

Integrating the AMO theory in developing the conceptual model of corporate management of legal firm in China

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Abstract

Purpose: This study intends to investigate the conceptual model of corporate management model of law firm in China by integrating it with the Ability-Motivation-Opportunity (AMO) Theory.

Design/methodology/approach: As this study only provide conceptual model of corporate management model of law firm in China, thus utilizing a case study approach within the law firm context in China, 4 informants were selected from law firms of different scale and management model, in order to gain a comprehensive understanding of the corporate management model of law firm.

Findings: The results demonstrate that ability management, motivation management, and opportunity management, which also are the core elements of the theory of AMO, form the primary components of conceptual model of corporate management model of law firm in China.

Research limitations/implications: Further studies could extend this study using a quantitative method approach, a larger sample size can be obtained through structured, objective, and measurable research methods to enhance the accuracy of this study.

Practical implications: This study conceptualized corporate management model of legal firm under the theory of AMO, the ultimate goal is to explore more feasible and universally applicable management model that can enhance the market competitiveness of Chinese law firms. By doing so, it aims to identify approaches that are not only practical but also adaptable, thus contributing to the overall improvement of the legal industry in China.

Originality/value: The research on law firm management in China is still in its early stages, and existing studies have primarily focused on examining various institutional developments within law firms. However, there is a lack of research that explores these topics based on mature theoretical frameworks, resulting in significant variations in the conceptualization and content of law firm corporate management. Therefore, this study utilizes the AMO theory to provide a more standardized framework for law firm corporate management, aiming to enhance its conceptual clarity and coherence.

Keywords: Management Model, AMO Management, Law Firm

Introduction

Since the reinstatement of the legal system in China in 1979, there has been a tremendous surge in the number of practicing attorneys. According to the Chinese ministry of justice, the number of practicing attorneys in China has increased from 8,330 in 1979 to 576,000 by 2022, with the formation of 36,500 law firms. This implies an astonishing growth rate of 62.7 times (Ministry of Justice P.R.C, 2022). Chinese legal firms have also acquired substantial reputation on the world level. Currently, six Chinese legal companies have places inside the top 10 law firms worldwide. Furthermore, the top 45 Chinese law firms combined made an astounding income of over \$14 billion, recording a spectacular 58% growth compared to the pre-pandemic year of 2018. Additionally, seven Chinese law companies have achieved seats in the Global 100 rankings, while 11 law firms have joined the renowned list of the world top 200 in 2022. These achievements demonstrate the rising significance and success of Chinese law firms in the global legal landscape (Shuchman, 2022). Although the tremendous successes have Chinese legal firms made, they confront immense competitive pressure owing to different internal and external causes. On one side, the entrance of international legal firms has exacerbated rivalry with Chinese enterprises. Foreign law firms frequently exhibit a higher degree of internationalization and are more experienced in addressing foreign legal concerns for customers in the Chinese legal services industry. They have established worldwide networks, experience in international law, and familiarity with cross-border transactions, which might provide them an advantage in acquiring customers with international legal needs (popularization, 2021). On the other hand, the landscape of legal service providers has gotten more varied. Big Four worldwide accounting firms have started developing autonomous legal departments, delivering full services that include financial, legal, and consulting knowledge for organisations (Billy et al., 2021). The advancement of AI, especially complex language models like ChatGPT, has the potential to affect several businesses, including the legal industry. While AI technology can automate certain duties and procedures traditionally handled by attorneys and executives, it is crucial to stress that it is unlikely to totally replace human experts in these areas (Briggs, 2023).

Starting from the 1990s, China, adopting the practices of foreign partnership law firms, adopted the "Regulations on the Administration of Partnership Law Firms." These provided the groundwork for the development of partnership law firms in China. Partnership law companies are legally constituted lawyer practices in which partners jointly contribute money, engage in management, share earnings, and incur risks according to the partnership agreement (Ministry of Justice P.R.C, 2022).

