Stakeholders, Strategic Planning and Critical Success Factors in Professional Accounting Organizations

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In this study, we explore the role of formalized strategic planning in the accounting profession in Canada. We ask the question is there a process of examining the most important strategic objectives facing a professional accounting organization. Specifically, we examine what factors impact the strategic planning process of the accounting profession. Using a comprehensive case study, developed in conjunction with one of the provincial accounting organizations in Canada over a ten month period, we examine those factors that are critical to the strategic performance of the accounting profession using a participatory approach.

INTRODUCTION

The competitive environment for accounting is rapidly changing as evidenced by the proliferation of designations, as well as technological and demographic challenges facing the profession. As the status quo shifts, professional accounting organizations are being challenged. Their strategies, goals and objectives are being questioned (Greenwood, et.al., 2002, Suddaby, et.al., 2009). How to address challenges in identifying, analyzing and managing goals and objectives as part of strategic planning becomes an important question for research on professional accounting organizations and those involved in the profession.

In this study, we explore the role of formalized strategic planning in the accounting profession in Canada. We ask the question is there a process of examining the most important strategic objectives facing a professional accounting organization. Specifically, we examine what factors impact the strategic planning process of the accounting profession. Borrowing from the Information Technology literature, we explore the use of Critical Success Factors as a process of determining and prioritizing strategic objectives in the planning process (Finney and Corbett, 2007). Using a comprehensive case study, developed in conjunction with one of the provincial accounting organizations in Canada over a ten month period, we examine those factors that are critical to the strategic performance of the accounting profession using a participatory approach.

Change is significant in the accounting profession. From an external institutional pressure perspective, the move to international standards has set the stage for harmonization of the accounting profession globally, which translates into a reduction of national borders. Recognizing that their competitive landscape has fundamentally changed, many international accounting professional

associations have chosen to act rather than risk being acted upon. Bodies with international aspirations including the Institute of Chartered Accountants in England and Wales (ICAEW) as well as the Association of Chartered Certified Accountants (ACCA) in the United Kingdom (U.K.); CPA Australia and CA Australia; and AICPA, which is extending its reach with a new global alliance with CIMA and the launch of CPA exams in a number of countries around the world (CICA, 2011). Change is ubiquitous, creating significant institutional pressures that need strategic solutions in order to ensure ongoing success and professional standards. Moreover, professional accounting bodies have to ensure they have the appropriate strategy in place to minimize threats and maximize opportunities.

Professional accounting organizations also have to compete in a growing marketplace as accounting bodies try to position themselves for access to designations and markets. Implications in the form of legal and legislative challenges for the use of existing designations are occurring. For example, in Canada both Chartered Accountants (CA) and Certified Professional Accountants (CPAs) are being seen. Other entrants include ACCA, the fastest growing global accounting designation, which is actively contesting legislated, exclusive use of the words Chartered Accountant at both the federal and provincial levels in Canada. Worldwide accounting bodies are also taking steps to ensure they are positioned to benefit from emerging global designations. The ICAEW and ACCA have each filed trademark applications for the use of the Chartered Professional Accountant designation in Europe and, as a result, these two organizations are now in a legal battle in the U.K. for control of Chartered Professional Accountant (CICA, 2011). The landscape for professional accounting associations is now extremely challenging both from an institutional and practice perspective. The subsequence importance of strategic planning is vital in order to ensure success and protect the mission, values and brand of the profession.

The study is organized as follows. First, we provide a background discussion of associations and their role in the development of a profession. Next we discuss the accounting profession in Canada and describe the professional accounting organization researched as part of this study. Third, we outline our research methodology and examine the process that was used in strategic planning. Finally, we summarize our findings and discuss the results in the context of the extant literature specifically institutional perspectives, the role of critical success factors and stakeholder engagement in strategic planning. We conclude that for professional accounting organizations to overcome obstacles and achieve strategic success, they need to focus on the *process* of strategic planning. A planning process that promotes dialogue, encourages trust and exemplifies transparency may lead to more success that being solely focused on business outcomes.

Our contribution is to place strategic planning in the accounting profession within an applied environment. At the same time, we also try to explain our findings using institutional theory. We outline and describe an approach to strategic planning for professional accounting organizations that encourages trust, transparency and stakeholder engagement. The promotion of the importance of stakeholder engagement and transparency in the development of strategic goals and objectives for professional accounting organizations advances the extant literature by showing how dialogue with outside groups in a strategic planning process may be promoted through a critical success factor methodology.

BACKGROUND

A significant emphasis has been on the role of accountants themselves in producing rules and determining practices particularly within their profession (Suddaby, et.al., 2009). Research on accountants and their professional associations addresses how and why accounting and accountants have become a powerful social and economic force in society. Ultimately understanding the process of strategic planning for accounting organizations is important since "research on the accounting profession and its regulatory practices is important for understanding modern society" (Cooper and Robson, 2006, p.415).

