

Professions making services; the case of in – house lawyers

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Abstract:

In-house legal groups are unusual, being distinct by virtue of their members' qualifications, career trajectories and continuing involvement in a profession as well as a company. They represent a niche forum with a resource pool of specialist knowledge and skills from which a professional service is demanded and delivered. In-house lawyers have retained as their primary role making and delivering legal services for their colleagues in the organization. Their capacities to develop and offer their services are affected mainly through their professional backgrounds the experience. However, the learning processes that define the mode and context of the legal services are shaped not only by professional influences but also exhibit elements of innovation and creativity, which emerge in the context of their companies.

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Introduction

The aim of this paper is to address the research question; what is the role of their profession in mobilizing resources as in-house lawyers seek to develop and innovate their services? The research question develops the focus on the processes involved in delivering services by addressing the relationship between social context, namely professions, and an interdependency with resources that is process driven. The in-house legal group represents a niche forum with a resource pool of specialist knowledge and skills from which a professional service is demanded and delivered. A professional dimension to a service both consciously and subconsciously identifies with distinct processes, regulations and boundaries that define it and combine with the interactions between the producer and user that shape and order processes (Araujo and Spring 2006). The drive for innovation and creativity inevitably raises concerns for the role of the professions in the delivery of its services. The challenge therefore for professions is to transcend their institutional, monopoly-controlled identities and redefine themselves across the traditional demarcation lines without compromising the legitimacy of their role (Abbot 1988). A profession represents an additional or an alternative context for organizing resources but nevertheless one which can also co exist in organizations. Ford and Hakansson (2006) suggest that interaction across a social environment reflects a degree of path dependency arising from the influences not only context but also the experience and learning processes. The research question develops the focus on the processes involved in delivering services by addressing the inter connection between two co existing social contexts, namely professions and organizations, and an interdependency with resources (including knowledge and experience) that is process driven. The relationship between resources and services is defined, in part, by a level of strategic interaction across the processes combining resources and the paper will examine this relationship in order to understand how these processes are influential in driving innovation in the delivery of a service.

Both the social and institutional contexts within which services are delivered are acknowledged as influential in the delivery of professional services. The service demanded of the legal profession is “*directed at perfection not creativity*” (Quinn et al 1996 p72) and, regardless of its orientation, remains client-focused and defined by the social interaction in the lawyer/client relationship. The distinguishing and significant feature is the knowledge gap that exists between the provider and the user of a professional service. In – house lawyers are empowered by their ability to connect with their resource base (Scarborough 1998) and in managing their resources they generate the processes that effectively combine their resources and deliver innovative and creative services (Baker and Nelson 2005). Restructuring by in – house lawyers is, in part, their response to changing requirements (Pinnington and Gray 2007) and we suggest such initiatives reflect a degree of responsiveness by them to address the changing demands on their services. As lawyers organize themselves by adjusting and adapting to meet the challenges presented to them they differentiate their role and consequentially the processes that deliver innovative services. However, any initiatives promoted are challenged and constrained by the cultural values that legitimize the profession and which remain highly influential in shaping those processes whereby lawyers seek to restructure and differentiate themselves. Traditionally, the in – house legal teams exist to provide a legal service to an organization but as they integrate into organizations and embrace increasingly diverse and strategizing roles that demand a more business and commercial orientation, they are drawn towards opportunities to harness innovation and creativity in their services. We see in – house lawyers embracing

changes, not only to aspects of the professionalism that traditionally resonate with their legal role, but also by addressing non – specific legal considerations such as increasing the speed of response, reducing costs and minimizing mistakes.

We present empirical evidence gathered from four in-house legal groups to explore the influence of their respective relationships with the organization in which they are placed and we discuss the consequences for processing resources to deliver a legal service this is driven by the demands of a business whilst still shaped by the values of a profession. The evidence derives from a combination of in-depth face-to-face and telephone interviews, five professional journals (which were scrutinized over a period of four years for information relevant to the research issues) and other complementary data sources. We assess the consequences for the role of in – house lawyers as businesses are increasingly looking to their legal team to demonstrate an understanding and awareness of the commercial environment in which they operate and knowledge of the specific business in addition to their professional knowledge and experience. Lawyers must present themselves not as a ‘stand – alone’ team but as an integral part of the wider group and as corporate members whose contribution can bring value to the business.

