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TOWARDS A STRATEGY FRAMEWORK FOR VOLUNTARY MEMBERSHIP PROFESSIONAL ASSOCIATIONS IN AUSTRALIA
A CASE STUDY OF THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT IN AUSTRALIA

Thesis submitted by

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STATEMENT OF CONTRIBUTION OF OTHERS

The following people have made a significant contribution to getting the thesis into final shape.

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DECLARATION ON ETHICS

The research presented and reported in this thesis was conducted within the guidelines for research ethics outlined in the *National Statement on Ethics Conduct in Research Involving Humans (*1999*)*, the *Joint NHMRC/AVCC Statement and Guidelines on Research Practice* (1997*)*, the *James Cook University Policy on Experimentation Ethics*, *Standard Practices and Guidelines* (2001), and the *James Cook University Statement and Guidelines on Research Practice* (2001*)*. The proposed research methodology received clearance from the James Cook University Experimentation Ethics Review Committee (approval number H 1689).

Murray Charles Prideaux   (Date)

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ABSTRACT

The practical problem focused on in this research is that professional associations are not attracting or retaining members even when resorting to strategic planning. Where strategic planning has been applied it has been largely based on for-profit models which are founded on providing benefits to customer and shareholder stakeholders and in developing sustainable competitive advantage. But third sector organisations are more interested in maximising benefits to members where the benefits are not of a financial nature. So it is timely to consider an approach more appropriate to the aims of third sector organisations. The third sector consists of private organisations formed and sustained by members acting voluntarily without personal profit, are democratically controlled, provide benefits to others, and material benefits to members are proportionate to their contribution to the organisation. There are over 600 000 third sector organisations in Australia, employing in excess of 410 000 equivalent full-time employees (Philanthropy and the Third Sector in Asia and the Pacific, 2005).

Research to investigate strategy in third sector organisations can be set up in two main ways. One, seek the opinions of office holders in such organisations. But clearly they have few answers to those problems. Or two, look in-depth at one professional association to ascertain the priorities of the membership. The latter seems more likely to give promising results. The organisation chosen for this research was the Chartered Institute of Logistics and Transport in Australia (CILTA). The research was carried out employing focus groups, in-depth interviews, and document searches that enabled eight Australian case studies to be developed, which were then compared and contrasted with a very successful case in Singapore (CILTS).

The aim of the research is to understand the nature of strategy formulation and implementation in voluntary professional membership associations (VMPAs), which led to inductive research. The case studies were generated and guided principally by the ideas of Yin (2003), to conduct 'with-in' and 'between case' analysis. Important themes emerging from the within-case analysis are summarised in Table 1:

Table 1 Summary of Important Themes Emerging from Within - Case Analysis

Theme
· Vision and mission statements have little meaning or practical value for the operation of Sections
· Leadership establishes the influence position of the local Section and the Institution nationally
· Strategy is essential for the Institute
· Strategic flexibility is necessary for Sections to respond to local conditions while implementing National strategy directives
· Co-operative strategy orientation, not competitive advantage
· Value is a key driver and outcome of the strategy process
· Existence is the primary issue driving strategy
· Satisfying member needs is the key outcome of strategy efforts
· Members need to identify with the Section and the Institute
· Organisational structure drives strategy
· Maintaining and developing industry and government credibility are essential
· The Institute must be relevant to members
· Position determines role
· Multiple roles can be adopted. However, roles(s) chosen shape the strategy process
· Strategy formulation is restricted to issues within the sphere of influence
· A 'business model' is necessary to expand organisational capability
· Strategy needs to be concentrated and focused
· Key strategy barriers are: - poor communication between Sections and between National Office and Sections   - poor implementation of developed strategy   - voluntary membership   - ineffective management committees resulting from resource constraints and high turn-over of committee members due to election cycle   - lack of commitment and/or interest by committee members   - a view held by younger and newer members that older and retired members ('old farts club') are acting as gatekeepers and are resistant to change   - no manageable approach to strategy development   - attempting to manage multiple strategies
· Appropriate terminology is necessary to reflect the voluntary nature of the organisation so that members can understand and identify with
· Organisational values are meaningful to support strategy, but do not drive strategy formulation.
· Relationship building is an essential strategy outcome
· Concentration of strategy effort is necessary to focus effort to a limited number of strategic areas.
· The systemic problem that even though almost all participants believed that the Institute is not competing with other associations, membership is optional, (a discretionary purchase), in contrast to other PAs where membership is required.

Twenty-five elements related to strategy context, strategy barriers, and issues influencing strategy development and implementation emerged from the between-case analysis conducted in Chapter 5. These elements are summarised in Table 2.

Table 2 Context, Barriers and Issues Identified in the Between - Case Analysis

Theme	
Strategy Context	1. Value for membership. 2. A strategic approach is required. 3. Competitive strategies are inappropriate. 4. Relationship building is a crucial outcome of the strategy process. 5. Vision and mission statements provide little practical guidance. 6. Strategic flexibility is required. 7. Developing member's knowledge and skill base. 8. Business model approach in Singapore.
Barriers to Strategy	1. Structure of the organisation. 2. Broad whole-of-industry charter. 3. Ineffective communications. 4. Resource constraints. 5. Voluntary membership. 6. Lack of industry leaders as members of the CILTA. 7. Lack of focus. 8. Ineffective leadership of the Institute. 9. Members drawn from all levels of employment.
Issues influencing strategy	1. Why do we exist? 2. Understanding needs of members and industry. 3. What position and role(s) to be adopted. 4. Relationship building. 5. Relevance and identity. 6. Credibility and reputation. 7. Leadership and influence of the Institute. 8. Concentrating strategy efforts to focus on a limited range of integrated strategies.

Two strategy models developed from this research are presented in Chapter 5. The first is the Strategy Drivers model which identifies the conceptual issues driving strategy consideration in the case organisations. The effect of the Strategy Drivers model is to develop a simple framework of prioritised issues and associated questions requiring continual review as part of an ongoing strategy process. The framework recognises that the fundamental for-profit question 'what business are we in' is inappropriate for the CILTA, operating within an existing legal and taxation system, which constrains operations to the Institute's constitution. For-profit organisations are able to significantly change the nature of their business to reflect their competitive environment, if they so choose. The CILTA and VMPAs are not permitted to change the nature of their 'business' without fundamentally altering their standing as a 'non profit' organisation.

The Strategy Drivers model recognises the necessity for a simple approach to strategy that differentiates the organisation from other industry institutes. By positioning the Institute in the industry to determine the role to be played (finding 20), relationships can be developed and maintained with other organisations (finding 4), rather than adopting a competitive stance (finding 3). The outcome is an integrated strategy that focuses limited resources (finding 12), to avoid 'multiple' ineffective strategies (finding 15).

The model recognises the voluntary nature of the CILTA, and other VMPAs, by providing a framework for ongoing strategic thinking and discussion by committee members, with limited experience and knowledge of the strategy process (finding 13).

The second strategy model is the Future Shaping model which describes a holistic strategy process, the level below the issues driving strategy formulation. The Future Shaping model identifies specific questions to be addressed in the strategy process and provides a framework to facilitate implementation of chosen strategy. The model synthesises the findings of the between-case analysis to develop a simple, flexible approach (Context finding 6) to strategy development in the CILTA. The importance of an integrated strategy outcome from the strategy process is central to this model, as identified in the research (Barriers finding 7 and Issues finding 25).

The Future Shaping model contributes a new dimension to third sector strategy development. Strategy development, based on this model, is focused towards relationship building, in an environment based on co-operation, and free from competitive posturing (finding 3). The model demonstrates that members are a key input, and beneficiary, of the strategy process. The strength of the value outcomes of the strategy process is a significant contributor to membership decline or growth. The model demonstrates that the strategy process is primarily influenced by those issues identified to be in the Institutes sphere of influence, as determined by the identity, reputation, and role(s) adopted. Strategy development commences with the organisation answering the fundamental issues driving the process, 'why do we exist?', 'to whom will we provide value?', and 'what value will we provide?' The research demonstrates that strategy formulation in the CILTA is restricted by the lack

of a simple, clear and flexible model of strategy development (findings 2, 6, 12, and 13). The Future Shaping model addresses that deficiency.

Based on the research conducted for this thesis, the following implementation recommendations are offered.

Recommendation One

Institutes and associations conduct member forums, first at the Section level, to determine member needs by addressing the issues of (1) Existence (why do we exist?), and (2) Value (what value do we provide; to whom do we provide value?). Second, national executive committees develop directional statements resulting from the member forums.

Recommendation Two

The issues of Relevance and Credibility, Position, Leadership, and Concentration, are considered by national executives following the determination of recommendation one outcomes.

Recommendation Three

National executives of cooperating institutes and associations address the strategy issues of Position, Leadership, and Concentration in a cooperative strategy formulation process, to determine association and institute synergy across the relevant industry grouping.

Recommendation Four

National executive's feedback to Sections the Position and Role(s) adopted as an outcome of the industry relationship loop, as determined in recommendation three.

Recommendation Five

National executives develop an integrated strategy to implement the outcomes of recommendations one to four.

Recommendation Six

Sections adopt the Strategic Drivers framework, to consider the strategic issues at the local level, and within the context of the national strategy outcomes.

Recommendation Seven

At least twenty percent of each national and section executive meeting be devoted to strategic dialogue of the strategy issues identified in the Strategy Drivers framework.

Recommendation Eight

An Industry Advisory Body (IAB) be established at national and section levels to provide strategic advice to management committees.

The contribution that this research makes to the third sector literature is that the thrust of any strategy model should be on the benefits to members, as opposed to a model that uses competitive strategy to provide benefits to stakeholders, as is the case in for-profit organisations. The practical value of the models is that professional associations will be able to reorient their focus to manage on behalf of their members, and have a method of ascertaining what is important to fulfil members' needs, and to enhance and grow the association.

There is a growing literature on third sector organisations. However, many of the problems faced by such organisations, particularly VMPAs, have not been identified. The major benefits of the research are that the strategy models, if followed, will lead to an ability to deliver what is required by the membership, and in doing so, grow the organisation and increase its influence in the industry sector.

LIST OF ABBREVIATIONS

CILT	Chartered Institute of Logistics and Transport
CILTA	Chartered Institute of Logistics and Transport in Australia
CILTS	Chartered Institute of Logistics and Transport in Singapore
FP	For-Profit
GS	Government Sector
NFP	Not-For-Profit
NP	Non-Profit
PA	Professional Association
TS	Third Sector
VMPA	Voluntary Membership Professional Association
VO	Voluntary Organisation
VS	Voluntary Sector

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CHAPTER 1   INTRODUCTION

1.0   Introduction

This research investigates strategy development in voluntary membership professional associations (VMPAs) operating in Australia's third sector. The focus is upon identifying the context of strategy (Liao, 2005; Rylander & Peppard, 2003; Scholey, 2005; Slevin & Covin, 1977; Ward & Duray, 2000), the barriers restraining strategy development (Balabanis, Stables, & Phillips, 1997; Crittenden & Crittenden, 2000; Tyler, 2005) and issues (Crittenden & Crittenden, 2000; Lewis, 2002; Madden, McGreggor-Lowndes, & Marsden, 2003) driving the strategy process in VMPAs. Strategic management is the field of study (Perry, 1998) of this research. Third sector strategy development and professional associations are the immediate disciplines. The premise of this thesis is that strategy development and implementation by VMPAs requires a different approach to that employed by for-profit organisations. Extant strategy literature reviewed reveals much about strategy development in for-profit, and increasingly, nonprofit (third sector) organisations. However, there is little information dealing with strategy development by Australian VMPAs. This thesis partially bridges this gap by investigating the context, barriers, and issues of strategy development in Australian VMPAs. Central to the research is a detailed case study of the Chartered Institute of Logistics and Transport in Australia (CILTA). The chapter follows the sequence shown in Figure 1.1.

Figure 1.1 Outline of Chapter 1
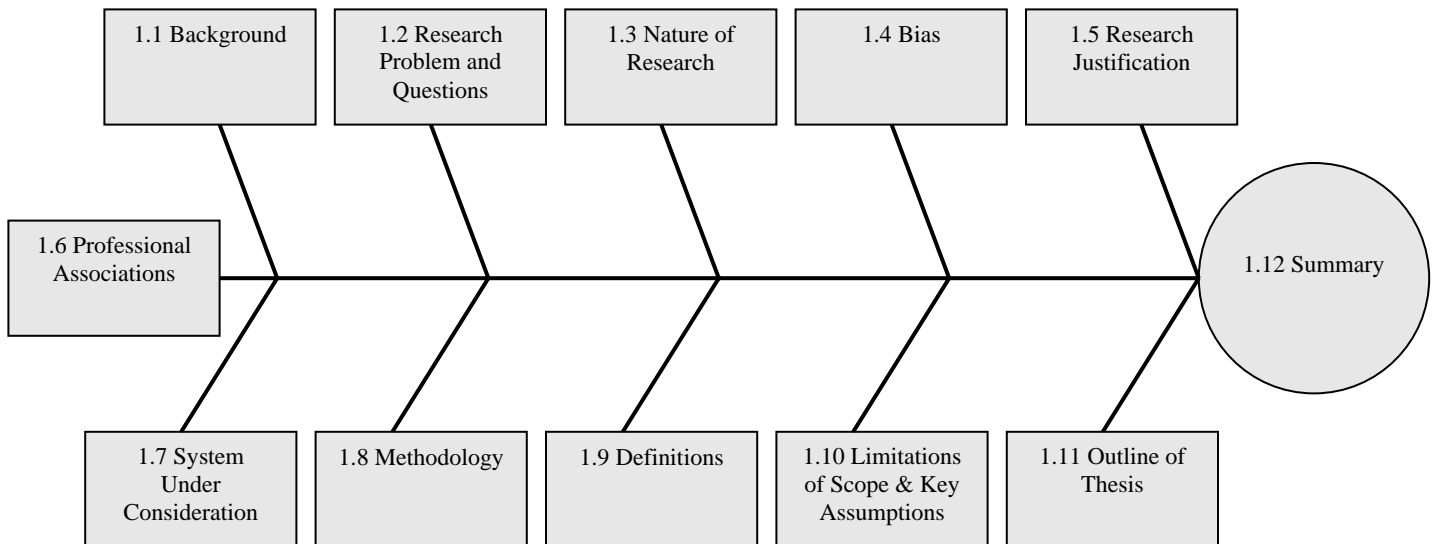
This chapter establishes the framework to investigate strategy formulation in the CILTA, an Australian third sector VMPA. The CILTA is introduced as the case study organisation of this research and briefly described. Interest in this area of research emerged from the evident difficulties experienced by third sector organisations to formulate strategy due to their unique needs and context (Brown, 2005; Bryson, 1995; Bryson & Roering, 1987; Crittenden & Crittenden, 2000; Fisher, 1997; Jaskyte, 2004; Oster, 1995; Pietroburgo & Wernet, 2004; Schraeder, 2002). Earlier research indicates a need for 'doable' strategy frameworks for third sector organisations (Giffords & Dina, 2004; Mara, 2000) and not simply a 'revamping' of for-profit strategy models (Mulhare, 1999).

1.1 Background

Around the world, professional, trade, research, and other associations operating in the third sector, are losing members due to costs, a failure to demonstrate to their membership the benefits that association membership can deliver, and an apparent loss of membership value (Friedman & Phillips, 2004; Wilson, 1997). This research focuses on strategy formulation by Australian VMPAs where membership is voluntary, and not a requirement for industry or career advancement. This voluntary membership criterion imposes significant challenges to third sector organisations to formulate and implement strategy - challenges not faced by organisations in the for-profit or government sectors.

Nonprofit (third sector) associations operating in today's challenging business environment, by necessity, need to become more strategically focused if they are to be, and remain successful (Balser & McClusky, 2005; Brown, 2005; Schlegel, 1999). Although third sector organisations are increasingly adopting a strategic posture, there is a paucity of understanding of strategy formulation by VMPAs. Strategy formulation in VMPAs, particularly those representing the logistics and transport industries in Australia, has not been previously explored. In particular, the needs of decentralised VMPAs, where the major and often only stakeholder and funding source is the associations members, has only been explored in a cursory manner (Crittenden, Crittenden, Stone, & Robertson, 2004; Farmer & Fedor, 1999; Kloss, 1999; M. Stone, Bigelow, & Crittenden, 1999).

Several writers observe that previous third sector strategy research has concentrated on 'revamping' for-profit strategic planning models to meet the special needs of the nonprofit sector (Barry, 2001; Bryson & Roering, 1987; Mulhare, 1999; Sawhill & Williamson, 2001). The research has centred on nonprofit organisations that are externally controlled by their funding source (Maranville, 1999).

The terms nonprofit, voluntary, and third sector are often used synonymously (Anheier, 2003). However, there is a lack of consensus in the literature about the appropriate terminology to describe the group of organisations included in the sector. Each term describes organisations that are not primarily motivated by profit, and are not part of government (Hall & Banting, 2004). The term 'third sector' attempts to draw a distinction between market driven and government sector organisations. The distinction highlights the independence of third sector organisations from government control and a focus on service delivery over profit making. The term 'third sector' is gaining currency in Australian literature and will be used in this thesis. The third sector consists of private organisations formed and sustained by members acting voluntarily without personal profit, are democratically controlled, provide benefits to others, and material benefits to members are proportionate to their contribution to the organisation. There are over 600 000 third sector organisations in Australia, employing in excess of 410 000 equivalent full-time employees (Lyons, 2001; Philanthropy and the Third Sector in Asia and the Pacific, 2005).

Research into strategy development in the third sector is a relatively recent occurrence (Bryson, 1995; Bryson & Alston, 1996; Crittenden & Crittenden, 1997, 2000; Mara, 2000; Oster, 1995). Kearns and Scarpino (1996) concluded that empirical research in strategic planning by nonprofit organisations 'is in an embryonic state with uneven quality in research design, leading to vague and inconsistent findings' (p 27). Stone and Brush (1993) reviewed seventeen empirical studies of strategic planning in the nonprofit sector from 1977-1992 citing no empirical research on strategic planning in the national professional association sector. There is a great need for further research, adaptation and development of useful techniques for voluntary associations (Kloss, 1999). Kloss

concludes that voluntary associations need simplified and more iterative strategy development models, 'along with research and case studies on what does and what does not work'(p. 80). This research partially fills this gap in the extant literature by developing new theory relating to VMPAs and identifying an integrated strategy-planning framework that is 'doable' and interesting, which may assist strategy formulation and implementation by VMPAs, and the CILTA in particular. The research, by studying the CILTA, also responds to Kloss's call for more case studies.

This thesis adopts the proposition that a clear understanding of the context of strategy, barriers to strategy formulation, and identifying the key issues influencing strategy formulation, is a starting point for the development of the integrated strategy framework for VMPAs. Two strategy models were developed during the course of this research. The Strategy Drivers model - Figure 5.2 and the Future Shaping model - Figure 5.3, are outlined in Chapter 5. The models are based on outcomes emerging from the nine CILTA regional and metropolitan Sections based in Queensland, Northern Territory, New South Wales, Australian Capital Territory, Australian National Council, and Singapore (the CILTS). The models provide a general strategy framework appropriate for the particular needs of the CILTA. However, they exhibit the potential for wider application across the third sector in Australia, and possibly internationally.

This study seeks to:
· Provide a case study of strategy formulation, as called for by Kloss (1999), in the CILTA.
· Develop a model for strategy formulation and deployment in Australian VMPAs, which may have wider applicability to third sector organisations generally.
· Commence to bridge the knowledge gap of VMPA strategy formulation by identifying the context, barriers, and issues driving the strategy process in the CILTA, as a representative VMPA, which has not been previously explored in Australia.

1.2 Problem and Research Questions

Problem identification early in the research process is critical to focus literature searches and research activity (Zubber-Skerritt & Knight, 1986). Yin (1989) continues this argument, suggesting that the questions of 'who', 'what', 'where', 'how', and 'why', will lead the researcher to derive a research problem with appropriate parameters. This approach has driven the identification of the research problem addressed in this thesis:

What are the particular factors relevant to develop a strategic framework for voluntary membership professional associations in Australia's third sector?

To address the research problem, two new integrated strategy models are outlined in chapter 5 - the Strategy Drivers and Future Shaping models. The author argues that the models are suitable for the particular needs of the CILTA, and may, with further research and modification, be suitable for other VMPAs. A review of the literature reveals that third sector organisations are increasingly employing strategy models to guide the strategy process. However, such models have been developed for the needs of the for-profit sector, or large donor driven third sector organisations. Such models fail to identify the particular needs and issues of Australian VMPAs.

1.2.1 Research Questions

Based on deficiencies identified in the review of the literature in Chapter 2, a number of key research questions were developed to solve the research problem. The research questions are:

Question 1   what is the context of strategy formulation in a voluntary membership professional association, representative of voluntary membership professional associations in Australia?

Question 2   what are the barriers to strategy formulation and implementation in a voluntary membership professional association, representative of voluntary membership professional associations in Australia?

Question 3   what are the key strategic issues to be considered by a voluntary membership professional association, representative of voluntary

membership professional associations in Australia when developing strategy?

Question 4   what would a strategic framework for the particular needs of the Chartered Institute of Logistics and Transport in Australia look like?

These questions are addressed in Chapter 6.

1.3   Nature of Research

An exploratory approach was adopted for this research. A qualitative inductive methodology employing a case study approach, supported by focus groups, in-depth interviews, and analysis of archival and current data, was considered to be the most appropriate approach to answer the research questions, and address the research problem. 'The strategy of inductive designs is to allow the important analysis dimensions to emerge from patterns found in the cases under study without presupposing in advance what the important dimensions will be.' Case study research strategy provides sufficient flexibility to incorporate elements of other research strategies where appropriate (Patton, 1990, p. 44).

The author considered that a positivist approach was inappropriate for this research because of positivism's perception of reality. Sarantakos (1998) explains that positivism 'defines reality as everything that can be perceived through the senses; reality is 'out there', independent of human consciousness, is objective, rests on order, is governed by strict, natural and unchangeable laws, and can be realised through experience. All members of society define reality in the same way because they share the same meanings' (p. 36). The author argues that not all members of the CILTA (or other VMPAs) define the reality of strategy development 'in the same way' or that they all 'share the same meanings' (p. 36). Therefore, an alternative research approach was called for. In contrast to positivism's perception of reality, the interpretive perspective is that reality 'is not 'out there' but in the minds of people: reality is internally experienced, is socially constructed through interaction and interpreted through actors, and is based on

the definition people attach to it. Reality is not objective but subjective, 'reality is what people see it to be' (p. 36). The author considered that a qualitative inductive methodology was the most appropriate approach to achieve the purpose of this research, to address the research questions, and to address the research problem.

1.4   Bias

A number of potential biases may threaten the validity of the research conclusions. According to Patton (1990, p. 473), Miles and Huberman (1994, p. 263), and Maxwell (1996, p. 91), these include:

·   Selecting data that agrees with the researcher's existing theory.

·   Selecting data that appears significant to the researcher.

·   Reactivity to the researcher by study participants.

·   Effects of the study setting on the researcher.

·   Changes in the researcher as a consequence of conducting the research.

Maxwell acknowledges that it is impossible to completely eliminate biases. However, the researcher is required to explain possible biases and how they will be minimised.

The author acknowledges that he has been a CILTA member since 1985, Chairman of the North Queensland section, and member of the National Council since 1997. These positions were held during the course of this research, and the author was actively involved in the operations of the Institute during the research process. In addition, the author was intimately involved in the earlier unsuccessful strategy formulation process in 2001. This raises questions of possible biases entering the research setting. To counter the possibility of bias, the author clearly articulated at the beginning of each focus group and in-depth interview that:

·   The author took no position on the issues to be discussed

·   The purpose of the research was to gather a rich data source from participants

·   The author was a CILTA member

·   The author was involved in the unsuccessful 2001 strategy formulation and implementation exercise.

During the course of interviews and focus groups, the author said little except to pose questions and allowed discussions to flow freely without the author expressing any opinion regarding the discussions. This satisfies Hess's view that 'validity in qualitative research is not the result of indifference, but integrity', cited in Maxwell (1996, p. 91).

1.5　　Research Justification

Research into strategy formulation in Australian VMPAs can be justified on six grounds:

· The literature describing strategy formulation in VMPAs has not been adequately investigated (Kloss, 1999; Mara, 2000).

· Previous models of strategy development in the third sector have focused on large North American nonprofit organisations specifically targeting the needs of boards of directors, staff and external funding sources. Existing research has produced planning models that are resource intensive, complex, and not specifically adaptable to the particular needs of smaller VMPAs, which may not have the resources, skill, or time for a difficult process (Crittenden & Crittenden, 2000; Kloss, 1999).

· Professional associations provide a vital role in the professional development of their members; contribute to the ongoing professionalisation of the industry in which those members are employed; and facilitate industry research (Fisher, 1997; Kloss, 1999).

· Application of the findings of this research may assist VMPAs, professional associations generally, and third sector organizations, to develop more specific and targeted planning processes suited to their own particular needs and circumstances.

· There is a dearth of case studies shedding light on strategy formulation in third sector organisations (Mara, 2000), and Australian VMPAs and professional associations generally.

· Finally, the research findings will be of theoretical value to the body of knowledge in strategy formulation in the third sector, which is the immediate discipline of the research problem. This satisfies a key requirement of a PhD thesis.

Professional associations fulfil an important role in the ongoing professionalisation of the professions and industries that they represent (Fisher, 1997). Many professional associations are small, and lack the resources to adequately develop strategy that will

ensure their survival (Maranville, 1999; McNamara, 2002). Left to the market place, the demise of professional associations would leave a gap in the ongoing professional development of members and the volume of industry and professional research. Within the particular constraints of Australian VMPAs, existing strategy models do not provide a strategy framework that is 'doable' and achievable (Mara, 2000). The development of an appropriate strategy framework will ultimately lead to improving member value, and contribute to the ongoing relevance and success of professional associations in Australia. This research contributes to closing a gap in the literature that, despite the intense debate over the merits of strategic planning, and ongoing interest in strategy decisions within organisations, little is known about strategy formulation and implementation in Australian VMPAs in particular, and professional associations generally.

1.5.1 Practical Value of the Research

The literature lacks research identifying the context, barriers, and issues driving strategy formulation in VMPAs. This research investigates these issues, and develops a simple 'doable' (Mara, 2000) model to facilitate the strategy process in the CILTA and possibly other VMPAs. The primary beneficiaries of this research are the management committees of VMPAs at all levels; national, state, regional, and section, when developing strategy. The models provide a consistent framework for all committee members. This is of particular relevance, stemming from the high turn-over of management committee members, and the voluntary unpaid nature of service on those committees in VMPAs. The practical reasoning underpinning this thesis is that if VMPAs are unable to develop appropriate strategic responses, the value of the association to its members, and the industry, will decline. Consequently, the association may fail, resulting in a loss of professional development within the industry.

The research outcomes are useful to third sector organisations seeking to implement a manageable strategy process that is suited to their specific situational context. Understanding the barriers to strategy, and the issues driving strategy, may assist VMPAs to focus strategy efforts into areas that will deliver enhanced value to the association, its members, and the industry. Further, the research contributes to the strategy literature by

providing a descriptive case study data on strategy formulation in the CILTA to help shed light on strategy management in the Australian third sector, and develops a strategy formulation framework that may be appropriate for VMPAs.

1.6   Professional Associations

All professional associations serve some purpose and provide some kind of value when they are first organised. If that purpose and value are not sustained over time, the association will lose membership support and eventually cease to exist (Fisher, 1997). One value of professional associations is that they encourage and support new research and its implementation into the theoretical/knowledge base of the profession around which the association is built. A second attribute deals with members constantly pursuing the new revalidated knowledge resulting from the research efforts in the field or cognitive fields. A third value is to encourage and support the professional development of its members (Fisher, 1997). Fisher argues that the real value of professional associations lies in their active involvement in research efforts and professional development of members working in the profession or industry that the professional association represents.

Binder (1999) argues that associations exist to satisfy the needs of, and create value for those members who voluntarily join the organisation. If the professional association ceases to satisfy member needs the membership base is likely to be negatively affected (Binder, 1999). Professional associations exist to advance the standing of members in their occupation or profession by setting educational and other standards governing the profession, advocating favourable public and private policies, aiding members in their professional development, and advancing professional practice through research and information dissemination (Kloss, 1999).

1.6.1   Extant Literature Deficiencies

Previous strategy research has not produced strategy models specifically adaptable to the particular needs of decentralised professional associations with a voluntary membership and where career advancement is not a condition of membership to a professional

association. Kearns and Scapino (1996, p. 431) concluded that empirical research in strategic planning by nonprofit organisations is in an embryonic state leading to vague and inconsistent findings. Although a number of authors, Bryson (1998), Mulhare (1999), Oster (1995), Crittenden and Crittenden (2000) have developed strategy planning models for the nonprofit sector, there is a paucity in the literature identifying the particular needs of VMPAs, except in a cursory manner. One area that has received little attention is the needs and satisfactions of the association's major stakeholder – its membership. Wilson (1997) notes a major weakness of professional associations is that they have not responded to their members' changing needs, or worse, assume that the services offered by the association continues to be relevant to the members.

Wilson(1997) argues that it is relatively uncommon for associations to research in depth what the needs and satisfactions of the membership might be or how the members may best be served. This has a major impact on the strategy formulation process. Cufaude (2001) notes that leadership is critical to association management. He calls on associations to rethink their governance and leadership models to leverage maximum contributions and talents from members. Cufaude argues that this is necessary to suit the rapidly changing, and dynamic environment that professional associations now operate in, whilst ensuring that the associations satisfies the needs of its members. Strategy development in this new environment calls for a new strategy framework.

Strategy formulation and implementation in professional associations is not a simple case of transferring models and practices from the for-profit sector. The process must be tailored to the specific situation of the professional association (Bryson, 1995; Mulhare, 1999; Oster, 1995; Young, 1999). Oster notes that many nonprofit organisations have turned to managerial tools from the for-profit sector for strategy formulation. However, the nonprofit sector is not exactly like the for-profit sector, and the ideas do not always translate smoothly. Schraeder (2002) suggests that strategy must be developed to consider the unique needs and context that the target organisation is operating in. The resulting strategic plan must be viewed as a tool to evoke action within the organisation. It is a living document that guides the organisation in a purposeful way, and not shelved

when completed. In complex nonprofit organisations the only formula for effective strategic planning is to tap the thinking and creative skills of the members (Bower, Tecker, & Feankel, 1999). Many traditional strategies used by professional associations are no longer appropriate or successful (DeLizia & Siegel, 2000). Nonprofit organisations do not have unlimited resources and need a planning process that is 'doable', interesting and not burdensome (Mara, 2000). Kloss (1999) identifies a need for further research on how to engage a vested but highly diverse membership in a change process that may be very threatening to members.

1.6.2   Strategy Development in Voluntary Membership Professional Associations

The third sector is comprised of a diverse range of organisations that include private, professional and trades associations, education, health, philanthropic foundations, religious organisations, and social service agencies. Organisations can range in size from the very large, such as hospitals, Red Cross, Universities, and CARE, to very small, where the organisation has no full-time personnel, and operating with only volunteers (McNamara, 2002). Such heterogeneity has caused problems in describing the sector. Associations, as a type, may also be very heterogeneous, ranging from local, state, national, and international scope of operations. Stone and Brush (1993) noted that there is no empirical research on strategic planning in national professional associations. Most nonprofit organisations lack the resources to conduct comprehensive strategy formulation and implementation. Due to time, money, staff, and skills constraints, nonprofit organisations, including professional associations, often focus 'strategy' development on existing major issues facing the organisation, and attempt to quickly address only these issues. Frequently this results in operational planning rather than strategic planning Poeppe cited in (McNamara, 2002). Kloss (1999) argues that there is a need for research and adaptation of useful techniques for such associations.

1.6.3   Existing Strategy Frameworks

Current strategic planning models developed to assist nonprofit organisations lack the ability to be adapted to the specific needs and circumstances of VMPAs in the logistic and transport industry in Australia, and the CILTA in particular. A review of existing

strategy planning models, and a discussion of their shortcomings is undertaken in Chapter 2.

1.7   The System under Consideration

1.7.1   Brief Historical Context

By the early 20th Century the leaders in various branches of transport in the United Kingdom felt the need to emulate the civil and mechanical engineers and others who had transformed their trades into professions. An extract from Sir John Gibb's letter is of interest and relevant today:

> We must be clear at the outset as to what kind of Institution is needed. It is not an Institution merely to safeguard and promote the interest of an industry or of a professional class. The main object should, I think, be by collective and organised effort to widen the boundaries of knowledge in the sphere of transport and to extend the application of the methods of science. For transport is a science, having its own laws and principles which must in many respects be differentiated from the universals and economic science, and if the laws of Parliament differ from the laws of Transport it is the latter which in the long run will prevail. The truth is now realised with new force of conviction that transport is not only a key industry but the industry which keeps the keys of all other industries. And yet the principles on which this vital industry should be organised and carried on have been less fully explored and are more unsettled than is the case in any other section of our economic life (Chartered Institute of Transport in Australia, 2001, p. 3).

The Institute was founded in London in 1919 as the Institute of Transport and was incorporated under the Companies Act on 26 August 1920. The Royal Charter was granted on 26 November 1926 '…to promote, encourage and co-ordinate the study and advancement of the science and art of transport in all its branches.' The objectives of the Chartered Institute of Transport (CIT) as set out in the Royal Charter, are:

> To promote, encourage and coordinate the study and advancement of the science and art of transport in all its branches, to initiate and maintain investigation and

research into the best means and methods of and appliances for transport, transit, locomotion and conduct and handling of traffic and the most satisfactory solution to all problems involved therein and all questions ancillary or subsidiary thereto; to extend, increase and disseminate knowledge and exchange information and ideas in regard to all matters connected therewith and to assist and further in all practical ways the development and improvement of transport, transit, locomotion and the conduct and handling of traffic in the higher interests of our people (Chartered Institute of Logistics and Transport in Australia, 2003, p. 5).

The first branch of the CIT in Australia was formed in Sydney, New South Wales on 18 January 1935. On 26 October 1992, the Chartered Institute of Transport in Australia (CITA) became an incorporated body under the Australian Capital Territory Associations Incorporation Act 1991. The Institute, both within Australia, and around the world, is a multi-modal professional body dedicated to the encouragement of fair competition between all transport modes, and through that, the use of the most efficient and effective mode for a particular task. Members of the Institute sit on the Boards of, or hold positions at various levels in, all the major transport undertakings, in government agencies, in physical distribution, in industry, in the armed forces, in consultancies, and in transport research and education. In 2002 the CIT worldwide incorporated logistics into its charter and changed its name to CILT. Consistent with the international change of name and charter, the Institute in Australia is now known as the CILTA.

1.7.2 Current Context

The CILTA comprises eleven Sections located in metropolitan and regional centres throughout Australia. Members are encouraged to actively contribute to the ongoing operations of the Institute by serving on local committees or National Council. National Council, formed from section chairpersons, provides overall direction and administrative support to the sections. Members are elected to serve a two-year term on section committees and National Council. Council members are then entitled to attend meetings in an advisory capacity without voting rights for a further two years. Each National Council is responsible for developing and implementing strategy. However, an overall

strategy framework suitable for the specific requirements of the CILTA does not exist. Currently, planning is operationally based, and not strategic, thereby fundamentally weakening the position of the Institute in the industry and reducing the value of membership for existing members.

A diverse federal structure, voluntary membership, multi-modal industry representation, and lack of a suitable strategy framework combine to present significant strategy challenges for the CILTA. Strategy formulation by the National Council attempts to contribute to 'whole of industry' strategic issues, and provide industry leadership. At the section or regional level, strategy strives to recognise the specific needs of members and the transport and logistics issues in the local area.

1.7.3   Structure of the CILT in Australia

The Institute in Australia is governed by the National Council, which consists of:
· National Chairperson
· Four National Vice Chairpersons with portfolio responsibilities
· Immediate Past Chairperson
· International Representative
· Executive Director
· Chairperson of each section.

Section locations and membership distribution, as at 30 June 2004, are shown in Table 1.1.

Table 1.1 Geographic Location and Membership as at 30 June 2004

Section	Established	Coverage	Base	Members
Overseas		Australians outside Australia		48
NSW	1935	Sydney Metro, Central West Region NSW	Sydney	313
Northern NSW	1957	Hunter, New England, Lower North Coast Regions in NSW	Newcastle	85
Wollongong	1991	Illawarra Region NSW	Wollongong	Absorbed into NSW 2000
Victoria	1949	Victoria except South West region	Melbourne	440
South West Victoria	1994	South West region Victoria, Mt Gambier Region South Australia	Geelong	Absorbed into Victoria 2002
Queensland	1952	Brisbane Metro, Central and Western Regions Queensland	Brisbane	290
North Queensland	1984	Northern Regions Queensland	Townsville	50
Gold Coast – Northern Rivers	1998	South East Region Queensland Far North Coast Region NSW	Gold Coast	36
South Australia	1961	South Australia except Mt Gambier Region	Adelaide	88
Western Australia	1955	Western Australia	Perth	211
Tasmania	1975	Tasmania	Hobart	42
ACT, SE NSW	1974	ACT, South East Region NSW	Canberra	89
Riverina-Murray	1974	South West Regions NSW	Wagga Wagga	Absorbed into ACT 2002
Northern Territory	1990	Northern Territory	Darwin	55

Source: CILTA National Office 2004

The National Office, based in Sydney, consists of a Chief Executive Officer and an Office Manager, and provides administrative support to the Institute. Individual Sections administer themselves locally, drawing only limited support from the National Office.

1.7.4   Membership Details

Five membership grades, related to experience and industry qualifications, are offered by the CILTA. Membership grades are summarised as follows:

· **Student**
  - full time students and for a maximum of seven years only
  - must be under 30 years of age on election to the grade.

· **Associate Member**
  - used for persons who do not wholly satisfy the requirements for Member
  - does not include professionally and academically qualified people
  - post nominal: ACIT

· **Member** - the central body of membership. For worldwide equality, the Privy Council in the United Kingdom specifies most membership requirements. These are
  - Age – must be at least 23 years of age
  - Transport experience – at least five years within the transport industry in supervisory positions
  - Transport competence – either
    - at least five years within the transport industry in management positions, or
    - attainment of a tertiary qualification relevant to the transport industry
  - post nominal: MCIT

· **Fellow -** designates those who
  - are at least 30 years of age
  - have attained a high level of eminence in transport
  - have held positions of high responsibility in transport for at least seven consecutive years.
  - post nominal: FCIT

· **Honorary Fellow**
  - honours an existing Fellow who has contributed outstanding and meritorious service to the Institute.
  - requires a National Council recommendation to the International Council for consideration and approval.
  - post nominal: Hon FCIT

1.7.5 Current Environment

Table 1.2 illustrates the size of the major markets in which the CILTA is presently active, and the CILTA's share of those markets. CILTA membership penetration of the industry ranges from a low of 0.118 percent in the New South Wales Section to a high of 0.82 percent in the Northern Territory Section.

Table 1.2 CILTA Share of Transport Market by Region as at 30 June 2000

Section	Number of Members	Estimated Market Size - Managers & Administrators	
		City	State/Region
Overseas	71	N/A	N/A
New South Wales	397	121000	214800
Northern NSW	88	14700	14700
Wollongong	43	14900	14900
Victoria	541	100700	171800
South West Victoria	64	17600	17600
Queensland	304	33100	114900
Northern Queensland	51	8600	8600
GoldCoast	40	10600	10600
South Australia	95	26800	57100
West Australia	216	30100	51800
Tasmania	76	11900	11900
ACT, Riverina	124	26500	26500
Northern Territory	82	5000	5000
Total	**2192**	**421500**	**720200**

Market Data source: Australian Bureau of Statistics

Source: (Chartered Institute of Transport in Australia, 2001)

Eight key indicators indicate that the CILTA has moved into the decline phase. They are:

·   The downward trend in membership. Membership peaked at 2524 in 1992, but has since reduced to 1519 at 30 June 2004 as shown in Table 1.3.

Table 1.3 Total Australian Membership 1991 to 2004

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Members	2524	2497	2520	2447	2385	2251	2268	2260	2192	2010	1757	1641	1519
Net change from previous year	85	-27	23	-73	-62	-134	17	-8	-68	-182	-253	-116	-122
Net decrease from Peak in 1992	-	-27	-4	-77	-139	-273	-256	-264	-332	-514	-767	-883	-1005
Decrease as % of peak members	-	1%	0%	3%	6%	11%	10%	10%	13%	20%	30%	35%	42%

Source: CILTA National Office 2004

· Failure to attract significant numbers of younger professionals within the Logistics and Transport industry to the Institute (less than 120 are under the age of 30).

· Failure to attract female professionals (less than 150 female members).

· Inactivity of some Sections.

· The demise of three regional Sections.

· The push by some Sections to 'go it alone'.

· Demands from members for productive change, and new, more innovative services.

· The absence of any significant restructuring, re-branding or repositioning of the Institute for many years, if ever.

1.8   Methodology

To address the research problem, an interpretive/phenomenological approach was adopted. A positivism approach largely based on a quantitative survey instrument was considered. However, it was concluded that this approach would not deliver the 'rich' data from a holistic perspective required for an exploratory study of strategy formulation in the CILTA/CILTS. On balance, an interpretive paradigm employing exploratory case study (R. Yin, 2003) and Soft Systems Methodology (SSM) (Checkland, 1999) methods was determined to be a suitable approach for this study. The use of case studies as a

qualitative research methodology is widely recognised (Dyer & Wilkins, 1991; Jennings, 2001; Parkhe, 1993; Perry & Coote, 1994; R. Yin, 1993, 1994). Previous research into strategic planning in the third sector (nonprofit) has employed a case study methodology (Crittenden & Crittenden, 1997; Griggs, 2002; Mara, 2000). Given that strategy formulation in an Australian VMPA has not been investigated in any detail, a case study approach was considered appropriate to investigate the context, barriers, and issues influencing strategy formulation. A case study has a number of advantages over other possible approaches. Case studies have the advantage of employing an embedded design of multiple levels of analysis within a single case such as at the industry and company level. The case study approach has the potential to describe complex phenomenon such as strategy formulation and deployment at multiple organisational levels within a single case (R. Yin, 2003). Chapter 3 discusses in detail the methodology employed in this study.

1.8.1   Field Work

Fieldwork was undertaken in 2003 and 2004. Data collection included historical and contemporary sources, focus groups, and in-depth interviews. To simplify data collection and analysis, case study organisations selected exhibited a number of common attributes. These are:

· Each Australian section case study organisation is a part of the national CILTA, and is located in eastern Australia.

· The National Council is treated as a separate case study. However, all Australian sections are considered as forming the National Institute.

· Each section has a membership base involved in the various modes of transport and logistics management, government and/or academia.

· The Singapore Council provides a basis to compare and contrast the findings of the CILTA cases.

1.9   Definitions

Definitions adopted by researchers are often not uniform. Therefore, to add some measure of precision to the ensuring discussion, key and controversial terms are defined to establish the position taken in this research thesis.

Associations

Associations have traditionally been classified as trade associations or professional associations (Salamon & Anheier, 1997).

For-Profit

For-profit businesses are concerned with one bottom line: the financial return on their investment (Brinckerhoff, 2000).

Government Sector

The government sector [code 268] 'consists of the following resident institutional units: all units of central, state or local government; all social security funds at each level of government; all non-market nonprofit institutions that are controlled and financed by government units. This sector does not include public corporations, even when all the equity of such corporations is owned by government units. It also does not include quasi-corporations that are owned and controlled by government units.' (United Nations, 1993).

Professional Association

A professional association generally serves the needs of individuals who are the primary (and possibly only) stakeholder (Kloss 1999). The individuals are the primary members forming the membership base. Professional associations' core roles are to provide professional development through education or training to its members, to facilitate and disseminate research into the profession or industry that it represents, and to provide industry and/or professional representation to government.

Nonprofit

Nonprofit refers to organisations operating with a non-distribution of surplus operating income constraint (Hall & Banting, 2004).

Third Sector

The third sector includes all private organisations that:

·   are formed and supported by people acting voluntarily and who do not seek personal profit

- are controlled democratically
- material benefit gained is proportionate to participation in the organisation (Lyons, 2001)
- not included in the for-profit and government sectors.

In Australia the third sector includes professional, business, and trade associations, private schools, training and education providers, research foundations, private hospitals, private aged care organisations, charities, religious organisations, community health organisations, arts and culture organisations, and sporting organisations (Lyons, 2001).

Voluntary Organisation

Voluntary organisations are distinguished by the significant time members give to serving on governing boards without pay. In addition, members often make significant extra contributions of time and resources to sustain operations of the nonprofit organisation. However, staff may also be employed to assist volunteers to manage the organisation.

Voluntary Membership Professional Association

A professional association to which membership is voluntary, is not a requirement for career advancement in the members industry or sector, and from which membership may be withdrawn at any time (Prideaux & Buttery, 2004).

1.10   Delimitations of Scope and Key Assumptions

1.10.1 Limitations

Section 1.2 outlined the research problem addressed in this thesis. Specifically, the study examines *strategy formulation in a decentralised voluntary membership professional association where membership is not a requirement for career advancement,* observing the following limitations:

- Only one voluntary membership professional association, the CILT, is considered in this thesis. However, two National Councils of the CILT are investigated - the CILTA and CILTS.

- Only CILTA Sections in Queensland, Northern Territory, New South Wales and the Australian Capital Territory are considered. These Sections are located in regional and metropolitan areas across eastern Australia.

- Only one international section, the CILTS was used to compare and contrast the findings of the CILTA cases.

- The research problem necessarily limits the unit of analysis in this thesis to the CILTA and CILTS. As the research uses a case study approach, generalisations of the findings are theoretical rather than statistical (Glaser & Strauss, 1967). Yin (2003) notes that case studies, like experiments, are generalisable to theoretical propositions and not to populations or universes. In this sense the case study, like the experiment, does not represent a 'sample', and the investigator's goal is to 'expand and generalise theories (analytical/theoretical generalisation) and not to enumerate frequencies (statistical generalisation)'(p. 32-33). Eisenhardt (1989) argues that in case studies 'random selection is neither necessary nor even preferable' (p. 537).

1.10.2 Scope

The magnitude of professional associations is such that a comprehensive study is beyond the scope of the research undertaken for this thesis. However, in terms of Australia's logistics and transport industry, the activities of professional associations make a significant contribution to the input and development of government policy, industry practices and operations at a national, state and regional level.