The role of professional associations are typically portrayed as important regulatory mechanisms (DiMaggio and Powell, 1983; Ruef and Scott, 1998; Greenwood, et.al., 2002) but have been relatively neglected empirically (Greenwood, et.al., 2002; Suddaby, 2009). In this study we suggest that professional associations, especially those in the accounting field, are important regulatory agents from an

institutional perspective which should be reflected in their strategic planning. Along with the essentially conservative role of reinforcing existing prescriptions for appropriate conduct, there is also the function of strategy-setting and long-term planning. Professional associations can create strategies by ensuring a process of discourse among members where strategy is debated and endorsed. This is done through two essential ways: by negotiating and managing debate within the profession and secondly by ensuring that there is a focus on specific goals and objectives to ensure success. The creation of institutional strategies helps reframe professional identities as they are presented to outside stakeholders and enables professional norms to be reconstituted (Greenwood, et.al., 2002). The question then emerges concerning the process of ensuring that these identities and norms, as demonstrated in a shared understanding of goals, objectives and values, emerge in any strategic planning exercise.

The Role of Strategic Planning

The literature shows that successful organizations will anticipate and address environmental uncertainty through strategic planning (Miller and Cardinal, 1994; Rogers, et.al., 1999; Rudd, et.al., 2002); strategic planning being understood as the process of identifying organizational objectives and goals over a medium to long term time horizon (Johnson, et al., 2006). Organizations demonstrate flexibility in strategically planning decision options about how and when they will adapt when the environment changes, in a preparatory or "ex-ante" state (Evans, 1991, p.77). Organizations are then better prepared to cope with environmental uncertainty, enhancing the influence of their strategic planning on performance.

For example, in 2010, the American Accounting Association (AAA) developed its own strategic plan for 2010-2012. In the introduction to their plan, the importance of involving stakeholders from across the community was noted to ensure that the plan reflected the "depth and breadth" of what the members of the Association were working towards accomplishing together (American Accounting Association, 2010). The AAA consists of accounting students, educational institutes, member of the accounting profession and society at large; consistent with Greenwood et. al.'s (2002) assertion, the AAA is considered an important body in the development of policy, regulation and standard setting in the United States.

Institutional theory provides a way of explaining why strategic planning is vital for organizations, such as the AAA, in dealing with environmental uncertainty. An institutional perspective interprets significant contextual changes in the nature of the accounting profession that may create erosion of norms and practices underpinning the idealistic logic of professionalism that must be addressed by the strategic planning process. One way of understanding institutional change is then to focus on the role of central and peripheral organizations such as stakeholders within an organizational field in the strategic planning process. Peripheral stakeholders, such as government, are usually thought to be more likely to initiate institutional change because they are less embedded within their field and are more able to resist coercive, normative and cognitive pressures (Suddaby, et.al., 2009, p.416)

The literature also indicates that a shared understanding of appropriate practices creates order and structure in a profession (Greenwood, et al., 2002). Over time, these shared understandings or collective beliefs become reinforced by regulatory processes involving state agencies and professional bodies which normatively and/or coercively create conformity upon stakeholders. Strategic plans are one method of attempting to create both a shared understanding among members of a profession and ensure comfort in regulatory authorities. From an institutional perspective, regulatory processes thus both disseminate and reproduce coded prescriptions such as a strategic plan creating legitimacy for the professional accounting profession. Deviations from such prescriptions cause discomfort and trigger attempts to justify (i.e. legitimize) departures from the social norm (Deephouse 1999; Elsbach 1994; Lamertz and Baum 1997; Miller and Chan, 1995; Greenwood, et.al., 2002). The importance of the process around planning for performance and creation of professional norms, especially in instances of organizational strategic planning, then becomes vital for the accounting profession.

Institutional perspectives also emphasize actors, such as stakeholders, in the organization's external environment placing pressures and constraints upon behaviour by supporting the enforcement of rules, laws, values and social norms (North, 1990; Scott, 1990; Brammer and Millington, 2003; Bansal, 2005).

These stimulate organizational responses that range from passive conformity or acquiescence to more active compromise, defiance, or strategic manipulation (Oliver, 1991). Ultimately, what the strategic planning process may create is a means by which professional accounting organizations understand their institutional pressures and develop organizational responses.

Oliver (1991) has suggested various ways in which organizations strategically respond to institutional pressures. Organizations do not always blindly mimic or acquiesce in the face of institutional pressure, but they can also seek compromise with multiple constituents such as stakeholders, engage in avoidance tactics, try to manipulate sources of pressure, or merely defy or ignore institutional demands (Lounsbury, 2008, p.352). Along with Oliver's (1991) approach to strategically respond to institutional pressures, Scott's (2001, 1995) normative pillar of an institutional approach to viewing organizations, establishes a moral base for determining organizational legitimacy, consistent with Greenwood et. al.'s (2002) reframing of professional identities, where this shared understanding is rooted in a normative basis such as 'keeping the badge shiny'. Failure to contribute or engage through a strategic planning process can therefore threaten the profession's legitimacy from a normative basis especially with a wide range of stakeholders.