The essence of the conventional management model, which is built on the partnership structure and applied in the long term, comprises two characteristics. Firstly, it entails the acknowledgment of the partnership notion, including the social position of attorneys, the understanding of teamwork and altruism, and the connection with the purpose, vision, and goals of the law business. Secondly, partners give resources to the partnership, including their market resources, human resources, and social capital resources, which are then turned into the law firm's market resources, human resources, and social capital resources. In addition to this, the legal firm's organizational capital resources are also part of the total resources of the law firm. Furthermore, partners are the backbone of the legal practise. They function as both investors and managers, as well as producers. They not only oversee but also are subject to supervision inside the legal firm (Zhong, 2022). From the present practical scenario, it is apparent that the classic management model has grown more inadequate for the current evolution of the legal industry (Louise, 2010; Rider & David, 2015). Most partnership law firms operate under a flexible management structure, where crucial concerns such as partner income allocation, admission, and withdrawal are chosen by the partners. Within the teams,

decisions about company acquisition, hiring of attorneys and legal assistants, and pay agreements are made independently by team partners. There is a loose interaction between teams and the legal firm, as well as among various teams. These variables offer numerous hurdles to the overall development of legal firms (Zhu, 2017). One of the primary reasons against the partnership management model is that the increasingly competitive corporate climate demands executive leadership with a defined decision-making structure and chain of command, rather than depending on consensus-based decision-making. This argument argues that the partnership model, which provides the organizational basis for many legal firms, is poised to be changed in the future decade (Rasmussen, 2007).

The flotation of Goldman Sachs in 1998 was definitely a big event in the investment banking business. It signalled a change from the usual partnership model that had been prominent in the business for many years. The decision of Goldman Sachs to go public signified a transition in the sector towards a more corporate and shareholder-driven structure (Greenwood et al., 2007). Recent tendency among accounting companies to split and incorporate their non-audit businesses. This trend has led to a considerable number of the leading accounting firms adopting a corporate form, either as privately held or publicly traded corporations (Greenwood & Empson, 2003). Although there are no law firms incorporated as companies yet due to legal constraints, in recent years, the management model of legal firms has steadily been separated into conventional management model and corporate management model's. Researches demonstrate that corporate management model in law firms refers to the formation of a full set of rules and regulations within the law firm, without affecting its partnership organizational structure. This form of management tries to combine resource allocation, division of work, and team integration inside the legal business. Law firms can also function similar to businesses, using a methodical strategy from market growth and business acquisition to service delivery and client relationship management, allowing for effective division of labour (Zhu, 2017). Before the 1970s, general partnership law firms, where all partners had unlimited joint responsibility, dominated the legal scene. However, in the 1970s, the United States experienced the creation of limited liability organisations with legal identity as law firms. Subsequently, limited liability partnership law companies also formed, bringing corporate management principles into law firm operations. The combination of partnership structure with corporate management became a widely recognised management model for law firms across the world. Chinese law firms are more prepared to try new ideas and might 'become the most advanced legal market in the world eventually (Bibi et al., 2020). In established cities in China such as Beijing, Shanghai, and Guangzhou, many legal firms have started investigating and adopting corporate management processes, and have garnered considerable expertise. For example, legal firms like JunHe and King & Wood Mallesons have implemented a management committee structure recognised by the partners' meeting as a permanent entity responsible for law firm management, comparable to the shareholder meeting and board of directors in a corporation. They have built a relatively fair and unambiguous institutionalized decision-making approach. In terms of money, JunHe has created a single accounting system for overall income and costs, comparable to corporate standards. In terms of business management, they have broken down departmental and regional divides, adopting unified administration of staff, money, and resources inside the legal firm (Wu, 2007; Zhou, 2010). Both JunHe and King & Wood Mallesons exhibit many elements of modern corporate management (Li & Qiu, 2009). Existing research has mostly focused on the theoretical underpinnings and legal basis of creating law firms with corporate management models, the importance of corporate management models in law firms, and the specific architecture of corporate management models. As a result, there is currently no comprehensive understanding of the concept and particular institutionalization of corporate management models in law firms. (Li & Qiu, 2009; Rasmussen, 2007; Zhu, 2017).

