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Executive remuneration consultancy in the UK: exploring a professional project through the lens of institutional work

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Abstract

This article responds to recent calls to examine the development of professionalism through the lens of institutional theory. We investigate the development of the new professional service of executive remuneration consultancy (ERC) in the UK through the lens of institutional work. Specifically, drawing upon Lawrence and Suddaby (2006) and Suddaby and Viale (2011), we explore the relationship between macro-scale occupational/organizational and micro-scale individual-level dynamics of the ERC professional project and situate its development in relation to the broader field of executive remuneration practices. We show that the institutional work of creating the new professional project is contested and that the ERC development may be better understood as part of broader efforts to create and maintain the institution of executive pay-setting practices. We argue that the institutional work lens has the potential to produce a more nuanced understanding of the internal dynamics of the ERC professionalization process and its role in reconfiguring broader institutional arrangements. By exploring the analytical purchase of the concept of institutional work, the article contributes to the emerging body of empirical evidence outlining the potential of (neo-) institutional approaches to offer a more productive understanding of contemporary professionalism.

KEYWORDS: professional project; institutional work; executive remuneration consultants; professionalization; emerging professions; neo-institutional theory.

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INTRODUCTION

Recent changes in the organization of professional work (see Muzio, Ackroyd, and Chanlat 2008) have inspired a resurgence of interest in the study of new, knowledge-intensive professional occupations,¹ particularly those emerging within large professional service organizations, for example, management consulting, HR, project management, executive search, and so on (Clarke 2000; Fincham 2006; Groß and Kieser 2006; McKenna 2006; Morris et al. 2006; Hodgson 2008; Beaverstock, Hall, and Faulconbridge 2010; Kipping 2011; Muzio et al. 2011). Although existing research offers valuable insights into new patterns of professionalism it tends to assess the ‘success’ of new professional projects against ‘traditional’ liberal professions and typically concludes new professional projects to be ‘weak’ or ‘failed’ (see Muzio, Kirkpatrick, and Kipping 2011). Muzio, Brock, and Suddaby (2013: 703) have argued that such analysis, underpinned by sociology of the professions approaches, lacks theoretical dynamism, and the capacity to account for the development of new professional occupations; instead they have called for the application of a neo-institutional lens to explore these processes. Following this call, this article aims to strengthen the empirical foundations of the institutionalist approach to professionalism (Leicht and Fennell 2008; Scott 2008; Suddaby and Viale 2011; Muzio, Brock, and Suddaby 2013) by offering an exploratory analysis of the development of the new professional service of executive remuneration consultancy (ERC) in the UK through the lens of institutional work.

Recent studies that explore professions through the institutional work lens have offered interesting insights into how traditional professions engage in the work of institutional maintenance in order to preserve or repair their professional power (e.g. Currie et al. 2012; Micelotta and Washington 2013), how professional organizations reconfigure institutional fields (e.g. Kipping and Kirkpatrick 2013) and how professionals shape organizational processes (e.g. Daudigeos 2013; Empson et al. 2013). However, empirical studies of the institutional work of creation of new professional projects are still relatively scarce.

Moreover, much existing research of new knowledge-intensive occupations centres on the macro-level analysis of professionalization patterns (e.g. Fincham 2006; Beaverstock, Hall, and Faulconbridge 2010; Kipping 2011; Muzio et al. 2011). A notable exception is McCann et al.’s (2013) study of the work of paramedics, which exposes how the agency of individual

workers may become more significant than the collective efforts of professional elites in shaping the development of that professional project. McCann et al.'s (2013) research shows that it is essential to account for the role of individual professionals in order to understand the complexity of professionalization of new occupational groups, and that the concept of institutional work allows us to account for individual agency (Lawrence, Suddaby, and Leca 2009). In this article, we aim to extend our understanding of the relationship between individual- and occupational level dynamics of professionalization through unpacking the internal tensions and complexities of the development of ERC. Drawing on Lawrence and Suddaby's (2006) classification of the forms of institutional work, we explore how and what kind of institutional work is performed by executive remuneration consultants as individuals and as a collective in the process of creation of their professional project. In doing so, we aim to extend our knowledge of how the use of an institutional work lens may advance our understanding of new professional projects. Furthermore, research has pointed to the existence of 'reciprocal dynamics between processes of institutionalization and processes of professionalization' and called for further investigation of the ways in which the development of professional projects may lead to field-level reconfigurations (Suddaby and Viale 2011: 424; Lefsrud and Suddaby 2012). Specifically, Muzio, Brock, and Suddaby (2013) highlight the need for further understanding of the ways in which professions and professionals shape the development of contemporary business practices. Drawing on Suddaby and Viale's (2011) framework, we aim to further our understanding of how professionals shape other institutions in the field through exploring how professionalization efforts of ERC services relate to other actors and broader developments within/of the field of executive pay-setting practices.

Our empirical focus on executive remuneration consultants in the UK provides a fruitful platform for the application of the institutional work perspective. First, the provision of ERC services is a small field delivered at board level, which means that the nature of the work is highly individualized, and individual consultants at senior levels may often possess significant power. This means that paying attention to micro-level dynamics of professionalization becomes crucial in order to understand the development of this professional service. Moreover, the consultants constituting the ERC field is very heterogeneous - they come from various professional backgrounds, often use multi-disciplinary expertise and work in consultancies with a variety of specializations (e.g. accountancy, HR, legal)—indicating a necessity to account for these multiple voices in order

to understand the professional project of ERC. Finally, ERC is part of a broader field of executive remuneration which is populated with multiple stakeholders who may have competing interests, for example, state, clients, shareholders, employing organizations, regulators, and the public. Therefore, exploring ERC offers a good platform to explore the capacity of an institutional work approach to help situate the development of this professional project in relation to broader institutional transformations.

Our analysis demonstrates that by exploring the forms of institutional work performed both by collective and individual actors, we are able to account for the multiplicity of voices within a professional community and reveal the tensions involved in the creation of a professional project. Our findings indicate that consultants strategically engage in what seems to be the work of creating a new professional project at the collective occupational/organizational level, whilst at the same time individual consultants actively resist and undermine this work. A closer analysis of these tensions between micro- and macro-level processes suggests that the development of ERC services is better understood when viewed as part of the institutional work of creating and maintaining the broader institution of executive pay practices. We argue that exploring the development of a professional project through the institutional work lens enables a more nuanced understanding of internal dynamics of ERC professionalization and provides a more complex illustration of the ways in which these developments relate to broader institutional arrangements. Our findings extend the empirical foundations of the concept of institutional work by improving our understanding of how individual and collective actors are involved in various forms of institutional creation (Lawrence and Suddaby 2006) and highlighting the importance of exploring relationships between these levels of analysis. We also provide further support for Suddaby and Viale's (2011) theorization of the role of professionals in the process of institutionalization by demonstrating how the process of ERC professionalization and reconfiguration of institutional practices of remuneration setting are closely linked. In doing so, our research strengthens the emerging body of empirical evidence arguing for the potential of (neo-) institutional approaches to offer a more productive analysis of contemporary professionalism (see Muzio, Brock, and Suddaby 2013).