As a consequence, the scope of this thesis is limited to a study of the CILTA and CILTS.

1.10.3 Key Assumptions

The key assumption during the research process is that because of the diversity of the Institutes membership base, and the high level of membership to other third sector associations and organisations by CILTA members, outcomes of the research may be able to be transferred throughout the sector, subject to adjustment for particular organisational circumstances.

1.11   Outline of Thesis

The thesis consists of six chapters as shown in Figure 2.

Figure 1.2 Research Framework for Strategy Formulation in the CILTA
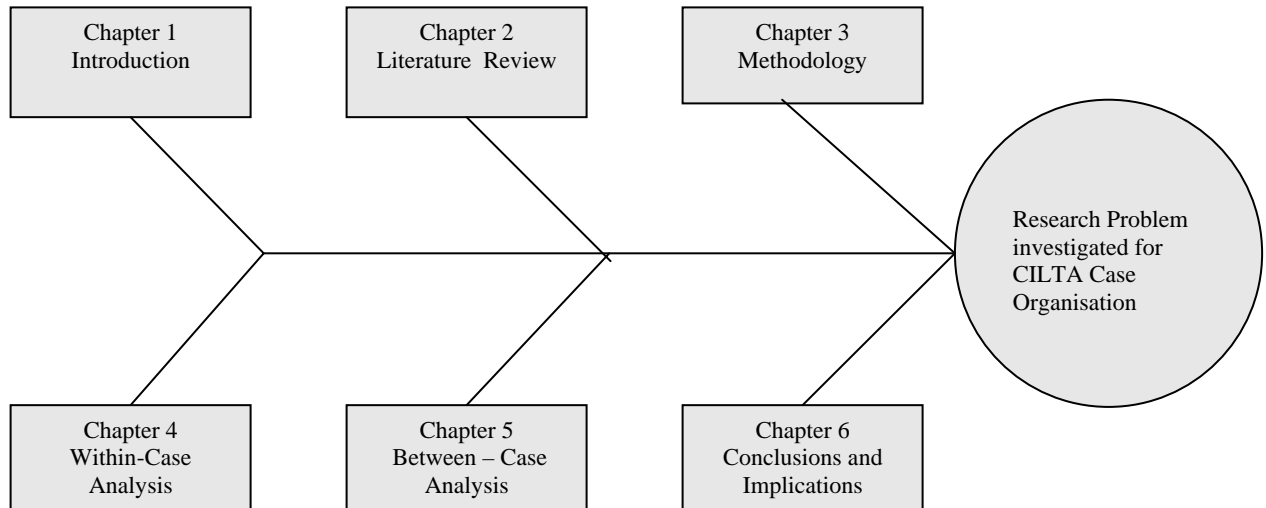
Chapter 1 outlines the background of the research, the research problem, and research questions, justification of the research, methodology, definitions and limitations and develops a contextual framework of the Chartered Institute of Logistics and Transport in Australia.

Chapter 2 links the research problem to existing strategy and third sector literature. Gaps and deficiencies in the literature are identified.   On the basis of deficiencies in the literature examined in Chapter 2, four research questions are identified.

Chapter 3 discusses and justifies the methodology employed in this thesis. The use of case studies as a research method and its application to this research is discussed.

Chapter 4 presents the results of with-in case analysis of each of the nine case studies.

Chapter 5 compares and contrasts the case studies using a between-case analysis approach to identify themes, barriers, and issues impacting on strategy development in the CILTA and CILTS. The Chapter also introduces and outlines the Strategy Drivers

and Future Shaping models suited to the particular requirements of the CILTA. The models enable VMPAs such as the CILTA and CILTS to develop an integrated strategy that is 'doable' (Mara, 2000); that recognises the unique needs and context of third sector organisations without excessively draining organisational and membership resources (Schraeder, 2002).

Chapter 6 presents the findings of the four research questions and the research problem. Implications for theory and practice are highlighted, and limitations that became apparent during the course of the research are described. Finally, areas for further research are suggested.

1.12 Summary

Chapter 1 has introduced the research problem and research questions developed to answer the research problem. It has established the framework for this research. The research was justified, and the method of inquiry to collect sufficient rich data to answer the research questions identified in the extant literature reviewed in Chapter 2, outlined. Having established the research foundations, the thesis will proceed to describe in detail the research and the major findings.

The research presents two new strategy models to assist the CILTA, and possibly other VMPAs and third sector organizations, to formulate and implement strategy. The models are significant, as they are a major departure from current nonprofit strategy models, which are rooted in the assumption that strategy is competitive, leading to a sustainable competitive advantage. The models establish an environment for ongoing strategy discussion and consideration without the requirement for significant resource outlays, a principal barrier to current strategy efforts.

The major research findings are presented in Chapter 6, and confirm that strategy formulation by VMPAs is fundamentally different to strategy formulation by for-profit organizations, resulting from the non-competitive nature and unique circumstances of third sector organisations.

CHAPTER 2   LITERATURE REVIEW

2.0   Introduction

The purpose of Chapter 2 is to develop the theoretical foundation for this thesis. It ensures that the methodology employed to research the issues of strategy development in the CILTA does not repeat previous research. The chapter reviews the field of strategy literature to identify issues that may provide guidance for third sector organisations, and in particular, identifies the special features and planning requirements of VMPAs in Australia. The literature review identifies issues worth researching (Kavanamur, 2004), establishes 'links between the research problem and the wider body of knowledge' (Perry & Coote, 1994, p. 5), and demonstrates the links between the immediate field of the research problem and its parent discipline (Perry, 1998). For this research, systems literature is the parent discipline, strategic management literature is the field of study. This gives rise to third sector strategy and professional associations as immediate disciplines. The objectives of this chapter are to:

·   Critically review the literature on strategy development in the for-profit and third sectors, to identify issues that may provide a framework to guide strategy formulation in VMPAs.

·   Locate gaps in the existing literature, and demonstrate how this research is important in closing them.

·   Formulate researchable questions to address the research problem.

·   Develop a framework to aid in answering the research questions.

The structure of the chapter is outlined in Figure 2.1. The chapter begins by reviewing the systems literature to justify the relevance of the approach to studying strategy development in VMPAs. The field of strategy research, with particular emphasis on strategy development in the for-profit sector, is reviewed next to identify strategy issues that may provide guidance for strategy development in VMPAs. A discussion of the third sector, to identify the particular planning challenges of the sector, follows.

Figure 2.1 Structure of Literature Review

2.1 Parent Discipline

2.2 Field of Study

2.3 Current Issues which May Provide Planning Guidance for Third Sector Organisations

2.2.1 Purpose of Strategic Planning

2.2.2 Theories of Strategy

2.2.3 Models of Strategy

2.2.4 Summary of Field of Strategy

2.3.1 Strategy as Art or Science

2.3.2 Strategic Flexibility and Consistency

2.3.3 Barriers to Strategy Formulation

2.3.4 Cultural Context

2.3.5 Organisation Specific

2.3.6 Strategic Change

2.3.7 Summary of For-Profit Sector Issues

2.3.8 Links between For-Profit and the Third Sector

2.4 Characteristics of Third Sector

Research Problem and Research Questions

2.6.1 Introduction to Literature of Professional Associations

2.6.2 Role of Professional Associations

2.6.3 Value of Professional Associations

2.6.4 Why People Join Professional Associations

2.6.5 What the Literature Says about VMPAs

2.6.6 What the Literature Says about Strategy Issues related to VMPAs

2.6.7 Summary

2.5.1 The Special Case of Third Sector Strategy

2.5.2 What are the Differences about Third Sector Strategy?

2.5.3 What is Third Sector Strategy?

2.5.4 How Strategy Models Aid Planning in the Third Sector

2.8.1 Examples from the Literature of Models for Third Sector Organisations

2.8.2 Deficiencies in Existing Models

2.83 Important Planning Features Missing from the Extant Literature

2.8.4 The Challenge to Develop a Suitable Planning Model of Professional Associations

2.5 Planning Challenges of the Third Sector

2.6 Professional Associations

2.8 Important Planning Features Derived from Extant Literature

Differences and difficulties of strategy development by third sector organisations are highlighted. A discussion of the role, value, and why members join professional associations ensues. The review then identifies the important information that exists to guide planning in professional associations, and what is missing from the extant literature that may be important in the planning process for VMPAs in particular. The chapter concludes by identifying research questions to be investigated in this thesis to explore the research problem.

This research was undertaken to understand the key issues of strategy formulation in VMPAs. The author's interest in this area arose from an involvement with professional associations, attempting to develop a strategic plan, and then facilitating its implementation. The planning process largely followed planning approaches taken from, and used in industry. A 150 page strategic plan was produced, which was subsequently ignored by the various Sections as implementation was judged to be too difficult. Members of the CILTA reported that similar problems were occurring in other third sector associations in which they were also involved. This suggested that existing approaches to strategy development in VMPAs may be ineffective, indicating a need to research the particular issues of strategy formulation in VMPAs

There is a considerable body of knowledge dealing with strategy development, though much of the material deals with competitive strategy formulation in the for-profit sector, and originates from the USA and UK. The volume of research dealing with strategy formulation in the third sector is increasing. However, the focus has been on adapting for-profit models to suit large nonprofit organisations, often with a large staff of paid employees. Again, this research originates primarily from the USA and UK. The particular needs of professional associations, and issues influencing strategy formulation in the Australian context has largely been ignored in the literature. A gap in the literature is revealed.

In relation to Australian VMPAs, the theoretical and practical outcomes of this research partially close two important gaps exist in the literature: (1) the research provides a case study of an Australian VMPA, and identifies the context, barriers, and issues influencing strategy formulation in the CILTA; and (2) develops two practical models to guide strategy formulation. This research was conducted during 2003 to

2005, examines the current extant literature, and uses data gathered from nine case organisations and over 90 participants in focus groups and in-depth interviews.

2.1 Research Classification Model

The analytical approach taken in this chapter is shown in Figure 2.2, and shows the relationship between the parent discipline, the field of study, immediate disciplines, the research focus, research problem, and research questions.

Figure 2.2 Research Classification Model
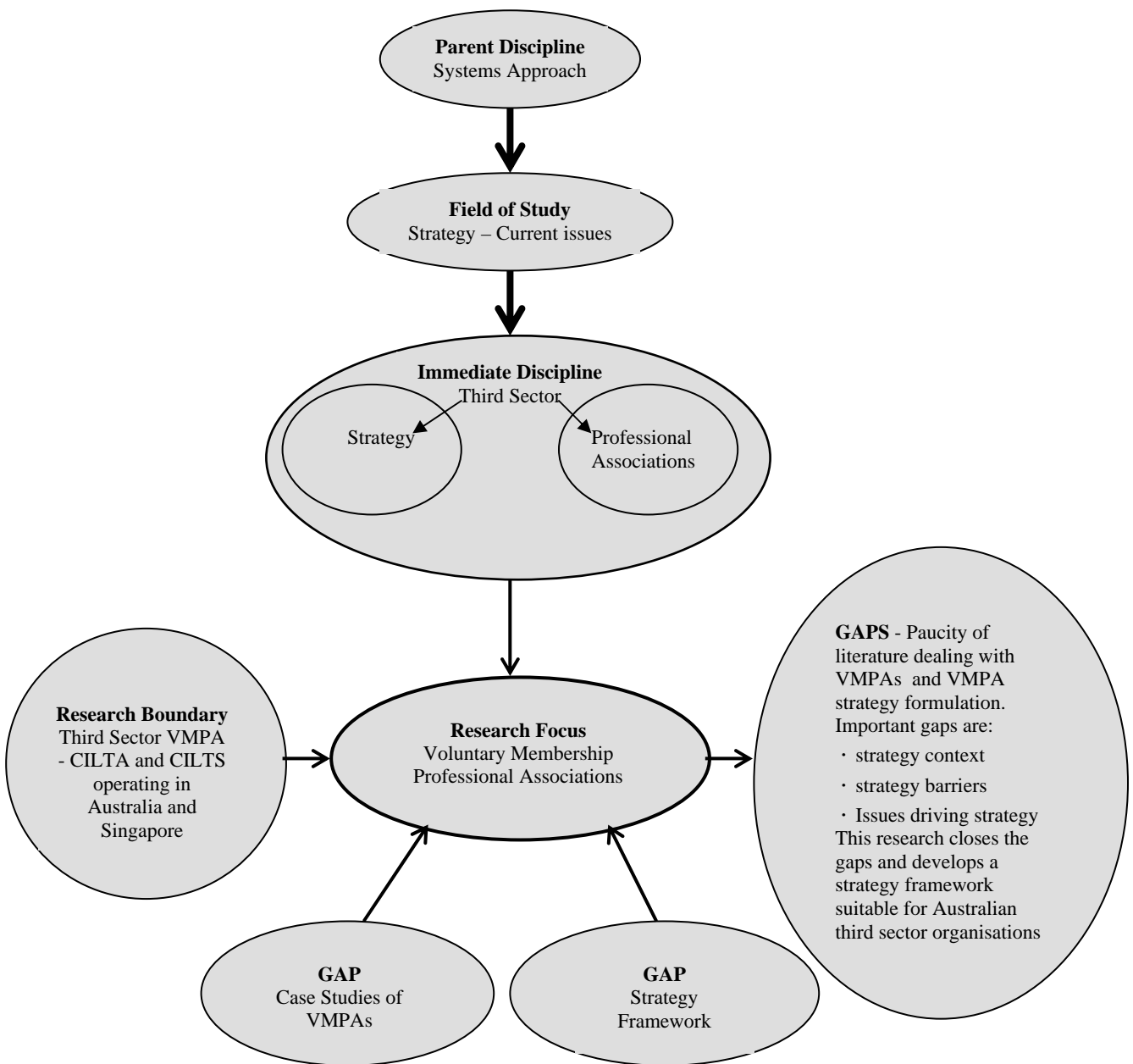
The model shows the logical progression from systems and strategy to a discussion of the third sector, focusing particularly on strategy, professional associations and volunteering, concluding with a discussion of VMPAs, and the important planning features missing from the extant literature.

In sum, this chapter presents a discussion beginning with the systems approach and the broad field of strategy through to the third sector, and concludes with VMPAs. The integrating approach of the systems approach, purpose, theories, and models of strategy, are the key issues discussed in the section dealing with systems and the strategy field. Strategy as an art or science, flexibility verses consistency, barriers to strategy, organisation specific, and strategic change, are the key issues discussed as current issues that may be important to guide strategy formulation in third sector organisations. Planning challenges of the third sector, professional associations, and finally, important planning features derived from the extant literature, are discussed. Finally, the chapter identifies four research questions to guide this research.

2.1.1 Parent Discipline: Systems Approach

The purpose of this Section is to briefly review the systems approach and justify its relevance to the problem of studying strategy development in Australian VMPAs. The conventional science view is to see the world 'in terms of parts or objects any of which is selected by someone who is interested. An object can be a stationary state or undergoing change, a dynamic state or event'(Korn, 2002, p 1442). Problem situations are reduced to their component parts to establish causal relationships, with the sum of the parts constituting the system under study (Locke, 2002; Loefgren, 2002; Papworth & Crossland, 2004). However, conventional science is 'poor at creating dynamic theories of interacting objects especially in the multi-disciplinary field'(Korn, 2002, p 1442) and is not suitable for dealing with predominantly qualitative systems or events such as a living system of human activities, where a holistic systems view and approach is necessary (Elohim, 2002).

A system is open, describes something in reality, and has relations with its environment. A system is a 'set of objects [including the static parts of which the system consists and the functions performed by the system's parts: inputs, processes and outputs], together with relationships between the objects and between their

attributes to each other and to their environment so as to form a whole' (Peter Checkland, 1985b, p. 12).

The General Systems Theory (GST) was first advanced by Ludwig von Bertalanffy as a new 'worldview' for holistic thinking (Mulej et al., 2004). von Bertalanffy viewed objects as wholes with intrinsic goals, questioning the efficacy of the analytical reductionist approach (Peter Checkland, 1999; Schoderbek, Schoderbek, & Kefalas, 1985). GST requires that where a system and its entities are under study, system boundaries be defined broadly enough to include all the important factors impacting on the system. 'Optimisation of parts is sub-optimisation and not good enough – too partial and one-sided to be considered systemic thinking' (Mulej et al., 2004, p 49).

Where the phenomena under study are complex, such as a human system, the reductionist approach of reducing problems to their component parts to establish causal relationships is not sufficient. Intra-relationships and inter-component-environmental relationships make up the wholes requiring a more holistic approach to problem solving rather than a simple study of individual parts. The systems approach attempts to provide a 'more complete understanding of organisations as total systems (configurations of sub-systems) (Kast & Rosenzweig, 1972, p. 447). The total is greater than the sum of the individual system components; viewed numerically as 1+1 = 3 or 2+2 > 4. Human systems under consideration need to be viewed as holons and performance of all the parts 'controlled to produce the desired product [output] at the required rate, cost and purity' (Peter Checkland, 1999, p. 85). The concept of control rests on the idea of negative feedback (Jackson, 2003) on which purposive behaviour – behaviour of human beings is directed at goal attainment can be explained. Negative and positive feedback is significant in systems thinking. Human systems are capable of generating from within the system their own [multiple] purposes and are purposeful. Such purpose spring from the human mind within the system, requiring a series of feedback loops (Bryson, Ackermann, Eden, & Finn, 2004). Negative feedback, which transmits control information, is used to counteract deviations from a goal, to reduce any differences between actual and desired performance (Peter Checkland, 1999). Positive feedback induces instability by reinforcing modification in performance and organisational behaviour.

Organisational behaviour is a function of its own consequences (Skinner, 1953). When behaviour is reinforced positively, such behaviour is likely to occur in the future. Behaviour that is ignored or punished (negative reinforcement) is likely to diminish overtime (Starkey, Tempest, & McKinlay, 2004). Organisational elements of environment, strategy, and expectations, are interconnected and reinforce each other creating reinforcing cycles, which tend to preserve the status quo (Johnson, Scholes, & Whittington, 2005). The interdependence of the elements is likely to reinforce organisational behaviour, but where such interdependence between the elements is altered, 'strategic drift' is likely, resulting in declining levels of organisational performance. However, the feedback loops (positive and negative), and reinforcement cycles, are conduits of communication and subject to the actions of organisational gatekeepers. Where gatekeepers (Oh, 2004) are doing the 'right things' in terms of strategy and organisational management, they are positively reinforced by economic success (Starkey et al., 2004).

Critical systems thinking, soft systems theory, cybernetics, the viable systems model, and dialectical theory, are systems theories that have been developed that attempt to implement von Bertalanffy's holistic worldview and holistic thinking. Checkland's (1999) Soft Systems Methodology (SSM) is discussed in chapter 3 as an underlying methodology used in this research. The basic concepts of systems thinking are illustrated in the left column of Table 1 and represent logical, realistic thinking of reality (Ecimovic, Mulej, & Mayur, 2002). Opposing views are illustrated in the right column and represent reductionist science thinking.

Table 2.1 The Basic Terms of Systems/Systemic/Holistic Versus Un-Systemic Thinking

	Systems/systemic/holistic thinking	Un-systemic/traditional thinking
1	Interdependence, relations, openness, interconnectedness	Independence, dependence closeness, a single viewpoint/system
2	Complexity (and complicatedness)	Simplicity or complicatedness alone
3	Attractors	No influential force/s, but isolation
4	Emergence	No process of making new attributes
5	Synergy, system, synthesis	No new attributes resulting from relations
6	Whole, holism, big picture	Parts and partial attributes only
7	Networking, interaction and interplay	No mutual influences

Source: (Mulej et al., 2004, p. 55)

The system under study in this thesis, the CILTA, is a complex human system operating in Australia's third sector. A simple reductionist study employing traditional thinking, illustrated in the right hand column of Table 2.1, would not capture the complex intra-relationships and inter-component-environmental relationships that make up the CILTA system, calling for a holistic approach to the study. The systems approach provides an integrating approach to analyse the context of strategy development in the CILTA, as a representative VMPA, accepting that 'perfect knowledge' is not a reality. It allows case organisations to be viewed as open systems interacting with the environment, and recognises that strategy development cannot be undertaken in isolation.

The systems approach is relevant to this thesis as it is regarded as the parent discipline to strategy development (Hubbard, 2004; Kast & Rosenzweig, 1974; Limerick, Cunnington, & Crowther, 1998). It is a subject that can speak about other subjects, and as a meta-discipline, can be applied in any other discipline (Peter Checkland, 1999). Throughout this thesis cases are analysed along systems variables of strategy context, strategy barriers, and issues driving strategy formulation. The next section reviews the field of strategy research with particular emphasis on the for-profit sector.

2.2 The Field of Strategy Research

Research into strategy is not a new field of academic study, which has resulted in a substantial body of literature, particularly in the for-profit sector (Farjoun, 2002; Hubbard, 2000b). One of the earliest recorded references to strategy was in a military

context in Sun Tzu's *The Art of War* dating back to 500 BC (Wee, Lee, & Hidajat, 2001). The need for business and organisational strategy first arose in the English textile industry in the eighteenth century as large-scale factories and machinery was introduced during the industrial revolution (Hussey, 1999). According to Stonehouse and Pemberton (2002) the field of strategic management is still in the early stages of development, evidenced by inconsistencies, conflicting viewpoints and interchangeability of terminology used in the literature and in practice. They argue that a number of strategy related terms such as strategic planning, strategic management, strategic thinking, and strategic learning are used ambiguously and interchangeably. A number of authors argue that the strategy idea is confused by the lack of consensus over definitions (Farjoun, 2002; Hambrick & Fredrickson, 2001; Hubbard, 2000b; Kheng-Hor & Munro-Smith, 1999; Pearson, 1999). 'Strategic management as a discipline continues to evolve in response to changes in organisational cultures and the wider community' (Viljoen & Dann, 2003, p. 3). Evolution of the major approaches to strategy is outlined in Table 2.2, which highlights that strategy development in the nonprofit or third sector is a recent phenomena (Hofer, 1976; Stone, Bigelow, & Crittenden, 1999; Wortman, 1979).

As an academic discipline, strategy is considered to have formally commenced with the publication of Ansoff's corporate planning book in 1965 (Ansoff, 1965), as well as Learned, Christensen, Andrews and Guth's business policy book in the same year (Ansoff, 1965; Hubbard, 2000a, 2000b; Learned, Christensen, Andrews, & Guth, 1965). The essence of each of these texts was that organisations are to match internal strengths and weakness with the demands of the external environment's opportunities and threats. 'Top management' were viewed as the logical and natural developer and controller of strategy, as it was considered their role or task to choose and arrange implementation of the chosen strategy. This strategy model has remained extremely influential in the strategy field, particularly in the for-profit sector, and has influenced the development of much of the strategy thinking and research since its publication. The model is illustrated at Figure 2.3. This early approach to strategy development was based on the premise that a firm's success is measured in terms of its market place performance and return on investment, or economic success.

Table 2.2 Evolution of Major Approaches to Strategy

Author(s)/Period	Focus/Approach	Principle(s)
1940s to 1950s	Budgeting	Make sure that budget is met, bills are paid, and costs are not overrun
1960s	Long Range Planning	With longer time horizon, fluctuations in the market could be better managed
1970s	Strategic planning	Take into account the fundamental forces in the external environment, rather than reacting to them or simply 'trending' the past.
Porter, 1980, 1985	Competitive strategy and advantage (competitive forces approach)	In formulating competitive strategy, management should consider five competitive forces: competitors; suppliers; substitutes; potential entrants; and customers. Three generic strategies to gain competitive advantage: cost leadership; differentiation; and focus.
Shapirio, 1989 Ghemawat, 1986 Brandenberger & Nalebuff, 1996	Strategic conflict	Competitive outcomes are the function of the effectiveness with which firms keep their rivals off balance through strategic investments, advertising, pricing strategies, signalling, and the control of information
Rumelt, 1984 Teece, 1984 Wernerfelt, 1984 Grant, 1993 Montgomery, 1995	Resource-based perspective	Firm-specific capabilities and assets, and the existence of isolating mechanisms are the fundamental determinants of firm performance.
Prahalad & Hamel, 1990 Porter, 1990 Teece, Pisano & Shuen, 1997	Dynamic capabilities	It emphasises the development of management capabilities and the difficulties in imitating combinations of organisational, functional, and technology skills. It integrates and draws upon research in such areas as the management of R&D product development processes, technology transfer, intellectual property, manufacturing, human resources, and organisational learning.
Ward & Grundy, 1996 Donaldson, 1991 McFarlan 1993	Linking competitive strategy and functional strategy	• Strategic Business Finance: How finance can be managed for gaining competitiveness by integrating corporate financial strategy, strategic management accounting, and strategic value management. • Information System Technology: Computer-based technology offers new and exciting competitive opportunities
Bogan & English, 1994	Benchmarking	Three distinct types of benchmarking; process benchmarking; performance benchmarking; and strategic benchmarking.
Freeman, 1984 Clarkson, 1995 Donaldson & Preston, 1995	Stakeholder theory	• The corporation has relationships with many constituent groups • The nature of these relationships in terms of both processes and outcomes for the firm and its stakeholders • The interests of (all) the legitimate stakeholders have intrinsic value, and no set interests is assumed to dominate the others • Focuses on managerial decision-making.
Hofer, 1976 Jansson & Taylor 1978 Beg & Wright, 1980 Nutt, 1986 Stone, 1999	Nonprofit strategy formulation, content, and implementation	Research initially focussed on adapting strategic planning approaches from for-profit sector. Research into nonprofit sector is in its infancy. Two major research areas identified by Stone are components of the strategy process and impact of strategy on performance.

Source: (Manning, 2004, p. 13) augmented by Prideaux 2005

A consistent and coherent strategy development approach shaped a rational and deliberate long-term plan, which was expected to ensure the firm's long-term economic survival. Success therefore, was measured in terms of market share and long-term growth and profits (Simon, 1960).

Figure 2.3 Strategy as the Task of the Top Manager
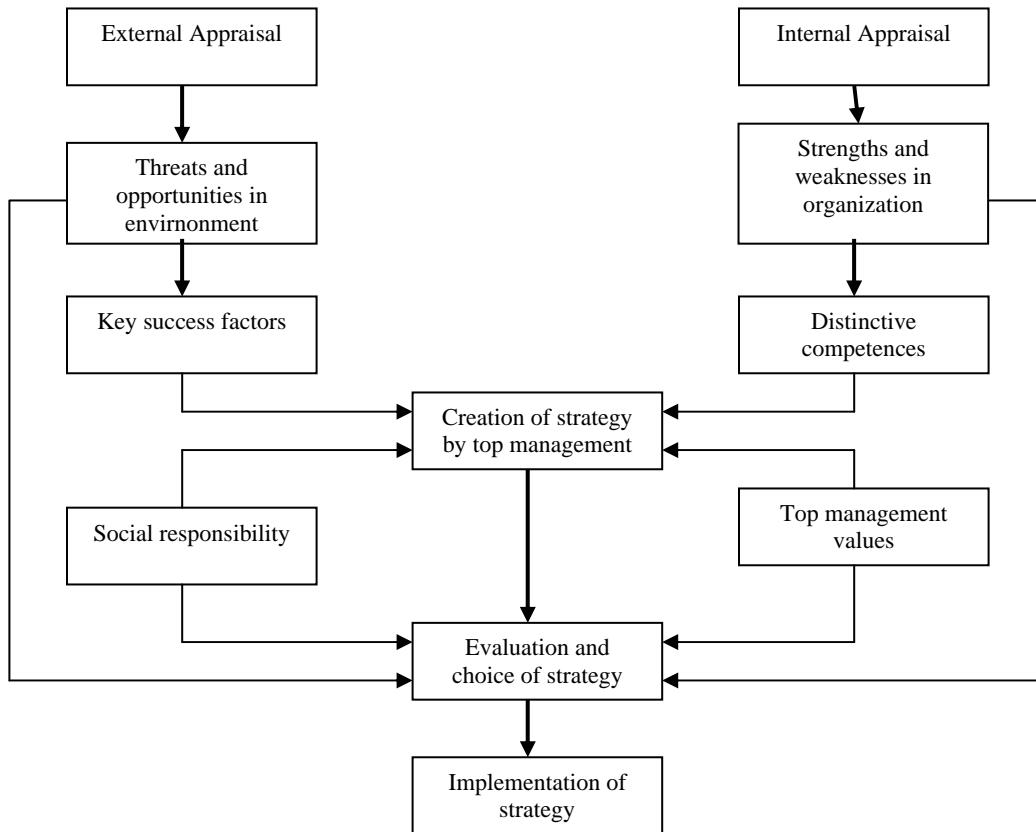
Source: Adapted from (Hubbard, 2000b, p. 3)

Mintzberg (1990) suggests that this strategy model is complex and yet simple, as it is linear with strategic analysis preceding implementation; assumes that all strategic information is available to top management; the (complex) external environment is able to be comprehensibly studied, analysed and understood by the organisation; and presumes the future is closely related to the past. Therefore, a useful guide to the future is a detailed analysis of past performance.

This classic competitive strategy model established the direction for much of the subsequent strategy research. The framework assumes that all organisations have the financial, human, and time resources available to undertake a complex competitor,

industry, and environmental analysis as part of the strategy process. Based on the classic model, early third sector strategy research was found to be inappropriate for smaller third sector organisations (Mara, 2000; Oster, 1995). The third sector consists of a wide diversity of organisations, often without the necessary resource base to undertake the depth and breath of strategy analysis called for in this model.

The assumptions and resource intensity of the classic strategy approach may not be appropriate for small third sector organisations The process 'can consume great amounts of time and resources that small, nonprofit [third sector] organisations may lack.' (Mara, 2000, p. 211). Drucker, cited in (Gazell, 2000), argues that measures of success such as market share, bottom line, or sales, are non-existent in nonprofit (third sector) organisations. This results in difficulties in adopting the classic strategy approach in third sector organisations and VMPAs in particular. Third sector strategy research has increased since the late 1970s but there are noticeable gaps in the areas of strategy formulation, strategy content, strategy implementation, performance, and governance (William F Crittenden & Crittenden, 1997). Stone et al.(1999) subsequently reviewed and classified major studies in third sector strategy development, classifying the research into strategy formulation, content, and implementation, as summarised in Table 2.3. Table 2.3 highlights two important issues related to third sector strategy research:

1. Strategy research has proceeded in three major areas: (1) strategy formulation, (2) strategy content, and (3) strategy implementation.
2. Few recent studies have been conducted into third sector strategy formulation. The most recent studies were York and Zychlinski in 1996, strategy content, and Kushner and Poole in 1996, researching strategy implementation. Researchers have been more active in the area of strategy formulation, with recent studies conducted by Crittenden and Crittenden in 2004 and 2000. However, the issues of strategy context, strategy barriers, and strategy issues, particularly relating to VMPAs in Australia, remain a rich field for investigation.

Table 2.3 Third Sector Strategy Research - Strategy Formulation

Author(s)/Period	Focus/Approach	Method/Sector
Bradshaw, Murray, Wolpin, 1992	Board processes and structure contribution to board and organisational success	Survey 400 nonprofit organisations
Bradshaw, Murray, Wolpin ,1996	Board and CEO gender impact on effectiveness, structure and processes	Survey 276 Canadian nonprofits
Brown and Covey, 1987		Case study of four development agencies
Coghlan, 1987	Test transfer commercial and non-commercial strategy models to religious orders	Surveys and interviews of five religious orders
Crittenden, Crittenden & Hunt, 1988	Relationships between formal planning elements and stakeholder satisfactions	Survey 28 religious organisations
Crittenden & Crittenden, 2000	Determine relationships existing between organizational characteristics and strategic planning processes	Questionnaire 317 nonprofits
Crittenden & Crittenden, 2004	What relationships exist between elements of strategic planning process and performance	300 nonprofit organisations
Feinstein 1985	Extent to which planning can initiate large-scale organisational change	Single case study
Fletcher, 1992	How do executive directors define a good board?	Survey 318 health and human service nonprofits
Jansson & Taylor, 1978	Extent and kind of planning used by social service agencies	Interviews of 167 human service agencies
Jenster & Overstreet, 1990	Extent of planning in credit unions and relationship to performance	Survey 283 credit unions
Odom & Boxx, 1988	Relationship of planning to church size, growth and perception of the environment	Survey 179 churches
Siciliano, 1997	Relationship between formal planning and performance	Survey 240 YMCAs
Siciliano & Floyd, 1993	Board activities (strategic planning) mediate relationship between board composition and organizational performance	Survey 240 YMCAs
Stone, 1989	What determines adoption of formal planning by nonprofits, whose interests are served by planning	Interviews of 44 performing arts and social services nonprofits
Stone, 1991	Relationship between board characteristics and formal planning	Interviews of 44 performing arts and social services nonprofits
Tober, 1991	Describing interorganisational network in rural region	Interviews and archival search of 19 service organisations
Unterman & Davis, 1982	Why do so many nonprofits use strategic planning?	Case study 100 nonprofits
Vogel & Patterson, 1986	Relationships between strategic planning and structure	Case study of youth service agency
Webster & Wylie, 1988	Why do nonprofits adopt strategic planning?	Survey 154 nonprofits
Wolch, 1990	Influence of environment on adoption of planning	Survey and interview – 14 voluntary organisations
Wolch & Rocha, 1993	Use of planning as a response to funding changes	Voluntary organisations
Young & Sleeper, 1988	Relationship between national association structure and use of strategic planning and management systems	Survey 79 health and social welfare associations

Table 2.3 Third Sector Strategy Research (Continued) - Strategy Content

Author(s)/Period	Focus/Approach	Method/Sector
Beg & Wright, 1980	Service funding and block funding	Four social work programmes
Bernick, 1984	Why have anti-poverty agencies that started new ventures been successful?	Five anti-poverty agencies
Bielefeld, 1992	To what degree are different strategies successful in reducing uncertainty?	174 health, educational and cultural nonprofits
Bielefeld, 1994	What strategies are important to nonprofit survival	Longitudinal study of 228 nonprofits
Boje& Whetten, 1981	What strategies and constraints affect network centrality and attributions of influence?	Interviews of 316 manpower agencies and 17 communities
Colignon, 1987	Do greater degrees of environmental contingency and organizational permeability lead to more dynamic organizational design?	Interview & survey of 29 social service nonprofits
Galaskiewicz & Shatin, 1981	Under conditions of turbulence, do leaders target networking efforts on who they know personally or believe share their values and loyalties?	181 school, churches, general welfare and youth nonprofits
Gronberg, 1991	Administrative and work contingencies nonprofits encounter dealing with different revenue streams	Six social service nonprofits
Hardina, 1990	Do funding sources determine if strategies are client-exclusive or consumer inclusive?	Longitudinal survey of 53 Social welfare agencies
LaBarbera, 1991	Enterprise activities of religious organizations	Interviews of 35 religious organisations
Liebschutz, 1992	Making sense of federal budget decisions	Six health and social service organisations
Martin, DiNitto, Byington, & Maxwell, 1992	How a rape crisis centre transformed	Case study on rape crisis centre
Nielsen, 1986	What is a piggybacking and shared cost strategy?	Case study, 15 nonprofits
O'Brien & Collier, 1991	Implementing mergers and acquisitions in nonprofits	Case study, one merged nonprofit
Provan, Beyer & Kruytbosch, 1980	Changes in power and dependence	Archival and interviews, 46 human services nonprofit members of United Way
Schmid, 1992	Environmental impact on strategic and structural change	126 human services organisations
Schmid, 1995	Impact of mergers on financial uncertainty, resource dependency, inefficiency, and political struggles	Longitudinal study
Singer & Yankey, 1991	Nonprofit mergers and acquisitions	Structured interviews of 18 social service organisations
Singh, Tucker & House, 1986	Organization change among voluntary social service organizations	Archival and interviews of 389 voluntary social service associations
Tucker, Singh, & Meinhard, 1990	Ecological and institutional changes	Archival and structured interviews of 451 social service nonprofits
Wilson & Butler, 1986	Framework for analysis of strategy in voluntary organizations	Interviews and documentation of four voluntary organisations
York & Zychlinski, 1996	How and why do competing nonprofits also pursue cooperative strategies?	Questionnaires 37 nonprofit organisations

Table 2.3 Third Sector Strategy Research (Continued) - Strategy Implementation

Author(s)/Period	Focus/Approach	Method/Sector
Alter, 1990	Service and client characteristics and service variables – effect on conflict and co-ordination	Interviews and questionnaires of 15 human service organisations
Bailey, 1992	Factors contributing to tension between affiliate agencies and headquarters	Comparative case study of two national associations
Bartunek, 1984	Interpretive schemes undergo change – leadership as the moderating factor	Longitudinal study of a religious order
Golensky, 1993	Factors explaining pattern of interaction between board and executives	Comparative case study of four nonprofits
Haran & Saidel, 1994	How and under what conditions do nonprofit boards influence the government-voluntary sector relationship?	Questionnaires to 464 executives and board members
Heimovics, Herman, & Jurkiewicz, 1993	Changing management of nonprofits due to growing partnership between government and nonprofits	Interviews of 52 executives
Heimovics, Herman, & Jurkiewicz, 1995	Effective and ineffective nonprofit executives – the political dimension	Interviews of 52 nonprofit executives
Herman & Heimovics, 1990	What skills distinguish more effective executive directors from less?	Two comparison groups
Kushner & Poole, 1996	What organizational structures are linked to effectiveness?	Interviews and archival of 19 performing arts organisations
Martin & Glisson, 1989	Extent structure is determined by societal culture	58 social welfare organisations
Miller, 1991	How beliefs, experiences, and interests enable an organisation to sustain its structure	Interpretive study
Murray, Bradshaw, & Wolpin, 1992	Relationship between patterns of power distribution in boards and performance	Survey of 417 health and social welfare nonprofits
Nutt, 1986	Tactics to implement planned change	91 Case studies of service nonprofits
Nutt, 1987	Tactics to implement strategy and which are most successful	68 Case studies of service nonprofits
Nutt, 1989	Testing a contingency framework for implementation tactics	50 Case studies of service nonprofits
Schmid, 1992	How environmental factors affect strategy and structure	Longitudinal study of three types of human service organisations
Sheinfeld & Weirich, 1981	Ideological paradigms and impact on other organisational factors	Case study of large community mental health centre
Smith & Shen, 1996	Relationship between different forms of governance and reputational effectiveness	Questionnaire to 39 volunteer-managed nonprofits
Van de Ven & Walker, 1984	Creation, growth and decline of inter-organisational relationships	14 human service organisations and their relationships with 110 other organisations
Warner & Austin, 1991	Decision-making style and leadership patterns of nonprofit human service organizations	Interviews with 12 executives of social service agencies
Wood, 1992	Do boards have different decision-making styles and predictability of cycles	Interviews with board members of 21 youth serving agencies

Source: (Stone et al., 1999), augmented by Prideaux 2005

According to Stone et al., (1999) three major findings emerge from the review of strategy formulation. First, many nonprofit organisations have not adopted any form of strategic planning. This was the case with the CILTA up to 2000. Second, where formal strategic planning had been adopted, major changes have occurred to organisational mission, structure, board and management roles. This was not the case with the CILTA following adoption of the 2000 strategic plan by National Council, as the plan was only partially implemented by the National Council and the Sections. Third, the relationship between planning and performance is not clear.

In the CILTA case, performance, if measured against membership growth, has continued to decline since adopting the plan. Three major findings emerge relating to strategy content. First, strategy is largely driven by relationships with funding organisations, and characteristics of resource environments. This was not the case with the CILTA as the organisation had largely isolated itself from its environment. Second, changing needs of clients has not been researched in any detail. A finding which is particularly relevant to the CILTA as no formal membership surveys have been conducted by either National Council or Sections during the past decade. Third, competitive and non-competitive strategies are pursued by nonprofit organisations. The CILTA has attempted a range of 'non-competitive' strategies, which are most appropriately described as 'operational' at best. Further, Stone's findings highlight the paucity of research into voluntary organisations and VMPAs in particular, and the issues to be considered when formulating strategy. This research will address this gap in the extant literature.

2.2.1   The Purpose of Strategic Planning

Strategic planning and strategic management are not separate activities but interrelated and ongoing actions (William F Crittenden & Crittenden, 1997). The essence of strategic planning is the alignment of the organisation to the environment (Kissler, Fore, Jacobson, Kittredge, & Stewart, 1998). The guiding ideological foundation of strategic planning is that, actions guided by a deliberately planned strategy, produce outcomes that are more suitable to the organisation than actions selected by other means (Grace, 1996; M. E. Porter, 1980). The overall effect of strategic planning on long-term performance is very weak (Boyd, 1991). Pearson (1999), writing of the for-profit sector, supports this view, noting that formal planning

has not been found to have any decisive correlation with corporate success. However, there is little evidence to link formal strategic planning with organisational success, and different approaches to strategy have evolved (Hodgkinson, 2002; Pearson, 1999). Ramanujam, Ramanujam, and Camillus (1986), commenting on strategic planning, observed that: 'the results of this body of research are fragmented and contradictory' (p. 347). As a result, research shifted from the narrower concept of strategic planning to the broader concept of strategy, with strategic management dominating the literature (Viljoen & Dann, 2003). The difficulty of determining a precise measure of strategy and organisational success is acknowledged in this thesis. However, it is beyond the scope of this research to comprehensively investigate this issue.

Strategic management is an active, evolving process, which is not completed with the delivery of a strategic plan but considers implementation issues during strategy formulation (William F Crittenden & Crittenden, 1997). This is applicable to all businesses, large and small, profit and nonprofit, private and public organisations (Boseman & Phatak, 1989). However, a precise definition of strategic management remains problematic. For-profit strategic management centres on rivals developing and exploiting competitive advantages and the secrecy in developing the advantages. Cooperation and competition in the nonprofit sector is even more complicated than in the for-profit sector, and a major challenge for nonprofit (third sector) strategic management (Oster, 1995).

The essence of this research suggests that strategy development in third sector organisations may be more complex and difficult than for-profit sector strategy development. Organisational purpose, according to Hammack and Young (1993) is the fundamental difference between for-profit and third sector organisations. The fundamental purpose of for-profit organisations is to develop a sustainable competitive advantage and make a profit for distribution to key stakeholders. However, the essential purpose of third sector organisations is to satisfy a need, either for members, the community, or others. Profit, in itself, is not the primary driving force for strategy development. This suggests that further research is necessary to identify the strategy variables, and an approach appropriate to the particular needs of third sector organisations.

2.2.2 Theories of Strategy

Currently, there are numerous approaches in the literature to explain strategy. However, there is no agreement on an overall theory or framework that is suitable for all organisations (Hubbard, 2004). Economics and organisational theory/organisational behaviour provide the source of prevailing strategy theory. Table 2.4 illustrates the major current theoretical approaches to strategy and their organisational focus.

Table 2.4 Current Theoretical Approaches to Strategy and Primary Focus

Theory	Primary Areas of Attention
Structure-Conduct-Performance/Positioning	· industry structure · industry profitability · competitor position
Transactions Cost Economics	· markets and market availability of goods and services · internal production costs
Agency theory	· incentives, controls and contracts between management and owners
Game theory	· actions and reactions to competitors over time
Behavioural theory	· identification of stakeholders · understanding goals and power of stakeholders · understanding decision-making processes within the organisation
Managerial theory	· managerial motives and actions · organisational aims
Resource-based view	· identifying unique, valuable resources within the organisation
Dynamic capabilities	· identifying the underlying processes of the organisation which leads to the existence of the resources of the organisation
Evolutionary theory	· analysis of the past learning process and existing learning capabilities of the organisation
Chaos theory	· understanding the elements of the system of organisations and environment in which the particular organisation exists · understanding how organisations in the system have adapted, grown and self-organised, or have failed

Source: Adapted from Hubbard (2004, p. 8)

Table 2.4 highlights:

· The wide range of theories currently being applied in the strategy field.

· The significant fusing of theories, yet significant differences of emphasis.

· Information collection and analysis, problem description, and proposed solution, will differ significantly between theories.

· Solutions posed by each approach are likely to be different.

· That there is no single accepted meta-theory or integrating approach which is capable of explaining all current approaches.

These theories highlight the dynamic and complex nature of the strategy process in the for-profit sector, the sector for which these theories were proposed. They provide rich and complex data collection and analysis challenges for organisations. However, the underlying assumption is that organisations have a resource base capable of adopting and implementing the selected theory. Fundamentally, they assume that organisations have the ability to determine 'what business' they are in and change that business if the competitive dynamics of the market place dictate.

Third sector organisations essentially provide a service through the satisfaction of some identified need in the community. Frequently the resource base is not available to 'change business' to advance a sustainable competitive advantage, as is the case in for-profit organisations. The legal structure of many third sector organisations prevents them from 'changing business'. To do so would fundamentally change the nature of the organisation, its tax status, and ability to deliver services. This is the situation with the CILTA. Strategy development then is driven by a different question; one requiring a less resource intense strategy development process to those portrayed by the theories shown in Table 2.5. This suggests then the need for a strategy approach requiring fewer resources to achieve a desired strategy outcome.

2.2.3 Models of Strategy

Models attempt to describe the interaction between the various elements at work in the strategy process with the aim being to allow the model's users to develop and then implement strategy within an organisation. There is 'no currently accepted single model of strategy'(Hubbard, 2004, p. 16). D'Aveni (1994) argues that current strategy models concentrate on strategic fit, stability and capabilities, and do not lead to long-term sustainable competitive advantage in a dynamic competitive environment. D'Aveni proposes that the only enduring advantage arises from a firm's underlying dynamic capability to generate new advantages.

Brown and Eisenhardt (1997) argue that strategy must be unpredictable, 'Strategy is about surprise. It is not about planning an approach and knowing how it will unfold.' Strategy must be uncontrolled. 'It is not about command and precision planning by

senior executives.' Strategy is inefficient. 'It is about stumbling…making mistakes, bouncing back, and falling into the right decisions.' Strategy is proactive, continuous and diverse, '…making a variety of moves with varying scale and risk.'(p. 7). They offer five process based 'building blocks' of strategy: (1) improvisation – innovating and executing without rigid structures and rules; (2) coadaptation – capturing cross-business synergies without destroying the uniqueness of each business; (3) regeneration – exploiting the old ways and exploring new ones; (4) experimentation – wide-scale experimentation and flexibility; and (5) time pacing – seeking rhythm, choreographing changes (p. 22-23).