Some study even shows that the corporate management model in law firms cannot be attained, arguing that the limitless responsibility of the partners helps guarantee that the public is exposed to the best service and ethical standards. Partnership is widely recognised as the ideal form of governance for professional service organisations due to its capacity to successfully reassure clients, encourage professionals, and satisfy shareholders (Dirsmith et al., 2009; Fama & Jensen, 1983; Levin & Tadelis, 2002). Shafer et al. (2002) claimed that the tendency towards incorporation in the field of public accounting might potentially have an adverse influence on the professionalism and ethics of accountants. This research intends to explore the attitudes of attorneys from law firms with different management model about partnership and corporation management model. The theoretical and empirical data offered in this work will provide significant insights for both academics and practitioners in selecting the ideal management model for law companies. The study focuses on acquiring insights into the corporation management model of legal businesses and conceiving them within an integrated framework utilising the idea of AMO (Ability, Management, Opportunity). The practical ramifications of this study include offering advice to legal firm partners to increase their grasp of corporate management of legal firm. The study comprises a review of relevant literature, followed by qualitative data analysis and discussion. Finally, the study will highlight the implications of the findings, analyse limitations, and provide recommendations for further research.

Literature Review

Corporate Management Model

Many partners or high-level managers of law firms have realised the multiple disadvantages of old management model and the significance of enhancing management of law company. As a result, they have introduced the notion of corporate management. However, there is no scientific or unified knowledge of company management model (Xu, 2015). Some academics argue that corporation management model relates to the adoption of contemporary corporate governance model by law firms, but partners remain to carry limitless liability in compliance with legal requirements. Under a complete set of rules and regulations, a decentralized governance structure is formed, comprising of decision-making, executive and supervisory (Desai, 2009). Scientific and orderly management is executed, with internal specialization, cooperation, and unified allocation of people and social resources, with an emphasis on increasing core competitiveness in the management system (Qiu, 2009). Some research also stress that the essence of corporate management is integrated management (Bagley, 2010; Elizabeth, 1996; Tang, 2007). Zhu (2017) claimed that corporate management is regarded as a sort of integrated management inside a partnership-based legal practise, without modifying its organizational structure. It focuses on a point-based allocation method and draws upon the internal management paradigm of modern businesses. The legal firm sets a complete set of rules and regulations to ease resource allocation, division of work, cooperation, and team integration. The essential aspect of the corporate management model resides in its integrated management approach. The linked institutional design largely focuses on the 3 aspects: the transformation of the allocation system, replacing the incentive-based system with performance evaluation and assessment, wherein performance is not only decided by income level. This strategy aims to preserve the unity of the legal profession while simultaneously acknowledging the different contributions of attorneys to law firms, thereby fostering the proactive growth of lawyers and allowing them to fully exploit their particular abilities. The revolution rests in the work system, changing from team-based operations to project-based team models. This permits the development of separate project teams and the deployment of varied resources to fulfil the unique demands and requirements of different customers and projects. Consequently, attorneys

can dive deeper into their particular areas of competence, matching with the rising specialised needs of the legal industry's division of labour. Furthermore, there is a transition in the management structure, wherein unified management replaces team-based management. The lawyer grading system provides a clear professional growth route for attorneys, and the rating of lawyers is based on objective criteria and a rigorous assessment methodology. Sun (2015) argued that corporate management model of legal firm can be comprehended from four dimensions: internal interactions, management mechanisms, allocation mechanisms, and business operation models. Internal management refers to the corporate-like management of law firm activities. In terms of management methods, decision-making authority inside the legal firm is jointly defined by the partners, and a lawyer promotion ladder structure is developed. The allocation method blends partner performance-based incentives with a wage structure for general lawyers. The business operating model is defined by professional teamwork, resource distribution within the law firm based on service prices, and the provision of comprehensive, specialized, and refined services to customers. Some researchers stress that efficient management of law firms should establish a balance between their commercial and social features which is evident in the managing of internal and external connections. Externally, small and medium-sized law firms should actively discover and form their own advantages, have a proactive attitude in activities like as marketing, business evaluation, and public welfare, and aggressively extend the types and extent of their services while boosting professionalism. Internally, small and medium-sized legal firms should have tight entrance and training standards to assure the fundamental competence of practicing lawyers. They should also strengthen internal decision-making, assessment, quality control, and other mechanisms to assure service quality (Liyuan, 2010).