Institutional theory also emphasizes the social context within which organizations operate. Although organizations have discretion to operate within institutional constraints, failure to confirm to critical, institutionalized norms of acceptability can threaten the firm's legitimacy, resources and ultimately its survival (DiMaggio and Powell, 1993; Oliver, 1991; Bansal, 2005). In Canada, the professional is defined by a number of social constructs that must be understood as part of the strategic planning process.

ACCOUNTING PROFESSION IN CANADA

The Canadian Institute of Chartered Accountants (CICA) represents Canada's Chartered Accountant CA profession both nationally and internationally. The CICA is a founding member of the International Federation of Accountants (IFAC) and the Global Accounting Alliance (GAA). Each province in Canada has a provincial Institute. As a result, in each Canadian province, the CA profession is governed by two organizations: the Canadian Institute of Chartered Accountants (CICA) and a provincial institute; in our study, the Institute of Chartered Accountants of Newfoundland and Labrador [ICANL]. Membership in the provincial Institute is mandatory to practice as a CA. The CICA is responsible for development of uniform standards of practice and the strategic development of the profession. It represents the interests of the CA profession to external constituencies (Greenwood, et.al. 2002). The provincial institutes also hold a similar role but have provincial legislative and regulatory responsibility.

As of 2011, the Vision Statement of Canada's Chartered Accountants was as follows:

> "We are Canada's most valued, internationally recognized profession of leaders in senior management, advisory, financial, tax and assurance roles." While the Value Statement of Canada's Chartered Accountants was "CAs are valued for their integrity and expertise."

In Canada, the CA profession is not homogeneous. In 2011, there are approximately 78,000 CAs practicing. About 40% of CAs are in Public Practice, while the other 60% are employed in industry, government or education (CICA 2011a). Their roles are as follows:

Public Practice
CAs who work in public practice provide accounting and business advice to clients in areas such as small business tax, audit, information technology, personal financial planning, business valuation, receivership, insolvency and forensic investigation.

Industry

CAs who work in industry develop financial and administrative policies, analyze information, and provide strategic leadership. CAs have various roles in organizations including CEO/President, Treasurer/V.P. Finance, Controller, or Systems Developer.

Government

All levels of government require accounting expertise to guide financial planning and to maintain fiscal control. Federal and provincial departments, Canadian Crown corporations and a variety of health-care and welfare organizations employ CAs as tax auditors, policy planners and financial analysts.

Education

Many CAs are educators who make a valuable contribution to society by teaching future business leaders about business, values and ethics.

Provincial institutes are responsible for licensing, certification, training, and discipline. The CICA and other provincial institutes collaborate in promoting the profession across Canada. Advertising and marketing campaigns, for example, are developed jointly.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NEWFOUNDLAND AND LABRADOR

The main entity studied in this manuscript is the Institute of Chartered Accountants of Newfoundland and Labrador (ICANL) which is a self-governing body representing approximately 720 members and 55 students.

CAs in Newfoundland and Labrador work in public practice, businesses of every size, education, government and the not-for-profit sector, and serve every facet of society. It is one of the thirteen provincial institutes for Chartered Accountants that are found in Canada. As of 2011, in Newfoundland there are two other professional accounting associations: Certified Management Accountants (CMAs) and Certified General Accountants (CGAs). Both competing associations have been growing rapidly in the province of Newfoundland and Labrador and across Canada.

Newfoundland and Labrador is Canada's youngest province joining the country in 1949 after being an independent country and colony of the United Kingdom. Newfoundland and Labrador is also the farthest eastern province and has a population of approximately 560,000 people in 2011. Incorporated on March 31, 1949, under The Chartered Accountants Act, the ICANL has a mandate to serve and protect the public interest and to enhance the Chartered Accountancy profession. This is achieved through the high level of professional and ethical standards set for its members and maintained through its own activities and governing legislation. The profession of Chartered Accountancy in Newfoundland and Labrador is governed by the provincial Chartered Accountants Act, 2008. Standards of practice are enforced by the Institute's Rules of Professional Conduct and bylaws (ICANL, 2010).

The Institute has protected the public interest through the CA profession's high standards of qualification and the enforcement of its rules of professional conduct. The Institute works in partnership with the other provincial Institutes of Chartered Accountants and CICA to provide nationally consistent, internationally recognized standards and programs that protect the public. Currently the Institute has a staff compliment of three professional staff and one executive assistant.

The Institute's members in public practice are subject to mandatory practice inspection and professional liability insurance programs. These requirements ensure the maintenance and enforcement of high standards of qualification and conduct. Other Institute programs support all Newfoundland and Labrador's Chartered Accountants in fulfilling their professional responsibilities. Among them is the Institute's professional development program.

The Institute also facilitates CA contributions to the wider community. These include such diverse activities as free CA Tax Clinics for low-income people and providing government with technical advice on a wide range of provincial legislative matters.