The article proceeds with a brief critique of current theories of the development of new professional projects, followed by a discussion of institutional work as a potentially fruitful approach to understanding these processes. We then outline the context of the development of

ERC services in the UK and our methodology before proceeding to an empirical analysis of the types of institutional work performed by ERC professionals. The final section relates our findings to the discussion of the possibilities offered by the institutional work concept for analysis of new professional projects, and outlines avenues for further research.

PROFESSIONALS PROJECTS AND INSTITUTIONAL WORK

Research exploring the development and professionalization of new knowledge-intensive organization based occupations and services indicates that these new professional projects tend to exhibit ‘weak professionalism’ (Fincham 2006) compared with ‘traditional’ liberal professions (Reed 1996), owing either to an inability or unwillingness to professionalize in the same way or to a choice of different strategies and tactics for professionalization (Reed 1996; Fincham 2006; McKenna 2006; Morris et al. 2006; Muzio et al. 2011; Muzio, Kirkpatrick, and Kipping 2011). These studies have recently been criticized by Muzio, Kirkpatrick, and Kipping (2011) for being ahistorical and/or acontextual, that is, not taking into consideration how various actors, such as training institutions, state, clients, employing organizations, and professionals themselves, shape the development of new professional projects. They propose a multiactor model that accounts for the role of key actors—a model that offers more dynamic and complex insights into how and why some new professional projects are more successful or exhibit ‘stronger’ professionalization efforts than others. However, this model still seems to overlook a number of issues.

First, similar to other approaches in the sociology of professions, the multi-actor model focuses on the macro-level of analysis and views professions as collective entities represented by their professional associations. Such a focus fails to pay attention to the multiplicity of voices that often exist within a newly emerging professional community that may cause internal tensions in the course of professionalization. Moreover, given that research on established professions indicates the importance of individual professionals’ agency in facilitating or resisting the development of/within their field (Thomas and Davies 2005; Reay, Golden-Biddle, and Germann 2006; Waring and Currie 2009; Suddaby 2010), such analysis could also benefit our understanding of newly emerging projects. In fact, it may be particularly significant because new professional projects that emerge within large organizations tend to demonstrate a corporate model of professionalism which, amongst other things, is characterized by associations being formed at the level of firm rather than

individual membership (see Kipping, Kirkpatrick, and Muzio 2006; Beaverstock, Hall, and Faulconbridge 2010; Muzio et al. 2011), which means that macrolevel analysis of professional development may not account for the voices of professionals on the ground. Therefore, in order to understand the complexity of the development of such new entities it is crucial to link the micro and macro levels processes—individual, organizational, and occupational. Recent studies drawing on neo-institutional theory (e.g. Reay, Golden-Biddle, and Germann 2006; Suddaby 2010; Daudigeos 2013; Empson, Cleaver, and Allen 2013; McCann et al. 2013) have begun to highlight the importance of micro-level analysis and the role of individual professionals in the process of institutional change, and we suggest that this line of inquiry will be helpful in addressing the above concerns.

Finally, the underlying comparison with ‘liberal’ professions is still implicitly present in the literature, with professionalization of new knowledge-intensive occupations being viewed as a relatively systematic process with a fairly clear direction and a goal: to achieve monopoly (see Larson 1977: xvii). Muzio, Brock, and Suddaby (2013: 701) argue that such focus on monopoly obscures the broader role that professionals exercise in relation to transforming broader institutional arrangements and social environments. They suggest that an institutionalist approach to understanding professionalism has the possibility to rectify this problem (see also Leicht and Fennell 2008; Scott 2008; Suddaby and Viale 2011). In light of these critiques, we draw on Lawrence and Suddaby’s (2006) conception of the different forms of institutional work in order to analyse the emergence of the new ERC service aiming to show whether and how the concept may offer a more fruitful analysis of this process. Institutional work is defined as ‘the purposive action of individuals and organizations aimed at creating, maintaining, and disrupting institutions’ (Lawrence and Suddaby 2006: 215; Lawrence, Suddaby, and Leca 2009; Lawrence, Leca, and Zilber 2013). This may also include more distributed ‘day-to-day instances of agency’ suggesting that less reflexive and more mundane actions also contribute to changing institutions (Lawrence, Suddaby, and Leca 2011: 53). Lawrence and Suddaby’s (2006: 219) concept of institutional work views actors’ behaviour as strategic and intentional but situated, and their typology of various forms of institutional work is particularly useful for understanding how actors shape institutional processes. They suggest that actors may engage in three broad categories of institutional work: creation, maintenance and/or disruption, and that there are different types of work within each category (Lawrence and Suddaby 2006: 211). Several studies that have applied this framework to explore existing professions demonstrate how they perform the work of

maintenance and/or 'repair' when their position of dominance is under threat (Currie et al. 2012; Micelotta and Washington 2013). In contrast, we focus on the developing professional project of ERC services and we are interested in investigating the ways in which the work of institutional creation takes place. According to Lawrence and Suddaby's (2006) typology creating institutions may involve such forms of institutional work as advocacy, defining, vesting, constructing identities, changing norms and constructing networks, mimicry, theorizing, and educating. Their typology is derived from an analysis of institutional work observed in a number of studies; whilst empirically driven the typology nevertheless is a useful starting point when looking at the forms of institutional work carried out in the creation of a professional project. In our analysis, we aim to identify the kind of institutional work executive remuneration consultants engage in the process of creation of their professional project.

Moreover, as we have noted previously, the concept of institutional work allows for the analysis of both collective and individual agency, and recent studies have indicated that to achieve a more nuanced exploration of professionalization it is crucial to explore how individual-level institutional work relates to a more macro-level of institutional work, for example, work performed at 'elite' or organizational level (McCann et al. 2013; Empson et al. 2013). McCann et al. (2013), for instance, demonstrate that the professionalization project of paramedics promoted by the professional 'elites' is impeded by the institutional work performed by individuals on the ground. Building on these insights, we are particularly interested in further explicating the relationship between individual and collective dynamics of engagement in the different forms of institutional work involved in creation of ERC (Lawrence and Suddaby 2006) to produce a more complex analysis of the internal dynamics of this professional project.

