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# Professional identities at stake in strategic change

– on the formation of professional selves in changing PSFs

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sub-theme 3: Professional service organizations and knowledge-intensive work

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## Abstract:

Professional Service Firms (PSFs) are increasingly pressured to strategic changes by evolutions in their environments. Research has especially emphasized changing client behaviours and demands, globalization and increasing competition. However, the internal dynamics of strategic change in PSFs remain under-investigated. The current paper focuses specifically on the role of professional identities in processes of strategic change, as identity has emerged as a key variable for understanding PSFs in recent research. The current paper introduces an analytical framework in four steps for understanding strategic change implementation and the role of professional identities. These steps comprise: 1. The nature of the strategic change; 2. Changes in organisational processes and in professional roles; 3. Identity moves by the professionals; 4. The outcomes of the strategic change process. The framework is applied to three different PSFs representing three typical strategic changes. Based on the analysis of the case studies we argue that the nexus of analyzing strategic change in PSFs lies in the intertwined processes of evolving organizational roles, practices and professional identities. The paper also spells out managerial implications for role design and effects for professionals in strategic changes.

# 1. Managing strategic change in PSFs: organizations and professional identities at stake

Research agrees that PSFs (Professional Service Firms) are pressured to strategic changes by evolutions in their environments such as changing client behaviours and demands, globalization and competition (e.g. Brock, Powell, & Hinings, 1999; Empson, 2007; Galanter & Palay, 1991; Greenwood & Lachman, 1996). The strategic changes undertaken by PSFs' in response to a changing environment have been studied from a number of different perspectives. From a strategic management perspective it has been pointed out that the underlying logic of doing business in professional services may be changing towards more commercialism (Cooper, Hinings, Greenwood, & Brown, 1996). Changes in the ownership structure – from partnerships to public ownership – have been observed and their consequences discussed (Empson & Chapman, 2006; Greenwood & Empson, 2003). PSFs' efforts to become less dependent on individual knowledge workers and increase the efficiency of knowledge work by leveraging and reusing knowledge have been studied under the label of knowledge management (Hansen, Nohria, & Tierney, 1999; Morris, 2001; Sarvary, 1999; Werr & Stjernberg, 2003). Furthermore, mergers and acquisitions, to a large extent taking place in a search for economies of scale and scope, have been studied (Empson, 2000, 2001, 2004).

Taken together, these studies indicate that strategic changes in PSFs often meet considerable resistance from professionals. For example, knowledge management initiatives generally grapple with the challenge to actually make people use the systems (Brivot, 2007; Morris, 2001) and mergers and acquisitions run the risk of key professionals leaving the organization, jeopardizing their intended positive outcomes (Empson, 2001).

This paper focuses on strategic changes in PSFs and aims at investigating them from *within* the professional service firm, following the call by Suddaby, Greenwood and Wilderom (2008). Building on recent works pointing out the importance of professional identity in understanding change in PSFs (Chreim, Williams, & Hinings, 2007) and other industries (Lefebvre, Roos, & Sardas, 2009; Sardas, 2001; Dutton & Dukerich, 1991; Ellemers et al., 2004) we ask the question: *How does professional identity influence the implementation of strategic changes and what are the processes and the determinants driving the evolution of professional identities in situations of strategic change?*

The paper develops the argument that understanding strategic change in PSFs requires the analysis of the intertwined evolution of PSFs' organization and the structure of roles and the professional identities assumed by the professionals. The impact that organizational changes have are affected by professional roles and identities, which may work as both enablers and barriers to change. Strategic changes in PSFs and their organizational consequences provide “offers” of new roles and associated professional identities that professionals relate and contribute to in different processes of identity formation. This argument is developed in relation to three case-studies that represent typical but diverse situations of strategic change and associated organizational and identity evolutions: a merger between an IT and a management consulting firm; the acquisition of an independent technical consulting

firm by a large consultancy and the evolution of the organization of an independent mid-size consulting firm. We propose a framework of analysis for the cases which comprises four levels of analysis: the nature of the strategic change, the organizational consequences on processes and roles, the professional identity moves at the individual level, and the outcome of the process of change.

The role of professional identities in strategic change in PSFs is a recent but promising area of research (Chreim et al., 2007). The current paper contributes to the literature on strategic change in PSFs by adding insights into the organizational and individual aspects of change. It also contributes to a growing literature on identity in PSFs by shedding more light on the processes by which professionals form and transform their individual professional identities in interaction with organizational practices.

The paper proceeds as follows: in the next section, we propose an integrative framework for understanding strategic change from an identity perspective. This is based on a review of research on professional identity and on the consequences of strategic change on organizational practices in PSFs. In the following section, the methodology is discussed. In the third section, the framework is used to analyse three contrasted case-studies of strategic change in PSFs. Finally, in the discussion part, special attention is paid to the concrete process of strategic change at the different and intertwined levels of analysis proposed by the framework. We also discuss the consequences of our findings for the conception of professional identities and on the role of professionals in strategic change in PSFs.

## 2. Professional identity, organisational roles and strategic change in PSFs: framing the challenges

Identity is traditionally defined as giving the answer to the question: who am I? (e.g. Gioia, 1998), i.e. the definition of the self. Professional identity is associated with the attachment to a certain role and can hence be understood as “the relatively stable and enduring constellation of attributes, beliefs, values, motives, and experiences in terms of which people define themselves in a professional role” (Ibarra, 1999:764). In the current paper we view identity as a dynamic psychosocial phenomenon, which highlights the process through which individuals define and adapt themselves to professional roles during their careers in a social environment (Ibarra, 1999). This identity construction and adaptation is viewed as a transactional process of both identification and distinction inside a professional community (Kreiner, Hollensbe, & Sheep, 2006) which has far reaching consequences for organizational members’ behaviour, motivation, commitment, interaction, etc. (Ashforth & Mael, 1989; Dutton et al., 1994). The professional identity provides resources for action based on what are perceived suitable and desirable skills, beliefs and values (Weick, 1995).

Professional identity is thus viewed as a construction resulting from what could be seen as a “transaction” between an individual dynamic and an organisational offer of roles to its members. It is a transaction in which the individual’s understanding of the self is matched with perceived important characteristics of the changing organizational role. In this process both the professional identity and the

organizational role may be subject to change and adaptation. However, the level of match achieved at any given time, as reflected in organizational members' identification with the emerging role/organization is an important predictor of the reactions to organizational change (Dutton & Dukerich, 1991; Ellemers et al., 2004).

