firms with a heritage dating back to the 19th century¹⁷. Through mergers and acquisitions, as well as through service and geographic diversification, they have grown into the large international network of firms they are today. During the 1980s these firms entered the IT consulting segment and although they had always offered advice as a complement to their traditional services, the consulting services became increasingly important in order to maintain revenue and profit growth in the late 1980s as the market for accounting and auditing matured (Suddaby, Cooper, & Greenwood, 2007; Allen & McDermott, 1993). As the Big Four widened their scope of services, over time the share of profits generated from audit services decreased substantially, in favour of consulting services’ growing contribution

¹⁷ 2012-03-27 15:30

<http://www.pwc.com/gx/en/about-pwc/facts-and-figures.jhtml>

<http://www.kpmg.com/Global/en/WhoWeAre/Performance/Pages/History.aspx>

<http://www.ey.com/GL/en/About-us/Our-people-and-culture/Our-history/About-EY---Key-Facts-and-Figures---History---Timeline>

http://www.deloitte.com/view/en_GX/global/about/overview/history/index.htm

to overall revenues (Suddaby, Cooper, & Greenwood, 2007). By the mid-1990s, the Big Four had outgrown the corporate strategy and organization consulting firms (Armbrüster, 2006) and in late 1990s, the proportion of the Big Four companies' revenues derived from consulting was about equal to revenues from audit services (see table Table 2; Suddaby, Cooper, & Greenwood, 2007). After the Enron scandals in 2001 and the breakdown of Arthur Andersen, three of the Big Four legally divided their different service lines, but it did not take long until they rebuilt their lucrative consulting arms and returned (Armbrüster, 2006; Brondoni, 2007). During the last decades, many international audit and consulting firms have been extremely successful, showing double-digit growth rates (Lenz & James, 2007).

Looking more general at the European market, it can be concluded that the accounting market is larger than the consulting market in terms of revenues, with 91.7 billion € compared to 77.2¹⁸ - 86.2¹⁹ billion € in 2010 (Datamonitor, 2011; Datamonitor, 2011; FEACO, 2011). However, the growth rate of consulting services is higher than that of accounting services. The compound annual growth rate of the consulting market in the period 2006–2010 was 4.2%, while that of the accounting market was 2.5% (Datamonitor, 2011; Datamonitor, 2011). The accounting market can be grouped into three different service segments, audit being the largest segment with 43.2% of the total accounting market in 2010, tax accounting for 28.8% and advisory making up the remaining 28%.

3.1.1 Consulting market Germany

In terms of population, Germany is the largest country in Europe²⁰ with a population of 81.3²¹ million in 2012 (Central Intelligence Agency, 2012). Germany's GDP amounted to 2 476 800 million € in 2010, and the total turnover of management consulting firms was 27900 million €, which accounted for 1.13 % of total GDP in Germany 2010 (FEACO, 2011). Since 2005 Germany has been the largest management consulting market in Europe, accounting for 32.36%²² – 35.1%²³ of the total European market in 2010 in

¹⁸ The European management & marketing consultancy market according to Datamonitor

¹⁹ European market size of management consulting according to FEACO

²⁰ Russia is not taken into account

²¹ July 2012 estimate

²² According to FEACO 2010

²³ According to Datamonitor 2010

terms of turnover, which is substantially more than the UK with 18.6%²⁴ - 22.05%²⁵ as the second largest market (FEACO, 2011; Datamonitor, 2011; FEACO 1998-2011). Furthermore, there were 185 000 people employed in the management consulting sector in Germany 2010, which is by far the highest number in Europe, and the average turnover per employee amounted to 150 811 €, which is the seventh highest in Europe (FEACO, 2011). The compound annual growth rate of the German consulting market between 2006 and 2010 was 5.9% (Datamonitor, 2011). As the largest management consulting market in Europe, located centrally in Europe, Germany represents a large, central practice.