Finally, Suddaby and Viale (2011: 424) argue that the institutional work perspective may be fruitfully applied to understanding the role of professionals in organizational- and field-level change. They suggest that 'professional projects carry with them projects of institutionalization' and point out four ways in which professionals may transform institutional fields, for example, by challenging the incumbent order and defining new spaces; by populating fields with new actors; by introducing new rules and standards; and by challenging or conferring hierarchies in the field. Indeed, a number of existing studies have illustrated how the development of professional projects explicitly and implicitly result in

such transformations or/and maintenance of broader institutions as well as various institutional practices (Currie et al. 2012; Lefsrud and Suddaby 2012; Daudigeos 2013; Micelotta and Washington 2013). Zietsma and McKnight's (2009) study indicates, however, that professionals may not be the only actor necessarily causing transformation of the field and shows how a variety of different factors and different actors may work together to instigate field-level change. Our empirical analysis seeks to draw on and extend these insights. Building on Suddaby and Viale (2011), we aim to situate the analysis of internal complexities of the development of the ERC project in the wider institutional field in order to offer a more contextual understanding of its role in shaping broader business practices of executive remuneration. Hence, empirical sections of this article will explore how consultants perform institutional work to further their professional project as well as what broader institutional arrangements they are creating and/or transforming through this work.³ However, before proceeding to our data analysis, we outline the background for the development of ERC services.

EXECUTIVE PAY-SETTING PRACTICES AND THE DEVELOPMENT OF ERC SERVICES IN THE UK

A complex set of circumstances and actors are involved in the emergence of ERC services in the UK. The rise of ERC is closely associated with the growth of visibility and regulation of the broader executive pay setting practices. For instance, the growing prominence of ERC is closely linked to the rise of the role of remuneration committees in the UK corporate governance landscape. Concerns about the growth and size of directors' pay and its weak link to company's performance led to calls for independent scrutiny of executive pay. Pressures from the state and other stakeholders brought about changes in the practice of setting executive pay. First, it has ceased to be a function of in-house human resource departments (Conyon, Peck, and Sadler 2009; Bender 2011). Instead, the Greenbury Report (1995), commissioned in light of excessive pay in the then newly deregulated utilities industry, recommended that remuneration committees should be setting executive pay to ensure it is set independently of management and in the interests of shareholders (Bender 2012). The Greenbury Report encouraged remuneration committees to seek independent advice, stipulating that they should be able to consult external advisors:

The [remuneration] committee may need to draw on outside advice. The company's management will normally hire outside consultants, if any, but the committee should also be consulted about such appointments and should be free to retain its own consultants in case of need (1995: 25).

Executive remuneration consultants typically provide remuneration committees with market data on pay comparisons, advise on the design and implementation of remuneration plans, and generally help them to make informed decisions (Bender 2011). With the publication of the UK Combined Code in 2000 the use of remuneration consultants by remuneration committees became part of best practice of corporate governance, suggesting the beginning of the process of institutionalization of ERC use. More recent editions of the UK Corporate Governance Code add other provisions which further aid this process, such as recommending that the board should 'ensure that non-executive directors have access to independent professional advice at the company's expense' (Financial Reporting Council 2012: 16).

Despite empowering remuneration committees to be more proactive, executive pay continued to spiral upwards, even during times of poor performance. In a bid to stop this, the government introduced the Director's Remuneration Report Regulations (DRRR) (HMSO 2002) as part of Company Law, which made it mandatory for firms to disclose remuneration related information in the annual report. One of the items that firms were required to disclose as part of the Director's Remuneration Report was the identity of their remuneration consultants, and the advice they sought from them. This increased the profile of remuneration consultants and their use by remuneration committees in the UK. Evidence from the DRRR disclosures showed that the use of remuneration consultants is a common practice across large firms and has spread to smaller firms (Kay and Putten 2007; Conyon, Peck, and Sadler 2009). Evidence that this is a common practice can be seen from the fact that 95% of FTSE 100 and 84% of FTSE 350 reported using ERC services in 2013–2014 financial year.⁴ These figures suggest increasing institutionalization of the use of ERC services. Thus, the growing body of corporate governance regulation and policy partly helped generate a relatively distinct niche, facilitating a stronger presence for these services in the landscape of executive pay-setting practices. Most large Professional Service Firms (PSFs) have seized this opportunity to grow their services in this direction and many have established a designated department dealing with executive remuneration (Bender 2011, 2012). There is also a

growing number of smaller boutique consultancies which specialize only in giving remuneration advice to remuneration committees.

Up to this point, remuneration consultants, although acknowledged as actors in the pay-setting process, fell under little scrutiny. However, as a result of the financial crisis in 2008 there was greater focus on the competence and performance of top management and questions of whether their performance justified the pay increases they received. The issue of executive pay became ever more topical and remuneration consultants were widely criticized in press, media and in the academic literature for driving up top executive salaries (Conyon, Peck, and Sadler 2009; Treanor 2009; Hosking 2010; Murphy and Sandino 2010; Bender 2011, 2012). In 2009 The Walker Report (2009) was commissioned to study corporate governance in the financial sector. One recommendation of the draft Walker Review (2009) was to regulate the use of remuneration consultants. This was not well received by the PSFs involved with remuneration consultancy, and in response, a group of leading consultants established the Remuneration Consultancy Group (RCG) in 2009. The Group was set up to develop and make visible professional standards under which consultants should operate. This led to a softer stance on the regulation of ERC in the final Walker Review report which endorsed this move to professionalization:

Remuneration consultants should have a formal constitution for the professional group that has now been formed, with provision for independent oversight and review of the remuneration consultancy code (Walker 2009: 126).

In 2011 the RCG developed and pledged to maintain a Code of Conduct which is revised biannually (RCG 2013). The Code stipulates that RCG members:

‘Like other business professionals. . . comply with the fundamental principles of transparency, integrity, objectivity, competence, due care and confidentiality’ when providing remuneration advice (RCG 2013: 3)

The Code outlines this set of ethical principles, as well as the exact role and remit of remuneration consultants and ways to address potential conflicts of interest. The Code also outlines sanctions, specifying that the member-company’s membership may be terminated

in case of systematic breach of ethical principles if reported by a client. The role of the RCG is to conduct an annual review of the Code's effectiveness, revise the code and promote it 'to stakeholders in remuneration decision making' (RCG 2013). The RCG has organizational (but not individual) membership and in 2013 the RCG had as its members most of the major firms consulting in this area, including 93% of those advising FTSE 100 (Interviewee 4). According to the Biannual Review of the Code of Conduct (RCG 2014) in 2014 more than half of its member firms take the Code into account as part of their internal quality assurance process and offer formal annual training related to the Code, which seems to indicate substantive support for the Code and the RCG activity.