The composition of the Newfoundland and Labrador Institute is as follows (ICANL, 2010a):

TABLE 1
COMPOSITION OF CHARTERED ACCOUNTANTS IN NEWFOUNDLAND AND LABRADOR

Area of Practice	Members
Public Practice	231
Industry	286
Government	59
Education	13
Other	49
Retired	81
Students	56
Total	775

The Institute is governed by a Board of nine elected members and three public representatives appointed by the Province. Board members serve two-year terms with a maximum limit of three consecutive terms. Terms are staggered such that approximately one-half of the Board is elected each year to provide greater continuity in any one year, while maintaining an annual election. The Board meets approximately six times a year to represent the interests of the members of the Institute and to represent the public interest in determining and demanding appropriate organizational performance.

The Mission Statement of Newfoundland and Labrador's Chartered Accountants is "…to uphold public confidence in the CA profession within Newfoundland and Labrador by acting in the public interest and helping our members excel."

APPROACH TO THE STUDY

The Institute of Chartered Accountants of Newfoundland and Labrador's (ICANL's) Strategic Planning Committee (the Committee) was established in the autumn of 2009 with a mandate to develop a new strategic plan for the Institute that identifies strategic goals and objectives from 2010 to 2015. The overriding philosophy was to create a living, breathing strategic plan that would be used on a regular basis to drive the activities of the organization. Members of the committee were very cognizant of the need to ensure the plan was concise with specific elements so that it could be regularly reviewed and updated as necessary.

The reason for the selection of the Newfoundland and Labrador Institute is a subjective one but is consistent with Greenwood et. al.'s (2002) study of the Institute of Chartered Accountants of Alberta (ICAA) that studied change in professional associations. Unlike Greenwood et. al.'s (2002) study, we as researchers were directly involved in the study taking a participatory approach to the research taking a participatory approach to the research. In the formation of the Committee, one of the researchers became involved directly sitting on the committee. The other researcher continued to sit as a member of the Board to which the Committee reported. Both researchers, in this study prior to its commencement, sat on the Board of the Institute. As a result, approval to use the information emanating from the study was gained by both the Chief Executive Officer and Chair of the Committee before the work began.

As researchers, we worked with Institute to ensure that the process of strategic planning was based in practice as well as theory. Moreover, we took a participatory research approach (cf. Reason and Rowan, 1981; Reason and Bradbury, 2001) where we attempted to recognize the context that the Institute was facing in respect to challenges and understanding key elements of success. We were as a result given access to all data collected as well as archival sources.

The reasons for putting this research within the participatory approach are numerous. First, we believed that our inquiries as to the importance of strategic planning in the accounting profession are consistent with the stated purposes of participatory research, namely "that the inquiry contributes directly

to the flourishing of human persons, their communities and the ecosystems which they are part" (Reason 2006, p.188). Consistent with Pettigrew (2001) who argues that management research must address the 'double hurdles' of relevance and scholarship, we have tried to be rigorous in our analysis while at the same time being relevant and practical to our research partner in the Institute.

Our research is an emergent process (Reason and Goodwin, 1999) and consistent with the process of participatory research there was an evolutionary, open-ended process that was highly pragmatic. It evolved with the data that was presented to us and the access that we had to stakeholders involved in the strategic planning process. Our engagement changed as the project emerged.

In some ways, this approach to participatory research may be seen as a case study approach to the research (Yin, 1984) as it allowed a search for processes and structures that were not immediately evident, but emerged during data collection (Easton, 2000). Overall, we saw it as a participatory research approach whereby the research was done with, rather than on people (Reason and Rowan, 1981; Reason, 2006).

As part of the strategic planning process, the Committee undertook a thorough assessment of the current state of the Institute including a review of the Institute's the main business activities, its success to date and the use of existing resources. The former strategic plan, completed ten years prior, was consulted as were members of the Committee that developed it. Archival data, for example the minutes of the previous committee's strategic planning process, were made available. As a Committee, the consensus was that while the previous strategic plan was a very comprehensive document it did not consider the elements that subsequently were important to the strategic success of the Institute or could be managed or reported to the Board and membership on a regular basis. This was also consistent with the consultations with previous Committee members.
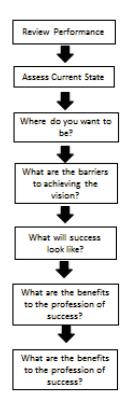
In order to address the issue of identifying elements of strategic success, it was suggested that using a methodology such as Critical Success Factors would be useful to the strategic planning process. Critical success factors support the attainment of organizational goals representing the end points that an organization hopes to reach. Critical success factors, however, are the areas in which good performance is necessary to ensure attainment of those goals. Critical success factors (CSFs) then differ from company to company and from manager to manager (Finney and Corbett, 2007).

