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THESIS FOR DEGREE OF DOCTOR OF PHILOSOPHY

Digital Transformation of the Legal Field

- A Bubble in Trouble

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- A Bubble in Trouble

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Abstract

Digitalization represents industrial changes that are comparable to the introduction of the steam engine, electricity, and the computer. It has entailed substantial changes in most settings but carries a particular potential to settings that have been shielded from major changes in the past. Such potential is evident in the legal field. Here digitalization drives radical changes to where, how, and when legal work is done, challenges previous assumptions about professional practice, and disrupts business models and legal institutions. This thesis aims to shed light on all these changes by exploring *what* digital technologies have entailed for law firms, courts, and the professionals that work in these organizations, and *how* and *why* the different actors of the field have responded to digitalization in the way they have. By analyzing the digital transformation, this thesis shows fundamental implications for professional practices and organizations and provides an understanding of field-specific institutional logics and barriers that have been encountered in the transformation process. The thesis builds on four appended papers. The first paper explains how distinctive industry characteristics have been affected by digitalization. The second paper illustrates the resulting institutional complexity and shows how a dominant law firm logic has effectively prevented change among incumbents while innovation has taken place in the emergent sub-field of legal tech. The third paper explores digitalization efforts in a court setting and shows how institutional and professional barriers for change were overcome when digitalization was re-assessed with regard to fighting the spread of Covid-19, and the fourth paper discusses the effects of Covid-19 on the speed of digital transformation in the field. Together, these papers show an accelerating digital transformation of a previously protected and highly institutionalized field. By analyzing the impact and implications of digitalization in the legal field, this thesis adds to our knowledge on digital transformation, institutional complexity, and the future of professional work.

Key words

Digitalization, Digital Transformation, Institutional Complexity, Institutional Logics, Law Firms, Legal Tech, Professional Service Firms

Charlotta Kronblad, Entrepreneurship and Strategy, Chalmers University of Technology

LIST OF APPENDED PAPERS

Paper 1: *How Digitalization Changes our Understanding of Professional Service Firms*

Single-authored, published in *Academy of Management Discoveries* (2020) 6(3), 436-454.

Paper 2: *Digital Innovation in Law Firms - The Dominant Logic under Threat,*

Single-authored, published in *Creativity and Innovation Management* (2020) 29(3), 512-527.

Paper 3: *Getting on track for the future of work: Digital transformation of work practices in an administrative court.* Co-authored with Joakim Björkdahl, in a revise and resubmit process for an international journal.

Paper 4: *How the Covid-19 outbreak changed the digital trajectory for professional advisors*

Co-authored with Johanna E. Pregmark. Chapter included in “The Future of Service Post-COVID-19 Pandemic, Volume 1” (2021) edited by Lee J. and Han S., published by Springer, ISBN: 978-981-334-126-5.

Other publications by the author

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Thanks to supporters, colleagues, family, and friends. Even though I am a person who loves to go my own way and follow my own agenda, this thesis is the result of collaborative work. It is the result of ideas gained in the legal field that have been developed during discussions at the workplace and in presentations and seminars among legal professionals. It builds on experiences from academic conferences and insights from conversations at dinner tables, in bars, and on beaches.

But to be honest, this work builds on experiences that originate well before my entry into the academic world. In fact, while writing up this text I was reminded of a situation from my childhood, sitting in my grandmother's living room with her comfortably leaning back in her favorite leather armchair to my right. Surrounded by walls of art, an interesting blend of impressionist and modern pieces, I voiced an interest in becoming an artist myself. She looked up at me with skeptical eyes: *But you are not. If you would have been an artist, you would have been one already. Being an artist is not a choice.* While this struck me as discouraging at the time, I get what she meant. I am not an artist, and I never was. Instead, I have always been a reader and a writer, and I have always been curious to learn more and to discuss contemporary ideas in science and society. My grandmother understood this, and she always knew that I would end up doing research. And I believe that I am now, with this thesis, finally realizing this true self – making a professional home and identity in the academic space. Thus, I dedicate this work to my grandmother: Greta Tengblad. She was (and will always be) my most dedicated reader and, in her life, she never stopped discussing cutting-edge topics with me. She challenged me and pushed my thinking forward. I know that she would have loved to read this text and to discuss its implications, and I believe that she would have been immensely proud of me finally becoming, and accepting, who I am.

Charlotta Kronblad

Gothenburg, June 2021

Table of Contents

1. INTRODUCTION 7

1.1 THE MAGICAL BUBBLE OF LEGAL PRACTICE 7

1.2 THE THEORETICAL UNDERSTANDING OF THE LEGAL FIELD 9

1.3 CHALLENGES AND OPPORTUNITIES IN DIGITALIZATION 10

1.4 THE PURPOSE AND CONTRIBUTIONS OF THE THESIS..... 12

1.5 ORGANIZATION OF THE THESIS..... 13

2. METHOD..... 14

2.1 RESEARCH PROCESS 14

2.2 LIVED EXPERIENCE FROM THE LEGAL FIELD 16

2.3 METHODS FOR RESEARCH DESIGN AND DATA COLLECTION 21

2.4 METHODS FOR DATA ANALYSIS 23

2.5 WRITING AND SELECTING THE PAPERS 25

3. THEORETICAL FRAME OF REFERENCE 28

3.1 PROFESSIONAL SERVICE FIRMS IN GENERAL AND LAW FIRMS IN PARTICULAR 29

3.2 INSTITUTIONS, PROFESSIONS, AND INSTITUTIONAL COMPLEXITY 33

3.3 DIGITALIZATION AND DIGITAL TRANSFORMATION..... 36

3.4 A RESEARCH GAP IN THE OVERLAP 38

4. SUMMARIES OF AND INSIGHTS FROM THE APPENDED PAPERS 41

PAPER 1: HOW DIGITALIZATION CHANGES OUR UNDERSTANDING OF PROFESSIONAL SERVICE FIRMS 41

PAPER 2: DIGITAL INNOVATION IN LAW FIRMS - THE DOMINANT LOGIC UNDER THREAT 43

PAPER 3: GETTING ON TRACK FOR THE FUTURE OF WORK: DIGITAL TRANSFORMATION OF WORK PRACTICES IN AN ADMINISTRATIVE COURT BEFORE AND DURING COVID-19 46

PAPER 4: HOW THE COVID-19 OUTBREAK CHANGED THE DIGITAL TRAJECTORY FOR PROFESSIONAL ADVISORS 48

5. DISCUSSION..... 50

5.1 DIGITAL IMPACT VIA CLIENTS AND CUSTOMERS..... 50

5.2 IMPLEMENTATION OF DIGITAL WAYS OF WORK AND THE RISK OF BEING REPLACED 52

5.3 WHO HAS RESPONDED, IN WHAT WAY, AND WHY?..... 53

5.4 DIGITAL INNOVATION AND A BUNDLE OF DIGITAL LOGICS..... 55

5.5 COVID-19, INSTITUTIONAL COMPLEXITY, AND RE-ASSESSMENT OF DIGITAL CHANGE 57

6. CONCLUSION 61

6.1 FINAL REFLECTION: A BUBBLE IN TROUBLE? 61

6.2 PRACTICAL IMPLICATIONS 62

6.3 FUTURE RESEARCH..... 63

REFERENCES 66

1. INTRODUCTION

1.1 The Magical Bubble of Legal Practice

The legal world is very peculiar. It is almost like a world of its own. It differs so greatly from the outside that we can almost envision a magical bubble that encapsulates it, keeping those on the inside separate from those on the outside. If we look inside of this bubble, we find fast-moving lawyers in pinstriped suits and navy dresses. We find interiors of high street offices, high heels smattering across polished floors and a distinct scent of leather, old books, and mahogany. We find grand courthouses with roman pillars and marble steps. Here sit judges in robes behind high benches and piles of legal documents. If we listen, we can hear elaborate legal argumentation, someone shouting out “Objection, Your Honor” and the repetitive sound of court clerks typing down testimonies. Can you see it? Can you feel it, hear it, smell it? It is a very particular setting that is both popular and rewarding to portray. It is highly symbolic, with thick books of statutes, blindfolded goddesses holding shiny scales of justice, and heavy wooden clubs to bring “order to the court room.” In this setting, both lawyers and judges appear almost like caricatures of their professional capacity. And interestingly enough, if you search for images of lawyers, judges or law firms on the Internet, you will likely see a bunch of cartoons, which you would not see if you would make a similar search for images relating to any other professionals or professional settings (believe me, I have tried).

There is also a complexity to the legal world that is interesting. While the bubble first appears golden and shiny, there is also a hint of dirt. This draws curiosity; the legal world is not perfect, but it is fascinating, nevertheless. Also, this alludes to authenticity – the actors on the inside of the bubble are not impeccable, they are multifaceted and real. While there is an air of ethics and high professional integrity inside the bubble, there is a simultaneous hint of shrewdness and an apparent power and knowledge imbalance that can potentially be misused. The strict professional integrity is mixed up with the risk of greed, indulgence, and envy. There is even a possibility that someone could commit a crime and get away with it (using legal tricks and loopholes in the law). Moreover, there is passion in fighting for justice, and a raw sexiness connected to the wealth and power of lawyers, to their beautifully polished appearances and all the money involved. And sex and passion sell. People on the outside of the bubble are for these reasons hovering around its edges, waiting to peek in, eager to catch that desired glimpse of

what is going on. This interest in the legal setting has also made it a commonly used backdrop for tons of different media productions, where the legal scenery is particularly frequent in novels and movies. Above an interest for the professional characters (the lawyers and judges – and paralegals after Meghan Markle portrayed this profession in *Suits*), the legal context has an additional trait that makes it particularly suited for the format of TV series. This is the nature of disparate legal cases. Here the cases - and the lawsuits - carry the storylines, while the professionals and their organizations constitute a stable background. This has made the legal context a golden frame for just about any plot. You know what I am talking about. We have all seen (and become addicted to) TV series like *Suits*, *The Good Wife*, or *Ally McBeal*, and before that *LA Law* or *Law and Order*; or even reality TV like *Judge Judy*. Series that can just go on for years. The backdrop remains intact, while the legal issues and the topics discussed are constantly renewed.

This widespread use of law in popular culture means that we have, during our entire lives, been fed certain images of the legal world that speak to our understanding of what the law, lawyers, law firms, judges, and courts are. And even though these images are predominantly American, and legal systems differ between nations, these images influence the perception of the legal system and feed into a certain view of what the legal system, and justice, entail. Sherwin (2000) argues that this influences us to the extent that the legal reality has become impossible to understand, or assess, without regarding what we see on our screens. In effect, this legally boosted media consumption means that almost everyone has a pre-set view of the actors of this field. We expect lawyers to be well-dressed hard workers with expensive habits and an intellectual edge, and we expect judges to be impartial and have high professional integrity. And we associate judges with the institution of the court, and the institution of their profession, to such an extent that their individual traits almost disappear (as long as they are not up for nomination for any supreme court - when it suddenly becomes highly relevant to discuss previous experiences and religious background). These images are continuously reproduced in our media consumption, and they are rarely challenged, as most of us rarely come across legal professionals or legal institutions in ordinary life. Instead, real-life encounters only occur if, and when, it really matters - in life-changing moments. You only face the legal world when a life or a marriage ends, in the occurrence of a major conflict, or if you become the victim of, or witness to, a crime, or if you (unjustly, of course) become the suspect in one. These extreme situations uphold an aura of mystique around the legal world and continue to put lawyers and judges on pedestals, or shield them within a bubble.

Beginning a PhD thesis with a pop-cultural recognition of the setting may seem trivial to the academic audience. I nonetheless believe that it is not. Instead, I hold that this imagery of the legal world is highly important to understand the context, and that it affects not only sensemaking outside of the bubble, but also what is going on, on the inside, and determines how different legal actors react and respond to change. Consequently, I believe that it is beneficial for you, the reader, to have this imagery in mind when we move forward in understanding how theories have been applied to, and created in, this context, and in understanding the recent changes, the opportunities and threats, that digitalization has brought along.

1.2 The Theoretical Understanding of the Legal Field

The theoretical understanding of the legal field is pretty well aligned with the popular presentation of it. Law firms are often discussed as the most typical professional service firms (PSFs) (von Nordenflycht, 2010) that mainly create value from the intellectual capital of employed lawyers and legal associates. These law firms enjoy protected markets and exert full control over their body of professional knowledge (Maister, 2003). The courts are in a similar position where they are the sole providers of justice in society and enjoy complete control over the delivery of court services (Møller and Skaaning, 2012). Within the courts it is the judges that control the professional knowledge and experience, and possess authority and autonomy in their judging capacity (Hodson and Sullivan, 2012). Thus, the intellectual capital of the professionals that work in this field (the lawyers and judges), is key for the value creation in law firms and courts. The legal services that they provide are consequently highly knowledge intensive, which has equipped them with an *opaque* quality. This *opaqueness* makes it virtually impossible for anyone outside of the field to assess the value of the services (Løwendahl, 2009). It is very difficult for those not trained in law to understand if legal advice, a legal contract, or a court verdict is of good quality or not (and even for those of us who are legally trained, this is pretty hard). Because of this *opaqueness*, the symbols of the field have become more than just symbols. Instead, they serve as cues for clients, and citizens, in their value assessment of the services provided (Løwendahl, 2009). For instance, if a lawyer is wearing a tailored suit, an expensive watch and sitting in a corner office, the client assumes that he (or she) is a good lawyer – having been able to bill a lot in the past – and consequently assumes that his/her legal advice will be of great value and assess the delivered service quality in this light. In the same manner certain symbols, court room design, and judicial costumes, are used within the courts –

to showcase, materialize, and emphasize certain elements in the rule of law (Moran 2015). The use of imagery and symbols has consequently been key for legal professionals in obtaining trust and in upholding their reputation, status and the aura of high quality and rule of law.