The formation of the RCG and the Code suggests that consultants seek to foster the confidence of remuneration committees, shareholders, and other stakeholders in the integrity of their working practices. These steps taken by the ERC industry seem to indicate a professionalization agenda similar to those of other new organizational occupations (see Beaverstock, Hall, and Faulconbridge 2010; Muzio, Kirkpatrick, and Kipping 2011). However, as we explain in the following sections, the institutional work lens enables these developments to be put under closer scrutiny and to be situated in the broader context of the development of the institution of executive pay-setting practices.

SAMPLE AND METHOD

This project draws on 19 in-depth, semi-structured interviews with senior executive remuneration consultants in large, medium-sized, and boutique consultancies in the UK. Senior consultants were our target group as we judged them to have first-hand knowledge of the development of the service and, indeed, all interviewees had extensive work experience in the field and many had witnessed its emergence in the UK first-hand. Moreover, owing to their position many senior consultants had significant power through the access to decision making and resources (see Empson, Cleaver, and Allen 2013) so the sample lent itself well to the micro-level analysis of institutional work that is of particular interest in this article.

There is no official register of individual executive remuneration consultants, so initial contact was made through the RCG. Consistent with other studies investigating 'elite' populations (Moyser and Wagstaffe 1987), we then successfully used snowball sampling. We interviewed 19 senior consultants in total—a sample that represented a significant proportion

of the senior stratum of this new professional service as, according to our interviewees' estimates and our research of the industry, the sampling frame is very small—around 50 senior consultants in the UK. Given the small size of the field, for reasons of anonymity we must be very circumspect in specifying the exact positions of participants and consultancy names because even in the large firms which dominate the market (Conyon, Peck, and Sadler 2009), practices dealing with executive remuneration are small, making participants easily identifiable. We can however, point out the following characteristics of the sample. All 19 participants were senior-level consultants with extensive experience of working with boards and remuneration committees and there was also a good distribution of interviewees across firm specializations (see Table 1).

Table 1. Number of interviewees by seniority and firm specialisation

| Partner level | Number of firms and firm specialisation | | | |
|------------------|---|-----------|----------|----------------------|
| | Accounting firms | Law firms | HR firms | Specialist ERC firms |
| Partner | 3 | 2 | 4 | 1 |
| Senior partner | 3 | 1 | 2 | |
| Managing partner | 1 | | | 2 |

The professional backgrounds of our interviewees varied: four were accountants, four lawyers, three trained actuaries, and two engineers; three had HR qualifications and three had no professional background but held MBA degrees. Interestingly, the background of participants did not necessarily correspond to the firm's specialization, pointing to the diversity of expertise within the firm's ERC practices (see Table 2).

Table 2. Interviewee background distribution across firms

| Interviewee background | Firm sector/specialisation | | | |
|------------------------|----------------------------|------------|----|----------------|
| | Law | Accounting | HR | Specialist ERC |
| Accounting | 3 | 2 | 1 | 1 |
| Actuary | | 2 | | 1 |
| Engineering | | 1 | 1 | |
| Law | | | | 1 |
| HR | | 1 | 2 | |
| Other (e.g. MBA) | | 1 | 1 | 2 |

This diversity is representative of the field, since the complexity of rules and practices for setting executive pay packages requires a variety and often a mixture of professional expertise. Interviews lasted between 1 and 2 hours. Interview questions centred on issues related to participants' career pathways into ERC, the history of the field, its current development and professionalization, and the day-to-day work processes of consultants. Interviews were recorded and transcribed and then analysed by two authors. The data were also triangulated with supplementary sources such as the RCG documentation (consultation paper, Code of Conduct, review of the Code, RCG governance framework), and firms' documentation related to executive remuneration advice (e.g. ERC-related press releases, participant firms' codes of conduct statements).

Our approach to data is interpretative, meaning that we give priority to the views, opinions, and interpretations of our participants in line with our aim to focus on individual-level experiences and views which is consistent with trying to understand the micro-scale institutional work. We apply Lawrence and Suddaby's (2006) conceptualization of the forms of institutional work involved in the creation, maintenance, and disruption of (new) institutional arrangements. Because we were exploring a developing professional project we were concerned with identifying the different types of efforts aimed at institutionalizing ERC as a potential profession (Larson 1977; Clarke 2000; Groß and Kieser 2006; Hodgson 2008; Beaverstock, Hall, and Faulconbridge 2010; Muzio, Kirkpatrick, and Kipping 2011). Therefore, when going through our data initially, we focused on identifying the different types of institutional work of creation suggested by Lawrence and Suddaby (2006:221). They offer an elaborate outline of the different types of institutional work associated with creation of institutions for example, advocacy, defining, vesting, constructing identities, changing norms and constructing networks, mimicry, theorizing, and educating. Similar to other research (see Empson, Cleaver, and Allen 2013), we have not been able to identify all the types of institutional work outlined by Lawrence and Suddaby (2006)—an issue we discuss further in the article, but three forms of creation work emerged from the interview data: creating identities, defining, and constructing normative networks. Following our interest in exploring the tensions in the process of emergence of the professional project, we traced both micro-level dynamics as well as broader, collective-level action for each type of institutional work. In analysing our interview data through Lawrence and Suddaby's (2006) typology of institutional work, incongruity emerged between individual- and collective-level dynamics of the work of creation of the new professional project, with the former largely undermining the

latter. In order to make sense of these tensions, the second stage of analysis involved situating these developments within the broader context using Suddaby and Viale's (2011) typology in order to see how professionalization efforts contribute to the reconfiguration of the broader institution of executive pay-setting practices.

INSTITUTIONAL WORK OF EXECUTIVE REMUNERATION CONSULTANTS

The following sections are structured around the discussion of the three forms of institutional work of creation that emerged from our data: creating identities, defining, and establishing normative networks. We expose the tensions between individual- and collective-level professionalization efforts and also situate each type of the institutional work of creation in the broader context of executive remuneration field developments. We aim to show that such contextualizing indicates that the institutional work done by consultants may be better understood not as work aimed chiefly at institutionalizing ERC as a potential professional project, but as institutional work that takes place as part of the creation and maintenance of the broader institution of executive pay-setting practices.