Professional identity has been a category in the study of professional service work and firms for some time. Two main approaches can be identified according to their respective focus on the organization or on the individual. The first one builds on social identity theory (Ashforth & Mael, 1989, Dutton et al, 1994) and considers professional identities as a key control variable in PSFs (Alvesson, 2004; Kärreman, Sveningsson, & Alvesson, 2002). Given the complex nature of the task and the lack of formal control mechanisms, the professional worker's understanding of him/herself in the role and task have been pointed at as central for guiding the behaviour of autonomous professionals through identification with the organization and its cultural system (Alvesson, 2001). Furthermore, the opportunity for the professionals to construct an attractive identity as part of a PSF has been pointed out as a way to foster loyalty and thus retain employees (Alvesson, 2000). However, the processes of how identification and control play out in specific organisational situations still remains underinvestigated.

The second approach focuses more on micro-processes of professional identity formation with a psychosocial perspective. In this approach, professionals relate to organizational roles through different processes of identification, adaptation or rejection (Ibarra, 1999; Kreiner et al., 2006; Pratt et al., 2006). The process of professional identity formation and evolution is related to both "individual factors" (such as the personal demands for integration and/or for differentiation) and "situational factors" (such as the pressures of the collective) (Kreiner et al., 2006).

The current paper integrates these two approaches to identity in a common frame aimed at grasping a variety of situations and actions. We view identity formation as taking place in a social setting with the organization "offering" (or "demanding") professional identities which are then negotiated and enacted (more or less easily) by professionals.

This view adds to the literature by focusing on the dynamic nature of professional identity and strategic and organizational conditions. The formation of individual identities has to a large extent been seen as taking place through organizational practices with work organization, activities and identity formation being closely interrelated (Chreim et al., 2007). For example specific rituals of recruiting and promoting professionals have been found to contribute to the construction of identity in PSFs (Alvesson & Robertson, 2006) as has the relationship between professionals and their clients (Grey, 1998). But in these studies, identity formation and transition are related to professional roles and organizational conditions which already exist (e.g. Ibarra, 1999) and it is assumed that professionals will either accept and adapt to, or reject these identity "offers". With the exception of Chreim et al, (2007) strategic change, including the evolution of organizational processes, roles and professional identities has not been investigated.

## *A framework for studying strategic change and identity formation*

The current study aims at extending existing approaches to understanding identity in PSFs by highlighting the dynamic interactions between strategic changes, organizational practices and roles and professional identities, acknowledging the reciprocal relationship of the three perspectives. We propose to consider the understanding of strategic change in PSFs through a systematic analysis at four levels:

1. **The nature of the strategic change.** Strategic change may be defined as a “difference in the form, quality, or state over time in an organization's alignment with its external environment” (Rajagopalan & Spreitzer, 1997, p49; Van de Ven & Poole 1995). The organization's alignment matches the resources and patterns of an organization with its objectives (Hofer & Schendel, 1978). Strategic change comprises both changes originated from inside the firm (eg. new objective, evolution of resources) and from its environment (Rajagopalan & Spreitzer, 1997). Strategic change should be considered relatively to its content, issue, and extent of change for a given PSF. For example, the introduction of commercial pressure may be a strategic change in a traditional professional organisation (e.g. Greenwood, Hinings & Brown, 1990) but less for other companies. The strategic significance of a change can hence be defined by the extent to which it is viewed as a reason for changed practices in the PSF's organisation and daily work and/or subjective identities for members (e.g. From a traditional professional conception to a more profit-oriented one).
2. **The changes in the organisational practices and in the structure of roles offered to the professionals.** The issue is here to consider a first step of implementation of the strategic change in the organization through the evolution of organizational processes and the offer of new or changed roles to professionals in the PSF. This step of analysis is focused on the formal design (structure and processes) of the organisation and the evolutions in the practices which are expected.

The nature of organisational practices in PSFs has previously been discussed in the literature, but to a less extent in relation to strategic change and identity (e.g. Maister, 1982, 1993). PSFs are strongly influenced by the organisational practices related to career and promotion opportunities, project team structure, ownership and hierarchical structure, and type of client assignments. These practices support the professionals through providing resources for accomplishing their work with clients and with building and sharing knowledge. The nature of these organisational practices has been pointed out as a key success factor of PSFs and should also influence the possibility of change as well as be subject to it (Anand et al, 2007; Gardner et al, 2008). In this paper, we concentrate on strategic changes which have motivated subsequent changes in organizational practices and professional roles in the PSF.

3. **The identity moves that are expected, possible and/or desired by the professionals.** This level of analysis focuses on the concrete reactions and evolutions of the professionals in the PSF. Are the evolving organizational practices and the associated role offers sustainable for the professionals? Do the professionals have enough resources, cognitive and organizational, to evolve and assume the new roles? Are the new roles sufficiently attractive to be desired by the professionals? This suggests the analysis of the processes through which professionals develop renewed identities in relation to the offered roles, acknowledging that sustainable identities are necessary to reach a real strategic change. Hinings et al., (1991), for example, relate the failure of an intended change in an audit firm, to the lack of adherence by the professionals.

In order for an identity to be perceived as attractive by professionals, Dutton et al. (1994) suggest that it needs to give them a sense of self-continuity, self-distinctiveness and self-enhancement. For the case of strategic change in PSFs this may imply that an identity offer needs to be perceived as matching the professionals' sense of who they are (self-continuity) and hence be in line with professional norms and values. An attractive identity offer should also provide a distinct image of the group/organization in relation to other groups/organizations (self-distinctiveness) and support a positive image of the self (self-enhancement) by connecting to central values such as competence, power, efficacy, virtue, etc.

In the context of professional services, it has further been shown that professional identity is formed in relation to institutionalized ideas of the role of the professional (Chreim et al., 2007). A strong idea on the institutional level is that professional service work is associated with personal accountability and autonomy (Empson et al., 2006). Current evolutions in the industry, however, challenge this for control and management reasons as well as for cognitive reasons. Changes in the organizational conditions supporting the professionals in PSFs may thus lead to roles and organizational settings which threaten the experience of self-continuity, self-distinctiveness and self-enhancement and thus may be contested by professionals and affect the outcome of the change process.

4. **The outcomes of the strategic change.** Here our objective is not to evaluate the process in a failure or success discourse, but to consider, both for the individuals and the organization, the results and the pending uncertainties for the PSF and its professionals in the long run. For example, the outcome of a strategic change can be the departure of a large part of experienced professionals while going along with an increase of turnover in the short run. Such an evaluation assumes that organizational change is not a simple top-down process but a complex intertwined process of collective learning through which organisational members negotiate and construct the concrete organisation and its practices (Hatchuel, 2000; 2005; Sardas & Lefebvre, 2004).

