Beyond the firm: A new way of looking at professional service firms

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Professional service firms hold a particular significance for organisational scholars. This is partly to do with the critical position that they occupy in the economic, social, and political realms, and partly because any developments in professional service firms can have far-reaching implications for the study of organisations more generally.

A working paper, *Beyond received wisdom: An integrative perspective on organizing professionals* by Laura Empson, Joseph P. Broschak (University of Arizona), and Huseyin Leblebici (University of Illinois at Urbana-Champaign), contends that most existing studies of professional service firms are limited by focusing only on the firm itself. They neglect the fundamental role played by the individuals who enact their professional lives within the firm, and the clients and professional regulators who shape the context within which firms must operate.

![Diagram](image)

*Figure 1: An integrative perspective on organizing professionals*

For instance, professional service firms simultaneously maintain employer-employee relationships with individual professionals, market relationships with the client firms
they service, and in many cases are subject to the jurisdiction of professional or regulatory bodies that influence and limit their structure and practices. In fact, not only the firm, but the professionals, clients, and regulators themselves are all influenced by the demands of multiple relationships. Professionals, for example, are employees of particular professional service firms, members of their profession and/or professional associations, and (by virtue of working closely with client firms) may develop allegiances and relationships with the individuals or organisations they serve.

If we look at professional service firms in terms of the relationships between these four principal stakeholders, as illustrated in the integrated framework above, we discover intriguing new avenues of inquiry.

For example, consider the issue of power. Individual professionals’ power may not be based on their job title but on other factors, such as relationships with prominent clients. Focusing on clients as a source of power for individuals within the firm points to the importance of studying issues such as the profitability and prestige associated with particular client assignments and how this may affect a professional’s ability to accumulate and wield power. Looking at the changing balance of power between clients and professional service firms may help researchers understand how the increasing pressures placed on professionals to act in the “best interests” of clients may result in ethical or legal dilemmas. At the same time, examining the decisions that firms make about the structure of work assignments and the duration of relationships between individual professionals and clients may highlight how these factors are used to increase or reduce the power of individual professionals.

Identity is another – under-researched – area on which this integrative perspective could shed some interesting light. As members of organisations, individuals frequently develop multiple identities that reflect the varied roles, demands, interests, and values that are an integral part of organisational life. For professionals, one source of identity is derived from the characteristics and demands of the particular firm of which they are members and from which they derive organisational identities. Individual professionals also develop professional identities through the norms, values, and training and
socialisation processes that are characteristic of their professional training. Finally, a professional may develop a client identity as his or her self-concept may be influenced by significant client relationships.

By applying the integrated framework, researchers can investigate how organisational, professional, and client identities coexist in professional services, and explore issues such as the extent to which these identities align or conflict in different professional service contexts. They can explore how individual professionals balance the demands of different identities, and what tactics and strategies managers use to cope with the existence of multiple identities from very different sources.

There is also the opportunity to develop a much more subtle and nuanced perspective on the nature of professional work itself. How, for example, do professionals work with their clients to define the “problem”? How do they identify the appropriate areas of professional expertise to address the problem? How do they co-create knowledge with their clients? And how do they adapt and use that knowledge with their new clients?

The framework can help to highlight the gap between what the professional body considers appropriate to teach trainees and what individual firms prioritise. It also highlights how professionals work with their colleagues and knowledge management systems to marshal existing organisational knowledge, and identifies areas in which client demands are driving the creation of a new basis of expertise. In this context the integrative framework serves to emphasise the complex interdependencies of professional, organisational, individual, and client knowledge in the development and delivery of professional work.