This connects to the high level of institutionalization in the legal field, where law firms (Cohen, 2018), courts (Susskind, 2019), and the professionals within these organizations (Muzio et al., 2013) have been organized and practiced law the same way for decades, if not centuries (Susskind, 2010). In their legal practices they have been highly resistant to change, and to technological implementation (Susskind and Susskind 2015). However, fast digital transformation in the surrounding world has pushed the legal field toward an “inflection point” (Wirtz et al., 2018) where its organizations are “ripe for change” (Christensen et al., 2013). This makes the legal field particularly interesting as a setting to study digital change, and the resistance to such change. Moreover, the digital transformation of the legal field carries an exceptional importance, as the legal field (and its system of institutions, actors and professions) is central to a functioning democracy (Møller and Skaaning, 2012) and legal services carry value well beyond the legal context, as the purpose of lawyers is to provide legal services to other industries and individuals (Grönroos and Ravald, 2011). An effective digital transformation of the legal field therefore conveys a promise of increased access to law, of increased justice, and increased quality and efficiency of legal services in general (Susskind, 2019), while a dysfunctional digital transformation instead carries risks of injustice and inefficient legal services being provided to society and to other industrial settings. The digital transformation of the legal field is consequently an area of great importance, and the interest in research targeting this field is high, both within and beyond the academic arena.

1.3 Challenges and Opportunities in Digitalization

Digitalization can be defined in a large variety of ways, but one good – and rather straightforward – way to think about it is as the introduction and implementation of digital tools and technologies in order to create value (Manyaka et al., 2013). The effects of digitalization are immense and entail some of the largest changes to industrial settings in contemporary times, where the implications have been described as a revolution comparable to the introductions of the steam engine, electricity, and the computer (Schwab, 2018). Compared to these previous shifts, however, where one new technology was implemented at a time, digitalization represents the composition of a large variety of technologies that all influence, strengthen and build upon

each other (Manyaka et al., 2013). This is creating exponential effects on the process of digital transformation.

Recently, digitalization has become a buzzword in the legal field and initiated a lot of discussion in terms of what it will entail for the future of the legal profession, law firms, and other legal actors (Caserta, 2020). To the court setting it brings the potential for more accessible, affordable, intelligible, and quicker services (Susskind, 2019) and the possibility to eliminate human bias in the judging process (Danzinger et al., 2011). Here, a range of different digital technologies are relevant, for example big data, communication technologies, artificial intelligence, and blockchain (Susskind, 2010; Susskind and Susskind, 2015). Since the development of these technologies mainly resides outside of the legal field, digitalization can be regarded as an exogenous force that the actors of the field react and respond to (Jadaan, 2019).

However, it is vital to remember that digitalization not only empowers industrial and organizational change, but also represents a socio-economic shift (Johansen, 2017) that affects our social lives. When you think about it: it has affected virtually every part of our lives and every part of our days. The digital reality hits us as soon as we wake up in the morning and start reading the morning newspaper in our smart phones. From then on it influences our workplaces, that are increasingly being infused with digital technologies. Or, if you are working remotely from home or a coffee house, digitalization enables your distance work by the facilitation of virtual workspaces. If you have kids, it influences your everyday communication with care providers and schools (often via poorly designed online platforms) and it impacts your family life: with arguments about the gaming that occupies the kids when they return home, and then the *Netflixing* and online shopping that you do when they are finally in bed. If you do not have kids, you probably recognize the new range of media consumption, the new shopping patterns, the online social life and dating circles, as well. Digitalization affects all aspects of our lives and ultimately influences how we think about ourselves, our work, our possessions, and our experiences in relation to increasingly advanced digital technologies and opportunities. Regardless of what field we work in, digitalization affects us on a personal level.

1.4 The Purpose and Contributions of the Thesis

The digital transformation of the legal field is but one small aspect of this broad industrial and societal transformation, but it is the one that anchors the focus for this thesis. I want to understand the tensions that appear in the legal field as digitalization impacts and I want to explore how the different actors of the legal field have reacted to digital opportunities and threats, and if and how professional life in the bubble has started to change. I am particularly interested in the clash of the exogenous force of digitalization and the resistant bubble of law. While several researchers have suggested that digital transformation of the legal field has begun (see for instance Bresica, 2016; Christensen et al., 2013; Susskind, 2010; Susskind and Susskind, 2015) there is yet a lack of empirical research. This is particularly relevant as Covid-19 seems to have furthered the process. We do not know what digitalization has entailed for the actors of the legal field, or what digitalization means for PSFs at large (Smets et al., 2017). Research points toward major changes, but there is a lack of field-level data telling us what has really happened. In this thesis, I consequently explore the digital transformation of the legal field to understand *what* digitalization has entailed for law firms, courts, and the professionals that work in these organizations, and to understand *how* and *why* its actors have responded to digitalization in their particular ways.

This thesis will illustrate the digital transformation of the legal field and show you what impact digitalization has had on legal practice. It will show you that digitalization has enabled new ways of work, where human capital is increasingly being replaced by, and complemented with, machines, that it has empowered innovation of new legal products and services that call for new digital business models, and that it has altered what legal matters are addressed. By discussing these different effects and their implications, this thesis contributes to various literatures. It contributes to literature on PSFs (von Nordenflycht, 2010; Løwendahl, 2009; Fosstenlökken et al., 2003) where it shows that our previous assumptions, that PSFs are characterized by high knowledge intensity, low capital intensity and professionalization, are no longer valid, but that we must update our views of PSFs for the new digital reality. Here it also shows that digital technologies are pervasive and affect entire organizations, so that organizations need to adopt holistic digital strategies and not just attempt to implement digital technologies. Moreover, it shows that it is not possible to adjust the organization by creating just one new “digital” practice area, but that all areas need to be updated for the new reality. The thesis also contributes to institutional theory (DiMaggio and Powell, 1983; Powell and Colyvas, 2008; Thornton et al.,

2012; Hinings et al., 2018) by illustrating how digitalization has caused institutional complexity that has opened up for new patterns of behavior, where the dominant institutional logics of lawyers and of judges (in similar but different ways) have worked together with institutional barriers in preventing change. Additionally, this thesis argues that digitalization is not only bringing one new “digital” logic to the field, but rather carries a *bundle of digital logics*, which increases the institutional complexity at impact. The final contribution of this thesis is to our understanding of digitalization and digital transformation, where the thesis underlines that digitalization must be seen as the means, and not the goal, and that digital technologies can enable servitization, as well as productization, and/or the turning of places into services (exemplified by the recent realization of virtual courts). Here the thesis also shows that Covid-19 has had a vital role for the speed of transformation, where it has empowered the process by attaching new meaning for deliberate action (institutional work) and breaking down previous barriers for change.

1.5 Organization of the Thesis

This thesis is organized in six sections. After this introduction, the methods are presented. In the method section I also present myself and provide an extensive description of my own experiences from the legal field during the early introduction of digital technologies. Hereafter the theoretical framework is presented, and each selected paper is appended and summarized. In the discussion section I go through selected research findings and place them in relation to the theoretical frame and discuss the contributions to the respective theoretical area. Section six provides my conclusions and some lines of thought for future research. After references, the four papers are appended.

2. METHOD

2.1 Research Process

At the time of writing this thesis, I have been in the world of academia for about four and a half years. I have completed numerous research projects and finished, and published, several papers and chapters based on my insights. A selection of these forms the core of this thesis.

During these four years I have been fortunate to have generated a large interest in my work (people wanting a peek inside that golden bubble of law) and when I am out presenting my research, I usually start by giving the audience a detailed presentation of who I am and my professional background as a lawyer and a junior judge. I tell them about my now pretty outdated experiences working in the field pre-digitalization, and I am always met with a lot of smiles and nods of recognition, especially when there are other lawyers and judges in the audience. They recognize these scenes, the people and the situations, and it is clear that *they know* what I am talking about.

I introduce myself in this way, not only to paint the backdrop of my story and raise some laughs, but to make the audience appreciate *why* they should listen to me, and what I have to say about digitalization. I deliberately use certain expressions (legal lingo) and I illustrate my points with selected images and attributes in order to make it obvious that I have been working in the field, and that *I know* what I am talking about. These tactics work in any context but have been particularly effective when the audience is made up of legal professionals. Portraying myself as *one of them* gives me credibility and makes them respect my thoughts on current developments. The audience pays more attention, and trust that I will tell them something that they can relate to, or present learnings that could be of practical use to them. Who I am, including my professional background, is evidently highly valuable in getting my research *out there*.

This strong presence of myself (and my past experiences) in oral presentations, however, makes me wonder why I do not do the same in text. And I wonder why most scholars find it provocative to write similarly personal introductions in academic texts. Instead of building on my previous experiences, I usually avoid talking about my practitioner past in my academic

texts. Anteby (2013) discusses this topic, and claims that there is in fact a taboo associated with telling your own stories in academia, but that this taboo needs to be relaxed. Consequently, he encourages scholars to start telling their own stories, and stresses that being close to, or personally involved in, the field does not mean that it is impossible to keep a professional distance. Instead, he argues that this misconception, that personal involvement and professional distance cannot coexist, has resulted in poor research, where we (scholars) collectively fail to generate new insights. Anteby encourages us to be personally involved in the field to generate good insights, but simultaneously stresses that we should be transparent about this involvement. A similar point is made by Faulkner and Becker (2018). In a study of jazz musicians, they emphasize that you do not have to be a musician to study jazz, or a woman to study women, but if you are – it will matter. Both Faulkner and Becker are experienced musicians, and they are transparent about this, as they believe that their experiences matter in their observations of other musicians. They claim that being musicians has allowed them to use their pre-understanding, which has saved them a lot of time in the research process. However, they also stress the need to be aware that such a position comes with certain challenges. For instance, in interview situations they stress that while knowing a field can enable you to frame and ask questions in a relevant manner, it also leads to a difficulty in “asking the obvious.” It might seem foolish to explicitly ask for something that is evident to everyone in the field. But the absence of these obvious answers can nevertheless result in the data lacking fundamental facts; facts that are needed to convey the story to outsiders. Thus, the researcher needs to be aware of his or her own position in relation to the research context and be aware of what he or she already knows, and does not know. It is interesting that Faulkner and Becker (2018) spell out that they realized during their study of jazz musicians that their insider knowledge was not as deep as they had thought, but was in fact partial, and limited to the perspective of the older sub-group of musicians that they belonged to. That they noted this, I think shows that they were able to maintain a professional distance (and evaluate their own assumptions and pre-conceptions) while being personally involved (Anteby, 2013).

With this said, I want to stress that this thesis is based on my perspective, which builds on experiences from inside of the legal bubble, but where I am now able to generate new academic and theoretical knowledge by studying it from the outside. I believe that my experiences from the inside enable me to see shifts, details and connections that would be difficult to note without such experience, while my recent academic position and experiences infuse my research with professional distance and analytical rigor. I consequently hold that even though I am not an

insider, when conducting this research, I am still a *native* to the field (Brannick and Coghlan, 2007), and the fact that I am a lawyer matters (Faulkner and Becker, 2018). Having been on the inside of the legal bubble before turning to the academic world, has not only granted me access to otherwise restricted settings, but has also helped me understand the complexity of its digital transformation and ask relevant follow-up questions. Also, my fluency in “legal lingo” has enabled a detailed conversation with the research subjects and empowered the research with authenticity, legitimacy, and credibility. However, my position as a past insider might also carry a risk of insider-bias that needs to be addressed (Langley and Klag, 2019). A first step in addressing such a risk is to be transparent, which is why I have decided to be completely open about my pre-understandings and my experiences from the field. I hope that in being transparent about my professional background, I enable my readers to evaluate my findings and contributions in this light.

For these reasons, I will now tell you about the experiences from the legal field that inspired my research journey and fed into my pre-understanding of the digital transformation.

2.2 Lived Experience from the Legal Field

In a way, my research journey began about 15 years ago (back in 2005) with my first experience of digital technology being introduced to the legal industry. I was a newly graduated law student happy to receive my first job at a fancy downtown business law firm. It was a high-end job, requiring me to wear high heels and make a rather substantial investment in dark suits and a collection of white blouses. I felt like a million dollars, felt like being the key word. The associate paycheck was actually fairly low, at least compared to how many hours we spent at the office.

This was the age of *face time* (when the term meant discussing time spent in the office, and not a way to connect to it remotely) and going home before six o'clock would definitely result in the comment: “Do you only work part-time?”

With this job came my first encounter with emerging digital technologies: a Blackberry (cell phone). This fantastic little black device allowed us to read e-mails remotely. What a revolution... Well, actually this was quite a revolution. Five years before this there were virtually no e-mails going around. Instead, you would send a letter or fax. If you did send an e-

mail in a matter of any importance, you would most definitely send a “real” letter as well. This dual work process was actually still in practice in my first real job.

At this time, official web pages and online legal sources with constantly updated information had also started to pop up. I enjoyed this new landscape and believed that these sites would be of immense value in my work. However, I remember being yelled at by a law firm partner for “using a suspicious legal method.” He stressed that “You cannot *google* legal issues, we have a fine library with legal doctrine - use that!” In this case I had used a search engine to find the official web page of the tax authority that effectively listed the latest court cases. This would be a totally acceptable, and actually the preferable, legal method now - but was apparently totally suspicious behavior, and an example of a non-serious work process, back then.

Also, early in my career, I spent a few years working at the district court in a small coastal town. In Sweden it is common to do court duty as one of the first jobs after law school, and about 30 percent of law school graduates are accepted for these highly competitive spots. This is prime work at the core of the legal bubble, and it is a lot of fun. You have the opportunity to experience the law, which gives you a real flavor of justice. You work independently as a junior judge in smaller cases of less monetary value, and sit in and take notes and do court clerk duties in larger, both civil and criminal, cases. In the smaller civil cases you encourage people to reach a settlement, to agree on solutions instead of bringing the case all the way to a formal hearing and judgment. You meet people that are crying, that are upset and virtually mad. You meet those that need your help, and you meet those who need someone to tell them off. These small cases have served as a rich pool to source material from for my teachings in law.

In the larger court cases, I was responsible for taking notes, but also for the recording of testimonies. In the beginning of my time at the court this meant that I was the one to push the record button on a player and ensure that the voices of the witnesses, the defendant or the victim were being stored. During my time at the court, however, this came to change. Around this time, 2008, all the courts in Sweden were starting to use digital video technology to store and replay testimonies. For me, this meant that I must make sure to also record body language and facial expressions. For sure this added to my responsibilities, but really, after adjusting the camera, it was mainly just pushing the record button again. However, for the appellate courts, this change, from voice recordings to digital video recordings, made a huge difference as it suddenly became possible to re-use testimonies in appellate proceedings. Instead of calling

witnesses back to another hearing, the tapes were replayed in the court room. This made the appellate processes a lot more efficient, and less exposed to risks of no-shows. Thus, it was a rather small change in the larger progression toward more advanced digital technologies, but one that has had a great impact.