Table 2.5 compares the four main strategy models, including Brown and Eisenhardt's complex and adaptive systems approach to strategy. These strategy models highlight the complexity of the competitive strategy task and the intensity of the resource requirement to implement these strategy models. The underlying goal of these strategy models is to gain and sustain some degree of competitive advantage. However, such competitive advantage may not be a fundamental goal of VMPAs. Further, such models are underpinned by strategies requiring selection of the right industry (five forces), vision creation (core competence), making the right competitive and collaborative moves (game theory), and gaining 'edges'. Moving between industries, creating grand visions, gaining edges, and making the 'right' competitive moves, suggests an organisational capability and a legal freedom that may not be available to small voluntary organisations such as VMPAs. Such strategies may not reflect the context of strategy development in professional associations, where the underlying focus remains as professional development and delivering membership benefits. Finally, measures of success, as defined by profits, long-term dominance, short-term wins, and continual re-invention, may be at odds with professional association philosophies.

Table 2.5 Models of Strategy

	Five Forces	Core Competence	Game Theory	Chaos Theory
Assumptions	Stable industry structure	Firm as bundle of competencies	Industry viewed as dynamic oligopoly	Industry in rapid, unpredictable change
Goal	Defensible position	Sustainable advantage	Temporary advantage	Continuous flow of advantages
Performance driver	Industry structure	Unique firm competencies	Right moves	Ability to change
Strategy	Pick an industry, pick a strategic position, fit the organisation	Create a vision, build and exploit competencies to realise vision	Make the 'right' competitive and collaborative moves	Gain the 'edges', time, pace, shape semi-coherent strategic direction
Success	Profits	Long-term dominance	Short-term win	Continual re-invention

Source: Hubbard (2004, p. 362)

The CILTA and similar Australian VMPAs, do not have access to the quantum of necessary resources to undertake the complexity and richness of a strategy exercise suggested by some of the models in Table 2.5. However, strategy development is important, if not critical, for the long-term survival and future growth of the CILTA. The question then is, what strategy model is appropriate, and how does the CILTA develop strategy in its complex and dynamic environment, with few resources at its disposal?

2.2.4   Summary of the Field of Strategy

This section has introduced the field of strategy. It has briefly reviewed the history of strategy development, starting with strategy in a military context in *Sun Tzu's The Art of War* dating back to 500 BC. It identified that the modern academic discipline of strategy is considered to have commenced with the classic strategy model illustrated in Figure 2.3. Strategy development, under this model, requires significant resources, which may be beyond the capability of many small third sector organisations such as the CILTA in particular.   Strategy theory development, presented in Figure 3, identified the dynamic and complex nature of the strategy process in the for-profit sector.   However, implementation of the theories is resource intense for the implementing organisation.

This section concludes that existing strategy approaches and models are resource intensive and beyond the resource capabilities of many third sector organisations to

implement, including CILTA, thus requiring a new strategy model to assist VMPAs. It was shown that strategy formulation in VMPAs has not been adequately addressed in the extant literature. This thesis will partially close that gap. The section identified the complexity of existing models of strategy and highlighted the need for a strategy model that is less resource intensive. The following section briefly examines strategic issues that may shed light on strategy development in Australian VMPAs and the CILTA in particular.

2.3   Current Strategic Issues which May Provide Guidance for Third Sector Organisations

This section briefly reviews for-profit sector strategy issues that may provide potential research directions to VMPA strategy formulation in this thesis. Strategy is linked to senior executive's personal philosophy and personality (Hambrick & Fredrickson, 2001; Kotey & Meredith, 1997). Self-interest, personality, interpretations, and influences of management, have been linked to the strategy formulation process and organizational performance (Guth & Macmillan, 1986; Janis, 1972; Smircich & Stubbart, 1985; Walsh & Fahey, 1986). Parnell & Lester (2003) argue that in some respects strategic management remains an intuitive and philosophical activity requiring key 'judgement calls.' Such judgement calls may include making apparent contradictions when developing strategy if an organisation is to be successful. The criticality of human judgement in the strategy process is indicated by the preceding discussion.

2.3.1   Strategy as Art or Science

Parnell and Lester (2003) argue that the art versus science debate is 'one of the most fundamental issues in strategy formulation. The process of strategy formulation is a key building block of strategy. In other words, one's view of *how* the strategy process should function is inseparable from one's view of *what* the strategy should be (i.e. content)' (p. 292). Management's adoption of either one of these strategy approaches will influence the models of strategy employed, the nature of data collected and analysed, description of strategy issues, proposed strategy solutions, and the ultimate success or failure of the organisation. A fundamental choice any organisation has to make, including the CILTA, is to carefully consider and determine its position on how strategy should be developed. According to the art perspective, environmental

unpredictability and the rapid pace of change suggest that the fundamental value of strategic planning is limited. Faced with such conditions, intuition and creativity are essential ingredients for the design of integrated strategy (Ford & Gioia, 2000). Accordingly, there is no one best approach to strategy. In contrast, the science perspective views the environment as being objective, able to be analysed, and largely predictable. Strategy development then is a systematic process of environmental, competitive, and internal analysis (Parnell & Lester, 2003). The art and science approaches to strategy are illustrated in Table 2.6.

Table 2.6 The Art and Science Approaches to Strategy

Characteristic	Art	Science
Systematic analysis of environment	Difficult at best	Possible and essential
Environmental predicability	Very limited	Extensive
Perception of environment	Subjective	Objective
Planning steps	Varies by organisation; no one best way	Similar for most or all organisations
Key intellectual influence	Imagination	Analysis

Source: Parnell and Lester (2003, p. 292)

The role of imagination and creativity in the strategy process is inclined to be rejected or minimised by *'Strategy scientists'*. Strategy alternatives, other than those emerging from the comprehensive analytical approach, tend not to be accepted by strategy scientists. On the other hand, '*strategy artists'* frequently regard strategic planning activities as a waste of effort and time, and may not be as likely as the *'Strategy scientists'* to make the necessary effort to maximise the value of a formal planning effort (Hamel, 1996; Hoffman, 2001). Evidence indicates that strategy is both a science and an art (Parnell & Lester, 2003). Parnell and Lester's point is of particular significance to third sector organisations as they confront dynamic environmental and organisational conditions (W F Crittenden, Crittenden, Stone, & Robertson, 2004; Stone et al., 1999) that challenge traditional views of strategy and the requirement for strategy development.

The CILTA, prior to 1999, had not recognised a need to plan strategically. Management of the organisation was largely left to the executive director who

reported to the National Council twice a year. The executive director set the meeting agenda and effectively controlled the Council meeting process. A review of meeting minutes reveals a concern for the ongoing administration of the organisation, with the primary focus on financial matters. Having acknowledged that its membership base was declining, and its value and relevance to its members and the industry was decaying, a strategy attempt was undertaken in 2000. This strategy endeavour was based on the strategy as science approach. However, the improvements and changes National Council envisioned were not realised, indicating that, among other factors, future strategy development activities may need to shift from a reliance on the science approach.

Business success may be improved where a comprehensive process of strategy development and implementation is followed when low levels of environmental uncertainty are encountered (Courtney, Kirkland, & Viguerie, 1997). Henry Mintzberg (1989) states that 'When an organisation is in a stable environment and has no use for an innovative strategy, then the development of formal strategic plans (and main-line strategies) may be in order' (p. 54). However, Parnell and Lester (2003) caution that when an organisation is operating in an unstable environment, creative strategies may be called for. Strategic managers 'should follow a systematic strategic management model, while recognising that the steps in the model are neither all-encompassing nor specifically sequential' (Parnell & Lester, 2003, p. 293).

CILTA members are employed in a broad industry sector, which is comprised of all modes of transport and all aspects of logistics. The transport and logistics industries are subject to significant environmental change and uncertainty. Issues impacting on the industries include:
· rapid introduction of new technology reducing industry employment
· globalisation resulting in large industry operators taking over local players and outsourcing administrative, marketing and management functions off-shore
· industry consolidation and restructuring potentially reducing competition between industry players resulting in monopoly conditions
· increased security costs resulting from terrorism threats
· threat of terrorism to transport and logistic infrastructure resulting in loss of capacity

- · increased safety conditions, particularly from potential terrorism actions
- · outdated business models based on complexity
- · outdated regulatory frameworks which fail to reflect current safety, security and environmental issues
- · cost pressures from rising oil and fuel costs
- · changes to environmental conditions as a result of the disputed 'greenhouse' effect and global warming
- · exhaust emissions from transport operations targeted as major contributors to global warming
- · ageing infrastructure networks and high cost of replacement, requiring additional government assistance and possibly higher costs to operators and high prices to end users
- · increasing demand for new knowledge and skills of industry employees as a result of increasing deployment of technology throughout the industry.

The diversity and breadth of these environmental factors highlight the difficulty in attempting to predict the future shape of the transport and logistics industries by industry players, governments, and particularly the CILTA. A fundamental basis of strategy formulation, under the science approach, is that systematic analysis of the environment is possible and essential, and the possibility of predicting the environment. Such an approach places significant challenges on the limited resource base of the CILTA, particularly the voluntary management committees. This may indicate the appropriateness of a strategy approach broadly consistent with the strategy as art approach. This may well be an issue of strategic importance in VMPAs to be addressed by further research.

As a result of the complexity and dynamics of the transport and logistics industries CILTA members are continually required to improve their knowledge and skills, or face the prospect of being isolated in the industry. Where members needs change, and the CILTA fails to recognise and respond strategically to those changed needs, the Institute is likely to lose relevance to members and the industry. Failure of the CILTA is a conceivable outcome. A key issue may be to recognise the driver of strategy: industry changes; changes in member's needs; or both.

2.3.2 Strategic Flexibility and Strategic Consistency

A range of options is available to organisations when considering strategy. A chosen strategic direction may be maintained for an extended period to build a sustainable competitive advantage, enhance organisational learning, and take profit from an unambiguous customer image. However, in contrast to this consistency approach, strategy may remain flexible to avoid the issues of products, services and markets becoming outdated due to environmental shifts. Outcomes are not always predictable, particularly in an uncertain and dynamic environment (Grewel & Tansuhaj, 2001). They argue that strategic shifts may be required even in circumstances of strong organisational performance.

According to proponents of strategic consistency, four major arguments can be advanced for strategic consistency (Parnell & Lester, 2003). These are:

· Change in crucial strategic, organisational, or environmental factors may encourage strategic change in the longer term. However, short-term strategic inaction may minimise uncertainty. Where competitors are well positioned to respond to successful strategic change, risk is increased (Wernerfelt & Karnani, 1987). Strategic change may also challenge long held assumptions and beliefs of organisational members, resulting in implementation difficulties even when support is apparent (Saffold, 1988; Scholes, 1991). Gaertner (1989) and Yoshihara (1990) point out that some organisation members may regard any strategic change as unsuccessful, at least in the short-term. Where this is the case, there may be a strong push to return to discarded strategy by those members whose status may be under threat. The CILTA's 2001 strategy attempt was strongly resisted by long-term members on the grounds that their personal status and that of the Institute was under challenge. These members argued that the Institute should remain in its traditional role. However, membership has continued to decline.

· The possibility of customer confusion arising from strategic change where customers may not recognise or relate to a new strategic direction (Parnell & Lester, 2003). Members of the CILTA join to satisfy their particular needs at the time of joining. Strategic change by the Institute may result in those needs no longer being satisfied, reducing the value of continued membership.

· The substantial resource and capital outlays which may be necessary to implement the strategic change (Miles & Snow, 1978). Small VMPAs such as the CILTA frequently lack the resource base to make large strategic shifts referred to by Miles and Snow. The CILTA is currently structured as a federal organisation funded almost exclusively from membership subscriptions. Membership fees wholly fund National Council, the governing body of the Institute. National Council retains 60 percent of all membership fees with the remaining 40 percent returned to Sections to conduct their activities. The Institute does not have a significant resource pool to undertake and implement a complex and difficult strategy process.

· There are no assurances that strategic change, viewed as successful by the organisation and its members, will be maintained.

Proponents supporting strategy flexibility offer four main arguments (Parnell & Lester, 2003). These are:

· Superior performance may be attained if chosen strategy 'fits' with the environment (Parnell, 1997). However, where strategy is aligned with the environment, shifts in the environmental may require further change to retain alignment (Parnell & Lester, 2003); while competitive and technological changes call for changes in the organisational knowledge base (Hannan & Freeman, 1977; Ulrich, 1987; Whipp, Rosenfeld, & Pettigrew, 1989). Further, (Wernerfelt & Karnani, 1987) suggest that the complexity of the organisational environment is not always fully understood, leading to a higher likelihood of strategic change when environmental uncertainty is high. The CILTA operates in an industry environment of uncertainty, and members are under constant pressure to adapt to changing conditions in the workplace. This points to the possibility of a continual adjustment of strategic position by the CILTA if members needs are to be continually met.

· Strategic flexibility is necessary to gain 'first-mover' advantages when entering new markets or developing new products or services (Gannon, Smith, & Grimm, 1992; Petersen & Welch, 2000). First movers may access scarce resources and develop critical knowledge advantages to secure sustainable competitive

advantage (Lieberman & Montgomery, 1988). A focus on strategic consistency may prohibit adoption of strategic alternatives. Benefits to first-movers tend to be best when competitors are generally similar in size, with comparable resources (Wernerfelt & Karnani, 1987). This argument may have important strategy implications for the CILTA as the Institute competes in the 'marketplace' with other mode and sector specific associations, to attract and retain members. Potential members have a choice to join the CILTA with its broad non-specialist whole of industry coverage, or alternatively, they may join other industry or mode specific associations, or choose not to join any association.

· Strategy is a unique set of human, physical, capital and informational resources which should adjust as these factors change (Barney, 1991; Lado & Boyd, 1992). Resource-based strategy proponents comment that competitive advantage stems from organisational aspects such as informational asymmetry (Barney, 1986), resource accumulation (Dierick & Cool, 1989), and culture (Fiol, 1991). Hitt, Keats, and DeMarie (1998) note that strategic change in some organisations may be more common due to resource shifts. A major resource shift in the CILTA is the two yearly election cycle of Section and National Council committee members. This constant rotation may have restrained, rather than encouraged strategic change, as committees have tended to take a consistency approach by maintaining the status quo. Strategic change may improve an organisation's ability to adapt to change with initial 'hurt' replaced by a reinvigorated organisation. However, organisations focused on strategic consistency tend to become inactive while creativity and involvement of employees diminish (Parnell & Lester, 2003). This may be pertinent to VMPAs and the CILTA. Aside from the 2000 strategy planning attempt, the Institute has retained a strategic consistency approach in the face of rapidly changing industry conditions and a steadily declining membership base.

· There is the necessity to change where performance levels are not being met. Declining profitability is a common catalyst for strategic change (Boeker, 1989; Webb & Dawson, 1991). Drucker, cited in (Gazell, 2000), argues that measures of performance often do not exist in nonprofit organisations. However, membership levels may provide a proxy measure of performance. Membership

levels in the CILTA have been steadily declining since peaking in 1992. This may indicate a requirement by the CILTA to adjust its current approach to strategy if it is to arrest declining membership levels and turn membership decline into growth. Continued viability of the CILTA would appear to be dependent on attracting new members and retaining existing members.

Grant (2002) explored organisational processes of strategy formulation in major oil companies describing their strategic planning systems as a process of 'planned emergence', noting that the primary planning direction being bottom-up from business units to corporate headquarters. Further, he found that business managers were granted substantial strategy formulation autonomy within a framework of constraints and guidelines set by corporate management. Such strategy framework included vision and mission statements, corporate initiatives, and performance expectations. This blending of top-down and bottom-up strategy approach displays aspects of the 'generative planning model' (Liedtka, 2000). Grant (2002) notes that strategic planning remains central to management systems in large organisations. However, strategic planning practices have changed in response to turbulent and unpredictable environments. Further, Grant's study found that strategic planning has become 'more decentralised, less staff driven, and more informal, while strategic plans have become shorter term, more goal focused and less specific in regard to actions and resource allocations'(p. 515). Grant suggests that strategic planning in these circumstances is more to do with coordination and performance managing rather than about decision-making, but questions if strategic planning's new role is conducive to strategic innovation. Grant's findings may have relevance to the CILTA due to its decentralised structure, limited centralised resources allocated to strategy development, and the dynamic industry environment in which the Institute operates.

2.3.3 Barriers to Strategy Formulation and Implementation

Strategic deployment often fails as a result of an inability to identify and overcome implementation barriers (Noble, 1999). According to Barber & Metcalfe (1989), there is a the lack of consensus of definitions in the literature as to what constitutes a barrier to strategy development and implementation. O'Regan and Ghobabian (2002) identified five main internal barriers. These are:

· communication inadequacies

- implementation taking longer than expected
- shortfall in employee capability
- in-effective co-ordination
- goals and strategy not understood by employees.

In addition to the internal barriers, O'Regan and Ghobabian flag three external implementation barriers:

- crises distracted attention from implementation
- unanticipated external problems arose
- external factors impacted on implementation.

Environmental complexity and dynamics, and financial constraints have previously been identified as potential barriers to strategy formulation and implementation in the CILTA. Further research is required to identify a comprehensive list of strategy barriers in Australian VMPAs. An understanding of strategy barriers may assist in developing a strategy approach, which accounts for the unique needs and circumstances of VMPAs, and may contribute to broadening the suitability of such an approach.

2.3.4   Cultural Context

Kheng-Hor and Munro-Smith (1999) argue that the very nature of strategy is culture bound with no universally accepted definition of good or bad, right and wrong or correct and mistaken ways of managing the strategy process. They argue that western culture views strategic management as shaping the future, noting that in some cultures the opposite is true to the point that some languages do not have a future tense. They note that the 'anything is possible' or the 'what business are we in?' approach of western (individualistic) cultures suggests that strategy is focused on maximising returns as soon as possible. This is in contrast to collective cultures where sense of mission has an increased priority, resulting in an obligation to existing business even where they may be under performing.

Kheng-Hor and Munro-Smith's argument is of particular significance to the CILT, being an international VMPA operating in 18 countries. Strategy frameworks developed for the Australian Council may require adaptation before use in different cultural contexts. Further, the increasingly multi-cultural composition of the

Australian society and work force, industry consolidation and restructuring, globalisation, and regionalisation of Australian transport and logistics industries, may over time, shift the focus of strategy.

2.3.5   Organisation Specific

Strategic management must be unique to each organisation (Koteen, 1997). 'There is no particular strategic management system that every organisation can adopt, rather it must be designed to fit the unique characteristics of each organisation. Differences in scale and size of organisation and the services and products it provides make for many variations.' (p. 72). Each situation will, in its own way, determine the nature of the strategic management effort to be tolerated, noting that 'the experts seem to agree on one thing: there is no perfect fit for strategic management. Rather it is a process to be designed and adapted to a particular situation' (p. 73). Koteen's view appears to further support the flexibility schools strategy approach. His argument appears to support the call for further research into strategy development in Australian VMPAs, and raising of the possibility of developing a strategy framework for the particular needs of the CILTA. If such a framework is developed, is it possible to adapt the framework to other VMPAs and third sector organisations?

2.3.6   Summary of For-Profit Sector Issues

This Section has identified the CILTA as an organisation with significant differences to for-profit organisations, suggesting the requirement for an alternative approach to strategy formulation to those advanced by the models of strategy outlined in Table 2.5. Resource, time, and human resource issues constrain the CILTA's ability to conduct ongoing systematic environmental analysis. This suggests the potential applicability of the strategy as 'art' approach, Table 2.6, based on flexibility as a key paradigm underpinning strategy formulation in the CILTA. Strategy barriers were identified as further constraining strategy formulation, suggesting a requirement to further investigate the particular barriers to strategy in the CILTA in particular, and third sector organisations generally. Finally, the strategy approach adopted is to be organisation specific and appropriate to the unique circumstances of the CILTA, which raises the question 'is it possible to develop a strategy framework that can be adapted by third sector organisations to suit their specific and unique circumstances?'

2.4   The Link between For-Profit Strategy and the Third Sector

Despite the apparent need for strategy development little research has been conducted in third sector organisations generally (William F Crittenden & Crittenden, 2000; W F Crittenden et al., 2004; Hofer, 1976; Wortman, 1979), and Australia in particular (Harris, 1995; Lyons, 2001). Strategy research in the [third sector] continues to gain momentum. However, as previously discussed in Section 2.2 significant gaps are apparent (Stone et al., 1999). Contemporary writers agree that an organisation is more likely to succeed if steps are taken to align actions with organisational goals (Mulhare, 1999).   According to Mintzberg et al. (1995) and Moore (1995), organisation action aligned to goals, is a guiding principle of strategic management. However, Fox (1984) argued that strategic planning was best practice and 'the key to nonprofit success' (p. 15). Fogg (1994) extended the argument: 'There is a classic and proven strategic planning process that works for business both large and small, whether they are manufacturing, professional, or service companies…. The same process is readily adapted to not-for-profit and governmental organisations' (p. 3).

However, Fox and Fogg's line of argument has not been supported by the strategy approach adopted by the CILTA in 2000. Again, the planning process adopted by the CILTA has apparently been unsuccessful in improving the organisation from the perspective of membership growth. Strategic planning has become an essential element of both for-profit and nonprofit organisations. However, for-profit planning processes consume large quantities of time and resources that small nonprofit organisations frequently lack. Such organisations require a process that is not burdensome, and facilitates implementation of the resultant plan (Mara, 2000). The emerging issues described in Section 2.3 provide a starting point towards answering Mara's (2000) call for a strategy process that is not 'burdensome' and is 'doable.' The next section describes the special characteristics of the nonprofit (third sector) and identifies particular challenges of third sector organisations.

2.4.1   Characteristics of the Third Sector

The number of nonprofit (third sector) organisations has increased significantly during the past 20 years, while the scope of the work performed has also widened (Liao, Foreman, & Sargent, 2001). They point out that nonprofit organisations are now involved in almost every aspect of human endeavour across the globe and in

almost every society. The nonprofit sector is impressive in the diversity of organisations that it encompasses (Young, 2001). The sector is comprised of very small volunteer organisations with minimal financial resources to huge multi-million dollar corporate enterprises employing significant numbers of professional, paid staff. The sector comprises social missions ranging from care of disadvantaged persons to promoting high culture.

According to Salamon and Anheier (1997), the third sector encompasses all private nonprofit organisations not included in the business (for-profit) and government sectors. A three-sector classification recognises a distinction in the nonprofit sector by separating government organisations from other nonprofit organisations, to form the government sector (William F Crittenden & Crittenden, 1997).

The third sector is characterised by diversity (Salamon & Anheier, 1997). This diversity results from third sector organisations: (1) being formed and operated by voluntary members acting without seeking personal financial benefits; (2) being democratically governed; (3) provision of services to members and non-members; (4) advancement of a cause; and (5) members working together without government direction or for a need for profit. Member benefits are primarily derived from active participation (Lyons, 2001).

The terms nonprofit, voluntary, and third sector are used interchangeably (Anheier, 2003). However, there is a lack of consensus in the literature about the appropriate terminology to describe the group of organisations included in the sector. Each term describes organisations that are not primarily motivated by profit and are not part of government (Hall & Banting, 2004). Nonprofit refers to organisations operating with a non-distribution of surplus operating income constraint. The term originates in the United States in the language of market economics where only market-driven producers and government organisations are recognised. The term, voluntary organisations, originates in the United Kingdom to distinguished the significant time member's give to serving on governing boards without pay. In addition, members often make significant extra contributions of time and resources to sustain operations of the nonprofit organisation. However, staff may also be employed to assist volunteers to manage the organisation. The term 'third sector' attempts to draw a

distinction between market driven organisations and government sector organisations. The distinction highlights the independence of third sector organisations from government control, and a focus on service delivery rather than profit making.

Nonprofit organisations' primary purpose is not to make a profit for distribution to their stakeholders, but to fund the achievement of some more idealistic objective (Robinson, 1994, p. 10).

Salamon and Anheier (1997) note that despite the growth and recent recognition of the nonprofit sector as a distinguishable social sphere with its own characteristic features, considerable confusion continues concerning how to define, and what is contained in the nonprofit, third or voluntary sector. They argue that recognition of the sector has been impeded by the lack of a workable concept with sufficient clarity and specificity. Extending existing narrow nonprofit definitions based on legal, economic/financial, and functional definitions, Salamon and Anheier (1997) advance the structural-operational definition of the nonprofit sector based on five basic characteristics:

· organised. Organisations have some form of institutional reality
· private. Recognising a separation from government. Organisations are neither part of the apparatus of government, nor controlled by government
· non profit distributing. Whilst being able to accumulate profits, such profits are not distributed to owners or directors. Profits are used to further the organisations mission
· self-governing. Organisations are administratively self-supporting and capable of controlling their own activities
· voluntary. A meaningful voluntary participation in the organisation's management or conduct of activities is evident.

Salamon and Anheier (1997) assert that the structural-operational definition, Table 2.7, allows for an empirical definition of the sector without the need to investigate each organisation. Further, the structural-operational definition embraces a broad array of organisations, but prevents the inclusion of every type of organised or unorganised entity in existence. Finally, hypotheses can be generated about relationships between the sector and other components of social and economic life.

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This final point is of particular significance to this research in attempting to understand strategy process for the CILTA, and in developing a 'doable' strategy framework. Such a framework may be applicable to other sectors, with adjustments.

Table 2.7 highlights the diversity of organisations contained in Salamon and Anheier's (1997) structural-operational definition. The diversity and range of activities and services provided by these organisations appears to lend weight to the strategy as art school's argument that there is no one best way or single strategy model suitable for all organisations (Parnell, 1997), and particularly third sector organisations.

This research focuses on Salamon and Anheier's (1997) business, professional associations, and unions category. However, their definition appears to include all professional associations on the basis of the five basic characteristics previously discussed, without differentiating between types of professional associations. It is noted, however, that membership to professional associations may be either a requirement of industry practice and condition for career advancement, such as certified professional accountants, registered surveyors and engineers, or voluntary, and not a condition of industry or career advancement, such as the CILTA. In both cases the fifth characteristic, voluntary participation in the organisation's management or conduct of activities, applies. This research identifies a new sub-type to Salamon and Anheier's (1997) classification, that of voluntary membership professional association (VMPA). This research specifically focuses on strategy development related to VMPAs, and the CILTA in particular.

Table 2.7 Types of Entities Embraced within the Nonprofit Sector According to the Structural-Operational Definition.

Culture and recreation
- Culture and Arts
- Recreation
- Service clubs

Education and research
- Primary and secondary education
- Higher education
- Research

Health
- Hospitals and rehabilitation
- Nursing homes
- Mental health and crisis intervention
- Other health services

Social services
- Social services
- Emergency and relief
- Income support and maintenance

Environment
- Environment
- Animals

Development and housing
- Economic, social and community development
- Housing
- Employment and training

Law, advocacy, and politics
- Civic and advocacy organisations
- Law and Legal services
- Political organisations

Philanthropic intermediaries and voluntarism promotion
- Grantmaking foundations
- Voluntarism promotion and support
- Fundraising organisations

International
- Exchange/friendship/cultural programs
- Development assistance associations
- International disaster and relief organisations
- International human rights and peace organisations

Religion
- Religious congregations and associations

Business, professional associations, and unions
- Business associations
- Professional associations – promoting, regulating, and protecting professional interests
- Labor unions

Not Elsewhere Specified

Source: Adapted from Salamon and Anheier (1997)

The term third sector, is gaining currency in Australian literature with the various definitions attempting to recognise the significant differences in organisational size, and manner of operation of organisations in the sector in Australia (Lyons, 2001). Australian third sector organisations include: professional, business, and trade associations, private schools, research foundations, hospitals, aged care organisations, charities, religious organisations, community health organisations, and sporting organisations. Collectively, third sector activities include economic, educational, research, welfare, social, and spiritual endeavours (Lyons, 2001). Lyons further distinguishes third sector organisations from government and for-profit organisations by: (1) the centrality of values; (2) complexity of revenue generation; (3) reliance on volunteers; (4) difficulty in judging performance; (5) complex accountabilities; and (6) a likelihood of board/staff conflict (Lyons, 2001).

Such diversity and structural differences of third sector organisations indicate the potential complexity and challenges of the strategy and planning process in the third sector. Third sector strategy, and the special planning challenges of the third sector, will be reviewed in section 2.5.

2.5   Planning Challenges In The Third Sector

2.5.1   What is Third Sector Strategy?

The fundamental difference between for-profit and nonprofit strategy is organisational purpose (Hammack & Young, 1993). The fundamental purpose of for-profit organisations is to make a profit, and strategy is driven by a profit motive. However, nonprofit organisations exist for purposes that are primarily other than profit making. This fundamental distinction is at the heart of strategy differences between the sectors. Nevertheless, in the third sector, success is less obvious in the absence of a bottom line, resulting in a potentially more complex strategy development and implementation process (Hammack & Young, 1993).

Third sector strategy according to Koteen (1997), is a broad concept embracing an 'entire set of managerial decisions and actions that determine the long-run performance of an organization' (p. 21). Koteen, writing in the context of large North American nonprofit organisations, identifies four levels of strategy in the nonprofit sector: (1) corporate strategy, dealing with the organization wide mission, goals and

values; (2) program strategy, dealing with a particular specific program or service offered by the nonprofit organisation; (3) resource support strategy, which attempts to maximise supporting resources essential to achieve corporate strategy; and (4) institutional strategy, which develops the capability to action strategic initiatives.

In an attempt to define nonprofit sector strategic management in operational terms, Koteen (1997) argues that strategy is oriented to the future; is a way of thinking and behaving to make a difference; is continuous and recurring; sets a framework for guiding other phases of management; and is difficult and demanding. Having developed the 'what it is' component of an operational definition, Koteen (1997) identifies the fundamental aims of strategy as being to provide strategic direction; to guide priority use of resources; to set standards of excellence; to cope with environmental uncertainty and change; and to provide an objective basis for control and evaluation. The final component of Koteen's operational definition involves identifying the benefits of strategic management in the sector. These are: (1) to discharge the most important top management responsibility of determining what service and product will be offered and to whom; (2) address difficult questions such as 'what business are we in?'; (3) introduce a new set of tools for decision making; (4) use the essence of the systems approach; (5) force an objective performance assessment; and (6) exert a positive influence on organisational behaviour.

Koteen's (1997) operational definition is broadly similar to for-profit strategy framework, and assumes that the nonprofit organisation has a significant resource base to fully conduct and implement the strategy process. Such a large-scale and resource intensive strategy process is not feasible for the particular needs of the CILTA. However, Koteen's conceptual framework may provide a suitable framework to guide the development of a less resource intensive and 'doable' (Mara, 2000) strategy approach, for smaller third sector organisations, such as the CILTA.

Developing Koteen's operational definition, Crittenden and Crittenden (2000) studied 317 nonprofit organisations in the United States. Using factor analysis, they identified ten key strategic planning elements for nonprofit organisations. These are: (1) scope of planning; (2) formality of planning; (3) administrative style; (4) membership involvement; (5) external environment; (6) implementation

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responsiveness; (7) strategic planning routinism; (8) constraint identification; (9) subjective planning; and (10) resource misallocation.

Crittenden and Crittenden (2000) concluded that the tenets of for-profit sector strategic planning remain the same in the nonprofit sector, and offer five general steps in the planning process for nonprofit organisations: (1) goal/objective setting; (2) situation analysis; (3) alternative consideration and selection; (4) implementation; and (5) evaluation. Their research highlights the requirement for strategy development by third sector organisations, if their long-term success is to be assured. However, their 'five fundamental steps' are substantially similar to for-profit sector planning models, providing limited strategy guidance for small VMPAs such as CILTA. If one accepts the validity of Crittenden and Crittenden's 'five fundamental steps', the challenge for this research is to improve on this framework and develop a strategy model more suited to the needs of CILTA, and which may be able to be adapted for use by the broader community of VMPAs in Australia.

2.5.2   The Special Case of Third Sector Strategy

Parker (1998) describes nonprofit (third sector) strategy formulation as being subject to a complex and unique set of influences. These include:

· The primary mission of a nonprofit organisation is to provide some form of human service activity, which primarily impacts on the quality of life.

· 'Ownership' can be confused, complex or even unknown. Members may or may not be entitled to assets of the organisation in the event of the organisation being wound up.

· Services delivered by nonprofit organisations may be more intangible and more difficult to measure than those of for-profit organisations.

· Multiple service objectives and programs to satisfy various needs of multiple sponsors and stakeholders.

· Form of division between sponsor, provider and clients and/or members. The organisation may need to appeal to the needs or requirements of organisational sponsors and clients/members, as well as its own needs, when developing strategies and objectives.

· Staff and employee motivation. Nonprofit organisations often have a significant number of volunteers who have chosen to contribute to the organisation to support

the organisation's particular mission or cause. Loyalty may be to the cause, rather than to the organisation.

· The increasing tendency of nonprofit organisations toward operating in a 'mixed sector' where some service offerings are provided for a fee and some without a fee attached.

· Increasing pressure on nonprofit organisations to compete with other nonprofit organisations, commercial organisations, gambling and other forms of entertainment for donor funds, to support operations and service delivery. Nonprofit organisations have to rely less on donor income and expand revenue base to include fee-for-service activities and investments.

Parker's influences appear to support the growing view (Bryson, 1995; Mara, 2000; Oster, 1995; Stone et al., 1999) that strategy approaches employed by third sector organisations cannot be a simple adaptation of for-profit approaches.

At the heart of third sector strategy is the inability of third sector organisations to distribute any profit (Hammack & Young, 1993). Many nonprofit [third sector] organisations lack the resource base to conduct comprehensive strategy development, as income from membership fees and other income generating activities is applied to meeting operating costs of the services provided (McNamara, 2002). McNamara notes that such organisations, including professional associations, often focus 'strategy' development on existing and known short-term issues, and attempt to quickly address only these issues. Frequently, the outcome is operational reaction rather than strategic thinking, which may result in a short-term plan. However, strategy development is critical for the continued survival of third sector organisations requiring long-term strategic consideration rather than just a short-term administrative focus.

Handy (1988) and Dichter (1989) argue that third sector organisations encounter broadly similar management challenges as for-profit organisations particularly in relation to attracting resources, decision-making, and the requirement for effective operating and support systems. Referring to competition, Parker (1998) notes that third sector organisations are frequently as intensely competitive as for-profit. Extending Parker's argument, Lewis (2002) notes the need for third sector organisations to take management issues more seriously due to the increasing

competitiveness and pace of change of their operating environment. Competition may take the form of competing with other third sector organisations for sponsors, donors, clients and/or members. As a result of a declining membership base and income stream, the CILTA would appear to be competing with other professional, trade and business associations for sponsorship funding and members. When membership and income were high, the CILTA did not regard itself as being in a competitive market and had no perceived need to compete. The assumption being that potential members saw a benefit in belonging to the CILTA and wanted to become members. The issue of competition between VMPAs requires further research as the shape of the strategy process may depend on adopting a competitive stance to develop and sustain a competitive advantage.

Other writers, however, argue that third sector organisations face significantly different management and planning challenges to those of for-profit organisations, and should not be managed in the same way. Such challenges may include: (1) multi-site accountabilities; (2) volunteer management; (3) members' instrumental and expressive values and motivations; (4) absence of a bottom line; (5) reconciling mission achievement with organisational values; and (6) maintaining organisational legitimacy (Campbell, 1987; Koteen, 1997; Lewis, 2002). Nonprofit strategy formulation may be further influenced by four key factors: (1) the professional background and philosophical commitments of senior managers; (2) the identity of individual board members, and their concern for particular personal service, welfare, or lifestyle agendas; (3) specific performance criteria, strategic direction, or priorities imposed by major resource contributors; and (4) image, ability, willingness, and resource capacity, to innovate and attract new members, sponsors, or clients (Parker, 1998). Drucker cited in Gazell(2000), also identified four unique problems of third sector planning and management: (1) measures of performance, such as a bottom line, market share, or sales, are non-existent; (2) a focus on a single purpose for which they were originally established - success equated to budget size, a de-facto performance measure; (3) a diverse and multiple constituent base that can drive activities and preserve ineffective but desired activities through vested interests; and (4) an absolute perspective on goals based on a tendency of 'righteousness (or moralism)' (p. 50).

Further, contributing to the 'unique' circumstances encountered by third sector organisations, Madden, McGreggor, et al. (2003) identify four further challenges impacting planning. These are: (1) the existence of numerous volunteers; (2) second, scarcity of resources, particularly technology; (3) the continuous changing of office bearers, which results in a lack of continuity, and operational rather than strategic thinking and planning; and (4) seasonality of some nonprofit organisations.

Under such conditions and unique influences, strategy development may be heavily influenced by key stakeholders, and a concern by committee members not to offend them, leaving the resulting strategy so broad or general as to provide limited specific guidance. The CILTA has laboured under these conditions for much of the past decade, where the 'strategy' process was controlled by the full-time paid Executive Director. National Council decision making was heavily influenced by, and to some degree, constrained by the Executive Director. Strategy formulation in nonprofit (third sector) organisations requires development of a distinctive competence, and uniqueness in profile, service provision and delivery, requiring a through appreciation of the features and complexities of the nonprofit environment (Parker, 1998). van Ewyk (1992) calls for an organisational philosophy which does not change each time a different individual takes on the leadership role.

In sum, the CILTA reflects the arguments advanced that the planning challenges of third sector organisations are significantly different to for-profit organisations. It is a voluntary organisation managed by voluntary members; it is experiencing difficulty maintaining organisational legitimacy; organisational agendas are influenced by individual board members; operates as a multi-site association; resources are scarce; and a continuous change of office bearers results in a lack of continuity of planning and operations.

2.5.3   How Strategy Models Aid Planning in the Third Sector

Early attempts at developing strategy for the specific purposes and needs of the nonprofit sector adopted the 'classic' strategy model (Allison & Kaye, 1997; Bryson, 1989; Koteen, 1997; Oster, 1995), with an increased focus on mission. Strategic planning and strategic management have been implemented in an attempt to improve organisation performance, to keep up with contemporary management practice, and to

improve stakeholder and member satisfaction and commitment. Researchers have argued that strategic planning and strategic management provide an appropriate means of setting the future direction and scope of the organisation in a time of increased scale and pace of change both within and outside the organisation (Hubbard, 2000b; Johnson & Scholes, 2002; Viljoen & Dann, 2003). Strategy, in the nonprofit sector, is largely the result of research conducted in the for-profit sector in the North American context (Hubbard, 2000b; Kheng-Hor & Munro-Smith, 1999). Strategy models described in much of the third sector literature are premised on large, multinational, American based nonprofit organisations. The purpose of such strategic planning and management endeavours is often directed at securing donations from large corporate donors and government organisations (Kloss, 1999). Strategy models developed under such conditions may not satisfy the particular needs of Australian VMPAs, such as the CILTA, which are funded through membership subscriptions, activities, and sponsorship, and are focused on professional development and membership benefit.

Nutt and Backoff (1992) argue that the notion of publicness does not assume private sector approaches which are built on 'clear goals, profit, or economic purposes, unlimited authority to act, secret development, limited responsibility for actions, and oversight through market mechanisms that signal financial results, will automatically transfer and be operationalisable in the third sector'(p. 23). Such assumptions, according to Nutt and Backoff, are not valid in the nonprofit sector, requiring, therefore, that nonprofit strategy approaches go beyond those employed by the private sector. Chlala et al.,(1995) identified four factors contributing to the difficulty of replicating for-profit planning processes in the third sector: (1) there are frequently more stakeholders; (2) there are conflicting performance criteria; (3) public accountability; and (4) a social service element. Sustaining Nutt and Backoff (1992) and Chlala's et al.,(1995) argument, Bryson (1998) suggests that exact duplication of for-profit planning processes in nonprofit (third sector) organisations is not possible due of the nature of third sector organisations

It is critical for strategic management in public and nonprofit organisations to identify the beliefs and demands of key stakeholders and to deal with the demands of those individuals (Nutt & Hurley, 1981). Stakeholders, according to Parker (1998), can

include members, clients, sponsors, industry, government, donors, buyers of products and services, employees, and special interest groups. Strategy formulation in nonprofit organisations requires balancing possible conflicting needs of these diverse stakeholders and balancing financial and operational needs and objectives. Parker notes that nonprofit organisations are increasingly seeking to balance efficiency with effectiveness objectives. Provision of highly efficient services, (from a financial perspective), to client and member constituents is of little value if the service provision fails to meet the needs of the users of the service.

A possible significant recent advancement in the nonprofit strategy field is the recognition that strategy is not about plans and projecting current programs and functions into the future, but rather, about organisational response to environmental change (Eadie, 1998). Eadie makes the point that engaging in strategy means nothing until the nature of the desired strategy is known, a point emphasised by Hambrick and Fredrickson (2001), when arguing for integrated strategy. Eadie further argues that the process to produce the desired strategy cannot be determined until the nature (or context) of the strategy is known.

This section has briefly reviewed the planning challenges confronting third sector organisations. It has found that planning by third sector organisations is subject to complex and unique influences not encountered by for-profit businesses. At the heart of planning differences between the sectors is organisational purpose. For-profit businesses are driven by the profit motive. Third sector organisations, whilst recognising a requirement to be 'profitable', exist for a purpose other than profit making. 'Five general steps' of planning were presented that may provide guidance to third sector organisations (William F Crittenden & Crittenden, 2000). However, the challenge of this research is to develop a strategy model appropriate to the particular needs of Australian VMPAs. Finally, the need for planning models to guide strategy development was discussed. However, duplication of for-profit models is not a viable proposition, due to the nature of third sector organisations. The next section introduces professional associations and voluntary membership professional associations, and the particular planning issues facing them.

2.6   Professional Associations

2.6.1   Introduction to the literature of Professional Associations

Professional organisations and professional relationship are a feature of the social structure of all advanced societies (Ackroyd, 1996).   Originating in the late seventeenth century, professional associations are sometimes referred to as professional bodies. Professional forms of organisation have endured much change, and demonstrate a capacity to adapt and develop, sometimes as an evolutionary change to character, and sometimes in subtle ways (Burrage, 1990; Larson, 1977). They have traditionally played a significant role in furthering the profession and in the ongoing development of members. A key distinguishing feature between professional associations and other third sector organisations is their focus on the individual. Associations have traditionally served the needs of individuals who are also its members.   The primary focus areas have been the provision of professional development to members through education or training, facilitating and disseminating research into the profession or industry, or to provide industry and/or professional representation to government (Kloss, 1999).

In addition to the strategy and planning challenges of the third sector previously referred to, ownership, funding, leadership, and identity issues further characterise professional associations. Associations are owned and funded by the membership. They are structurally democratic, with any member able to nominate and be elected to leadership positions. Associations are formed as a result of a pre-existing common identity among members, and membership may be voluntary, resulting in a sense of professional identity rather than ideology.

2.6.2   Role of Professional Associations

Frequently, professional associations are pioneers in developing and delivering training and services in their respective professions. They are also active in the ongoing development of their members (Fisher, 1997).   When first formed, associations have a common purpose, usually to provide some form of value to the membership. Purpose is primarily achieved through the role or roles that associations establish for themselves.   Typical professional association roles include: (1) developing and conducting information and educational programmes; (2) lobbying government for improved services and infrastructure; (3) initiating industry services;

(4) taking responsibility for developing and supervising training standards; (5) conducting examinations for professional entry and membership to the industry; and (6) vetting and monitoring ethical standards (Fisher, 1997). Extending Fishers list, Phoon (1997), adds the delivery of programmes of continuing education for members.

The 'traditional role' of professional associations as being a 'learned society', is under challenge (Gold, Rodgers, & Smith, 2002, p. 52). Further, Rhea (2000) argues that rapid environmental change is impacting on associations in ways not previously recognised, and may significantly challenge traditional roles. Technology, competition, and globalisation, are three key forces driving change in the roles of professional associations. Professional associations are commonly understood to be agents of reproduction rather than of change (Greenwood, Suddaby, & Hinings, 2002). Responses to these changes include developing and implementing strategies and plans. However, the strategic processes used by professional associations are not well understood. The role of professional associations has not been well researched in the literature and may be an issue of strategic importance requiring further investigation, particularly the impact of organisational role in the strategy process.

2.6.3   Value of Professional Associations

Greenwood et al., (2002) report that professional associations are important for three reasons: (1) they are arenas through which members interact; (2) shared typifications develop as a result of interaction between members and between members and external organisations; and (3) they can play an important role in monitoring prevailing institutional norms. Membership associations succeed from the effort and input of the membership. If members cease to value membership, then membership will decline (Greenwood et al., 2002). This has been the case with the CILTA as shown in Table 3 in chapter 1. To maintain and increase membership, associations are required to deliver some form of value to their members, and the members must receive some value for the effort of belonging to the association (Fisher 1997). Supporting Fisher's argument, Rhea (2000) suggests that if an association is unable to sustain value to its membership, it will lose support and eventually cease to exist.

Longevity of the operation and the level of activity among members can also be a measure of value. Fisher (1997) proposes that indicators of value to members can

also be determined by active involvement by the associations in professional development and research. He argues that professions are built around a substantial body of knowledge and that theory should be constantly challenged, tested, and expanded through research. A second measure of value proposed by Fisher (1997) involves the support and encouragement of the members. Through an active involvement in research and professional development activities professional associations are likely to demonstrate value to the membership and increase the level of activity among its members. Fisher poses the question: 'So, are professional associations valuable?' (p. 39). Fisher notes that ultimately only members can answer that question. Value of membership is an area requiring further investigation by this research.

2.6.4   What the Literature Says About Professional Associations

Practical strategy research in professional associations is in short supply (Stonehouse & Pemberton, 2002). They argue that much of the available third sector research deals with larger market focused organisations, and point out that researchers often make the assumption that all third sector organisations are the well-known types such as the Red Cross, RSPCA, and OXFAM. As a result, researchers tend to deal only with strategy and management relating to well-known nonprofit (third sector) organisations (Robinson, 1994). For example, Butler and Wilson (1990) made a detailed analysis of large charities by 'strategic clusters'. However, the analysis does little to suggest the nature of strategy development in smaller voluntary professional associations. Butler and Wilson (1990) argue, however, that third sector organisations that do not develop die as a result of a loss of value to the membership. This would suggest that strategy development in VMPAs is important, if not critical, requiring a 'doable' process. However, there is a paucity of research into strategy development and implementation in VMPAs, particularly in an Australian context.