The work of institutional creation: creating identities

Lawrence and Suddaby (2006: 221) define the institutional work of creation of identities as 'defining the relationship between an actor and the field in which that actor operates', suggesting that this process is central for the creation of any institution. Indeed, professionalization is conditioned by the emergence of a relatively well-defined occupational group, a like-minded community, performing the same tasks, and sharing an identity (Abbott 1991; Dent and Whitehead 2002; Pratt, Rockman, and Kaufman 2006). Wilensky (1964) suggests that naming a new shared identity is an important step in the creation of any new profession. Lawrence and Suddaby's (2006: 224) classification underscores the importance of collective action in the creation of identity, but our data suggest that there was a complex relationship between the individual- and collective-level work of identity creation. Identity creation work at the level of the individual was rather fragmented and contested which seemed to be related to the fact that ERC is a heterogeneous service which requires a variety of expertise:

It's necessary for [ERC] consultants to have a broad understanding across the fields; you know, corporate finance, tax, strategy, law, actuarial and benefits issues and HR (Interviewee 6).

I think a professional service firm should respond to what clients want. . .so our remuneration advice has moved from purely tax-based type advice, employing lawyers and accountants, to incorporating other knowledge (Interviewee 5).

The above quotes suggest that in the delivery of the new service some hybridization of professional expertise was taking place partly driven by the need to offer the best service for the client. Yet, the fact that remuneration consultants had a variety of professional backgrounds presented a challenge when constructing a new shared identity at the level of the individual (see also Clarke, 2000; McKenna 2006; Vough 2012). Consultants with backgrounds in 'traditional' professions were reluctant to 'give up' their initial professional identification in favour of a new one:

I would call myself an accountant . . . Partly it's . . . gosh, you know, I went through three years of very difficult training and hard exams to become an accountant and you don't give that up. I mean, I'm still an accountant, I still pay my dues. . . I suppose it's a bit of my identity (Interviewee 11).

Similarly to the interviewee above, many of those with backgrounds in established professions were not ready to embrace and actively champion their new identity. As the quote indicates, this reluctance was partly due to their strong commitment to their original profession and partially due to a 'tainted' image of the new identity since, as we outlined previously, consultants were seen as culpable for the soaring executive remuneration. However, those with non-professional backgrounds and backgrounds in less-established professions, such as HR, were more eager to associate themselves with the new identity:

Yeah, I would [call myself an executive remuneration consultant]. I do think it's . . . a junior profession and it's new, and I'm sure that accountants and lawyers look down their noses at us a bit, but in the time I've been doing it, it's become much more widely known...(Interviewee 10, MBA).

This interviewee was more optimistic about fostering a new identity and used the pronoun ‘us’, suggesting identification. Several others also suggested that ‘there is a “new generation” of remuneration consultants who, regardless of their background, will be socialized on site and will be able to form the new identity of the executive remuneration consultant’ (Interviewee 8). Suddaby and Viale (2011: 248) point out that it is likely that actors may simultaneously occupy positions in multiple fields. Our data offer a clear illustration of this and also points to the fact that this duality of individual’s position clearly caused tension around identity creation which partially impeded the development of the ERC professional project. This finding compliments other research which suggests that it is common for new branches of consulting to draw on different expertise and that the latter may represent a challenge for potential professionalization in terms of ring fencing it (see e.g. McKenna 2006).

However, despite the internal micro-level tensions, consultants seemed more united in articulating their collective-level identity, particularly in relation to other stakeholders in the field of executive remuneration (Lawrence and Suddaby 2006). Our interviewees agreed that ERC was distinct from other types of service:

When I started working in this field, executive pay was part of the broad based pay. I think, going forward, we become more and more separate. . .different knowledge bases certainly, and the nature of your client is different (Interviewee 14).

When regulations came into force . . . the industry transformed overnight and . . . companies. . . and we gained clarity who our clients were. So that was really how we got created . . .Now you have independent specialists in the area, and large firms have specialist units in the area. . (Interviewee 9).

As the quotations indicate, by separating from other services within large firms and working with different clients ERC was seen to have developed its own visible identity vis-a`-vis external stakeholders such as client companies and other professional services. Crucially, as we have pointed out in previous sections, this process was largely conditioned by the state recognition of ERC as a distinct actor involved in the setting of executive pay; this recognition was in the form of various state regulation which outlined their role (e.g. HMSO 2002; Walker 2009; Financial Reporting Council 2012). In fact, use of the phrase ‘being

created' in the above quote indicates that the initial work of the collective identity creation was to a large extent facilitated by the state and Walker Review (2009) encouraged further professionalization activity of ERC. Therefore, the role of the state in the process of ERC's formation was significant, and it may be argued that the consultants themselves did not have to do such types of institutional work as advocacy or vesting. This suggests that different forms of institutional work of creation outlined by Lawrence and Suddaby (2006) may be observed on different occasions depending on the context; moreover, not all forms of the institutional work of creation may be necessarily performed by one particular set of actors.

Interestingly, if we look at the broader picture, such proactive state intervention was not aimed at creating a new branch of consultancy per se. Rather the state aimed to improve the functioning of the larger institution—a set of business practices related to setting executive pay. Given the internal tensions of identity creation and reluctance of further professionalization (discussed below), the ERC's collective work of reaffirming their identity may be therefore better understood as part of the work of creation and maintenance of the institution of executive pay setting practices. Here, Suddaby and Viale's (2011) theorization of the role of professionals in the broader field change is helpful when interpreting our data. They argue that professionals are significant agents and that they may shape broader institutional arrangements in several ways, for instance, through 'defining new uncontested spaces' for economic enterprise as well as 'by defining new practice areas' and populating the field with new actors. Both of these dynamics were visible in our case. For instance, all consultants regardless of their identification, professional background, or corporate association were adamant in articulating the importance of ERC for the wider practice of setting executive remuneration:

I see my job as making sure remuneration committees make as informed a choice as it can. It's our job to . . . be proactive in keeping our clients abreast of new developments . . . to test the client's [knowledge]. . . (Interviewee 3).

I think executive pay would be higher today if there was no advising. I think we are a break [on pay increases] . . . rather than an accelerator. If [remuneration committees] would stop taking advice . . . I think they would go with their first instinct [of what pay should be] which is quite often higher (Interviewee 1).

Similar to the above quotations, most interviewees highlighted the distinctive role of remuneration consultants in relation to other stakeholders in the field, reaffirming the importance of this new type of service and the crucial task of the new actors—(ERC consultants)—in improving the existing practices of executive pay. So whilst there were individual-level tensions in terms of creating a new identity with the view to potential professionalization, there was nonetheless an effort to craft a more visible collective ERC identity in the broader field of ERC—the work that contributed to the ongoing creation of the institution of executive pay and how it is set. As shown earlier, although consultants come from established disciplines they were able to re-orient existing skills and push jurisdictional boundaries to develop this new business practice area of executive remuneration and populate it with new agents. As we have explained earlier, most large PSFs now have specialized ERC units or departments; there has also been a rise in the number of independent boutique consultancies advising remuneration committees. It has to be noted though, that whilst Suddaby and Viale (2011) put much emphasis on the role of professionals in creating new spaces and actors, our data point to the significance of other actors and the relationship between the actors in this process. For instance, in our case the role of the state in locating the remit of new consulting services was critical as well as the role of the client in encouraging the development of novel expertise. Therefore, rather than being the only or primary agent to initiate these field changes ERC consultants seemed to cooperate with the state and other actors in their aim of reconfiguring the field of executive pay arrangements.