3.1.2 Consulting market Sweden

Sweden is a relatively small country with a population of 9.1²⁶ million in 2012 (Central Intelligence Agency, 2012). Sweden's GDP amounted to 346 855 million € in 2010, and the total turnover of management consulting firms was 3300 million €, which accounted for 0.95 % of total GDP in Sweden 2010 (FEACO, 2011). This further means that Sweden is the third most consulting intensive market in Europe, after Germany and the UK. Moreover, Sweden was the fifth largest European management consulting market in 2010, with total turnover of 3300 million €, employing a total of 16,900 people (FEACO, 2011). Total turnover per employee in Sweden was 195 266 € in 2010, which was the third highest in Europe, after Switzerland with 256 311€ per employee and the UK with 244 658 € (FEACO, 2011). The Swedish consulting market is dominated by a few global actors of American or semi-American origin, even though there are also some tendencies towards differentiation and local variation (Furusten & Bäcklund, 2003). Many of the large international firms, including the Big Four, entered the Swedish market in the late 1980s or in the 1990s and by 1998 the then Big Five had the largest market share with about 30% of the Swedish market in terms of turnover (Furusten & Bäcklund, 2003). In the 1980s and 1990s, management consulting grew quickly in Europe, so also in Sweden where the twenty largest firms nearly tripled their turnover between 1988 and 1997 (Furusten & Bäcklund, 2003; Brondoni, 2007). By 1997, about 80% of the revenues of the top twenty firms in Sweden came from American or semi-American firms and they employed 70% of the consultants in this segment (Furusten & Bäcklund, 2003). In general, the Swedish consulting market is very

²⁴ *ibid*

²⁵ According to FEACO 2010

²⁶ July 2012 estimate

concentrated to the larger cities, especially Stockholm (Furusten & Bäcklund, 2003). Following deregulation of the economies in some small, saturated and developed countries, as for example the UK and Sweden, PSFs are often driven from such countries into the international arena (Freeman & Sandwell, 2008). Even though Sweden is one of the most consulting intensive markets, it is still a relatively small country situated far from the centre of Europe, thus representing a small, peripheral practice.

The Big Four's self-presentation as global is not only targeted to current and potential clients, but also to current and potential employees who might be attracted by opportunities to work internationally. These international opportunities are highlighted in the Big Four's career pages under sections about "mobility"²⁷, "working globally"²⁸ or similar on their websites, with quotes such as "Ernst & Young is borderless: there's a focus on global mobility and collaboration"²⁹ and "Deloitte member firms recognize the value of having individuals with global skill sets and work to provide opportunities for our people to develop through international experiences."³⁰

The self-presentation as global towards clients, employees and others indicate the importance of global mobility of information, knowledge and people within the Big Four.

²⁷ <http://www.pwc.com/gx/en/careers/index.jhtml>

²⁸ <http://www.kpmg.com/global/en/joinus/Pages/Default.aspx>

²⁹ <http://www.ey.com/GL/en/Careers>

³⁰ http://careers.deloitte.com/glob/students/learndev_globalprograms.aspx?page=4

4 REFERENCE CASES

4.1 Case Study B

4.1.1 Purpose

In Company-B, the same purposes for global cooperation were mentioned as by Company-A. On their website, Company-B emphasize that they are facilitating transfers of people and that as an employee you have opportunities to develop through international engagements³¹.

4.1.1.1 *Learning and development*

One interviewee said that the development of people is driving international exchange more than a need of expertise (Firm-B-Sweden HR1, 2012). Furthermore, especially the development of the national firm was considered important, and one interviewee explained that the Swedish firm brought in experts from another country to foster the development of a new service area a couple of years ago (Firm-B-Sweden HR1, 2012). The learning perspective was also mentioned as a reason why some countries are perceived as more attractive than others. According to one interviewee, “some countries are very much on the leading edge, as the UK and Germany”³², and therefore it is especially good to work there and then “bring back new knowledge and practices to Sweden”³³ (Firm-B-Sweden HR2, 2012). The experiences gained abroad in a new service area, were also perceived as beneficial for the home practice to show relevant experience to clients and to win projects in the specific area (Firm-B-Sweden HR2, 2012). Therefore, the importance of retaining the people who have been abroad was stressed (Firm-B-Sweden HR1, 2012).

Furthermore, the importance of learning about other cultures and working with people with different backgrounds was also mentioned as a reason why global cooperation matters (Firm-B-Sweden HR2, 2012).