The research question draws on resource theory (in the tradition of Penrose 1959) that recognizes the value to a firm from leverage drawn from a combination of resources and capabilities from which services may derive. Resource theory identifies resources as a source from which firms can differentiate and innovate and processes as a conduit through which heterogeneity in resources may be created. Historical and idiosyncratic processes developed through a combination of resources and interaction across social functions and shaped by the subjective influences of experience and context (Rugman and Verbeke 2002, 2004 and Ford and Hakansson 2006) present the lawyers with established and familiar routines and systems on which they can build a relationship with their resources in a manner that is strategically valuable (Araujo and Spring, 2006). However the influence of professional barriers and differences in norms and values may inhibit the promotion of new and creative ideas (Rashman, Withers and Hartley 2009). Proficiency in professional competence is the focus of a service delivery that carries the authority of the profession, but in – house lawyers do not enjoy the reassurance of assumptions about their role that attach to lawyers practicing within a professional firm. They nevertheless prove themselves to be resourceful in reassuring the value of their professional role within organizations that is shaped and distinguished by its knowledge, experience and professionalism. The paper contributes to research in the delivery of professional services across complex interconnections and, specifically, we explore the relationship between the dual contexts of professions and organizations in order to understand how the processes of combining resources are influential in driving innovation in the delivery of a service.

In the following section we review the literature on both resources and services using the context of the in – house lawyer to discuss the role of the professional in the delivery of its services in the tradition of the resource approach and we question the appropriateness of the professional identity and its adaptability to deliver innovative, productive services within an organizational setting. We briefly examine the research process and the use of a grounded theory methodology in our analysis of the data and we present the results of our analysis from the evidence gathered across four in – house legal groups on the significance of organizational context on the ability of professions to innovate and diversify their role

whilst generating demand for their services. Finally we offer our broad conclusions and introduce further potential areas of research identified from this study.

Professions as Service Innovators

Resource theory drawn from Penrose's resource based view of the firm explains the relationship between a firm's resource base and the delivery of services and recognises that successful firms possess tacit capabilities on which they can draw in order to innovate, adapt internally and embrace external changes. We concur with Rugman and Verbeke's interpretation of resource theory (2002, 2004) that identifies the processes through which organizations may grow and sees in them the focus for the strategic management of organizations driving growth and innovation. The combination of resources, capabilities and knowledge can produce valuable leverage for an organization and services may be the productive outcome of that leverage. Resource theory recognises that organizations possess tacit capabilities and successful organizations tend to draw on this in order to innovate, adapt internally and embrace external changes. Ford and Hakansson (2006) suggest that interaction across a social environment reflects a degree of path dependency arising from the subjective influences of context and experience that in turn highlight the interdependence across resources that shape the delivery of services. Ahuja and Katila (2004) describe resource heterogeneity as a "*source of performance*" (p887) and use the context of activities by U.S based global chemical firms searching for new, innovative technological capabilities to understand how variations in resources emerge. They draw on evolutionary theory to suggest that heterogeneity in resources is the consequence of different responses to idiosyncratic situations and they identify resources as the means through which organizations can drive innovation and creativity to differentiate themselves and their services.

A profession provides a complementing and external form of governance that places boundaries on the heterogeneity of organizations but also provides an additional means of shaping and connecting the resources. The professional community is marked by a shared adherence and loyalty to values, norms and orientations linked to the profession and that engender common characteristics across the profession (Tushman and Scanlon 1981) and in – house lawyers exhibit many features that identify with their profession but in their additional integrated, organizational role they demonstrate responses to idiosyncratic situations through unique processes that are both innovative and strategic and that highlight the emergence of heterogeneity across their resources.

