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Macro and micro sustainability in innovation in the legal services sector and the management of paralegals

Catherine Shephard





The Law Society of England and Wales. (2016) *Economic Value of the Legal Services Sector.*

[Online] [Accessed on 3 November 2016]

[file:///C:/Users/55108540/Downloads/legal-sector-economic-value-final-march-2016%20\(1\).pdf](file:///C:/Users/55108540/Downloads/legal-sector-economic-value-final-march-2016%20(1).pdf)

- based on analysis by:
 - Cambridge Econometrics
 - Oxford Economics
 - Law Society's Research Unit





- For every 1% growth in the UKLSS:
 - 8,000 new jobs created
 - £379 million added to economy
- Each £1 of extra turnover in the UKLSS:
 - stimulates £1.39 in the rest of the economy.
- Every 100 extra jobs in the UKLSS:
 - supports a further 67 jobs.
- c370,000 people employed in UKLSS:
 - 63 % solicitors/ employed by solicitor firms.





- Growth in UKLSS has averaged 3.3 % pa last decade:
 - (UK economic growth rate of 1.2%)
 - UKLSS grew by 8 % 2014-15.
- Net exports of UKLSS - £3.6 billion
 - av 5.6% growth pa over the last 10 years
 - export value is £4.8bn (net £3.6bn)
- Total value of UKLSS to the economy is £25.7bn
- English and Welsh law is the choice of law internationally
- England and Wales is the jurisdiction of choice.



Figure 8: Top purchases used in the supply of legal services (£ millions)



Source: ONS 2010 Input-Output Table



Manchester
Metropolitan
University

The Law Society of England and Wales





Figure 6: Breakdown of wider jobs supported by an increase in demand for legal services



Source: ONS and Cambridge Econometrics





Motivation

Current debate on management in the legal services sector

- LETR – framework to support provision in time of unprecedented change
- SRA Competence Statement
- CILEx inquiry into meaning of paraprofessional

Research question

- Can experience of change management in the public sector inform this debate?
- Macro and micro sustainability





Literature review

- FE
 - [Policing]
 - NHS
-
- Academic research in this area?





Methodology

- Conceptual paper, ideas piece
- Theoretical analysis, at macro level
- Intellectual exercise to reveal and articulate a shared management agenda across public and private sectors
- Seeks to produce framework for management at micro level of rapid structural change in legal services sector (LSS) which will have impact and inform the current debate





Shephard, C. and Todd, I. A. (2016) 'Strategies for managing change and the use of paraprofessionals: a cross-sector study for the benefit of post-LETR providers of legal services. Part 1: Further Education, the NHS and the Shared Management Agenda.' *Northern Ireland Law Quarterly*, 67(1)(1) p. 99.

Shephard, C. (2016) 'Strategies for managing change and the use of paraprofessionals: a cross-sector study for the benefit of post-LETR providers of legal services. Part 2: The Legal Services Sector and the Shared Management Agenda ' *Northern Ireland Law Quarterly*, 67(2) p. 141.



Discussion

- Analyses recent strategies employed in public sector to manage and implement change
- Extrapolates the strategies into 3 generic categories:

Provide the service as before and meet every imperative for efficiency by requiring highly qualified staff to work harder (***Strategy One***).

Substitute paraprofessionals for professionals (***Strategy Two***).

Substitute capital for labour (***Strategy Three***).

- Refracts current changes in LS sector through this lens
- Seeks to identify a cross sector shared management agenda



Provide the service as before and meet every imperative for efficiency by requiring highly qualified staff to work harder (*'Strategy One'*).

- Professionals should be allowed to deal with high-order, 'A' team, challenging work
- Default strategy
- Unfeasible, primarily due to cost



Substitute paraprofessionals for professionals (*'Strategy Two'*).

- Proven solution
- Professionals resist idea
- Better service delivery?
- Need to be able to define paraprofessional and how differs from professional
 - SRA/ CILEx
 - Acceptance of risk?
 - Hierarchy
- Customer does not mind how service 'badged' provided is good
- How to credit paraprofessional experience
- Career structure



Substitute capital for labour (*'Strategy Three'*).

- Proven solution, provided proper implementation
- Efficiencies in moving back office function to cheaper location



Conclusion

There is a cross sector shared management agenda:

1. Allow for system improvement

- Appropriate supervision, flexibility of approach & allocation of responsibility

2. Actively manage paraprofessionals

- Risk, accountability, reward, support

3. Identify how best to use professionals

- Prepare, resource, identify 'A team' work

4. Allow professionals to 'own' IT systems

- Delivery, evaluation, refinement

5. Support staff through profound change

- Opportunities, threats, career progression



Limitations

- Lack of body of academic research and debate
- Conceptual piece:
 - Legal academics – open to theoretical, idea pieces – but this about ‘practice’ not ‘law’
 - Management academics – social science basis – like data
- Written for practitioners
 - Law firm culture: not traditionally open to ‘management’ education or academic research
- **Where is home?**





Further research

- Empirical support for the argument
- Scope for further analysis of areas which resonate most with managers in legal services sector





Questions?

- Distinction between professionals and paraprofessionals
- Home for the paper

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