4.1.1.2 *Efficiency and client demand*

According to one interviewee, a benefit of “having a large country like the US leading the network is that we can take advantage of their experience, so that we do not have to

³¹ Ibid.

³² The author’s free translation from Swedish.

³³ Ibid.

reinvent the wheel every time”³⁴ (Firm-B-Sweden HR2, 2012). Similarly, another interviewee added that “the US and the UK are really big hubs for our specialists in general, and in advisory they are ahead of things and certainly developing things that we can take use from” (Firm-B-Sweden HR3, 2012). Another interviewee said however: “we could probably be better at using our international networks than we actually are”, indicating that they are not utilizing the existing knowledge within the network as much as they could (Firm-B-Sweden P1, 2012). The same interviewee said that more international transfers could also facilitate the access to large global clients, as “global companies value international experience a lot” (Firm-B-Sweden P1, 2012), while for domestic clients, “it does not matter, because they do not understand the value of it” (Firm-B-Sweden P1, 2012).

4.1.1.3 Understanding local contexts

In general, when Company-B collaborates with other countries “it’s because the client is represented that way” (Firm-B-Sweden HR1, 2012) and because of the Nordic presence of many Swedish companies, firm B often cooperate with the other Nordic firms (Firm-B-Sweden P1, 2012). Another interviewee said that, “Swedish clients with operations abroad often appreciate if there is a Swedish person on the team, also when the project is taking place in another country”³⁵ (Firm-B-Sweden HR2, 2012).

4.1.1.4 Uneven demand of resources

One interviewee said, that a temporary lack of resources in the Swedish firm is mainly filled through cooperation within the Nordics (Firm-B-Sweden P1, 2012). When sending people to other countries, especially when it is long-term, the national firm has to “fill that gap with people from other countries” with a similar profile (Firm-B-Sweden P1, 2012) and sometimes they have to turn down requests from abroad because they have a “scarcity of resources” at home (Firm-B-Sweden HR1, 2012).

4.1.2 Enablers

4.1.2.1 Formal processes

Company-B has “a new global system, which makes it easier to take advantage of all the competences within the global network” (Firm-B-Sweden P1, 2012), which was

³⁴ Ibid.

³⁵ Ibid.

associated by the interviewees with better guidelines and process for mobility and global staffing (Firm-B-Sweden HR2, 2012). However, they also indicated areas of improvement and one interviewee said that they “still need to get structures in place”, how to divide costs and revenues between the firms in separate international projects, which they already have for longer international exchanges (Firm-B-Sweden P1, 2012). In contrast to the other Big Four companies, the HR-Managers in Company-B do not have regular conference calls to discuss availability of resources, since it is the Partners who are responsible for project staffing while HR is mainly responsible for the GMP (Firm-B-Sweden HR3, 2012). In Company-B development of systems and practices seems to be primarily driven by the bigger firms, such as the UK and the US (Firm-B-Sweden HR1, 2012). Nevertheless, an example one interviewee mentioned to describe the influence Sweden was a Swedish initiative, which spread globally (Firm-B-Sweden HR3, 2012).

4.1.2.2 Relationships

According to one interviewee, the database is mostly used for long-term transfers, while they “contact to people they know” for single projects (Firm-B-Sweden P1, 2012). Personal connections are perceived “the quickest and easiest way” and more secure since “you can rely on the advice” from people one knows and trusts (Firm-B-Sweden HR3, 2012). According to the description “people refer each other to people who could help” in the network, showing that one can reach the required expert even without directly knowing the person (Firm-B-Sweden P1, 2012). As stated by another interviewee “it is an investment to establish contacts in some particular countries” with certain expertise and it is perceived beneficial to have consultants from abroad working in Sweden because “you get a more international environment for the people working here” (Firm-B-Sweden HR3, 2012).