These four levels of analysis offer a frame of reference for understanding strategic change in PSFs. Strategic changes in PSFs will most often change the identity offered to professionals and can thus only be implemented through a successful professional “identity transaction” (Dubar, 1991), or “identity work” (Kreiner et al., 2006), by which individual professionals’ expectations and the identities offered by organizational changes are aligned – which may imply changes in the strategic, organizational and identity dimensions. The processes by which this alignment is achieved or fails to be achieved are the focus of the current paper.

### 3. Methodology

Given the emerging status of the question of professional identities in strategic changes in PSFs we address the issue with an exploratory approach. The above framework will be illustrated and elaborated on in relation to three cases of strategic change in PSFs. In each case, we study the processes of strategic change through the intertwined evolution of organizational processes and roles and professional identity moves. The cases offer a panel of typical strategic changes in PSFs’: a merger between two PSFs with complementing service businesses (Alpha); the takeover and integration of a mid-sized PSF by a large technical consulting firm (Beta); and the dramatic evolution of the internal organization of a mid-sized PSF (Gamma). By selecting multiple and contrasting cases representing differences in the nature of the strategic change, the changes in organizational practices, structures and roles, the professional identities moves, resistances and transactions and the outcomes, we aim at providing an empirical basis enabling theory development with sufficient generality to grasp the diversity of the phenomenon in focus (Eisenhart, 1989). The three studies are based on a mix of interviews with complementary devices of data gathering in order to grasp the processes at work (cf. Table 1). The data allowed us to compose case studies with sufficient details in the longitudinal analysis and in the different levels of analysis considered.

*Alpha* was studied by the third author in a longitudinal case study between 2001 and 2004. The focus of the study was the acquisition of the management consulting firm Alpha by the IT-consulting firm Theta in the year 1999. In order to enable a rich and multifaceted understanding of this particular case (Denzin & Lincoln 2000, Merriam 1988) 32 semi-structured interviews were conducted with respondents at different hierarchical and vertical positions in both firms. The interviews were conducted in two bulks. 9 interviews were made in a pilot study in 2001 with the focus on the overall post-merger integration plans and processes. An in-depth study comprising 23 interviews was conducted in 2004 focusing on understanding how the involved parties made sense of the merger when the merger and its course of events had settled. All interviews were recorded and transcribed in order to facilitate thorough analysis and a rich description.

The acquisition of *Beta* and the consequential changes in roles and procedures, identity moves and results were studied retrospectively by the fourth author. Data was collected through interviews on both the management and the consultant level. Among the 12 interviewees were both consultants who had worked for the organization for many years and more recently employed ones. Interviews focused



on how the organization of the focused office had evolved following the acquisition, how organizational members had reacted to these changes and what the consequences of the changes were for current ways of working and relating to each other within the organizations' 3 work teams. The interviews were conducted as part of an intervention research project aiming at understanding and improving the collaboration between consultants within the organizations' 3 work teams that had been formed following the acquisition. Interviews lasted for 1-1,5 hours and were recorded and transcribed. Further information on the organization and its culture and practices was gained through observations of meetings and in workshops providing feedback on the strengths and weaknesses of the work groups' ability to leverage its members' competencies. Interview, observation and workshop transcripts were analyzed through thematic grouping of text segments in relation to the analytical framework. The analysis was supported by the software tool NVivo.

Data for the *Gamma* case were derived from a collaborative research project (Shani et al, 2003; Hatchuel and David, 2007) conducted by the first and second authors<sup>1</sup> between 2005 and 2008. Central to collaborative research is that knowledge on the issues facing the firm are produced in collaboration with organizational members at the issue moment, which helps avoid post-rationalization in ex-post discourses. Data were triangulated: discourses in interviews were analysed with complementary sources (e.g. internal management documents, observations). Researchers also proposed analyses and action orientations to the firm which were critically discussed and offered a validation of data. The collaborative research in the *Gamma* case started following a feeling of uneasiness about a number of challenges facing the organization. A first part of the work was to diagnose the causes of these organisational symptoms and to propose ways of dealing with identified issues. A second period of engagement was dedicated to the design and experimentation of solutions. In this paper, the description at the four different levels is provided from different parts of the overall collaborative research<sup>2</sup>.

PSF	Professional service	Research period	Strategic change	Data gathering
Alpha	IT and management consulting	2001-2004	M&A	Interviews (32) in a longitudinal study
Beta	Engineering consulting	2008-2009	Takeover	Interviews (12) + observations and workshops
Gamma	Consulting to works' councils	2005-2008	Re-organization	Collaborative research: mix of interviews (56), validation of analyses and co-development of solutions.

**Table 1. Research setting and methods**

<sup>1</sup> In association with a third one, Philippe Lefebvre.

<sup>2</sup> For a more comprehensive and detailed view (in French), see Gand (2008).

#### 4. Three cases of strategic change and professional identity evolutions

##### *Vignette Alpha. A merger between IT and management consultants: the clash of organizations and associated professional identities*

Alpha was an independently operating management and strategy consulting unit in an international auditing firm operating in Sweden. Alpha was founded in 1995 and had in 1999 grown to one of Sweden's top management consulting operations employing around 300 people.

##### **1. Nature of strategic change. Diversification through combining competence areas.**

For Alpha, the strategic change started in the midst of the IT-boom around the new millennium when Alpha was acquired by the international IT-consulting firm Theta with around 3000 employees. The IT-boom inspired the creation of "one stop shops" for consulting. The reasoning was that to stay competitive on the consulting market both management and IT consulting firms would need to diversify and offer services based on competence both in IT and management. The merger between Alpha and Theta would in this respect enable the IT-consultants to become more management and strategy-oriented and give the management consultants access to competence on IT. The hope was that the professional image of both the IT- and management consultants would be strengthened by being combined with each other.

The new strategy meant that the management consultants in Alpha would need to interact and integrate with IT-consultants. They also were expected to share their knowledge and work methods as well as learn from the experiences of the IT-consultants. How the integration of the two competence areas would be implemented more in detail was however not clear at the time of acquisition. With time however it became clear that the strategic change challenged the core logic of Alphas management consulting practices.