However, this is not the most illustrative case of the benefits in digitalization that I remember from those days. Instead that came at my next job, when I worked with due diligence in a major M&A (Mergers and Acquisitions) department at a business law firm. Simply put, the purpose of our work was to go through all written material of a certain target company, to determine legal risks and spell these out in a report. This meant that a group of lawyers was placed at the site of the company, in a small, often windowless, basement room, with floor to ceiling shelves with paper files and binders of contracts. We could be down there for weeks, drinking massive amounts of coffee and Coke – just to stay awake through this often very boring and repetitive job. We worked early morning to late night, pushing ourselves toward tight deadlines. A few years later, this labor-intensive work practice was no more. Instead, the data rooms went virtual – and became much easier to review. Additionally, if we move a few years forward to the present day (2021), due diligence work can instead be completed with computer programs that flag up irregularities and deviant clauses. This minimizes the human attention that needs to be devoted to the documents. Instead, the lawyers in due diligence projects can focus their time and effort on the most apparent risks that the computer program has already pointed out. In a way this is a very good, and positive, example of human and machine collaboration, where the best of the machine (mechanical and analytical skills) is combined with what the human can do best (put this into business context, apply complex legal considerations and draw conclusions from that). In all, due diligence work seems like a pretty good implementation for digital technologies. It is a fair example of repetitive, boring and large-scale work being digitalized. The only problem is that the technological implementation takes away the need for human labor. It takes away the man hours, and in the legal industry the hours are what you sell. When you cut the hours, you also cut the revenue base and there is no money to invest in digital technology. The realization of this logic trap (that digitalization effectively removes the foundation of revenue) has been one of the key entry points for my research journey. There is a logical contradiction in digitalizing something that will ultimately result in you making less money.

These conflicting logics are, however, not specific to the implementation of digital technologies but were something that I had encountered before. In fact, I became aware of conflicting logics in hourly sales during my first years in legal practice. My manager at the time had told me during an annual review meeting that my biggest problem was that I was “working too fast.” I answered by asking if there had been any complaints as to the quality of my work. “No,” he said, it was just that I “worked too fast.” He explained that this meant that the firm made less money from me, compared to my colleagues. I could not really comprehend how working fast could be a problem: how could this be an issue when we had so much work to do? Why couldn’t I simply use my time to take on more projects, and the firm could earn more from that? The manager did not buy this line of argumentation. And from that moment on, I started to work more slowly. But it bugged me that the clients had to pay for this inefficiency. Really, it bugged me enough to make me start to look for another job, on the client side instead. By this time, I had realized that there was a large potential for digital technologies in law, making legal work more efficient, but I felt that the focus on the hours among the traditional firms meant that it would always be something that worked against the investments needed. Why become more efficient if that means that you will ultimately earn less? Why deviate from a successful past? Why do anything that could burst the magical bubble of law?

So I left private practice to join an in-house legal department at a large multinational firm. Here efficiency was both called for and appreciated. There were 135 lawyers based in 30 different countries. Our job was to evaluate legal risks, solve legal issues, and use the law to help the business excel. As we were situated all over the world, the emerging digital opportunities actually enabled us to work around the clock, where we could follow different time zones and allocate work to wherever it was office hours. In this way we could make virtual projects run 24/7. We had access to great tools and top technologies. We often worked in collaboration with other professionals, which meant that we existed in a more heterogenous context than most legal professionals do. But I still experienced that the bubble encapsulated us. We all dressed according to our professional legal role: in suits and well-ironed shirts. Our dress code separated us from most of our corporate colleagues and enabled everyone to identify us as “the lawyers.” We spoke our “legal lingo” that effectively kept almost everyone else out, and we identified as legal professionals in all that we did. Being an in-house department however, we did not sell our time. Rather, our time was a cost to the firm— and working fast was preferred. This, I anticipated, would mean that in-house counsels would be more receptive to digital opportunities, to the efficient, smart solutions that were out there. And I was happy about that,

as implementing such tools and solutions was part of my job. I was responsible for the creation and implementation of a digital contract management system, as well as of a large knowledge management platform building on information technology. But despite the apparent benefits of using these systems, I experienced a lot of resistance from the legal team. Even if using these technologies made sense - they just did not want to do it. This time the resistance could not be attributed to a conflicting business logic (as in-house lawyers do not sell time). Yet the resistance was still there, rooted in the legal culture. But perhaps this was not so surprising. Come to think of it, every one of the legal professionals in the in-house team was a former lawyer at a major law firm. This means that we had all been professionally brought up in the same context of *big law*, and we had all learned our craft there. Thus, the behavior and identity among the in-house lawyers were also deeply rooted in the professional and organizational culture of the major law firms. I realized that this bubble was stronger than I had thought.

I believe that all my experiences from the legal field hold different cues in regard to the opportunities in digitalization, and to my understanding of the underlying resistance to change. In my different jobs I anticipated immense opportunities in digital technologies, yet I experienced a wide range of barriers and resistance to any implementation project. There was an apparent tension, and I became quite intrigued to investigate it further. And as I have always had an eye open for an academic career, I was very happy to spot an ad on LinkedIn soon thereafter calling for research in “business model development in a digital context.” I thought that this could be a perfect opportunity for me to explore my interest in the digitalization of the legal field. In fact, I realized that I was looking at a golden opportunity: this was both an underdeveloped and an underexplored field, and we were just at the beginning of a major transformation. Despite the popular interest in the legal field there was still a lack of in-depth research targeting the emerging transformation. I therefore decided to go for it, and in fierce contest with numerous competitors – I got the job. I started my PhD journey at Chalmers University of Technology in the fall of 2016 and my data collection started instantly. The rest of the story is in here. And this thesis is the product of the time that has passed since then.

2.3 Methods for Research Design and Data Collection

During my research process I have set out to explore the digital transformation of the legal field by analyzing how different actors have responded to digitalization. I have aimed to understand what the increased implementation of digital technologies has entailed for law firms and courts and for professional practices within these organizations. As Covid-19 hit, I realized that this also affected the digital transformation, which is why I expanded the research scope in this regard.

I use qualitative methods to realize my research goals. I believe that qualitative methods have an advantage over other methods when it comes to the study of a complex phenomenon, particularly while it is ongoing (Flick, 2009). This also agrees with the classic script by Eisenhardt and Graebner (2007) arguing for qualitative case studies in times of change and for the study of complex phenomenon. For the purpose of my research, I treat digitalization as an exogenous transformative force that includes a variety of different digital technologies (Manyika et al., 2013) as well as a shift in socio-economic thinking (Johnsen, 2017). Being as early as we (probably) are in this continuous transformation, particularly when it comes to service industries and public arenas (Brynjolfsson and McAfee, 2014; Hinings et al., 2018), I hold that qualitative methods are suitable. My interest is in studying multiple effects of a phenomenon, and the interplay of relationships at various levels implies that for me, personally, and for the purpose of my research, qualitative methods, and particularly interview studies, are a good fit.

Also important in method selection is to ensure that the methods are in line with the analytical and theoretical frames that are to be applied to the collected data (Powell and Colyvas, 2008). As I feel a strong adherence to institutional theory and analysis, this ultimately rubs off on the methods that are used. You cannot use institutional analysis and apply institutional theory to your findings if you have not considered the institutional framework for how to conduct your research and gather your data (Lawrence and Suddaby, 2006). An institutional method for data collection, to understand conflicting logics and the basis of institutional change, could for instance be to target a collection of examples of how the actors actually behave and act within their work role as well as descriptions of how they make sense of these actions, and see themselves, in the midst of the changing context (Powell and Colyvas, 2008). To understand what digitalization has implied at the organizational level we need to understand how the

professionals make sense of and reason around new practices and opportunities, fears, risks, and rewards. Institutional theory is one theory that can be used to make such connections, where individual (micro-level) sensemaking and actions being repeated, ultimately, over time, create macro-level and institutional change.

Data was primarily collected through two major qualitative studies, and one minor. The first research study (conducted mainly 2016-2017) is the home for the first two papers (that was also included in my licentiate thesis “The Last Hour”) and the second study was completed 2019-2020 and is the home of the third paper. The third, small, study was conducted in the spring of 2020, to cover impacts of Covid-19, and is the base for Paper 4.

The first study mainly comprises semi-structured 60-minute long interviews with 50 lawyers and other legal professionals and experts on the legal field. In the interviews I aimed to capture meaning and experiences through having an engaging and empathetic moment with each interviewee, following an interpretive approach (Langley and Meziani, 2020). This I deemed was particularly suitable for me, as my background and experience have already provided me with much detail of the context. Also, having a shared professional experience with the interviewees enabled the necessary requirements for trust to be established for a rich, detailed, and honest conversation to take place (Langley and Meziani, 2020). The interviews were complemented with observations from the workplaces where the interviews took place, and with detailed notes from discussions on industry workshops and conferences, as well as samples of industry press and law firm press releases, and screenshots of web-page communication. The findings of this study have furthermore been verified at numerous seminars and workshops at law firms, where I have been invited to present and discuss my results (the last time I counted I had actually been able to reach over 4,000 legal professionals with presentations that build on insights from my research).

While the first study included in this thesis focused on the digital transformation in the context of lawyers and law firms, the second study took place in a court setting: the administrative court of Gothenburg. This is a large public actor, and a major employer for the legal professionals in Gothenburg. With 350 legal professionals employed, it is in fact the largest employer of law school graduates in the city. The administrative court handles cases between individuals and public institutions. Examples of their cases are individuals’ disputes with the tax authority, the migration office, the police (for instance in regard to issuance of drivers’ licenses) and the

municipality (for instance in regard to forced care of children at risk). This study was completed together with my supervisor: Joakim Björkdahl. We conducted 30 plus interviews between 2019 and 2021. The study covered a period before, as well as after, Covid-19 had hit and effectively fast-tracked the digital transformation. We also attended several meetings with the digitalization board (consisting of eight members), we participated in one digitalization workshop with 30 participants (from one of the court departments that we had not already interviewed) and we also had several meetings, lunches, and follow-up calls with the head of the digitalization and the Chief Judge. We recorded and transcribed all interviews and took detailed notes from the other activities. We followed an interpretive approach – aiming to capture meaning and reasoning around current events. However, in the interviews we also wanted to collect data specifically related to work tasks, activities, routines etc., so our interviewees were also asked to articulate tacit knowledge, agreeing also to what Langley and Meziani (2020) call the apprentice approach in interviewing.

The third study was conducted during the pandemic, in April 2020. In total we talked to 24 professional advisors, 12 of which came from the legal field. The data was collected through phone and skype interviews that were about 20-30 minutes long. One interview, however, was a “walk and talk” where we met up in a park for an hour-long walk. For this study the sample was a bit more diverse as my co-writer, Johanna E Pregmark, and I interviewed legal professionals as well as other professional advisors (mainly management consultants and some technological consultants). Some parts of the interviews, but not all, were transcribed. The data was complemented with extensive notes from six virtual conferences with practitioners, discussing the topic of professional work in times of Covid-19.

2.4 Methods for Data Analysis

For the first paper, the analysis of the data initially served to explore all the different ways that digitalization had impacted the legal industry. The coding and coding procedures were inspired by Gioia (2013). The data was openly coded to cover all impacts from digitalization and an informant-centric list of first order codes was created. The findings were thereafter thematically organized into three different ways that digitalization had affected legal practice: I found that it impacted the external context and what legal matters and issues entered law firms, that the implementation of technology changed their internal ways of work, and finally that it opened up for digital innovation and new ways to think about the practice of law. The second step in

the analysis was to look at how each of these impacts (of digitalization) affected the previously distinctive characteristics (the high knowledge intensity, the low capital intensity and the professionalized workforce). Finally, the insights from this analysis were compared to the taxonomy by von Nordenflycht (2010) and discussed in its light.

The second and third papers use institutional theory for the analysis. I initially learned about institutional theory during a PhD course in organizational theory and was immediately blown away by its brilliance as a theory and as an approach to understand the world. I truly believe in institutional theory – it explains the reality in a way that makes sense to me. I found the concepts of institutional complexity and conflicting logics particularly helpful as they could help me sort my impressions from the field and see my findings in a new light. Also, institutional theory is a great analytical lens as it can be used at any level. You can look at regulatory changes and large scale industrial transformations, as well as analyze work practices, or use it to understand micro level sense making. I instantly loved it. If there was any theoretical frame that I would like to connect to, and contribute to, this was it. I found that institutional theory was a suitable fit for the analysis of my second as well as my third paper, as they both build on studies with a strong focus on practices: examining manifestations of digitalization in new ways of work, analyzing how professionals reason around, and make sense of, these changes (institutional work and institutional logics), and exploring what professional and institutional barriers must be overcome for digital transformation to take place. In the second paper I used practices to show the enactment of institutional logics and illustrate institutional complexity. By comparing the institutionalized behavior in incumbent firms (all adhering to the same dominant logic) with the innovative behavior among legal tech start-ups I could both explain macro level transformation, where the legal industry has split into two parts, and micro level actions, where it is only those individuals that have a logic that differs from the dominant logic, that act (and can act) upon digital opportunities by institutional work.

For the third paper, based on our study of the court, we also coded the data on an informant-centric level (Gioia, 2013) but we incorporated more concepts from institutional theory into the analysis. This third paper has a multi-level angle, as it not only targets the change within an institutional actor (the court) but also entails exploration of professional change and professional barriers to change, targeting the institutionalized profession of judges. Thus, institutionalism and professionalism were analyzed together. The coding for this paper allowed us to thematically arrange different barriers to change into external, internal, and professional

barriers. The coding and analysis in this study was done jointly by myself and my supervisor and co-author: Joakim Björkdahl. In Paper 4, the data was also coded and analyzed in collaboration (between myself and my co-author Johanna E. Pregmark). Here we completed the analysis in direct connection to the data collection. We did not have a set framework that guided us in looking at the data; rather, we decided to take in what we saw and try to sort out our impressions thematically, staying very close to the actual data. Thus, this procedure of coding and analysis was also inspired by Gioia (2013). This method enabled us to rapidly get a grip on what the data was telling us. As we were targeting a tight deadline to be considered for a book on Covid-19 implications, the total time for coming up with the idea, collecting the data, analyzing it and writing it up, was less than two months. Despite needing to apply a rather “quick and dirty” approach (Vindrola-Padros and Vindrola-Padros, 2018) – due to time constraints to address the applicable call for chapters – I believe this research provided us with relevant and robust insights. Moreover, it proved to be a good opportunity to rapidly test my own capacity for analyzing and understanding shifts in reality with the use of my newly gained academic glasses.