4.1.2.3 Firm culture

The Swedish Firm seems to get more support from both the UK and Germany than they can reciprocate, which is described as, “it’s definitely not on an equal basis” (Firm-B-Sweden P1, 2012). The interviewee added, “at some point, I would say quite soon, we must give them something back” (Firm-B-Sweden P1, 2012). However, Sweden’s contribution to the global network was described as “helping the firms in the Middle East to establish”³⁶ by providing training etc. (Firm-B-Sweden HR2, 2012). This

³⁶ Ibid.

interviewee also indicated that the Swedish firm is leading in some areas and generally has reputation of competence, so Germany and the UK also benefit from the cooperation (Firm-B-Sweden HR2, 2012). However, there are seemed to be a low interest in coming to Sweden, that one interviewee explained saying, “since we are small they might not always know what we have to offer”³⁷ (Firm-B-Sweden HR2, 2012).

4.1.3 Barriers

4.1.3.1 *Monetary obstacles*

4.1.3.1.1 National profit pools

As one interviewee explained, “because of the local partnership constructions, you look at you own P&L³⁸” and ask when receiving a request “what’s in it for us?” (Firm-B-Sweden P1, 2012). Especially in 2008, firms seemed to be concerned about their own profitability, which made it “very difficult to send people to the UK because they were letting their own people go” (Firm-B-Sweden HR3, 2012). The firms “negotiate before every project, concerning how much each country should get in terms of profits and who pays what share of the costs” (Firm-B-Sweden HR2, 2012).

4.1.3.1.2 Fee differences

One interviewee said that sometimes the higher fee rates in the UK are perceived as a problem for the Swedish firm and added that, “if we look at it the other way around; if we (Sweden) have people in UK they will be really cheap for them”, which could encourage transfer of people from Sweden to the UK (Firm-B-Sweden P1, 2012).

4.1.3.1.3 Opportunity costs

One interviewee said, “I think we could send much more people out and we could also bring more people in than we are today, and the business wants it”, but explained as a problem that consultants are “also needed at home”, which is often prioritized due to the stronger impact on the home firm’s profits (Firm-B-Sweden HR1, 2012). Accordingly, another interviewee concluded that Company-B might lack the right incentive system to encourage global staffing (Firm-B-Sweden P1, 2012).

³⁷ Ibid.

³⁸ Profit and loss

4.1.3.2 *Price sensitivity of clients*

This aspect was not emphasized by the interviewees in Company-B, but one interviewee indicated that Swedish clients are not ready to pay as much as UK clients.

4.1.3.3 *Cultural distance*

According to one interviewee, smaller domestic clients tend to perceive cultural differences as problematic and therefore prefer domestic consultants (Firm-B-Sweden P1, 2012). In this regard, one interviewee said that, “it’s very important that you’re prepared for the culture” of the destination country (Firm-B-Sweden HR3, 2012), and added that, “it’s also very, very important that we in Sweden are aware of our own culture, leadership style etc.” since “people who come to Sweden are often used to something completely different” (Firm-B-Sweden HR3, 2012).

4.1.3.4 *Language barriers*

One interviewee explained that, “in France, Germany and Spain, they often require that you’re fluent in their language and that might be a barrier” to international transfers (Firm-B-Sweden HR3, 2012). The same interviewee added that it is sometimes challenging when Sweden receives consultants who do not speak Swedish because some clients demand it (Firm-B-Sweden HR3, 2012). This is further illustrated in the following quote:

“If it’s a very Swedish company, for example in the public sector, they often say to us: ‘we do not want you to take anyone that do not’ speak Swedish and that does not know our culture. Do not take them here, we cannot work with them at all.’” (Firm-B-Sweden P1, 2012).

4.1.3.5 *Personal reasons*

Just as Company-A, Company-B stated that Juniors are mostly eager to go abroad while Senior are more requested, but often less interested in working abroad. One interviewee said, “most of us that have worked for quite a while are not that interested in travelling at all” and questioned, if people are “not at all interested themselves, why even bother at all to encourage them?” (Firm-B-Sweden P1, 2012). However, even senior consultants wanting to go abroad still seemed to be more common than clients requesting international consultants (Firm-B-Sweden P1, 2012).

4.2 Case Study C

4.2.1 Purpose

Company-C emphasised that their organisation is highly integrated and employees have opportunities to widen their horizons through international assignments³⁹, which one interviewee indicated saying that approximately 10% of their assignments are outside GSA⁴⁰ (Firm-C-Germany HR1, 2012).