##### **2. Changes in organizational processes and roles. Integrating different practices.**

Before the acquisition, Alpha worked according to a business model common for larger management consulting companies. The organization was structured according to a traditional professional partnership with a pyramid consultant hierarchy in which the roles and responsibilities of junior and senior consultants and partners were clearly defined. As part of an up-or-out policy the performance of the consultants was regularly evaluated and the consultants were expected to follow a development plan, get promoted or, if not, leave the firm. The structure was designed to motivate the consultants to work hard to perform in client projects with the hope of climbing the career ladder and hence increase their responsibility, pay and status. The structure was also designed to support the consultants in developing their networks and relationships with clients. As part of the increased responsibility of promotion senior consultants were expected to engage in sales activities which

were conducted as an integrated activity in the overall consulting process. As a result there were no separate sales unit.

The acquiring firm Theta was different in several aspects. It was a public company which had a more specialized organization dividing consultants into specialty areas. The organization was also more bureaucratic with more stringent routines and reporting and follow up systems. These were needed to reduce the risk in the often complex, long and costly IT-development and implementation projects Theta delivered to its clients. A failure to deliver to specifications and on time could become very costly for Theta. In Theta the sales activities were also specialized in a separate sales unit.

Thetas consulting practices and processes where, thus, quite different from those of Alpha. And in order to realize the potential of combining IT- and management consulting competences Alpha needed to adapt to the practices of Theta. Just the fact that Alpha had been acquired by a public company meant that they “lost” one of the main incentives for the consultants, the possibility to become a partner. Further, a common sales unit was established which would have the main responsibility for sustaining the relationship with clients and sell the organizations’ services. This contradicted Alphas logic where selling and delivering management consulting services were integrated. Integration between consultants would take place in individual client projects which meant that Alpha now needed to interact and coordinate with the IT-consultants in their daily consulting work. The integration of systems and routines were also discussed which led to a critique of Alphas seemingly harsh career system with its up-or-out policy and to demands that the wage level of IT- and management consultants would be equalized. These changes threatened to change the roles of the management consultants from that of independent consultants who prove themselves through their consulting performances and career moves to ordinary “dull” workers who contribute their small bit to a bigger machinery. In essence the management consultants were afraid of losing their image of exclusivity if they adapted to the changes.

### **3. Identity moves. Threat to an elite identity.**

A hope before the merger was that both IT- and management consultants’ professional image would be strengthened. However, the management consultants from Alpha did not find the identity offer attached to the integration with IT-consultants attractive. Instead the structural changes that followed the acquisition threatened to undermine the practices they found to be essential for carrying out the role of a good, competitive management consultant. They argued that the practice of management consulting needed to follow a logic that is quite different from that of IT-consulting and that these different practices were needed to support the professional identity (and image) of the management consultants. Some Alpha consultants went as far as to say that the management consulting business would be ruined if the changes where implemented in full.

*And it should differ because it's different types of talents and it's different types of business models. I mean that the management consulting organization must build on the traditional management pyramid: a lot of junior consultants, fewer senior consultants and even fewer*

*managers and just a handful of principles and one or two partners in the top. And this organization you have to run as a pyramid. I think that Theta's business is more traditional with line managers and the boss's boss and so on. So here it differs a little in culture. (Senior management consultant from Alpha)*

The system of practices in Alpha was an important fundament of the attractiveness of belonging to the organization and a support for enacting an elite identity, i.e. an image and self-understanding of being among the best and the chosen ones. This image was hence based on restrictive recruitment practices, a competitive career system, high consulting fees and salaries and the possibility for the consultants to live a "successful" lifestyle. The identity and its supporting practices had a function for the management consultants as it was needed in order to be successful in for example convincing the clients of the competence and value of the consultants and their services. This included being able to fit in among CEOs and in corporate boards in the largest Swedish corporations. When a junior consultant from Alpha compared their group of consultants with the IT-consultants he reasoned as follows:

*People at Theta are everyday commoners that kind of just showed up. We (at Alpha) were a bunch of suite-people with well manicured nails, nice ties and so on. And then suddenly a lot of IT-dudes showed up to come and sit here. There were huge differences in class. We had wonderful benefits. We had free breakfast each morning and the refrigerator was filled with sodas and free food to have if you work late and a lot of cakes and stuff. No wonder they wanted to have their share of that. (Junior management consultant from Alpha)*

The changes in practices and process thus implied changes in the professional identity for the management consultants which they did not find attractive in their professional role. First the changes meant a loss of opportunity to deliver high quality consulting services. For example, delegating sales activities to a sales unit didn't fit the management consulting way of selling consulting services as it diminished the opportunity to interact and build relationships with central figures in the client firms. Second, the changes would mean a loss of status, both for the organization as a collective since the elite identity associated with their old practices would be weakened, and for the individuals since their belongingness, status, monetary benefits and career opportunities were threatened. One senior consultant from Alpha described what he saws at stake as follows:

*Because these people (Alpha's consultants) should in reality be those who are the best with the client, who can deliver the best and are "top-in-class. And if this works in a good and positive way in dialogue with the company those that are worst in class should be washed out from the system and do something else. Consequently those who do worst in our company should the entire time find something else to do so that the Darwinism can operate completely. When it doesn't the company becomes average which means that the customer doesn't want to pay as much. (Senior management consultant from Alpha)*

#### **4. Outcome. Back to square one.**

The strategic change of the merger was not perceived as relevant by the management consultants since it didn't seem to strengthen their professional role or bring them personal benefits. Rather it was perceived as a threat both to the status of the consultants and their ability to do a good job when interacting with the clients. As a consequence the Alpha-consultants avoided going through the sales unit and continued their relationship-based selling practices as usual. Additionally they avoided collaboration and interaction with the IT-consultants. The management

consultants subsequently rejected the new identity offer implied by the strategic and organizational changes by refusing to work according to the suggested practices and processes.

In the long run Alphas rejection of the changed identity led to a reconceptualization of the merger. The ambitions to integrate were weakened at all levels of the organization. An initial step back was the abolishment of the common sales unit, which was followed by structural changes that separated the IT and management consulting operations into two largely autonomous operations. During the journey a large number of key professionals also chose to leave the firm, something which implied a great loss of value for the firm.

