

Identity aspirations and legitimacy in a complex environment

Track 10

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SUMMARY

As the process of concretizing an aspirational identity in complex environments remains largely unknown, we explore the role of legitimacy in such a process. This research is based on a case study of a hundred-year-old Australian intellectual property firm that aspires to become a strategic service provider for its clients. Our results show that the construction of a new organizational identity forces the organization to engage in targeted and nuanced legitimizing activities towards its stakeholders. They provide a better understanding of how organizations should manage aspirational identity in a context of institutional complexity to gain legitimacy in their new activities.

Keywords: Identity Aspiration, Institutional Complexity, Legitimacy, Organizational Identity

INTRODUCTION

By seeking to change their identity, organizations can potentially compromise their legitimacy vis-à-vis actors carrying other logics, especially their clients. To the extent that legitimacy plays a key role in the survival of the organization (Zimmerman and Zeitz, 2002), we examine the role of legitimacy in the process of concretizing an identity aspiration in complex environments. Organizations operating in fragmented institutional environments in which multiple contradictory institutional logics coexist are in a situation of "institutional complexity" (Greenwood et al., 2011). While increasing attention has been paid to such complexity, research has largely focused on how organizations respond to their environment (Glynn, 2008; Greenwood et al., 2011). However, internal organizational factors that influence such organizational responses have been poorly studied (Greenwood et al., 2011; Kodeih and Greenwood, 2014). Among these factors, we focus on organizational identity and the aspiration to a new organizational identity - or aspirational identity (Kodeih and Greenwood, 2014) - and on the impact of legitimacy in this process. To address this gap in the literature, we answer the following research question: How can organizations gain legitimacy when aspiring to realize a new identity in complex institutional environments? Our study thus responds to Greenwood and Kodeih's (2014) invitation to examine the relationship between identity aspiration and institutional complexity. We examine this question through a case study of a hundred-year-old intellectual property (IP) firm (hereafter called "the Firm") that operates in complex institutional environments and aspires to become a strategic partner for existing clients. We explore the efforts and obstacles encountered in the process of building this new identity. As identity issues become more visible when organizations encounter conditions of great uncertainty, tensions and ambiguity, our research examines the links between organizational identity, identity aspiration, legitimacy and institutional complexity.

1. COMPLEXITY, IDENTITY AND LEGITIMACY

1.1. Institutional complexity and identity

Following the seminal work of Friedland and Alford (1991), institutional logics **are** defined as cultural beliefs and socially shared practices that structure behaviours, provide criteria for legitimation and give meaning to social reality. Organizational environments are often characterized by the coexistence of

multiple systems of beliefs and claims, contradictory or competing (Scott, 1987). Organizations then find themselves in a delicate position because satisfying one demand supposes neglecting or ignoring another (Pache and Santos, 2010). In other words, organizations operate in a so-called "complex" institutional environment. This institutional complexity does not affect all organizations in the same way since their responsive capacity depends on certain intra-organizational factors (Greenwood et al., 2011).

In particular, organizational identity, defined as a constellation of claims or assertions, functions as a "filter" that influences organizations' interpretation and responses to policy issues and environmental change (Glynn, 2008). It offers interpretative schemes, guides the actions of an organization, and can be associated with the collective understanding of its members, that is with characteristics that they consider central, permanent, and that distinguish them from other organizations (Albert and Whetten, 1985). Organizations may define their identity in relation to a social category such as "a Top 20 school, a Fortune 500 company, or a hospital (and not a bank)" (Glynn, 2008, p.418). The choice of such an identification can be explained by the fact that it makes it easier to gain legitimacy because a category includes predefined "identity codes" that external actors use to assess the legitimacy of an organization. Such "institutionalized" identities include "identity elements" that create a perception of how organizations of this type are supposed to behave (King et al., 2011). Organizations are forced to adjust their behaviour in the event that they deviate from the institutional expectations linked to their membership to a specific category.