4.2.1.1 *Learning and development*

The importance of learning and development was especially emphasized by HR-Managers in Company-C and learning of the individual consultant was stressed a bit more than the development of the firm.

4.2.1.2 *Efficiency and client demand*

One interviewee stressed that “the most important thing is the skill set” when consultants are chosen for projects, and for example if they “cannot find the right resource within Germany”, they would look abroad, starting with countries nearby (Firm-C-Germany HR1, 2012). The interviewee further mentioned “there are a few skills we cannot provide” in Germany, or the countries nearby, which could be for example a very specific IT skill, “and then we have to go to the countries like India or the US where they have deep, deep knowledge in special IT skills” (Firm-C-Germany HR1, 2012). Another interviewee said, “it matters a lot what types of projects you do, if you need international consultants or not”, and therefore some service areas have more international cooperation than others (Firm-C-Germany P1, 2012).

4.2.1.3 *Understanding of local contexts*

According to one interviewee, they more often request people because they want local consultants rather than a certain expertise (Firm-C-Germany HR1, 2012). The interviewee exemplified, if the Netherlands request German consultants this is “not especially the expertise, they usually have resources with the right expertise, but they request because the client has subsidiaries here and they would like to have local resources especially because of the language skills” (Firm-C-Germany HR1, 2012).

³⁹ The Big Four’s transparency reports are all in the reference list to ensure anonymity

⁴⁰ Germany, Switzerland and Austria

4.2.1.4 Uneven demand of resources

One interviewee stated, “in very big projects you need people from other countries” because of a lack of domestic resources (Firm-C-Germany HR1, 2012), while another interviewee indicated their positive attitude towards sending consultants abroad when they have few projects at home (Firm-C-Germany P1, 2012).

4.2.2 Enablers

4.2.2.1 Formal processes

In Company-C “all countries had their own system, only three years ago” and Partners were then responsible for project staffing, but now they have “a global system, which is better” and project staffing is mainly HR’s responsibility (Firm-C-Germany P1, 2012). However, the staffing is still not entirely global, instead there are “four sub areas”, for example EMEA (Firm-C-Germany P1, 2012). Also within EMEA there are smaller sub areas, among them Germany, Switzerland and Austria and the Nordics, and “most of the staffing is done within each sub area” (Firm-C-Germany P1, 2012). The interviewee further explained, “in the past when we had regional staffing, we didn’t need a database because we knew the 40 or 50 people” to choose from, but “when you are growing, then you need more systems because you cannot know 600 to 700 people in different sub areas, and what experiences they have” (Firm-C-Germany P1, 2012). Furthermore, “in consulting it’s more difficult to assess the competencies than in for example accounting” and therefore “you need more systems etc. in order to decide who to staff on a project” (Firm-C-Germany P1, 2012). The interviewee also explained that today the systems “only contain CVs and availability”, but speculated that it would maybe be more useful if the CVs were “linked to the annual ratings of the consultants” in the future (Firm-C-Germany P1, 2012).

Another interviewee indicated that Partners’ plans often contradict the staffing manager’s because Partners choose “people they know already” instead of looking in the systems (Firm-C-Germany HR1, 2012).

In Company-C, the staffing managers “have bi-weekly calls” where they discuss availability of resources in the different countries (Firm-C-Germany HR1, 2012).

4.2.2.2 Relationships

As in the other Big Four companies, networks and personal relationships are regarded very important in Company-C and is stressed as Partners preferred way of finding

international consultants. One interviewee said that Partners “usually pick people they know”, so a lot of staffing goes through personal networks, which sometimes contradicts HR’s planning (Firm-C-Germany HR1, 2012). The interviewee also said, “I’ve worked here for half a year now and I have met resource managers from 5 different countries, (...) and because I know them in person it’s much easier for me to contact them if I’m looking for special skills or resources in foreign countries” (Firm-C-Germany HR1, 2012). The interviewee furthermore explained that, “it’s better if you contact one person and ask explicitly, because otherwise if you write to a group you never hear back” (Firm-C-Germany HR1, 2012).