Every viewpoint has its benefits and downsides, research on corporate management model of legal business also recognizes its bad features. From a commercial standpoint, several studies imply that corporate management can constrain the independence of attorneys to pursue their own economic interests (Gorman & Kmec, 2009; Nabijanovich, 2021). Some attorneys may not be interested in or talented in the areas of business given to them by firm, resulting to attrition of lawyer. Experienced lawyers may choose solo practice, avoiding the limits of regular working hours and sophisticated management systems. This hampers the widespread adoption of institutionalized management in the legal business. From an allocation aspect, corporatization management of law firms necessitates the construction of a new assessment system for attorneys, moving away from the previous revenue-based evaluation system (Gilson & Mnookin, 1984). Re-evaluation means that when company partners have to contribute a share of their income to management partners, it invariably confronts resistance from partners. Additionally, there are obstacles in measuring full evaluations of managers and lawyers. Furthermore, corporatization management entails law firms taking on the expenditures of administrative, human resources and finance departments, as well as recruiting and staff training expenses. The rising expenditures result in a drop in the net profits that attorneys may obtain (Fama & Jensen, 1983; Levin & Tadelis, 2002; Qiu, 2009).

To sum up, there is no unified understanding of the current study of corporatization management of law firm, especially the main contents of corporatization management are mainly from the actual work of personal understanding, there is not an effective theory to support it, leading to the misunderstanding of conceptual framework in practical work (Qiu, 2009; Susan & Larry, 1988; Zhu, 2017).

AMO theory and Ability Management, Motivation Management, Opportunity Management

Although there is no clear opinion in the literature about the corporatization management of law firms, after reviewing and synthesizing numerous perspectives, the majority of researchers

believe that enhancing law firm performance should be the objective of corporatization management. The ways to attain this aim largely focus on three aspects: the business level, performance allocation level, and organizational structure level.

The original thesis of the Ability-Motivation-Opportunity (AMO) theory by Bailey says that in order to elicit discretionary effort from employees, they need to possess appropriate abilities, be given with acceptable incentives, and be afforded opportunities to participate (Eileen et al., 2000). The initial "A" signifies the aptitude of workers in achieving duties. Aptitude refers to the competence acquired by personnel to successfully carry out specified activities. Every sort of task needs participants to possess unique aptitudes, which considerably effect job efficiency (Jongwook & Seongsu, 2018). Secondly, the letter "M" signifies the motivation demonstrated by employees. Motivation covers a psychological drive that serves to excite and sustain an organism's activity, leading it towards a certain objective (Gregor & Scott, 1988). Thirdly, the letter "O" indicates the opportunity offered to employees in achieving their task. Within the scope of the AMO theory, opportunity is seen as an external component largely connected with workers' engagement in the decision-making processes of the business (Eileen et al., 2000). The AMO theory has attracted substantial attention from researchers owing to its comprehensive character and its ability to give a clear approach (Amabile, 1988; Elidemir et al., 2020; Fiona et al., 2021; Paul et al., 2005). As a key indicator of organizational performance, it is widely adopted as a benchmark to measure the efficacy of a system in terms of market-based profitability. Empirical investigations done among HR managers and employees in hotel companies throughout all areas of Croatia reveal that the major HRM activities, anchored in the AMO theory, considerably contribute to the financial success of hotel firms (Ružić, 2015). Similar studies also include measurements like as profit, sales growth, market share, and other relevant criteria as assessment metrics (Johngseok & Lawler, 2000; Mello, 2014; Montemayor, 1996).

Ability Management

Ability management procedures are applied to guarantee that personnel have the essential skills and credentials. These practices comprise a number of tactics, including thorough recruitment approaches, tough selection procedures, and substantial training programs (Min & Huang, 2021). Ability management approaches typically focus on two dimensions: training and procedures aimed at growing and nurturing workers' new skills. The relevance of training in strengthening the execution of human resources procedures is generally recognized and appreciated. Numerous writers have stressed the necessity of continual and systematic training in human resources practices (Paauwe & Boselie, 2005; Rebecca & Wright, 2010). Furthermore, the recruiting and selection process comprises attracting and picking individuals that correspond with the desired profile and organizational objectives. When there is a solid fit between the individual and the work, it boosts individuals' talents by aligning them with the organization's aims and goals. This congruence supports the organization's techniques and objectives, leading to better effectiveness and performance (Schirin, 2014).