CSFs may be seen as the few key areas of activity in which favorable results are absolutely necessary for a particular organization to reach its goals. Because these areas of activity are critical, the organization should have the appropriate information to determine whether events are proceeding sufficiently well in each area. Reviewing the Institute's previous strategic plan, it was felt that appropriate information was not available to the board nor was there information as to whether identified success factors were proceeding sufficiently. In order to ensure that critical success factors were focused upon as part of the strategic planning exercise, a process was agreed upon by the committee:

Following the process as outlined in Diagram 1, the next step was to assess the current operating environment for the Institute. Various strategic planning tools were used to achieve this environmental assessment including a SWOT and a PESTEL analysis. The Committee then went on to conduct some "blue sky" thinking about where the Institute should be in 5 years and the role of the CA profession in the province given the environmental analysis and the available resources. From this analysis the committee felt it was able to reaffirm that the Institute was still in agreement with the Vision and Value statements for the CA profession which were developed nationally and adopted in 2008. The committee spent considerable time revising the ICANL's mission statement to develop a concise and meaningful statement of purpose for the Institute. Ultimately through the strategic planning process the Committee came to recognize that the Mission, Vision and Value statements were critical to success of the Institute.

Having completed the initial planning work in early February 2010, the committee then commenced a consultation process. The Committee conducted focus groups with CA's and students across the province and individual interviews with key stakeholders such as the Public Accountants Licensing Board which is the regulatory authority for the province of Newfoundland and Labrador accountants, the local University and the Government. In total, 60 individuals were consulted as part of the strategic planning process.

DIAGRAM 1
STRATEGIC PLANNING PROCESS

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┌─────────────────────────┐
│   Review Performance    │
└─────────────────────────┘
            ▼
┌─────────────────────────┐
│   Assess Current State  │
└─────────────────────────┘
            ▼
┌─────────────────────────┐
│   Where do you want to  │
│          be?            │
└─────────────────────────┘
            ▼
┌─────────────────────────┐
│   What are the barriers │
│   to achieving the      │
│         vision?         │
└─────────────────────────┘
            ▼
┌─────────────────────────┐
│    What will success    │
│       look like?        │
└─────────────────────────┘
            ▼
┌─────────────────────────┐
│  What are the benefits  │
│   to the profession of  │
│        success?         │
└─────────────────────────┘
            ▼
┌─────────────────────────┐
│  What are the benefits  │
│   to the profession of  │
│        success?         │
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Role of Stakeholders

The importance of stakeholders was identified early on in developing the strategic plan. During the strategic planning process the Committee identified key stakeholders that are impacted by the operations of the Institute. This identification followed the definition of Nickols, who describes a stakeholder as "a person or group with an interest in seeing the endeavor succeed and without whose support the endeavor would fail" (2005, p.127). As a result, the Committee identified and mapped stakeholders according to the following two elements:

Influence – those stakeholders who can shape the outcome of the strategic plan.
Affect – those stakeholders who will benefit the most from the strategic plan being executed well.

Through the consultation process discussions were held with the various stakeholders identified to gain an insight into their needs and how the Institute must be positioned to meet these needs. Specifically the following stakeholders were identified as being essential to the Institute:

- Public
- Members
  - ➢ Industry
  - ➢ Public Practice – both national and small-medium practices
  - ➢ Government
  - ➢ Education
- Government
- Students
- Educators
- Employers
- Staff
- Volunteers

Consultations were held throughout the province of Newfoundland and Labrador from February 2010 to July 2010 with representatives of these stakeholder groups to gather feedback as to the Institute's performance to date and its future strategic direction.

Consultations occurred throughout the province, primarily in focus groups but also individually, and were not limited to the main metropolitan areas. As the province of Newfoundland and Labrador has a widely dispersed population, special emphasis was placed on doing consultations in the smaller towns and cities with a total of six of these sessions occurring during the strategic planning process. Detailed notes were taken as to stakeholder's feedback on the development of the Institute's strategy and this was used by the Committee in drafting the strategic plan. The draft strategic plan was then approved by the Board and finally the membership in an annual general meeting. In total, the whole process took close to eight months to complete consultations and another two months of initial planning.

FINDINGS

Feedback from consultations with the stakeholder groups highlighted many issues but much of the focus was around the need for opportunities to obtain professional development and the importance of the Institute's self regulatory activities. As well, there was a definite opinion expressed from members outside the main metropolitan areas of the province regarding the need for more face-to-face communication. Institute members also indicated concerns regarding the magnitude of standards change and the number of approved training offices - they wanted to ensure the accounting profession continues to attract the best and brightest.