### ***Vignette Beta. The integration of a mid-size PSF into a larger group: new organization and failed professional identity conversion.***

Beta was founded in 1956 by a research assistant in acoustics at a leading technical university. As the first specialist consultancy in the area, the company soon became an authority and still has a strong reputation and close relation with several academic institutions. Beta currently employs about 130 employees in 12 offices

#### **1. Nature of strategic change. A takeover with a profit orientation**

The strategic changes for Beta started with the death of the founder in 1999 when the company was bought by a venture capitalist and later sold to a large public Swedish technical consulting firm. The management agenda following the acquisition was to increase business-mindedness, which meant less reliance on individual experts running their own projects and client relationships and more focus on a collective approach in which senior consultants were expected to do more of the selling and junior consultants more of the execution. Changes also implied an increased economic focus and follow-up in terms of individual sales and profitability. Focus gradually shifted from technical expertise, challenging projects and intellectual development, to economic margin and profitability. A group manager<sup>3</sup> describes the challenge as follows:

*We are technical consultants within a narrow niche. People sometimes want to go deeper than what the client wants to pay for. That's the reality. In that case many may think "the company should invest in this" but my question then is: How much money can we make on this in a reasonable time frame? I want to know that before committing any resources. People think that I am difficult, but sorry, if you want to do research you can do that at a university or in a research project, but not in a consulting project (Group manager)*

This strategic reorientation from a rather loosely managed firm, giving technical experts considerable freedom, to a more commercially oriented firm with more standardized processes and more detailed follow-up and control systems is the focus of this study.

#### **2. Changes in organizational practices and roles. From individual experts to commercially accountable consulting groups**

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3 Beta consultants were organized into work groups of 5-8 consultants responsible for their financial result.

Beta was initially organized in offices with cross-office competence groups structured around its major business (and competence) areas. While the geographical offices had the main economic responsibility, the role of the competence groups was the development and sharing of knowledge. There was no formal hierarchy among consultants and consultants viewed themselves as rather autonomous working with their “own” clients, which created a situation in which some consultants were overloaded with work, whereas others had problems filling their time sheets. Following the change in ownership, experimentation with the organizational structures and roles began.

Based on the experience from “the profitable small offices” the CEO replacing the founder introduced a “resource group” organization, organizing consultants into groups of 5-10 consultants with mixed competencies. The main role of the group managers was to make sure the workload was evenly distributed within the group, which also meant deciding about who was to work on what projects with whom, something which had been up to the consultants that sold the project before. These groups were also given a profit and loss responsibility. In practice they become small companies of their own. This changed the roles of both group managers and consultants. Demands on especially the group managers increased as control and responsibility was concentrated to them. According to Beta’s quality system they were to check all client reports as well as the billing to clients to make sure it was commercially sound. For the consultants, this implied a strong emphasis on reporting time on client projects and an increasing focus on, and transparency of individual economic performance. By consultants this move was perceived to imply more structure and control. Consultants also noted a reorientation from a valuing of technical expertise to a valuing of “consulting skills” (i.e. to act profitably in the consulting role).

### **3. Identity moves. From technical experts to profitable resources**

While the changes in organizational structures, procedures and roles following the changes in ownership may seem limited their implications for the consultants’ professional identities were far reaching. Consultants traditionally formulated their professional identities in relation to their expertise and identified with their peers in the competence groups. The competence group structure was appreciated by the consultants as it fit their expert identity. Part of this expert-based professional identity was also a strong expectation of autonomy to deliver the best solution to the client and consequently to choose how and with whom to do that. The external image of Beta as an authority in its field was well in line with this professional identity.

The new structure and roles for consultants following from the more commercial focus of the owners challenged this existing professional identity. The emerging organizational structure, aimed at maximizing the utilization of consultants, was founded on a commercial logic rather than an expert logic and the consultants’ autonomy was curtailed based on a logic of more efficient use of resources. Critique against the reorganization and the decentralized profit and loss responsibility was

strong, mainly based on the argument that this created barriers between the groups that threatened the assignment of the “best people” to each project :

*Instead of increasing collaboration between the different offices, we now have 3 groups that no longer cooperate with each other because one of them received a bonus. It suddenly feels like the collaboration has stopped. We no longer have “the right person in the right place”. The jobs are kept in the groups until they just can’t handle them any more. (Experienced consultant)*

Consultants actively claimed to ignore the structure even though this could mean that they jeopardized the result of their group (and potentially a bonus for themselves):

*I have tried to avoid thinking about this [the group structure and its economic consequences]. I don’t think so much about the economic issues, I just try to do my best. (experienced consultant)*

The new more commercially oriented consultant role implied in the new structure also framed the consultant more as a team player and production factor in the company collective, being able to “fill their time sheets” and work with different individuals based on availability rather than their perceived competence. It also meant for more senior consultants to focus more on sales and delegating execution to more junior colleagues. This caused some resistance among consultants being used to strong autonomy:

*The group managers are responsible for the distribution of work, so they force people to work with others. In the beginning this was very sensitive. (Experienced support staff)*

Also a commercial approach to project planning and billing was perceived as a threat to the consultants’ professional identity and thus resisted. Projects had traditionally been driven by an expert logic delivering what the client needed (almost) regardless of financial implications. A refocusing on the commercial value of the delivery was hard to accept for many consultants:

*I try to change peoples’ mindset that it is not about how many hours you have spent but about what the job is worth. But the resistance against this has been strong. They can’t think along these lines, they find it horrible to think in this way. (Group manager)*

#### **4. Outcomes. Resistance, conflict and the loss of technical experts**

The years following the acquisition of Beta and the consequential reorganization and role changes have been described as a “nightmare” by the group managers. The transition has been characterized by dissatisfaction and frustration among employees. The more commercial identity offer was not well received by a lot of consultants. Many of the more experienced consultants left the organization due to dissatisfaction with the new organizational structure and roles. Consultants that were too far from the new identity offer were especially prone to leave:

*A lot of the consultants that liked working only on their own have quit. Those that are left are open and like working with a lot of people. (Experienced support staff)*

The experienced consultants that left were to a large extent replaced by young recruits with no or only little work experience. The current organization thus represents a different organization with a considerably less experienced work force than at the time of acquisition but with a more commercial awareness and focus. This workforce is provided with work by a few senior consultants with an extensive client network. This goes along with a standardization approach to recurrent tasks and a

stronger reliance on structural capital such as documentation from previous projects and methods and tools. The reorientation in the organization has also created a strong focus on the group managers as the focal point. As a consequence of the new organization and the resulting composition of the workforce, the group managers perceive a passivization among consultants acting out a professional identity as organizational resources. They play their role in the organizational machine but are unwilling/unable to take a broader responsibility.

After a turbulent time the organization has now stabilized and consultants are optimistic of a bright future. However, the identity shift has set deep marks in the organization and seems to have required the replacement of large parts of the experienced consultants by younger and less experienced ones. The longer-term consequences on competencies and career development are still pending issues.