Motivation Management

Motivation management strategies are employed to enhance employee motivation. Common techniques in this area include developmental performance management, competitive incentive and reward programs, comprehensive benefits, career development efforts, and job security measures (Min & Huang, 2021). Motivation may be split into two primary types: extrinsic and intrinsic. Extrinsic motivation is tied to external variables, such as money rewards or tangible advantages, which might motivate individuals to prioritize short-term gains. On the other side,

intrinsic motivation derives from an individual's own interests, values, and internal gratification obtained from participation in a task or activity (Schirin, 2014).

Opportunity management

Opportunity management methods are aimed to enable individuals to leverage their abilities and motivation to contribute to the attainment of company objectives. These approaches, including flexible job design, work teams, employee participation, and information sharing, are routinely implemented to give employees with such opportunities (Min & Huang, 2021). Employees' participation chances comprise two primary dimensions: involvement in decision-making processes and internal career opportunities. These elements are vital for firms to boost employee engagement and assist their professional growth and development (Boon et al., 2014). Facilitating efficient conversation and communication across hierarchical levels and creating robust internal knowledge-sharing platforms are vital for firms (Minbaeva, 2013). Moreover, the boundaryless professional attitude has extended individuals' view on defining career success (Boehm et al., 2019; Heslin, 2005).

In summary, deconstructing law firm management through the utilization of the AMO theory contributes to a better understanding and utilization by law firm partners or high-level managers (Fu et al., 2019).

Hypothesis Development

According to the literature, corporate management model of law firm in China is an integrated management system that assists law firms reach its strategic goals. Although there is no unified understanding of the current study of corporatization management model of law firms, relevant studies show that most organizations' management systems focus on decomposing the organization's development goals into the three dimensions of capability, motivation, and opportunity, and then achieving them by developing specific human resources management policies and practices (Qiu, 2009; Susan & Larry, 1988; Zhu, 2017).

Therefore, the hypothesis of conceptual framework provided in this paper posits that capacity management, motivation management, and opportunity management combined comprise the key parts of corporate management of law firms in China.

Methods

This subject is well-suited for qualitative techniques, especially in the context of an exploratory case study. Interview gives benefits that quantitative research approaches may not offer, particularly when exploring the underlying mechanisms and causes behind a series of events (John, 2017). The most widely utilised approach is theme analysis for examining data from interviews. Thematic analysis is a method for detecting, evaluating and reporting patterns/themes inside a data. It minimally organizes and explains data in high detail. However, frequently it goes farther than this, and interprets numerous parts of the study issue, it provides for freedom in the researchers' choice of theoretical framework. The principal analytical technique contains 4 parts, producing initial codes, then finding for themes, defining and labelling themes. Finally, analyse data as a report (Braun & Clarke, 2006).

Cases are not only picked for the purposes of interview but also, most crucially, locate the 'right persons' to study for the sake of comparison in the analysis (Brannen, 2017). In order to explore the law firm's management mode and other topics which top manager of law firm actual worry and interested, the interview was done with four top partners or high-level managers from law firms of diverse management mode, the respondents were identified as A, B, C, and D. For A and C, the interviews were carried out online, for B and D, the interviews were carried out in their own offices, the duration of each interview was roughly 1 hour to 1.5

hours. The interview procedure is a qualitative data collecting approach in which the researcher conducts interviews with participants to gain information from them.

Findings

All informants believe that the law firm's management model, has a fundamental aspect of the competitiveness of law firm. Although there are differing opinions among the interviewees regarding law firm corporate management and traditional partnership management, for example, some interviewees believe that under the corporate management model, lawyers derive benefits from basic salary guarantees and stable case resources, which provide them with a sense of security to engage in business research. This fosters their professional development and encourages innovative problem-solving. However, law firms with a strict bureaucratic hierarchy may display a lower inclination towards lower work efficiency. On the other hand, they may be more likely to receive institutional support and recognition for their achievements. Some informants consider law firms of traditional management model often have a high degree of autonomy, they may receive limited institutional support and face challenges in improving their competitiveness. all informants believe that an appropriate corporation management model must promote the collective development of the law firm, enhance the professional capabilities of the firm's members, provide effective incentives for all members and foster the active participation of all members in the firm's growth. Based on the findings from the case study through the interview approach, 3 main thematic were developed, namely (1) recognition of corporation management model and traditional management model of law firm (1) ability management (2) motivation management (3) opportunity management.