Based on the consultations, critical success factors were identified by the committee for all stakeholders. It was felt that the future success of the Institute will be predicated on its ability to develop effective and efficient programs and processes to successfully meet the needs of its stakeholders. Critical success factors included:

- **Public and Government**
  - Development and administration of self-regulatory processes that ensure the professional and ethical competence of all Chartered Accountants
  - Transparency and accountability in all regulatory processes
  - Timely delivery of all self-regulatory activities
- **Members**
  - Undertake self-regulatory processes in a timely and effective manner to maintain and enhance the reputation of the CA Profession (all members)
  - To provide or identify opportunities for continuing professional development for all members (all members)
  - To provide practice advice (small-medium public practitioners)
  - To ensure national consistency of all self-regulatory activities (national public practice firms)
  - To ensure that the profession continues to attract the best and brightest students (all members and in particular CA training offices)
- **Students**
  - Adequate training opportunities
- **Educators (both members and non-members)**
  - Adequate training opportunities for students
  - Professional and knowledge development to enhance teaching and research
  - Support for recruitment of accounting faculty
- **Employers**
  - Access to the best and brightest accounting students
  - Development of clear training guidelines and practical experience requirements

> **Staff and volunteers**
>   o Available of resources – both financial and non-financial
>   o Clear direction to execute responsibilities

Based upon the environmental analysis and member consultations the Committee then identified specific goals and objectives in the form of critical success factors for the Institute and developed processes on how to achieve these goals within the current level of resources available. The critical success factors were then built into the strategic plan.

The strategic priorities for the Institute, as a result of the planning process, as approved by the Board, were to:

- Continue to develop strategic relationships with stakeholders in government and the business community to ensure the marketplace values the pre-eminence of the CA profession.
- Ensure that CAs in Newfoundland and Labrador continue to excel by providing opportunities for superior professional development.
- Ensure public trust and confidence in the CA profession through establishing, influencing, monitoring and enforcing high quality accounting, auditing, assurance and ethical standards and practices. An integral part of this will be the role of practice inspection and discipline.
- Ensure organizational effectiveness within the Institute in particular by capitalizing on the expertise of our membership by encouraging members, particularly those new to the profession, to volunteer with the Institute.
- To encourage growth in the profession by working with local industry employers to increase the number of approved training offices in the province.

The importance of national strategies also came to the forefront as part of the strategic planning process. A national strategic goal to maintain the pre-eminence of the CA profession so that the significant majority of all senior financial positions and advisory roles are filled by CAs was identified. In keeping with this goal, the following key objectives as the priority commitments for the CA profession were identified:

- Attract exceptional people to be CAs and develop and support them throughout their careers.
- Enhance, promote and protect the CA profession.
- Ensure organizational effectiveness.
- Pursue standards and knowledge development initiatives.

The initiatives that are planned by management of the Institute, and the budget to carry them out, were aligned to the achievement of these strategic goals and critical success factors. This was to ensure, unlike the previous plan, the outcomes of the strategic planning process were built into the organizational operations of the Institute.

DISCUSSION

Critical Success Factors

The Critical Success Factor approach that emerges from the management information literature assumes that the designers of a system or a process should focus on those key areas where things must go right for an organization to achieve its goals and objectives.

Critical success factors thus are, for any organization, the limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance. Intuitively there are the few key areas where "things must go right" for the organization to flourish (Finney and Corbett 2007). If results in these areas are not adequate, the organization's efforts for the period will be less than desired. As a result, critical success factors are areas of activity that should receive constant and careful attention from management. For example, the current status of performance in each area should be continually measured

and that information should be made available. Using the CSF approach helped focused discussion and ensured that the outcomes of the strategic planning process were useful and understood by the Board and other stakeholders.

Finney and Corbett (2007) contend there has been some criticism of the CSF approach because it has been felt that it relied on the opinions of internal managers only and was therefore biased (Davis, 1980). Munro and Wheeler (1980) responded to this suggested weakness of the CSF approach by identifying a method that would incorporate the ideas of senior middle managers in determining information requirements. Similarly, Boynton and Zmud (1984) suggested that a cross-section of management be interviewed so that all levels of management would be incorporated.

There has been substantial research focusing on the implementation process around CSFs (Xu, et. al., 2002; Soh et. al., 2000; Ribbers and Schoo, 2002; Bingi et. al., 1999; Al-Mashari, et. al., 2003; Hong and Kim, 2002; Umble et. al., 2003). As outlined by Finney and Corbett (2007), it appears that much of the literature has focused on success factors with very limited or no regard to stakeholder perspectives. This need to ensure that there is a stakeholder perspective (Freeman, 1984; Sexty, 2007) then becomes essential in any strategic planning process. Moreover, with the multitude of stakeholders involved in the accounting profession, consulting with stakeholders becomes an essential part of the process.

Yet questions emerged throughout the consultation process as to what the Institute would consider success and how it could be managed. Success in terms of goals within an organization may be defined in a number of ways, such as financial gains, efficiency or effectiveness. However, success is normally relative and may be perceived in different ways by various stakeholders (Caplow, 1953; Pfeffer and Veiga, 1999; Kauppinen et. al., 2004). It was noted within the consultations that success may not be fully defined by the Institute. Was it increasing membership, protecting reputation, operational efficiency? Success was perceived differently by various stakeholders and it was unclear as to how this could be managed by the Institute. This would be consistent with Oliver's (1991) approach to how organizations strategically respond to institutional pressures; the need to define success and to respond to stakeholder's concerns became a strategic priority for the Committee and the Institute.