### ***Vignette Gamma. A mid-size PSF's re-organization: long and difficult collective evolution of organizational practices, roles and identities***

Gamma is a French PSF which provides economic expertise and consulting services to French and European works' councils. Founded in 1971, the PSF reached 400 members (350 consultants) in 2008. From its foundation, a distinctive feature has been the "self-management" project which is associated with a rejection of hierarchy and a democratic functioning (election of local and corporate managers, collective decisions through votes, etc.). Gamma is composed of 17 very independent business units in which professionals act autonomously after a period of apprenticeship of ca. 3 years. This autonomy is both a client-relation autonomy and a cognitive autonomy, in which professionals rely on their own resources (personal knowledge and informal networks). Adding that the pay system rests upon a "earn-what-you-bill" principle, the overall organization was consistent as long as management issues were limited to rather simple tasks (mainly the fair assignment of clients to consultants and recruitment). The professional identity offered by the organization was a mix of autonomy and expertise associated with social engagement and attachment to the democratic functioning.

#### **1. Nature of strategic change. A dramatic complexification and diversification of professional services.**

One condition for the autonomous organization was that client demands were relatively stable and did not exceed individual cognitive capabilities. But the environment changed from the mid-1990s. First, clients' demands complexified and required a focus on prospective analyses (eg. Which risk of lay-offs in the coming years?) and sometimes new kinds of analyses (eg. the impact of sustainable development policies for the future of a chemistry plant). The evolution was accompanied by an increase in competition on Gamma's market. Consequently, the quality of services delivered became increasingly important to differentiate from competitors. Last, the service portfolio extended to provide services to European works' councils and socio-economic surveys to the European Commission and to European trade-union actors.



The need to move towards renewed and extended professional services shed light on the limits of the existing organisation and practices. The traditional “intellectual craftship”, based on personal and informal resources, was no longer sufficient to face the strategic issues due to individual cognitive limitations (numerous knowledge fields to master in a short time).

## **2. Changes in organisational processes and roles. Organising knowledge management and designing new roles for experts and managers**

Gamma was originally organised in autonomous offices with very few structured cross-office devices. Inside each office, the situation was similar with no cooperative devices of knowledge management<sup>4</sup>. The main evolution in the organization of Gamma has been the development of structures dedicated to knowledge management (“knowledge-field” structures) at different levels of the organisation: at the group level when relevant (eg. around the steel industry) or at the cross-office level on sectors or management themes (for instance HRM, sustainable development, downsizing and reorganizations).

While this organization may appear obvious at first glance, the implementation and the micro-design of the organization and its roles were highly conflictual and challenging. Two kinds of issues represented the main concerns of affected professionals: a first one was around the possible loss of professional autonomy if new structures and more control was implemented; a second one was about the democratic functioning of these new structures (an associated risk of loss of democratic control was feared by some consultants, due to the strategic resource represented by expertise mastering). On the whole, the issue was to design an organisation both functionally efficient and democratically anchored.

The functional part had to rely on a clarified vision of the objectives of the knowledge-field structures. Three functions were identified as a basis for efficient functioning: expertise development (the basis of such structures), commercial development (to value and drive expertise development towards clients' needs) and knowledge management (dedicated to internal knowledge sharing, training and support on assignments). A fourth prerequisite was that management was dedicated to make the structure work (strategy, coordination, administrative work, etc.) and to limit the effects of the “clients first” orientation common in PSFs (Maister, 1993).

Embodying these structures required the design of expert roles and role innovation relative to the management of such knowledge-field groups. The new structure offered new expert roles to consultants with specialist profiles.

The implementation of the new organization required a reallocation of resources and support in order to create and legitimate the new roles in the evolving organisation. Making these changes was, however, challenging in the professional and democratic context of Gamma. First it posed an efficiency challenge: experts needed time and

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4 Knowledge management is here used in a general meaning and not restricted to a tool approach of KM.

resources to develop expertise and to manage the back-office structure. Consequently the company had to develop an investment policy to sustain such developments.

Second, the democratic legitimacy of the changes was disputed since they could lead to the “ownership” of knowledge which was a strategic resource in Gamma. There was a legitimacy to construct through the inscription of the structure and roles in an overall strategy so that it proves its value for the collective.

These changes went along with the strengthening of the role of elected managers in the business units since they had to provide a strategic vision to orientate and legitimate the investments made in the new knowledge structure. Managers were also given responsibility for yearly interviews with consultants, a new management device aimed at orientating assignments and roles in the organisation. These interviews were an important facilitator of the transaction between strategy, processes and individuals. They particularly offered a management lever to differentiate between consultants’ careers and profiles, which had been impossible in the old structure. Moreover, the interviews enacted an evolution of the meaning of “democracy” from strict egalitarianism to a more collective purpose and organisation.

### **3. Identity moves. Legitimate differentiation and new career paths.**

These designed evolutions produced both positive and negative reactions among consultants. A first category of consultants feared the loss of autonomy. That a consultant on an assignment would ask for support from an “expert” in a knowledge-field was in a sense contradictory to the valued equality of peers in a democratic PSF. But this identity move was facilitated as it went along with “knowledge-field” group's contribution to upgrading the delivered services. On the whole, the need for a coordinated organisation is no longer contested.

The creation of expert roles has been of importance for the dynamics of the organisation. Before, careers only developed along one way, namely elected management roles. Even if informal recognition existed in Gamma, the organisation did not foster the recognition of professional identities based on specialisation in an expertise domain. The new organisation clarified the contribution of experts to the firm and provided new perspectives for such expert profiles. Next to more management and relational professional identities, expertise in a domain is recognised and a source of self-enhancement.

In the same vein, the management of knowledge-fields provided new roles for experienced consultants. However, these roles were not completely “framed” and are still not, due to the nature of the domain and its integration with the overall business. Role innovation put experienced professionals under pressure since developing in knowledge-field carries uncertainties and possibly contestation. Several experienced consultants endured conflicts in legitimating new ways of cooperation. This sometimes led either to marginalisations or to departures.

The organizational changes implemented have also led to major changes for the elected business unit managers, which now have an important place in the organisation. Their identity has been strengthened through the organisational

evolution. Group manager is now an almost full-time role with important responsibilities in strategy formation and human resource management. This transition was challenging since both the professional and his\her colleagues needed to accept the evolution. On the whole, the transition was less contested than with expert roles since the management roles are more easily anchored in traditional devices (vote and delegation).

The identity moves, while not easy, have been facilitated by the evolutionary (rather than revolutionary) process which respects the prevailing professional identities and considers strategic change as a mutual transaction between the organization and the professionals.

#### **4. Outcomes. A long process of co-expanding organisational abilities and professionals' perspectives.**

The overall process started more than 10 years ago with the researchers working on the last three years. In april 2008, the need for evolution was no longer contested, even if the means could be and some fears still existed.