2.5 Writing and Selecting the Papers

I figured that it was a particularly good idea to create a compilation thesis (to build the thesis on several separate papers) as the theme of transformation means that I am targeting a constantly moving research context. The first two papers build on a research project where the primary data collection was completed in 2016, the third paper builds on data from 2019 to 2021 and the fourth paper builds solely on data from 2020 – in a pandemic and radically transformational time (at least in regard to digitalization). This also means that this thesis covers a process of change. We have undoubtedly come a long way since the first data collection was completed. Basing the thesis on several papers also made it possible for me to try out different writing processes and writing styles, and different collaborations. Hence I completed the first study, and the two connected papers, largely on my own. I did, however, have a research assistant: Patrik Sällström, a recent law school graduate, to help me with transcribing interviews and analyzing data. Many thanks for your outstanding contribution to my work! Patrik’s efforts were particularly helpful in my process of making sense of the data, counteracting insider bias (Langley and Klag, 2019) and establishing a professional distance (Anteby, 2013). The third paper was written together with my supervisor, Joakim Björkdahl, and the fourth paper was co-written with a dear colleague, with whom I also shared my office: Johanna E. Pregmark. Apart

from these two co-authors, my co-supervisor, Marcus Holgersson, also provided invaluable help in my writing process. Many thanks to all! Working together with someone else certainly means that you are able to view findings from different perspectives and utilize different competences and strengths in the work. But most of all: working together is more fun. And this is important, since I believe that having fun and experiencing passion in your work ultimately increases the level of quality in it.

Moreover, this thesis includes insights from conversations with conference attendees, builds on exchanges with editors and reviewers, and draws on discussions with audiences and workshop participants from each time that I have been out presenting my findings to practitioners. All these situations and relations have helped me build the argumentation in the selected papers and this cover. For sure, all my texts have evolved over time and in particular in the re-writing process. Frankly, the first version of the first paper, as initially submitted to, and presented at, the Academy of Management conference in Atlanta 2017, is very different from the final version published in the Academy of Management Discoveries journal in the fall of 2020. The collaborations and conversations, and even the rejections (yes, a version of this paper was rejected in the Journal of Professions and Organization in a third round of review in the late summer of 2018), pushed the quality of this paper forward immensely. Only from being in this publishing circus I can truly understand why selecting journals with an audience (and reviewers and editors) that you want to talk with matters. It is the editors, reviewers, and other authors in special issues that help you advance your texts and push your thinking forward. I am forever grateful for all the help and encouragement that I have received throughout these publication processes. The second paper was also presented at two Academy of Management conferences, when the paper was at very different stages of completion: one conference, targeting digitalization, held in Surrey in the spring of 2018 and then the annual meeting in Chicago in August 2018. Major improvements and clarifications were made to the paper after each of these conferences. The other two papers have been written in pandemic times, which has entailed fewer opportunities to attend conferences. But also, these papers have been written closer to the deadline of writing this cover, and there has been less time for a full run of submissions. The third paper has in fact just been resubmitted to a journal in a revise and resubmit process, and the peer review process for the Covid-19 chapter was, even though it was fairly thorough with several review rounds during the summer and fall of 2020, still a fairly swift procedure.

The writings that I choose to include in this thesis do not cover all different aspects of digitalization, or impacts of digitalization in the legal field, but are selected to form a cohesive story and give you a deep understanding of the emerging transformation of the field and what it means for the professionals and their work, and how they organize their businesses and our common legal institutions. The papers tell the story of what digitalization has entailed in this context and explain the basis of its resistance to change. They mix different levels of analysis and target both macro-level change and micro-level action. The ambition with this combination of analytical levels is to enhance our understanding of institutional complexity and exemplify what the digital transformation entails for professional services industries at large, as well as what it means for organizations, work practices, and individual professionals.

3. THEORETICAL FRAME OF REFERENCE

Law firms, and the professions and institutions of the legal field, have been a common research context (see for instance Cooper et al., 1996; Empson et al., 2013; Nordenflycht, 2010; Susskind, 2010; Susskind 2020) due to two very different reasons. The first is that law firms are often portrayed as the most typical PSFs, and PSFs in general have rendered a growing theoretical interest, especially as the economies of the world have become increasingly knowledge intensive (Brock et al., 2014). Researchers interested in PSFs have consequently been keen to understand what specific characteristics law firms share, and what practices have made them particularly successful over time, in the hope that such research would build insights that could be translated into other fields and be used as guides for successful behavior as the knowledge economy grows. While these (PSF) researchers have been interested in the specific field of law as an exemplary setting to explore *what* makes PSFs special, a second set of researchers have shown an interest in understanding *how* and *why* specific traits and practices have grown strong in this setting over time – institutional researchers. These researchers have tended to resort to the legal field as it has been a comparatively stable setting and is subject to fewer changes over time compared to most other settings (Cooper et al., 1996). In addition, this field contains legal institutions as well as institutionalized actors and professionals, and has consequently been regarded a prime location from which to derive general theories on professionalization (Muzio et al., 2013) as well as institutionalization and institutional logics (Sherer and Lee, 2002). Thus, law firms have been a common research context, both to study the specifics of PSFs, and to study the building of institutions and professional and institutional logics, while courts and judges have mainly been researched within the institutional and professional domain.

In this section I will present the basis of these two streams of literature (PSF and institutional theory) and I will also add a third stream of literature that helps to tell the story of this thesis: literature on digitalization itself. In order to describe the digital transformation of the legal field I believe that we need some basic notion of what digitalization is (or can be perceived as). Together these three parts form the foundation of my theoretical understanding and constitute the theoretical frames that I have used in my appended papers.

First, I will introduce work on PSFs to explain what is considered special about these firms and what differentiates them from firms in other industries. Second, I will present institutional theory, as an explanatory theory to understand why organizations in different fields, and the professionals that populate them, act in certain ways. Third, I will outline the base line for my understanding of digitalization as an exogenous force for change. Last, I will present a synthesis of these research fields and describe the overlap between them to anchor the research questions that guide this thesis.

3.1 Professional Service Firms in General and Law Firms in Particular

Reading through the literature on PSFs, there are some general thoughts that come across: first, that PSFs are special compared to other firms, and second, that law firms are the most special of them all. In 2010, von Nordenflycht wrote a seminal article where he aimed to define and describe what PSFs are by exploring how they are portrayed in previous literature. In this article, von Nordenflycht (2010) presents a taxonomy for PSFs, building on three distinctive characteristics, rather than a strict definition, as he argues that this allows us to discuss degrees of professional service intensity. He argues that the professional service intensity differs between different industries, where law, accounting, and architecture are the most typical and most professional service intense. The firms in these industries share all the characteristics that are distinctive to PSFs: high knowledge intensity, low capital intensity and professionalized workforces. In the table below, the different combinations of these distinctive characteristics are shown together with the name of the category of PSFs to which they belong and examples of the type of firms that each category encompasses.

Table 1: von Nordenflycht’s Taxonomy of PSFs

Category of PSF with example	High Knowledge Intensity	Low Capital Intensity	Prof. Workforce
Technology Developers Biotech, R&D labs	X		
Neo PSF Consulting, Advertising	X	X	
Professional Campuses Hospitals	X		X
Classic PSF Law, Accounting, Architecture	X	X	X

For law firms, the high knowledge intensity means that value is mainly created by human capital – the employees – and that these employees are operating at the “front line” (Alvesson, 2000) instead of being support, executive, or back-office staff. Their work is the main input to the legal service production, which is also the base of the common business model in law firms: selling the service by the hour (Maister, 2003). Since the employees are key for value creation, and they know it, they tend to have a high preference for autonomy and a dislike of control, standardization, and formal organizational processes (Alvesson and Karreman, 2006). This makes them difficult to lead (Løwendahl, 2009). von Nordenflycht (2010) compares this to *herding cats* – a task that seems almost impossible. The high knowledge intensity can therefore be understood as an explanation for specific management practices that serve to increase the motivation for work, such as bonus payments and stock options, while it also explains informal management styles, rotating management schemes and a lack of explicit rules (Greenwood and Empson, 1998).

The high knowledge intensity also means that it is virtually impossible for clients to assess the quality of the work. The legal output is said to have an *opaque quality* (Løwendahl, 2009). This is particularly evident in the legal world (compared to other PSFs) since good legal advice might not result in anything tangible, but merely mitigate legal risk. Legal advice is often delivered in an immaterial fashion, and it remains in this immaterial stage, which can be compared to the output in architecture (another Classic PSF) where the idea or drawing – generally becomes materialized, for instance in a building, the quality of which the client is able to assess (Winch and Schneider, 1993). This is a key reason behind the strong importance of symbols within the legal field. Since clients cannot assess the quality of *opaque* legal services, the client assesses it with the use of symbols and symbolic artefacts (Løwendahl, 2009). In this setting, even the price tag becomes a signal of value, which means that a higher price can increase demand, which sets common supply and demand curves aside, making high price a sales argument, rather than the opposite (Uzzi and Landcaster, 2004). Most law firms have, for these reasons, been able to decide the price of their services themselves by considering internal costs rather than market value, which has enabled them to create profit margins that are unheard of in other industries (Levin and Tadelis, 2005) which has further increased the role of the symbols, the myths, and the mysticisms around law firms and lawyers.

The reliance on human capital and human knowledge is also connected to the second distinctive characteristic of low capital intensity, as there has been limited need for expensive inventory,

factories, equipment, patents, or copyrights (von Nordenflycht, 2010). For the organization of law firms this implies a lower need to source external funding and less reason to organize to protect external financial stakes (Løwendahl, 2009). Instead, we can see that most PSFs are organized to accommodate for their specific needs and situation: in partner structures with profit sharing (von Nordenflycht, 2010). This also agrees with the *cat herding* mentioned above.

The third distinctive characteristic is the professionalized workforce of lawyers (von Nordenflycht, 2010). That the workforce is professionalized means that it relies on one specific knowledge base, and that the workforce has monopolistic control over this knowledge (Maister, 2003). The control of professional knowledge has been strengthened by an internal focus on knowledge development. While knowledge development within PSFs has been regarded as a central activity to achieve perfection and precision, this development has most often been performed within organizational boundaries and professional domains (Chang and Birkett, 2004). The control of professional knowledge is complemented with formal regulations of the professional domain. Lawyers, for instance, are self-controlled by nationalistic professional associations that set up certain ethical and operational guidelines and reward those associated with access to the protected market. This set up, with self-controlled monopolies of professional expertise, has erected substantial entry barriers for competitors and muted the competitive set up (von Nordenflycht, 2010). This has enabled the creation of a particular logic and cultural homogeneity among lawyers while effectively keeping everyone else on the outside.

While the distinctive characteristics have enabled the establishment of stable practices, this field has nevertheless been subject to changes over time. For instance, the internationalization of law firms in the 1980s spurred the development of big law firms, and with the growth of *big law* the professional role of lawyers turned more toward being a business advisor than a court room advocate, which also entailed more managerial practices (Stevens, 1987; Caserta, 2020). However, while the growth of *big law* changed the role of law firms, some practices, like selling legal services by the hour and basing promotions on the assessment of billed hours, remained, and were in fact strengthened by the increasing market orientation of law firms (Caserta, 2020). Here the professional associations also played a part, by being a legitimizing power for already established practices (Greenwood et al., 2002). This does not, however, mean that legal services have been unexposed, or unreflexive, to changes over time. Rather, law firms, and other PSFs, are constantly exposed to pressures to change due to the nature of their services being bespoke and most often produced (and consumed) in interaction with the customer (Schilling and Werr,

2009). For this reason, PSFs are particularly sensitive to the desires and the context of their customers. In their consulting roles, PSFs need to stay in tune with changes to market demand and develop new concepts as new demands arise (Heusinkveld et al., 2009). This means that law firms are continuously subject to changes as they alter their services according to the changed demands of their clients. This specific and close relationship also points toward their ultimate goal of helping their clients excel (Svensson and Grönroos, 2008). And while expert services are often intangible and perishable (Schilling and Werr, 2009) the end result in the client firm is often easier to measure and acknowledge instead. This means that the success of the client also becomes an explicit foundation, and measure, for success in the law firm (and in other PSFs). This intimate relationship has led to innovation processes in PSFs that are often largely aligned with the simultaneous innovative processes of the clients, where changes tend to be appropriated into the PSFs by learning from their interactions (Fosstenlökken et al., 2003). This collaboration with clients for innovation means, however, that innovation that focuses solely on internal practices or business models poses particular challenges to PSFs (as they cannot resort to their clients' innovative capacity in this regard). Anand et al. (2007) have looked into the details of innovation among PSFs and claim that innovation (for instance in developing new practice areas as new knowledge-based structures) demands clear management support as well as broad acceptance for the changes. They show that legitimacy (both top level and among peers) is crucial for the success of innovative initiatives. This increases the importance of internal politics and deliberate actions in arguing for, and driving, innovative projects. This importance of politics and gaining broad legitimacy for innovative projects and concept development is also stressed in Gardner et al., (2008) who show that the individuals (that have founded the new concepts) and their internal and external relationships, have a large impact on the process of change, and the success of that change.

3.2 Institutions, Professions, and Institutional Complexity

Turning to our second stream of literature, institutional theory, this theory places a large importance on the institutional context in order to understand organizational behavior and how different actors respond to exogenous triggers for change. This theory consequently applies to law firms and lawyers, as well as to courts and judges, in their response to digitalization. According to institutional theory, every actor, and every action, is highly influenced by the institutional context (Scott, 1998). This context consists of both formal and informal institutions (North, 1987) where the formal institutions encompass, among other things, laws, rules, and regulations and the informal institutions are made up of norms, ethics, and culture. Thus, there are both regulatory and social pressures present in the institutional context. Institutional theory stresses that this context determines what actions are viable for the actors and shapes the actions that they carry out.