2.6.5   What the Literature Says About Strategy Issues Related to Professional Associations

The previous section established that third sector organisations, including VMPAs, face a suite of issues critical to strategy development and deployment markedly different to for-profit and government sector organisations. As the primary concern of VMPAs is to serve the needs of individual members and industry in ways other than

producing a tangible product, attempting to adapt market-driven product based strategy development frameworks, as highlighted in Section 2.1.3 at Figure 4, is questionable. Planning and management are further impacted by: (1) the voluntary nature of membership and leadership roles; (2) members' time constraints; (3) rotating boards and committee positions; (4) structural configurations; (5) resource allocation; (6) service delivery; and (7) governance systems (Grossman & Rangan, 2001; Madden et al., 2003; Mara, 2000). Under such conditions, strategy development and deployment is not a simple case of VMPAs adopting and using product or market strategy models.

Many nonprofit organisations have turned to managerial tools from the for-profit sector for strategy development (Oster, 1995). However, the nonprofit sector is not exactly like the for-profit sector and the ideas do not always translate smoothly. Where membership is voluntary, and not a condition of practice or industry membership, the challenges of planning are further complicated. Wilson (1997) argues that associations have no choice but to respond to stakeholder and member needs and environmental changes to ensure that services offered remain 'wholly relevant'. Second, where members do not believe that they are receiving value, they are able to exercise their option of resigning their membership. Third, many associations do not research and understand members' needs when developing strategy. Time constraints, financial capacity, staff, and skill constraints, are major internal challenges to strategy formulation in VMPAs in Australia, and are particularly evident in the CILTA. The strategy process, according to Bryson (1998), Mulhare (1999), Oster (1995), and Young (2001), must be tailored to the specific situation of the professional association. This has been the experience of the CILTA, which attempted to implement a strategy approach that was unsuited to its particular circumstances and requirements at the time of the strategy endeavour. The preceding discussion highlighted the extant literature regarding nonprofit and professional associations generally. However, there is a paucity of literature dealing specifically with VMPAs.

Tendency toward bureaucracy or professional business

Robinson (1994), in a study of large nonprofit organisations in the US, noted the tendency to develop hierarchical self-sustaining bureaucracies prone to losing sight of the organisation's initial vision and *raison d'etre.* In a study of voluntary organisations using time series analysis, Chapin and Tsouderos (2001) suggest that there is a tendency for new voluntary organisations to progress towards institutionalised structures of formal bureaucracies. This reflects the situation of the CILTA up to the point of the first attempt at strategy planning. National Council meets biannually with discussions frequently relating to purely administrative matters. Often matters would be held over to subsequent meetings with no real strategic discussion or action occurring. Meetings tended to be administrative in nature and content. The Institute at that time could be rightly referred to as a 'gentleman's club' that lacked direction, had no identity, and no recognised purpose or role. The first strategic planning endeavour attempted to change that tight rigid culture and structure. However, in the final analysis, limited success was achieved mainly as a result of the perception by some members that their status and position were under threat (Gaertner, 1989; Yoshihara, 1990).

The CILTA, during the 1980's to mid 1990's, exhibited characteristics of the findings of Chapin and Tsouderos (2001) and Robinson (1994). By the mid 1990's, the CILTA had achieved the formal bureaucracy as suggested by Chapin, Tsouderos, and Robinson. National Council had positioned itself as the key decision making body. However, it demonstrated a clear inability to make strategic decisions. The National Office was established to facilitate membership administrative matters. Nevertheless, National Council declined to provide the necessary support, direction and leadership. In contrast to Chapin and Tsouderos and Robinson's findings, Cooper, Greeenwood, Hinings, & Brown (1996) note that increasingly there is need for professional organisations to become professional businesses with a greater emphasis on strategy and planning as they move towards a more businesslike footing. This has not been the case with the CILTA, and membership continued to decline. However, as Wilson (1997) points out, as membership declines, the ability of the organisation to discharge its role declines. This was the case with the CILTA.

Wilson (1997) identified three key issues contributing to membership decline. First, associations have either not responded to their members changing needs, or continue to assume that services offered remain 'wholly relevant'. This has been the case with the CILTA, which has not conducted a membership survey in the past 15 years. Second, where members do not believe that they are receiving value by their membership, they exercise their option to leave. Since 1994 membership has declined 35 percent. Third, many associations do not research and understand the needs of their members when developing their strategies. Again, the CILTA developed strategy without first undertaking a needs survey of the membership.

Associations now have no choice but to respond to changes in the environment in which they operate and to the needs of members (Wilson, 1997). Wilson's findings are of particular relevance to the CILTA, as members are employed in dynamic changing industries, and as a result, their needs are changing. Thus, the question arises: how does the Institute remain relevant in a dynamic environment and where its members needs are constantly changing? This is an issue requiring further investigation.

Strategic change response

Professional associations face significant challenges in responding to changes in their traditional roles (Gold et al., 2002). In a study of 70 professional associations in the United Kingdom they identified patterns of response to environmental change, illustrated in Figure 2.4.

Figure 2.4 Patterns of Responses from Professional Associations to Change

Level

1	Strategy	Plans	Missions and values

2	CPD, Technologies and Courses and training	Mergers, collaboration, diversity, and specialisation and internationalisation	Political status, enhancement and stakeholder perspective.

3	Social, economic and member services

Source: Adapted from Gold et al. (2002, p. 49)

Level one recognises the need to take a strategic or long-term view and to develop strategy-making processes able to deal with the forces of change. Level two recognises the need for on-going or continual professional development (CPD) of members and knowledge sharing. Environment, industry, and technology, are key drivers in this change process. Learning is a significant issue for members, though it is not the same as learning in practice. Also at level 2 is the requirement to consider boundary stretching to include mergers, collaborations, internationalisation, and diversity and specialisation. The final element of level 2 is the adopting of a proactive attitude to influencing perceptions of the profession in times of change. Gold et al (2002) note that a growing activity of professional associations is to enhance their understanding of stakeholders, particularly members, and is critical to enhancing organisational image and influencing identity. Level 3 represents the traditional membership services provided by professional associations such as information, advice, journals, guidelines, codes of practice, meetings, and/or conferences. They note that technological advances such as the Internet are driving changes at an increasingly rapid rate (Gold et al., 2002).

Until recently the CILTA has operated at level three since its founding in Australia in 1939. Whilst the Institute is part of the international CILT, which offers level two professional development opportunities and an examination requirement for

membership upgrading, the Australian Council has long since abandoned all level 2 responsibilities. The 2000 strategic planning endeavour was a concerted effort by a small number of National Councillors to move the Institute from a level 3 operational focus, to a level 1 strategic perspective. However, while that strategic planning attempt was generally viewed as unsuccessful it has created a wider recognition of the necessity for a strategic focus. Failure by the Institute to respond to level 2 and level 1 conditions have contributed to the declining relevance and value of the Institute to its members and the industry. The question remains: what is an appropriate strategy approach for the CILTA to achieve level 1 strategic orientation? This is a fundamental question for this research.

Professional association funding

Kaplan (2001) refers to the rapidly increasing competition between nonprofit organisations, all of which are competing for scarce funds from donors, foundations, and government agencies. Professional associations, in the main, rely on funding from membership subscriptions, professional development and training courses, membership services, conference income, and sponsorship monies. Strategy development under such circumstances may require an approach different to that painted by (Kaplan, 2001). However, Kaplan correctly points out that the success of nonprofit [third sector] organisations depends on how effectively they meet the needs of their constituencies. Should the nonprofit organisation fail to meet those needs a resulting failure to deliver value to their members will occur and members will be able to exercise their right to withdraw membership (Fisher, 1997). The CILTA has traditionally relied solely on membership subscriptions. Whilst some Sections have organised conferences, all profits (if any) have been retained by the organising Section. National Council has not been involved in any additional fundraising, which has significantly contributed to its inability to develop and implement long-term strategy. The impact of funding may be an area impacting on strategy development in VMPAs, requiring further investigation.

Nature of professional association leadership

Heildrich (1990) identifies two levels of leadership within voluntary organisations: leaders and non-leaders. Voluntary leaders rarely experience benefits that paid leaders receive. They may also experience increased workloads which may interfere

with paid employment (Pearce, 1980). The nature of the relationship between leaders and non-leaders is an important consideration for any organisation. However, as Catano, Pond, and Kelloway (2001) suggest, the relationship is of particular importance in voluntary organisations where members can withdraw from the organisation without penalty. This is particularly true in the case of voluntary membership professional associations where association membership is not a prerequisite to career advancement within the industry.

CILTA members are free to withdraw their membership of the Institute without penalty to their career prospects, if they are at odds with National or Section leadership. Further, recognising the tendency for newly appointed leaders to make significant changes in organisational direction Van Ewyk (1992) calls for an organisational philosophy which does not change each time a different individual takes on the leadership role. Van Ewyk's concern has not been an issue for the CILTA in recent years as the situation can be described as one of a lack of leadership at the national organisational and industry levels. Nevertheless, the impact of leadership is an area impacting on strategy development in VMPAs and requires further investigation.

2.6.6 Voluntary Membership Organisations

Volunteering is formal when it occurs within an organisational setting, such as volunteering on the management committee of the CILTA, while it is informal when it is conducted outside an organisational setting (Zappala & Burell, 2002). Individuals join voluntary organisations because of the compatibility of their beliefs with the values of the organisation (Barkan, Cohn, & Whitaker, 1995; Fullagar, Gallagher, & Gordon, 1995). Torres, Zey, & McIntosh (1991) suggest that member commitment is essential to participation in voluntary organisations. Porter et al. (1974) describe organisational commitment as: (1) a strong belief in and acceptance of the organisation's goals and values; (2) a willingness to exert considerable effort on behalf of the organisation; and (3) a desire to maintain organisational membership. Active participation by leaders and members is necessary for any organisation to carry out its goals and services, with commitment being an important predictor to participation in voluntary organisations (Lydon & Zanner, 1990). Parker (1998), contributing to the debate, suggests that some members may choose to contribute to

the organisation to support a particular mission or cause. Loyalty may be to the cause rather than the organisation. Nevertheless, some people may join voluntary organisations as a result of pressure from some outside influence or through a belief in the value of developing and building important business or social contacts (Catano et al., 2001). Hence the ongoing value of membership and its contribution to the strategy process is an area requiring further investigation by this research, as there is a paucity of research on this issue in VMPAs.

2.6.7 Summary of Professional Association Literature

This section introduced professional associations and described their value, the role they perform in furthering professional development, and why people join voluntary organisations. Value of membership was seen as a significant strategic issue and failure by the professional associations to deliver value to the membership is likely to result in declining membership. Role, value, leadership, funding, and members' needs, were identified as possible strategic issues requiring further investigation in this research. The next section identifies important planning issues derived from the literature and reviews a number of strategy models that have been proposed to aid third sector organisations develop and deploy strategy.

2.7 Important Planning Features derived from the Extant Literature

Crittenden et al.,(2004), Farjoun (2002), and Brinckerhoff (2000) maintain that most researchers assume that some form of strategy development and implementation is necessary in nonprofit organisations. The world of the nonprofit organisation (including professional associations) is changing in dramatic, complex and dynamic ways, demanding that third sector organisations reconsider what it is that they do and how they do it (Brinckerhoff, 2000). However, some researchers question if strategy development is indeed necessary in all organisations (Hubbard, Samuel, Heap, & Cocks, 2002; Stonehouse & Pemberton, 2002). Researchers have argued that strategic planning and strategic management provides an appropriate means of setting the future direction and scope of the organisation in a time of increased scale and pace of change both within and outside the organisation (Bryson, 1995; Hubbard, 2000b; Johnson & Scholes, 2002; Viljoen & Dann, 2003). Further investigation into the need for strategy in VMPAs is necessary to establish a foundation for a strategy model suitable to Australian VMPAs.

A major weakness of professional associations is that they have not responded to their members changing needs while assuming that services offered remain relevant to members (Wilson, 1997). Wilson argues that it is relatively uncommon for associations to research in depth what the needs and satisfaction of the membership might be, and how they may best be served. This may have an impact on the strategy development process for VMPAs, requiring further investigation.

Cufaude (2001) notes that leadership is critical to association management, calling on associations to rethink their leadership models, to leverage maximum contributions and talents from members to suit the rapidly changing and dynamic environment that professional associations now operate in, whilst ensuring that associations satisfy the needs of their members. Cufaude argues that strategy development in this new environment calls for a new strategy-planning framework. Many traditional strategies used by professional associations are no longer appropriate or successful because of changing environmental conditions and memberships needs (DeLizia & Siegel, 2000). The CILTA has not succeeded in developing a meaningful strategy response to its changing environmental and membership circumstances.

Supporting Cufaud's leadership argument, Lussier and Achua (2004), Dubrin and Daglish (2003), Daft (2001), and Yukl (2002) argue that leadership is critical in organisations. However, leadership and management are not the same. Leadership deals with determining and setting organisational direction more so than management. They argue that management calls for setting detailed plans and schedules for achieving specific results and then allocating resources to accomplish the plan. Leadership, they argue, creates a far-sighted vision of the future and then develops creative strategies to produce the changes necessary to achieve that vision. Daft (2001) argues that leadership is an influence relationship between leaders and followers with an intention to produce real changes and outcomes in the organisation to reflect shared purposes. Daft declares that there are too many people doing management, few doing leadership, and only some doing both leadership and management, noting that both leadership and management are required in organisations operating in today's dynamic environment.

The issue of leadership has important implications for strategy development in VMPAs, requiring further investigation. What leadership role, if any, should the organisation perform in the industry?

Research into the particular needs of the third sector organisations in Australia is patchy. What little literature is available deals predominantly with complex and diverse non-profit organisations in the North American context (Kenny, 2003; Lyons, 2001). Lyons (2001) argues for a need to understand how strategies are developed and deployed in the third sector in Australia. There is a paucity of literature dealing with strategy development in VMPAs in Australia. The next section briefly reviews six third sector strategy models

2.7.1 Examples from the literature of Strategic Planning and Strategic Management Models for Third Sector Organisations

The following section briefly reviews major third sector strategy models identified in the literature. Most describe the strategic planning process being developed for the needs of large nonprofit organisations in the North American context.

Bryson 1995

Bryson argues that the strategy process should provide a way of blending organisational substantive and political rationality (content and process) to improve the organisation and the stakeholders which it servers. Bryson's model, Figure 2.5, is an orderly, deliberative, and participative model consisting of ten sequential steps:

- Initiate and agree upon a strategic planning process.
- Identify organisational mandates.
- Clarify organisational mission and values.
- Assess the organisation's external and internal environments and identify strengths, weaknesses, opportunities, and threats.
- Identify the strategic issues facing the organisation.
- Formulate strategies to manage these issues.
- Review and adopt the strategic plan or plans.
- Establish an effective organisational vision.
- Develop an effective implementation process.
- Reassess strategies and the strategic planning process.

Bryson argues that, by following the ten sequential steps, actions, results and evaluation should emerge at the end of each step in the strategy process. In Bryson's view, the model is applicable to public and nonprofit organisations, inter-organisational networks and communities, requiring only a 'dominant coalition' to drive the process. The model assumes a significant resource base and a full-time staff to drive the strategic planning process, neither of which is available to the CILTA. The underlying assumption of Bryson's model is that of a stable industry structure, success being measured in terms of profit growth. Stable industry structure and measures of profitability are both inappropriate for the CILTA. The main benefit of Bryson's model for the CILTA appears to be at step five, which calls for the identification of the strategic issues facing the organisation. The CILTA is embedded in an industry confronting rapid change, and such change impacts on member's needs, and ultimately whether members believe that they are receiving value for membership. The Institute therefore needs to be aware of those strategic issues when developing strategy to ensure that the changing needs of its members are accommodated in the strategy process.

At the current state of the debate, the model constitutes the orthodoxy of the US nonprofit literature, but fails to provide any new insights or deliver any operational guidance for small VMPAs to assist in developing and deploying strategy.

Figure 2.5 The Ten-Step Strategy Change Cycle

Forces/Trends
- Political
- Economic
- Social
- Technological
- Educational
- Physical

Key Resource Controllers
- Clients
- Customers
- Payers
- Members
- Regulators

Competitors
- Competitive forces

Collaborators
- Collaborative forces

Process typically starts at 1, 2, 6, 9, or 10
Goal formulation may occur at 2, 5, 6, 7, or 9
Vision formulation may occur at 3. 5. 6. or 8

External Environment

4a External Environment

Opportunities and Threats

7 Strategy and Plan Review and Adoption

9 Implementation

2 Mandates

5 Strategic Issues
- Direct approach
- Goals approach
- Vision of success approach
- Indirect approach

1 Initial Agreement
(plan for planning)

Stakeholders
- External
- Internal

6 Strategy Formulation

8 Description of organization in the Future
(Vision of Success)
- Optional -

10 Strategy and Planning Process Reassessment

3 Mission/Values
- By stakeholders

Strengths and Weaknesses

4b Internal Environment

Resources
- People
- Economic
- Information
- Competencies
- Culture

Present Strategy
- Overall
- Department
- Business process
- Functional

Performance
- Indicators
- Results
- History

Internal Environment

Strategic Planning   **Management**

83

84

Source: Adapted from Bryson (1995, p. 24-25)

Allison and Kaye 1997

Allison and Kaye (1997), Figure 2.6, make a case that strategic planning is one of the most powerful management tools available to help nonprofit [third sector] organisations to do a better job, if they know how to use it. They argue that the strategic planning process:

· should involve choosing how best to respond to a dynamic and at times hostile environment

· is systematic in following a process that is focused and productive

· makes decisions about ends and means by choosing specific priorities for the long and short-term

· should build commitment from all key stakeholders.

They call for strategic planning to be a creative and participatory process, engendering new insights to drive the organisation toward achieving its mission and goals. Their strategic planning process is built on seven sequential phases:

1. getting ready
2. articulating mission and vision
3. assessing the environment
4. agreeing on priorities
5. writing the strategic plan
6. implementing the strategic plan and creating an Annual Operating Plan
7. monitoring and evaluating the process and plan.

Figure 2.6 The Strategic Planning Process (Allison and Kaye)
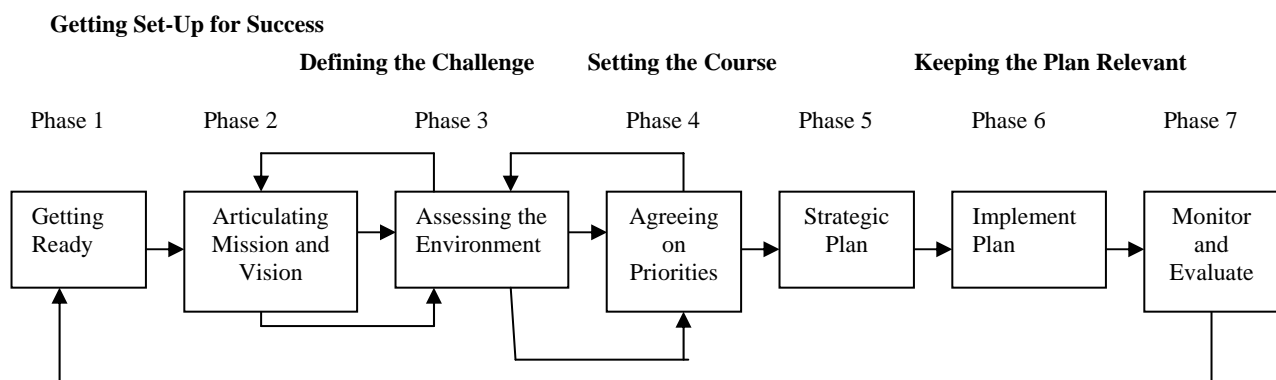
Source: Adapted from Allison and Kaye (1997, p. 11)

Phase 4, agreeing on priorities, is essential in an organisation with limited financial, human and time resources, as is the case of the CILTA. Determining priorities and focusing on those priorities is an essential strategic task for the CILTA if it is to ensure that it continues to meet its members changing needs in a dynamic environment.

Allison and Kaye further contend that successful strategic planning generates:
· an understanding of organisational purpose, business and values among the stakeholders
· an action sequence for all stakeholders
· broad milestones to be achieved
· information that can be matched to potential lenders and the public.

Point two, an action sequence for all stakeholders, is relevant to the CILTA as previous attempts at strategy development have failed to include the wider membership in the process, and is cited as a major reason for the ultimate demise of the planning process attempted.

The model particularly regards a significant outcome of the planning process as being the ability to market the plan to potential funding organisations of the nonprofit (third sector) organisation. The major deficiency of Allison and Kaye's strategic planning model is the assumption of the resource base available to undertake the strategy process, and fails to consider the limited resource base of VMPAs. Allison and Kaye's model of strategic planning, like Bryson's Ten Step Strategy Change Cycle, assumes a significant resource base to undertake and review the process. As a result, the model is of limited assistance to the CILTA.

Oster 1995

Oster's (1995) Management Schematic model, Figure 2.7, recognises that nonprofit organisations need to consider what they want to do, and what they can do, given imposed environmental constraints. The Management Schematic model attempts to shift thinking from strategic planning to a more inclusive and integrative strategic management approach. The model is developed on the assumption that the central strategic question any nonprofit organisation has to answer is 'what business it wants to be in' to achieve its goals. Oster (1995, p. 11) argues that 'what business is it in'

and what it hopes to achieve in that business is the most fundamental 'fact' facing any nonprofit organisation.

This fundamental assumption is not applicable to the CILTA as the Institute is not in a business, but rather provides a service(s) to members and the industry. The Institute does not have the capacity to change the 'business' in which it is operating without fundamentally altering its legal entity. Oster's model supports the orthodoxy of US nonprofit researchers that the driving question underlying strategy development in nonprofit organisations is one of 'what business are we in?' and provides a fundamentally flawed starting point for strategy development in VMPAs and the CILTA in particular.

Figure 2.7 Management Schematic
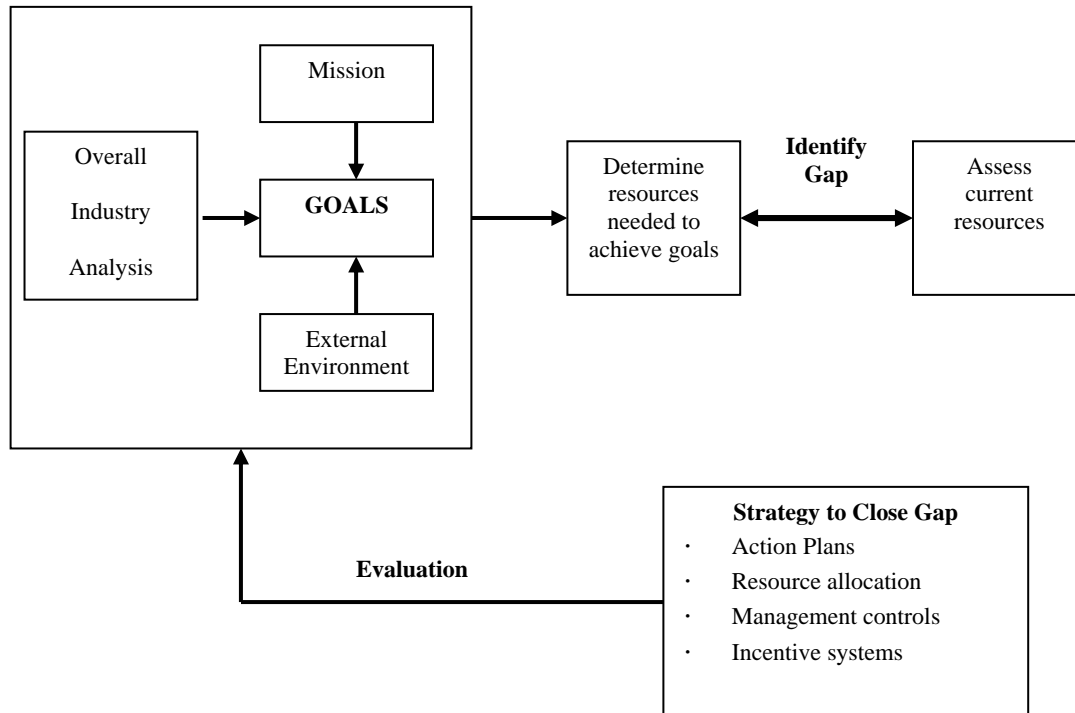
Source: Oster (1995, p. 12)

Crittenden and Crittenden 1997

Strategic planning and strategic management are not separate activities but interrelated and ongoing actions (William F Crittenden & Crittenden, 1997). The essence of strategic planning is the alignment of the organisation to the environment, as illustrated in Figure 2.8.

Figure 2.8 A Strategic Planning Model for Third Sector Organisations
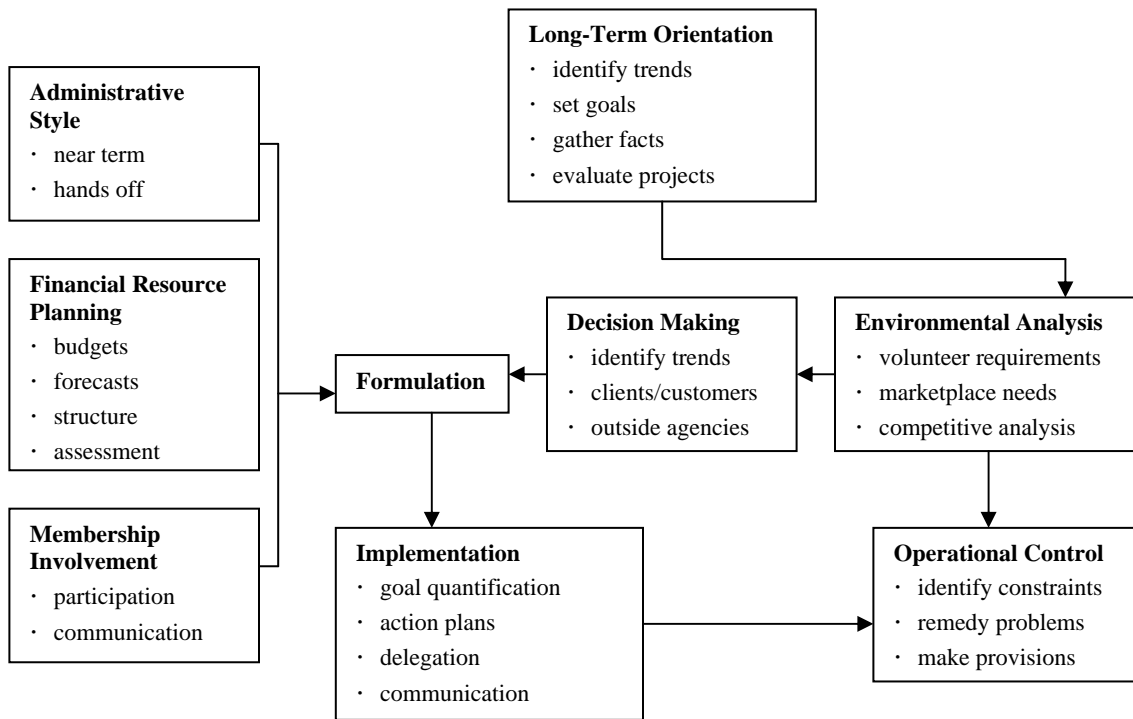
Source: Crittenden & Crittenden (1997, p. 89)

Crittenden and Crittenden identified ten key strategic planning elements for nonprofit organisations. These are:

1. scope of planning

2. formality of planning

3. administrative style

4. membership involvement

5. external environment

6. implementation responsiveness

7. strategic planning routinism

8. constraint identification

9. subjective planning

10. financial resource planning.

Crittenden and Crittenden conclude that the tenets of for-profit sector strategic planning remain the same in the nonprofit sector. However, modifications are required to suit individual organisational circumstances. They offer five general steps in the planning process for nonprofit organisations: (1) goal/objective setting; (2)

situation analysis; (3) alternative consideration and selection; (4) implementation; and (5) evaluation. Of particular significance to the CILTA is the recognition of the requirement for administrative style, element 3, membership involvement, element 4, and financial resource planning, element 10, supporting the call by Cooper, et al (1996) for professional organisations to become professional businesses, by adopting a business approach.

A significant deficiency in Crittenden and Crittenden's planning approach is their claim that strategy development in nonprofit [third sector] organisations is essentially the same as for business operating in the for-profit sector. The model follows the orthodoxy of strategy literature in the nonprofit sector without identifying particular differences in strategy, as discussed in Section 2.4.

Mara 2000

This model was developed for the specific requirements of a hospice in Virginia, US. The model is a structured planning method with three steps:

1. A group meeting, using a modified Policy Delphi technique. It developed a list of elements considered to be most important, and likely to be achieved in the following five to ten years.
2. An individual meeting with each person involved in the planning process. Word pictures were developed of the strategic plan using Situation Structuring software.
3. A group meeting to develop a final strategic plan.

Mara's planning process was developed for a single site organisation and relies on a facilitator skilled in the use of the Delphi process and Situation Structuring software, who is able to effectively work with groups and individuals, and has an understanding of the target organisation. Mara's planning approach has limited application to the CILTA because of its multi-site structure, logistic difficulties, and financial constraints necessary to facilitate group and individual meetings. However, the approach is conceptually simple but powerful, by involving stakeholders, identifying key focus areas, streamlined, and interesting for participants, leading to a heightened sense of ownership of the resulting plan. Mara's strategy model demonstrates the possibility of a simple, powerful and 'doable' strategy development process for the particular needs of third sector organisations.

Barry 2001

A simple but effective planning process, developed for nonprofit organisations, units of government, community groups, and coalitions, is illustrated in Figure 2.9. The planning process is supported by extensive work sheets to assist organisations to operationalise the planning activity.

Barry's five-step process is based on six key assumptions of choice: (1) mission, goals or vision to be pursued; (2) who will be served; (3) role of the community; (4) programmes, services, or products to be offered; (5) resources needed; and (6) combining resources, to achieve the organisation's mission or vision.

Barry's assumption of choice of who will be served is similar to the fundamental driving question of for-profit strategy 'what business are we in?', and assumes that nonprofit (third sector) organisations have the legal and taxation freedom to change the 'business' they are in. This assumption is not particularly relevant to VMPAs such as the CILTA where a change of 'business' will alter the taxation and legal entity form of the organisation. A different question to drive strategy development in VMPAs is required. Of particular relevance to the CILTA is Step 3 – Figure 2.9, which recognises the need to identify and focus on critical issues. However, the model continues the traditional planning orthodoxy but fails to offer any specific strategic planning guidance for VMPAs and the CILTA in particular.

Figure 2.9 Five Steps to Develop a Strategic Plan

Five Steps to Develop a Strategic Plan

STEP 1
Get Organized
- Note why you are planning and any concerns
- Select a steering group or person to keep the planning on track
- Determine if outside help is needed
- Outline the planning process that fits your organization
- Get commitment to proceed

STEP 2
Take Stock
(Situation Analysis)
- Pull together necessary background information
- Review your nonprofit's past, present, and future situation
- Identify key issues or choices

STEP 3
Set Direction
- Develop a vision of your organization's future
  - Critical issues approach
  - Scenario approach
  - Goals approach
  - Alignment approach
- Determine how to move the organization toward this future
- Develop a first draft of the plan

STEP 4
Refine and Adopt the Plan
- Review and refine the plan
- Adopt the plan

STEP 5
Implement the Plan
- Implement the plan
- Monitor progress
- Make adjustments
- Periodically update the plan

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Source: Barry (2001, p. 14)

2.7.2 Deficiencies in Existing Strategic Planning and Strategic Management Models

Models of strategic planning and strategic management reviewed in section 2.7.1 exhibit a number of omissions and deficiencies:

·   The models fail to recognise the impact of differences in the strategy development task between small third sector organisations and larger, externally funded non-profit organisations.

- Little recognition has been given to the role of the third sector organisation. Further research is required to establish the role of VMPAs in Australia.
- Existing models assume a resource base to undertake significant environmental scanning. Such resource base may not be available to small VMPAs.
- The context of strategy development in VMPAs has not been adequately researched.
- Is strategy development necessary for VMPAs?
- The particular issues necessary for strategy development by VMPAs has not been adequately researched.
- The barriers to strategy development are not adequately addressed for VMPAs.

These issues will be addressed in the following sections.

2.7.3 Important Planning Features Missing from the Extant Literature

Previous research has not produced strategy models specifically adaptable to the particular needs of VMPAs. Kearns and Scarpino (1996), Stone (Stone et al., 1999), and (W F Crittenden et al., 2004) conclude that empirical research in strategy formulation and implementation by nonprofit (third sector) organisations is in an embryonic state leading to vague and inconsistent findings. Table 2.8 draws together the important issues and gaps identified in the extant literature reviewed in this chapter.

Table 2.8 Issues and Gaps Identified in Extant Literature

Chapter Section	Issue/Gap Identified
2.2	Stone, 1999 No studies of Voluntary Membership Professional Associations. The relationship between strategy and performance is not clear. A gap exists in the extant literature.
2.2.1	Requirement to identify strategy variables and strategy approach suitable for the particular needs of third sector organisations. A gap exists in the extant literature.
2.2.2	Requirement of a strategy approach consuming fewer resources. A gap exists in the extant literature.
2.2.3	What strategy approach is appropriate? A gap exists in the extant literature. How does CILTA develop strategy in a complex and dynamic environment with few resources? A gap exists in the extant literature.
2.3	Strategy as 'art', strategic flexibility, barriers to strategy, organisational specific, and cultural issues are important issues underlying the strategy process. Is it possible to develop a strategy framework, which can be adopted by third sector organisations to suit their specific and unique circumstances? A gap exists in the extant literature.
2.4.2	New sub-category of voluntary membership professional association (VMPA) added to Salamon and Anheier's (1997) structural-operational definition of nonprofit sector. A gap exists in the extant literature. This research closes that gap.
2.5	Strategy models from for-profit and existing nonprofit sector are unlikely to satisfy the particular needs of Australian VMPAs such as the CILTA. A gap exists in the extant literature.
2.6.2	What is the role(s) of VMPAs? A gap exists in the extant literature.
2.6.3	What is the value of VMPAs, and what value do they provide? A gap exists in the extant literature.
2.7	Professional associations have not responded to members' changing needs. A gap exists in the extant literature. Leadership is critical to association operations. What is leadership in a professional association? What type of leadership is required? What leadership role(s) does a professional association or VMPA perform in the industry? Gaps exist in the extant literature. What is the context of strategy formulation in VMPAs? A gap exists in the extant literature. What are the issues driving strategy development in VMPAs? A gap exists in the extant literature.

Although a number of authors have developed strategy models for the nonprofit sector (Barry, 2001; Bryson, 1995; William F Crittenden & Crittenden, 1997; Mara, 2000; Mulhare, 1999; Oster, 1995; Young, 1999), the literature fails to identify the particular needs of professional associations, and VMPAs in particular, except in a cursory manner. Kloss (1999) notes that there is a need for further research on how to engage a vested but highly diverse membership in a change process that may be very threatening to members. Stonehouse and Pemberton (2002) argue that practical strategy research is in relatively short supply, with much of the available research dealing with larger market focused organisations. Further, (Mara, 2000) calls for a planning process that is 'doable', interesting, and not burdensome, in light of the challenges confronting professional associations. The issues and gaps identified in

Table 2.8 provide a broad canvas from which to conduct research into strategy development in third sector organisations. Time and resource constraints necessarily limited this research project to placing boundaries on the issues and gaps to be investigated. Thus, the research problem and research questions are identified in Section 2.8.

2.7.4 The Challenge to Develop a Suitable Planning Model for Voluntary Membership Professional Associations

Voluntary membership professional associations often lack the necessary resource base to conduct comprehensive strategy development and implementation using existing strategy models. However, such organisations are required to remain future focused if they are to stay relevant to their membership and industry. Development of an appropriate strategy framework will assist professional associations to remain viable whilst contributing to the ongoing development and competitiveness of Australian industry in an increasingly dynamic environment.

2.8 Research Problem and Questions

The foregoing discussion indicates numerous gaps in the extant literature in the field of third sector strategy formulation. Specifically, little recognition has been accorded to strategy development in voluntary membership professional associations. Thus, the research problem identified for this research is:

> *What are the particular factors relevant to develop a strategic framework for voluntary membership professional associations in Australia's third sector?*

The following research questions developed from the review of the literature in this chapter require answers:

Question 1   what is the context of strategy formulation in a voluntary membership professional association, representative of voluntary membership professional associations in Australia?

Question 2   what are the barriers to strategy formulation and implementation in a voluntary membership professional association, representative of voluntary membership professional associations in Australia?

Question 3   what are the key strategic issues to be considered by a voluntary membership professional association, representative of voluntary membership professional associations in Australia when developing strategy?

Question 4   what would a strategic framework for the particular needs of the Chartered Institute of Logistics and Transport in Australia look like?

These questions will be addressed in Chapter 6.

2.9   Summary

The modern academic discipline of strategy is considered to have commenced with the classic strategy model.   Strategy development, under this model, requires significant resources, which may be beyond the capability of many small third sector organisations, such as VMPAs, and in particular, the CILTA.   Subsequent strategy theory identifies the dynamic and complex nature of the strategy process in the for-profit sector, but implementation of the theories is resource intense for the implementing organisation.   Existing strategy approaches and models are resource intensive and beyond the resource capabilities of many third sector organisations to implement, including the CILTA, requiring, therefore, that a new strategy model to assist VMPAs formulate strategy be developed.

Models of strategy development and implementation have largely been developed in the for-profit sector in the North American context (Hubbard, 2000b; Kheng-Hor & Munro-Smith, 1999), with a major purpose of   strategic planning and strategic management being to secure donations from large corporate donors and government organisations.

For-profit sector strategy issues point to an evolution in strategy thinking and practice, particularly in the for-profit sector. The arguments advocated for strategy as an art; strategy flexibility; shorter time horizons; recognition of the impact of senior managers personal philosophy and personality; cultural issues; the uniqueness of the strategy process for each organisation; strategy barriers; and the type of change orientation, provide issues for further research when considering the issue of strategy development in VMPAs, and the CILTA in particular.

Value of membership was seen as a significant strategic issue, and failure by the professional associations to deliver value to the membership is likely to result in declining membership. Role, value, leadership, funding, and members' needs were identified as possible strategic issues requiring further investigation in this research.

This chapter has demonstrated the paucity of literature dealing with strategy development in VMPAs. Table 2.8 summarised the gaps, and this research aims to partially fill that gap. Research questions have been identified from the extant literature to guide the research process and answer the research problem:

> ***What are the particular factors relevant to develop a strategic framework for voluntary membership professional associations in Australia's third sector?***

Chapter 3 develops the methodology to answer the research questions and address the research problem.

CHAPTER 3   METHODOLOGY

3.0   Introduction

Chapter 1 outlined the exploratory nature of this research, and the approach that this thesis takes to explore the issue of strategy development in an Australian Voluntary Membership Professional Associations (VMPAs). The research problem was also introduced:

> ***What are the particular factors relevant to develop a strategic framework for voluntary membership professional associations in Australia's third sector?***

Chapter 2 reviewed the extant literature on strategy development with particular reference to third sector professional associations. The chapter identified that for-profit planning models provide limited guidance to third sector organisations as a result of their particular circumstances. It also established that existing third sector strategy models are largely adaptations of for-profit models, require significant resources, and are frequently beyond the capacity of small voluntary organisations, such as the CILTA, to be useful for strategy formulation and implementation.

This research is guided by the significant gaps and issues identified in the extant literature as outlined in Table 2.8. The context and barriers to strategy, and the particular issues driving strategy development in third sector organisations, are significant issues requiring further investigation. The chapter concluded by identifying the important planning features missing from the third sector literature and called for a new strategy model for VMPAs. Four research questions were derived from the literature review to guide the research process in order to address the research problem posed in Chapter 1.

This chapter discusses selection of the research paradigm and choice of methodology and methods to explore the search problem. The sequence of the Chapter is shown in Figure 3.1.

Figure 3.1 Sequence of Chapter 3

3.1 Exploratory Nature of Research	3.2 Theory Testing Theory Building	3.3 Deductive –v- Inductive Approach to Theory Construction	3.4 Paradigm Justification and Methodology

3.5 Qualitative Methods

3.10 Summary Paradigm Selection

Case Study Design
Case Selection
Site Visit/ Data Collection
Soft Systems Methodology

Construct Validity
Internal Validity
External Validity
Reliability
Triangulation
Data Collection and Analysis

3.6 Research Design and Data Collection

3.7 Research Design Quality

3.8 Generalisability of Findings

3.9 Ethical Considerations

3.1   Exploratory Nature of the Research

As noted in Chapter 1, this research has adopted an exploratory approach. There are a number of reasons for an exploratory approach to be taken for this study:

·   Little is known about strategy development in Australian third sector organisations and VMPAs in particular. When investigating a subject where there are few previous studies or little research literature, an exploratory approach to discovering new knowledge is called for (J. Hussey & R. Hussey, 1997; Ives, 2005; Jennings, 2001; Neuman, 2000).

·   Where a multi-faceted study is undertaken, an exploratory approach is suitable to gain further understanding of the phenomenon (Gomes & Murphy, 2003; Kavanamur, 2004; Yin, 2003).

·   There is also an acknowledged need for such additional research (Crittenden, Crittenden, Stone, & Robertson, 2004). Farmer & Fedor (1999) and Kloss (1999)

observe that the particular needs of decentralised professional associations has only been explored in 'a cursory manner'.

· Previous research in the nonprofit sector has concentrated on 'revamping' for-profit strategic planning models to meet the special needs of the nonprofit sector (Mulhare, 1999).

· Finally, Maranville (1999) observed that previous research has centred on nonprofit [third sector] organisations which are externally controlled by their funding sources. Thus, the strategy process is primarily directed towards satisfying the needs of those particular key stakeholders.

Sekaran (1992) notes that, 'exploratory studies are done to better comprehend the nature of the problem since few studies have been conducted regarding the phenomenon needed to be understood'(p. 95). Further, 'Exploratory studies are thus important in obtaining a good grasp of the phenomena of interest and for advancing knowledge through good theory building'(p. 95). Therefore, on balance, an exploratory approach was deemed the most suitable approach to investigate strategy formulation in the CILTA and CILTS to gain insight into the strategy phenomenon, and build theory suitable for third sector organisations.

According to Cooper and Emory (1995) exploratory research should include three elements:

· Literature search – as the first step in the process. A variety of key words should be used and that secondary data should be accessed and reviewed. In addition to academic studies, published reports, government statistics and trade magazines, are suggested as appropriate secondary data sources. The research conducted in this thesis examined annual reports, meeting minutes, archival material, published documents, and histories from the National Council and the relevant Sections to build a rich understanding of the CILTA and CILTS.

· Focus groups – provide the researcher with a deeper and wider set of views to emerge as a result of the exchange of ideas, feelings and experiences within the group setting. Nine focus groups, comprising 78 CILTA and CILTS members, were conducted to

collect a 'rich' data set to understand the strategy phenomenon in the CILTA and CILTS.

· Experience surveys – interviews should be conducted with experienced individuals in the field of study. The interview format should be focused, but flexible, in order to allow other avenues of thought and perspective's to emerge. In-depth interviews were conducted where appropriate to 'flesh-out' issues uncovered in the archival search and focus groups, to provide a means to triangulate the data collection.

3.2   Theory Testing and Theory Building

Central to the issue of research design is the question of the application of existing theory to solve the issue, or if existing theory is lacking, to develop new theory. If existing theory is not capable of adequately solving the research issue, then developing new theory is a sound approach. Such a choice will also point the way to the appropriate research paradigm to be adopted, as well as determining the preferred approach to research.

Theory building requires a set of characteristics that differ to those of theory testing. Much of the existing research into strategy development in the third sector has relied on 'revamping' existing for-profit strategy models for the needs of the nonprofit sector (Mulhare, 1999). In many cases the modified theory has been applied to large nonprofit organisations that have a large staff, are controlled by external funding sources, or both. The failure of existing theory to adequately describe the strategy processes required for a decentralised VMPA indicates a need to develop a new theory that has capabilities not inherent in existing theories. Accordingly, the approach of this research is to develop a new theory of strategy development that will identify the critical factors impacting on and driving strategy development in the CILTA, and possibly other Australian VMPAs.

There is also a requirement to determine if the new theory should be constructed using a deductive or an inductive approach. The approach selected determines the paradigm to be used. The following sections examine the approaches and characteristics of paradigms used in social science research.

3.3 Deductive verses Inductive Approach to Theory Construction

Determining the direction of the theory building approach is the next step. Theory building in this context has two main approaches; deductive theory testing and inductive theory building (Bonama, 1985; Neuman, 2000; Parkhe, 1993; Romano, 1989). The deductive approach begins 'with an abstract, logical relationship among concepts, then move towards concrete empirical evidence' (Neuman, 2000, p. 49). Further, Parkhe (1993) and Veal (1992) describe the deductive approach as a process of developing conclusions from something that is already known or assumed, and is based on accepted and known principles. The deductive approach starts with a theory or 'hypothesis' and moves the research 'from the general to the particular' (J. Hussey & R. Hussey, 1997, p. 13). If the hypothesis is supported by the data, new generally applicable statements are developed (Payne & Payne, 2004).

In contrast, the inductive approach begins with 'detailed observations of the world and moves toward more abstract generalisations and ideas' (Neuman, 2000, p. 49). Parkhe (1993) and Veal (1992) further describe the inductive approach as one of discovering explanations for a particular group or set of facts or observational evidence in favour of a previously unknown proposition. The deductive approach moves the research 'from the specific to the general' (J. Hussey & R. Hussey, 1997, p. 13), with theories and new understandings emerging 'inductively' from the research (Payne & Payne, 2004).

The difference between the two approaches can be viewed from a paradigm perspective. The inductive approach represents the phenomenological paradigm, the deductive approach represents the positive paradigm (Easterby-Smith, Thorpe, & Lowe, 1991; Perry, 1998). Social science research is guided by three competing paradigms: positivism, interpretivist, and critical science. Each paradigm is briefly examined, in the following sections, to determine the appropriate theory building base for this research.

3.4 Paradigm Justification

Positivist (quantitative), interpretivist (qualitative), and critical social science paradigms are the three main research paradigms offered in the literature (Checkland, 1999; J.

Hussey & R. Hussey, 1997; Jennings, 2001; Neuman, 2000; Sarantakos, 1998), and are outlined in Table 3.1. Positivism is connected with deductive reasoning, interpretivist is linked to inductive reasoning, while critical science combines nomothetic and ideographic approaches (Neuman, 2000). In practice, scientific and social inquiry often requires both deduction and induction reasoning (Babbie, 1998). Table 3.1 highlights the differences among the three research approaches.