In their discussion on the application of resource theory in the context of services Araujo and Spring (2006) refer to the description of services used by Vargo and Lisch (2004a), videlicet; "*The application of specialised competences (skills and knowledge) through deeds, processes and performances for the benefit of another entity or the entity itself*" (p798). They distinguish a service in terms of what can be experienced as a result of the delivery of the service (building on Penrose's interpretation of service implying a function or activity). Lawyers are instructed by clients demanding a competitive and responsive service yet those same clients remain committed to the expectation of a service that is defined by a level of specialist knowledge and experience that is the essence of their relationship with the profession. The appeal of a profession derives from embedded assumptions regarding expected levels of competence and a work ethic that is framed in

professional norms and codes of conduct and that offers legitimacy to the profession role (Fournier 1999 and Hodgson 2005). Whilst expertise and specialist knowledge distinguishes the profession (Abbott 1988), it nevertheless is the processes by which those skills are delivered that define it. Uncertainty about the shape and remit of the in – house legal role inevitably raises questions about the nature of the services they offer but as the processes that shape services are increasingly driven by commercially focused strategic aims the professional dimension to their services comes under increased scrutiny.

We recognise that all entities have social boundaries that play an important role in distinguishing social groups and facilitate identity (Newell et al 2003). In their work on boundary spanning activities Montgomery and Oliver (2007) found that despite evidence of professional / organizational integration across their two case studies (namely the Jewish legal profession in Israel and physician executives in US) they were framed within the context of networking activities that marked exclusive membership and proprietary domain and reaffirmed the legitimacy of the role of the members. In – house lawyers conform to a social categorization defined by a combination of their professional membership and specialist knowledge domain but they also form a community within an organization.

The traditions of resource theory inform the role of the in – house lawyer in delivering a professional service but the dual dimensions to their role also demand a responsiveness and adaptability to organizational influences that may conflict with the resourcefulness of their professional role. Whilst different professions exist across a range of contexts and are organized in different ways it is the professional dimension that shapes the conduct of the work and the service provided (Suddaby and Greenwood 2005, Malhorta, Morris and Hinings 2006 and Malhorta and Morris 2009). In their empirical study on the heterogeneity in professions Malhorta and Morris (2009) concur with the literature that the consequences of heterogeneity for the organization of professionals service firms stems from the expert knowledge of professionals through which they create a dependency relationship with their clients and which they use as a basis on which to differentiate themselves. If in – house lawyers are to successfully manage their resources to generate processes in a manner that innovates their services then they must reconcile such initiatives within the context of the familiar structures that shape their professional identity and in deference to the conduct of their professional specialist work that defines them.

Methodology

A grounded theory methodology was adopted in this research. Grounded theory has been applied in a wide arena of social science research encompassing, inter alia, research in management and organizations, (Kram and Isabella 1985, Denzin and Lincoln 1994, Rafaeli and Sutton 1991, Eisenhardt 1989a, Charmaz 1990) and is used in qualitative research and, combines with the pragmatist perspective on individual and social reality to provide an appropriate interpretive framework for this research. Researchers in ‘professionally’ orientated areas have similarly turned to grounded theory as a qualitative approach (Scher 1997, Langley 1999) and as a methodology it embraces a flexibility and adaptability in its procedures that enable the researcher to capture and understand the complexities in substantive areas such as organizational and individual interactions and behaviour and decision making (Locke 2001) and to contextualize the findings (Martin and Turner 1986). Grounded theory in the tradition of Glaser and Strauss (1967) represents a challenge across the spectrum of social science research from empiricism to relativism and

provides a methodology that aims to address the interpretive realities of social setting and their participants. We adopt Strauss' (1987) interpretation of grounded theory that identifies it as a qualitative research method that uses a systematic set of procedures to inductively develop theory about social phenomena and a more formal, prescriptive routine in analysis (Strauss and Corbin 1990, Locke 1996, Suddaby 2006).

Data was gathered from in depth interviews held with four in-house legal groups. These groups comprise four in-house teams which each operate within public, government funded organizations. Three interviews were held face to face and one was conducted as a pre arranged telephone interview. All interviews were taped with the prior consent of the interviewee and then transcribed and coded. The interviews were conducted on a semi-structured basis. An interview protocol was always prepared before. It reflected not only the pertinent issues but also new and emerging ideas from the preceding data collection and also, specifically, questions relating to topics that were individual to the interviewee. It was conditional upon those approached that an interview was granted on the basis that information would be used solely for the purposes of this research and would be referred to entirely on a non attributable basis. It is for this reason that the in-house groups are cited under 'nom de plumes' thereby protecting their identity.