An organization's identity, and its future aspirations, influences how it responds to institutional pressures (Kodeih and Greenwood, 2014). In environments where multiple institutional logics coexist, organizations may choose to seek legitimacy from unconventional sources. In this context, organizations prefer to respond to the logic that suits them or that corresponds to their identity aspirations (Kodeih and Greenwood, 2014). Kodeih and Greenwood (2014), for example, in their study of four French business schools, show that these organizations, by relying on competing institutional logics, modify their positions within their organizational field. By integrating practices of a competing logic, the organizations signal their adherence to the values of the new logic. This integration gives them a new source of legitimacy and, therefore, access to new resources. The extent of changes in

practice depends on how organizations perceive current institutional arrangements, i.e. whether they are satisfied with their available positions and resources. Institutional complexity can offer development opportunities but also impose constraints. In complex environments, the adoption of practices linked to another logic may call into question the legitimacy vis-à-vis actors who have other rationales (Pache and Santos, 2010). In such contexts, the organization that decides to concretize its identity aspiration risks jeopardizing its legitimacy, and even compromising its survival (Zimmerman and Zeitz, 2002).

1.2. Legitimacy in conflicting institutional environments

For the neo-institutional approach, organizational survival is directly linked to its legitimacy (e.g. Zimmerman and Zeitz, 2002). An organization is considered legitimate if its aims and practices conform to institutionalized norms, values and models. Legitimacy is a social judgment (Zimmerman and Zeitz, 2002) attributed to the organization by its stakeholders, who evaluate this legitimacy using cultural evaluation criteria. These criteria are sometimes considered more important than economic performance, as organizational legitimacy facilitates cooperation and access to the resources that are necessary for the survival of the organization (Zimmerman and Zeitz, 2002).

In complex environments, organizations are often forced to simultaneously follow different "rules of the game" and logics. The realization of an identity aspiration often involves the adoption of practices and structures related to another institutional logic, sometimes a competing one (Kodeih and Greenwood, 2014). Organizations can rarely integrate practices related to other rationales without tensions and conflicts (Pache and Santos, 2010). They can even less ignore all the requests made to them by their multiple stakeholders, who conform to various logics (Pache and Santos, 2010). In endorsing the role of institutional contradictions as instigators of institutional change action, Seo and Creed (2002: 226) argue that sources of contradiction manifest as by-products of the processes of institutionalization. Raising the tensions between legitimacy and functional efficiency, they argue that organizations' access to legitimacy status and vital resources depends on the degree to which they become isomorphic with their institutional environments. This, however, compromises their efficiency - an outcome that may be exacerbated by environmental uncertainty. This contradiction between efficiency and legitimacy is usually addressed through what Meyer and Rowan (1977) refer to as the

selective decoupling of formal structures from the technical core of the organization. In this context, organizations tend to handle these situations with care to preserve their institutional support.

Seo and Creed (2002) raise the contradiction embedded in taken-for-granted institutional arrangements that stabilize institutions through mutually reinforcing systems of practices, interests and ideas, and which facilitate the ‘non-adaptability’ of organizations; that is, the extent to which institutional arrangements are deeply embedded and tightly coupled. Institutional arrangements thus constitute a sense of experienced reality beyond which it is very difficult for participants to think. Such embeddedness makes ‘other types of problem solving unimaginable ..., in the long run, ... renders institutional arrangements increasingly vulnerable to external shocks by insulating the participants from critical information that exists beyond the institutional boundary’ (Seo and Creed, 2002: 235). In this respect, strategic inflection points, whether they reflect ideological, regulatory, or technological changes, are likely to be missed as reified practices and structures are experienced as inevitable, natural and legitimate. Seo and Creed (2002: 228) also refer to the contradictions created by intricate ties between institutions in social contexts that have multiple, interpenetrating levels and sectors. As Meyer and Rowan (1977) suggest, this leads to the adoption of practices which contradict the ‘central logics’ of organizations as they conform to an intra-institutional logic supported by the associated rationalized myths, creating inter-institutional incompatibilities in the process. As Seo and Creed (2002: 228) put it, ‘one institutionalized logic (e.g., professionalism) is layered on another (e.g., managerialism or bureaucracy), rather than a distinctive transformation where one logic sweeps away the residue of another’.

2. METHODOLOGY

2.1. Case description

Industry. In Australia, IP firms generally enjoyed a sheltered environment until the beginning of this century. Recently, some services have been commoditized through technology-enabled automation and the local market has opened to overseas competitors through regulative changes. As local clients become more IP savvy and market competition increases, the financial margins of traditional patenting businesses are under pressure. Furthermore, the benefit of the patenting system is under question

globally and changing attitudes towards the value of registering IP - given the difficulties and expense of litigation, especially in the USA - are further complicating this traditional service. More broadly, the traditional consulting industry model is being challenged (Christensen et al., 2013). Furthermore, traditional business service firms (the Big four) are acquiring IP firms, which is further modifying the competitive landscape. This new context increases institutional complexity, with major changes operating in both the IP and the strategic consulting industries, and a move towards a convergence or possible between them. Hence, disruptive digital technologies in a very conservative industry and changing market conditions make the environment complex.