Table 3.1 A Summary of Differences among the Three Approaches to Research

	Positivism	Interpretive Social Science	Critical Social Science
1. Reason for research	To discover natural laws so people can predict and control events	To understand and describe meaningful social action	To smash myths and empower people to change society radically
2. Nature of social reality	Stable pre-existing patterns or order that can be discovered	Fluid definitions of a situation created by human interaction	Conflict filled and governed by hidden underlying structures
3. Nature of human beings	Self-interested and rational individuals who are shaped by external forces	Social beings who create meaning and who constantly make sense of their worlds	Creative, adaptive people with unrealised potential, trapped illusion and exploitation
4. Role of common sense	Clearly distinct from and less valid than science	Powerful everyday theories used by ordinary people	False beliefs that hide power and objective conditions
5. Theory looks like	A logical, deductive system of interconnected definitions, axioms, and laws	A description of how a group's meaning system is generated and sustained	A critique that reveals true conditions and helps people see the way to a better world
6. An explanation that is true	Is logically connected to laws and based on facts	Resonates or feels right to those who are being studied	Supplies people with tools needed to change the world
7. Good evidence	Based on precise observations others can repeat	Is embedded in the context of fluid social interactions	Is informed by a theory that unveils illusions
8. Place for values	Science is value free and values have no place except when choosing a topic	Values are an integral part of social life; no group's values are wrong, only different	All science must begin with a value position; some positions are right, some are wrong.

Source: Adapted from Neuman (2000, p. 85)

Table 3.1 highlights the relevance of the Interpretative Social Science approach to the exploratory nature of this research to uncover the context, barriers, and issues, underlying strategy development in the CILTA. In sum, strategy formulation results from a social interaction by humans acting in a fluid and dynamic social setting. An interpretive

approach to make sense of the meanings created by each group studied would appear the most appropriate approach for the purpose of this research.

The critical science approach criticises both positivism and interpretative social science approaches but moves beyond them. However, few full-time researchers have adopted the critical science approach. The use of critical science is mainly confined to community action groups, political organisations, and social movements (Neuman, 2000). This researcher is of the firm opinion that the nature of the CILTA organisation does not meet the first four criteria of the critical social science approach and will exclude this approach from the remaining discussion. Table 3.2 sets out the assumptions against which the positivist (quantitative), and interpretivist (qualitative) paradigms may be evaluated as identified by Cresswell (1994).

The research process will be influenced and guided by the researcher's ontological and epistemological orientation within his/her personal paradigm (J. Hussey & R. Hussey, 1997). In this thesis, the researcher's ontological position is that the reality of strategy development and implementation is subjective, and an outcome of the participants in the embedded units of analysis, the CILTA. Further, given the relationship of the researcher to the CILTA, and the belief that to explore strategy development from the various perspective's presented in the CILTA and CILTS, the researcher is required to interact (epistemological assumption) with the social setting under analysis, rather than attempting to remain independent, as called for by the positivistic approach. Given the relationship of the researcher to the CILTA, as outlined in Section 1.4, and the subjectivity of strategy development, a qualitative paradigm would appear appropriate in this research. On the other hand there are compelling reasons to consider the positivism paradigm.

Table 3.2 Assumptions of the Two Key Paradigms

Assumption	Question Posed for Intended Research	Quantitative Approach (Positivistic)	Qualitative Approach (Interpretative)
1. *Ontological* Objectivity -v- Subjectivity	What is the *nature of reality?*	Reality is objective and singular, apart from the researcher	Reality is subjective and multiple as seen by participants in a study
2. *Epistemological* Independent -v- Interaction	What is the *relationship* of the researcher to that researched?	Researcher is independent from that being researched	Researcher interacts with that being researched
3. *Axiological* Value-free -v- Value-laden	What is the *role* of values?	Value-free and unbiased	Value-laden and biased
4. *Rhetorical* Formal -v- Informal	What is the *language* of research?	Formal. Based on set definitions. Impersonal voice. Use of accepted quantitative words	Informal Evolving decisions Personal voice Use of accepted qualitative words
5. *Methodological* Deductive -v- Inductive	What is the *process* of research?	Deductive process Cause and effect Static design categories isolated before study Context-free Generalisations leading to prediction, explanation and understanding Accurate and reliable through validity and reliability	Inductive process Mutual simultaneous shaping of factors Emerging design categories identified during research process Context-bound Patterns, theories developed for understanding Accurate and reliable through verification

Source: Adapted from Creswell (1994, p. 5)

3.4.1 Positivistic Paradigm Strengths and Weaknesses

The first approach to research, listed in Table 3.1, is positivism. The positivistic paradigm is based on the idea that the social world exists externally, and that its properties should be measured through objective means rather than relying on inferred subjectivity derived from reflection, intuition or sensation (Easterby-Smith et al., 1991). Positivism defines reality as everything that can be perceived through the senses. 'Reality is "out there", independent of human consciousness, is objective, rests on order, is governed by strict, natural and unchangeable laws, and can be realised through experiences. All members of society define reality in the same way, because they all share the same meanings' (Sarantakos, 1998, p. 96) According to the positivist approach, science progresses in tiny steps, each of which refines and extends what is already known. Demonstrated by the recording of conflicting views of members and Sections in

meeting minutes, it is considered unlikely that all members of the CILTA or other VMPAs would define 'reality in the same way' or all 'share the same meanings'.

The fundamental assertion of positivism is that 'there is only one logic of science, to which any intellectual activity aspiring to the title of "science" must inform' (Keat & Urry, 1975, p. 25) requiring, therefore, that the social science and natural science both use the same method. The tenets of positivism are that social and physical reality is out there waiting to be described; humans are self-interested, pleasure seeking, rational, and operate from external causes with the same cause resulting in the same effect on everyone. Science is the 'best' way to gain knowledge. Science discovers causal laws to explain why social life is the way it is, in the form of x is caused by y because they are specific instances of a causal law. Explanations must be free from logical contradictions, be consistent with observed facts and be able to be replicated to ensure honesty. Facts are distinct from ideas, values and theories. 'Scientific explanation involves the accurate and precise measurement of phenomena' (Derksen & Gartrell, 1992, p. 1174). Positivist science is value free, applies strict rational thinking and systematic observation to eliminate prejudice, bias and values. 'In other words it is objective' (Neuman, 2000, p. 69)

Having briefly reviewed the strengths of positivism, weaknesses undermining its usefulness for this research are reviewed. The main criticisms of the positivistic paradigm, according to Hussey and Hussey (1997, p. 43-45) are:
·   Social phenomena are in the mind of people in the social setting and cannot be treated as being 'out there'.
·   Reality is subjective, not objective as demanded by positivism.
·   Real meaning of social phenomena cannot be measured by quantitative measurement.
·   Hypotheses determine the course of study, excluding learning from the field.
·   Standardised tools restrict experience.
·   It adopts a theoretical perspective that maintains the status quo.
·   Methods drive the research process to the point of being more important than the research.

- Reality is measured or measurable attributes that are to be quantified.
- The researcher's influence is reduced or even neutralised by bracketing out the researcher's experiences.
- Natural science is the model for quantitative research to dissect and analyse parts, not wholes, to quantify and reproduce findings, and assumes a nomological rigidity that is not present in society.
- Research subjects are viewed as scientific 'objects' and 'producers' of data.
- Objectivity is paramount. However, is objectivity possible? Standardisation results in an 'artificial world' not connected to the 'real world'. Researcher objectivity is not necessary.
- Methods appear to separate context from the research objects.

In the positivistic paradigm, data is collected in a structured manner, free from researcher intervention, with the aim of seeking confirmation in value free generalisations. However, Chapter 2 established that little research has previously been conducted into strategy formulation in VMPAs and argued for exploratory research. The nature of exploratory research is less suited to the structured framework of the positivism approach. A positivistic paradigm is appropriate in the natural sciences where the researcher is quite divorced from the subject of investigation. The researcher, in this case, has been a member of the case organisation since 1985 and has served in numerous capacities. In the social sciences, such separation from the subject under examination is not always appropriate or indeed possible. Researchers in the social sciences participate in the real world to better understand the properties and features of the situation under investigation, and may not be able to divorce themselves from the subjects that they are studying, as required in the positivistic paradigm.

In sum, positivism provides a rigorous, disciplined and above all a systematic approach to studying strategy issues in the CILTA. However, not all members of the 'community' view or define reality in the same way or share the same meanings, casting doubt over the appropriateness of positivism as a paradigm for this research.

3.4.2 Interpretivist Paradigm Strengths and Weaknesses

The second approach to research, listed in Table 3.1, is Interpretative Social Science. The interpretative perspective is related to hermeneutics; the theory of meaning. Hermeneutics stress detailed examination of text to discuss embedded meaning. Researchers bring their own experience to the text and attempt to get inside the text's viewpoint to develop holistic understanding of how the parts relate to the whole. Interpretative Social Science is a 'systematic analysis of socially meaningful action through the detailed observation of people in natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds' (Neuman, 2000, p. 71). Variants of interpretivism are hermeneutics, phenomenological constructionism, cognitive, subjectivist, qualitative sociology, idealism, and ethnomethodology.

The tenets of interpretive social science are to understand social life (the goal) by discovering how people construct meaning in the natural settings by studying meaningful social action, not just observable or external behaviour. Social life is an accomplishment rooted in social interaction in a socially constructed meaning system. Human behaviour is not simply based on pre-existing laws waiting to be discovered but results from social conventions created as people interact socially. Common sense is a vital source of information to assist understanding people. 'A person's common sense of reality emerges from a pragmatic orientation and set assumptions about the world' (p. 73). Interpretive science provides a 'thick' description of the situation (ideographic) which is rooted in the text. The unique features of texts and meanings provide evidence for interpretivist researchers. 'Evidence of social action cannot be isolated from the context in which it occurs 'or the meanings assigned to it by the social actors' (p. 74). Unlike positivism, interpretative, is not value free as values and meaning are infused everywhere and in everything'(p. 75). Qualitative research is conducted with people in their natural settings, stresses meaning and interpretation, seeks deep understanding of the social world of the research objective, humanises the research process, embeds flexibility to pursue emerging lines as research progresses, and presents a 'more realistic view of the

[social] world (Sarantakos, 1998, p. 53). The role of the researcher is to be a 'passionate participant' (Guba & Lincoln, 1994, p. 115).

Based on the previous discussion, interpretivism would appear the most appropriate paradigm for this research, to uncover the issues of strategy formulation and implementation in the CILTA and CILTS. The author sought to understand the current context of strategy development in the CILTA and CILTS, and then interpret the context to develop a more appropriate approach to strategy development. Strategy development, being a dynamic process, and not a static reality, requires a dynamic methodology to capture the process. Supporting the argument for a qualitative approach, Strauss and Corbin (1990) reason that, when attempting to understand a phenomenon in which little is known about, qualitative methods are useful. Affirming this position, Maxwell (1996), asserts that interpretive studies provide insight into the context and meanings of study participants, assist in understanding unanticipated phenomena and influences, augment our knowledge of the process underlying events and actions, and generate new theory. Maxwell's observations are important to this research as understanding meaning and context of strategy formulation, and generating new theory, are key outcomes of this research.

The major arguments against interpretivism are that qualitative research is 'soft science', qualitative researchers are mere 'journalists', and the research outcomes 'unscientific' 'exploratory' or 'subjective' (Denzin & Lincoln, 2003, p. 12); an argument typical of the 'politics of paradigms'. Mason (1996) points to the flexibility of data collection strategies that are 'sensitive' to social context which are in stark contrast to positivism's rigidly standardised methods which do not reflect 'real life' (p. 4). Quantitative research can isolate 'cause and effects', 'operationalise theoretical relations …[and] measuring and … quantifying phenomena … allowing the generalisation' (Flick, 1998, p. 3). Interpretivism is not guided by such stringent constraints; it is concerned with 'how the social world is interpreted, understood, experienced or produced', and produces understandings on the bases of rich contextual and detailed data (Mason, 1996, p. 4).

Qualitative research, however, is not free from real problems. Extreme subjectivity can cause problems of: (1) reliability; (2) meaningless and useless information can be collected; (3) representativeness and generalisability of research findings; and (4) difficulties of objectivity and detachment. Hurdles include: (1) the extended time required to conduct qualitative research; (2) inherent costs; (3) difficulties in data analysis and interpretation; (4) accomplishing validity and reliability; and (5) ethical issues arising from intruding into the 'personal sphere' of the people in the research setting (Easterby-Smith et al., 1991; Sarantakos, 1998). The issues of time, cost, and intrusion were not significant difficulties for this research as the researcher had access to the organisation and research participants, resulting from the existing association with the CILTA. Analysis, interpretation, validity and reliability were tightly controlled during the research process as outlined in Section 3.7.

On balance, an Interpretative Social Science paradigm is appropriate to investigate strategy development in the CILTA. The richness, fluidity of the social setting, lack of a common reality, and shared meanings, point to an interpretative paradigm.

3.5   Qualitative Methodology

Qualitative methodologies are an alternative to quantitative methodologies (Sarantakos, 1998). However, as Neuman (2000) points out, they can also complement each other. Table 3.3 identifies perceived differences between quantitative and qualitative methods.

Table 3.3 Perceived Differences between Quantitative and Qualitative Methodology

Feature	Quantitative methodology	Qualitative methodology
Nature of reality	Objective; simple; single; tangible sense impressions	Subjective; problematic; holistic; a social construct
Causes and effects	Nomological thinking; cause-effect linkages	Non-deterministic; mutual shaping; no cause-effect linkages
The role of values	Value neutral; value-free inquiry	Normativism; value-bound inquiry
Natural and social sciences	Deductive; model of natural sciences; nomothetic; based on strict rules	Inductive; rejection of the natural sciences model; ideographic; no strict rules; interpretations
Methods	Quantitative, mathematical; extensive use of statistics	Qualitative with less emphasis on statistics; verbal and qualitative analysis
Researchers role	Rather passive; is the 'knower'; is separate from subject-the known; dualism	Active; 'knower' and 'known' are interactive and inseperable
Generalisations	Inductive generalisations; nomothetic statements	Analytical or conceptual generalisations; time-and-context specific

Source: Adapted from Sarantakos (1998, p. 54)

The nature of the perceived 'reality' of strategy development in the CILTA, by interviewees and focus group members, is not objective, simple, or single. Further, the researcher's role, in an exploratory study of this nature, is not passive, or a 'knower' or separate from the subject, if 'rich' data is to be collected. Selecting the 'right' methodology requires that the researcher consider and understand the nature of the setting of the research, the question or issues being researched, and the limitations of the study (Jennings, 2001). Jennings suggests that researchers have three options: qualitative methodology, quantitative methodology or a mixed methodology, and that the choice centres on the nature of the research topic and the underlying theoretical paradigm and the approach to data collection. Pike (1954) introduced the terms *emic* and *etic* which describe quite distinct approaches to data collection and the role of the researcher in the research setting and data analysis. The *emic* perspective is associated with the holistic-inductive paradigm, particularly in the interpretive social sciences paradigm (Fetterman, 1989). The researcher must enter the research setting and become one of the social actors in the research (Blumer, 1962). The *etic* perspective is a structured set of rules necessary to interpret the research setting from an outsider's perspective. Eticists break the research setting down into smaller units, rather than as a holistic system (Blumer, 1962).

Further, Blumer notes that a mixed approach combining both *emic* and *etic* perspectives may be appropriate for the research study. The researcher may adopt an *emic* approach to data collection and analysis and then step-back to adopt an outsiders perspective to make sense of the data collected (Fetterman, 1989). This stepping back allows the researcher to adopt both *emic* and *etic* perspectives, 'since the writing of the final depiction of the study phenomenon is constructed using the researcher's voice, which is now no longer an insider's voice but a scientific voice, albeit based on the participants voices and confirmations' (Jennings, 2001, p. 25).

3.5.1   Phenomenology

Phenomenology strives to uncover how human awareness is implicated in the conduct of social action, social structures, social situations and the social world (Natanson, 1970), and presents 'theoretical techniques and qualitative methods that illuminate the human meanings of life' (Orleans, 2004, p. 24). The objective of phenomenology is to make clear 'reciprocal' interactions between human action, situational 'structuring' and 'reality' construction, all dimensions as constructive of all others. Phenomenology proffers the view that humans are creative 'agents' in the construction of social worlds (Ainlay, 1986). Phenomenology, according to Husserl (Husserl, 1950), advocates that humans are active in their world with a consciousness 'that transmits social experiences and knowledge to them', cited in Sarantakos (1998, p. 48). Phenomenology is 'concerned with understanding human behaviour from the participant's own frame of reference' (J. Hussey & R. Hussey, 1997, p. 52)

Phenomenology criticises positivism's underlying assumptions that people are capable of capturing the world perceptually. Positivist research can create knowledge about the world, and the human mind is an empty vessel passively delivered to its environment. The positivist tendency is to treat consciousness as an empirical phenomenon, which can be investigated by quantitative methods. This is rejected by phenomenology. In the lived world, consciousness is not but an object in nature among other objects, and experimental science cannot adequately deal with all conscious phenomena in the social setting of the lived world (Stewart & Mickunas, 1974, p. 4). Phenomenological investigations

therefore, are not limited to objective realities. Rather, assumptions are not made as to what is real and what is not, as positivism does.

Phenomenology is rooted in the notion of 'the lived world' and is important to the research of strategy formulation in the CILTA and CILTS, as the case organisation and its embedded Sections are founded in the 'lived world' of the transport and logistics industries in Australia and Singapore. However, whilst researchers engage in the real world of the research setting, they must steadfastly maintain their objectivity as to the relationships and events occurring in the case setting under study. Thus relationships and knowledge of the other person are important in phenomenology (Stewart & Mickunas, 1974).

3.5.2 Challenges of a Phenomenological Approach

Phenomenological research may be challenged on a number of grounds. To counter these Creswell (1998) calls for: (1) the researcher to be well grounded in phenomenology's philosophical principles; (2) study participants are to be carefully selected; (3) the researcher's personal experiences carefully bracketed; and (4) careful thought given to how personal experiences will be brought into the study, and their impact. Creswell's criteria have shaped the development of this research. The author's personal experience with the case organisation is discussed in Section 3.6.3 and Section 1.4. Study participants were carefully selected to provide a cross section of views of the CILTA and CILTS. Participants were drawn from committee members, ordinary members and inactive members, from regional areas and metropolitan centres. Finally, participation in other professional associations was an important criteria to support generalisability of the research.

3.5.3 Research Strategies

Tsoukas (1989) identified histories, experiments, surveys, case studies, and analysis of archival data as common research strategies in social science. Each represents a different approach to collecting and analysing empirical evidence, following its own logic (Yin, 2003). Each has advantages and disadvantages, but significant overlaps exist between

strategies. Adopting of a particular research strategy depends on three conditions: (1) the type of research questions asked; (2) the control that the investigation has over actual behavioural events; and (3) the focus on contemporary as opposed to historical phenomena. These conditions significantly influence the research strategy adopted (Yin, 2003). Table 3.4 summaries the role of these conditions in the selection of research strategies.

Table 3.4 Relevant Situations for Different Research Strategies

Research Strategy	Form of Research Question	Requires Control Over Behavioural Events?	Focuses of Contemporary Events?
Experiment	how, why?	Yes	Yes
Survey	who, what, where, how many, how much?	No	Yes
Archival Analysis	who, what, where, how many, how much?	No	Yes/No
History	how, why?	No	No
Case Study	how, why?	No	Yes

Source: Yin, 2003, p. 5

The form of the research question is the most important condition for differentiating among the research strategies (Yin, 2003). Questions asked in this research can be classed as exploratory in nature, asking what is the context of strategy? What are the barriers to strategy? What are the issues driving strategy development in a VMPA? Where research questions are 'exploratory' in nature, an exploratory study is justifiable. However, as an exploratory study, any of the five research strategies can be used (Yin, 2003, p. 6), suggesting that any, or all of, the research strategies could be used to conduct this research. Yin suggests that for case study research 'how' and 'why' questions are most useful. However, the various strategies are not mutually exclusive (p. 9).

When researching the elements of strategy formulation it may be beneficial to consider contemporary and historical factors to develop a rich understanding of the case situation. Contemporary factors to be considered could include an investigation of the values,

motivations, wants and needs of the major stakeholder group, its members, and the role of the association. Geographical location and organisational structure play a critical role in shaping strategy as regional differences influence the ability to develop and then implement strategy. Historical factors provide an understanding of the contextual nature of the professional association, as the past frequently constrains the future. Therefore, a suitable research strategy requires that both historical and contemporary factors be researched.

Analysis of archival data is a possible research strategy. However, a record of past events in the life of an organisation is unlikely to provide a complete guide to future strategy development. Sources of information available to the researcher included annual reports, minutes of meetings, reports, business plans and annual journal. They are considered to be useful, but insufficient to answer the research questions.

Histories of professional associations were also considered as a research strategy. However, as with the discussion of archival data, this was rejected. Available historical studies record major events in the growth and development of the CILTA but have not been updated for a number of years and provide no meaningful guide as to future strategy development.

An experimental research strategy was considered but discarded, as the researcher does not have control over the events of the association, its members, or the industries in which it operates. Tsoukas (1989) notes that scientific investigation requires the conduct of experiments in closed systems to identify casual laws that can be generalised in the natural and social world that operates in an open system. As professional associations are not a closed system, experimental investigation was not considered to be possible.

The use of a survey strategy is considered inappropriate in this research setting. Whilst the potential survey population is easily identifiable, being existing and past members of the CILTA, it was considered that a survey would be more appropriate for future research

to quantify qualitative insights and illuminations emerging from this exploratory research.

Questions identified in Section 1.2 require investigation of the critical factors that associations face when attempting to develop strategy. In order to answer the research questions the research strategy adopted for this research must be able to:

· Identify the factors influencing strategy development, with a focus on the key stakeholder group.

· Assist in the development of a theory that can be used by voluntary membership professional associations to develop and implement strategy.

· Create a model to provide a framework for theory testing.

Given the aims and purpose of this research, it was considered that a qualitative inductive methodology, employing a case study approach, would be the most appropriate approach to explore the research questions. 'The strategy of inductive design is to allow the important analysis dimensions to emerge from patterns found in the cases under study without presupposing in advance what the important dimensions will be'(Patton, 2002, p. 44). In addition, a case study research strategy provides sufficient flexibility to incorporate elements of other research strategies including survey, history, and archival analysis, where appropriate.

3.5.4   Case Study Method

Given the purpose and exploratory nature of the research problem, case study methodology was chosen as a suitable methodical tool. The researcher is able to evaluate phenomena in the context of its social setting. The case study is an in-depth study of a single social unit with clear boundaries. The key issue is that the social unit selected is an example of 'many cases that comprise reality' (Payne & Payne, 2004, p. 34). The case being studied is not a sample, rather an example, with unique importance, and findings may not be able to be generalised without further testing. The key test of a case study is the sustainability of its data to theoretical statements. If the purpose of the research is exploratory and seeks to understand little-understood phenomena; to

identify/discover important variables; and to generate hypothesis for future research; then the research strategy should use case and field studies (Marshall & Rossman, 1995).

'…the distinctive need for case studies arises out of the desire to understand complex social phenomena. In brief, the case study allows an investigation to retain the holistic and meaningful characteristics of real-life events' (Yin,1984/1989, p. 14). The CILTA can be viewed as a complex social organisation where strategy development occurs at the National level and within widely distributed regional and metropolitan Sections. The case study method is likely to uncover the characteristics of the 'real-life' strategy development processes employed by the CILTA Sections and National Council. Case studies, in qualitative research, are a research enterprise on their own, and 'assist with formulating hypotheses' or even theories (Sarantakos, 1998, p. 192). 'As a scientific inquiry, case-study research has the aim of studying in an open and flexible manner social action in its natural setting as it takes place in the form of interaction of communication and as interpreted by the respondents' (Sarantakos, 1998, p. 193). For the researcher, case studies contain a number of significant advantages. Information necessary to develop the case study can be drawn from both qualitative and quantitative sources, from a range of archival sources, and combined with focus groups, interviews, participant observations, surveys, and other fieldwork.

Yin (1993, p. 64) identifies a number of desirable characteristics for research evaluation compared to other evaluatitive methods. As a stated aim of this research is to both theory build and theory test, both Ethnography and Grounded theory were eliminated, as they do not favour theory testing. Also, as Quasi-Experimental methods do not consider the context of the phenomenon being investigated as an important element, and have a preference for quantitative data, over a mix of both quantitative and qualitative data, it was also discarded. Yin (1994) notes that case studies are sometimes confused with ethnography or participant observation. Case studies and ethnography are not the same, and 'In fact, case studies incorporate the use of participant observation and ethnography as part of the repertoire of methods that may be used to gather data on a specific case or set of cases' (Jennings, 2001, p. 177). Yin (1994) and Stake (1995) suggest that there are

a number of different types of case studies and these are outlined in Table 3.5. The list is not mutually exclusive (Jennings, 2001).

Table 3.5 Types of Case studies

Type of Case Study	Description
Exploratory (Yin 1994)	The study 'explores' single or multiple cases of the phenomenon to discover uniqueness or characteristics, since no pre-existing data exist in the public arena. The 'what' is determined.
Descriptive (Yin 1994)	The study collects evidence to enable the researcher to describe either a single or multiple cases. The 'who', 'what', and 'where' are determined.
Explanatory (Yin 1994)	The study seeks to determine 'how and why' the single case or multiple cases operate as they do.
Single (Yin 1994)	Only one case is studied holistically. The case selected may be critical, unique, extreme, or revelatory.
Multiple (Yin 1994)	Several cases are studied holistically. The cases may be similar in nature or different.
Intrinsic (Stake 1995)	Cases are studied that hold particular interest to the researcher.
Instrumental (Stake 1995)	Cases are studied in order to achieve secondary ends.
Collective (Stake 1995)	A number of cases are studied during the course of the research.

Source: Adapted from (Jennings, 2001, p. 177)

The choice of an exploratory case study method is clear. Chapter 2 established the sparseness of strategy formulation literature dealing with Australian third sector organisations, and VMPAs in particular, which satisfies Yin's Exploratory Case Study typology. Stone et. al. (1994) note that much of the nonprofit management research has employed a case study approach of a single organisation or organisations within the same national association. Four research questions were developed in Chapter 2, to determine the 'what' of strategy development in the CILTA and CILTS. Briefly, the research questions address: What is the context of strategy? What are the barriers to strategy? What are the issues driving strategy? What would a strategy model look like for VMPAs?

3.5.5 Advantages and Disadvantages of Case Studies

There are a number of advantages and disadvantages of employing a case study method for research of this nature.

Jennings (2001, p. 178) outlines advantages and disadvantages of case study research. Advantages are: (1) in-depth data is collected; (2) evidence is grounded in the social setting of the phenomenon being studied; (3) study members can check the accuracy and palpability of data collected; (4) researcher bias can be removed by member checking; and (5) triangulation or 'crystallisation' of methods is used. Payne et al. (2004) offer additional advantages of case studies: (1) detailed small scale cases can be conducted; (2) general statements can be discovered by a single case; and (3) fresh insights can be developed, setting a framework for later studies. Disadvantages include: (1) the research uses a 'progressive focusing' (Stake, 1995), emerging over time; (2) the research process is subjective, not objective; (3) evidence may be withheld from reproduction by research participants; (4) bias may occur through non-ethical processes of the researcher; (5) findings are case specific; and (6) findings are not able to be generalised to other cases.

Despite the disadvantages cited by Jennings, the ability to collect in-depth data grounded in the social setting to develop a 'rich' data set outweighs the disadvantages for this study. The issues of researcher bias, data accuracy, and triangulation/crystallisation have been carefully designed into the research process in Section 1.4 and Section 3.7.

3.6   Research Design and Data Collection

Figure 3.2 provides an overview of the research design. The overview establishes a consistency in the research process and would permit future researchers to understand the research process and reach like outcomes.

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Figure 3.2 Overview of Research Design
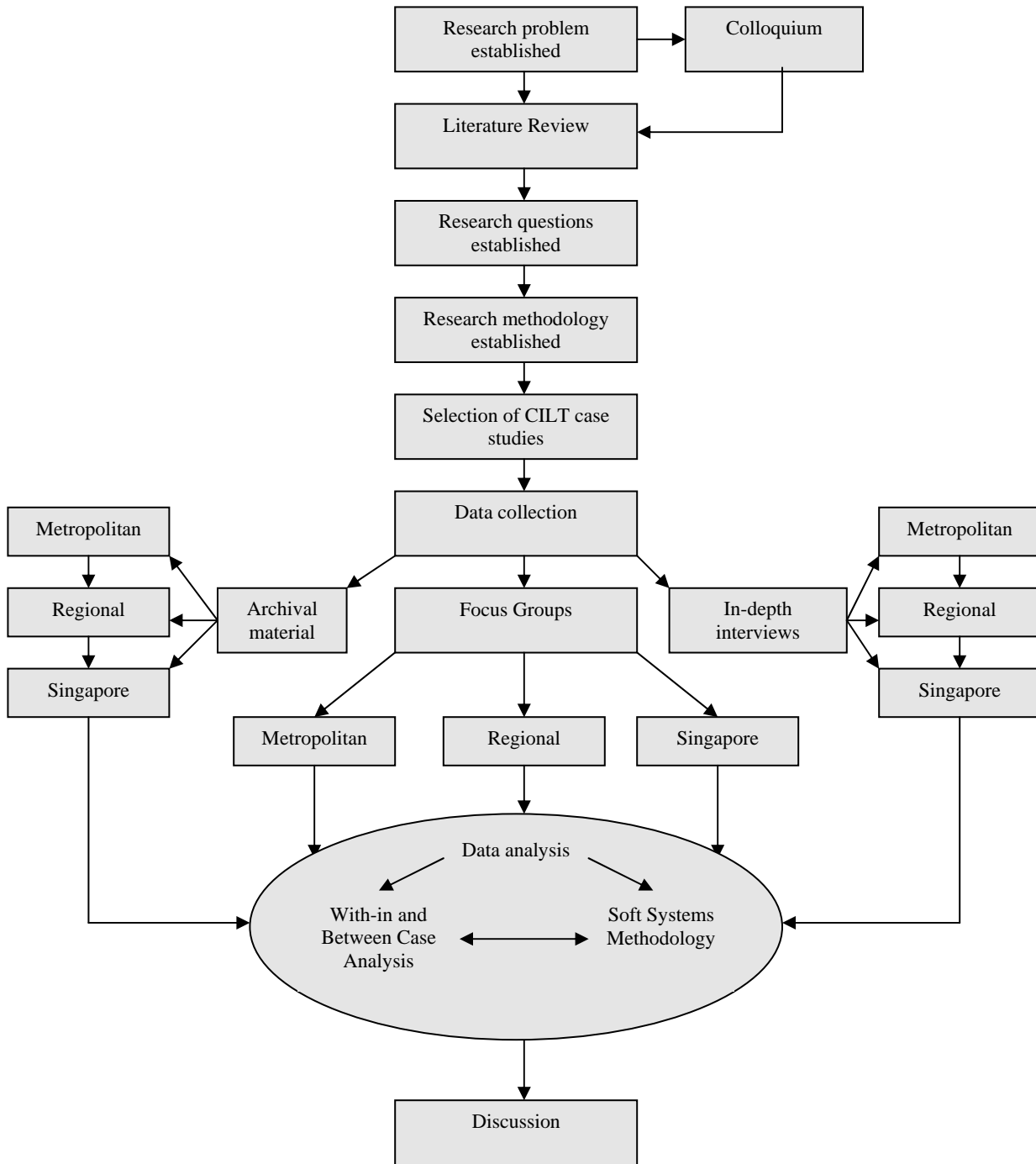
3.6.1 Case Study Design

Yin (2003) identifies four case study designs, Figure 3.3, where each seeks to analyse the case's 'contextual conditions' and where the boundaries between the case and its contextual conditions are likely to be 'blurred' (p. 39).

Figure 3.3 Basic Types of Designs for Case Studies
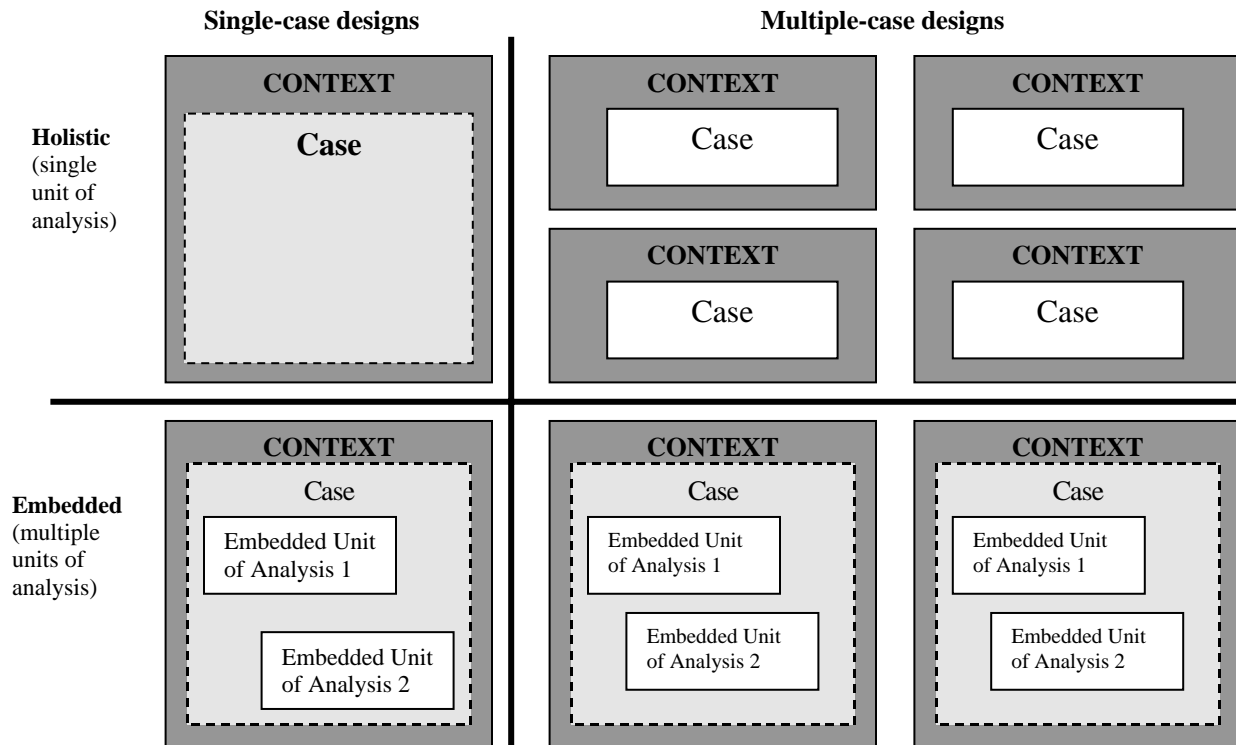
Source: Adapted from Yin (2003, p. 40)

The researcher must choose between single-case (holistic) (Type1), single-case (embedded) (Type 2), and multiple-case designs. Multiple-case designs include holistic multiple-case (Type 3) and multiple-case (embedded) (type 4) designs. The selection and framing of research questions determines the choice of case design, requiring that the researcher exercise great care when developing the research questions. The single holistic case study is appropriate where the case meets one of six rationale: (1) the case is the critical case to test a well formulated theory; (2) the case is extreme or unique; (3) the case is representative or typical; (4) the case is revelatory; (5) the case is longitudinal;

and (6) the case is a pilot for a multiple case study (Yin, 2003, p. 40-42). However, Yin cautions that the single case may not turn out to be the case that the researcher originally thought it to be.

Embedded cases are called for where the subject under analysis contains more than one unit of analysis or 'what the case is' (Yin, 2003, p. 22). Selection of primary research questions guides case selection. The questions should favour one unit over another. Holistic cases are appropriate where only one unit of analysis is identifiable. However, they may prove difficult where 'slippage' occurs, rendering the research design inappropriate when the study proceeds in a different direction to the original research questions. Embedded designs may suffer where the study focuses only on the sub-unit without returning to examine the larger unit of analysis.

The framing of the research questions in Section 2.8, has guided the selection of case design. On balance, this research has adopted a Type 2 case study design as the CILTA is typical of VMPAs operating in Australia's transport and logistic industries. Further, the research avoids the potential weakness of only focusing on sub-units, by studying embedded units, the CILTA Sections in regional and metropolitan areas, and returns to compare the Sections (embedded units) with the National Council case and then compares the CILTA National Case with the CILTS National Council case.

The CILTA has eleven Sections in total, including the pilot case. Perry (1998) recommends a minimum of six cases for PhD research. In total eight cases were selected from the CILTA with the CILTS forming the ninth case. This satisfies Perry's minimum case requirement for PhD research. Cases were selected on the basis of access and willingness of people to participate in the research process, as well as the context of the Section. The study was concerned with strategy issues in metropolitan and non-metropolitan Sections, and on this basis, three regional or non-metropolitan Sections and five metropolitan Sections were selected for the research.

Based in Sydney, the National Council is classified as a metropolitan case. The pilot study was conducted in the Victorian Section located in Melbourne. The Victorian Section can be generally described as fitting both the metropolitan and non-metropolitan criteria, due to its location and is the only Section serving both metropolitan and regional Victoria, following the disbandment of the South West Victorian Section in 2002. The Singapore Section was selected for its characteristic of being both a National Council and a metropolitan Section. The CILTS provides an opportunity to compare and triangulate findings of the Australian research as well as provide a cross-cultural perspective.

3.6.2   Case Selection

One pilot case, the Victorian Section of CILTA, and nine case Sections were involved in the research undertaken in Australia and Singapore (CILTS) during the period September 2003 to July 2004. Eight case studies represent the Sections of the CILTA, which together form the Australian National Council. The ninth case, the CILTS, is both a Section and National Council due to the geographical size of the island of Singapore. The CILTS was selected to identify cultural differences, as suggested by Kheng-Hor and Munro-Smith (1999) in Section 2.2.3 in Chapter 2, and to provide a source for triangulating data collected from the Australian cases.

To ensure consistency and data reliability across cases, a case study protocol was developed (Yin, 2003). The protocol (moderator's guide) was used to conduct the focus groups and interviews - see Appendix 1. The moderator's guide was useful to ensure that each data collection event was consistent and yet flexible to pursue additional lines of investigation, which appear important to addressing the research problem.

3.6.3   Site Visits and Data Collection

The schedule of site visits and data collection during the course of this research is shown in Table 3.6.

Table 3.6 Site Visits and Data Collection

Section	Dates
Victoria (pilot case study) (non-metropolitan/metropolitan)	25/09/03, 30/11/03
Darwin (non-metropolitan/metropolitan)	15/02/04
North Queensland (non-metropolitan)	15/04/04, 20/05/04, 04/08/04
Queensland (metropolitan)	10/03/04, 16/06/04
Gold Coast (non-metropolitan)	09/03/04
Northern New South Wales (non-metropolitan)	15/03/04
New South Wales (metropolitan)	11/03/04, 17/06/04
Canberra/Act (metropolitan)	16/03/04, 17/03/04
National Council (governing body)	12/09/03, 14/02/04, 20/09/04
Singapore (metropolitan/ governing body/Section)	28/07/04

Being a member of the CILTA National Council governing body, the author gained permission from National Council at its meeting in Brisbane on 12 September 2003, which was confirmed by letter dated 23 September 2003. Section chairpersons were asked to discuss the research with their relevant Sections before the following National Council meeting in Darwin on 14 February 2004.   Subsequently, confirmation arrangements to proceed with the research were made with Section chairs at National Council's Darwin meeting on 14 February 2004.

A research purpose and aims information sheet was given to participating Sections for distribution to Section committee members and other members interested in participating in the research. The author personally followed up each Section chairperson within two weeks by e-mail and telephone to establish the visit schedule shown in Table 3.6. In the focus group process, the sessions were tape recorded by two machines and meticulous notes taken by the researcher. The taped sessions were reviewed within 24 hours and summary notes taken from the sessions. In order for data triangulation, the author requested, and obtained, copies of strategy documentation and any other documentation that may be relevant to this research.

3.6.4   Soft Systems Methodology

Soft Systems Methodology (SSM) is important to this research and was chosen to support and complement the case study methodology. SSM is a system based methodology for making sense of real world problems. It deals with 'problem formulation at the strategic level' (Platt & Warwick, 1995, p. 19). The aim of SSM is to provide structure to

previously unstructured circumstances. Fuzzy situations are dealt with where people are viewed as active subjects and not merely passive objectives, and 'where objectives are unclear or multiple objectives may exist'(p. 19). SSM is a qualitative approach using systemic methodologies, accepts irrationality; and is a continuing learning or inquiring process to accommodate differing worldviews or *Weltanschauung.* SSM is interpretational, complementing the case study approach in seeking understanding of 'fuzzy problem situations' in organisational systems. Figure 3.3 illustrates the SSM methodology. According to SSM, the real world consists of structured wholes, which retain identity under a range of conditions exhibiting general principles of wholeness. SSM recognises that a range of views, opinions and interests exist in any situation, and different preferable outcomes are possible in any situation.

The SSM guided the analysis of the data to 'make sense' of the real world problem of strategy formulation in the CILTA. The CILTA system under consideration is a complex human system made up of intra-relationships and inter-component environmental relationships requiring a holistic, integrating approach to understand the issues influencing strategy development in the CILTA. SSM enables the researcher to construct a deep appreciation of the 'real world' of the cases. However, perfect knowledge is not possible. SSM allows the whole system (CILTA) and individual cases (Sections) to be viewed as open systems interacting with their environment and with each other.

Figure 3.4 A sketch of Soft Systems Methodology

1. The problem situation: unstructured

7. Action to improve the problem situation

6. Feasible desirable change ------ ------------------------------------

2. The problem situation expressed

5. Comparison of 4 with 2

"Real World"

"Systems Thinking"

3. Root definitions of systems thinking using CATWOE

4. Conceptual models

4a. Formal systems concepts

4b. Other systems thinking
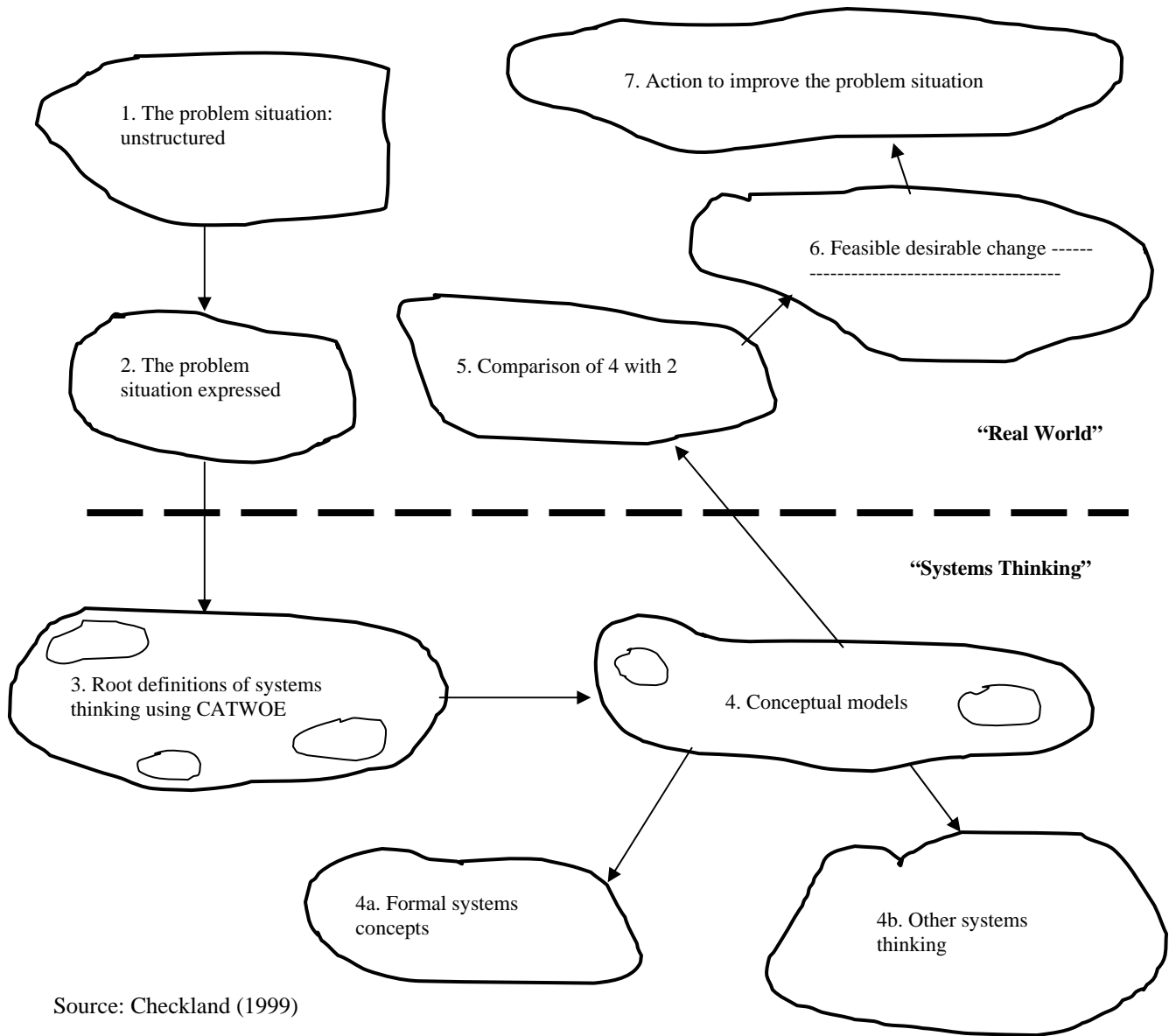
Source: Checkland (1999)

3.7   Research Design Quality

Research design represents a logical set of statements and the quality of the research design can be judged according to four logical tests: (1) trust-worthiness; (2) credibility; (3) conformability; and (4) dependability. Yin (2003) offers a series of tests to establish the quality of any empirical social research: (1) construct validity; (2) internal validity; (3) external validity; and (4) reliability. 'Because case studies are one form of such research, the four tests are also relevant to case studies' (Yin, 2003, p. 33-34). Yin's tests, as they relate to this research, are discussed in the following sections.

3.7.1 Construct Validity

The test of construct validity is problematic in case study research. The researcher is required to specify the variables relating to the original research objectives and then demonstrate that the measures selected are in fact measuring the concepts under study relative to other measures. To improve construct validity, Yin (2003, p. 34) recommends three approaches:

·   Evidence is collected from multiple sources and triangulated, to encourage confluence of inquiry. Data collected in this research was collected from nine case study Sections including one offshore case to assist triangulation. Focus groups, in-depth interviews, and secondary sources were used to collect data. Focus group participants consisted of members occupying positions on Section committees and non-committee members, and were of sufficient size to ensure diversity of viewpoints. A total of 78 people participated in the focus groups.