Concerning the organisation, the new device of yearly interviews is stabilised and fosters career development in a transaction perspective between Gamma and each professional. The knowledge-field structures have different degrees of vitality and maturity, depending on several factors: age, centrality in the business but also means and organisational support

The main remaining constraint is currently the pay-system which does not spur people to collaborate in cross-activities. Future developments thus probably need to ensure an adaption of the remunerations system with the objectives of the organisation.

At the individual level, the offered possibility to distinguish between different roles and professional identities has been a relief for experienced professionals who felt being marginalised or without career perspectives.

#### **5. Discussion.**

While the three cases differ in the origin of the strategic change and its outcomes, reading them with the four-level analytical framework reveals some common dynamics that will be discussed in the following. First, we elaborate on the intertwined nature of the organizational and role changes and the related identity moves and how these shape outcomes. Second, we turn to the process by which new organizational structures and roles and professional identities become (or fail to become) aligned. Finally, we discuss the role of professional identities as insurance against misdirected change initiatives.

#### ***An intertwined process of co-evolution between organisational processes and roles with professional identities***

The three cases suggest that the outcome of strategic change (in PSFs for our concern here) is an uncertain process with both intended and unintended consequences, with the unintended consequences potentially overshadowing the intended ones. Based

on the cases, we suggest that the main nexus of the strategic change and its (unintended) outcomes lies in the intimate, but to be considered separate, links between the concretisation of strategic changes in new roles and processes and the acceptability to the professionals of the demands or offer of evolving professional identities that these changes make to organisational members. The analytical framework allows to distinguish between a functional aspect of the change, close to organisational design (second step of the analytic scheme), and a concrete functioning with professionals working on their identity to evolve with the new organisation (third step). While identity moves in PSFs have so far mainly been considered in a given organisational setting (eg. Ibarra, 1999; Pratt et al, 2006), strategic change can act as an upheaval for professional identities with dramatic consequences for both professionals and PSFs as the cases illustrate. The dynamics of changing organizational roles, identity work and consequences differed somewhat between the cases.

In Alpha, the consequences of the strategic change are embodied in the departure of many consultants and the way back to pre-merger organisational practices. These consequences may be seen as the result of a failed identity transaction between the management consultants in Alpha and the new organization and roles aiming at a complete integration of IT- and management consultants. Based on our framework we may argue that the motive of the strategic change may not have been wrong in itself. Rather, the implementation strategy was problematic, based on an insufficient understanding of the link between the emerging organization and the consultants' professional identities. The organisational development, with less attractive careers for Alpha consultants, more constraints on consultants and forced common sales, did not take into account the specifics of the alpha consultants' business activities and consequential professional identities. The role separation between sales and assignments may be argued to have been a functional mistake that threatened the consultants' professional identities i.e. their understanding of how a good consultant would act. As a consequences many consultants reacted by leaving the firm for competitors or spin-offs. Alpha consultants' professional identities encompassed a distinctive elite professional identity (Alvesson and Robertson, 2006; Schilling, 2008) associated with a manner of doing business in close relation to top management's clients which had proven its relevance in Alpha as well as in other PSFs. In the Alpha case, the constraints imposed on roles and identity evolutions were such that there were few possibilities for "identity work" (Kreiner et al, 2006) in which professionals could bring their professional identities and organizational structures and roles in line.

In Beta, the process of conversion following the acquisition is forced without taking into account the tradition of expertise among experienced consultants. Moving the business model from "exploration" to "exploitation" (March, 1991), the new CEO did not consider the consequences that such a rupture may cause for the consultants enacting an expert-oriented professional identity. The situation before the takeover was troubled with falling profitability and Beta had to make its organisation evolve. However, changing an organisation based on expert roles, with people mainly motivated by the content of work, to a classic consulting organisation with a

hierarchical and efficiency driven division of work generated a massive departure of experienced consultants. The identity offer following the acquisition to consultants was not compatible with existing and well-anchored professional identities focused on expertise valuation. As the identity offer took the form of a “conversion” with no room for transaction and possible adaptation between professionals and the intended strategy of the new general management, many professionals had no choice but to leave if they did not want to adapt to the commercial-oriented new roles.

The unwillingness to adapt to the new roles may also (at least for some consultants) be interpreted as an inability to adapt due to cognitive limitations, as the new roles required partly new “consulting skills”, which included a more commercial orientation and a strong ability to relate to clients. It might be argued, that the consultants that embraced the new roles and identities (e.g. the group managers) while good technically excelled in their capacity of management and client relations. The consequences of the strategic move became the replacement of a large part of the personnel, with a massive recruitment of juniors in a standardisation business logic. However, the future remains uncertain as the capacity to innovate has been reduced by the numerous resignments.

In Gamma, the strategic change is emerging more gradually because of its internal nature and the gradually evolving client demands, the meaning of which is not crystal-clear at first. Different initiatives developed over time, well before the collaborative research started in 2005. The evolution has been all but linear and uncontested. However, the new structures and roles have not denied the prevailing professional identities. This is partly due to the fact that experienced consultants were strongly involved in new developments (eg. Sustainable development, downsizing). The democratic functioning also constrained the evolution as a majority of people rejected a conversion to classical management consulting models based on a fear of expertise privatisation. Knowledge-fields groups thus evolved in response to both efficiency and democratic demands. The roles and their inscription in renewed organisational processes have been progressively elaborated with taking into account these conditions. These conditions were both constraints (eg. The democratic control of knowledge-field’s experts) and enablers, since the overall absence of conflicts around the consultants’ professional identity enabled experimentation and evolution of the organisation. The time of conversion is also an important factor. It has taken more than 10 years of progressive and disputed change to reach a rather uncontested situation. This time has been a period of mutual learning and experimentation necessary for the organisational evolution but also for the conversion of the professional identities from the autonomous “craftmen” professionals to more coordinated and collective work patterns.

The three cases suggest that relations between dramatic organisational changes and professional identities are recursive and mutually dependant. Unless a wave of departures is integrated in the new processes, it is always a great loss for a PSF to lose high-standard professionals. Strategic changes should thus be considered in a long run to occur in conditions which allow sufficient adaptation. This adaptation relates both to the professionals in their new roles and to the structures, roles and processes which are designed to implement the strategic change. This is also justified

by efficiency reasons due to the uncertainties caused by such major changes. Consequently, relations between the evolution of processes and roles and the professionals' identity moves should not be considered one-way only. Rather, prerequisites for an identity transaction in which an alignment between organizational structures and procedures and professional identities can emerge need to be created.

