



DO CLIENTS ALWAYS COME FIRST IN PROFESSIONAL PARTNERSHIPS? A multi-level study of complaints against lawyers in Dutch law firms.

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Abstract: A unique but central corporate governance problem for professional partnerships (PPs) involves the question how to best secure fidelity to client interests. Securing fidelity to client interests is of paramount importance in professional services because clients suffer from knowledge and information asymmetries in the relationship with their service providers, while this relationship is simultaneously burdened by conflicts of interests that are endemic in professional services. In this study, we conceptualize the relationship between professionals and their clients as an (external) agency problem of PPs, and investigate the influence of (firm-level) organizational practices and (individual level) professional risk propensities on severe client dissatisfaction. Specifically, we model the effects of traditional PP features and practices versus more recently adopted generic organizational features and practices at the firm level, and the individual-level risk propensities resulting from the career stage of professionals, on the number of formal and grounded complaints filed against individual professionals by their clients. Using both survey and archival data obtained from a sample of 2994 lawyers nested in 142 law firms from the jurisdiction of the Amsterdam Bar Association, we document results that both inform and challenge our understanding of the governance of professional partnerships.

Bio: [J. \(Hans\) van Oosterhout](#) (PhD) is Professor of Corporate Governance and Responsibility at the Rotterdam School of Management, Erasmus University. He obtained an MA (Cum Laude) in Political Science Leiden University, and a PhD in Management from Erasmus University. His research is in comparative corporate governance, involving both comparisons between different national corporate governance systems and comparisons between different forms of ownership and enterprise organization. His current research focuses on how country level institutions shape the control role of owners and executives in public firms, and on the corporate governance challenges and practices of alternative organizational forms, such family firms, business groups, and professional partnerships. Hans has published his scholarly work in leading international journals, such as: *Academy of Management Review*, *Academy of Management Journal*, *Organization Science*, *Organization Studies*, *Journal of International Business Studies*, *Journal of Management Studies*, *Asian Pacific Journal of Management* and *Business Ethics Quarterly*. He has held visiting appointments at Australian National University (2002) and at the department of Legal Studies at The Wharton School University of Pennsylvania (2003, 2008), where he again will be a visiting professor for the spring semester of 2016. Additionally, Hans serves as an advisor on corporate governance to various types of firms and is actively involved in the Erasmus Centre for Family Business (ECFB); contributing to research and teaching programs on the ownership and governance strategies of family firms, while also serving as an advisory board member for the ECFB.