The work of defining

The next dynamic of institutional creation that emerged from our data was what Lawrence and Suddaby's (2006: 221) describe as defining: 'the construction of rule systems that confer status or identity, define boundaries of membership or create status hierarchies within a field'. In the context of ERC services, defining may be exemplified by the collective-level action of creating the RCG. The RCG currently allows only corporate membership and has a diverse range of member firms:

It's a very new area of expertise . . . a very open area and if you look across the market you would see consultants offering substantially different things . . . with different strengths... tax, legal, accounting . . . so it's not a homogenous group (Interviewee 15).

Despite the diversity of member firms in terms of specialization and size, the membership does create certain hierarchies when it comes to who may practise executive remuneration. For example, in order to join the RCG, a consultancy must have a client, yet the Walker Review (2009) advises companies seeking remuneration consultants to employ only those who adhere to the Code of Conduct (RCG 2013), that is, who are RCG members. As this interviewee highlighted:

You have to have the client before you can join. And there are some clients who might not appoint you unless you're a member. . . So maybe we've just lifted the drawbridge and we've made it more difficult for other organisations (Interviewee 4).

However, because the Walker Review (2009) formulated recommendations only, it may not be difficult to find one's first client from among the smaller FTSE350 companies. Hence, although membership defined certain boundaries, as it stands it has a rather limited potential for creating a 'closure' of the market that exists in traditional professions (see Muzio, Kirkpatrick, and Kipping 2011). Individual consultants were also sceptical of the RCG's capacity to police the rules and membership:

Clients could complain . . . that a member was in breach of the Code and [there are] protocols to expel a member . . . but I can't actually envisage that it would ever happen, because at the end of the day, if Vodafone isn't impressed with its advisors, it's not going to complain, it's just going to find advisors that can work with them. . . (Interviewee 1).

Similar to this interviewee, most consultants were confident that rather than institutionalizing professional norms such as excluding a member from the group, the market mechanisms already discipline member firms to meet particular standards through clients' power to hire and fire. So although new rules and hierarchies of professionalism appeared to be instituted in the ERC field through the collective professionalization actions, this process was undermined by consultants' persistent belief in the superiority of other modes of work organization and quality regulation. At the individual level, there was reluctance for any further professionalization and most of our interviewees said that they 'don't see the RCG as

regulatory in any other way' (Interviewee 12) besides specifying the role and remit of ERC and updating the Code.

And yet, despite the individual scepticism about the possibility of the RCG to strengthen the professional project of ERC, the RCG's activities and development continue to be supported by consultants at the level of collective action, for example, The RCG Board actively revise the Code and assess its effectiveness, the majority of ERC firms are currently members of the RCG and most member firms teach the Code to their staff (RCG 2014). This apparent incongruity can be explained when the work of defining is seen in the context of the broader field. The formation of the RCG creates certain hierarchies in the field of executive pay-setting by giving member participants a certain status—that of legitimate members of the community of advisors on executive pay. The RCG and the Code do so by clarifying to the outside world the ways and standards by which they operate and create a visible (although not necessarily fully functioning) structure of self-regulation. This process may be interpreted through Suddaby and Viale's (2011: 431) framework which suggests that professionals are instrumental in changing institutional arrangements through 'creating new actors by legitimating new occupational categories'. In our case, we find that even though the professionalization process was contested it still serves to enhance the legitimacy of these new actors in the field. The creation and maintenance of the RCG reaffirms the position of remuneration consultants in the broader landscape of executive pay practices by 'pointing' the client companies to a pool of more 'legitimate' consultants in the field. In doing so, it reproduces and strengthens the current institutional arrangements of executive pay setting. However, whilst Suddaby and Viale (2011) point to the primary role of professionals in this process, our data suggest again that, similar to the previous section, the creation of new actors is reinforced by other actors in the field, particularly the state, for example, the Walker Review (2009) helps endorse the position of these new actors. Furthermore, consultants' belief in the importance of market forces, points to the significance of other systems of regulatory logics (Lounsbury 2002, 2007) and rules in shaping the extent of field-change caused by professional projects.

Constructing normative networks

Finally, another type of institutional work related to the creation of a new professional project is the construction of normative networks, that is, the construction of 'inter-organizational

connections through which practices become normatively sanctioned and which form the relevant peer group with respect to compliance, monitoring, and evaluation' (Lawrence and Suddaby 2006: 221). An example of such work is the creation of the RCG and the efforts of this network aimed at developing and maintaining the Code. As we have outlined, in 2009 the founding member firms came together to produce the Code—a set of rule which. . .

clearly sets out the role of executive remuneration consultants and the professional standards by which they advise their clients (RCG 2013: 1).

As mentioned previously, the network of member firms revises and maintains the Code, moreover, member firms seem to make an effort to promote it and observe it. Traditionally, a code of conduct is a way in which professions demonstrate that their members are competent and that 'the profession intends to maintain and enforce high standards' in the public interest (Higgs-Kleyn and Kapelianis 1999: 364). The Code may therefore be seen as an attempt to promote and institutionalize the logic and principles of professionalism as an organizing mechanism for work (see also Wilensky 1964; Lounsbury, 2002, 2007). Given that the quality of advice and information asymmetry are the main concerns in the development of new professional services (Kipping 2011) and in light of continuously negative media portrayal of ERC (Treanor 2009; Hosking 2010), it might be expected that consultants would support the institutionalization of professionalism, especially given the collective efforts already invested in professionalization. However, individual consultants seemed to contest the introduction of this new system of rules by which they were expected to operate:

We are not misleading a grandma, we are advising sophisticated buyers. At the end of the day, the only people that we care about are the shareholders, and if the shareholders are happy with the approach, then we're happy. Because it's the shareholders who own these companies; it's not the media, the public, it's not the government, it's the shareholders . . . and no one else should have that say (Interviewee 7).

The quote indicates that consultants did not consider that the public interest was something that they need to be concerned about which suggests little institutionalization of the new logics of work associated with professionalism (see Lounsbury 2002). Similarly, clients were not seen to be in need of protection and most interviewees were positive that they provide

sufficient quality of advice. The new Code was also resisted by individual consultants because they were adamant that they did not need another set of quality controls:

I mean, it [the new Code of Conduct] hasn't changed particularly what we do . . . We all as individual firms, of course, have our own professional standards and we enforce those professional standards. . . Moreover, most individuals are accountants, lawyers and so on; they have their own professional standards (Interviewee 18).