### *The specific process of identity evolution in role innovation*

Uncertainties regarding outcomes are more than ever present when "role innovation" is required. This is the case for consultants in Alpha working in the common sales-unit with IT-consultants, for the group managers in Beta, with managerial and unfamiliar commercial tasks, and for Gamma's expert roles and managers in knowledge-fields. The evolution has to be cautious because the professionals move to relatively unknown areas, relating to their expertise or skills and organisational and colleagues' reactions.

In role innovation situations, two opposite phenomena may impede positive change outcomes. First, when roles and identities are too precisely prescribed to professionals, not leaving any space for identity work and development, it usually leads to departures or resisting professionals. This was for example the case in Beta where experienced consultants were forced to convert to new, more commercially oriented and evaluated roles with no place for evolving more smoothly towards the new functioning and more commercially oriented professional identities. Also in Alpha the mismatch between organizational structures and roles (e.g. the joint sales unit) and professionals' identities and the lack of processes of matching the two led to resistance and resignations.

This phenomenon is somewhat predictable, since professional resistance has been studied for a long time and has been shown to have a strong source of power based on manpower volatility, scarcity and the defence of its turf (Mintzberg, 1989; Maister, 1993; Montana, 1968). But the reverse relation exists as well: when the design of innovative roles is delegated to professionals without considering organizational resources, cognitive aspects and recognition issues, it may lead to failure with professionals' departures or at least resistance and frustration. Once again, strategic change is not just an issue of willingness but one of finding a pattern of evolution sustainable for both the PSF and the individuals. For example in Gamma, several experts engaged in role innovation since they had ideas and a more or less strong managerial approval. The most important is not the degree of approval but the resources which are available for professionals to experiment. In these situations of role innovations for professionals, different analyses during the collaborative research revealed situations of identity threats due to internal resistance and risks of failure. Such difficulties may lead to the departure of experienced consultants. Role innovation must thus be supported by the organisation (Anand et al, 2007) (with time, human and financial resources, with integration in a collective strategic plan) in order to enable positive identity work. The experimentation with new roles is subject to recurrent revision and evolution according to the business perspectives and first results. Such cautious evolution for the individuals, sources of resistance and tension

(Heusinkveld & Benders, 2005) might also be relevant in considering evolving services and innovations in PSFs. Learning loops are necessary to better design and adjust the organisation processes to actual functioning, including resistance. Once again, relations between organisational processes and roles and identity moves are mutually influencing in an intertwined process.

### ***Professional identities: relevance beyond resistance, resource rather than burden***

Professional identities should not be considered just in a resistance perspective to change. Professional identities have been considered in power interpretations as a control variable on professionals (eg. Alvesson, 2000) or as a means for professionals to preserve their autonomy in PSFs (eg. McInnes et al., 2006). While not contesting such effects and roles played by professional identities during periods of strategic change we argue that a complementary effect should be considered and might facilitate the compulsory transactions and mutual adjustments of roles and identities. What is interpreted as resistance may well represent a signal of relevance regarding changes at the strategic and organisational levels. In other words, professional identities may carry a kind of cognitive relevance when it comes to strategic changes. All the three cases illustrate the fact that the resistance of professionals can also be interpreted as a resource, and not only a burden that management has to tackle. In that perspective, the reactions in Alpha can be interpreted as legitimate resistance to a functional error in designing new processes and roles. Professional identities operate as a resource in detecting and signaling major mis-orientations. In Beta, the professional identities' expert orientations were a signal of strength vis á vis competitors. This is not a denial of the need for Beta to change, but the acknowledgment that such a rupture did not leave room for learning loops between management and professionals to find compromises and fine-tune the implementation. In each case, most professionals who resisted had no choice but leaving for competitors. Gamma went through tough arguments about the future of the firm, and consultants were divided into two groups – one that wanted to convert to a traditional PSF form and one that wanted to stick to the original model. Eventually, this tension develop innovations in order to find a compromise that answered to both fears of democratic loss and of competitive decline. This allowed to find new solutions.

Due to the specific knowledge that professionals possess about expertise, activities and clients, a strong integration of them in the design of strategic change makes sense (Chreim, 2007). It may foster a dynamic of progressive adaptation and revision according to learning loops in which professionals contribute.

## **Conclusion**

The purpose of the current paper has been to contribute to the understanding and the analysis of strategic change *from within* the PSF. We argue that the role of professional identities, while acknowledged as a key dimension of control and professionals' individual dynamics, has been under-utilized in understanding

strategic change in PSFs. An analytical framework is proposed to this aim. It articulates four steps of systematic analysis, namely:

1. The nature of the strategic change;
2. The changes in organisational processes and in related roles;
3. The actual identity moves by the professionals;
4. The outcomes of the strategic change process.

This framework offers a generic pattern of analysis to grasp the nature of strategic changes affecting organisational processes in a diversity of PSFs. Next to the contribution of Chreim et al (2007) on interlevel influences on professional identities (namely individual, organisation and institutional), the four-level framework is another contribution to the emerging research field of professional identities and strategic change in PSFs. We develop the framework through the analysis of three cases to demonstrate that the concretisation of strategic change passes through an intertwined and reciprocal dynamic of the evolution of organisational processes and roles and the transformation of professional identities. The different cases suggest that pure top-down approaches with too little room for adaptation of professional identities inevitably led to massive departures of professionals. In an industry where competitive advantage is based on the capacity to attract and retain professionals, PSFs should be cautious with such consequences, which were unintended in two of the cases. The flight of professionals however is not the only reason for integrating them in a progressive process of organisational change. Another argument lies in the relevance of professional identities as a protective mechanism against structures and roles that may endanger the professional setting. The suggested approach, however, does not plead for a large delegated autonomy to professionals. Especially in role innovation, where professional identities are at stake with large uncertainties for the outcome, management support and direction are essential. These situations require close interaction with and among professionals developing these roles as they have vulnerable professional identities, limited legitimacy and recognition and are often contested.

This paper has pursued an exploratory approach and opens up several areas of further research. A first direction is to continue to test the analytical framework on other situations of strategic change. We have here only considered strategic changes with organisational implications. It would be interesting to study strategic changes which at first glance could be only value changes. A hypothesis would be that no strategic change goes without organisation evolutions, as Cooper et al (1996) argued with the use of archetypes to describe moves from a "P2" form to "Managed Professional Businesses". But while showing strategic change as a "layer" of novelty pushing away or accommodating to a former archetype, we could explore in a micro- and meso-perspective such moves as a mutual deformation and innovation processes integrating both former processes and identities with intended evolutions. This approach would be coherent with traditional approaches to professional identity in which it is considered a dynamic equilibrium between continuity and novelty (eg. Ibarra, 1999; Kreiner et al, 2006).



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