·   Establish a 'chain of evidence' during data collection. To satisfy this criterion, the moderator's guide was accessible to all participants (Appendix 1 with a shortened form provided to participants (Appendix 2)). The moderator's guide raised questions that were relevant to strategy development, as found in the extant literature. Case study notes were taken before and after focus group sessions and citations made on the case reports.

·   Allow 'key participants to review the draft study reports' to confirm the correctness of the data collected. Typed transcripts were provided to participants for review and correction if and where necessary. Finally draft case reports were also sent to Sections for validating and where necessary corrections made.

3.7.2 Internal Validity

This research employs an exploratory case design. However, 'internal validity is only a concern for causal (or explanatory) case studies' Yin (2003, p. 36).

3.7.3 External Validity

The goal of case study research is to generalise case findings 'to some broader theory' (analytical generalisation) and not to a larger universe as with survey research (statistical

generalisation) (Yin, 2003, p. 37). The research in this case has strived to develop an understanding of 'uniqueness and characteristics' of strategy processes in the CILTA and CILTS. Data collected pointed to multiple issues at play in the case organisation. Through data analysis the phenomena were reduced to a number of regularly occurring themes across the cases. To satisfy the external validity test later researchers accept that 'generalisation is not automatic, however. A theory must be tested by replicating the findings in a second or even third [case]'. However, the findings may nevertheless be accepted for similar cases 'even though further replications have not been performed' (p. 37).

A concern was that the literature review could generate preconceived ideas, adversely influencing data analysis (Glasser, 1978). This appears counter to qualitative research's foundation where 'the researcher firstly enters the field without preconceptions, strict designs, categories, hypotheses or knowledge about the research project, without relevant theoretical definitions' (Sarantakos, 1993, p. 13). It 'is difficult to ignore theory accrued in one's mind before commencing the research process' (Glasser & Strauss, 1967, p. 253) while 'no methodology can hope to obtain a data base 'uncontaminated' by the beliefs and expectations of the researcher' (Selby, 1985, p. 102). Peshkin supports the argument calling for researchers to know what has happened internally and externally to avoid the 'organization of presentism' (Peshkin, 1996, p. 6). The researcher's lens is shaped by history, influencing the interpretation of the meaning in the situation under consideration. Acknowledging the history of the author's previous involvement with the CILTA, a compromise was reached that previous theories and experience have influenced and assisted to define the research parameters.

3.7.4   Reliability

The objective of reliability is dependability and consistency (Neuman, 2000, p. 170) and to minimise study 'errors and biases' (Yin, 2003, p. 37). At the heart of reliability, is whether or not later researchers can retrace the research procedures in the same case. Qualitative researchers accept that 'distinctive' results can be obtained by different researchers or where alternative measures are used. Positivism's cold clinical approach

to reliability employing 'fixed mechanical instruments that one repeatedly injects into or applies to some static lifeless material' is rejected by qualitative methods (Neuman, 2000, p. 170). A clear audit trail is essential to properly document procedures 'so that an auditor could repeat the procedures and arrive at the same results' (Yin, 2003, p. 39)

The primary protocol used in this research to satisfy the repeatability test is the moderator's guide. The protocol was derived from issues identified in the literature review and pilot testing using the Victorian Section in November 2003. As a result of the pilot testing, the guide was refined and subsequently used as a base for the conduct of each focus group and in-depth interview. This provides an audit trail for later researchers to follow, as suggested by Yin (2003). All documentary evidence is stored in the School of Business, James Cook University.

3.7.5 Triangulation/Crystallisation

Where possible, multiple sources of evidence should be used to develop converging lines of inquiry (Yin, 2003). Triangulation reduces data bias, and results in findings or conclusions being more convincing and accurate. Patton (2002) identifies four triangulation types: (1) data triangulation of data sources; (2) investigator triangulation among different evaluators; (3) theory triangulation of perspective's on the same data set; and (4) methodological triangulation of methods.

The first three triangulation methods were employed in this study. The fourth was determined to be outside the time and resource availability of the researcher. However, a draft membership survey was prepared as part of the research process which will be employed in future research endeavours. As previously stated, data was collected from multiple sources in soft and hard copy, by focus group and where appropriate, in-depth interview. Perry (1998) argues that in PhD research researches frequently do not have the resources to use different investigators. However, Sections and individuals were requested to review the findings and conclusions. In addition, a research colleague reviewed a random sample of 20 percent of the interview and focus group transcripts and collected data. The literature review was also subject to triangulation process through

incorporating different perspectives from the for-profit sector and the third sector. The moderators guide contributed to research triangulation at the data collection phase.

3.7.6 Data Collection and Analysis

Data Collection

The sequence of data collection, analysis and presentation is outlined in Figure 3.4. Sessions were tape-recorded using two recorders with external microphones to ensure an accurate account of the focus group was obtained and to enable comparison and cross-checking if inconsistencies or difficulties appeared. The moderators guide is presented in Appendix 1. The focus group participants guide is attached at Appendix 2, and the purpose and aims sheet is attached at Appendix 3. Sessions were replayed from the tapes within 24 hours of conducting the focus group and hand summaries made to consolidate the researcher's familiarity with the data (Rossman & Rallis, 2003). The entire interview was transcribed into a Word document format, then edited for completeness and readability. However, the 'character of the respondents' comments' (Stewart & Shamdasani, 1990, p. 104) was maintained even where evidence of poor grammar or confusion appeared, to maintain consistency and ensure the transcript captured how the respondents 'think and talk about a particular issue' (p. 104). Transcripts were supplemented with additional data from notes and observations made by the researcher during the focus group (Rossman & Rallis, 2003).

Figure 3.5 Data Sequence
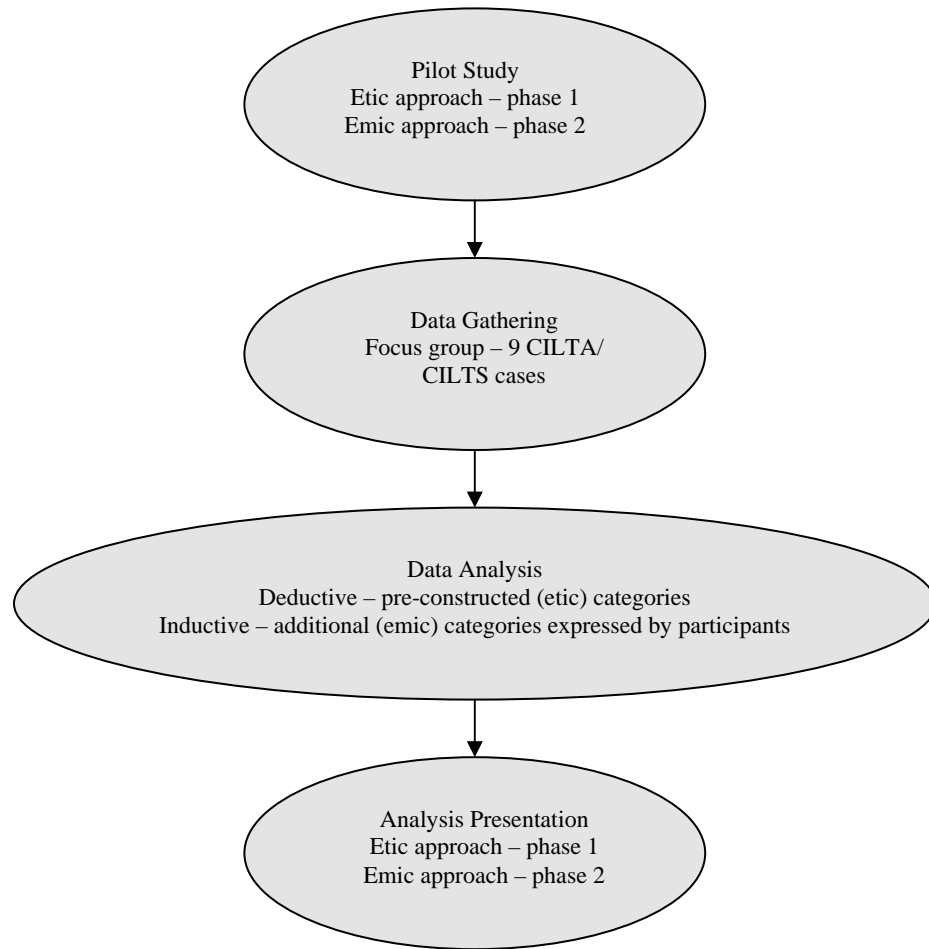
Data Analysis

Data analysis was conducted employing a categorising strategy to identify data similarities and differences, to develop themes within the categories established in the pilot study (etic approach), to identify additional categories and themes emerging from the cases (emic approach), and explain the phenomenon under interest (Rossman & Rallis, 2003). Following Rossman and Rallis's advice, each transcript was read and then put aside to 'incubate' in the mind of the researcher, and then re-read at least two times to develop an 'intimate' familiarity with the data. A modified long table approach was employed to facilitate the data analysis. Descriptive summaries were written of each group's response and then compared and contrasted to each case. Specificity, emotion,

extensiveness and frequency of comments guided the analysis within an overarching framework of constant comparing and contrasting (Krueger & Casey, 2000).

Interpretation

'Interpretation is an art; it is not formulaic or mechanical' (Denzin, 1994, p. 504). 'Interpretation means attaching significance to what was found, making sense of findings, offering explanations, drawing conclusions, extrapolating lessons, making inferences, considering meanings, and otherwise imposing order' (Patton, 2002, p. 480). Stewart and Shamdasani (1990) remind us that focus group data analysis 'can take a wide variety of forms' and 'There is no one best approach' (1990, p. 120). Whilst the use of software to analyse qualitative research is increasing (Weitzman, 2000; Weitzman & Miles, 1995) the author decided to analyse the data manually in order to stay close to the richness of the data and develop proficiency in data interpretation. This decision was based on four considerations:

- Cost of the software.
- The time necessary to learn any software package if used.
- There is no one recognised best package.
- Recognition that each package is based on predefined criteria and biases.

Ethnographic programs introduce a number of disadvantages to the analysis of focus group data. First, data can be dissected, preventing holistic inquiry. Aggar (1991) argues that computer programs are a means to an end which can 'lead you straight to the right answer to the wrong question' (p. 181). Richards and Richards (1991) support Agar's theme, suggesting '[computer] storing and sorting can easily produce a new sort of fetishism – with storage systems instead of the joys of fieldwork' (1991). Several authors (Agger, 1991; Krueger & Casey, 2000; Macnaughton, 1996; Peshkin, 1996) argue against the use of computer tools. The arguments are:

- Time is needed to learn and operate computer packages.
- The intellectual tasks of interpreting, thinking, judging and deciding, should be done by the researcher.
- Computer packages cannot recognise meanings and language innuendoes.

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- Conceptual judgements cannot be made by the software.
- An unnecessary level of data analysis may be undertaken
- Extreme narrowness and misrepresentation may lead to 'snapshot' images of previously existing situations.

Based on time constraints, cost, and the difficulties outlined above, manual analysis was undertaken for this research.

3.8   Generalisability of Findings

Normann (1970) contends that small samples and even single cases are sufficient to allow research findings to be generalised, provided the analysis has captured the features and dynamics of the system under review. To achieve the goal of generalisability comprehensive research of the phenomena is required before discovered patterns, concepts and theories can be applied with confidence to other environments. To achieve the goal of generalisability this research adopted a number of steps:

- data was collected from Section records with included current and archival strategy documents, agendas and minutes of meetings, journals, and annual reports
- focus groups. Focus groups were made up of a range of participants (Yates, 2004) to collect a range of views. Importantly, participants were also members of other professional associations or organisations such as the Australian Institute of Engineers (IE) and Certified Practicing Accountants (CPA). The final focus group question asked participants if they would respond differently if they were answering about another professional association or organisation. This provides confidence for the transferability of the research findings to the wider third sector.
- in-depth interviews
- direct observation at National Council meetings and procedures.

However, Yin (2003) reminds us that the mode of generalisation for case study research is 'analytic generalisation', because cases are not 'sampling units' (p. 32). Case studies are generalisable 'to theoretical propositions and not to populations or universes' (p. 10), and inference is derived by replicating case results to theory and not to the population.

3.9   Ethical Considerations

Ethical considerations were given to each stage of the research design and collection of data.   A focus group moderator's guide was developed, Appendix 1, to ensure professionalism by the researcher, and consistency of conduct and data collection of each focus group. Focus group participants were requested to complete and sign an informed consent form explaining the nature of the research.   Participants were requested to provide their name and indicate if they required a copy of the focus group transcript. The forms were immediately collected and filed so that confidentiality was maintained. Names of participants or individual responses were not provided to the National Office to ensure anonimity.   Individuals were not identified in the recording or transcription process. Cooper and Emory (1995) remind researchers of their responsibility to design a safe research project for all participants. In this research, focus groups were conducted in designated meeting or conference rooms in office or business premises arranged by one of the focus group participants. This reduced the cost to the researcher of data collection, and provided pleasant surroundings for the conduct of the focus group. In summary, ethical issues were considered at all stages of the research design, data collection, and confidentially of data collected.   Participants did so willingly, and the process was conducted in a professional manner.

3.10   Summary

This chapter has considered the importance of research paradigms and justified the choice of the interpretive/phenomenological paradigm used for this research to investigate the research problem. The chapter briefly examines the strengths and weaknesses of the major paradigms and justifies the paradigm selection on the grounds of the research's exploratory nature and the need to interpret the data. Yin's (1994) case study approach, supported by focus groups, in-depth interviews, and archival data, was justified as the choice of methods to solve the research problem.   Yin's case study approach is comprehensive, is founded on clear procedures, facilitates theory building, generates a rich data collection, and has been used extensively in all fields of PhD research, including strategy.

Nine case studies were selected for the research in this thesis. Focus groups were conducted in regional and metropolitan sections, CILTA National Council, and CILT Singapore. Cases were selected to represent regional and metropolitan issues and to provide a means of comparison and triangulation across cultural and political settings within the one organisation and industry setting through inclusion of the CILTS in the research design.

Piloting of data collection, lessons learnt from the pilot study, issues of research quality, measures adopted to optimise reliability, validity and generalisability of data and findings, and issues of bias and triangulation, justification for manual data analysis, and generalisability issues were addressed. The chapter points out that the research findings can only be generalised to theory and not to a population. Further research is required to test the research outcomes for applicability to other cases. Content analysis, using ethnographic software packages was discussed, and justification given for not using computer tools for analysis of case data. Finally, ethical issues concerning the research design, conduct and security of data storage was discussed. The methodological approach underpinning this research is summarised in Figure 3.4.

Figure 3.6 Methodological Approach

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                    ┌──────────────┐
                    │  Interpretive │
                    │   Paradigm    │
                    └──────┬───────┘
                           │
                           ▼
                    ┌──────────────────┐
                    │ Phenomenological │
                    │   Methodology    │
                    └──────────────────┘
                    ╱              ╲
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      ┌──────────────┐  ╭────────╮  ┌──────────────┐
      │ Exploratory  │◄─┤  Case  ├─►│ Soft Systems │
      │ Case Study   │  │ Organi-│  │ Methodology  │
      │              │  │ sation │  │              │
      └──────────────┘  │ CILTA  │  └──────────────┘
              ╲         ╰────────╯         ╱
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                    │   Analysis   │
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                    ┌──────────────┐
                    │ Conclusions -│
                    │ Strategy     │
                    │ Models       │
                    └──────────────┘
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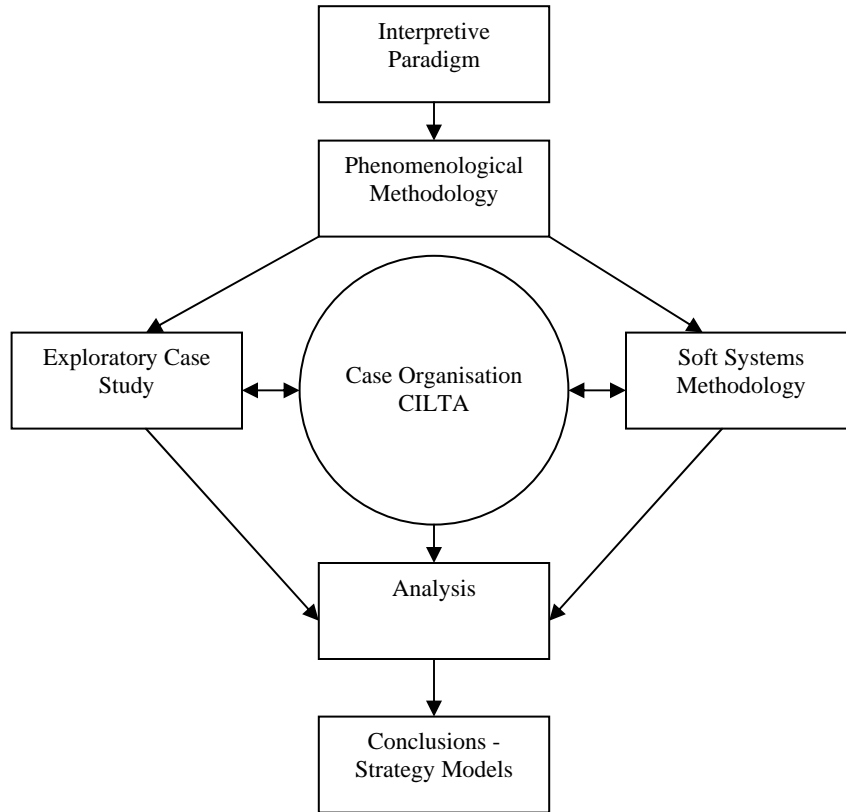
The choice of paradigm and research methods selected for this research, and justified in this chapter, are considered appropriate to uncover the context, strategy barriers, and issues driving strategy formulation in the CILTA, as a representative third sector VMPA. Results of the within-case data analysis conducted on the nine cases are reported in the next chapter.

CHAPTER 4   WITHIN - CASE ANALYSIS

4.0   Introduction

Chapter 3 described the methodological approaches underpinning this research and justified the selection of an interpretive/phenomenological approach to address the research problem. A positivism approach largely based on a quantitative survey instrument was considered. However, it was concluded that this approach would not deliver the 'rich' data from a holistic perspective required for an exploratory study of strategy formulation in the CILTA/CILTS. On balance, an interpretive paradigm, employing exploratory case study and soft systems methodology methods, was determined to be a suitable approach for this study.

This chapter presents a 'within-case' analysis of the data collected from the nine cases, in accordance with the methodology suggested by Yin (1994). The cases were outlined in Table 3.7. Figure 4.1 illustrates the sequence of this chapter.

Figure 4.1 Outline of Chapter 4
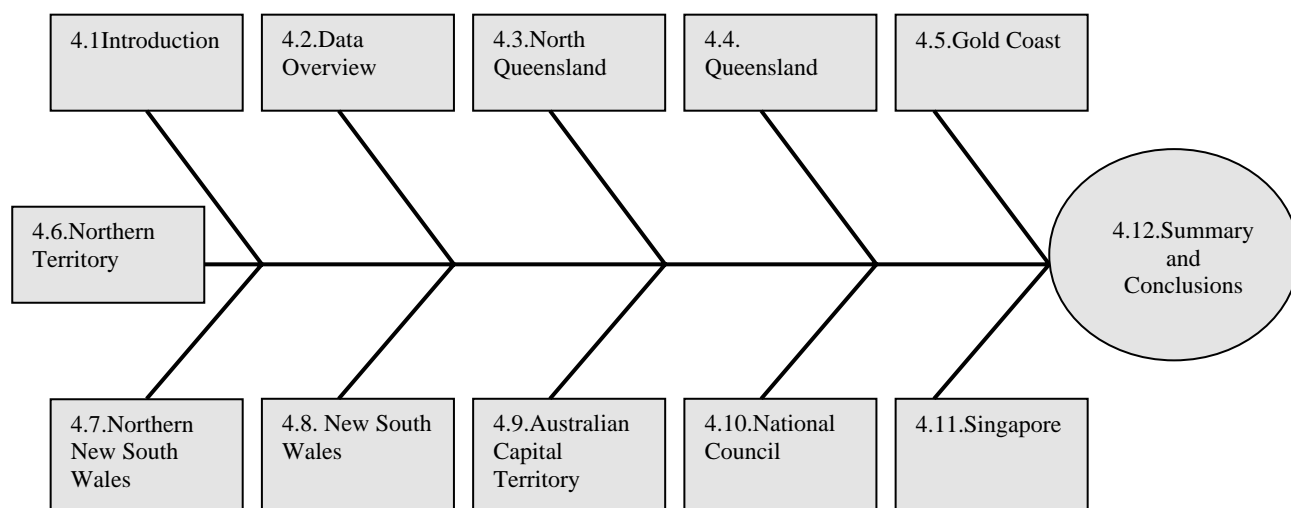
Yin proposes that case data first be analysed employing 'with-in' case analysis to identify themes and issues particular to that case and be followed by a between-case analysis. With-in case analysis creates a categories matrix, and inserts the evidence within the categories for ease and clarity of analysis (Yin, 1994, p. 106-109). Three broad phenomena; strategy context, barriers to strategy, and issues influencing

strategy development, were identified from the extant literature, Table 2.8. Table 4.1 illustrates links between the research questions and phenomena investigated in this study. The with-in case analysis in this chapter reflects the sequence of research questions and phenomena outlined in Table 4.1.

Table 4.1 Link Between Research Questions and Phenomena under Study

Research Question	Phenomena
What is the context of strategy formulation in a voluntary membership professional association representative of voluntary membership professional associations in Australia?	Strategy context
What are the barriers to strategy formulation and implementation in a voluntary membership professional association representative of voluntary membership professional associations in Australia?	Strategy barriers
What are the key strategic issues to be considered by a voluntary membership professional association, representative of voluntary membership professional associations in Australia when developing strategy?	Issues influencing strategy development

A mind map outlining the with-in case analysis, and the relationship to the research questions and phenomena under study, is shown in Figure 4.2.

To assist the between-case analysis in Chapter 5, an analytical summary table of phenomena components is presented at the end of each case in this chapter. Chapter 5 accomplishes Yin's second strategy by performing a between-case analysis to identify the building blocks of two new strategy models emerging from the case research.

Figure 4.2 Within-Case Mind Map

Barriers
Context
Case 8
Issues
Analysis Summary
Analysis Summary
Context
Case 7
Issues
Barriers

Barriers
Context
Case 9
Issues
Analysis Summary

Barriers
Context
Case 1
Issues
Analysis Summary

Barriers
Context
Case 2
Issues
Analysis Summary

Important Strategy Themes

Analysis Summary
Context
Case 6
Issues
Barriers

Barriers
Context
Case 3
Issues
Analysis Summary

Analysis Summary
Case 4
Context
Issues
Barriers

Analysis Summary
Case 5
Context
Issues
Barriers

4.1   Data Overview

Data to be analysed in this chapter were collected from seven CILTA Sections, the CILTA National Council, and the CILTS (nine cases in total), employing focus groups, in-depth interviews and secondary data source methods. A two stage pilot study was conducted with the Victorian Section in September and November 2003 - Table 3.7. Stage one presented the issues identified from the extant literature (etic approach), and gathered additional issues from the focus group (emic approach). Stage two presented the findings of the stage one to a second focus group. Further potential research issues were identified and incorporated (emic approach) into the final focus group structure. It was clear from the pilot study process that a 'rich' data set was likely to be collected through the focus group method. Whilst a core set of issues was necessary to guide each focus group and maintain consistency across all sessions, latitude would be required to pursue issues of relevance to a particular

group. A moderator's guide was developed for the conduct of each focus group (Appendix 1).

Focus group sessions were tape-recorded, with the entire interview transcribed, edited for completeness and readability. Transcripts were supplemented with additional data from notes and observations made by the researcher during the focus group. Data analysis was conducted employing a modified long table approach (Krueger & Casey, 2000). Descriptive summaries for each case were written and then compared and contrasted. Specificity, emotion, extensiveness, and frequency of comments guided the analysis within an overarching framework of constant comparing and contrasting (Krueger & Casey, 2000).

4.2   Case 1 – North Queensland Section

4.2.1   Case Orientation

The North Queensland Section, based in Townsville, was established on 4 June 1984. The Section's area of responsibility is north of 22 degrees south latitude. Townsville is the second largest city in Queensland and a significant transport and logistics hub. Located at the 'T' junction of road and rail transport corridors running north-south and west to Mount Isa, Townsville's transport and logistics role in the development of mining and industrial infrastructure is critical.

Section membership has been declining steadily as shown in Table 4.2. In the period 01 July 1993 to 30 June 2004, membership declined by 42 members, a 56 per cent decrease.

Table 4.2 North Queensland Section Membership as at 30 June 2004

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
75	76	68	61	55	52	53	51	50	40	39	33

Source: CILTA National Office 2004

The following sections highlight important aspects of strategy context, barriers and issues impacting on the North Queensland Section identified from analysis of the data

collected from the case. Quotations throughout the case analysis, are taken from case focus group and interview transcripts (Prideaux, 2004g).

4.2.2   Phenomena Analysis - Strategy Context

Strategy development is 'critical to the development and continuing relevance of the Section and the CILTA as a whole'. For-profit competitive strategy thinking and practices are 'not appropriate' when attempting to develop strategy in the Section as 'the concepts have become confused and are difficult, if not impossible to apply in a voluntary organisation'. The Section should 'focus on building networks and know what's happening in the local region, and that's where to build our networks and develop our relationships within that area'. Networks are important at the 'local level' to provide members with the opportunity to be aware of, and keep up to date with issues and events in the region. Networking opportunities provide a vehicle for members to develop relationships with other members in other sectors of the industry, and assists identifying and resolving common problems and issues that arise. The National Council 'should focus on building networks and fostering relationships with the broader industry, to identity industry wide issues, and communicate those issues to members' to ensure a broader base of knowledge and understanding by 'local members'.

Vision and mission statements are concepts 'which sound good in theory, but are doubtful, if not useless in practice'. Vision and mission statements 'provide little practical guidance, are time consuming to work through, and offer no real benefit to the Section in its day-to-day operations'. Local members are not particularly concerned with developing a vision or mission statement for the Section as vision and mission statements developed by National Council for the Institute as a whole are regarded as sufficient for the Section.

Competitive strategy is viewed as being 'counter-productive' to the interests of members and to the Institute as a whole. Competitive strategy is viewed as resource intensive and inappropriate in an organisation wholly operated by voluntary members. Potential members have the ability to choose to join the CILTA, another Institute or association representing the various elements of the industry, or choose not to join any Institute or association. Developing and maintaining relationships with other

organisations where members can network is a more productive activity than developing and sustaining strategies intended to establish and maintain a 'competitive advantage' as employed in for-profit organisations.

Flexibility is required when developing strategy at both Section and National level to 'allow issues impacting on the industry as a whole to be dealt with by National Council, while Sections respond to local issues'. Strategy, at the local level, requires a 'flexible approach' and should be an ongoing activity, 'reflecting the needs and circumstances of the North Queensland community, and the logistics and transport task in this area'. However, strategy development needs 'to be constantly reviewed and updated to reflect changes occurring in the industry and the high turnover of people in the region'.

 'What's in it for me?' is considered an important question for strategy to address at both local and National levels. Previous attempts by the Section to recruit new members have failed to adequately address this question. Both new and existing members are seeking to identify the value of membership to their personal lives and their career aspirations. Members and potential members 'require that the Institute demonstrates a relevance to members' and 'has some sort of key role in the community or the industries that it represents'.

4.2.3   Phenomena Analysis - Strategy Barriers

Since 1997 the Section committee has consisted mainly of members who have retired from active industry employment. Committee meetings are frequently attended by less than half the elected committee members. Those members attending meetings adopt the view that they are no longer employed in the industry and therefore are interested in remaining in the Institute and on the committee out of a desire to see the Section remain viable in the face of declining numbers. No active sub-committees dealing with membership, activities, and industry liaison have existed in the Section since 2000. Retired committee members undertake the roles of Secretary, and Treasurer on a voluntary basis. The lack of an active committee structure, as a result of a high number of retired committee members, has impeded any meaningful strategy development. Declining membership, and the failure to attract employed members to the Section and the committee, in particular, further compound the

situation. The committee is seen as 'stale and tired' and 'lacking direction'. However, it is unable to attract new members to its ranks to address this situation.

Important barriers restricting strategy development in the Section are: a lack of enthusiasm by committee members to 'discuss strategy issues' due to a lack of competency by committee members on how to address strategy development; a lack of 'industry contacts' by committee members, as the majority of the committee consists of retired members; a lack of 'time' by committee members to devote to discussing strategy issues; limited financial resources to engage consultants to facilitate strategy development; a desire to maintain the status quo and continue the 'tried and tested formula' of monthly site inspections and visits; and 'commitments to other issues' outside the CILTA by committee members.

The Section has not developed any meaningful strategy in the past decade. An attempt was made to develop a Section business plan in response to the 2001 National strategic business plan, but the plan was not completed nor implemented. Reasons identified for this failure are: (1) communication of the National business plan to Section members was inadequate; (2) an inadequate number of committee members to fill the required positions and drive the business plan; (3) a 'lack of time by committee members to devote to implementation issues'; (4) lack of commitment by committee members to the goals of the plan; and (5) lack of interest by Section members attending activities decreased motivation to 'put in the effort' to develop a Section business plan.

4.2.4 Phenomena Analysis - Issues Influencing Strategy Development

Strategy begins with a clear understanding of why the CILTA and the Section 'exists', and how it will 'influence industry and member behaviour' through effective leadership. These issues need to be reviewed on a regular basis and 'drives the whole strategy process both in the Section and for the CILTA', as the dynamics of the logistics and transport industry, particularly in North Queensland are subject to constant change resulting from population increases, industrial and (particularly) mining and mineral processing growth, and tourism.

The question of 'value' is a key element driving strategy formulation and deployment. The Section recognises the need to satisfy the 'needs of members' to ensure that members are 'deriving value for their membership', and that the Section and the Institute as a whole is 'relevant to members'. Members need to be able to form and maintain a clear 'identity with the CILTA and what the Institute stands for in the industry'. The Institute, as a whole, and the Section, need to develop and maintain 'credibility in the logistics and transports industries, and be able to speak with authority on industry related matters'. Without a clear reputation and credibility within the industry the issue of value becomes difficult to answer.

The Institute and the Section 'needs to clearly specify and articulate its role' as the role or roles adopted influence the choice of strategy. The Section identified five potential roles of the Institute at a National level: first, providing professional development and industry networking opportunities; second, providing member forums to facilitate discussion, and debate industry wide issues; third, developing positions concerning industry issues; fourth, providing leadership to influence industry behaviour; and fifth, identify industry and member educational and training needs, and facilitate the provision of the education and training through accredited providers. These roles are not mutually exclusive. However, multiple roles are viewed as adding complexity to the strategy process.

Four possible Section roles were identified: first, provide a 'networking vehicle for members and non-members' to develop industry relationships, and facilitate 'closer working relationships at the local level'; second, provide input into 'local issues affecting the industry'; third, maintain a 'media profile' to influence debate on issues impacting on the local industry; and fourth, develop and maintain 'networks and relationships' with other local organisations such as Rotary and Lions, and associations, such as Institute of Engineers, to 'broaden members' knowledge and networking opportunities'.

4.2.5   Discussion

Important contextual themes influencing strategy formulation have been uncovered in Section 4.2.2. Vision and mission statements provide little practical guidance for strategy development. This is surprising and unexpected, suggesting that vision and

mission may not be the primary guiding force for the CILTA as advocated by existing strategy models, at least in the terminology used in those models. This will influence the shape of the strategy model for the Association. Value and relevance of membership are important to attract and retain members. While this was expected, value and relevance will form important elements of the strategy model. A flexible strategy framework is necessary to allow appropriate strategy development at Section and National levels. The issue of strategic flexibility is not unexpected. However, it is surprising that flexibility is necessary to satisfy the requirements of National Council strategy, and also issues within the Section's environment. Finally, 'competitive strategy' is not an appropriate strategy response, as Section members seem to believe that it is not competing with other organisations for members. This is a surprising finding, and may influence the nature of the strategy framework. These themes seem important for the development of a strategy framework for third sector organisations, highlighting important differences with existing for-profit sector models, which are largely based on assumptions of competitive advantage (Greenwood, Suddaby, & Hinings, 2002; Mara, 2000; Oster, 1995).

Important barriers were uncovered in Section 4.2.3. A lack of time, commitment, and industry contacts by committee members, impact on strategy development. This was expected, but is an externality that the Section may not be able to influence to any large extent. A high proportion of retired members, and difficulty attracting new committee members, act to restrain efforts to develop strategy. This is surprising considering the importance of logistics and transport and the number of people employed in the industries in North Queensland. These themes seem important for the development of a strategy framework for the third sector organisations, highlighting a requirement for a strategy approach which is not resource intensive.

Eight important issues emerge in Section 4.2.4. Determining why the Section exists; determining what value the Section will deliver to members; ensuring that the Section is relevant to members; and understanding and satisfying members' needs, are expected findings, and important issues likely to shape the strategy framework. Unexpected issues emerging from the case are: members wanting to identify with the Section and the Institute; selection of a role or multiple roles to focus the direction of strategy efforts; networking activities which are an important element facilitating

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relationship building; and member and the industry activities are influenced by Section operations. These issues seem important for the development of a strategy framework in this research, as they appear to underpin strategy formulation, and may be critical elements in a strategy framework for the CILTA and other third sector organisations.

4.2.6 Analytical Summary of the Case

Findings of the North Queensland Section case analysis are summarised in Table 4.3

Table 4.3 Analytical Summary of the North Queensland Section

Phenomena	Findings - North Queensland Section
Strategy context	· Vision and mission statements have little practical meaning or value for the operation of the Section. · There is no particular benefit or value to be gained in developing a local version of the Institute's vision or mission statement. · The Section and Institute as a whole are not 'competing' with other organisations for members. · Strategy should be flexible and reflect the changing circumstances of the environment in which the Section operates. · Key drivers of strategy are value and existence – what value does the Section and Institute provide to the individual member, and why do we exist? · The Section and Institute need to be relevant to members and play an active role in the industry and community it serves. · Relationships between members flowing from Section networking activities.
Phenomena	**Findings - North Queensland Section**
Strategy barriers	· Time constraints on committee members · Predominance of retired members on Section committees · Reluctance to serve on or lead sub-committees · Lack of industry contacts by committee members · Difficulty in attracting 'new blood' to the committee with new ideas · Communication of the National plan to Section members was inadequate. · Inadequate number of committee members to fill the required positions and drive the business plan. · Lack of time by committee members to devote to implementation issues. · Lack of commitment by committee members to the goals of the plan · Lack of interest by Section members in attending activities.

Table 4.3 Analytical Summary of the North Queensland Section - Continued

Phenomena	Findings - North Queensland Section
Issues influencing strategy development	· Answering the fundamental question 'why do we exist'? · What value do we provide? · The Institute and Section must be relevant to members · Understanding and satisfying members' needs · Members need to identify with the Section and Institute as a whole · The role or roles of the Section and Institute determine the direction of strategy. · Provide networks to facilitate relationship development · Provide leadership to influence industry behaviour and operations

In sum, the North Queensland Section case has uncovered important issues influencing strategy formulation, Table 4.3. Strategic flexibility is necessary to deal with national and local issues. Competitive strategy is not appropriate in a voluntary membership organisation. Enhanced membership value is a necessary outcome of strategy efforts. Significant barriers acting to restrain strategy formulation are: a lack of time, lack of commitment by committee members, and lack of appropriate industry contacts. A high proportion of retired members, and difficulties attracting young members to committee positions are further barriers to strategy development. Issues underpinning strategy formulation are the questions, Why does the Section exist? Value of membership? Relevance to members? How are members' needs satisfied?; members identifying with the Section and Institute; role selection; relationship building from networking activities, and influencing member and industry behaviour. These issues highlight differences between for-profit and third sector approaches to strategy formulation, and seem important for the development of a strategy framework in this research.

The case has uncovered a number of surprising findings. Most strategy approaches identified in the third sector literature approach strategy development from a competitive stance. The case identifies a variance with existing immediate discipline research, which base strategy development on competitive models (Bryson, 1998; Crittenden & Crittenden, 2000; Oster, 1995). Competitive strategy emerges as an inappropriate basis for strategy development in the case.

4.3   Case 2 - Queensland Section
4.3.1   Case Orientation

The Queensland Section, based in Brisbane, was established on 2 September 1952. The Section's area of responsibility is that area of Queensland south from 22 degrees south latitude to the borders of South Australia and New South Wales, less that allocated to Gold Coast and Northern Rivers.

Section membership has been declining steadily since 1993 as shown in Table 4.4. In the period 01 July 1993 to 30 June 2004, membership declined by 191 members, a 43.90 per cent decrease, reflecting the trend across the CILTA.

Table 4.4 Queensland Section Membership as at 30 June 2004

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
435	404	389	372	367	332	317	304	294	279	259	244

Source: CILTA National Office 2004

The following Sections highlight important aspects of strategy context, barriers and issues impacting on the Queensland Section, identified from analysis of the data collected from the case. Quotations throughout the case analysis, are taken from case focus group and interview transcripts (Prideaux, 2004i).

4.3.2   Phenomena Analysis - Strategy Context

The logistics and transport industries are 'changing rapidly in response to global trends in technology, industry structure, and movement of people through the industry'. Young employees appear to no longer see the industry as a life long career, rather as 'a stepping stone' in their overall career path. The nature of the transport and logistics task is changing in response to mergers and acquisitions of Australian and local (regional) operators; corporatisation and privitisation of government service providers, such as Queensland Rail, and new competitors driving industry profit margins down. These changes require that 'our strategy is flexible' to deal with a wide range of industry issues, and that strategy horizons are 'no longer than 18 to 24 months'.

In addition to global trends and changing tasks of the industry, strategy formulation is influenced by member related issues. Member needs are 'changing in response to

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changing pressures in the work environment'. Industry employees 'now have a higher degree of mobility through the industry, and tend not to regard the industry as a life-long career opportunity or path'. Skill and knowledge levels 'need to be continually updated to remain relevant in the industry', while there is 'an increasing need to develop and maintain professional networks that encourage relationship building'.

Strategy development is vital for both the CILTA and Sections. However, the level of strategy development is 'different and must reflect the nature of the role that the Section is undertaking'. Existing strategy models provide 'little guidance in voluntary professional associations in the effort to develop strategy, as they focus on developing vision and mission statements, which have the best of intentions but mean very little to the average member. It's the stuff behind the vision and mission that really needs to be understood'. Vision and mission doesn't mean a lot, 'what really matters are the activities we are going to focus on and they change over time.' Vision and mission 'are a bit of a wanker, I think that they make it overly difficult just for the sake of it. If you can't understand it you can't remember it, and they have little relevance to the average member'.

Strategy development in the CILTA is unlike strategy formulation in a commercial organisation requiring long capital investment lead-times. 'Strategy, in this type of organisation, has a much shorter time frame, in the order of one to two years and needs to be flexible and adaptable to capture the dynamics of members and the industry.' Strategy development and deployment 'has to follow the KISS [Keep It Simple Stupid] principle.' Failure to continually adjust strategy in response to changing circumstances will leave the CILTA 'lacking credibility in the industry and of little relevance to members and potential new members'.

CILTA is only one of a number of organisations and associations representing members employed in the industry. The Logistics Association of Australia, Australian Trucking Association, are examples of other associations representing members in the industry. The Institute, at both National and Section levels, needs to 'clearly differentiate itself from other organisations, but needs to work with them to advance the industry overall'. Clearly, the Institute is 'not competing' with other

industry associations and bodies for members. Rather, there is strength in 'working together, rather than as separate entities competing with each other'. The competition faced by all levels within the Institute, and by other industry organisations, is that 'of competing for members' time, commitment and active involvement in the activities of the Institute'.

A fundamental issue is to understand 'why the Institute exists.' Should the reason for existence change, the organisation may no longer have a reason to continue operations. This question should to be reviewed on a regular basis to ensure that the Institute continues to provide 'value and remains relevant to members, and maintains credibility in the industry'.

4.3.3   Phenomena Analysis - Strategy Barriers

The CILTA and its members do not have 'a clear identity' of what the Institute is and what it stands for. This lack of identity is a barrier to strategy as a 'clear unambiguous identity from the members' perspective is an essential start point for strategy consideration'. The 'broad coverage' of the Institute, in attempting to represent all modes of transport and all facets of logistics, 'restricts strategy formulation'. The breadth of the transport and logistics organisations in the Queensland Section's area of responsibility encourages a 'very general approach to strategy as opposed to focusing on a few issues relevant to members.'

There 'is no simple framework to guide strategy development in this type of organisation. Existing strategy approaches are complex and time consuming, and in the final analysis provide little guidance and buy-in from members. The process must be manageable'. Gaining a commitment by members to actively participate in strategy development and implementation is difficult, as member's often 'lack the necessary strategy competency'. Time is a key barrier to strategy due to 'pressures in the work environment and in the family setting'. People have 'divided loyalties and must balance time to get the greatest value for the time invested' in participating in the CILTA.

The Institute relies on the 'commitment and goodwill of its voluntary members' to function. As a consequence, this usually means that resources are limited. Resource

constraints 'hold back' strategy development. A 'business model' is necessary to generate funds to employ full-time staff and generate additional resources. People are thrust into committee jobs and leadership roles because 'it's your turn or there is no one else to take on the position'. A rolling cycle of two-yearly committee elections leads to 'leadership instability and tends to result in no clear direction setting'. There is a tendency for committee members to 'warm the seat' and continue with 'past successful approaches.' Some people tend to remain in committee positions 'well beyond their use-by-date' tending to stifle change, while apathy is evident towards the whole necessity to 'do strategy'.

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The Institute lacks 'credibility in the industry' and is viewed as an 'old farts club' and a 'toothless tiger', which simply exists to allow members to 'get together for a social occasion'. However, the Institute has a 'leadership role' in the industry, although this role is not being carried out 'due to the inertia of members to put the time and effort in'. Strategic direction and communication between National Council and Section is 'poor.' Clear strategic direction is not given to Sections resulting in strategy development that reflects local circumstances rather than a National agenda. When strategy is attempted in the Section, the tendency is to focus on local circumstances and 'hot topics and issues' rather than taking an 'integrated approach', a symptom of 'attempting to have too many balls in the air at one time and not being effective at any of them'.

4.3.4   Phenomena Analysis - Issues Influencing Strategy Development

A clear understanding of what 'value the CILTIA provides, and to whom it provides value, is a fundamental driver of strategy'. Value, from a member's perspective, relates to satisfying their needs and being 'relevant' to them. Members' needs 'change over time' requiring that the Institute and individual Sections continually monitor members' needs. The needs of 'industry' are also important in the strategy process. Constant industry changes require employees to 'regularly update knowledge and skills'. Attempting to satisfy industry and members' needs is an important underpinning to strategy development. However, the extent of such needs has not been established by the Queensland Section in any meaningful way, largely resulting from the barriers previously identified.

The Section recognises that members need to 'identity' with the Institute as a whole, and with their local Section in particular. When members fail to identify with the Section or the Institute, members experience a loss of 'relevance'. Identity has the effect of differentiating and 'making distinctive' the CILTA and the member's local Section from other industry associations and organisations. Identity 'differs between Sections' reflecting regional differences in the transport and logistic tasks in a particular region.

Networking opportunities provided through Section and Institute activities are seen as important reasons why members join and remain members of the Institute. Networks provide an important avenue for members to develop 'relationships' with other members across the spectrum of the industry represented in the membership. Relationships can strengthen business relationships and assist members' career development.

Principles underpin the operation of the Institute and are supported by clearly articulated values. Operating principles 'remain constant to provide a foundation to maintain consistency in the face of changing member and industry needs'. Values 'drive member behaviour' and 'help set the boundaries of the organisation'. Values provide both members and potential members with a 'boundary of what the organisation accepts and what it does not accept'. However, values do not remain static. They 'evolve over time, to reflect changing values in the industry and wider community, and need to be regularly reviewed as part of the strategy process'.

Role is important in the strategy development process as 'the Institute must establish a distinct role in the industry, and that role then directs the strategy process'. Strategy should 'focus on specific issues' within the chosen role. Leadership is viewed as a critical strategy 'driver' where the Institute determines 'what and how it will influence the industry and members'. In this context, leadership is concerned with 'developing members to increase the professionalism of the industry'.

4.3.5   Discussion

A number of important contextual themes were uncovered in Section 4.3.2. Strategy development emerges as an essential function of National Council to deal with

industry wide issues. Strategy is also an important activity at the Section level to deal with local issues. New technology, competitors, and legislation, are important factors reshaping the industry. As a consequence, member needs, particularly relating to knowledge and skills are changing. Developing and maintaining industry relationships are important outcomes for Section members. Strategic flexibility is necessary for Sections to deal with local issues within a National strategic framework. Strategic timeframes are becoming shorter, mainly resulting from industry dynamics and the impact on member needs. Typically, a strategy horizon of one to two years is appropriate. This is surprising, suggesting that the strategy framework provides a vehicle for ongoing strategic thinking and discussion, perhaps more so than traditional strategic planning models. Reason for existence and value of membership emerge as fundamental questions driving strategy formulation. Recognising the benefit of working with other industry associations, a 'cooperative strategy' achieves increased value for members and industry. These themes seem important for the development of a strategy framework for the third sector organisations, highlighting a need for strategic flexibility (Brown & Eisenhardt, 1998; Parnell & Lester, 2003), short time frames (Grant, 2002), and strategy frameworks developed around co-operation rather than competitive advantage.

Important barriers were uncovered in Section 4.3.3. The CILTA lacks a clear focus by attempting to be 'all things to all people'. Committee members lack the competency and commitment to undertake strategy development. Organisational structure, two yearly elections of Section and National Council committees, and an attitude that it is 'your turn', restricts the opportunity to develop strategy while tending to maintain the status quo. This is within the control of the CILTA, and seems important, indicating that structure restricts strategy (Chandler, 1962). A deficiency of industry credibility restricts the leadership role of the Institute as a whole, and the Queensland Section in particular. Finally, attempting to deal with multiple small strategies at any one time leads to a disjointed approach to strategy implementation. These themes seem important for the development of a strategy framework for the third sector organisations, highlighting particular barriers impacting on strategy formulation in the Queensland Section that may have material implications for third sector organisations.