In institutional theory, the concept of a field is often used to describe and define different contexts. The institutional field is a distinct space that holds its own institutions and organizations, and serves as the home base for its specific professions (Suddaby and Viale, 2011). For instance, health care can be considered an institutional field (with its specific regulations, institutions, organizations, and professionals), as can law (the legal field). Institutional fields have a set of formal institutions that determines their boundaries, or jurisdictions, wherein its actors interact. This means that the professionals and other actors encompassed in the field use and reproduce social capital within its boundaries (Suddaby and Viale, 2011). When certain practices are successful, they are picked up by other actors of the field, who mimic the practices (Powell and Colyvas, 2008). The shared norms and experiences that emerge in such fields continuously prescribe the actions among its actors (Scott, 1998). This means that the actions that both organizations and individuals perform within the field are to a large extent un-reflected and determined by routines and what usually works. Thus, institutions relieve individuals from mental work (Czarniawska, 2003) and it is instead the institutions themselves that provide actions with meaning and legitimacy (Nigam and Ocacio, 2010). In this way, practices spread and become self-reinforced, as the continued repetition of them simultaneously serves them with legitimacy. This means that in different fields there are certain practices that have been repeated to the extent that they are unconsciously enacted without the actors even thinking about them, and over time the specific practices and symbols that are used in the field become institutions in themselves (Scherer and Lee, 2002). For instance,

in the legal field the internal competition between lawyers striving toward being promoted to partners in large law firms has become one of the key institutionalized characteristics (Galanter and Palay, 1991). Field specific practices spread as the actors mimic one another, and their social relations strengthen these behaviors and legitimize them until they become institutionalized. In this way, institutional theory connects micro-level sensemaking and individual action with work efforts and organizational practices, as well as with industry dynamics and macro-level change (Powell and Colyvas, 2008; Zilber, 2013).

Key to understanding both individual behavior and organizational practices within a field is to acknowledge its institutionalized logics. Institutional logics are individually held frames that can be seen as cohesive systems of practices, assumptions, values and norms, that are created, and re-created, in relationships, and that constantly prescribe the behavior in the field (Powell and Colyvas, 2008). This concept helps us explain what specific sets of practices are viable to the actors of the given field and thereby determine what unreflected actions will be performed (Thornton et al., 2012). By being repeated and reinforced over time, by a growing group of individuals and organizations, certain logics continuously reinforce themselves and become dominant. Shared logics consequently create a sense of common purpose and bring a sense of unity to the field (Reay and Hinings, 2010).

Thornton et al. (2012) have studied what factors make up the institutional logics of individuals and argue that they are built from seven factors. The organization that the individual works in is one such factor, as is the profession that the individual belongs to. Along with these two factors, economic, political and religious factors also play into the framing of the logic, as well as the community and the immediate family that the individual belongs to. If we want to understand how a particular logic becomes institutionalized within a certain field, we need to understand how these different factors interplay among (and within) the individuals in the field, and their respective sources of legitimacy, identity and attention. In order to discuss the establishment of a dominant logic among lawyers and law firms, and judges and courts, we therefore need to consider how these factors interplay in the legal field. Here the professional domain is particularly relevant. Siebert (2020) shows that elite professionals (which can be understood to include both lawyers and judges) have a tendency to protect the purity of their profession in regard to dress code, ceremonies, and rituals, since these have rewarded them with professional privileges and benefits in the past and constitute the base of their superior status. As for lawyers, Thornton et al. (2012) stress that the professional association, as well as their

relational networks and their professional status, has been particularly important for the development of their professional logic. Judges share a similar story, where their abstract knowledge, professional authority and autonomy (Hodson and Sullivan, 2012) have rewarded them with a particular professional position within the court system. This has enabled professional logics that are built on their particular practices and symbols, and that explain their reactions to change.

When an exogenous force impacts a field, it is the dominant logic of that field that determines the automatic responses. In some cases, the exogenous force carries with it its own sense of logics and prescribed practices that conflict with the established dominant logic. Previous studies of conflicting logics have, for instance, looked into the conflict between a sports logic and a business logic in a large football organization (Carlsson-Wall et al., 2016) and the conflict between an artistic logic and a commercial logic, studying budgeting practices in the setting of non-profit theaters (Amans et al., 2015). In situations of conflicting logics, where the actors experience that their prescribed behavior suddenly does not make sense, this results in institutional complexity (Greenwood et al., 2011). Institutional complexity often leads to a situation of confusion and the simultaneous presence of multiple logics. Such confusion may take more or less time to resolve, with the result that a new (or renewed) dominant logic becomes established (DiMaggio and Powell, 1983). Reay and Hinings (2010), however, argue that multiple field level logics can exist during lengthier periods of time.

While institutional complexity causes confusion, it also opens up for new paths of behavior. This means that it is possible for the actors to deliberately act on the exogenous trigger, through institutional work (Lawrence and Suddaby, 2006). The concept of institutional work can in this context be understood as deliberate action that may or may not be contrary to the institutionally prescribed action (Czarniawska, 2003). By performing institutional work, certain actors can initiate change processes that might lead to organizational, field level, and institutional change, over time, (Jadaan, 2019). Raviola and Nordbäck (2013) have illustrated how institutional work can be initiated by new technology. They describe how the introduction of new technology functioned as a trigger for institutional work in the field of newsmakers, where the affected journalists understood and connected meaning to digital technology and evaluated it in relation to the old technology (printing). In this evaluation process they used the printed newspaper as the object of reference in regard to developing their new offering in the shape of online news. This shows that professionals have an important role to play in coping with institutional

complexity and in institutional work. This matters not only for the initiation of change but also to make sense of new opportunities, and provide changes with meaning. Muzio et al. (2013) also stress the importance of the professional aspect when individuals cope with institutional complexity, as they argue that the professional role is vital in regard to the creation, maintenance, and potential disruption of the institutionalized logics. Suddaby and Viale (2011) similarly argue that professionals are particularly important for the creation, maintenance, and transformation of institutions.

Digitalization is expected to cause institutional complexity in many fields, and can be seen as an external trigger for change with the potential to challenge and replace previously dominant practices and logics (Hinings et al., 2018). This is particularly relevant in the legal field, where there is a strong interplay of professional and institutional forces (Muzio et al., 2013) This makes this field interesting as a research setting to study the impact of digitalization and analyze the resulting institutional complexity and its implications.

3.3 Digitalization and Digital Transformation

As mentioned in the introduction of this thesis, digitalization can be defined as the introduction and implementation of different digital technologies in industry (Manyaka et al., 2013) and society (Johansen, 2017). The digital technologies can themselves be regarded as general purpose technologies, that are useable and can enable technical progress and growth, in almost any setting (Bresnahan and Trajtenberg, 1995). In the service setting, digitalization comes with a large variation of different technologies that can be relevant for a range of different purposes. These include, among others, communication technologies, artificial intelligence (AI) and machine learning, cryptocurrencies and blockchain, virtual and augmented reality, digital apps and platforms, and mobile networks and devices (Buhalis et al., 2019). Also, with digitalization has come a new way of economic thinking based on sharing, that has shifted both production and consumption patterns onto digital platforms (van Alstyne et al., 2016). Thus, digitalization encompasses a large variety of technologies and perspectives that all have different purposes, such as increasing efficiency, productivity or quality of existing products/services by different

means of implementation (Buhalis et al., 2019) and brings the possibility to change how, where and when work is done (Kingma, 2018).

Compared to digitalization, the digital transformation is a related, but more holistic, concept (Mergel et al., 2019). This concept entails the process of change that comes from the increased implementation of digital technologies. Through the use of digital technologies and processes, work processes and entire organizations can transform into something else, for instance as we have seen in the trend of servitization, where digital technology has been added to products (and the manufacturing process) increasingly turning them into services (Vandermerwe and Rada, 1988; Lodefalk, 2013). This means that digitalization carries a potential to transform manual processes into automated ones, and transform tangible deliverables into intangibles, while also bringing a potential to increase the intermingling between products and services (Barrett et al., 2015).

Digital technologies do not, however, only provide improvements to, or the transformation of, existing processes and offerings, but can also be seen as a source of digital innovation (Nambisan et al., 2017). Digitalization consequently carries opportunities to change existing practices as well as driving new value creation. Just consider a future when we can replace highly knowledge intensive work with artificial powers. Then these knowledge intensive industries would no longer be restricted to working hours, or the potential of their work force, but could instead scale their production while reducing delivery times as well as improving quality (Barrett et al., 2015). Susskind and Susskind (2015) describe how digital technology has a central role in the transformation of the work in law firms with new word processing and communication systems, legal research tools, document assembly systems, and online deal rooms. The implementation of these has without doubt created additional value both for law firms and their clients. Whether this additional digital value is, however, captured within these firms, depends on their responsiveness to change, and on whether these firms are inclined to innovate also in terms of their business models (Björkdahl, 2009). This means that digitalization carries a large potential in service industries and serves as a trigger for innovation as well as change (Barrett et al., 2015; Buhalis et al., 2019) and is spurring the growth of both digital products and services.

Wirtz et al. (2018) argue that this has put service industries at an *inflection point* and Christensen et al. (2013) have pointed out that the firms in these industries are on the *cusp of*

disruption. Brynjolfsson and McAfee (2014) claim that digitalization is particularly transformative in creative and intellectually based industries and have coined the expression *the second machine age* to describe these changing times. This is highly relevant for this thesis, as the firms in the creative and intellectual industries that Brynjolfsson and McAfee (2014) talk about, resemble (and overlap) knowledge intensive firms in the PSF literature. While the importance of humans (and their intellectual capacity) in value creation has protected these industries from changes in the past (von Nordenflycht, 2010), the rise of increasingly advanced digital technologies has put pressure on them to change. The professionals working within knowledge intensive fields are becoming increasingly challenged by digital technologies, where intelligence can be artificially applied (Susskind and Susskind, 2015, Susskind, 2019). This means that rapid improvements in AI pose a particular challenge to the human intensive work in intellectual industries, where an increasing amount of the work can instead be completed by machines (Huang and Rust, 2018).

3.4 A Research Gap in the Overlap

The PSF literature paints a clear image of why law firms look and function the way they do and why legal professionals practice law in a certain way (von Nordenflycht, 2010, Løwendahl, 2009; Maister, 2003) but this literature fails to shed light on the recent digital development. There has been a lack of empirical studies that target the effects of digitalization on professional work (Smets et al., 2017). Many researchers suspect that digitalization will cause, and has already caused, massive changes to work practices, business models and ways of organizing in the legal field (Bresica, 2016; Susskind, 2010; Susskind and Susskind 2015; Susskind, 2019), but we do not know *how*, we do not know *who* responds in what way and *why*, and we do not know *what* this implies in terms of our theorization of the field. Digitalization is upon us and can be seen as an exogenous force for change, but we do not know if this has in fact ignited change in the legal field, and we do not know what the effects are. Particularly not in light of Covid-19 fueling the pace of change (Kronblad and Pregmark, 2021)

I hold that the intersection between literature on PSFs and digitalization is particularly interesting as it represents the meeting of fundamentally different ideas and assumptions. The first centers around value creation from knowledge intensity connected to human capital and professional autonomy (Alvesson and Karreman, 2006; von Nordenflycht, 2010; Hodson and Sullivan, 2012) and the second around technology, the power of machines and the building of

value from, for instance, artificial intelligence (Brynjolfsson and McAfee, 2014; Nambisan et al., 2017) This ultimately raises questions around professional practice, and if professional work is at risk of being replaced by machines; and if so, of what will happen to established business models and organizations that are centered around human capital. Research has pointed out that digitalization brings both disruptive forces and an immense potential to the organizations in the previously stable and highly successful professional fields (see Bresica, 2016; Christensen et al., 2013; Smets et al., 2017; Susskind, 2010; Susskind and Susskind 2015; Susskind, 2019) but we do not yet know if the particular institutional and professional setting of law has served as an enabler, or has raised barriers, for the digital transformation. We do not know what reaction and responses digitalization has triggered in this field, and we do not know how the effects of combatting Covid-19 have played into this development.

Hinings et al. (2018) argue that using the analytical lens of institutional theory is particularly suitable when exploring effects of digitalization, since digitalization challenges previous institutions, practices, and norms. Moreover, the use of institutional theory is particularly relevant in studies targeting professional fields, as they are both institutionalized as fields, and institutionalized in connection to their established professions (Muzio et al., 2013). This means that there is an intersection between PSF literature and literature on digitalization that is still unexplored, where institutional theory is a particularly relevant theoretical lens. Institutional research targeting this intersection has been called for (Smets et al., 2017; Hinings et al., 2018), both in regard to the intersection of technology shifts and different institutional domains (Raviola and Nordbäck, 2013) and with regard to the interplay of different institutions, institutional logics and institutionalized professions in times of change (Muzio et al., 2013).

Thus, this thesis set out to explore what digitalization has entailed for the organizations and professionals in a highly institutional and professional field. In order to do so, we must go beyond a study of digital technologies and their direct impact. Above this, we should explore how these technologies have been reacted and responded to, how they have been translated into new practices and what that means for our understanding of the field. Consequently I ask: *What* does the impact of digitalization look like in the legal field? *How* has digitalization affected ways of work in law firms and courts, *how* has Covid-19 played into the development, and is professional practice at risk of being replaced by machines? *How* have different actors responded to digitalization, and what specific characteristics and/or institutionalized elements,

in the legal field and in digital technologies, explain *why*? And finally, what does this mean for our understanding of digital transformation in professional service settings?

While each of the appended papers to this thesis will provide you with pieces of the answer to these questions, and you will get there by reading the subsequent section summarizing each of them, what remains for the discussion in this cover is to understand the conclusions from each paper in light of the others. We want to elevate our understanding of the legal field and see what we gain by combining and contrasting findings from law firms and lawyers with findings from courts and judges, and what insights we can bring back, and contribute with, to the respective stream of literature (PSF, Institutional Theory and Digitalization).