A range of data sources can add rigour and robustness to research (Glaser and Strauss 1967, Strauss 1987, Corbin and Strauss 1990, Maitlis and Lawrence 2007). "*...the data for a grounded theory can come from various sources. The data collection procedures involve interviews and observations as well as such other sources as government documents, video tapes, newspapers, letters and books – anything that might shed light on questions under study*" (Corbin and Strauss 1990 p 5). We adopted this pragmatic approach and data was sourced not only from the interview transcripts but also from government publications, websites, books, journal and newspaper articles and documents provided by the sample groups. The legal profession is served by a range of published journals (weekly/ monthly and quarterly) and a total of five professional journals were scrutinized over a period of four years for information relevant to the research and to the sample organizations. **Table 1** profiles the in-house groups researched and the range of data sources used to inform our sample.

The QSR NVivo 8 programme was used to assist in coding and analyzing the rich and varied qualitative data collected. In the first stage of open coding, the data were analysed for evidence of initiatives and trends adopted across the groups that would reflect how each had organized themselves to address a changing focus for their professional role from the demands of their organizational position. Open coding also uncovered how indicators of how the in-house lawyers are adapting and adjusting their services and in doing so, diversifying their remit and demonstrating innovative practices. Initially all the empirical evidence was analysed and coded under four principal tree nodes videlicet;

1. Changing focus for the legal profession
2. Combining legal with other skills
3. Diversity of skills
4. Understanding both legal and business skills

The data were coded within a hierarchy of 'family' nodes to establish a picture of how in house lawyers are addressing conflicts between their professional role and the demands of the organizations of which they are part. The second stage of data coding involved

analyzing how lawyers, the profession and organizations respond to and deal with the positioning of the in house lawyer within an organizational context, how the remit of that role is influenced not only by its professional role but also by the organizational demands made on the delivery of its services and also the value attributed to the role of the in – house legal team within the organizational framework.

<u>'Delict'</u>	<u>Interview</u>	<u>Journals</u>	<u>Complementary Data</u>
A Division of the Government Legal Service for Scotland (GLSS) Provides legal advice to the Ministers of the Scottish Executive	Chief Legal Advisor	Yes	Business Delivery Plans / Government Legal Service for Scotland information brochure / Web site information
<u>'Contracts'</u> Legal Group for a Gov. Dept. A Division of the Government Legal Service for England & Wales (GLS) Provides statutory and legal advice to the Secretary of State and the Department	Chief Legal Advisor	Yes	Government Legal Service information brochure / Legal Information Online Network / Development and Career Guidance for lawyers in the Senior Civil Service / Professional Skills for Government Programme
<u>'Jurisprudence'</u> Central Legal Office for public service organization Provides legal advice to organization network across Scotland	Legal Director	Yes	Web site information / Annual business plan
<u>'Succession'</u> No distinct legal group but teams of lawyers (all members of GLS) work across Divisions within Policy & Strategy, Markets & Projects & Litigation Function within the organization	General Counsel	Yes	Web site information / Annual business plan

Table 1

Understanding the role of the in – house lawyer

The legal profession is one of the oldest and most recognisable of the 'professions'. It provides a service that is founded on a combination of theoretical knowledge and the tacit component of a knowledge base that is the product of a specialised education and training.

The role of the professional is the execution and delivery of a ‘primary task’ or ‘service’ that is enhanced by reputation, acquired overtime, that is a product of both formal and tacit knowledge and expertise (Hall 1968, Maister 1993 and Anand, Morris and Gardner 2006). In contrast to the private law firm where the service delivered offers a range of options as the norm, the services delivered by the in-house team must address commercial realities and be specific and responsive to the demands of the business. The in-house legal team must present itself as a group that is in touch with the day-to-day issues of the business and is closely embedded with their clients.