Section 4.3.4 uncovered important issues influencing strategy formulation in the Queensland Section. Strategy development is necessary (Parnell & Lester, 2003), time frames of one to two years are appropriate (Fisher, 1997; Grant, 2002), and strategic flexibility is necessary (Grewel & Tansuhaj, 2001; Parnell & Lester, 2003). Members' needs are constantly changing as a result of industry changes, requiring that strategy reflect those changes (Gold, Rodgers, & Smith, 2002; Parker, 1998). Strategy formulation requires a co-operative orientation rather than a competitive orientation (Zineldin, 2004). The organisational structure of National Council and independent Sections tied to two-yearly committee elections adversely impacts strategy development. Lack of competency, time, and resources restrict strategy development. Multiple strategies dilute Section resources, suggesting an integrated approach to strategy may be more appropriate (Ford & Gioia, 2000; Hambrick & Fredrickson, 2001). Relevance to members, delivery of value, and members identifying with the Section and the CILTA generally, are identified as important drivers of strategy. The role adopted by the Section, at the local level, and the CILTA nationally, is a driver shaping strategy development. A leadership role influencing member and industry behaviour is regarded as a further driver influencing strategy formulation. Development of relationships by members, from Section networking activities, is viewed as an important outcome of the strategy process.

4.3.6   Analytical Summary of the Case

Summary findings of the case analysis of the Queensland Section are presented in Table 4.5.

Table 4.5 Analytical Summary of the Queensland Section

Phenomena	Findings - Queensland Section
Strategy context	· Strategy is essential to shape the future for the Section and Institute · Constant changes in the structure and operation of Industry · Industry competitive conditions are forcing employees to maintain a knowledge and skills edge · Networking is a vehicle to develop meaningful industry relationships · Strategy horizon is between 1-2 years resulting from industry dynamics · Strategic flexibility is essential to capture industry and member changes · Why we exist and value are drivers of strategy · Strategy developed around co-operation with other industry associations rather than competitive strategy

Table 4.5 Analytical Summary of the Queensland Section - Continued

Phenomena	Findings - Queensland Section
Strategy barriers	· Lacking a clear identity from a member's perspective · Lacking a clear focus – attempting to be all things to all people · Requirement for a manageable approach to strategy development · Divided loyalties of members to work, family and social activities · Lack of competency by committee members to develop strategy · Members pursuing own agenda · Apathy towards strategy development · Two yearly committee cycle · Resource poor. Business model required to generate resource shortfalls · Lacking credibility in the industry · Organisational structure · Poor direction and communication from the National Council · Not developing an integrated strategy but rather having many strategies
Phenomena	**Findings - Queensland Section**
Issues influencing strategy development	· Value is the primary strategy driver · Understanding and satisfying members' needs · The Institute and local Section must be relevant to members · Members must identify with the Institute and local Section · Relationship building is critical · Principles underpin organisational operations · Values establish boundaries but change over time · Leadership establishes an influence position · Multiple roles can be adopted. However, the role or roles chosen shape the strategy process · Focus directs strategy development to key areas

In sum, the case highlights salient differences between for-profit and third sector approaches to strategy formulation, which seem important to the development of a strategy framework in this research.   The case has uncovered some surprising findings. Most strategy approaches identified in the third sector literature approach strategy development from a competitive stance. The case has identified a variance with existing immediate discipline research, which base strategy development on competitive models (Bryson, 1998; Crittenden & Crittenden, 2000; Oster, 1995). Second, organisational role appears to influence the strategy process. The role or roles adopted shape the direction for strategic development. There is a paucity in the extant literature dealing with the role of the organisation and its influence on strategy development.

4.4   Case 3 - Gold Coast and Northern Rivers Section
4.4.1   Case Orientation

The Gold Coast and Northern Rivers Section, based in Burleigh Heads, on the Gold Coast, Queensland, was established on 5 November 1998 following the formation of a group in 1995 comprising 17 members from the Queensland Section who were resident in the Gold Coast/Northern Rivers district. A group is formed when there are sufficient members in a locality to commence activities in that region. However, the group remains under the administrative control of the sponsoring Section until membership of the group has reached 50, or as approved by National Council. The Section's area of responsibility is from the north of the Logan River to Beenleigh and then following an imaginary line westerly to Beaudesert, and then in a southerly direction to include Casino, Lismore, and Ballina.

Section membership increased significantly during the first four years following establishment, reaching a peak in 1999 as shown in Table 4.6. However, membership has since been declining steadily. In the period 01 July 1999 to 30 June 2004, membership decreased by 20 members, a 47.61 per cent decrease.

Table 4.6 Gold Coast and Northern Rivers Section Membership as at 30 June 2004

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
-	-	19	28	40	40	42	40	37	22	22	22

Source: CILTA National Office 2004

The following sections highlight important aspects of strategy context, barriers, and issues impacting on the Gold Coast Northern Rivers Section, identified from analysis of the data collected from the case. Quotations throughout the case analysis, are taken from case focus group and interview transcripts (Prideaux, 2004c).

4.4.2   Phenomena Analysis – Strategy Context

The Gold Coast Northern Rivers region is one of the fastest growing areas in Queensland, requiring significant transport infrastructure to support the logistics and transport task necessary to sustain the rapid growth. Domestic and international

tourism, and the 'baby boomers' moving from southern states following retirement, continues to fuel population and economic growth.

The Gold Coast Section regards strategy development as necessary at the National level, and particularly, by the Section in an area such as the Gold Coast, which is growing rapidly. However, 'you need to establish what your target is'. The Section has not established any meaningful strategic targets in the past, but has merely concentrated on trying to recruit new members without a clear understanding what benefit CILTA membership has. 'You need to know what you need to know to begin with.' Understanding why the CILTA exists is the key question driving strategy development. The answer to the question of existence will change to reflect movements in the industry and society in which the Institute is embedded. This, then, leads to addressing the question of what value the CILTA provides. Understanding member and industry needs is at the heart of the strategy process. To adequately address member needs, it is necessary for the organisation to understand why it should continue to exist.

The CILTA is unlike a commercial business with a profit target. Membership growth is the Institute's profit and critical to the health and vitality of the Section and the Institute as a whole. However, 'simply focusing on membership growth is a self-defeating exercise if there are few benefits to members. Strategy begins, in this type of organisation, with understanding the reason we are there or what we are trying to achieve'.

Strategy flexibility is required, particularly by Sections, to reflect changes occurring in the factors and issues influencing the Section. Strategy development in the Institute is 'two pronged.' National Council sets the National strategic direction allowing Sections to develop strategy to reflect the needs of local members and the regional circumstances. 'Strategy is to be reviewed regularly both at the Section and National level in response to developments in our sphere of influence. Strategies should be a moving thing that comes out at regular meetings and the things that are successful should be promoted.'

Competitive strategy is inappropriate for the Institute. The CILTA does 'not compete with other institutes and associations for members'. Rather than developing competitive strategies, building 'relationships' between members and with other industry organisations is essential.

4.4.3   Phenomena Analysis - Strategy Barriers

All current committee members are engineers and members of the Institute of Engineers (IE) as their primary professional association. Membership to the IE is a requirement for professional practice and a requirement for continuing employment in the industry. Membership of the CILTA is secondary and 'we can't focus too much on being in this one'. The 'relevance of the Institute to members' is unclear. Members do not 'identify with the Institute' as a National Institute. Identity is of greatest importance at the Section level.

A number of key effects flow from the Section's small membership base. Input into the strategy process is restricted, and there are too few members who are willing to serve on committees or get involved in management issues. Approximately 75 per cent of members never attend functions or activities conducted by the Section. The remaining 25 per cent, however, are regular attendees. Section membership does not reflect the full spectrum of the industry on the Gold Coast, and as a result, Section activities tend to focus on the interests of the 'regulars.'

Formal membership surveys have not been conducted in the Section, or by the Institute, to determine members' needs. Section funds are not available to undertake membership surveys or to conduct strategic workshops, so its 'really a hit and miss approach'. The Section does not have the capacity to undertake intensive and detailed strategic analysis, as required by strategy approaches that members are exposed to in the work environment, and, without a National strategy framework to guide strategy development by Sections, strategy tends to be 'reactive to local issues and events'.

The CILTA is 'trying to be all things to all people and attempting to do too much, and not doing anything particularly well'. Compounding a broad approach, there are few key industry leaders who are members of the CILTA, which detracts from 'industry standing and credibility'.

The existing composition of the National Council is made up of Section representatives, and this impedes the establishment of a national identity, role and credibility. National Council meets 'only twice per year and suffers from a lack of momentum'. However, the turnover of members serving on Section and National Council committees also restrains strategy formulation as approximately 50 per cent of Section and National Council committee membership rotates each year. Developing strategy under such conditions 'is extremely difficult' and members are 'tired of the whole vision and mission stuff' as they are exposed to such concepts in the work environment.

4.4.4   Phenomena Analysis - Issues Influencing Strategy Development

Member 'relevance is a critical strategy issue'. Members need to be able to 'identify' with the CILTA and their local Section. Identity is a means to 'differentiate the Institute and Sections from other organisations and associations' operating in the industry. Each Section has a different identity to other Sections, which reflects regional differences and identity 'changes and evolves' as the industry and society changes.

Values form the foundation of identity and guide the operation and activities of the Institute. Existing members are expected to abide by organisational values, which also provide potential members with a boundary of expected behaviour when membership to the Institute is being considered. Key values are honesty and integrity.

Understanding member needs is a critical element and a key driver in the strategy process. Strategy, by necessity, is about delivering value for membership. 'If members or potential members do not see a value for the time, money, and energy invested in membership then the strategy process has failed and people will leave or not bother joining in the first place.'

It is essential for the Institute and local Sections to establish industry credibility. Credibility is gained by establishing a reputation and respect. 'The organisation should be respected for what it is without the need for a long list of values. The Institute has to earn its reputation by doing things. I think, there are subtleties that A follows B, but you have to be it before you can do it.' National Council's

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responsibility is to establish an 'Institute wide identity and industry credibility. Sections then work within that framework to develop Section identity and credibility. Sections need autonomy but also need to work within a National framework'. Each Section 'is unique due to its local circumstances, and needs to work at developing their own identity and credibility within the local industry'. Without the 'umbrella of a National Institute, identity or credibility are very difficult to achieve'. Determining a select number of key areas to 'concentrate on, and to focus strategy efforts on those areas in an integrated manner' assists to develop credibility and an identity.

Role selection is important in the strategy development process. Role determination occurs before developing strategy, and the role or roles chosen determine the direction of strategy. Networking is an important role that provides the medium for relationship building. Relationship building occurs in a number of important ways: (1) between members; (2) with other institutes and associations; (3) with the media; (4) with government, and is a key role of the Institute at both the National and Section level.

Leadership by the Institute, in the industry, is necessary to influence the activities of the industry and bring about change. Leadership is also vital to maintain credibility and reputation in the industry. Leadership of the Institute is critical to drive the organisational strategy process. However, the voluntary nature of the Institute imposes significant leadership difficulties.

4.4.5 Discussion

A number of important contextual themes emerge in Section 4.4.2. 'Profit' is derived from increasing membership in Sections and the Institute overall. However, membership value is critical for membership retention. Strategy is necessary to shape the future, but strategic flexibility is necessary. Strategy efforts continually return to addressing the question of 'why do we exist? This seems important and would appear to be within the control of the Institute. Relationship building with other industry organisations seems an important element of the strategy process. This is surprising, as competitive strategy aimed at developing sustainable competitive advantage is the typical strategy approach.

A number of important strategy barriers were identified in Section 4.4.3. The Section has a small membership base, which is surprising considering the dynamic nature of the transport and logistics task in the Gold Coast region. Size restricts the Section's ability to develop strategy as the task is left to the same few committee members who are also involved in attempting to maintain the Section's normal administrative and activity cycle. Communication between the committee and members is poor, which is surprising in view of the Section's small size. However, this is an internal issue within the control of the Section. The scope of the industry operating in the Gold Coast region is not represented in the Section's membership. It is expected that strategy efforts by the Section, are adversely influenced by this imbalance. There is limited capacity to conduct ongoing strategic thinking or discussion in the Section. Rather, strategy efforts are reactive. This is surprising considering the dynamics of the industry. This seems an important consideration, suggesting that a strategy framework emerging from this research will require a process to encourage strategic thinking and discussion, rather than traditional strategic planning.

Previous 'strategy' efforts by the Section have been directed at operational concerns and not strategic issues. As a result 'multiple strategies' have been developed leading to a confused, and largely unworkable, strategy process, lacking clear direction. This is surprising, suggesting the importance of a focused integrated strategy effort, which results in a limited range of strategies. Finally, strategy efforts have been adversely impacted by a combination of poor identity by members, an unclear role of the Section and the CILTA, and the lack of industry credibility. This seems to suggest identity, role, and credibility may be important considerations in the strategy development process to be reflected in a strategy framework for the Institute.

A number of significant issues emerge from Section 4.4.3. Organisational values provide a standard for individual behaviour while establishing boundaries. Organisational values are important to assist individual members to identify with the Section at the local level and the CILTA, as an industry association. However, organisational values are not instrumental in establishing or maintaining industry credibility. Organisational values may be an important consideration in the strategy process, as the CILTA is an individual membership association and not an organisation membership association. Relevance of the association to industry, and

members identifying with the Section and the CILTA seem important issues driving the strategy process. This suggests a requirement for the strategy framework to consider (1) how members identify with the Institute and their home Section, and (2) how the Institute can increase its relevance to industry.

Identifying and satisfying member's needs emerges as an important issue. Satisfying member's needs is not a surprising finding considering that the CILTA is an individual membership association. However, it is surprising that member's needs have not been afforded greater importance previously. This finding suggests that member needs may be a significant driving issue for a strategy framework for the CILTA.

Strategy needs to be concentrated to avoid the development of multiple small strategies, and limited to the Institute's 'sphere of influence'. Moving outside the Institute's sphere of influence appears to lead to a dilution of already limited resources, and loss of industry credibility, member identity, and value. Sphere of influence seems important and may be a constraining factor in the strategy process.

Role selection emerges as an important issue. The role or roles selected appear to shape the selection of strategy and seems to influence the issues of member identity and industry credibility. The term role appears to be more appropriate and acceptable than 'mission'. This may suggest that the choice of terminology may be an important consideration in the strategy framework. As well as role selection, relationship building emerges as an important outcome of the strategy process. Relationship building seems to cascade from networking activities conducted by the Section and CILTA nationally, and may be an important role.

Influencing members and the industry emerges as an important issue for strategy formulation. Influence is the effect of actions 'on attitudes, values, beliefs, or actions of others' (Daft, 2005, p. 479) and is an outcome of leadership (Dubrin & Dalglish, 2003). Leadership by the CILTA and Sections, which is directed at influencing members, industry, and government, seems an important issue to be incorporated into a strategy framework as a key strategy driver.

4.4.6   Analytical Summary of the Case

Summary findings of the case analysis of the Gold Coast and Northern Rivers Section are presented in Table 4.7.

Table 4.7 Analytical Summary of the Gold Coast and Northern Rivers Section

Phenomena	Findings - Gold Coast and Northern Rivers Section
Strategy context	· Membership growth is a key strategy outcome · Strategy flexibility is necessary · Competitive strategy is destructive. · Relationship building is vital · Sections need the freedom to adapt National strategy direction to suit local conditions and situations · Existence and value are key strategy questions.
Phenomena	**Findings - Gold Coast and Northern Rivers Section**
Strategy barriers	· CILTA is a 'second' association · Small membership base · Poor industry representation · Few industry leaders · Lacking industry credibility · No clear role · Annual turnover of committee members at both Section and National Council · Section does not have the capacity to undertake detailed strategic analysis · No clear direction from National Council · Poor member participation rates in Section activities · Relevance of Institute and Section to members is weak
Phenomena	**Findings - Gold Coast and Northern Rivers Section**

Issues influencing strategy development	· Why do we exist and what value do we provide are key strategy drivers
	· Member and industry needs drive value
	· Relevance of CILTA to members
	· Identity with the Institute
	· Industry credibility and reputation
	· Position to be taken, role, at National and Section level
	· Developing relationships
	  - Member to member
	  - Institute to member
	  - Institute to Institute
	  - Institute to government
	  - Institute to media
	· Focusing on key areas to develop integrated strategy
	· Avoiding multiple 'strategies' in response to local issues
	· National direction with freedom for Sections to develop local identity, reputation, role, and relationships to suit operating environment

In sum, the Gold Coast Northern Rivers case has identified a number of important contextual themes, barriers and issues that seem to influence the strategy processes by Sections and the CILTA nationally - see Table 4.7. Key findings of the case are: (1) strategy needs to be flexible, focused, and deliver value to members; (2) members

need to identify with the Section specifically, and the CILTA generally; and (3) industry credibility underpins the relevance of the Institute in the industry, while the role or roles selected focus selection of strategy. These findings seem important to the development of an appropriate strategy framework for the CILTA.

4.5   Case 4 - Northern Territory Section

4.5.1   Case Orientation

The Northern Territory Section, based in Darwin, was established on 7 November 1990. The Section's area of responsibility includes the whole of the Northern Territory and the Kimberley Region of Western Australia.

Section membership increased steadily from its formation, peaking and then trending down from 2000, as shown in Table 4.8. In the period 01 July 1993 to 30 June 2004, membership declined by 18 members, a 28.12 per cent decrease.

Table 4.8 Northern Territory Section Membership as at 30 June 2004

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
64	65	62	60	71	75	79	82	66	57	55	46

Source: CILTA National Office 2004

The following sections highlight important aspects of strategy context, barriers, and issues impacting on the Northern Territory Section, identified from analysis of the data collected from the case. Quotations throughout the case analysis, are taken from case focus group and interview transcripts (Prideaux, 2004h).

4.5.2   Phenomena Analysis – Strategy Context

The Northern Territory is 'isolated from the rest of Australia due to distance. Remoteness results in a determination and resolve by the Section to do things our way', as the situation and circumstances in 'the Territory' are different to the rest of Australia. It is 'encompassing and a microcosm of the whole industry in Australia'.

Strategy 'is critical, as you have to have some form of strategy or some sort of guideline. And that's the idea of having a strategy to sit down and work out where

you are going, what you are doing and how you are going to get there. That's critically important that you do have a basis, as it is the basis of any organisation'. Strategy development and deployment in the CILTA 'is different to any other organisation, especially business, as we are not profit driven, but rather member focused. Visions and missions and all those sorts of things are important. However, they don't give much guidance as the way we do things is a lot different, and that's where it branches out'. The approach to strategy is very different 'because we are volunteers. But at the end of the day the result has to be a workable strategy that moves the Section and the Institute forward'. The tendency is to 'write a vision or mission statement and then forget about them because they seem to have lost their relevance and are just some fancy words on a web site'.

Remote Sections, such as the Northern Territory, require an active and growing membership base to ensure 'relevance' to members and that members obtain value for their investment of time, energy, and financial commitment. The 'cross flow of information is the critical issue to deliver value to members'.

Mission statements are commonly regarded as being important to guide strategy, 'they are what we are supposed to be about and how we are trying to achieve. Our strategies come down from that, indicating the ways in which we are going to achieve that. As far as the CILTA is concerned it is about a group of people trying to expand themselves'. However, 'mission statements are associated with business and seem to have little meaning in this type of association. Policy statements may be more applicable because a policy tells you exactly what the organisation has in mind'. Policy statements are 'clear, and more understandable than mission statements.' Vision and mission statements 'in this type of organisation are not relevant'.

The Institute draws together members of the transport and logistics industries 'in a common networking forum. Here the movers and shakers today mix with the leaders of tomorrow'. Relationship building is a key outcome of networking activities. As a result of the proximity of Darwin to Asia, and the multicultural composition of the Darwin community, building relationships with other countries 'to our north' is a 'focus' of the Section.

The outcome of strategy in the Section is 'profits driven', where profit is about providing value for membership, increasing the value of the Institute to industry, increasing Section membership, and about generating surplus income. Profits are also required as 'the money generated keeps the organisation going. It has become a business, and must be managed as a business to deliver benefits and value back to members and the industry. A business model is needed to ensure funds are available to effectively undertake our role'.

4.5.3 Phenomena Analysis - Strategy Barriers

The Institute is unsure why it exists, and what it stands for. When clear direction is lacking from National Council, Sections are in a difficult position to develop relevant strategy. As a result, the Section does not have a proactive approach to strategy as it 'is not actually out there and doing something'. What strategy is undertaken tends to be a reaction to local issues resulting in multiple strategies rather than an integrated approach. The Section or the Institute nationally does not take a long-term view. Rather, it is a more operational by orientation. The Institute has become 'an old farts club', 'without any meaningful strategy direction from the National Council'. The Institute has drifted away from its stated mission statement, as it is a 'meaningless statement' to most of the members. The Section, and the Institute as a whole, is not providing value to members, 'obviously we aren't giving enough back to members'.

Rotating committee membership in Sections and on National Council inhibits strategy processes. Usually committee members are either retired or nearing retirement and 'recycled', as there is a general lack of interest by the membership, particularly younger members, in serving on Section committees. 'New blood' is necessary.

The diversity of the industry in the Northern Territory is 'huge' and attempting to 'cover the whole industry is a significant barrier'. So 'strategy' is focused on what directly impacts on the membership.

Across the Institute, resource constraints limit strategy and operational processes. As a result of a weak financial position, there is no full-time paid staff in National Office, or in any of the Sections, to build industry relationships and to develop effective strategy. As a consequence of resource constraints, poor communication surfaces as a

barrier. Communication between National Council and Sections and between Sections and members also tends to be impoverished, and a barrier to an effective strategy process.

4.5.4   Phenomena Analysis - Issues Influencing Strategy Development

Member and industry needs are the starting point for strategy development. The Institute must be 'relevant to members and members need to be able to identify with what the Institute is, and what it stands for'. Relevance remains constant over time. However, identity changes as members, industry, government, and society evolve. Relevance arises by building and maintaining an industry profile. Furthermore, relevance serves as a platform to develop relationships between members and in some cases, partnerships between members' organisations, which enhances the value of membership. Relevance of the Institute to members is important, 'and if you remain relevant to the membership you are automatically adding value to membership and attracting new members'.

The Institute and individual Sections 'must be respected by the industry and government'. A key purpose of strategy is to build and maintain respect for the Institute, in industry and government. Industry and government visibility enhances credibility and reputation.

The Institute needs to be different from other industry associations and organisations, and have 'a position' on industry and member issues. Position determines the choice of role, or roles that can be adopted. Following the selection of position and role, strategy is then developed. A basic 'role of the Institute is to remain relevant to members and the industry that employs members'. The CILTA also has a role in influencing industry practices and operations. Influence is an outcome of the Institutes leadership to facilitate industry improvement. Without industry credibility, leadership and influence is extremely difficult.

Principles form the Institutes operational foundation and remain constant to guide the strategy process. Values support organisational principles. However, values change over time to reflect industry and society transitions as well as providing a 'template for individual and industry behaviour'. Principles and values underpin the identity of

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the Institute to members. 'If you don't have principles and values, you can't achieve your identity. If you don't have an identity then values mean nothing.'

Networking is an important activity to bring people together and facilitates relationship building. Relationships facilitate two important outcomes: (1) assist in the career development of members; and (2) provides a platform for idea sharing between industry and organisations, which often leads to working together to solve common issues.

Not all environmental factors need to be considered when developing strategy. Only those factors 'directly impacting or influencing the industry and members need to be considered'. Strategy needs to be 'focused on a small number of critical areas that directly impact on and influence' the Institute. A 'scattergun approach is counter productive and a waste of valuable resources'.

4.5.5 Discussion

A number of important and surprising contextual findings emerge in Section 4.5.2 that seem to influence strategy formulation. As a result of 'isolation', the Section has developed its 'own way of doing things', including strategy development. This is surprising, as isolation was not expected as a factor in strategy development. This raises questions of strategic flexibility and a need for a strategy framework, which is suitable for the particular needs of isolated, regional, and metropolitan Sections, and the CILTA as a whole. Strategy is seen as important to the future of the Section and the Institute. However, strategy efforts are directed at increasing membership numbers and industry credibility rather than seeking financial profitability. Financial profitability, though, is important to fund Section activities and implement strategy, suggesting the importance of a business model to increase financial strength. This is important and surprising, as nonprofit organisations traditionally have not focussed on business models, rather resorting to fundraising, sponsorship, donations and government and industry funding to provide necessary funding.

Important barriers surfaced in Section 4.5.3. Strategy formulation is hindered by the lack of a clear direction from National Council. This is not a surprising finding, as strategic direction emanating from the top appears to be a fundamental requirement of strategy development in any organisation. This suggests a requirement for a strategy

framework, which is flexible and appropriate for each level of the CILTA, but at the same time giving direction to the Sections. The 'rotating' structure of management committees inhibits strategy development. The two yearly cycle of serving on committees appears to reduce enthusiasm to undertake strategy development as members just 'want to do their time' and move on. A lack of interest and 'senior' age of committee members further compounds the lack of desire to undertake strategy development. This is an important issue, indicating that organisational structure may be driving the strategy process as opposed to strategy driving structure (Chandler, 1962). Further compounding strategy development and implementation are resource constraints, particularly financial capacity and lack of full-time staff. Poor industry credibility and member identify restrict the Sections ability to implement strategy. This seems to be an important finding suggesting that credibility and identity are material issues to be dealt with in a strategy framework of the CILTA.

Important issues emerge from the Northern Territory case. Member and industry needs are important contributors to the strategy process. The CILTA is a professional association for the benefit of its membership. This is expected. However, it is surprising that the needs of industry seem important to the strategy process suggesting that a strategy framework reflect both member and industry needs. Relevance seems to be an important strategy driver, and is likely to be an element of a strategy framework. Relevance is seen as remaining constant over time. However, identity, a sub-component of relevance, appears to shift over time in response to changes in community, industry, government, and individual needs. This seems to indicate a requirement for flexibility in a strategy framework to respond to identity changes while maintaining constancy in relevance to members. This may place a significant challenge on the strategy framework. Relevance positively influences membership value, increased member value is likely to lead to increased membership, which was identified as 'organisational profit' in Section 4.5.3. This seems to suggest the existence of a relationship between relevance and value and may form vital elements of a strategy framework.

Respect by industry and government of the Institute emerges as a significant issue and appears to be an important foundation for the development of industry and government credibility. Credibility appears necessary for the development of

reputation. Reputation appears to be the basis for positive interaction with industry and government, particularly in relation to securing funding and sponsorship. Respect, credibility and reputation seem important considerations in the strategy process, and are likely to be significant elements in the strategy framework for the CILTA. The position taken appears to have an important determining effect on the role or roles selected, which in turn seems to shape strategy selection. Position is seen as a differentiating mechanism to establish where the Institute, at an industry level, and the Section, at the local level, will operate. The greater the emphasis on members and their needs the less the focus is on industry needs. Determination of a position seems an important issue for the strategy framework.

Limiting environmental analysis to the organisation's 'sphere of influence' rather than a comprehensive environmental analysis is a surprising finding, and may be important to the strategy process. Resource constraints and the ability to influence members, government and industry appear to place natural boundaries around the strategy process, suggesting the importance of a sphere of influence. Elements or forces outside the sphere of influence appear to be beyond the ability of the Institute or the Section to control or shape.

4.5.6 Analytical Summary of the Case

Summary findings of the case analysis of the Northern Territory Section are presented in Table 4.9.

Table 4.9 Analytical Summary of the Northern Territory Section

Phenomena	Findings - Northern Territory Section
Strategy context	· Strategy is 'profit driven', profit meaning increasing membership, increasing value of membership and increasing value to industry · Give back to the members as much as you can · Information cross flow (networking) is critical to deliver member value · Relationship building facilitates career development and industry cooperation · Proximity to Asia and multicultural composition of Darwin · Vision and mission statements 'in this type of organisation are not relevant.' · Policy statements have greater meaning than mission statements · Profits are necessary to achieve the role selected · An appropriate business model required to grow financial capacity
Phenomena	**Findings - Northern Territory Section**
Strategy barriers	· No strategic direction from National Council · Institute is not proactive in industry · Age of committee members – new blood is required · What does the Institute stand for? · Why do we exist? · Viewed as 'old farts club'
Phenomena	**Findings - Northern Territory Section**
Issues influencing strategy development	· Understanding member and industry needs is a start point for strategy · The Institute needs to be relevant to members · Members need to identify with the Institute · Institute requires a profile · Visibility, reputation and image in industry and government is required to build credibility · Leadership by the Institute is required to influence industry · Strategy concentrates resources into key areas · Relationship and partnerships development are key outcomes of networking activities · Principles and values form foundation inputs to identity

In sum, the Northern Territory case has identified a number of contextual themes, barriers, and issues that seem important for the development of strategy in the Section. Value is a critical outcome of the strategy process. Relevance to members, and industry and government credibility, emerge as significant issues driving strategy development. The position taken appears to determine the role(s) to be adopted which in turn shapes the selection of strategy. Strategy formulation is limited to the Institutes sphere of influence while organisational capacity further restricts strategy formulation suggesting a requirement for a 'business model' to overcome capacity constraints.

4.6   Case 5 - Northern New South Wales Section

4.6.1   Case Orientation

The Northern New South Wales Section, based in Newcastle, was established on 01 July 1957. The Section's area of responsibility is the city of greater Newcastle, south to Wyong, inland to Gulgong and north to the Queensland border, but excluding the area allocated to the Gold Coast and Northern Rivers region.

Section membership has remained relatively constant, as shown in Table 4.10. In the period 01 July 1993 to 30 June 2004, membership declined by 10 members, an 11.23 per cent decrease.

Table 4.10 Northern New South Wales Section Membership as at 30 June 2004

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
89	89	86	82	81	81	78	88	85	82	85	79

Source: CILTA National Office 2004

The following sections highlight important aspects of strategy context, barriers, and issues impacting on the Northern New South Wales Section, identified from analysis of the data collected from the case. Quotations throughout the case analysis, are taken from case focus group and interview transcripts (Prideaux, 2004f).

4.6.2   Phenomena Analysis – Strategy Context

Strategy is essential for both the Section and Institute as an entity. However, strategy is required to be 'very flexible to adapt to the changing circumstances' and to recognise changing needs of members and potential members. Section strategy focuses on transport and logistics issues in the region and local circumstances in particular. A key factor in the Newcastle region is the high rate of movement through the region by industry employees and the loss of Institute members, which requires an ongoing programme of promotion of the Institute.

Mission and vision statements work well in commercial organisations. However, their usefulness is limited in a voluntary organisation as illustrated in the following focus group quote.

If you look, that's right, if you look at the National business plan and I've pulled out the draft I did last year of the Section plan which actually drew a lot on the stuff from the National one. And it talks about a vision and a mission and all these themes in the way the National plan did. And it talks about the CILTA as a professional transport Institute of choice providing leadership, research, and policy and professional development, and these are things that are in the National business plan. And posturing continuous improvement across the transport logistics industry and you can say what the hell does that mean and how do you do it. It is just one of those statements out there, one of those fuzzy type things. You go to anybody outside the place and they say so what; it really doesn't say anything.

Consideration of value is a primary concern for strategy development and a key outcome. It is essential that the Section deliver value to members, otherwise they will leave the Institute or simply become 'inactive'. Value is two pronged: (1) members need to see the value of the National Institute; and (2) gain value from their local Section.

4.6.3 Phenomena Analysis - Strategy Barriers

An expectation exists in the community that people will be involved in a number of different organisations, which places significant time constraints on members as well as limiting their ability to 'become fully involved in the CILTA'.

Communication between Sections and between Sections and National Council tends to be weak and restricts information flow, particularly to members. Communication between the industry and the Institute is minimal which has led to a weakened credibility and a low level of recognition by industry.

The Institute has 'much broader educational and academic levels than other professional associations such as the Institute of Engineers, Society of Architects and the Accounting profession. It is not a weakness, but makes developing and implementing strategy more challenging.'

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The CILTA is too general and broad, lacking any real focus while the 'Sectionalised' structure of the Institute acts to restrict a broader view of the industry. Resource constraints of inadequate finance, people, and time, as we are 'all volunteers' severely restrict the Sections ability to undertake any meaningful strategy development. A business model is required to generate sufficient funds to employ full-time staff to develop and implement strategies.

4.6.4   Phenomena Analysis - Issues Influencing Strategy Development

Strategy begins with an understanding of members' needs. Members must derive value from membership through the satisfaction of their needs. Section activities provide a measure of value to members at a local level. However, there is a need for the CILTA to also provide value at the National level. Relevance to members is a key driver of value and is a 'focus' for strategy development. Members 'come from industry, and so the Institute needs to remain relevant to industry so that industry will support its employees, and their membership of the CILTA'. A clear understanding of why the Institute exists is necessary as the industry evolves over time, and members' needs change also. The question of existence needs to be reviewed regularly to ensure that the Institute remains relevant to members and the industry.

Members need to be able to 'identity with the Institute'. The Institute 'must stand for something and have a standing in the industry to provide value to members and the industry'. The Institute and the local Section is obliged to deliver career and personal benefits for membership if identity is to be achieved.

Membership growth is the desired outcome of all strategy activity. The Institute and Sections need a vibrant membership to remain attractive to the potential and existing members and to maintain industry and government credibility. Networking provides a value to members. However, networking is only the means to a greater end. Relationships need to develop from the networking activities. Yet, networking is only one aspect of value. Professional development, education and training opportunities, and facilitating discussion forums of issues influencing the industry provide a second value-adding component to membership. Recognition is an important element of membership and the strategy process needs to recognise and reward members.

Communication between members, and between Sections, is essential for strategy development. National Council has a responsibility to identify and raise industry wide issues and communicate those to Sections. Sections, through the networking role, then disseminate and discuss the issues and impacts at the local level. The Institute is obligated to determine what 'position it wants to take in the industry', and Sections are required to determine the position they are to take in their local region. Position influences choice of strategy and impacts, positively or negatively, on the issues of member identity, and industry credibility.

4.6.5   Discussion

A number of important and surprising contextual themes materialise in Section 4.6.2. As expected strategy development is regarded as essential. However, strategic flexibility is necessary to deal with changing industry conditions, which in turn impact on member's needs. Strategic flexibility is necessary by National Council to deal with whole of industry issues, and by Sections, to adjust to alterations in local circumstances. This seems important suggesting that a suitable strategy framework for the CILTA needs to be appropriate to both National Council and Sections, and be capable of dealing with national and local strategic issues.

Surprisingly, vision and mission statements appear to offer limited practical guidance or direction. Rather, they are viewed as fuzzy and of 'little meaning'. This seems important to the strategy framework suggesting that existing strategy terminology may not be appropriate for third sector organisations. This may be the result of inconsistencies in strategy definitions as discussed in Section 2.2 leading to a confusion of terminology by members.

Value emanates as a critical outcome and driver of the strategy process. Value is identified as the benefit gained by a member for the time and energy invested into membership. Value is a means of determining if member needs have been met. This is surprising and important suggesting a relationship between strategy process and outcomes demanding that the strategy framework reflect the apparent importance of value. The importance of value appears at National and Section levels. At the National level, value determines an overall benefit of membership to a national association representing the whole industry. At the Section level, value is reflected in

Section activities. However, identity and credibility also seem to be important issues influencing member value.

A number of important and surprising barriers surface in Section 4.6.3. The voluntary nature of the Institute imposes a number of 'natural' barriers to strategy formulation and implementation.   These include time constraints, membership to other professional associations, industry organisations, and in some cases community groups such as Rotary, Lions and Apex clubs. This is an externality and is unlikely to be controllable by the strategy process. However, the issue of membership of other organisations is important to this research, suggesting that the framework developed for the CILTA may have wider application.

Communication difficulties between National Council and Sections and between Sections and members arise as an important barrier to strategy. The importance and criticality of communication is an expected finding suggesting that the strategy framework is to act as a communication tool throughout the organisation.

The broad nature of the logistic and transport industries and inherent diversity of member and industry needs, acts as a powerful barrier to strategy. This suggests a requirement for concentration of strategy effort to focus on particular areas within the Institute's sphere of influence.   This seems important suggesting a necessity for strategy efforts to be bounded to those areas where the Institute is in a position to exert an influence.

Existing structural arrangements emerge as natural barriers to strategy development. This suggests that the Institutes structure is constraining strategy development. This is surprising considering the state of structure versus strategy debate.

The apparent necessity for a 'business model', to provide increased revenue streams, surfaces. This seems to imply that a relationship exists between member value and financial capacity, indicating that a business model is an important element of the strategy framework.

A number of important issues come to light in Section 4.6.4. Satisfying member's needs to deliver value, is the primary outcome of the strategy process. In addition to

being an outcome, values appears to be a key strategy driver, suggesting that value may be an important element of a strategy framework for the CILTA.

Relevance of the Institute to members and the industry emerges as an important element driving the strategy process. Relevance appears to underpin how members identify with the Institute at both Section and National levels, as well as impacting on the Institute's credibility. The issue of relevance seems important to the development of a strategy model suggesting that credibility and identity may be necessary elements of a strategy framework.

The position adopted by the Institute, in relation to how it will attempt to satisfy member and industry needs, surfaces as an important issue in the strategy process. The position adopted appears to directly influence the choice of the role or roles that the Institute takes, which in turn effects strategy choice. The position taken is an internal decision. However, external factors such as industry changes, government policy, and member needs are likely to shape the choice of position, and position may change over time. This is a significant finding pointing to a requirement to include position as a critical issue in a strategy framework.

4.6.6   Analytical Summary of the Case

Summary findings of the case analysis of the Northern New South Wales Section are presented in Table 4.11.

Table 4.11 Analytical Summary of the Northern New South Wales Section

Phenomena	Findings - Northern New South Wales Section
Strategy context	· Strategy is necessary, but strategy needs to be flexible · Value is the key driver of strategy · Traditional strategy concepts provide limited assistance in developing meaningful strategy · Strategy needs to be developed at both National and Section level. National strategy sets overall direction - Section strategy deals with local issues

Table 4.11 Analytical Summary of the Northern New South Wales Section - Continued

Phenomena	Findings - Northern New South Wales Section
Strategy barriers	· Voluntary membership
	· Time constraints
	· Poor communications between Sections and between National Council and Sections
	· The Institute's structure – independent Sections
	· Lacking focus – attempting to be very broad and encompass too much
	· Resource constraints
	· Diverse educational or professional qualifications for membership eligibility
Phenomena	**Findings - Northern New South Wales Section**
Issues influencing strategy development	· Why does the Institute exist?
	· Delivering value to satisfy member needs
	· What position or role the Institute adopts
	· Relevance to members
	· Industry reputation
	· Recognition of members by Sections and/or National Council

In sum, the Northern New South Wales case highlights a number of salient contextual themes, barriers, and issues that appear important for a strategy framework suitable for the CILTA – see Table 4.11. Strategy formulation is an essential activity at both National and Section levels, requiring strategic flexibility to cope with changing needs of members, industry and government, whilst delivering consistent outcomes. Value of, and for membership, is a fundamental issue of strategy concern that impacts on the relevance of the Institute to members. Credibility of the Institute to government and industry emerges as a key driver in the strategy process, while position determines the role or roles to be taken, which influence strategy choice.

4.7 Case 6 - New South Wales Section

4.7.1 Case Orientation

The New South Wales Section, based in Sydney, was established on 18 January 1935, being the first Section of the then Chartered Institute of Transport (CILT) to be founded in Australia. The Section's area of responsibility is the whole of the State of New South Wales less the areas allocated to Sections or groups of Northern NSW, Australian Capital Territory, and Gold Coast and Northern Rivers.

Section membership has been declining steadily, as shown in Table 4.12. In the period 01 July 1993 to 30 June 2004, membership declined by 180 members, a 38.29 per cent decrease.

Table 4.12 New South Wales Section Membership as at 30 June 2004

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
470	470	465	425	400	388	398	397	351	335	313	290

Source: CILTA National Office 2004

The following sections highlight important aspects of strategy context, barriers, and issues impacting on the New South Wales Section, identified from analysis of the data collected from the case. Quotations throughout the case analysis, are taken from case focus group and interview transcripts (Prideaux, 2004e).

4.7.2 Phenomena Analysis – Strategy Context

Strategy development reflects strategy and direction from the National Council. Section strategy should also reflect regional issues impacting on, or influencing members and the industry. Traditional strategy approaches require targets to be set and then performance is measured against established targets. Vision and mission statements have been 'developed and communicated to the membership. However, these have failed to enthuse members to become more active and involved in the Section'. Membership targets have been set and measured against. However, membership 'is not a commodity that is purchased. Rather membership is a commitment by a person to abide by the principles and values of the CILTA, and actively participate in the activities of the Section'.

Effective strategy is required to move the Institute forward. 'I don't know how you move forward unless you have some sort of strategy.' However, existing strategy approaches have not provided adequate guidance. The logistics and transport industries in Australia and in New South Wales, in particular, are dynamic and changing rapidly. 'Strategy is to reflect that dynamic and change. Strategy that deals only with targets, be it membership numbers, or the number of papers published, or the number of conferences held, is unlikely to work in this type of organisation'.

The New South Wales Section has the opportunity to attract senior industry 'players' as members of the Institute, due to the location, in Sydney, of the head offices of major transport and logistics operators. To maintain and develop industry credibility it is vital for the Section to have members who are industry leaders. This is equally applicable to the Victorian Section based in Melbourne. However, few high profile industry leaders are members of either Section.

The Institute 'is unique because of its broad whole-of-industry charter which demands a unique approach to strategy'. Past attempts at strategy have resulted in members 'not knowing who we are, and what we stand for, and the industry not knowing who we are'. The Institute does 'not know what it is, as an organisation, or what it stands for'. Competitive strategy is not necessary 'because you don't have those competitive pressures'. Strategy efforts are aimed at providing 'value to members' and as a consequence 'increasing membership', and 'improving the relevance of the Institute to members and the industry in which they are employed'.

4.7.3   Phenomena Analysis - Strategy Barriers

The 'problem with strategy' in the Institute 'is not in some direct target that they're working towards, or some direct problem that they're working towards: they haven't got one'. There is 'no problem or issue being worked on. Industry problems or issues are not addressed, or actively discussed at Section or National level. Effectively, the CILTA and Sections have no strategic 'focus'. There is no ongoing strategy discussion in the Section or by National Council. Issues arise and are reacted to with a 'strategy, the net effect is a series of strategies that provide a confusing mess'.

There is a lack of interest by the majority of members to participate in Section activities or become involved in committees: 'individuals are too busy, or think they are'. It is difficult to get more than a small group together at any one time, with a common interest. This often results in functions and activities that are broad and non-specific, which frequently generate little interest. This contributes to 'members not experiencing value for membership of the CILTA'.

The Institute attempts to represent all aspects of the industry. It is very broad based and, with a small membership, there is little common ground among members due to

their many different interests and ideas. The common question is 'how does this impact on me?' The Institute is often viewed as a 'social club' by some less active members, and by industry. There is no apparent purpose, and the Institute does not have a 'clear role either towards its members or the industry'.

The complicated organisational structure of autonomous Sections free to 'do their own thing', and a National Council that meets twice per year, combine to prevent an integrated approach to strategy formulation. The final barrier identified in the case is a lack of financial capacity. Section income is sourced from membership subscriptions and activities income, with income levels reflecting the declining membership base. Development and implementation of an appropriate 'business model' to generate new revenue is a priority.

4.7.4   Phenomena Analysis - Issues Influencing Strategy Development

Members form the base of the Institute and are the reason for its existence. Without members the Institute ceases to exist, requiring, therefore, a clear focus on the members and understanding their needs. Members' needs change over time requiring dynamic strategy to reflect such changes. Understanding members' needs, and identifying and discussing industry issues, are both critical to strategy development. Members are drawn mainly from the transport and logistics industries. However, members are also employed in supporting and complementary industries. Therefore, the 'focus of the strategy effort is on factors and issues shaping and influencing the industry, and as a result, people employed in the industry', to satisfy member needs. Satisfying member needs 'provides value to members' for the time and energy invested in membership, and thus is a critical output of the strategy process.

Why do we exist? The question of existence is at the very heart of the Institute. The answer to this question is likely to change over time as the industry continues to evolve, requiring that the issue of existence be regularly reviewed as part of on-going strategy discussion. 'Taking a position in the industry to clearly determine our role is important to help understand why the Institute should continue to exist.' Understanding what the Institute stands for, and taking a position, provide a foundation for strategy development. Position drives strategy consideration towards areas that can be 'concentrated on without wasting limited resources'. Position and

role will 'change and evolve over time as circumstances change' requiring regular review and discussion to ensure that role reflects the environment at a particular point in time.

Industry employees work in an environment of constant change, driven by technological advances, government legislation, and a highly competitive industry. 'Employees are continually required to upgrade their knowledge, skills, and training in this environment.' Facilitating life-long learning is an important role for the Institute. The CILTA is not in a position to offer formal training courses. However, identification of needs, facilitating the provision of, and accrediting learning programmes, is a role that is available to the Institute.

Knowledge sharing between Section members, between members in other Sections, and between other industry organisations and institutes, is a critical strategy component. Networking is also an essential activity to be conducted by Sections and the Institute as a whole. Networking provides a conduit for members from all sectors of the industry to meet on neutral ground and share knowledge, discuss issues and 'build relationships', that benefit members' development and industry operations. Networking extends beyond the Institute to include: (1) other industry organisations and associations; (2) media; and (3) government. The following quote illustrates the strength of relationship building:

> Members of the government department of transport are encouraged to belong to the organisation, and we've had them in from time to time in our organisation, and they've been pretty senior people in our organisation. At the time, I'm talking too much I know. But at the time I was President of our Association, and I was for nine years, and I made it a point, and a very important point, to know two people, personally, in New South Wales. One was the Commissioner of Transport. And I got him to the point where he agreed to meet members of our executive once a month, informally. And we went down there, and there was Dave, and Des and Bill and Jack and all the rest of it. And we sat down and we discussed a whole range of things that were happening at the time, and he didn't make promises, and we didn't ask him to solve anything, but at least we got an understanding. And the other bloke that I went to was the Consideration Commissioner, the bloke that

became a judge. And I sat down with him for a while, and I said look we are in a big industry, transport workers union, the bus driver's organisation. And I said you hear many, many, many stories, couldn't we get together, would you come out and lecture our people if we had a meeting and tell us where we are going wrong and what we're doing wrong. 'I'd love that' he said it's something that might work and make it much easier. And he came. Those two gentleman Dave Coleman and Sid Wells became personal friends of mine because we came to trust each other and this was the important thing. We understood each other, we could talk to each other. I never asked a favour of anyone of them. I never asked and they offered a favour because when you went into the court or anywhere down in the Department of Transport on official business, it was Mr Commissioner, and that's the way it should have been. And after it was all over you might go and have a drink together afterwards but this was the way it was. And I found that was very profitable right through the industry. And if you can establish these contacts and get your people that work for the Department of Government Transport, as you said you might have some trouble understanding some regulations, and you might be able to bring in the bloke who is writing the regulations.