4. SUMMARIES of and INSIGHTS from the APPENDED PAPERS

Paper 1: How Digitalization Changes our Understanding of Professional Service Firms

When I arrived at Chalmers, intending to study digital business model development in the context of law firms, the first theoretical field that I encountered centered around PSFs, and von Nordenflychts (2010) seminal taxonomy paper was one of the first papers that it was suggested I look into. I read the paper with great interest and nodded with recognition at the three characteristics that von Nordenflycht presents as distinctive to PSFs (also acclaiming law firms as the most typical PSFs). I agreed with his argumentation that the characteristic of high knowledge intensity was connected to the common law firm business model based on the sale of hours. I sympathized with his claim that law firms operate at low capital intensity as not much else has been needed in their business but the work effort of lawyers, and above all, I recognized the homogenous and closed culture of lawyers that was connected to the professionalization of them as a group. However, while I concluded that these characteristics aligned with my perception of the foundation of the legal industry, I realized that this model, or theory, of what PSFs are, failed to incorporate the development that I had experienced in the past years. This was simply no longer a true picture of law firms. Thinking about the distinctive characteristics, I had a sense that digitalization had affected each one of them. While I could see that high knowledge intensity, low capital intensity and the professionalized workforce were key to understanding how a particular world – one that can be pictured as a magical bubble – had been established (with partnerships, hourly sales, and high street offices), I felt that it did not allow us to understand recent changes. Consequently, I decided to explore how digitalization had affected each of these previously distinctive characteristics. And when I started to collect data and began to analyze it, I found support for my initial suspicion. I realized that I had empirical findings to show that digitalization totally changed our previous view of PSFs and I therefore decided that my first paper should serve to update this view. In order to do this, I used the taxonomy that von Nordenflycht (2010) proposes to categorize different PSFs as a starting point for my discussion of the ongoing change. My ambition was to establish an updated framework to view and describe PSFs in a digital context, and that is what I did.

The paper explains that digitalization has changed each distinctive characteristic (the high knowledge intensity, the low capital intensity and the professionalized workforce) to the extent that we need to update our understanding of law firms within the field of PSFs. The findings show that law firms can no longer be regarded as their prime examples. First, digital technologies enable a wider scope of knowledge intensity than previously anticipated. Legal services can still be highly complex, and potentially even more knowledge intensive, and demand more expertise than before (for instance in regard to new complex legal issues involving self-driving cars or personal integrity issues in big data processing), but the main effect of digitalization on legal work is to decrease its knowledge intensity. New ways of practicing law, and innovation in the shape of new products and services, motivate this decrease. In practice this means that human effort has become less important for the value creation in law firms, and that, for instance, AI and other technologies can be used instead. This means that human capital is decreasing in relative value compared to technological and organizational capital.

As for the second distinctive characteristic, low capital intensity, the findings show that digitalization has affected this characteristic in two distinctive ways. For most firms, digitalization has entailed a need to invest in new technologies, and with such investments the capital intensity increases: *“it is not just buying a typewriter”* to set up a business (as it was in the past). Firms feel that their clients increasingly expect them to use those tools and programs that are readily available, and to work with them in an efficient manner. This means that the capital intensity increases for these firms. Interestingly, however, the findings also indicated that the opposite was true for some law firms. A lower capital intensity applied to firms that utilized digital platforms and a platform/ sharing/ network thinking for their business models (van Alstyne et al., 2016). These firms could take advantage of human capital in their value creation without needing to be formally connected to it. In other words, they sourced legal expertise beyond their firm boundaries and efficiently created legal value without needing to employ much capital at all. This means that for some firms the capital intensity decreased with digitalization.

As for the professionalization of the work force - the third distinctive characteristic - the findings pointed in one direction: downward. The findings showed that the regulated part of the market was decreasing in power and that start-ups were increasingly deciding against membership in the professional association as they saw a benefit in being part of the unregulated

market instead. This means that the title of “lawyer” would not apply to them, but in Sweden (which enjoys a fairly liberal legislation in the area), they are still allowed to sell legal services (Paterson et al., 2003). Outside of the jurisdiction of the professional association they stated that they could enjoy greater freedom in how to organize, govern and manage their firms, and greater freedom in how to create and capture value in terms of their business models. However, also within the traditional (and professionally associated) law firms that were inside the protected jurisdiction, the findings showed a decrease in regard to the professionalization. One aspect of this is connected to the increased need for lawyers to attain other competencies apart from legal, showing that the sole reliance on just one shared body of professional knowledge was lost. Also indicating a similar trend was the inflow of new professionals entering law firms (for instance Knowledge Managers, CEOs and CTOs), and disturbing the previous homogeneity of the professional in-group.

These fundamental changes to previously held truths about law firms (as being high knowledge intensive, low capital intensive and professionalized), show that the theories of the past no longer hold. Law firms can no longer be seen as a homogenous example of the most typical PSFs; in fact, some law firms can no longer be seen as PSFs at all.

Paper 2: Digital Innovation in Law Firms - The Dominant Logic under Threat

The second paper builds on the same study as Paper 1 but examines the data at another level (targeting work practices) and uses the findings to illustrate the division in work practices between incumbent law firms and new players in the emerging field of legal tech (in the paper I call these *digital pioneers*). With this paper I wanted to explore *why* a division had been manifested in the legal field (with the majority of digital innovation happening in legal tech start-ups). The idea for this paper stemmed from my realization that digitalization entailed some kind of “logic trap” for incumbent firms. Based on my previous experiences from having worked in law firms, I assumed that the focus on hours was messing it up for them and was making it really hard for them to change. When I encountered institutional theory, I realized that this would be a good fit to analyze the practices of the field. Thus, I use institutional theory to describe how a dominant logic has manifested itself in a range of practices, and that digitalization (with its specific traits, technologies, and connected artifacts and activities) conflicts with this dominant logic, while simultaneously causing institutional complexity that opens up the field for new practices (Friedland and Alford, 1991; Nigam and Ocasio, 2010;

Powell and Colyvas, 2008). The paper argues that the dominant institutional logic (Thornton et al., 2012) is the reason why established firms have been resistant to digitalization. The findings show that being an association member, marketing the firm with the use of a family name, using hourly sales as the main business model, applying *up or out* practices for promotion, and using rotating external management among partnering lawyers, constitute a set of practices that are connected to the dominant law firm logic. This set, or pattern, of practices, has been formed in line with the dominant logic, and the continuous enactment of these practices constantly reinforces the logic (Powell and Colyvas, 2008; Thornton et al., 2012). The lawyers in the incumbent firms are constantly, both consciously and unconsciously, re-enforcing these symbols and mysticism by the way they act (Meyer and Rowan, 1977). Formal institutions (North, 1987) in the shape of efficient regulations and a strong professional association, uphold their status and keep the professional group intact, while the social context and relations strengthen the homogeneity within the group. In fact, a specific language has been formed, a “legal lingo,” making it apparent who is an insider and who is an outsider, which strengthens the professional identity but also enforces the boundary with the outside world. And since this world is formally closed for everyone that is not a legal professional – only lawyers being allowed to manage and own law firms (Maister, 2013) – their sensemaking is never contested and their practices are continuously re-enacted. The past success of law firms legitimizes their actions (Nigram and Ocacio, 2010) and primes them to resist change (Thornton et al., 2012).

The paper shows that the law firm logic is particularly threatened by digital technologies that increase efficiency. As long as the core value creation in law firms is based on the practice of hourly billing, digitalization efforts that increase efficiency will be resisted. Why make an investment in digital technology if that investment will result in you earning less? In an established profitable environment this simply makes no business sense. The paper concludes that the dominant logic has been growing particularly strong in the large high-end firms due to the symbolic application of *up or out* promotion practices (Morris and Pinnington, 1998). Only those in support of the dominant logic will be promoted. This practice has ultimately meant that everyone with a diverging logic has effectively been *out*, leaving an even more homogenous in-group in each organization, and served to strengthen the protective shield (and magical shine) around established law firm practices.

This, however, not only explains the build of the dominant logic and law firm resistance to change, but also provides an explanation for industry level change, where a specific sub-field

of legal tech has emerged. By using the analytical glasses of institutional logics, the findings showcase intra- and inter-organizational dynamics and explain that the promotional practices of incumbents in fact drive change. The paper shows that founders of legal tech firms often have a background in incumbent law firms, but that they never agreed with the dominant logic to begin with. Once *out of big law* they could act upon a new set of digitally motivated practices and build firms that have increasingly contested the dominant practices and changed the competitive landscape. By presenting the practices of the sampled law firms together, the large divide between how incumbent firms had reacted and responded to digital opportunities and how these opportunities had been embraced by *digital pioneers* became apparent. There is a large difference between the incumbent firms and the legal tech start-ups that can be understood by the use of their differing institutional logics. A final point of the paper points to the presence of hybrid firms that successfully operate with new practices as well as practices originating from the dominating logic (Lander et al., 2017), taking advantage of the institutional complexity (Greenwood, 2011) following digitalization. These digitally oriented law firms have founders with a past experience in incumbent firms (often being *out* of them) but who do not comply with, and are not restricted by, the dominant logic. This means that they can select parts of the old recipe for success and combine it with new digital practices. The hybrid firms utilize the different paths of action that institutional complexity enables and can take advantage of the perks of dominant practices simultaneously as they explore emerging digital opportunities, creating new recipes for success.

Paper 3: Getting on Track for the Future of Work: Digital Transformation of Work Practices in an Administrative Court Before and During Covid-19

The third selected paper builds on a case study of a large administrative court where we interviewed different professionals over a period of time covering professional work before and during Covid-19. Since the study was based in the institutional, and professionalized, setting of a court, institutional theory was once again used. Institutional theory is a particularly good fit since the court system and the profession of judges are highly important institutional characters that are central to democracies and have functioned in the same way over long periods of time (Møller and Skaaning, 2012). In this sense, courts are even more institutionalized than law firms, with both formal and informal institutions (North, 1987) running high. However, in a world that is changing, there is pressure on the courts to keep up with and adapt to the surrounding world. In addition, many courts struggle with an increasing workload while they are experiencing diminishing resources and reduced public spending (Borge et al., 2008). Thus, courts are facing pressure to change as well as the dilemma of an increased demand for their service, without a corresponding increase in income. You might then expect that courts would be primed for the opportunities in digitalization, as digitalization carries the promise of faster and cheaper deliveries at a sustained or higher quality (Brynjolfsson and McAfee, 2014), and the potential for increasingly accessible, affordable, intelligible, and quicker legal services (Susskind, 2019). Still, however, we found that there were substantial barriers to implementing digital technologies and processes in this setting.

By analyzing our data, we identified several substantial barriers to change. These barriers build on an interplay of institutional and professional factors (Muzio et al., 2013) and are external (connected to the institutional role of the court and its position in the court system and society), internal (connected to the organization and culture of this particular court), and professional (concerning the institutionalized profession of judges.) In the data we could see that the implementation of digital technologies and processes were initially averted in most departments. However, as Covid-19 hit, things started to change at a rapid pace and digital work processes were implemented and accepted throughout the entire court. Our findings suggest that Covid-19 empowered a different motivation for new ways of working. In fact, when Covid-19 came, it was the departments that had already digitalized that could shift to remote work processes (Kingma, 2018) and avoid risk of exposure to the virus at the workplace. The judges

that supported digital work simultaneously protected the employees in their department from becoming infected. This altered the assessment of the meaning that is imposed in digital work, and all judges, in every department, promptly wanted to work in this way, which broke down several of the barriers to change. The paper stress that the joint impacts of digitalization and Covid-19 empowered change efforts with a purpose that spoke to the individual professionals. This shows that when digitalization itself was perceived as the goal, change was effectively resisted; but when digitalization was perceived as the means to reach a goal of flexible remote work (to reduce the spread of Covid-19), digitalization was instead desired. The interviews that we held during the pandemic, in 2020 and 2021, capture this change in practice and perception among the judges. And once the previously resistant professionals started to work digitally, a second re-assessment process was initiated, where they identified other benefits in digital work – which broke down several of the remaining barriers - and a *new normal* began to settle.

This paper shows the importance of understanding and motivating digital transformation as the means, and not the goal, and ensuring that the goal is relevant for the individuals expected to implement the changes. In this particular case it is, however, also vital to stress that significant preparations had been made by the management of the court prior to Covid-19. And, it is this preparatory work that enabled the swift change. In an interview prior to Covid-19 it was claimed that someone (or something) needs to “*push us into the deep end of the swimming pool, telling us to swim,*” in order for them to implement new digital ways of work. And pushing the court into the deep end was exactly what Covid-19 did. Luckily, however, the substantial efforts made by the court management prior to this had ensured that there was an IT infrastructure in place and well-tested work processes to be implemented. In other words, management had already taught the organization *how to swim*. This enabled the court, and the professionals within it, to overcome their specific barriers to change (where institutional work enabled a shift in the dominant logic and spurred organizational transformation). We conclude the paper by explaining that the actual change in this setting came from a combination of previously communicated ideas (idea-driven preparation by the management of the court) and deliberate attempts of institutional work (by individuals doing and enforcing digital practices at a time when the motivation for change had shifted and an urgency was imposed by the Covid-19 crisis). This also illustrates how micro-level sense making and action by the professionals on the ground correlates to organizational responses and macro-level change (Powell and Colyvas, 2008).

Paper 4: How the Covid-19 Outbreak Changed the Digital Trajectory for Professional Advisors

The key message in the fourth selected text agrees with one of the key learnings from Paper 3: that, due to Covid-19, we have jumped forward a few years and landed in a *new more digital normal*. Combatting the spread of Covid-19 with strict regulations for social distancing has meant that we have moved a lot of work into our private homes. Remote work has settled as the *new normal*. While this implies a rapid change in the production pattern of professional services, there has also been a corresponding shift in consumption patterns, in that the clients increasingly access and enjoy the services via digital channels or platforms. Consequently, professional workplaces have been translated into spaces for virtual collaboration and professional advice is more often delivered in a digital way.

The motivation behind this study was our gut feeling that Covid-19 had a large impact on professional work and was forcefully speeding up its digital transformation. Thus, you can very much regard this as phenomenon-driven research. During the study, my co-author and I collected voices from different professional advisors to understand the impact of Covid -19 on the digital transformation of their work. After analyzing the collected data, we show that several barriers that used to work against the digital transformation (namely lack of technological skills, the traditional professional culture and a lack of a sense of urgency) have effectively been overcome. This has enabled a system change (Beer, 2009; Galbraith, 2014) where multiple elements become aligned (Davenport and Westman, 2018) with the “new normal.” In effect, this text shows that it is not only the force of digitalization that is impacting professional practices, but that Covid-19 has also effectively fueled the power in digitalization and pushed the digital transformation forward by breaking down previous barriers to change.