4.2.2.3 *Firm culture*

One interviewee expressed that “you want to help each other because you belong to the same company” and “we have the same goal within EMEA, so we have to help each other”, which is why they try to respond to requests from abroad (Firm-C-Germany P1, 2012).

4.2.3 *Barriers*

4.2.3.1 *Monetary obstacles*

4.2.3.1.1 *National profit pools*

Because Company-C has national profit pools, Partners seemed to prioritize their country’s profitability, which one interviewee explained with the following quote:

“We have plans to make revenues, and therefore we have to make sure that our people are on projects. So why should I care about other people from other countries, that they are on engagements?” (Firm-C-Germany P1, 2012)

The interviewee added, “profit sharing would probably make it easier to staff internationally” and “if the revenue targets would come more on EMIEA level, (...) centralized staffing would be easier” (Firm-C-Germany P1, 2012). Nevertheless, another interviewee explained the difficulty to improve global staffing even though they would like to since clients are not willing to pay more for international consultants (Firm-C-Germany HR1, 2012).

4.2.3.1.2 *Fee differences*

Fee rates differ across countries and require negotiations before every project on how to split profits, which according to one interviewee could be complicated and a hurdle to

international collaboration (Firm-C-Germany HR1, 2012). The interviewee exemplified by saying, “the fees are 10% higher in Switzerland than in Germany”, and “the UK is even more expensive, but not double the price” (Firm-C-Germany HR1, 2012). Different fee rates influence decisions about whom to cooperate with, according to the interviewees. One said that due to lower rates in for example Africa or Eastern Europe, they “normally do not get that much money back” if they send a consultant there, and therefore having the person on a German project seems preferable (Firm-C-Germany P1, 2012). On the other hand, “if we do not have so many projects in Germany, then I would get more money if the person would go to Eastern Europe or Africa, because if he would stay in Germany he would just sit in the office, but if I have jobs – why should I send him?” (Firm-C-Germany P1, 2012).

4.2.3.2 *Price sensitivity of clients*

One interviewee explained that in Company-C “you have to look at the price because the fees are not as high” as for strategy consultancies, adding that Company-C’s “clients do not want to pay travel costs”, and further clarified the situation by saying:

“One difference between a strategic consultancy and us is that they do not care about the price, they just run the perfect fit for the client and do not care where the resource is coming from, and we look really close to where the client is located, so first we check Germany, then Switzerland and Austria, and then everything that is nearby, but we would never check resources in the US because it’s horrendously expensive to bring them over with a flight and to book hotel and all that stuff” (Firm-C-Germany HR1, 2012).

The interviewee further explained that other firms also often request German consultants when their clients have German subsidiaries not due to a need for local knowledge, but rather to “save hotel and travel costs” (Firm-C-Germany HR1, 2012). For example if “a client in the Netherlands has subsidiaries in Germany, then usually one or two people from the Netherlands would come and work together with a German team”, because even though the expertise is present in the Netherlands, it would be “too expensive to send over a whole team to Germany” (Firm-C-Germany HR1, 2012).

Outsourcing was seen as another way of reducing costs and one interviewee said that they sometimes “outsource” tasks that can be done “without client contact” to India, but “the client wouldn’t get information about who is doing the presentation for example” (Firm-C-Germany P1, 2012).

4.2.3.3 *Cultural distance*

This aspect was not pointed out as an important barrier in Company-C.

4.2.3.4 *Language barriers*

Also in Company-C, language seemed to be a difficulty. One interviewee said, “if we take people outside the GSA⁴¹, then we have the language problem” and continued, “if we put consultants on projects in Germany who cannot speak German, then the client would ask why they have to pay so much money because we send them people who do not speak their language [...] it’s the same thing in France; if you cannot speak French, it’s a problem” (Firm-C-Germany P1, 2012).

4.2.3.5 *Personal reasons*

As in the other Big Four companies, Company-C also pointed out that Juniors are more interested to work abroad than Seniors.

4.3 Case Study D

According to one interviewee, there is at least some sort of international collaboration in 70-80% of the projects and cross-border staffing in about 30% of the projects in the consulting division in Firm-D Sweden (Firm-D-Sweden P1, 2012).