As the legal profession adapts and responds to the demands and influences of changing societal contexts it has conceded the authority and constraints of some functional aspects of its profession. The in-house legal group emerges not only a forum for delivering legal services, but as a function that is integrated within the organizational framework in touch with the demands of the business. The role of the in-house lawyer role has become a delicate balancing act and one that identifies with a Weberian style, rationalist approach towards increased efficiency that demands a more commercial focus on legal issues. In-house lawyers have demonstrated that they are inspirational in creating new roles for themselves that are shaped by the nature and scope of their services and not constrained by social and institutional boundaries.

In-house lawyers enjoy levels of autonomy and authority that is supported by self imposed regulations and adherence to a set of accepted ‘professional norms’. They also remain within the exclusive jurisdiction of either the Law Society of England and Wales or the Law Society of Scotland and, more specifically, they belong to the respective representative group within these regulatory authorities, namely, in England & Wales, the Commerce and Industry Group and the Scottish In House Lawyers Group who identify with a new more integrated role for their members; *“The need for an in-house legal service is dictated by the need for businesses to have legal experts of top quality available within their corporate structure at all times”*¹(p14).

Inevitably as the in-house lawyer becomes embedded in the business the more problematic it is to remain professionally detached and to maintain a level of independence that derives from their professional role. Clearly an in-house team needs to be focused on their clients but the distinction between business and legal advice remains a priority for them and derives from the values embedded in their professional identity. In a 2006 Report² the Commerce and Industry Group identified that as in-house lawyers are being given increasingly prominent roles with greater responsibilities, (specifically in areas of corporate governance) issues of identity and value commensurate with their role become confused and they urge their members to ensure their remit is clearly defined.

Our analysis highlighted three key dimensions that are influential in shaping and organizing an in-house legal function, videlicet;

¹ The Law Society of Scotland In House Lawyers’ Group Guide for In House Lawyers

² A Fine Line, Further Guidance to the In House Lawyers in England & Wales on ensuring good corporate governance in your organization (26/07/2006)

1. The internal profile of the group

Each group is organized into teams or divisions, each led by a senior lawyer, along similar lines to the departments common in private law firms. The significant difference however is that the remit of these teams is dictated by the demands of the wider organization and their make up reflected this although there were some notable exceptions when the legal specialism was the defining feature of the team e.g. Litigation.

2. The primary responsibility of the in – house legal team

Each group described their principal responsibility to provide a service of legal advice to the business.

3. The role of the senior legal advisor within the group

A number of titles were used by the head of the various functions but each reinforced the legal identity of the group and its leader videlicet; Head of Legal, General Counsel, Director of Legal Services, and Legal Director. Despite the variation in choice of title the role for the head of legal function is always a clear mark of authority not only in respect of managing the group but also as the final decision maker on legal issues. However the data also highlighted a range of other senior management positions enjoyed by the respective senior legal advisors reflecting a high profile for this role that embraces not only authority and responsibility for its professional remit but also a wider, more strategic role in the wider organization.

In addition to levels of homogeneity that we expected from their professional identity, we also found significant evidence to demonstrate that in – house lawyers are embracing their additional organizational role and addressing its influence in defining their responsibilities to the business in which they are located. They are adapting ways in which they make legal services for others in their organization, often becoming integral to that organization’s prospecting and strategizing. The interviewee in the organization ‘Contracts’ described initiatives introduced under his authority to integrate his lawyers within the business and the difficulties faced in maintaining a status quo to meet the organizational level initiatives; *“We are essentially organized in client – facing groups but the slight difficulty is that the department re- organizes itself more often and more rapidly than we can keep up with.”* The focus is on integration and building a close working relationship as he explained; *“We are co – located with the clients and intimately involved with them.”* Similarly the head of the legal group in the organization ‘Succession’ reported changes there responding to pressure from the business to integrate the lawyers within the organizational structure; *“My view is that the way the organization has gone is the way lots of other organizations operate and they too want a different style of lawyer. It is a high profile organization that needs good lawyers. The lawyers are embedded with their clients and the idea is that they should become more familiar with the day to day issues.”* Reflecting conflict locating the dual role demanded of his lawyers the head of the group within ‘Jurisprudence’ describes the in house – lawyer role as high profile and yet one that struggles to find its role within the organizational framework *“We are regarded as ‘non – core’ but we are an essential part of the business set up in the organization.”*