As this quotation indicates, there are already several 'layers' of conduct control: those with professional backgrounds were already expected to comply with their own professional codes of ethics, moreover, PSFs also typically have their own codes which regulate the ethics of service delivery and business practice (e.g. Towers Watson & Co. 2011). Furthermore, other market-based quality controls like losing reputation or the possibility of being fired were seen as very significant. As Lawrence and Suddaby (2006: 225) suggest, the construction of new networks often happen alongside and affect other pre-existing institutional activities and structures. In our case, it appears that the competing pressures of these 'layers' of quality assurance can be seen as one of the reasons why individual consultants resisted the Code and professional principles as it was yet another set of regulatory practices. This individual-level apprehension may be seen as undermining the broader collective professionalization project. Given the micro-level resistance of the collective institutional work of creating normative networks and rules, these efforts, again, are better understood as part of a broader endeavour to create and maintain the institutional arrangement of executive pay practices. As pointed out earlier, the state has already created a certain space for consultants to exist through various forms of executive pay regulation (Greenbury 1995; HMSO 2002; Walker 2009; Financial Reporting Council 2012). It may be argued that even though there was less intention to professionalize, consultants persevered with the collective institutional work of creating normative networks because it served to strengthen and maintain their position as a legitimate actor in the field of ERC. This strategic intention was clear from the interviews, as most of our participants were very reflexive and pragmatic about the role of the RCG:

I think . . . it's almost an insurance policy; so if next year executive remuneration becomes a big political issue again, you know. . .if it really hits the headlines, if the politicians decide that they're going to do something, the fact that we've got the Remuneration Consultants Group and we've got a very credible chairman and we've

got a Code and, you know, all that stuff, I see it as an insurance policy (Interviewee 10).

Consultants saw the Code's role as satisfying the requirements of the state to address concerns about executive pay, and the RCG as 'part of the work to support Sir David Walker on the review of banking . . . and executive pay problem' (Interviewee 4).

Hence, such actions may be seen as supporting institutionalization of the current arrangement of executive pay practices. Here again, our data relate in an interesting way to Suddaby and Viale's (2011) suggestion that professionalization projects create boundaries and institute new systems of rules in the field, particularly through introducing the logic of professionalism to the field. They suggest that professionalization and institutionalization are two reciprocal dynamics. We find some supporting evidence of this, but our data also indicate a greater complexity of the extent to which the professionalization project of ERC brings with it the institutionalization of the new logic of professionalism in the field of pay-setting practice. As we have shown above and in the previous section, consultants questioned the role of the Code and the RCG as a genuine vehicle of self-regulation as well as doubted that professionalism was a suitable regulatory principle in this field. This indicates the importance of considering the role and power of other actors and logics that operate in the field for example, market logic, organizational logic (see Lounsbury 2002, 2007) in order to determine how and whether professionals are able to initiate and/or institute new sets of rules and to what extent they are able to do so. Moreover, our data suggest that that even weak and contested professionalization processes (what may be referred to as 'image professionalism' (Kipping 2011)) may still reverberate through the field and aid its reconfiguration.

DISCUSSION AND CONCLUSIONS

The aim of this article was to explore the insights provided by applying an institutional work approach to investigate the emergence and development of the new professional project of ERC (Lawrence and Suddaby 2006; Lawrence, Suddaby, and Leca 2009, 2011; Lawrence, Leca, and Zilber 2013). Specifically, using Lawrence and Suddaby's (2006) model, we explored how executive remuneration consultants engaged in the different forms of work of institutional creation at the individual and collective levels; then, following Suddaby and Viale (2011), we situated this work within broader changes in the field. From the point of

view of traditional sociology of professions approach, ERC's professional project appears to demonstrate organizational or corporate professionalism (Muzio, Kirkpatrick, and Kipping 2011) similar to executive search, management consulting, and project management (Groß and Kieser 2006; McKenna 2006; Morris et al. 2006; Hodgson 2008; Beaverstock, Hall, and Faulconbridge 2010; Kipping 2011). From this perspective the professional project of ERC is simply 'weak' (Fincham 2006) or, at best, exhibits 'image professionalism' (Kipping 2011). We argued that an institutionalist perspective offers a more productive analysis of the ERC professional project, both in terms of providing a better understanding of the internal dynamics of its development and in terms of highlighting its role in transforming the broader institutional arrangements of executive pay.

The institutional work approach allows for a micro-level analysis of the agency of individual professionals. Drawing on Lawrence and Suddaby's (2006) classification of the forms of institutional work, we highlighted the multiplicity of voices within the professional community exposing the contested nature of the process of professionalization of ERC. Our data showed that the individuals within the community of ERC professionals may intentionally and/or unintentionally, undermine the broader scale collective efforts aimed at the creation of the ERC professional project, for example, by being reluctant to embrace the new identity or professional self-regulation. Given that these are senior professionals with the potential power and resources to facilitate or resist change (Empson, Cleaver, and Allen 2013), this may account for the overall 'weak' progress of professionalization (see Muzio, Kirkpatrick and Kipping 2011). Thus, micro-level analysis of institutional work allows us to highlight the voice and agency of individual professionals which are obscured in the traditional sociology of professions frameworks with their focus on a collective (e.g. occupational or organizational) level of analysis. Our findings also indicate that it is crucial to explore micro-level dynamics alongside or in relation to the collective level of analysis. Previously, McCann et al. (2013) have illustrated how the paramedics' professional project was contested because professionals' behaviour at the 'ground' level contradicted professionalization efforts of the professional 'elite'. This chimes with the findings of this article, although in our case, the same group of senior professionals exhibited contradictory strategies of creating and undermining the new project simultaneously: whilst strategically implementing various features of professionalism (e.g. professional association and regulation) at a collective level, remuneration consultants were resisting elements of professionalization as individuals (e.g. in relation to embracing the new identity or embracing

professionalism as a principle of their work organization). Hence, we suggest that, rather than comparing the progress of new professional projects to that of traditional professions, the analysis of the relations between the levels of institutional work may help better explain the development mechanisms and trajectories of such projects as ERC.