Company. The Firm is over one hundred years old. It operates mainly from Australia and its patent attorneys represent clients all over the world. Patent attorneys are specialized in representing clients in obtaining patents and in acting in all matters and procedures relating to patent law and practice, such as filing an opposition. Most countries have some unique patent law particularities, Australia included, and organisations wanting to file or enforce their ideas in foreign countries rely on local patent attorneys. The firm is governed by a partnership agreement signed by thirty-three principals, predominantly patent attorneys, and is represented by a Board composed of a Chairman, the Chief Executive Officer, an external board advisor, and three of the principals.

In an attempt to respond to the above mentioned industry challenges and to compensate for traditional revenue losses, the firm aspires to provide a broader service offering to their existing clients. Three years prior to this research the firm acquired new profiles to create new services that were hosted within the partnership. These included advice in IP valuation, IP landscaping and IP tax incentives. In the same period, the firm engaged a marketing team to create a differentiating image and to promote the new direction. This entailed a significant rebranding exercise including a new slogan, webpage redesign/content, colour charts, staff profile/titles etc. The 'declared' new identity for the firm positions it as a holistic business partner providing services in the strategy space. However, after three years, the added services have not realized their promise, and hardly any leverage of the firm's enviable client list has been achieved. It is in this context that the Chairman of the firm contacted one

author of this paper to conduct research aimed at gaining an outside-in perspective of the issues at stake.

2.2. Data collection and analysis

During a period of 2.5 years (2015-2018), we had access to board meetings, regular informal discussions with the CEO, the Chairman, and many other staff members of the firm. We collected both primary and secondary data and conducted 45 interviews (see the list of participants in Table 1).

Insert Table 1 about here

The in-depth face-to-face interviews lasted between 0.5hr and 1.5hrs and were conducted between September and November 2016. The core questions reflected our research goals, namely, to assess the lived experience of staff and clients in respect of the changing nature and requirements of the IP industry, and how it is affecting their working practices. The interviews were transcribed, validated by the respondents, and coded according to the main themes of the literature. Next, we also gathered secondary data to support data triangulation, including consulting reports, industry reports, press accounts, the company website, articles, and scientific communications at conferences on the industry. These data confirmed any recurring patterns and identified other facets, elements, and quantitative figures that might support (or conflict with) the information gleaned from our interviews. Because our methodological approach includes interviews with various actors who engage in strategic formulation as well as in implementing such strategy (hence various hierarchical levels) and also key stakeholders (large clients representing the main Australian industries), we have limited the potential bias that is inherent to case studies, arising from the use of respondents' own perceptions and representations.

3. RESULTS and ANALYSIS

3.1. Initial and aspired identity

With ongoing business challenges impacting revenue streams and in anticipation of shifting market conditions, the firm devised a new identity aspiration and strategy aiming to generate more revenue from their existing clients by innovating and extending its service offering and improving the bottom line by adopting a process improvement culture. The internal and external communication of the strategy signalled strongly that the Firm wants to broaden its IP scope by offering complementary and

integrated business service and consulting solutions. Tightly linked to the strategy is a projection on how new work should be won and new services delivered. The Firm's initial practices underlying its identity and aspiration for future identity were constructed using secondary data, in particular a consultant report that was used in formulating and executing the new strategy (see Table 2).

Insert Table 2 about here

To explore the concretization process of aspirational identity, we used the primary data to characterise underlying practices of both identities (see Table 3), revealing potential tensions between those.

Insert Table 3 about here

3.2. Tensions between the Firm's identity aspiration and institutional logics

The institutional logics of the industry have shifted dramatically. Such environmental changes, which make the environment complex, from professionalism to managerialism are summarized as follows (adapted from Christensen et al., 2013, see Table 4). This is likely to influence the perception of working practices for the Firm and the expectations of their existing clients.