However this prevailing attitude towards a more integrated role is tempered by an underlying loyalty and deference from the lawyers towards their professional role. Traditionally lawyers identify with the professionalism derived from their profession as fundamental in creating an identity for themselves and legitimizing their role. Attitudes of

elitism are hall marks of a professional role that differentiates them from ‘non professionals’. In – house legal groups represent a collective of legal professionals that embody a bank of specialist knowledge that enables decisions to be made and services delivered. Their professional identity remains a status that sets the framework of the social context within which they work, regardless of their organizational role. One interviewee described this embedded attitude as “*a defence mechanism*” reflecting the individualism enjoyed by their role. The group head of ‘Delict’ explained that his group had resisted steps to integrate his lawyers within the organization and were unique within the organization as the only professional group which has a separate professional structure and its own separate organization. He acknowledged that attempts had been made to co-locate the lawyers across the business but explained the rationale for maintaining their distance as “*the strength of the professional badge*”. Distance ensured not only a loyalty to the professional standards expected of them but also reinforced the boundary across the professional and organizational context of their role. In – house lawyers need reassurance of the value of their professional identity within the organization and they prove to be both inspirational and resourceful in identifying a role for themselves.

Lawyers delivering innovative services

The primary role of the in – house lawyer is to provide a legal service that is defined by their levels of knowledge and experience and shaped by the processes that engage with these resources and focused on delivering a service to meet their client’s expectations. Such services are delivered from a framework defined by professional context and within boundaries that serve to reinforce a degree of detachment for the legal function from the wider organization but conversely also shape the processes that act as a conduit to the wider organization. Despite the strong professional identity underpinning the delivery of legal services they are increasingly promoted less in the professional context and more as a business operative and challenges to the professional focus from commercial and business imperatives require to be addressed. One interviewee described their role as “*being able to handle the demands of the business*”. The in – house team has to balance the contradictions of their dual identity, as both professionals and organizational ‘team’ members, in delivering their services. In contrast to the private law firm, where the service delivered offers a range of options as the norm, the service delivered by an in – house team must address the commercial realities and be specific and responsive to the demands of the business. Although the professional drivers behind legal services remain the primary focus in their delivery, the profession is conceding that an understanding of business issues enhances that service and requires decisions to be taken on how to manage that work effectively. We observed surprising but significant levels of compromises resulting from the growing interdependencies across the dual contexts of profession and organization. Both lawyers and business concede that the boundaries may need to shift to accommodate growing heterogeneity amongst the in – house professional group. The head of legal at ‘Contracts’ articulated this position very succinctly; “*We count as specialists in terms of being a lawyer and we must have key professional skills as lawyers and then, depending on the work we are doing; we require a certain number of other key skills.*”. So too the head of legal at ‘Delict’ acknowledged that the role demands “*more than just being a good lawyer*” and benchmarks have been set to measure the services of his group against both professional and organizational standards. The organization ‘Succession’ had recently undertaken a major internal reorganization and the consequence for the legal group was

highly significant. They no longer exist as an individual entity but they are co located across the new structure and now function as integral team members within separate divisions. The chief legal counsel was sanguine about the inevitable consequences for the lawyers; *“The organization has revolutionized the way it is organized to be more progressive and as a result the role of the lawyer within the organization has changed too. Under the old structure lawyers saw their role as ‘providing a service’ but the protection of the ‘legal status’ has broken down. Lawyers need to develop themselves to be able to handle the demands of the organization”*. Nevertheless he also insisted that regardless of the changes in both their social and contextual backgrounds, the lawyers’ role remains one that is primarily defined by their professional not organizational responsibilities with a status that is both pervasive and significant and *“they want to be able to say that they are still lawyers, still specialists and we have some value to add and we want to have thinking space.”* Reflecting this, the lawyers still identify themselves as part of a professional group within the organization have a line of reporting to the senior lawyer who now performs what he describes as a ‘pastoral role’ as the Head of Profession.