Theme 1: Recognition of corporation management model and traditional management model of law firm

Informant A is the original partner of a corporate management mode law company created in 2001, which has a well-developed corporate management scheme. Informant A feels that the corporate management model is the future trend for all law firms. The allocation mechanism emphasizes that after deducting operational costs from the firm's revenue, a portion is allocated as the firm's public reserves, the rest is allocated as annual profits, the distribution among senior and junior partners is based on scores in terms of performance, management, and seniority. Regular attorneys, on the other hand, earn fixed wages with the option of collecting bonus payments for achieving set performance criteria at the end of the year. The promotion system advises to categorise attorneys into distinct categories and execute hierarchical management, where lawyers may request for promotion only after completing the yearly evaluation. The training mechanism offers a complete training system that includes onboarding training, partner supervision training, and periodic business training. These 3 processes can make attorneys feel at ease to carry out professional study, which is beneficial to their advancement in the lawyer's execution, and eager to seek new approaches to address difficulties.

Informant B is a senior partner at a boutique legal firm formed in 2015, which focuses entirely on high-end commercial disputes. He feels that the organizational structure of a legal firm has a vital influence in its development. In classic partnership law companies, the management is generally lax, essentially providing office space for lawyers, with minimal attention on increasing and handling business for them. These companies seldom give support to partners or associate lawyers in company growth and management. The distribution method in conventional legal firms is typically straightforward, adopting a "high allocation, low accumulation" strategy that prevents fund accumulation, hence hindering scaling up of law firm and their own cultural growth. However, law firms with an integrated corporate management model can form a specialised management committee to address the limits of

single-director law firm management. Furthermore, they encourage professional division of labour and stimulate corporate cooperation, reducing attorneys' fears about inadequate workload. Lastly, corporate law firms employ a "low distribution, high accumulation" strategy to remuneration. Partners and attorneys earn salaries, social security benefits, and end-of-year bonuses or cash depending on their efforts. This relative justice in salary helps legal firm personnel to have loyalty with law company.

Informant C is the lone partner from legal firm which operated in conventional management approach founded in 2018. C has different opinion on law firm corporation management model of law firm, as he holds the view that there is no best management model fits all law firms, rather, each firm should choose a management model that suits its own partner structure, professional development direction, values and gradually improve it over time. The corporate management model maybe better ideal for medium to large-sized law firms with over 50 members or for companies that have developed branch offices on a national or worldwide scale. However, for tiny start-up enterprises or organisations exclusively focused on litigation, the intricacy of their company makes the traditional management approach more suited. Under this model, 60% to 80% of attorneys' business revenue belongs to the lawyers themselves, with no fees or taxes borne by the lawyers save for personal income tax. The expenditures for different social security payments by attorneys are paid from their own company earnings. The commission-based system is straightforward to manage, with fewer complex interpersonal interactions, rapid results and the capacity to motivate attorneys to handle more cases and produce more cash. Furthermore, the fundamental reasons why attorneys, who often possess autonomous and free-thinking personalities, select the legal profession are founded in their intrinsic professional traits. Corporate management includes tight management practises, such as defined working hours, which may produce unhappiness among partners and even lead to prospective competitors if they choose to quit.

Informant D is a senior partner of a large-scale comprehensive legal practise directly invested and run by its headquarters with corporate and integrated management formed in 2015. D feels that scaling will be the ultimate objective for all significant law firms, corporation is an essential method to accomplish expansion of firm-scale. Corporation management model initially develops a sense of shared destiny among all members through ownership rights. It demands the deployment of matching management structures and systems. By building a reasonable structure for decision-making, execution, and monitor, allowing each one to perform their obligations. This helps bridge the gap between partners and attorneys in terms of integrating management and operations, allowing lawyers to focus on their individual areas of competence and managers to focus on effective administration.