From a practice standpoint, in order to manage success and stakeholders' concern it is important to have the appropriate data. Traditional financial accounting systems rarely provide the type of data necessary to monitor critical success factors. Financial accounting systems are aimed at providing historical information to outsiders (e.g., stockholders and others). Only very occasionally is there much overlap between financial accounting data and the type of data needed to track CSFs for strategic planning purposes. For ICANL, there was no financial accounting data that would form the major source of information for a CSF in respect to strategic planning. However, the need for improved cost accounting data to report on CSFs was often evident.

The literature indicates that many critical success factors require information external to the organization (Finney and Corbett, 2007). Yet, the data to support these CSFs are not only unavailable from the financial accounting system but, in the majority of cases, are also unavailable as a by-product of ICANL's usual day-to-day transactions. From a strategic planning approach, the information system must therefore be designed and the external information consciously collected from the proper sources. It will not flow naturally to management and the Board, this creates further institutional pressures on the organizations.

A small but significant part of the information concerning the status of CSFs requires subjective assessment on the part of others in the organisation, rather than being quantifiable. As a result, CSFs can be categorised as either the *monitoring* or the *building* type. From an external perspective, the more competitive pressure for current performance that management and the Board feels, the more CSFs tend toward monitoring current results. As we saw in our participatory approach, significant pressure was being exterted from rival designations and the focus was very much on monitoring rather than necessairly taking on major change initiatives.

Further, as outlined by Finney and Corbett (2007), if CSFs are the factors that an organization must "get right" in order to achieve success it is be necessary to ask all those affected what is "right." Furthermore, as outlined in the literature, different facets of a strategic plan affect some stakeholder

groups more than others. Specific groups are thus more qualified to comment on certain aspects than others. Through widespread stakeholder consultation, the CSF approach can be strengthened. Strategic objectives can be expected to affect more than just senior managers or internal stakeholders. It is therefore, necessary to consider the opinions of those affected stakeholder groups, regardless of their place within the organization or community. Ultimately, the reason for including a broad range of stakeholders is that their interest in an organization's success extends beyond the implementation stage (Chung, et. al., 1993; Chung, 2001). We found that the CSF process was a useful mechanism for dialogue and focusing on the process of strategic planning. It also made the Committee ensure that stakeholders' consultations were thorough and necessary to ask all those affected what are the 'right' goals, objectives and values for the Institute.

Stakeholder Consultation

Freeman (1984, p. 6) originally defined stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's objectives", but many view this definition as too broad to be workable (Laplume, et. al. 2008) especially when viewed from a strategic planning perspective. Using Nickol's (2005) definition resulted in much more understanding by the stakeholders consulted and engaged by the Committee.

As outlined by Maon et. al. (2010), stakeholder theory has emerged as crucial for understanding and describing the structures and dimensions of business and societal relationships. At its core, stakeholder theory helps to specify the groups or persons to whom organizations are ultimately responsible and provides a basis for legitimizing stakeholder influences on organizations decisions. The literature also shows that managers need to accommodate the interests of strategic stakeholders because of their ability to provide or withhold resources needed by the organization (Goodpaster, 1991). Stakeholder theory suggests that taking into account and accommodating stakeholder interests will lead to superior achievement of firm performance objectives with several studies having examined the validity of this claim (Donaldson and Preston, 1995).

The need for superior performance around objectives is especially true in engaging and managing the tensions emerging in the multitude of stakeholder interests in professional accounting organizations. Stakeholders are most likely to support the organization when they believe they have been fairly considered, fairly treated and fairly rewarded (Hosmer and Kiewitz, 2005). The same holds in a strategic planning context. Building trust-based cooperative ties with stakeholders also enhances organizational legitimacy, producing stakeholder support and creating environmental stability, benefiting organizations over the long term (Heugens, et. al. 2002). The same should hold for ensuring that the members of a professional accounting organization are engaged and tensions are managed when a multitude of stakeholders are involved.

It is critical to put the importance of stakeholder consultation within the institutional context of the practice of accounting. While questions of how 'public interest' and professional vision are defined and understood by accountants are indeed important, at a firm level, recognition of the profit motive in firms usually means a strategic planning process that is not pre-occupied with issues of professional legitimacy and self-understandings (Cooper and Robson, 2006).