Uncertainty about the role of the in – house lawyer inevitably raises questions about the nature of the service they offer. Their services remain shaped by legal imperatives and derive from their resources of specialist knowledge and skills but as the processes that shape these services are increasingly driven by strategic aims that are commercially focused the professional dimensions to their service comes under increased scrutiny and raise legitimate concerns over issues of context. The imperative to embrace wider organizational issues seems very immediate and processing the resources of professional skill, knowledge and expertise in isolation now seems inadequate to meet the demands for a professional service. The ability to deliver a service that matches not only the demands of the business yet remains focused on the legal issues ensures that the role of the in house lawyer is multi dimensional and that inevitability brings with it conflict and a need to resolve issues between their combined roles. A Report in 2005³ by the Commerce and Industry Group contains advice for the in – house lawyer;

“The in – house lawyer does need to stay alive to the distinction between business and legal advice, in part for reasons of privilege and in part, because it may not be in the in – use lawyer’s interest that colleagues rely on comments which are effectively proffered as good business sense (or even common sense) as if they had the character of robust and definitive legal advice. (p19)

We observed evidence of measures taken to address these issues to facilitate meaningful interaction across the professional boundary with organizational aims. Initiatives include the appointment of ‘relationship partners’ from the legal team to liaise with the heads of business divisions and the adoption of a ‘partnership scheme’ within a Company where the key senior figures were allocated a dedicated lawyer for a direct line of communication. Feedback sought from senior management on the role of the lawyers was encouraged to reinforce the role of the legal group as a support function.

The diversification of the in – house legal role reflects not only a repositioning but also a refocusing of their services that involves strategizing across the business. Lawyers are

³ Reconciling the Irreconcilable: Best practice Guidelines for In – House Lawyers in England & Wales in the New Corporate Environment (11/03/2005)

demonstrating a strong sense of commerciality and an awareness of the business combined with an ability to deliver a professional service that addresses both business and legal issues. As the in – house lawyer is increasingly drawn into the organization the influence and integrity of the role of legal professional becomes diluted and they embrace many of the features of an organizational member for whom the professional identity has no credibility. The lawyers within ‘Contract’ acknowledged that they must acquire new and diverse skills to address the demands of the organization, but this must not be at the expense of their legal skills and expertise which remains, for them, the defining attributes of their group. Involving the lawyers in strategic decisions reaffirms their contribution to the business and yet, notwithstanding these pressures, the professional dimension to their role remains an over arching feature of a business function whose remit is often to provide options or solutions but not to make decisions. In ‘Succession’ the in – house lawyers work hard to maintain a complex status quo for their group, confident that they are part of “*a high profile organization that needs good lawyers*”.

Discussion

The literature acknowledges the ability of organizations to innovate, adapt internally and embrace external changes as a consequence of the successful processing and allocation of their resources (Rugman and Verbeke 2002, 2004 and Ford and Hakansson 2006). Newell et al (2003) and Montgomery and Oliver (2007) concede that, whilst the influence of both social relations and institutional context are not critical, they are nevertheless significant in shaping and processing resources. The processes that enable organizations to achieve their strategic aims are a consequence of this resource allocation. We understand that in the context of professional services the resources of knowledge and skill are valuable resources in the processes that define and shape the context and mode of the service. In-house legal groups represent a niche forum within wider organizations that can draw on their resources of expert knowledge and skills in the delivery of their services and are shaped by the values that legitimize their role.

The evidence presented identifies with the argument suggested by Malhorta and Morris (2009).that whilst the nature of a professional’s work does not determine and shape all aspects of their work the nature and conduct of their work does explain the structure within which it is delivered. We observed that as in – house lawyers participate in increased levels of interaction across organizations they adapt their activities but, significantly do so in ways that they retain authority over their day to day work. Nevertheless their activities are not framed exclusively by the scope of their expert knowledge and skill and, as they integrate with in policy and decision – making strategies, we conclude that the expectation is that they should deliver not just a professional service borne out of their legal knowledge and expertise but also to participate in delivering on strategic aims and innovations.