Insert Table 4 about here

1. New client demands leading to more institutional complexity

One client summed up the view of all in his comment that the firm is 'very good at intangibles. The people I deal with are great ... it's the tangible component that's got to be sharpened'. In particular, clients feel that the firm needs to review and enhance its 'tangible' offerings by adopting new technologies; streamlining and simplifying back-office processes; introducing new, high-end, strategic services by 'partnering' more with clients in order to generate value for them by creating and realising business opportunities; building board-level relationships with clients; not succumbing to organisational inertia by doing nothing different; not tolerating inappropriate skill-sets within an industry that is on the cusp of radical transformation; being more intellectually humble in their role. As one client stated, 'the firm's attorneys can unwittingly present an "I'm right and you're wrong" position'. Attorneys are considered as being incapable of having strategic business conversations due to their narrow skillset and mindset. Rather than just drafting a patent, clients want the firm to partner with them, to gain an empathic understanding of their business and to offer them strategic advice. Clients are clear that to broaden its offering to include high-level strategic services, the Firm would

have to acquire/develop new skill-sets. As one client commented, the inadequacy of the firm's current skill-sets, and the transparency of its self-interested motive, was evident the last time the firm attempted to broaden its offerings to clients (see *Verbatim 1* in Appendix 1).

2. Limited capabilities in delivering value-based strategic services

While this theme was mentioned by every person interviewed, there were mixed interpretations about the firm's capabilities to compete through the offering of the more strategic services that clients now expect. Some believed that the Firm's attorneys are already delivering higher level services to the clients (but without charging for these services), others that the attorneys' knowledge base and mind-set is too narrow so that they do not have the collaborative skills required to understand the client's business and offer the proper advice. Some saw the problem as not having contact points at a high enough level (Board and CFO level as opposed to R&D) while others argued that the Firm needs to re-think the nature of the workforce required to offer high level services (such as consulting in innovation strategy) that are competitive in the market (see *V2*). Several interviewees argued that, for various reasons (lack of confidence/knowledge, narrow technical IP skills, inability to engage in explorative questioning), many current staff members are unable to collaborate meaningfully with clients with respect to offering value-based strategic services. If the firm wants to compete in such new area, confidence in its business skills, and business reputation, needs to be built (see *V3*).

An interesting 'outlier' perspective is that the way in which IP attorneys are rewarded (record time and ensure that the maximum amount of a client's spending contributes to the achievement of the individual attorney's budget) constrains their ability/commitment to develop their capabilities to offer those high level services (see *V4*). In this way, the performance management system legitimizes selfish behaviour and is said to work against the referral of clients to other members of staff such as those who may be capable of offering additional services. Linked to the performance management system is the problem of pricing. There is general understanding that the firm's clients would like to pay for value generated and not hours worked but little consensus exists on how to price such value. As one person puts it, 'everyone knows the price of everything but they do not necessarily understand its value'. Hence, ill-defined pricing practices are not conducive of legitimated value-based costing.

3. Required Structural Changes to the Firm.

Various factors [technology, globalisation, changing attitudes to IP protection, etc.] were seen as having disrupted the traditional operational model of IP firms. IP attorneys' knowledge is becoming commoditised (filing of trademarks and, increasingly, patent drafting is being offshored), resulting in lower margins. It was felt that the current partnership model would be unable to drive the necessary adaptations required for addressing the soaring cost of production issues. Furthermore, there was almost unanimous agreement that the organisational structure had to change in order for the firm to adapt to a dynamic operational environment with increased institutional complexity. It was argued that ownership of the business needed to be de-coupled from the management of the business because the thirty-three equity partners could not reach consensus. Also, for the firm's systems and processes to compete effectively, everyone, irrespective of rank or station, needed to adopt standard processes (see V5). Hence the legitimacy of the partnership to implement the new strategy and aspired identity is being challenged. The CEO touched on the legitimacy problem: 'if we want to be taken seriously when selling innovative services, we have to demonstrate that we can transform ourselves'.

4. The Parochial Culture of the Firm

The bulk of the senior IP attorneys have been at the Firm for decades and, in this respect, one person recalls the collective response to the impact of online platforms on the traditional work of the Firm (see V6). In particular, it is claimed that complacency abounds in that the staff assumes that work will roll in as it always has done. One senior IP attorney argued that self-congratulatory perspectives have led to the firm's misjudgement of its standing with clients (see V7). Although the Firm's Chairman continued to search for alternative ways of addressing the changing environment of the Firm, his actions drew strong criticism from several equity partners (see V8). This demonstrates the narrowness but also the strength of the Firm's culture in de-legitimizing a need for change which undermines the concretization of the aspirational identity process.