4.3.1 Purpose

4.3.1.1 *Learning and development*

As in the other companies, learning and development of the individual consultant and the firm as a whole were perceived important (Firm-D-Sweden HR1, 2012).

4.3.1.2 *Efficiency and client demand*

According to one interviewee, “the main purpose (of global staffing) is to be competitive and offer the client the best available resources, and not only the best available resources locally”, further explaining that the Swedish firm is dependent on the UK and Germany “to be relevant” (Firm-D-Sweden P1, 2012). The interviewee clarified by adding, “if we were to possess all the capabilities that were required in the projects, then we would have to be 400-500 persons, and that’s a too big risk to have that many in Sweden” (Firm-D-Sweden P1, 2012). The same interviewee said, “the larger

⁴¹ Germany, Switzerland, Austria

international companies, they just assume that you bring the best you have” (Firm-D-Sweden P1, 2012).

4.3.1.3 Understanding of local contexts

One interviewee stated that one of their objectives is “to be able to follow the clients to each new country they would like to operate in” (Firm-D-Sweden HR1, 2012). Another interviewee said that one of the reasons why they request international consultants is because they need local knowledge, adding that “sometimes the client can be quite specific and say that they expect that we put an international team on the ground” (Firm-D-Sweden P1, 2012).

4.3.1.4 Uneven demand of resource

One interviewee explained that the reason for global staffing is “primarily that we need expertise, but sometimes it could be that we’re completely sold out” and therefore need consultants from other countries (Firm-D-Sweden P1, 2012).

4.3.2 Enablers

4.3.2.1 Formal processes

As in the other Big Four companies, Company-D has a global CV-database and a network of HR-Managers to help Partners identify international consultants (Firm-D-Sweden P1, 2012). One interviewee explained, “the HR-Managers working with global mobility has monthly calls to discuss (...) for example open job positions” (Firm-D-Sweden HR1, 2012).

4.3.2.2 Relationships

In Company-D personal networks are considered important (Firm-D-Sweden HR1, 2012) and Partners often contact each other straight away when they need an international consultant (Firm-D-Sweden P1, 2012). According to one Partner, one benefit is that they tend to get a “stronger consultant” because they can specify what they need and other Partners “will direct you to one of the best and not someone who has been on the bench for a year”, further explaining that Partners do so “because they do not want to be ashamed of sending a bad consultant to Sweden, because it’s their brand” (Firm-D-Sweden P1, 2012). The Partner added that another benefit is that it is faster, “not because the HR-Managers are working slowly, but because if the UK-practice has 20 staffing requests, then of course the UK HR-Manager is prioritizing the internal staffing requests before a Swedish request” (Firm-D-Sweden P1, 2012). The Partner

explained that Sweden has most developed cooperation with the UK and Germany, and to some extent also the Netherlands (Firm-D-Sweden P1, 2012).

4.3.2.3 *Firm culture*

One interviewee started by saying, “most people try to think as ONE firm, and in the long run you will benefit from being a ‘good corporate citizen’ because then you will probably get support back if you’re supporting another country”, but continued, “it’s a beautiful thought, but sometimes the favours will not be returned” indicating that the network is not always working as intended (Firm-D-Sweden P1, 2012). Therefore, “you do not want to send the most skilled senior person away from your practice and do not have a leverage on that person, so if I send a senior manager I want to have at least one or two other consultants on the job as well” (Firm-D-Sweden P1, 2012). While “the UK understand that a Swedish consultant get much more responsibility at an early stage of their career” and that UK-consultants therefore can develop for example leadership skills when working in Sweden, Swedish consultants “might gain functional knowledge and know-how” in the UK (Firm-D-Sweden P1, 2012). The interviewee also explained that, “the UK always want to conquer new areas so they always try to support other countries’ business, and because they cannot grow as much as they want in the UK they need to go abroad to grow their business”, adding that the UK therefore “view Europe as their market” (Firm-D-Sweden P1, 2012).