The empirical evidence exhibits clear levels of interaction and interdependency between the dual contexts of firms and professions that have emerged as a consequence of these new drivers. Despite the underlying imperatives to break down institutional barriers to processing resources they remain a powerful and important feature in shaping and processing the resources. We observed the influence of professional barriers and differences in norms and values and recognized them as inhibiting the promotion of new and creative ideas although their influence was discreet and rarely openly confrontational.

As boundaries have become blurred and diminished, the influence of the institutional context of professional groups has been challenged but it has nevertheless demonstrated resilience and tenacity in retaining its idiosyncratic features.

Pinnington and Gray (2007) argue that restructuring occurs partly in response to users' changing requirements. We see evidence that in – house legal groups can and have organized themselves by adjusting and adapting their role to meet the challenges presented to them and in doing so they differentiate themselves and consequently the processes that deliver their services. Nevertheless such initiatives are challenged and constrained by the cultural values that legitimize the profession and which remain highly influential in shaping those processes whereby lawyers seek to restructure and differentiate themselves. As lawyers become increasingly integrated into wider, more diverse and non-legal organizational structures, their assimilation into business environments raises questions about threats to the functional characteristics that are attributed to their professional status. Their professional role is defined by a combination of expertise and skilled knowledge but their role within the organization demands that those skills are effectively used in a wider context. The focus of those skills is inevitably drawn towards the delivery of a service and a purpose that is served jointly across an organization which in turn recognizes and acknowledges the value such a contribution made to its business.

A business may comprise an eclectic mix of lawyers, project managers, accountants, economists, engineers et al but does being part of such a diverse environment shape the identity and influence the integrity of the legal professional working within it? The empirical evidence reflects the prevalent attitude amongst businesses that they increasingly look to their legal team to demonstrate an understanding and awareness of the commercial environment in which they operate and knowledge of the specific business in addition to their professional knowledge and experience. They must present themselves as an integral part of the wider group and as corporate members whose contribution can bring value to the business. Their remit is to provide solutions. Lawyers who sit outside the policy and decision-making processes are distanced from the business. Involving them in strategic decisions demonstrates their contribution to the business. Although this increased profile may extend to policy-making the evidence of this paper suggests that the in - house lawyer's role is generally one of advice thereby enabling the decision makers to take the decisions. The strength of professional identity nevertheless remains pervasive and the in – house legal function is orientated towards a role as an 'expert' function, delivering a specialised service whilst at the same time embodying a role that is respected as a valuable contributor to wider organizational values and aims.

Conclusions

This research is a study of in-house legal groups within government departments and public service organizations, but it highlights opportunities to extend this framework to a wider and more diverse sample across in house lawyers working in commercial sectors. The paper has addressed the diversity of the role of professionals working within such organizations and assessed levels of interaction and interdependencies that exist and in doing so address the implications for the professionalism of the lawyers. The emergence of signs of innovation and creativity in their services suggests that as in-house lawyers embrace new and differentiated roles their influence will extend beyond the framework of

their traditional remit and raises interesting questions as to how they will respond to the challenges presented to them. Notwithstanding their integration into non-professional organizations and evidence of increased levels of heterogeneity emerging across their role, in – house lawyers continue to retain a strong sense of identity with their professional role. They demonstrate strong allegiance to the benchmarks set by their profession and the clients remain reassured by this demonstration of adherence to professional values. The service remains shaped and informed by the status and identity associated with membership of the legal profession and which, regardless of organizational context, maintains high levels of social closure. Despite the underlying imperatives to break down barriers to processing resources the evidence reaffirms the strength of the producer / user relationship in the delivery of a professional legal service as a powerful and important feature in shaping and processing the resources demanded by that service and it seems that, regardless of changes in structure and context, the in house lawyer and legal group retain an ability to generate demand for its services through the innovative and creative allocation of its resources.

As demand from clients for new and more innovative services grows the lawyers have responded and proved to be inspirational in creating new roles for themselves that are shaped by the nature and scope of their services and not constrained by social and institutional boundaries. As in – house lawyers differentiate themselves and their services they must embrace a role for themselves that identifies with not only the functional aspects of their role but also encompasses a more holistic approach to their skills and ability to deliver legal services that reflects their role and contribution to the wider organizational context.

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