This changes the digital trajectory for professional advisors, and in this text we suggest that even if some work practices will return to their previous stage (and place) after restrictions are lifted and quarantines become practices of the past, the organizations that have lived through, and survived, Covid-19 will retain many digital practices. In regard to their digital trajectory, they will not return to their previous position, but instead land higher up on the imagined curve of digital transformation. Moreover, we argue that in effectively implementing new ways of working, these organizations have gained certain change capabilities that will allow them to

continue their transformational journeys at a higher pace (from this higher position). Thus, their trajectory of digital progression will also be steeper.

We conclude the text by summarizing that we have seen faster changes and wider implementation of digital technology during the pandemic than we have experienced before, and that the effects of the pandemic have not only speeded up the digital transformation, introduced new practices, and broken down barriers to change, but have also empowered organizations with dynamic capabilities that will remain after the immediate crisis is over. These dynamic capabilities are important not just for a digital transformation, but are useful in all change efforts, as these organizations have become better equipped to handle any challenge that comes their way.

5. DISCUSSION

While the previous section presented the findings of each of the papers this section brings the different insights from the separate papers together to discuss the digital transformation of the legal field and its implications. New insights are drawn with respect to comparisons between the different research settings: the law firms and the court, and between the different professional groups: the lawyers and judges. The discussion will answer the following questions: *What* does the impact of digitalization look like in the legal field? *How* has digitalization affected ways of work in law firms and courts, *how* has Covid-19 played into the development, and is professional practice at risk of being replaced by machines? *How* have different actors responded to digitalization, and what specific characteristics and/or institutionalized elements, in the legal field and in digital technologies, explain *why*? And finally, what does this mean for our understanding of digital transformation in professional service settings?

5.1 Digital Impact via Clients and Customers

To discuss the impact that digitalization has had on the legal field we commence in the particularities of professional services. It is vital to recall the special relation that the actors of the legal field have with clients and citizens (Schilling and Werr, 2009). Being providers of professional services, they are not operating for their own sake, but their main goal is to enable success somewhere else, or to solve someone else's problem (Grönroos and Ravald, 2011). This means that the decision of whether or not to digitalize does not fully belong to the actors of the field, but has already been taken by clients, potential clients, and users of their services. When other industries, and public arenas, become increasingly digitalized, it is the legal professionals that need to deal with the legal issues that arise. Papers 1, 2 and 3 emphasize that a vital impact of digitalization comes in this way, via the digital transformation of other settings. Several lawyers stated that they are joining their clients on their digitalization journeys. This is in line with previous research describing how new legal areas are created in accordance with new demands from law firm clients (Anand et al., 2007; Fosstenlökken et al., 2003; Gardner et al., 2008; Schilling and Werr, 2009). What legal issues a law firm deals with depends on what their clients present them with. The lawyers in Papers 1 and 2 told of an increase in complicated legal issues involving global e-trading solutions, integrity issues from big data handling, legal

risk in automated decision making, and liability issues connected to the development of self-driving cars. Paper 3 shows a similar effect in the court setting, where judges are to bring justice to any legal issue that is put in front of them. The judges articulated that their work content depended on what was put on their desk and explained that the advanced digital practices of some public institutions (being party to the cases) implied a strong stream of digital matters for the judges to resolve. This means that new digital issues are coming to the legal field from the digital transformation of law firm clients, and from the courts resolving disputes in new areas. Moreover, a number of judges voiced a rising need to develop digital competences to assess new types of digital evidence that could potentially be presented to them. For instance, the digital transformation of public institutions, including the tax authorities and different actors handling social services and healthcare, has entailed an increase in automated decision making. If these decisions are appealed, this entails a need for courts to assess the legality of decision-making algorithms.

Together, Papers 1, 2 and 3 show that digitalization affects industry and society in such way that it causes new digital issues in a wide range of legal areas. While this indicates the importance for legal professionals to grasp digital issues, it also shows that digitalization cannot be restricted to one new practice area of “digital law.” Instead, it has the potential to impregnate every legal area there is. Where previous research (Anand et al., 2007; and Gardner et al., 2008) explains how law firms develop new areas of practice to answer to new demands from their clients, this thesis stresses that digitalization triggers such a wide range of effects in every setting, that no legal practice area will be immune to change pressures. To handle, and excel in, the new digital context, every legal practice area has to be updated for the new reality (even if the findings show that IP and IT law have experienced a particularly rapid growth). This indicates that the impact of digitalization is pervasive and places a large amount of stress on established organizations. They cannot just develop one new area, as they have in the past, but need to adapt all their practice areas. Lawyers and judges, and other legal professionals, consequently need to obtain a broad understanding of the digitalization of their clients, customers, and citizens, and comprehend how the digital transformation affects different industries, public bodies, business models, and regulatory environments. This increases the demand for new competences and affects the need for legal education, training, re-training, and re-skilling while it also calls for more cross-professional collaboration. This in turn decreases the professional homogeneity within the field (von Nordenflycht, 2020).

5.2 Implementation of Digital Ways of Work and the Risk of being Replaced

To target the question of how digital implementation has affected ways of work, we examine how field actors have implemented digital technologies and processes. This is particularly relevant in knowledge-intensive industries (von Nordenflycht, 2010) as human knowledge, and the importance of human capital for value creation, faces the risk of being replaced by machine power and intelligence (Brynjolfsson and McAfee, 2014). As far back as 2010, Susskind wrote about the “end of lawyers” and in 2013 Christensen et al. argued that professional consultancy was on the “cusp of disruption”, but it is still not clear if empirical data support any replacement effects for professional work.

In this regard it is vital to state that all appended papers to this thesis show that a large variety of digital tools and technologies have been implemented in law firms and courts. These include tools that help in professional work, such as legal online sources, but also more generic tools that mainly help the support staff and administration, such as time keeping apps, improved programs for billing or digital signaling systems for case handling. Paper 1 shows that the increased use of such tools and technologies has replaced much of the work of legal assistants, which has had a fundamental effect on that work role. Also in Paper 3, some employees at the court stated that the initial effect of the implementation of digital technologies primarily concerned administrative work. But unlike the legal assistants in law firms (that have been replaced by technology) the digital technology was said to help the administrative staff in the court in carrying out their work, and not (yet) to be replacing them. Moreover, the digital technologies that were implemented in the court did not replace any work tasks that were carried out by the judges; rather, some of them complained that the digitalization of their workplace had added new tasks. The task of expediting a judgment was given as an example: this was previously completed by administrators, but now, there *“is just a button to push, the judges can do it themselves”*. One judge, however, complained that *“it is never just pushing a button, but there is always some last-minute control to do, and also, if you have a lot of buttons to push each day, it adds up.”* For the professionals in law firms there were, however, also some replacing effects for more complex professional work. Paper 1 and Paper 2 explain that virtual data rooms and smart computer programs for due diligence work have effectively resulted in fewer associates being needed in projects for mergers and acquisitions. While this concerns professional work and replaces human capital with software, it targets the replacement of

associates rather than professionals higher up in the organization. The more experienced lawyers did not experience any replacement effects.

These findings, that some work roles, and some work tasks, are replaced before others, corresponds with the conclusions of Huang and Rust (2018) and shows that tasks that demand mechanical and analytical intelligence are replaced before tasks that involve intuitive and empathetic intelligence. In terms of professional practice, however, it shows that legal work has gone from being solely knowledge-intensive to encompassing a wider range of human knowledge intensity (as expressed in Paper 1). This carries large implications for business models and affects ways of work and organization. This new reality needs to be considered when making strategies for the future. If the work of associates is being replaced by machines, the hierarchical partnership structures of hourly billing and *up or out* promotion (von Nordenflycht, 2010; Löwendahl, 2009; Maister, 2003) become outdated. New ways of organizing, and new pricing models, are needed to allow for value capture, where the actual capital that is creating value is reflected, and that allows for (and empowers) continued investments in digital technology.

5.3 Who has Responded, in What Way, and Why?

As expressed above, the appended papers show that new digital ways of working have been implemented into the various organizations of the legal field, but it is fair to say that there is a large variation regarding the extent to which the work has become digitally enabled within the different organizations, and there is a large difference in who has welcomed and who has resisted digital change. Paper 2 stresses that the dominant institutional logic (Thornton et al., 2012) has prevented digital innovation as well as the large-scale adoption of digital ways of work in incumbent law firms. We can see that back-office tools and certain information and communication technologies have been implemented, and most lawyers in these incumbent firms talked of the benefit of having “*the office in the pocket*” (in the shape of a smart phone), but they also said that they still worked mainly from the office, and that they practiced law in the same way as they had always done. The benefits that they described from this limited adoption of digital ways of work were connected to a feeling of flexibility, of being “*able to work more from home or from the side lines of soccer practice.*” This shows that while some information and communication technologies had been applied to existent work practices in incumbent firms, there was a limited discussion of legal innovation and more fundamental

changes to ways of work. Instead, they only implemented digital technologies that could be aligned with the dominant law firm logic (as for instance technologies enabling more hours to bill “*from home or from the sidelines of soccer practice*”). Thus, Paper 2 shows that lawyers in incumbent firms remained on their beaten paths and acted in accordance with the dominant law firm logic (Thornton et al., 2012), while digital innovation (Nambisan et al., 2017) resided with the new firms in the emergent field of legal tech. The paper argues that the practice of selling advice by the hour is the most central practice of the dominant law firm logic, which goes a long way to explaining the lack of interest among incumbents in more radical digital changes or innovations (them not wanting to build away the man hours at the core of their profitable business models). Many other key practices in incumbent law firms supported this hourly practice (such as promotions based on annual reviews of billable work). The paper also shows that the frequent and strong social relations within and between different lawyers and law firms, and the strong regulatory power of their self-controlled professional association strengthened and legitimized it (Powell and Colyvas, 2008; Nigram and Ocacio, 2010). This indicates a strong interplay of formal and informal institutions (North, 1987) in the legal field.

Similarly to the reluctance in incumbent law firms to change, Paper 3 shows that the management of the court struggled in their digitalization efforts while most judges wanted to run their departments independently in the same way as they had always done. When we tried to analyze the basis of their reluctance to change, however, other explanations - but an hourly focused logic - stood out. Compared to law firms, courts are significantly different since they sell neither their services nor their time. Thus, there is no business conflict for them to impose efficiency, and no business logic that averts change. The findings of Paper 3 instead stress that in the court setting, it is the professional authority and autonomy of the judges (Hodson and Sullivan, 2012; Alvesson and Karreman, 2006) that best explains their reluctance to change. That these papers (2 and 3) show that both these professions (lawyers and judges) have effectively resisted digital change is not surprising. This agrees with research that shows that elite professions strive to protect their purity (their professional dress code, ceremonies, and rituals) since this is what has empowered their superior status and provided them with privileges and benefits (Siebert, 2020), and with research that shows that these professionals generally dislike standardized work practices (Alvesson and Karreman, 2006). But the differing reasons *why* lawyers and judges have resisted digital change show that the organizational and the professional domains of institutional logics differ between lawyers and judges. Their actions are guided by very different motivations, and different aspects of their work are explanatory for

their legitimacy and professional identity (Thornton et al., 2012). This contributes with an understanding of a plurality of the legal field, being dominated by (at least) two different institutionalized professional groups: lawyers and judges, and shows that we should not regard them together as a group of “legal professionals.” They are much too different to be put together like that. It is important to incorporate this professional distinction between lawyers and judges in an institutional framework since professional aspects are highly relevant for understanding how individuals and organizations cope with complexity, and how they respond to change triggers (Muzio et al., 2013). If we are to enable an efficient digital transformation, aligned with the rule of law, it is vital to understand the different sources of motivation and resistance between different groups of legal professionals. Here it is also important to add that some jurisdictions are likely to hold additional distinct professional groups, as for instance barristers or corporate counsels, that would similarly be guided by their own specific set of logics.

5.4 Digital Innovation and a Bundle of Digital Logics

While the institutional logics of lawyers and judges provide us with part of the answer to *why* change has for long been resisted, the papers suggest an additional explanation that lies in the traits of digitalization itself. It is clear in all the appended papers that digital opportunities have brought a lot of opportunities for law firms and courts to innovate (Nambisan et al., 2017) in the sense of new products and services (Bresica, 2016), and new business models (Björkdahl, 2009). Paper 1 and Paper 2 describe numerous digital inventions, for instance: that AI is applied to legal services in the shape of a robot writing appeals for parking tickets, that smart contracts have developed based on a combination of automation, AI and Blockchain, and that some firms turn legal services into products that can be re-created and sold repeatedly via digital platforms. The papers also bring up innovation in regard to business models, with the development of pricing models and billing practices previously not used in law, such as fixed prices and subscriptions. Papers 1 and 2 additionally show that some firms have innovated in regard to their organization where their sourcing or resources have shifted and moved beyond the organizational boundary toward platform and network collaboration (van Alstyne et al., 2016).

Together, these digital innovations have led to shifts in patterns for legal production and consumption, as well as changes to the competitive set up of the field, with the growing legal tech field increasing in size and importance. This has increasingly forced incumbent actors out

of their comfort zone. While incumbent law firms have been subject to new competition from digitally enabled firms residing in the space of legal tech, it should be noted that digital innovation in legal tech has also influenced the courts, where the emergence of private and digital alternatives to public justice keep them on their toes. This is consistent with Susskind (2019), who stresses that private actors have emerged that market online alternatives for dispute resolution and web-based e-negotiation tools. All these novel legal products, services and business models showcase a breadth as well as a depth to the level of variety that digitalization has entailed in the legal field and suggest that digitalization does not represent only one new logic, that may or may not conflict with established logics (Thornton et al., 2012), but that it should rather be seen as a carrier of a *bundle of logics*.

As general purpose technologies (Bresnahan and Trajtenberg, 1995), the different digital technologies stem from different industrial fields that are motivated by different purposes and implemented by different actors in different processes. Every digital technology carries its own set of artefacts and primary users. For instance, there is arguably a very different logic connected to platforms and the sharing economy, motivated by economies of scale, the possibility of connectivity, big data use and the sharing of resources, where the platform serves as a central node in which network actors place their trust (van Alstyne et al., 2016), compared to the logic connected to blockchain, that instead builds on dissembled trust, without a central character and originates from the financial arena (Christidis and Devetsikiotis, 2016). Automation, in turn, builds on motivations of repeatability and mass production, and stems from manufacturing, while information and communication technologies display a wider variety of gains and practices connected to efficiency and transparency, as well as quality improvement, and comes from a large variety of industrial settings (Buhalis et al., 2019). Thus, even the small collection of digital technologies that this thesis shows as being applied in the legal field, indicates very different logics. This argument, of digitalization carrying a *bundle of logics*, is supported in the findings of Papers 2 and 3, showing that digitalization has caused massive institutional complexity at impact.