Beginning in the 1980s, the professions have been subject to profound changes in the nature of their work, largely because professional work has become increasingly embedded in large and oftentimes heterogeneous organizations. This is particularly the case in accounting where critics have suggested that organizations have overtaken traditional professional institutions, such as professional societies and associations, as the core sites of professionalization and regulation (Cooper and Robson, 2006). The result is a growing awareness that institutional change is facilitated by dramatic shifts in core values (Greenwood and Hinings, 1996). Large scale movements in core values, in turn, reflect deeper changes in the central organizing principles of society, or what Friedland and Alford (1991) term "institutional logics". Logics, reciprocally, are based upon rationalized myths (Meyer and Rowan, 1977) or semi-autonomous value structures that are taken for granted as manifestations of powerful assumptions of appropriateness. Professionalism is one such logic that is based on long standing mythologies of

independence and autonomy which, over time, has become a central focus for debate in the field (Suddaby, et. al. 2009 p.410). We found the same in our study where self-regulation was an important consideration and a critical success factor for ICANL; 'Keeping the badge Shiny', an analogy for professionalism and integrity emerged as a critical success factor. Both critical success factors created 'logics' for ICANL, demonstrating the importance of strategic planning for creating core values as a response to institutional pressures.

The trend in the stakeholder literature is also to include power relationships and the participatory nature of the relationships in order to determine which groups may be important in determining what is 'right'. As outlined by Jahansoozi (2006), academic interest in organization-stakeholder relationships stresses the need for organizations to understand, listen, and develop a dialogue with their important stakeholders. Ultimately a "conflict-reduction" approach away from a "revenue-generation" paradigm is based on the premise that important stakeholder groups, such as regulators, educators or students, preferred to be connected to organizations that invested in developing and maintaining relationships (Heath, 2003). Jahansoozi (2006) further contends that focusing on relationships and a participatory approach moves the perspective away from the institution being viewed as the focal point in a stakeholder map. The actual interest instead lies with the relationships fostered by engagement considered essential for maintaining the organization's social license to operate; an institutional logic that develops.

In our experience, the development of these relationships (especially long-term) is crucial for any success in strategic planning and overcoming the obstacles facing the accounting profession. Finally the process of a wide-spread stakeholder consultation process gave us themes and trends in the issues facing the Institute. Following Greenwood, et al. (2002), the consultations with stakeholders promoted a process of discourse among members where strategy was debated and endorsed. Further, it created an institutional logic which ICANL could use for future planning and operations, including a recent proposed merger between the organization and the provincial CMAs, CGAs.

CONCLUSION

It is important to note that in a self-regulated industry, such as the accounting profession in Canada, ensuring the development of a strategic plan that is transparent and considers the importance, shared understanding and contribution of all stakeholders is essential to its success. If this is not achieved, the profession runs the risk of becoming regulated by governments that may not fully understand its goals, objectives or strategies. Different institutional logics develop that may have a profound impact on the future of the organization. Ensuring that any strategic planning process is transparent and focused on engaging with stakeholders is essential for professional accounting organizations to overcome obstacles, ensure buy-in and to seek clarity around goals and objectives. The process of strategic planning then becomes a critical success factor in and of itself.

Trust, commitment, satisfaction, control mutuality and dialogue can all be considered to be essential to the strategic planning process because without these elements the relationships and values would decline or no longer make strategic sense. For long-term relationships with extensive time horizons such as those necessary in a strategic plan, trust becomes even more important. It is only when trust has declined due to a crisis or been eroded over time owing to perceived organizational practices such as failure to address an issue such as external communications in smaller communities that obstacles and control mutuality becomes to become questioned. At that point, a new logic becomes evident; only bigger communities matter to the profession.

Transparency is linked to openness and is described as being both a characteristic as well as an environmental condition for organizational processes. Transparency provides a number of outcomes that are beneficial for stakeholder engagement. As well as rebuilding trust, transparency can be viewed as promoting accountability, collaboration, cooperation and commitment. When an organization's decision-making and operational processes around stakeholder engagement are transparent accountability is possible. Internal and external stakeholders are able to see where (and how) the responsibility lies (Jahansoozi 2006). Strategic planning processes with transparency, focused through a method such as

critical success factors, and grounded in engagement with stakeholders may allow for the emergence of crucial strategic objectives facing a professional accounting organization. Ultimately the process of strategic planning then becomes an essential part of addressing the challenges of identifying, analyzing and managing strategic goals and objectives. Developing a transparent and bespoke process around strategic planning is ultimately a critical success factor in the development of the accounting profession. From an institutional perspective, it allows for values and shared understandings to emerge and, following from Oliver (1991), it strategically addresses institutional pressures and concerns.

When there is a lack of trust or a state of distrust exists in the organization-stakeholder relationship, transparency is a required condition for rebuilding trust and commitment in the relationship Jahansoozi (2006). The strategic planning process that the Institute went through was focused on transparency and engagement with a broad range of stakeholders through using the CSF approach. Through focusing the strategic planning process on critical success factors, there was a better dialogue and understanding of the obstacles, challenges and goals facing the Institute as well as the broader profession. Following Greenwood et al. (2002), the creation of a strategic plan helped reframe professional identities as they are presented to outside stakeholders and enabled professional norms to be reconstituted. A strategic planning process focused on developing trust and engaging stakeholders became an essential critical success factor for the success of the professional accounting organization and its members both from an applied as well as an institutional perspective.

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