Theme 2: Ability management

All respondents indicated that controlling the competencies of law firm members is vital. Informant A, B, and D revealed that they had built a complete structure centred on controlling the talents of law firm personnel, from recruiting to training. Lawyers are the primary recruiters for law firms under corporate management model, considering the firm's reputation, the recruiting process provides tight considerations on the education, experience, competencies, and professional ethics of lawyers. After the recruiting process, a rotation management system is developed for attorneys, where different partners give advice in various job activities. Upon conclusion of the trial time, lawyers are assigned to certain departments based on their performance during the assistantship and their respective capabilities in specific areas. Subsequent training is separated into business-oriented and comprehensive quality-oriented training. Through internal sharing inside the legal firm and external salons, the purpose is to strengthen the inventive spirit and team awareness of practicing attorneys and uncover their

professional possibilities. Furthermore, in the corporate management model, excellent logistical assistance allows for knowledge management and exchange of internal information inside the legal firm, thus increasing the talents of attorneys. Informant C offered input that under the conventional management paradigm, lawyer training generally relies on partners imparting information and skills, however, each partner's experience and specialty differ, thus a lawyer's abilities primarily depend on their overall characteristics and self-development.

Theme 3: Motivation management

In the context of law firms, motivation management primarily focuses on compensation allocation. Informant A states that in law firm under corporation management model, it is necessary to establish a new evaluation system for lawyers, departing from the traditional revenue-based evaluation system. However, creating a fair evaluation system that is widely accepted poses a challenge. Informant B suggests that compensation allocation must be integrated for corporation management model. Firstly, the allocation is collectively determined by the law firm. Secondly, the established criteria are standardized, subject to adjustments based on actual circumstances. Informant C mentions that under the traditional management model, after deducting the proportion of income to be retained by the law firm, lawyers are free to allocate the remaining earnings as they see fit. This "eat what you earn" principle allows lawyers expand their sources of cases based on their preferences. To a certain extent, a commission-based system is considered the most equitable, rewarding those who work harder. Informant D believes that although the commission-based system has been a long-standing tradition in law firm, it is considered a hindrance to the development and growth of Chinese law firms. It promotes individualism among lawyers, which hinders the training of new lawyers and cooperation among lawyers. It lacks a sense of belonging to the law firm, resulting in frequent turnover and loose management.

Theme 4: Opportunity management

All informants agree that law firms need to establish unified values and development strategies. Conflicts among partners regarding the firm's development philosophy, strategic direction or allocation mechanisms can hinder the firm's growth. Informant A suggests that involving law firm members in the firm's management can enhance their identification with the firm's values. Informant B believes that a flat management structure and providing opportunities for dialogue across organizational hierarchies can facilitate employee involvement. Informant C acknowledges that partner participation in management is expected, but involving general lawyers in management may result in a lack of focus. Informant D points out that as a nationwide law firm with branch offices, conflicts and differences among partners and lawyers are inevitable. However, building a strong law firm culture can unite partners and lawyers, enhance firm identification and belongingness, attract more talent, and ultimately enhance the firm's overall reputation and brand. Significant efforts are required in law firm culture building, such as establishing firm publications, organizing regular team-building activities, hosting annual parties to lead members feel opportunity to be high level managers of the firm, thus enhance the firm's cohesion.

Discussion and Conclusion

This study conducts semi-structured interviews with relevant partners from law firms under different management models to explore the differences between corporatized management and traditional management. The aim is to examine the key elements of corporatized management in law firms. Corporation management model is considered an effective means for law firms to grow, compete internationally and enhance their competitiveness(Dirsmith et

al., 2009; Fama & Jensen, 1983; Qiu, 2009). The interviews revealed that law firms at different stages of development and with different core business scope may not all be suitable for adopting corporation management model.