Furthermore, our study lends weight to McCann et al.'s (2013) suggestion that internal tensions may result in contradictory outcomes for the profession as a whole. We take this argument a step further; drawing on Suddaby and Viale's (2011) framework, we showed that exploring the tensions between individual and collective level in relation to the broader field processes allowed us to see that the creation of the ERC professional project may not have been a goal in itself; rather, the institutional work efforts of ERC professionals are more productively conceptualized as part of the process of creation and maintenance of the current institutional arrangements of executive pay-setting practices. This alternative analysis makes it possible to move the exploration of the development of this professional service beyond an assessment of its success or failure in terms of securing closure or monopoly (Larson 1977). When viewed as part of the creation of a broader institution of executive pay practices, ERC's collective (quasi-)professionalization efforts may actually be considered as very successful. Such analysis accounts for current developments of ERC but does not eliminate the possibility of a more traditional professional project emerging at a later stage, should conditions be conducive.

Our analysis extends Suddaby and Viale's (2011) conception of the role of professionals in shaping field-level change as well as various business practices. We showed that ERC professionals, indeed, open new uncontested spaces by pushing the boundaries of existing expertise and jurisdictions, they foreground new institutional rules of the ERC practice; as well as populate the new 'space' with new actors—for example, new departments within large consultancies or small boutique consultancies that work only with remuneration committees. However, whilst Suddaby and Viale (2011) pay much attention to the role of professionals in transforming the field, such accounts are criticized for their neglect of power relations that may shape these practices (Clegg 2010). Our findings lend weight to this argument; we have shown that in the case of ERC the state played a crucial role in defining the remit of ERC as well as in triggering their professionalization efforts. In our case, the state, clients, consultants, and other actors seemed to all contribute together to the institutionalization of particular executive pay-setting practices. The role of consultants is

then better viewed as cooperating or ‘coalescing’ (Zietsma and McKnight 2009) with other actors in the field when creating the new practice of executive pay setting. Moreover, although we showed that even a weak professional project may lead to field-level changes, our data also indicate that the process of the reconfiguration of the broader field may be very gradual: for instance, the institutionalization of the logic of professionalism was only partial and consultants continued actively reproducing the logic of the market and organizational logic which are historically dominant within these business practices (see Lounsbury 2002, 2007). Overall, our findings suggest that in order to produce an analysis that is more sensitive to the ‘social fabric’ in which professionals are embedded (Clegg 2010: 5) and avoid reproducing the notion of professionals as ‘hypermuscular agents’ (Suddaby 2010) when exploring their role in field-level transformation it is crucial to consider the role of and the relationship between (e.g. conflict or cooperation) other actors in the field. Moreover, it is crucial not to overlook the role of other established institutional practices and structures which may constrain or enable the role of professionals in shaping institutional fields.

Finally, our exploration of institutional work in the setting of a newly developing professional service also yields some interesting insights and questions about the application of Lawrence and Suddaby’s typology (2006). First, Empson, Cleaver, and Allen (2013) point out that the typology is based largely on an analysis of studies that mainly examine the macro level of creation, maintenance, and disruption of institutions. Our analysis suggests that some strategies of institutional work of creation, indeed, lend themselves better to macro level analysis, for example, vesting or advocacy; whilst others, for example, creating identities or creating networks, are more versatile. Moreover, similar to other studies (Currie et al. 2012; Daudigeos 2013; Empson, Cleaver, and Allen 2013; McCann et al. 2013), our analysis shows that, although it is empirically driven by the synthesis of existing studies, Lawrence and Suddaby’s (2006) typology is a useful starting point in analysing the different forms of institutional work. Yet, we also found that not all forms of the institutional work of creation were identifiable in our case which suggests that institutional work is context specific, that is, different forms of institutional work may emerge in different circumstances. Hence, a question for further investigation is whether certain forms of institutional work may be more prevalent or more essential than others for the creation (maintenance or disruption) of certain institutions. Furthermore, we also found that not all strategies may be employed by the same actor; for instance, vesting and advocacy were largely done for the consultants by the state. These findings lend weight to Zietsma and McKnight’s (2009) point that several groups may

cooperate in their institutional work efforts to create a particular institution. Thus, the creation of an institution is a complex process in which a variety of agents are involved and the question of whether and how the presence of cooperating or competing actors with different power resources will affect the kind of change that happens to an institution may be crucial for understanding the dynamics of the different forms of institutional work. Our research also points to the need for a more complex analysis of the web of relationships between institutional work strategies at different levels of analysis—individual, occupational, and/or organizational.

Our exploration of ERC services occurs at the point of their emergence as a separate and growing professional service. Therefore, we do not exclude the possibility of an alternative path in their future development. Exploration of the development of this service in future may also be interesting for understanding the experiences of the new ‘generation’ of consultants. Further examination of other stakeholders in the field and theorizing their role in relation to the development of this service also remains an avenue for further research. Remuneration consultancy currently remains situated mainly within PSFs and therefore it would be interesting to understand more clearly why and when a newly formed service continues to ‘reside’ within PSFs and under what conditions it may separate. In this respect, examining the growth of ‘boutique’ ERC firms may be a fruitful avenue for future research. Finally, professional and organizational structures vary cross culturally (see Svensson and Evetts 2010). It would be interesting to apply this analysis to explore ERC services in different cultural contexts. With the globalizing executive market understanding the development of ERC in different national contexts and the ways in which such developments impact the broader national and international executive pay arrangements promises to be an interesting exploration.

In conclusion, this article has explored the new professional project of ERC through the lens of institutional work. In doing so, it strengthens the empirical foundations of the institutionalist approach to understanding professionalism (Scott, 2008; Leicht and Fennel 2006; Muzio, Brock, and Suddaby 2013) as well as adds to our knowledge of how the emergence of this new professional services is linked to broader processes of field-level transformations (Suddaby and Viale 2011). Our study draws attention to the importance of a multi-level and contextual analysis of institutional work in order to produce a more nuanced understanding of contemporary professionalism which moves beyond the focus on monopoly.

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NOTES

1. The concept of a profession is highly debated (see Evetts 2011). In this paper we use the term ‘profession’ to refer to ‘traditional’ or ‘liberal’ professions (see Reed 1996). We use the terms ‘professional occupation’ and ‘professional service’ to refer to the new less established knowledge-intensive occupations which have developed within larger PSFs, such as executive remuneration.
2. Professional project is typically defined as a more or less systematic collective endeavour of an occupational group to translate resources into social and economic rewards (Larson 1977).
3. Lawrence and Suddaby (2006: 248) suggest that it is possible to take a broad view of institutions as existing across levels ‘from micro-institutions in groups and organizations that regulate forms of interaction among members, to field-level institutions such as those associated with professions and industries, to societal institutions such as family, gender, religion etc’. By ‘institution’, we refer here to a set of shared rules and practices that shape the behaviour of a field (Lawrence and Suddaby 2006: 248).
4. Data compiled from Morningstar Intelligence and Annual Reports by the authors. Reliable data on the use of consultants is only available since 2002 when disclosure became compulsory (DRRR 2002).

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