Results also show that while clients are expecting more strategic involvement from the Firm, they are very critical about its motives and they foremost expect the operationalization (quality, cost and time of delivery) of its traditional services to be irreproachable. This demonstrates that under the ambiguous influence of competing logics, the realization of an aspirational identity is a very complex process,

creating identity tensions which inevitably lead to uncertain and imperfect outcomes. Table 4 summarizes the organizational legitimacy issues related to aspirational identity and practices.

Insert Table 5 about here

3.3. Legitimization strategies of the Firm

The most significant strategy towards its aspirational identity was the introduction of differentiating IP services under the umbrella of an IP Consulting brand (see *V9 and 10*). This led to a complete rebranding exercise and ongoing legitimizing activities such as sponsoring local events and prestigious national innovation awards. However, three years later, the Firm is still struggling to build visibility for those new services, and attorneys are not developing new forms of collaboration with their clients [forms that go beyond their traditional patent attorney role (see *V11 and 12*)], signalling the degree of institutionalization of their organizational identity.

While recognising those legitimacy, integration and upskilling issues, most principals of the Firm are inclined to add more business-oriented people and practices to their consulting arm (see *V13 and 14*), further siloing the new practices (a way of managing ambiguity, contradictions and conflicting logics). Indirectly, this demonstrates that the partners are more engaged in legitimation strategies based on their old identities, and are ‘adopting’ the new practices with caution. By keeping these at arm’s length they assume that this would suffice in response to their existing client’s expectations. The contrary suggests that the level of institutionalization of organizational identity and legitimacy are critical factors in the process of concretizing an aspirational identity. In fact, the institutionalization of the organizational identity of the Firm has not only prevented the new practices from being perceived as legitimate but has also strongly anchored the Firm in its professional logic. Paradoxically, the more partners perceive and experience a need to legitimize the Firm’s aspired identity (transdisciplinary and holistic IP), the more they grow apart.

DISCUSSION AND CONCLUSION

The aim of our research was to examine how organizations may gain legitimacy through the concretization of an aspirational identity in complex institutional environments and we hereunder provide the synthesis of the response to that question. After three years of implementation, the Firm has not yet achieved this. While most literature has focused on legitimacy vis-à-vis external actors (Pache and Santos, 2010; Zimmerman and Zeitz, 2002), we found that legitimacy issues commence internally. As far as internal legitimacy is concerned, the main problem is linked to principals who do not dedicate enough attention resources (Zimmerman and Zeitz, 2002) to the operational deficiency problem and to the very different requirements linked to the aspired identity. This failure of the equity partners to commit to the realization of the aspirational identity has resulted in the continued hegemony of the prevailing identity and its legitimacy in the Firm.

After three years, the attempt to graft new practices onto existing IP services, has still not taken within the organisational environment and remains loosely coupled. Although this loose coupling may enable autonomy to explore new businesses beyond the dominant institutional logic, it is ineffective in leveraging a strong commercial base (i.e. cross-selling to the existing client base of the firm). Consequently, promotion and diffusion (internally and externally) of behaviours related to the new identity aspiration is restricted. While the partnership acquired new services, it has not fully integrating them. According to Kodeih and Greenwood (2014), integrating practices of a competing logic gives a new source of legitimacy and, therefore, access to new resources. As a corollary, our research shows how access to new resources is limited by a lack of integration (internally and externally) and how this can challenge legitimacy (internally and externally). In the case study, the major factor impeding integration of services (old and new logic) is that attorneys speak to the technical staff (their client contact) who are themselves siloed. This means that internal and external competing logics cannot cross over. Consequently, the legitimization strategies of the Firm for concretizing its aspiration to become a more holistic/strategic service provider for existing clients are rendered ineffective.

Our main theoretical contribution to the concept of identity aspiration is to highlight the importance of institutionalizing organizational identity and legitimacy during repositioning efforts towards a new

identity aspiration (Kodeih and Greenwood, 2014). This is a complex process as the organization considering the change of identity has to take into account the institutionalization of its identity and be prepared to face negative reactions from stakeholders (both traditional and new ones). Moreover, while promoting ‘identity codes’ is not sufficient, and needs a process of concretization (King et al., 2011), we provide a more thorough understanding of the managerial conditions for such a process. When targeting a strategic shift, the concretization of an aspirational identity will manifest in behavioural changes for practices underpinned by new logics (new rules) needing to gain their own legitimacy. Hence, when top management teams invest heavily in changes for concretizing an identity aspiration, they need to factor in and scrutinize how new institutional complexities will manifest both internally and externally, especially those creating legitimacy issues for existing and targeted stakeholders (those to whom the new identity is meant to appeal).