Previously, there has been a lack of empirical research that targets this level of institutional complexity. When researchers have investigated institutional complexity and conflicting logics in the past, they have not studied such a multiplicity of potentially conflicting logics as we see in this thesis, but they have instead mainly studied the meeting of two logics, for instance the introduction of a business or managerial logic in sports (Carlsson-Wall et al., 2016), the

introduction of a business logic in the arts (Amans et al., 2015) and the introduction of a business logic in healthcare (Reay and Hinings, 2010). This means that institutional theory has previously explained how conflicting logics occur when *one* dominant logic is contested by *one* new competing logic, but has not depicted institutional implications from such a heterogeneous bundle of technologies as has come with digitalization. Compared to previous industrial shifts, which introduced the steam engine, electricity, and the computer (Manyaka et al., 2013 Schwab, 2018), digitalization is not imposing just one new technology or logic. Thus, this exogenous force prompts changes to a large number of work processes and opens up for a myriad of paths for action. This understanding of digitalization, in bringing a *bundle of logics*, contributes to our understanding of how multifaceted the force in digitalization is. This is not an “either or” situation (where a firm can digitalize or not); it is much more complicated. In different fields, some digital technologies might be resisted while others are welcomed, and there is a gradient to the level of digitalization that is constantly moving. This is particularly relevant for our understanding of the digital transformation of professionalized and institutionalized fields, and means that digitalization creates institutional complexity that different actors can act upon, and where, depending on their individual logic, and how that logic relates to the technology of choice, they can instigate institutional work (Czarniawska, 2003; Lawrence and Suddaby, 2006).

5.5 Covid-19, Institutional Complexity, and Re-assessment of Digital Change

While the dominant institutional logics (Thornton et al., 2012) of lawyers and judges provides us with some understanding of *why* these professional actors have responded to digitalization (and its various logics) the way that they have, this does not provide us with an understanding of *how* digital change has in fact been realized. Papers 3 and 4 show the establishment of a *new more digital normal*, and this final part of the discussion help us comprehend how we got there.

When we commenced our study at the court (used for Paper 3), prior to the pandemic, there was a large variation in the level of digitalization between the different departments, and the less digitalized departments expressed, and acted out, a reluctance to change. When effects of Covid-19 hit, this however changed. Suddenly it was the departments that already had digital work processes in place that could easily move over to remote work and virtual workspaces (Kingma, 2018), becoming less exposed to the risk of spreading and being infected with the virus. This caused the professionals in the other departments to quickly re-assess *why* they

should digitalize, and to re-evaluate the benefits that came with the new technology. This shows that a re-assessment process of the digitalization effort, and a new meaning attached to the end state, was vital for a successful implementation of new practices (Raviola and Nordbäck, 2013). Paper 4 furthermore adds that the sense of urgency that Covid-19 created also helped in breaking down other professional and institutional barriers to change. Thus, we see that digital change, in regard to work practices, has been particularly impacted, and speeded up, by Covid-19. This has affected *how* legal work is done, as well as *when*, and from *where*. These papers show, without doubt, that digitalization, empowered by Covid -19, has stirred up institutional complexity under the bubble, which has opened up for new ways of work.

Dominant institutional logics (Thornton et al., 2012) help explain why incumbents have not changed, and institutional work helps us understand the intentional actions of legal professionals that, with the use of divergent logics, break away from beaten paths. Here Paper 2 particularly stresses the importance of deliberate actions (institutional work) in hybrid firms, stemming from founders that had opposed the dominant logic and were *out of big law* for this reason. With practices that only partly deviate from established practices, they also provide legitimacy (Nigam and Ocasio, 2010) and act as a forerunner in certain paths of change (that incumbent firms can also follow). From Paper 3 we similarly learn that deliberate actions and preparatory work created a foundation for change and enabled digital practices at certain departments, and that these came to serve as sources of comparison, and good examples, when Covid-19 hit.

The examples of digital innovation mentioned certainly help us understand digitalization from an institutional perspective, but these cases also bring some insights to the digital transformation as such, where it becomes evident that the term "digital" should not be regarded as the end state of the transformation, but rather as its means. This particularly stands out in Paper 3 where the judges (after Covid-19 entered the scene) re-assessed the digitalization efforts of the court and became motivated by the flexibility that digital work processes allowed, enabling remote work for all. Thus, the goal was no longer to digitalize work processes for the sake of it, but to use digital work processes to enable remote work in help of fighting a pandemic. This shift in mindset helps us understand that digital transformation is not about making processes digital, but concerns the process of applying digital technologies to one state

in order to enable the transformation into another state, for instance turning the workplace into a virtual workspace (Kingma, 2018).

In regard to such digital transformation this thesis shows that the PSFs share some commonalities (Løwendahl, 2009; Maister, 2003; von Nordenflycht, 2010) that make their transformation different from the transformation of other firms. In manufacturing industries, we have witnessed a trend of servitization, where digital technology is added to products (and/or the production process) turning them into services (Vandermerwe and Rada, 1988; Lodefalk, 2013). Paper 1 and Paper 2 point to the opposite trend: that digital innovation (Nambisan et al., 2017) can turn services (entirely or partly) into products that can be stored and re-used. Paper 1 and Paper 2 show examples of this productization where legal services are increasingly being distributed as printable documents (for instance as agreement templates) via online platforms, sometimes complemented with additional services, which also supports the idea of an increased intermingling between products and services (Barrett et al., 2015). This shows that legal advice, with the use of digital technology, can be transformed into smart templates or contracts that can be replicated and sold on-line. Such new products, and/or services, however, call for completely different business models, compared to hourly sales.

Papers 3 and 4 similarly show that the realization of digital opportunities is transforming the courts. In this case it is not from *product to service*, or *service to product*, but from *place to service*. When Covid-19 hit, our courtrooms turned virtual, and increasingly advanced digital interfaces of the court are allowing remote access. This means that the court is becoming less of a *place* to go to for justice. Instead, justice can be accessed as a digital *service*. In Papers 3 and 4 we see that new patterns for production and consumption of court services increase the public access to justice. This is in line with the suggestions that Susskind (2019) makes in “Online courts and the future of justice” but shows that the transformation has been empowered by Covid-19, which is why changes have been realized faster than was previously anticipated. This shift (*from place to service*) represents a major change to the court as an institution. The resulting de-institutionalization (Scott, 2001) of the court, and our conception of it, has many implications for the symbols that are used within its domain; the marble pillars, robes, and wooden clubs mentioned in the introduction are losing some of their symbolic meaning and

institutional power. This calls for new symbols and myths that can serve to create and uphold trust in justice and the rule of law in the digital era.

Pointing out these diverging directions of the transformation in intellectual industries provides us with insight into the variation of paths that digitalization has enabled and helps us understand the institutional complexity that has followed the impact of digitalization. It also strengthens the argument that there is not just one logic connected to digitalization (but a *bundle of logics*).

6. CONCLUSION

6.1 Final Reflection: A Bubble in Trouble?

*“We are a bunch of legal professionals in our own little bubble,
and we are not really interested in leaving it”*

When I commenced my research in 2016 the imagery of a legal bubble was used among several lawyers and judges as a quirky way of acknowledging their protected positions. While most of them were aware of the particularities of this setting, and that the bubble might one day vanish, they saw no immediate reason to walk away from their beaten paths. Digitalization was out there, but they did not feel an urgency to respond to it, neither as an opportunity nor as a threat. The lawyers and judges in established organizations were just not that interested in change. Instead, they enjoyed the good life that they had on the inside of the bubble, their elevated professional positions and large profit margins (if they worked in law firms). They saw a stable outlook for their future professional life as formal regulations, as well as the established work practices and professional roles, worked together to uphold dominant logics and practices. They acted in accordance with these dominant professional logics without worrying about changes to their world. This has, however, changed.

This thesis shows that digitalization has brought institutional complexity to the legal field, allowing for other practices than those enforced by dominant logics. Some actors have spotted this potential and jumped to realize digital opportunities, both by starting new organizations (as seen in the emergent field of legal tech) and by implementing digital technologies into established organizations. Institutional complexity has opened a space for reflection and deliberate action where institutional work (Lawrence et al., 2011) has taken off. This means that institutions and institutional logics are increasingly being challenged both from the outside and from within. Throughout this thesis we can follow how the exogenous force of digitalization has stirred things up and how it has increased in strength and pervasiveness when being fueled by Covid-19. Previously distinct characteristics are no longer valid, and the field has come to encompass a much larger variety than before (in regard to business models and ways of organizing, as well as work practices and professional logics). This has put substantial

pressure on the magical bubble of law and has taken away some of its protective shield and golden shine.

This is not the end of law or lawyers (Susskind, 2010), or the end of courts or judges, but it is high time to consider, and establish, what the practice of law should look like in the future, because we can no longer rely on the recipes of the past. Unreflected practices according to dominant logics will no longer make sense; deliberate choices are needed. There are fantastic digital opportunities out there, but there are also risks, and it is crucial that legal professionals become increasingly interested in, and take responsibility for, the digital transformation of their field, its professions, and institutions.

6.2 Practical Implications

My praise goes out to all practitioners that have made it this far (or perhaps you fast-forwarded to this very section). Anyhow, you exemplify one of the key points of this thesis: that professionals need to take an interest in digitalization, make deliberate choices, and act strategically in the new digital landscape. To assist you in doing this, I will simply provide a short list of practical insights based on my research.

- Digitalization has affected the industrial and societal contexts that legal professionals serve, which is why legal services will increasingly concern digital matters. Therefore, the question is not whether or not to digitalize – regardless, you have to deal with digital issues.
- Digitalization is not just about technology. It is individuals that need to accept and use it. You should therefore consider social processes when you introduce and enforce new technology. Developing cultures that support the desired change is particularly important in fields that are centered on dominant professions with pre-set logics and motivations.
- Digitalization is not the end result but provides the means of change. Make sure that there is a goal to your digitalization effort and communicate this in a meaningful way.
- Digital transformation can go in any direction. In many fields, digital technologies help turn *products into services* (servitization) However, digitalization can also turn *services into products* (as when legal advice is turned into tangible deliverables that can be re-

used and sold en masse), and *places into services* (with virtual courts showing the way). If you aim for digital transformation you need to reflect on *what* it is that you want to transform into *what*.

- For digitalization efforts in law firms it is vital to amend the pricing model accordingly. This is particularly important when human capital is increasingly being complemented with, and replaced by, technological capital.
- Legal professionals need to get involved! In times of high institutional complexity, we all need to take part and actively consider what paths for action we want, and select those that include legal and ethical considerations, and that lead us toward the digital future that we want.

6.3 Future Research

While this thesis shows major changes and points towards a dramatically transformed future in the legal field, it does not provide you with many details of preferred business models or optimal ways of organization moving forward. With digital impacts that challenge previous logics (Thornton et al., 2012) and distinctive characteristics (von Nordenflycht, 2010) organizations and professionals can no longer lean on previously successful practices, developed in times when professional work was protected, celebrated, and reserved for human input. Here more research is called for to investigate what organizations can, and should, do instead. Organizations need a better understanding of how they should handle this new digital reality and the rising digital opportunities practically (Nambisan et al., 2017, Björkdahl, 2009). How should firms adapt to the new digital environment? How should they explore rising digital opportunities, act on them and innovate to create new value? How should they align their business models with digital innovation and digital value creation, to ensure that they also capture digital value? And, how can organizations use newly gained change capabilities (incorporated while surviving Covid-19) to retain competitiveness as the digital transformation progresses?

Moreover, as this thesis points to human work being increasingly replaced by machines, this also raises the question of whether there should be a limit for this exchange. If we are to replace intellectual human work with artificial intelligence, should *all* intellectual work eventually be conducted by machines, or should some work tasks be restricted to human capacity? At the center of this discussion are the professionals that engage in expert work that is increasingly

being completed by AI (Brynjolfsson and McAfee, 2014; Huang and Rust, 2018; Susskind and Susskind, 2015, Susskind, 2019). We should, for instance, examine the boundaries, set by responsibility and liability, when lawyers utilize AI in their work, and explore how AI should be used in courts. Should we allow AI to replace judges in their judging capacity at all? Here, at the intersection of technology and law, and institutionalization and professionalization, we need to ensure that we are not just targeting efficiency and the removal of human bias, but that we also make sure that law and ethics are applied to the discussion of technological development. We are in the midst of a major transformation, with high levels of institutional complexity (Greenwood, 2011) and de-institutionalizing effects (Scott, 2001), and now is the time when new institutions are being formed. Thereby, now is also the time to reflect on these issues and engage in deliberate action rather than resorting to previous practices and what usually works. This is a time for institutional works rather than logics (Lawrence et al., 2011; Raviola and Nordbäck, 2013, Hinings et al., 2018; Thornton et al., 2012).

I strongly believe that we need more understanding of, and more discussion on, how to consider legal principles and ethics in technological change, how to incorporate legal reasoning into technological application, and how to incorporate technology into law. These are interesting, and increasingly relevant, themes for research that also call for increased collaboration between professionals and scholars in technology and law. For instance, we need a cross-disciplinary exploration of the challenges in automation and artificial decision making where we need to put the ongoing digital transformation into an institutional context that acknowledges that it is ultimately the courts that act as the guardians for citizens in this transformation, and that courts and judges are ultimately responsible for the legality of it. Thereby it is up to the courts to ensure that digital technologies, and their artefacts, are unbiased and supporting a just interface. But are the courts ready for this? Do judges hold such advanced digital competence? Can our courts, and our judges, handle the increasing amount of digital evidence that they are faced with, and are they able to assess the legality of computerized systems and biases in algorithmic decision making? And finally, what does it imply for the rule of law (which is central for democratic societies) if they are not?

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This is where I leave you, and where I move forward. In line with my efforts to contribute to the discussion on the digital transformation in the field of law I realize that my research has potentially created and opened up for more questions than have been answered. But that is good. That is the way it should be. This is how we develop and constantly add to our cumulative knowledge and understand the edges of current wisdom.

I hope that you have enjoyed reading this thesis. I certainly enjoyed writing it for you!

Gothenburg, June 2021

Charlotta Kronblad

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