The purpose of ability management is to facilitate employees in enhancing their skills and potential, and to effectively utilize their improved abilities, ultimately contributing to the alignment of corporate strategic development and economic benefits. The competitiveness of firms relies on the capabilities demonstrated by their employees (Fu et al., 2013). The informants believe that regardless of the management model, it is essential to enhance lawyers' professional capabilities. Overall, the training system under the corporatized management model is more comprehensive and extensive. The goal is to transform law school graduates into skilled and competent lawyers. Law firms must allocate substantial resources for continuous professional training to ensure that recruited talent can be effectively utilized. Specific methods include regular training sessions led by senior partners and lawyers, establishing a system for discussing complex cases, inviting experts, scholars, and government officials to teach practical problem-solving methods, sending lawyers to attend lectures and seminars organized by industry associations and organizations, and establishing a scholarship system to incentivize lawyers to actively apply for and participate in various professional learning and training opportunities. Additionally, knowledge management within the law firm is implemented to improve the quality of legal services and work efficiency. It involves collecting and organizing lawyers' knowledge and skills, establishing a reasonable knowledge framework for each application scenario, reorganizing existing content according to the corresponding framework, and disseminating and reusing this knowledge and skills. For a law firm to achieve long-term development and gain a leading position in the market competition, it must prioritize knowledge management. This entails a series of processes such as knowledge sharing, extraction, preservation, evaluation, and reuse to realize the value of knowledge management. In contrast, under the traditional management model, the training system for lawyers is relatively singular and lacks a systematic approach. Lawyers' income is directly tied to the quantity and size of their individual case sources. This often leads many lawyers to solely pursue maximizing economic benefits, resulting in a lack of collaboration in handling legal matters and a lack of time and energy for sharing experiences and providing training opportunities.

Motivation can be broadly categorized into two primary types: extrinsic and intrinsic. Extrinsic motivation is driven by external factors, such as economic rewards or recognition, which can often lead individuals to prioritize short-term gains. On the other hand, intrinsic motivation stems from an individual's own interests, values, and internal satisfaction. It is characterized by finding enjoyment and fulfillment in the work itself, rather than relying solely on external rewards (Schirin, 2014). In contrast, law firm under the corporation management model, special funds are established for the firm's general affairs. After deducting various costs and other specific funds, the remaining income is attributed to the partners' bonus accumulation fund. Evaluations of partners are conducted semi-annually or annually based on their contributions in terms of human capital, social capital, and material capital. The aim is to shift the focus from individual lawyers developing their own business and controlling their own income to law firms operating as a team, with the firm collecting fees and paying salaries to lawyers. The key lies in establishing a fair and reasonable compensation system.

Opportunity management plays a pivotal role in promoting employee engagement and fostering innovation within an organization. By effectively managing opportunities, organizations can empower employees with a sense of ownership, stimulate their creativity, and provide them with a platform to showcase their innovative ideas (Min & Huang, 2021). Under the traditional management model, law firms operate under a managing partner system, where the managing

partner serves as the legal representative of the firm and exercises management authority within the scope defined by the firm's partnership agreement and bylaws. The managing partner holds the responsibility for managing the law firm. However, it is important to note that the managing partner is first and foremost a lawyer. As lawyers are known to have demanding workloads, the internal management tasks of the law firm require a significant amount of time and effort, inevitably conflicting with the lawyer's own business development and client work. This often leads to high turnover within the law firm, which is detrimental to its growth and development. In some cases, the departure of a key lawyer can even disrupt ongoing cases, keeping the law firm in a perpetual state of small-scale operations.

Theoretical Implications

As for theoretical implication, although most of the existing studies use theory of AMO to test the relation between HPWS and organizational performance such as financial performance and operational outcomes, however, there is no study using the theory to study the corporate management model of law firm. In summary, deconstructing law firm management through the utilization of the AMO theory contributes to a better understanding and utilization by law firm partners or high-level managers(Fu et al., 2019).

Practical and Social Implications

There is no unified concept or standard for corporation management model. Therefore, it is of practical significance to scientifically summarize the practices of corporation management model of law firm. This article constructs an ideal model of corporatized management based on the AMO theory, providing clearer suggestions for partners or senior managers in Chinese law firms regarding the construction of such a model. However, it is important to note that this research does not provide specific reform plans for how a particular law firm should implement corporatized management. Therefore, while this study offers guiding insights for the corporatized management of law firms in China, it may not directly apply to the specific circumstances of a particular firm.

Limitations and Suggestions for Future Research

Further studies could be dedicated to extending this research by employing quantitative methods. Quantitative research involves using statistical analysis and modelling techniques to measure social phenomena, gather objective data, and aim for more precise discovery and summarization of social patterns and explanatory factors. Through quantitative research, the goal is to provide scientific guidance for social practices(John, 2017). In addition, future studies can incorporate variables such as innovative behaviour and loyalty, which are more relevant to practical work, in identifying the impact of corporatized management on the competitiveness of law firms. By doing so, it would be possible to further strengthen the conclusions obtained in this study and promote the implementation of corporatized management in law firms.

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