Our research also offers managerial recommendations for strategic pivoting involving complex organisational identities. The following questions should be looked at by organizations who aspire to change their identity:

1. *Identify core identities that need shifting/broadening*

What is the nature of work that needs shifting/broadening? Which are the underlying ‘legitimate’ identities and which ones create issues? What identity characteristics are linked to core and aspirational practices? Who legitimizes those practices and what roles do they play? What environmental factors legitimize those practices?

2. *Identify resources required to concretize the aspirational identity*

What behaviour and activities will endorse the aspirational identity? What and who will legitimise those practices internally and externally? What practices should be developed to gain legitimacy (internally and externally)?

3. *Invest in legitimizing those identified practices with targeted stakeholders.*

How can the concretization of those practices be incentivised (internally and externally)? Is a new structure/capability required and how can it be supported? How much resource allocation is required to develop or acquire ‘legitimate’ knowledge?

4. *Monitor legitimizing issues linked to aspirational identities during its concretization process.*

Are institutional tensions rising? How are new practices perceived (internally and externally)? How are the organisation and its external stakeholders responding the aspired identity?

Despite these contributions, our research is not without limitations. First, although we followed the firm for two and a half years, our interviews were not conducted in a longitudinal manner, which limits our evaluation of the practices that underlie identity aspiration and through which individual identities evolve. Further research into the building of a multilevel understanding of institutional theory which acknowledges individual-level identity is required. Second, the number of interviews external to the firm are relatively limited and the institutional complexity could not be analysed from a wider angle, taking into account other stakeholders and industry participants. This could be undertaken in future studies, with an emphasis on the alignment between the identities of the different participants of the industry, taken as an ecosystem of multiple parties. Finally, another interesting avenue for further research lies in the multilevel aspect of legitimacy (internal - individual, business unit, organization - and external) which has emerged in our interviews. Although recent studies have started to explore the links between individuals and institutions, they do not fully explain the mechanisms and contexts through which a shift in logics at a macro level affects identity at a micro level.

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Table 1. Interviews participants

Roles	Number of participants
Internal participants	41 (total staff 95)
Board members (principals)	4
Other principals	11 (total principals 33)
Senior associate and associate patent attorneys	8
Personal assistant to principals	3
Consulting services (Law, IP Valuation, IP analysts)	10
Finance, Marketing and Operations	5
External participants (major clients):	4
Technical manager (Construction sector)	1
Strategic business manager (Construction sector)	1
R&D Manager (Mining sector)	1
Innovation and IP manager (Manufacturing sector)	1

Table 2. Firm's initial identity and aspired identity

Initial identity	Aspired identity
The Firm offers high quality patenting services.	The Firm sells a wide range of integrated, innovative IP solutions creating high added value.
The Firm seen as a reputable IP service provider.	The Firm valued as a business partner who understands business processes and needs.
The Firm processes are dictated by its own legacy, rules and structure.	The Firm interacts and adapts with operational models and intentions of current and future clients.
Clients come to the Firm when they have identified an IP need	The Firm has a built-in capability to capture future IP problems and needs for its current and prospective clients
Current clients choose within the suite of the Firm services	The Firm partners with clients to co-create or co-develop tailored solutions
The Firm is “empirically” not involved within the stage gate product lifecycles of clients	Clients “naturally” ask the Firm advice on invention/tech roadmap strategies, IP investment decisions, ...
Internally, vision and strategy are somewhat aligned at top level but not implemented at operational level	Projects and services are aligned within the Firm to deliver vision and strategy
The Firm does not leverage on its untapped high people skills who mostly work in silos	The Firm provides a process and project space for employees to invent, explore and collaborate

Table 3. Characteristics and underlying practices of initial and aspired identity

	Initial identity	Identity aspirations
Characteristics	IP service provider Protector of value for clients Play safe (code of conduct) Artisan (craftsman) Multidisciplinary Office worker Expert mindset (patent attorney)	Strategic business partner Creator of value with clients Proactive Teamworker (shared process) Transdisciplinary Field worker Holistic mindset (Business)
Practices	Time based costing (make budget) Patent drafting Analysing IP risks in technical systems	Value based costing Strategic recommendation Exploring IP for business opportunities