4.3.3 *Barriers*

4.3.3.1 *Monetary obstacles*

One interviewee explained, “because of the Swedish P&L, if we have the absolute right resources locally, I prefer to take that one”, adding that when they take someone from abroad they take the cost into account if they “find two individuals with more or less the same experiences” (Firm-D-Sweden P1, 2012).

One interviewee explained, “before an international project starts a discussion takes place how to share costs and profit” (Firm-D-Sweden HR1, 2012). Because “it is time consuming” one interviewee indicated, “it prevents people from working across borders to some extent, because people tend to choose the path that is associated with the least resistance” (Firm-D-Sweden P1, 2012). The interviewee further explained that they “have an open agenda about harmonizing the rate charts”, adding that with “agreed rates” they “wouldn’t have to negotiate each time” (Firm-D-Sweden P1, 2012). The interviewee also said “we are working quite intensively with taking away the hurdles of

cross-border staffing because we see that as a potential threat for our continued growth” and added “these things are top priority within the network” because Company-D’s new leadership has been recruited externally from companies with more global operating models (Firm-D-Sweden P1, 2012).

According to one interviewee different fee rates are not always problematic, for example if Sweden pays the full rate for a UK-consultant, the difference will be equalled if UK pay the Swedish rate for a Swedish consultant but charge the client the UK rate (Firm-D-Sweden P1, 2012).

4.3.3.2 Price sensitivity of clients

According to one interviewee “clients are becoming much more skilled in procuring consultancy work” which “forces us to be even more value oriented” (Firm-D-Sweden P1, 2012). This implies that because of fee differences “it could sometimes be a little more attractive to find a person in Norway or Denmark instead of the UK” to be able to “offer a more competitive price to the client” (Firm-D-Sweden P1, 2012).

While one interviewee said that they are not trying to reduce costs by using consultants from low cost countries, since they “live on expertise” and send people across border “because of their knowledge” (Firm-D-Sweden HR1, 2012), another interviewee said that Company-D has delivery centres in India (Firm-D-Sweden P1, 2012). The interviewee added however, “we haven’t really started utilizing that opportunity to a full extent from a Swedish perspective” but said that the Americans are using it more because they see it as “a necessity to be competitive in the market” especially in IT projects (Firm-D-Sweden P1, 2012). To explain why outsourcing is not used more in Sweden the interviewee said “I guess people are not really familiar and comfortable with it” and they are not used to “formulate their requirements” precise enough to get valuable material back from India (Firm-D-Sweden P1, 2012).

4.3.3.3 Culture distance

One interviewee explained that difficulties sometimes arise because of cultural differences, giving the example that consultants typically work more in the UK than in Sweden and have less of a dialogue between Partner and consultant, making it important to talk about differences before people go abroad to avoid negative surprises (Firm-D-Sweden P1, 2012).

4.3.3.4 *Language barriers*

In Company-D it is perceived easier to send people to English-speaking countries and one interviewee said, “in France they really like French-speaking people, while Germany is a little more open to English” (Firm-D-Sweden P1, 2012). The interviewee furthermore explained that it can be problematic with English in southern Europe and that you therefore sometimes have to include a person in the team who speaks the local language (Firm-D-Sweden P1, 2012).

Also in Sweden clients sometimes demand Swedish-speaking consultants, especially clients in the public sector (Firm-D-Sweden P1, 2012).

4.3.3.5 *Personal reasons*

As in the other Big Four companies, Juniors in Company-D are very interested in working abroad, but as they need to be able to contribute to the receiving firm they usually need to work a couple of years before they can go abroad (Firm-D-Sweden HR1, 2012). The Seniors on the other hand are not always willing to work abroad and it therefore happens that the Swedish firms have to turn down requests from other firms (Firm-D-Sweden P1, 2012). The interviewee further explained that it becomes increasingly important to consider the consultants’ demands because “the younger generation has better formulated requirements on the employer” and are “trying to combine consulting with having a family, while 15 years ago people typically dropped out (to the industry) when they got families because they couldn’t combine it and the employer didn’t really bother” (Firm-D-Sweden P1, 2012). If people do not want to travel it is not good to “push too much, because you want to have motivated people on the project”, but the consultants have to understand that their development will be slower if they do not travel (Firm-D-Sweden P1, 2012).

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