Table 4. From professionalism to managerialism

Professionalism	Managerialism
Structured to diagnose and solve problems whose scope is undefined	Structured to address problems of defined scope with standard processes
Delivers value primarily through consultants' judgment rather than through repeatable processes	Processes are usually repeatable and controllable
Customers pay high prices in the form of fee-for-service	Customers pay for output only

Table 5. Legitimacy issues related to aspirational identity and practices

Legitimacy issues related to aspirational identity and practices
The individual reputation and notoriety of patent attorneys legitimates their individual work practices against teamwork and shared processes
The performance management system legitimates the client 'ownership' mindset which is contrary to the teamworker identity aspiration
The poor tracking record of project closer within the Firm de-legitimates the partnership structure for implementing shared processes
The narrowness and strength of the Firm's culture de-legitimates the need for change and the concretization of the aspirational identity
Inefficient incentives for referring internal work and ill-defined pricing practices are not legitimizing value based costing practices
Attorneys are not legitimate for giving strategic recommendations due to narrow skillset and mindset

Appendix 1. Verbatims

V1	A few years ago they had this idea that they were going to help companies work out their strategies and it looked like they were trying to take over the business and tell you how to run it. ... That whole thing was written for (the Firm) and not for the customer. I had an honest discussion with them and they stopped it.
V2	I am happy for people to be working here who were working here thirty years ago but they need to be working differently. The world is changing around us, and it's changing incredibly quickly.
V3	It's not enough to be able to write the perfect patent. You have to be able to put that into a commercial context. We're limited in the commercial type advice we can give them because often we don't know enough about what they're doing. ... We need to be asking the right questions, and reminding ourselves that drafting or amending a patent is being done for commercial reasons - it's not just a technical document we need to get 100% correct.
V4	The framework that (the Firm) has for an attorney ... (is that) their primary goal is to make budget. They don't get rewarded in any way for referring work to other departments or for even keeping the client happy. ... There's no formal process for recognizing good work other than if you've done a large amount of billings ... If an attorney has a specific client, that client may only have x amount of dollars to spend. That attorney may wish those dollars to be spent on his services only. It may not be in the best interest of the client but it's in the attorney's interest.
V5	I see a lot of good intent but we don't finish anything. We start projects and then they're abandoned because of individual objections. ... We've got thirty-three partners or principals. Every single one of those people have their own little ways of doing things, which makes it incredibly hard for us to scale our service offerings ... If you're going to have a single process you need to have management in place that has the authority to enforce it on everyone.
V6	There was genuine outrage at the idea of intermediary online platforms cutting out that profitable filing end of the process. There was an attitude of, 'how dare they come into this space?' which, I think, reveals a really high level of insularity in thinking.
V7	There is incoherency between how we perceive the business - and pat ourselves on the back - and how the market actually sees us ... in terms of how necessary or vital we are to clients.
V8	He should just put his head down and meet his budget instead of wasting his time thinking about the business. If everyone made budget, we wouldn't have a problem.
V9	The introduction of (IP Consulting) differentiates (The Firm) in the local market by the introduction of business consulting skills.
V10	I think the breadth of what we have to offer probably differentiates us in that we have a lot of different skills in the IP world. I think one of the most notable differences is probably that we have a consulting arm now as well.
V11	I think we still have clients who think that all we do is patents or trademarks or designs. They don't see the legal. They don't see the valuation side of things. They don't see (The Firm) consulting. So they don't necessarily come to us when they have got legal questions or questions outside of what they traditionally have used (The Firm) for. So I think as we build the value chain, as we build other components to the business, we need to be able to make our current and our future clients more aware of those and understand how we can actually help them.
V12	No, I think what I'm saying is that we need to think about how we can help our clients. We need to see a bigger picture than just the point of contact that we have and the point that we engage with that business, and that particular job that we're doing for them. We need to be sort of commercial and interested enough in their business to say, "actually what's the value of this to what it is you're doing". I think if we do that and you get the bigger picture, then everything else sort of comes into play.
V13	(The Firm) needs to continue to invest in the consulting (IP Consulting) space and bring new people on board.
V14	One possible way to differentiate (the Firm) would be to expand the consulting arm (IP Consulting) to include professionals who can focus on the more commercial aspects of a business.