The Institute requires a clear identity that members are able to relate to. Selection of an identity drives the strategy process to build and maintain that identity. Identity determines the 'position and role to be taken, and where resources will be concentrated.' Strategy is then directed at achieving and advancing the identity. Identity, however, 'does not remain static and will change over time' as the industry and society changes.
Industry issues influence and impact on members as a direct result of employment in the industry. Identifying and facilitating issue forums between members and other industry organisations create awareness of, and contribute to member's knowledge. 'Membership value is enhanced by the Institutes industry credibility.'

Organisational values underpin the operation of the Institute. Members, and the organisation, must understand, and abide, by the values of the organisation. However, organisational values will change over time to reflect changing social values. Values

support the operation of the organisation, and are part of the strategy process, but do not drive strategy development.

The Institute must exercise a leadership role for the membership, and in the conduct and operation of the industry. The CILTA has the strategic capability to influence both members and industry.

4.7.5 Discussion

A number of important contextual themes are revealed in Section 4.7.2. Strategy is an important aspect of Section operations, and is viewed as necessary for future growth and prosperity, both for the Section and the Institute as a whole. Existing strategy models have proven to be inadequate for the specific needs of the Section. Attempts have been made to establish targets including membership growth and sponsorship levels. However, these have failed to deliver a workable ongoing strategy. This is surprising, as a fundamental principle of strategy involves setting measurable goals, and measuring performance through appropriate control mechanisms. This may be important, as it seems to suggest that strategy depends on issues beyond the scope of 'strategies' and 'goals' that have, to date, been attempted by the Section.

Location of the Section influences the type and selection of strategy. Capital cities such as Sydney and Melbourne, in particular, and Brisbane to a lesser extent, attract head offices of the major logistics and transport organisations. Senior executives attached to organisations' head offices appear to have differing needs to those of branch office staff in non-metropolitan or regional areas. This is noteworthy, suggesting that a strategy framework will be required to reflect head office, branch office, metropolitan, and regional differences, between Sections and the Institute. The framework will also be required to take into account differing needs of executive and senior management members and members holding less senior positions.

Membership is at the heart of industry credibility. Industry leaders, who are also CILTA members, provide a basis of industry and government credibility. This seems important suggesting that a strategy framework requires an element reflecting industry and government credibility, as a lack of credibility is likely to undermine strategy

outcomes. It seems that the issue of credibility requires active consideration and discussion as part of an ongoing strategic thinking and discussion process.

The Institute's whole-of-industry charter demands a 'unique approach to strategy'. This is a noteworthy finding suggesting that a strategy model be capable of dealing with the uniqueness of the Institute and the environment in which it is embedded.

A surprising finding is that competitive strategy is inappropriate for the Institute suggesting a need perhaps for co-operative strategy. Competitive strategy aims to develop and maintain some form of sustainable competitive advantage. However, this research case finding suggests that co-operative strategy, aimed at building and maintaining relationships with other industry organisations, is likely to achieve greater strategic outcomes than attempting to compete with those organisations. Co-operative strategy and relationship building seem significant elements of a strategy framework for the CILTA.

The value and relevance of the Institute to members surfaces as significant contextual themes. Fundamentally, the Institute is required to be relevant to members, and satisfy their needs, which ultimately determines value for membership. These two themes appear material to a strategy framework of the CILTA.

Several important strategy barriers arise in Section 4.7.3. Identification of a problem is viewed as a significant issue in the strategy formulation process. Strategy then is focused toward resolving the problem. However, a significant barrier is a failure to identify a problem. This is surprising, suggesting a problem based approach, and possibly a shorter-time horizon for strategy development.

Failure to engage in ongoing strategic thinking and discussion emerges as critical barrier to strategy. While this is not surprising, it seems important that the strategy framework provide a vehicle for ongoing strategic thinking and discussion. Strategies developed in reaction to apparent 'important issues' have resulted in a strategic paralyses, which encompasses multiple 'strategies', to deal with the many 'important issues'. However, there is a lack of clear direction. This is surprising, suggesting a

requirement for the model to concentrate strategy formulation into critical areas, to avoid strategic paralyses.

Resource constraints, particularly financial, act as a significant barrier. This seems significant, suggesting a requirement to move toward a 'business like approach' to generate necessary financial and organisational capacity to facilitate strategy processes. However, it is essential that the legal and taxation status of the Institute remain unaltered by such 'business' activities.

A number of significant issues emerge in Section 4.7.4. Why does the Institute continue to exist, emerges as a fundamental question at the heart of the strategy process. The reason for existence is likely to evolve, and possibly significantly change over time, reflecting continuing evolution of member and industry needs. This appears to be a significant topic, suggesting strategy formulation may commence with discussion and determination of the existence question. Existence seems to be an important issue for a strategy model.

Position surfaces as a noteworthy issue. Position appears to determine organisational role or roles, which in turn seems to influence the direction and focus of strategy efforts. This may be significant, suggesting a relationship between position, role, and strategy selection.

Identity arises as a material topic shaping the strategy process. Members desire to identify with their 'home' Section, in the first instance. However, identity with the National Institute appears to be a secondary issue, which is an unexpected observation. Where members lack identity with the Section, in the first instance, membership value appears to diminish. This may be material to the strategy process, suggesting that a strategic challenge is to deliver an organisation that is relevant, and one with which members readily identify. This seems important, suggesting relevance and identity may be issues to be included in a strategy framework for the CILTA. The final issue emerging is that of organisational values. Values support the strategy process. However, values appear not to drive, but complement strategy formulation. This is unexpected, as core values have long been established as key elements of vision (Buttery & Richter, 2001) in the strategy process.

4.7.6 Analytical Summary of the Case

Summary findings of the case analysis of the New South Wales Section are presented in Table 4.13.

Table 4.13 Analytical Summary of the New South Wales Section

Phenomena	Findings - New South Wales Section
Strategy context	· Strategy is about members and building their commitment to the organisation · Strategic flexibility is critical · Strategy reflects the uniqueness of the Institute – broad, whole of industry charter · Competitive strategy is inappropriate
Phenomena	**Findings - New South Wales Section**
Strategy barriers	· No problem to focus strategy development · Lack of interest by members · Complicated structure · Lack of focus · Broad, whole of industry coverage · Lacking common interest · Social club · Lacking purpose and clear role · No ongoing strategic discussions at Section or Institute level · Resource constraints – requires business model to generate necessary resources to implement strategy
Phenomena	**Findings - New South Wales Section**
Issues influencing strategy development	· Understanding member and industry needs · Answer the question 'why do we exist?' · Facilitating life long learning and knowledge sharing · Adopting a position in the industry · Relationship building through networking activities · Identity and credibility · Organisational values establishing behaviour · Influencing members and industry through Leadership

In sum, the New South Wales case has revealed several important contextual themes, barriers, and issues, which may be noteworthy for strategy formulation in the CILTA. Strategy formulation is essential to both the Institute and individual Sections. Section location influences the needs of members, and subsequently the choice of strategy. Industry credibility is a key element in the strategy process. Competitive strategy is inappropriate. However, the uniqueness of the whole-of-industry Charter of the CILTA suggests that a strategy framework that is unique, to suit the particular needs of the Institute, is necessary. Barriers to strategy were identified as: (1) failure to identify a problem to focus strategy efforts; (2) lack of ongoing strategy thinking and discussion framework; (3) multiple small strategies; and (4) limited financial

resources. Several important issues surface. Resolving the issue of existence, seems to be a primary strategic driving force. Determining position and subsequent role or roles, influences choice of where strategy efforts could be focused. Organisational values emerge as meaningful elements in the strategy process. However, they do not drive strategy formulation, rather support it. Finally, how members identify with the Institute, and the relevance of the organisation to members, appear to be important issues driving strategy. These themes, barriers, and issues are considered important to the strategy process, and may be reflected in a strategy model for the CILTA.

4.8 Case 7 - Australian Capital Territory Section

4.8.1 Case Orientation

The Australian Capital Territory Section, based in Canberra, was established on 25 October 1974. The Section's area of responsibility is the Australian Capital Territory (ACT), and the area extending to the coastline, south of Nowra, but north of Jervis Bay, to the Victorian border, and then inland along that border to the Hume Highway to Goulburn, and the coast north of Jervis Bay.

Section membership, has, since 1999, declined steadily following a decline and modest growth during the period 1993 to 1998, as shown in Table 4.14. In the period 01 July 1993 to 30 June 2004, membership declined by 22 members, a 20.56 per cent decrease.

Table 4.14 Australian Capital Territory Section Membership as at 30 June 2004

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
107	104	101	110	119	120	115	106	93	92	89	85

Source: CILTA National Office 2004

The following sections highlight important aspects of strategy context, barriers, and issues, impacting on the Australian Capital Territory Section, identified from analysis of the data collected from the case. Quotations throughout the case analysis, are taken from case focus group and interview transcripts (Prideaux, 2004a, 2004b).

4.8.2 Phenomena Analysis – Strategy Context

National and Section level strategy is necessary. 'I think there's no question, because without some sense of strategy, and knowing what you are about, and what the objectives are, and the strategy for achieving that, you're wandering around in the wilderness, and you are probably not much more than a social gathering.'

The ACT Section is located in the National capital and surrounded by rural areas, necessitating a different approach to strategy than other Sections located in regional or metropolitan areas. 'It is important to ensure that strategy outcomes reflect the environment in which the Section operates - that is Australia's National capital and surrounding rural communities. Strategy must reach out into the community to build membership base.' The voluntary membership nature of the Institute encourages enthusiasm and passion from individuals. However, individuals can act independently, resulting in discontinuity towards developing an integrated strategy outcome. The following quote illustrates the issue:

> Think of it as a process where in a group where it is voluntary membership on a professional basis but voluntary membership. Individuals will bring their own individual enthusiasm to that. That can be a positive thing. It can also be negative thing. Simply because someone feels passionate about something doesn't mean that it is necessarily sensible or sensible in those circumstances. Where I think a group starts developing strategy is when a collection of those voluntary members bring their own individual passions or enthusiasm and then start seeing where there is a coalescence of those passions and enthusiasms and there is a core developing. That it is not simply an individual driving a particular interest. It's an individual working with other individuals in that voluntary membership to say, we now have a meeting of the enthusiasms and the meeting of passion and the meeting of abilities and a meeting of opportunities. And we are going to think carefully now about where that should take us and how we should move that forward. Now because it's a National and an international association that needs to fit within an even broader sense of international and National objectives and strategies. But at Section level and within Sections where there are some sub-committees and sub-groups there will be a break down of that into what lower component units where what the Section in the ACT settles on as its coalescing of passions and

enthusiasms. And the way forward you can take may look quite different from what a Section in New South Wales is doing, and Sydney may be quite different from what presents itself as possible and as an opportunity in North Queensland. But what each of those are doing will, in their own different ways be moving forward in someway meeting a broader National and international strategy. And all of that because people are doing it on a voluntary basis brings its own difficult dynamics. Because getting that sense of commonality and that core of ownership and common purpose in an organisation of voluntary members can be very, very difficult. Because anyone who has ever served on parish Council in the church will know, where again you get those very similar dynamics of individuals and you bet your life they all have a passion but finding that commonality of purpose and finding that coalescence of passion and enthusiasm and purpose is where that whole strategy process comes in. Keeping it at the higher level, rather than the individual's pet fancy is its own driver to suit what you are trying to achieve.

The Institute does not directly compete for members. However, there is competition for member's time to actively participate in Section activities and management committees. Members evaluate where they 'are getting the best return for their time and efforts'. Strategy aimed at competing with other industry organisations and associations is counter-productive. Rather, strategy reflects the needs of the membership where members join the Institute from an interest perspective, and expect value for the membership investment.

Community service organisations pose a direct threat to industry associations such as the CILTA, as illustrated in the following quote:

> Increasingly when people find that they have to make personal time decisions about their commitment to something like Lions or Rotary or the Chartered Institute they are increasingly turning to opt for their commitment to Lions or Rotary and so forth and so forth. And part of that is because what was being called on there is that we want you to do something for us. This is part of your self-esteem, your self-worth. Your donorship to community is at stake and that is more important than membership of the professional association.

A fundamental component in the strategy process appears to be the member. The process must deliver value to members, or membership may be withdrawn.

4.8.3   Phenomena Analysis - Strategy Barriers

The most significant barrier to strategy is a lack of strategic thinking at both the National and Section level. Thinking tends to be focused on administrative and operational issues. Contributing to the lack of strategic thinking is the domination of committees by strong individuals propelling personal passions or enthusiasms. When strategy thinking occurs it predominantly occurs 'offline' between a small number of committee members.

> What strategic planning happens at the moment, happens offline. And that's the way it happens in a lot of organisations, particularly voluntary membership organisations. That happens offline. And that's not the best way. Three or four key members of the committee will gather together in whatever the circumstances may be. Just hanging around together after a meeting and talking between themselves and out of that develops something. And that's not the best process. It's better than nothing. But it is not the best process.

The Section lacks high profile industry leaders. Industry and government credibility is lacking even though the Section is based in the centre of Australia's National Government. As a result, the Section has a poor understanding 'on the part of leadership of the Institute as to what our key roles are'.

Time pressures on members is a significant strategy barrier. Members need to be prepared 'to put in the time to do the sorts of things necessary'. However, work and family pressures restrict many members' capacity to be involved in Section activities. 'In the end, membership is voluntary and not a requirement for career progression'.

Broad charter, individual voluntary membership, and structure, constrain the Section's ability to take a position on industry issues. Associated with the whole-of-industry charter a broad membership base results in competing needs.

> So you've got one problem, do you aim to satisfy the role of the blue collar worker, working his way up, who has a narrow view of the world, and is probably very, very interested in operational things only. Or do you cater for

the guy who has a broader top down view of the world who probably sees things in an entirely different view and is not really so interested in the nitty gritty of, say road or rail, truck or bus.

Structural 'complexity', and voluntary nature of the organisation, contributes to deficient communication throughout the CILTA. Communication breakdowns occur at multiple levels: (1) National Council to Sections; (2) Sections to members; and (3) member to member. However, these issues are a reflection of a much wider barrier - that of resource constraints. A business model to generate an appropriate resource base is necessary to generate the funds needed to facilitate the effective development and implementation of strategy.

4.8.4   Phenomena Analysis - Issues Influencing Strategy Development

Strategy must answer the question 'why have the organisation?' Section strategy has to reflect local conditions whilst working within a National framework. Strategy begins with a determination of, and an understanding of, what our role is:

> So that internally, anybody stands up and communicates that's the way (their committed) as well. And it is very important to understand for yourself, the functions before you try and communicate to them. Otherwise what you communicate is: you don't know yourself what the meaning or the message you are trying to portray to the wider community'.

The role or roles adopted by the Institute on a National level and by Sections determines the type of strategy that is to be developed. Roles can include: (1) facilitation of education; (2) knowledge leadership through information sharing; (3) identifying, communicating, and discussing industry issues; (4) providing networking opportunities; (5) developing relationships with other industry organisations and government; (6) industry research; and (7) facilitating links between mode to mode, industry to industry, and industry to government.

Industry credibility is a key component of the strategy process. Failure to address the question of credibility results in a poor industry reputation, which ultimately undermines the value of membership. Credibility contributes to creating and

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sustaining membership value. 'People need to feel that they are getting something out of it, and that it is worth doing.'

Current issues have a direct and known impact or influence on members and the industry. However, future thinking facilitates identification of issues, with the potential to influence the industries well before impacts are experienced. 'Future thinking at the strategy level assists building and maintaining industry credibility and relevance of the Institute to individual members.'

Strategy is required to be integrating and concentrating or 'focusing' on a small number of areas. An action agenda is a necessary output of the strategy process. Strategy is 'often a plan without a means to implement. An effective strategy process includes a feasible action agenda, which is then communicated widely throughout the organisation'.

4.8.5   Discussion

Several significant and surprising contextual themes arise from Section 4.8.2. Strategy formulation and implementation is important to move the Section and the Institute into an uncertain future. Strategy is called for at Section and Institute levels. National strategy establishes a strategic umbrella for the whole organisation, with Section strategy efforts working within the National framework to deliver strategic outcomes appropriate to local conditions. This seems material, suggesting that an appropriate strategy framework will require a capability to accommodate a multi-layered approach to be useable by National Council and Sections.

An unexpected finding is that the Section is not competing with other organisations for members. However, the Section and Institute generally is competing for members' time, commitment, and involvement. Delivery of value to members appears to be a critical element to gain member commitment and involvement. This suggests that an appropriate strategy framework is one, which develops co-operative outcomes and possibly strategies, with other professional associations and industry organisations.

Voluntary membership community groups such as Lyons and Rotary are attracting membership. This is attributed to a requirement for active member contribution and involvement, which is in stark contrast to the activities of the CILTA. This is surprising, suggesting that the activities of the Institute may not be delivering value to members indicating increased involvement and member contribution is relevant to value outcomes. Value and membership involvement appear to be material components to be included in a strategy framework for the CILTA.

A number of significant barriers emerge from Section 4.8.4. First, an absence of strategic thinking limits the effectiveness of strategy formulation in the ACT Section. This seems important, suggesting that a requirement of an appropriate strategy model is to provide a framework for ongoing strategic thinking and discussion.

Members, who are also industry leaders, enhance Section and Institute profile within the industry and government. Where profile is lacking credibility may be impaired, further impacting on membership value. This seems significant, suggesting that industry profile may be an important consideration in the strategy process.

A whole-of-industry charter arises as a strategy barrier resulting in strategy efforts and outcomes that are too broad, and possibly, counter productive. This may be a significant consideration for the strategy framework, suggesting that strategy efforts may require to be concentrated, and focused on specific areas of greatest benefit to members and the Institute.

The Institute's Sectional structure surfaces as a noteworthy barrier. Sections are able to act autonomously with a resulting tendency to act independently, while poor communication throughout the Institute appears to compound the problem. This appears to indicate that integration and communications are important elements for an appropriate strategy framework. It would appear that structure drives the strategy process to a point of inhibiting effective strategy formulation. The issue of structure and strategy is within the control of the Institute, and critical to strategic outcomes.

Resource constraints and the voluntary nature of the organisation emerge as significant barriers. This seems to suggest that traditional means of funding the

Institute restrain strategy, and as a consequence, the capacity to develop. This appears to have important implications, suggesting the necessity for a 'business model' to be developed to increase resource availability and organisational capacity to develop and implement strategy.

A number of important issues surface in Section 4.8.4. The question of why the Institute exists seems to be at the heart of strategy development. Strategy begins by revisiting and answering the question of existence, as member, industry, and government changes continually challenge existence. Unlike for-profit organisations, a professional association has considerably less scope or flexibility to change the nature of its operations due to legal and taxation implications. This is important, suggesting that an appropriate strategy framework begins by addressing the issue of existence by asking 'why do we exist?'

Role surfaces as a significant driver of strategy. This is unexpected, but it suggests that role selection may be an important element in a strategy model for the CILTA. Previously identified in Section 4.8.2, credibility emerges as a significant driver of strategy, suggesting a link between credibility and role. It appears that both credibility and role operate at Section and Institute levels, requiring that a strategy framework reflect a relationship between credibility and role.

As a result of size and capacity limitations strategy is concentrated and focused to achieve integrated outcomes. Multiple strategies have a tendency to hinder implementation. This is surprising, suggesting that a suitable framework should act to focus strategy efforts to those areas with the potential to deliver value outcomes. Fewer, rather than more 'strategies' appears to be an important implication for the framework.

A strategic action agenda arises as an important tool for strategy implementation. This is surprising, as a strategic plan, by definition, is a plan for implementation. However, members appear to relate to the term 'action agenda' in preference to strategic plan. This seems to be a result of exposure to the strategic planning and management practices in the members' workplace, and the apparent difficulty transitioning the terminology into the CILTA context. This apparent distinction of

terminology may be important, suggesting that the framework reflects terminology appropriate to the CILTA, in preference to attempting to fit the CILTA into the language of for-profit strategy models.

4.8.6   Analytical Summary of the Case

The findings of the case analysis of the Australian Capital Territory Section are presented in Table 4.15.

Table 4.15 Analytical Summary of the Australian Capital Territory Section

Phenomena	Findings - Australian Capital Territory Section
Strategy context	· Strategy is necessary – requires a simple and flexible approach · Section strategy reflects National strategy directives. However, Sections are different, requiring individual approach to reflect local conditions · Competitive strategy is not appropriate in professional associations · Members join out of interest and expect value for membership investment · Community service organisations pose direct competition · Strategy development occurs 'offline'
Phenomena	**Findings - Australian Capital Territory Section**
Strategy barriers	· Lack of strategic thinking - comfortable doing the same things · Reactive operational and administrative actions by National and Section committees · Individuals driving personal agendas · Lack of industry leaders as members · Time pressures on members · Poor resource base – requirement for business model to generate resources · Voluntary organisation · Broad charter and structure of organisation prevents a position being taken on industry or member issues · Poor communication – National to Sections, Sections to members, members to members · Broad membership base – competing needs

Table 4.15 Analytical Summary of the Australian Capital Territory Section - Continued

Phenomena	Findings - Australian Capital Territory Section

Issues influencing strategy development	· Location of Section – factors and issues influencing local members and industry
	· Feasible implementation action agenda
	· Industry credibility
	· Poor understanding of Institute's role
	· Role – multiple or singular – drives selection of strategies. Possible roles
	  - Facilitation of education
	  - Knowledge leadership through information sharing
	  - Identifying, communicating, and discussing industry issues
	  - Providing networking opportunities
	  - Developing relationships with other industry organisations and government
	  - Industry research
	  - Facilitating links
	    ° Mode to mode
	    ° Industry to industry
	    ° Industry to government
	· Future thinking
	· Focused integrated strategy

In sum the ACT case has brought to light a number of meaningful and surprising observations that influence strategy formulation. Important contextual themes to emerge are: (1) strategy is essential; (2) co-operative strategy is appropriate; and (3) member involvement is a prerequisite for member value. Important barriers are: (1) a lack of strategic thinking and discussion; (2) lack of industry leaders, impacting on credibility; (3) broad industry charter; (4) structure impedes strategy; and (5) resource constraints and voluntary nature of membership. Important issues driving strategy are: (1) existence is a primary strategy driver; (2) selection of role(s); (3) industry credibility and relationship to role and credibility; (4) concentration and focus of strategy to key areas; (5) requirement for an action agenda; and (6) use of appropriate terminology. These findings seem important to the development of a framework for the CILTA, which appears to require a foundation of strategic thinking and discussion, and which will function as a communication tool throughout the organisation.

4.9 Case 8 - Australian National Council

4.9.1 Case Orientation

The Australian executive body known as the National Council, was established on 10 July 1972, and is based in Sydney. The role of National Council is to control and manage the affairs of all Australian Sections, current and future, which were, up to that time, operating independently, and reporting directly to the United Kingdom. The National Council's area of responsibility encompasses Australia, its States and Territories. Australian National Council membership has been declining steadily since 1994, as shown in Table 4.16. In the period 01 July 1993 to 30 June 2004, membership declined by1030 members, a 40.40 per cent decrease.

Table 4.16 Australian National Council Membership as at 30 June 2004

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
2549	2580	2513	2495	2441	2314	2301	2192	2010	1757	1641	1519

Source: CILTA National Office 2004

The National Council consists of a Chairperson, Immediate Past Chairperson, the Chairperson and Immediate Past Chairperson of each Section in Australia, and any other member of the Council resident in Australia. Members of the National Council may be accorded the title of 'Councillor' and appointed or re-appointed automatically by written advice from a Section following annual Section Committee elections.

Functions of the National Council are:

· To promote and foster the objectives of the Institute in Australia.

· To handle and deal with matters affecting or concerning or likely to affect or concern the Sections generally, or the members.

· To create, suspend or dissolve a Section or Sections.

· To determine the title and size or jurisdictional areas of Sections, and the allocation, addition to, and deletion from such areas.

· To

  - Elect all grades of membership and advance members within the grades

  - Remove persons from membership

- Have erased from the CILTA roll the name of any member whose annual subscriptions or any other sums due are in arrears
- Re-admit to membership any person whose membership has been terminated for any reason
- Confirm any annual subscriptions of Chartered Members or Associates
- Reduce annual subscriptions in respect of any member who is unable to be gainfully employed
- Be responsible for the collection from members of the CILTA subscriptions and other monies due to the National Council.

· To approve courses at educational institutions in Australia whose teaching and examinations in logistics, transport and related subjects are acceptable in lieu of the CILT examinations.

· To appoint persons resident in Australia who are competent to prescribe and mark questions for CILTA examinations of candidates who are not students at approved educational institutions.

· To adapt the CILT syllabus to reflect Australian conditions.

· To publish or sponsor the publication on an Australian journal and/or Newsletter.

· To publish and distribute books, publications, periodicals, occasional papers, and commentaries in the logistics and transport industries, logistic and transport management and education.

· To promote and facilitate interchange of information between Sections

Source: (Chartered Institute of Logistics and Transport in Australia, 2003, p 2-3).

National Council operates pre-dominantly in an advisory and administrative capacity for each of the Sections. National Council determines overall strategy direction for the Institute, liaises and develops links with other industry professional associations, industry, and state and federal governments. The overall role of National Council is to co-ordinate a consistent approach to professional development across each of the Sections. The CILTA no longer undertakes development, delivery, or examination of professional development courses in Australia, leaving this role to approved academic tertiary, and industry providers. However, the CILTA approves and accredits courses offered by those institutions and providers as appropriate pre-requisites for membership to the Institute. This highlights the apparent lack of recognition of the CILTA in industry and government circles.

The following sections highlight important aspects of strategy context, barriers, and issues, impacting on the National Council, identified from analysis of the data collected from the case. Quotations throughout the case analysis, are taken from case focus group, and interview transcripts (Prideaux, 2004d).

4.9.2   Phenomena Analysis – Strategy Context

The CILTA is only one industry 'player' (professional association), and needs to work with other organisations and Institutes in the industry. Sustainable cooperative relationships with other industry associations assist in developing synergy, and contribute to a greater industry outcome, as opposed to organisations 'going it alone', and attempting to compete with each other. Coordinated and integrated strategy development by all professional associations representing the industry is required to shape and develop the industry. The Australian National Council is also responsive to directives and strategy requirements of the CILT international body.

The CILTA has largely acted alone in the transport and logistics industry until recent times. However, tentative steps have been taken at the national level to develop formal linkages through Memoranda of Understanding (MU) with the Institute of Engineers (Australia) (IE), and the Logistics Association Australia (LAA), since early 2000. Sections have been encouraged to develop closer links with these institutions and to conduct joint section activities. To date, Sections report that little progress has been made at the Section level or by the CILTA at the national level. The synergistic value of working with other associations allows each individual institute to focus on its particular defined role. Further, such co-operation delivers significantly enhanced member value, increases the professionalism of the industry, and contributes to a stronger representation of members in the industry, and of the industry to government.

Member and industry changes necessitate the development of strategy by National Council for the Institute as a whole. National strategy provides direction and focus for Sections to facilitate the development of strategy appropriate to local circumstances and conditions. The strategy approach requires flexibility as each Section faces unique local circumstances resulting from: (1) geographic location; (2) nature of the transport and logistic tasks in the region; (3) member needs; (4) composition of members in terms of employment and position; (5) industry

expectations; and (6) state and local government regulation. However, Section strategy is required to conform to the National strategy framework.

Considerable resources of time and funds have been devoted to developing strategy in the past, with few tangible outcomes. The approach followed the processes used in commercial organisations. However, a focus on a mission to be the 'peak industry association failed to generate any notable forward movement'. Membership numbers continue to decline across the Institute despite a 'lofty vision' and membership targets. The focus of strategy must be on the members, their needs, and the needs and expectations of the industry in which they are employed.

The Institute must continually revisit the 'fundamental questions of: Why does the Institute exist? What value does the Institute provide? Who does the Institute provide value to?' Members are the fundamental reason that the Institute exists. However, the Institute has a wider obligation to contribute to the industry and society. Membership will 'flow' from the 'activities undertaken by Sections and the value created by National Council through industry leadership, to maintain and develop industry credibility.

4.9.3   Phenomena Analysis - Strategy Barriers

Structure of National Council results in constant revisiting and justifying past decisions to new Council members. Councillors become 'bogged down' dealing with administrative matters, and current high impact issues, rather than thinking and discussing strategy. 'This is a reaction to current events as opposed to a proactive and ongoing strategy discussion.' The organisational structure has a tendency to allow individuals to pursue Sectional agendas. Larger Sections can attempt to unduly influence the National agenda in an effort to gain leverage.

There are too few Sections and groups across Australia to create 'Institute visibility.' Sections tend to service the needs of members in their immediate area of operation, 'usually a comfortable travelling distance to committee meetings and Section activities'. Members and potential members beyond that distance are rarely actively involved in the Section or the Institute, presenting a significant barrier to growth.

National Council meets twice yearly for one day. An agenda, circulated to Council members prior to the meeting, deals chiefly with administrative and operational matters. National Councillors devote little time to discussing strategy issues with a consequence that little future or strategic thinking occurs at the meetings. 'Meetings tend to be reactive, not proactive.'

Voluntary membership generates two key barriers. The Institute relies on the commitment and goodwill of members to function. A direct outcome is limited resources and diminished growth, as members do not have the time to devote to Institute business. For example 'National office is funded from retention of 60 percent of membership subscriptions collected. The balance is returned to Sections to conduct activities. The majority of funds held in the Institute are retained by Sections and are unwilling to release funds to National Council.' Significant resource expansion is necessary if full-time staff are to be employed so as to advance the Institute. An appropriate 'business model' is necessary. The second strategy barrier stemming from voluntary membership is a lack of willingness by the majority of members to actively commit to participating in the affairs of the Institute. Attendance at activities across the Institute averages approximately 15-20 percent. However, the reasons for this are not clearly understood, as no formal membership surveys have been conducted.

4.9.4   Phenomena Analysis - Issues Influencing Strategy Development

Membership value drives strategy development. Strategy outcomes are aimed at delivering and improving value to members and the industry. Improving the capability of people in the industry is the desired effect of the Institute's strategy. An integrated strategy has to be the final outcome of the strategy process. Reactive strategy often results in numerous 'strategies that have little meaning or benefit, often consuming valuable limited resources without any tangible return'.

Industry credibility is an essential strategy driver. Influencing government policy, industry practices, and member behaviour are important strategy drivers and contribute to enhancing credibility. Relationship building promotes industry credibility and enhances membership value. Four key relationship-building outcomes flow from National Council's strategy process. These relationships are: (1) between

members; (2) with other industry associations; (3) between the CILTA and media; and (4) between the CILTA and government.

4.9.5 Discussion

A number of significant contextual themes surface from the National Council case in Section 4.9.2. The CILTA is one of a number of professional associations and organisations active in the logistics and transport industries in Australia. A surprising outcome is the cooperation with other industry groups to develop synergistic benefits across the industry. National Council strategy attempts to co-operate with other bodies to encourage a focussing on an area of particular industry need or concern. Competitive strategy results in wastage of scarce resources. This seems important, suggesting the possibility of a common framework for use by other professional associations and industry organisations to deliver synergistic benefits to the whole industry, but allowing individual users to differentiate themselves.

Strategic flexibility is critical. A common strategic framework suitable for National Council and Sections is necessary to co-ordinate strategic consistency while allowing Sectional and regional factors to be catered for.

The previous strategy effort in 2000 resulted in inadequate strategy development and ineffective implementation. This seems important, suggesting that the strategy approach appropriate for the CILTA is unlikely to be an adaptation of for-profit approaches used previously. Finally, two apparently fundamental issues emerge as key strategy drivers. First, existence determines why the organisation continues. The past is not to be confused with the future. Second, determining what value, and to whom that value is to be received. Existence and value seem important, suggesting that they are important drivers of strategy, which are to be reviewed regularly as part of an ongoing strategy process.

Several important barriers appear in Section 4.9.3. Organisational structure restricts the strategy process. This results from: (1) independent sections; (2) staggered two-yearly committee cycles; and (3) annual cycling of National Council members. The strategy process tends to be driven by structural constraints. This seems important,

indicating a requirement for a restructure of the Institute and its policies, together with a strategy framework that facilitates on-going strategic thinking and discussion.

Reliance on the goodwill and commitment of members and low participation levels appear to be major barriers. This appears to suggest the significance of value in the strategy process. It is expected that high value outcomes would result in increased member commitment and participation levels.

A number of issues emerge in Section 4.9.4. Membership value appears to be a leading issue driving the strategy process. The significance of value was described previously. Integrated strategy seems to be an essential outcome. This is important, suggesting that the strategy efforts be concentrated to prevent the development of multiple 'small' strategies.

Maintaining credibility arises as an important driver in the strategy process. Where credibility is lacking strategy efforts may be undermined, resulting in reduced membership value. Finally, relationship-building surfaces as a meaningful issue, indicating a co-operative approach to strategy formulation as previously described. Relationship building through non-competitive (co-operative) strategy may positively influence the issue of credibility. This seems important, suggesting the critical nature of credibility.

4.9.6   Analytical Summary of the Case

Summary findings of the case analysis of the Australian National Council are presented in Table 4.17.

Table 4.17 Analytical Summary of the Australian National Council

Phenomena	Findings - Australian National Council
Strategy context	· Requirement of sustainable cooperative relationships between all organisations representing the industry · Sections are different, requiring strategy to match local circumstances · Conventional strategy frameworks have not been successful in the past – a new approach is required · Three fundamental questions drive strategy development: - why does the Institute exist? - what value does the Institute provide? - who does the Institute provide value to?
Phenomena	**Findings - Australian National Council**
Strategy barriers	· Structure of National Council · Reactive to administrative and crisis issues · Little future or strategic thinking · Voluntary membership · Individuals pursuing Sectional agendas · Resource constraints in National office · Too few Sections and groups across Australia to provide coverage in all areas
Phenomena	**Findings - Australian National Council**
Issues influencing strategy development	· Value for membership – lifting the capability of people in the industry · Integrated strategy · Industry credibility · Relationship building – members, industry associations, media, and government · Influencing policy direction, industry practices and member behaviour

In sum, the National Council case has identified a number of important findings. Significant contextual themes are: (1) requirement for co-operative as opposed to competitive strategy; (2) strategic flexibility; (3) for-profit strategy models are inappropriate; and (4) existence and value are primary outcomes. Significant barriers are: (1) structure driving strategy; (2) voluntary membership restricts member participation and commitment. Important strategy issues are: (1) membership value is a key strategy driver; (2) integrated strategy outcomes are necessary; (3) industry and government credibility; and (4) co-operative strategy is necessary to build industry and government relationships.

4.10   Case 9 - Chartered Institute of Logistics and Transport Singapore

4.10.1 Case Orientation

The Chartered Institute of Logistics and Transport Singapore (CILTS) was formed in 1971 and converted to a National Council in 1991. The CILTS area of responsibility

includes the whole area of the peninsular island nation of Singapore as declared on 9 August 1965. Membership trends are shown in Table 4.18. Membership peaked in 2001 and has steadily declined since then.

Table 4.18 Singapore Section Membership as at 30 June 2004

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
546	633	665	728	886	843	890	937	960	885	839	714

Source: CILTS 2005

There are approximately 4.15 million people living in Singapore in an area of 747.5 square kilometres. Singapore is a multiracial society, consisting mainly of four main groups; Chinese, Malays, Indians, and Eurasians (Adler, 1997). Chinese make up 76.7 per cent of the population, Malays 14 per cent, Indians 7.9 per cent and others comprising the remaining 1.4 per cent (Central Intelligence Agency, 2005). Singapore's national language is Malay, with three other official languages: Mandarin, spoken by the Chinese; Tamil, spoken by the Indians; and English, which is the main language used in business and commerce. Most of the population is bilingual or multilingual (Layton, 1990). The government of Singapore recognises that its most valuable resource, as well as asset, is the people, and provides a free and effective education system which includes primary and secondary schools, vocational and professional educational training, and two universities. (Chow, Holbert, Kelly, & Yu, 2004). The government's goal is to have ten per cent of the high school population go directly into the work-force and the remainder study at universities and vocational schools (Economist Intelligence Unit (EIU), 1996). Approximately 20 per cent of the population is under 20 years of age. The work-force is intelligent, well-skilled, English speaking and literate (93 per cent) (Chow et al., 2004).

Singapore has attained one of the highest standards of living in Asia with a highly developed free-market economy, an open and corruption-free business environment, with stable prices, and the fifth highest per capita GDP in the world. With extremely limited natural resources, Singapore enjoys a reputation as one of the most competitive economies, occupies a strategic transport and logistics location, is

politically stable, has excellent infrastructure, a skilled work-force and the world's busiest port (HSBC, 2000).

During the past twenty years, Singapore has benefited from strong economic growth and modest inflation. Initial economic success resulted from its strategic geographical location and excellent deep-water seaport. An ability to attract foreign investment due to a strong currency, political stability, sound infrastructure, and the promotion of the country as a premier international financial centre, have contributed to driving Singapore's growth (Chow et al., 2004). The transportation and communications sector expanded by 7.1 per cent in 1999.

The CILTS maintains an active calender of events throughout the year. Members are encouraged to attend activities, with guests, to develop cross modal networking opportunities. Events conducted by the CILTS include:

· Site visits - Jurong Island, Jurong Logistics Hub, and Jurong Port.

· Launching Professional Development programmes, including Certified Professional Logistician (CPL), Certificate of Competence in Supply Chain Operations, and Logistics Professional Development(LPD) Programme.

· Briefings on CPL examinations.

· Industry briefings – Singapore customs, logistics and transport in Asia.

· International Roundtable – Pacific Economic Cooperation Council (PECC) and CILTS – the role of airports and airlines in trade liberalisation and economic growth.

· Industry briefings and international exchange visits to Malaysia, Hong Kong, and Indonesia.

· An active professional development programme was commenced in 2000 with the introduction of the Certified Professional Logistician (CPL) programme developed by CILTS for members and non-members.

Four membership grades are offered by the CILTS:

· Affiliate/Student – offering access to all the benefits of membership, except voting rights. It is open to people interested in logistics and transport but do not qualify for or aspire to higher grades. A student may join as an affiliate to obtain CILTS qualifications.

- Membership - open to people holding relevant qualifications and experience but do not qualify for Chartered Status.
- Chartered Membership – offers full membership including voting rights. It is open to people who hold CILTS Advanced Diploma or an exempting qualification (an approved degree) and have at least five years relevant experience in Logistics and/or Transport, including two years at a senior level.
- Chartered Fellowship – granted to people who have attained a position of eminence in Logistics or transport, or have rendered special contribution to the achievement of CILTS objectives, or have such special knowledge of the theory or practice of Logistics and Transport

The following sections highlight important aspects of strategy context, barriers, and issues, impacting on the Singapore Section, identified from analysis of the data collected from the case. Quotations throughout the case analysis, are taken from case focus group, interview transcripts (Prideaux, 2004j), and case documentation.

4.10.2 Phenomena Analysis - Strategy Context

The CILTS acknowledges that the 'world of work' and, in particular, the logistics and transport industries in Singapore, have changed dramatically and will continue to change with increasing intensity in the future. People no longer have certainty of a 'job for life'. However, people have a certainty of 'life for jobs.' (Chartered Institute of Logistics and Transport Singapore, 2004, p. 1). In a world of uncertainty 'a lifelong professional anchor, a source of career continuity that is totally separate from employment', is needed. The CILTS provides members with 'a continuity of career support as they progress through their working life' (Prideaux, 2004j). Flexible support is provided that responds to the specific requirements of the individual at every stage of their career'.

A philosophy of providing a 'lifelong professional anchor' underpins strategy development, is based on three key areas:
- Education – offering structured qualifications, courses, seminars, academic links, and ongoing continuing professional development support.
- Information – providing journals and magazines, events and visits, conferences, lectures, library facilities, and networking.

·   Partnerships – working with industry, government, and academics, other relevant institutes, and service providers (2004).

Strategic flexibility is 'essential, considering Singapore's dynamic industry environment and changing needs of industry employees.' Opportunities are actively sought out and responded to rapidly, to extend the scope of operations, to provide new opportunities for member's to continually enhance professional development and knowledge.

The CILTS works in partnership with government, industry, educational providers, and other relevant industry associations and organisations to build ongoing networks and relationships, as opposed to developing a competitive position. Competitive strategies are considered counter-productive, a negative utilisation of resources, and ineffective in delivering value to members or industry.

Value for membership is the key issue driving strategy development in the CILTS. Members are the fundamental reason sustaining the existence of the CILTS. All strategy focus is on enhancing the value of the Institute to members.

4.10.3 Phenomena Analysis - Strategy Barriers

Strategy development and implementation depends on leadership strength. Ineffective leadership of the Institute has been a critical strategy barrier previously. An extensive business, industry, and government network is essential to create powerful relationships. There is insufficient representation of senior industry leaders from each industry sector, on the Council.

A broad membership drawn from all employment levels in the industry imposes considerable obstacles in developing strategy. 'Members employed in operations positions have very different views, interests and needs to members in middle and senior levels of management.'

Reliance on membership subscriptions to finance activities has resulted in limited resources. Membership subscriptions are insufficient to provide the resource capability required to deliver strategic outcomes. As a result a 'business model' approach, based on delivering education and professional development courses,

generates significant additional resources to fund strategic initiatives to enhance membership value.

4.10.4 Phenomena Analysis - Issues Influencing Strategy Development

Networking opportunities and relationship development has led to the formation of partnerships with government, industry, education providers, and other relevant industry associations and organisations. Strategic flexibility is critical in Singapore's dynamic industry environment to identify and rapidly secure new opportunities. However, strategic focus is necessary to concentrate resources on a small number of key areas to ensure integrated strategy outcomes. Education, training and member knowledge building are key roles undertaken by the CILTS.

Member needs are identified through an informal process of discussion and consultation at events conducted by the Institute. The CILTS has developed an identity as an Institution delivering professional development programmes through its own resources, or in partnership with other educational providers.

Leadership through influencing industry behaviour and providing opportunities for member development is a key strategy driver. Leadership is important at the organisational level to ensure that the Institute delivers value outcomes to individual members. At the industry level, leadership by the Institute to influence events is important. Industry leadership is tied to organisational leadership, and the two issues are inextricably linked.

4.10.5 Discussion

A number of significant contextual themes arise from the Singapore case in Section 4.10.2. Strategic flexibility is an essential strategy requirement to deal with major changes in the industry, and resulting member needs, suggesting that the focus of strategy be directed toward satisfying member needs. This seems important, indicating that members are the primary benefactors of strategy efforts.

Membership value is a primary strategy driver. This seems important, suggesting value to be a driver in the strategy formulation process and a critical strategy outcome, indicating a relationship between value and each component of the strategy process. Value for membership also seems to be a critical output of the strategy

process. Members are viewed as the primary reason for the existence of the CILTS. This appears significant as the focus is clearly aimed at satisfying member needs, as opposed to industry needs.

Partnership building is an important strategy outcome. Partnership building appears to depend on building links through co-operative strategy as opposed to competitive strategy. This seems significant, implying competitive strategy models are (1) inappropriate to CILTS strategy efforts; and (2) industry partnerships are important strategic outcomes.

Several important barriers emerge from Section 4.10.3. Leadership is critical to the development of effective strategy outcomes. Leadership is important in two critical areas: (1) leadership of the organisation; and (2) leadership by the organisation of its members and in the industry. This seems important, suggesting that leadership is an important element in a strategy framework for the CILTS.

Industry leaders are important contributors to the strategy process to ensure that strategy is relevant to industry and members. Where industry leaders are not active member's strategy blockages occur.

Limited organisational capacity, resulting from insufficient capital and financial resources, restricts the ability to formulate and implement strategy. This seems important, as organisational capacity appears to be a critical contributing or restraining force in the strategy process. CILTS has adopted a 'business model' to expand organisational capacity to generate funds in order to achieve successful strategic outcomes.

A number of salient issues arise from Section 4.10.4. Satisfaction of member needs is a primary driver of the strategy process. This seems important, suggesting that the focus of strategy is to provide value for membership.

Strategic flexibility is necessary to respond to changing industry and member needs. This indicates the need for strategy horizons, which may be significantly shorter than for-profit models.

Strategy efforts are concentrated on a limited number of key areas to reduce the debilitating outcomes of multiple strategies. This seems important, suggesting that strategy formulation is concentrated within the association's sphere of influence.

The roles adopted by the CILTS are major drivers in the strategy process. This appears significant, suggesting a relationship between role selection and strategy choice. This would seem important to the strategy framework.

4.10.6 Analytical Summary of the Case

Summary findings of the case analysis of the Singapore Council are presented in Table 4.19.

Table 4.19 Analytical Summary of the Singapore Council

Phenomena	Findings - Singapore Council
Strategy context	· Strategic flexibility · No mission or vision statements - instead a philosophy of providing a 'lifelong professional anchor' · Value for membership drives strategy · Partnerships and relationships with government, educational providers, industry and other industry associations · Not competing with other industry organisations · Business model drives operations to deliver resource base
Phenomena	**Findings - Singapore Council**
Strategy barriers	· Ineffective leadership · Insufficient representation of senior industry leaders · Broad membership base drawn from all levels of employment · Inadequate capital and resources to implement strategy – membership subscriptions insufficient to fund strategy implementation
Phenomena	**Findings - Singapore Council**
Issues influencing strategy development	· Leadership through influence – industry and members · Strategic flexibility to identify and secure new opportunities · Relationship and partnerships – networking is the vehicle · Established identity as education and training provider · Focus on key strategic issues within identity

In sum, the Singapore case has identified a number of important findings. Significant contextual themes are: (1) flexibility to deal with changes in industry and members' needs is essential; (2) membership value is the primary outcome of strategy efforts; (3) co-operative strategy is necessary to build industry and association partnerships; and (4) business model to expand financial capacity. Important barriers are: (1) lack of leadership of the organisation and by the organisation; (2) lack of industry leaders

inhibits strategy formulation; and (3) lack of organisational capacity limits strategy, particularly implementation. Salient issues driving strategy are: (1) satisfaction of member needs; (2) concentration of strategy to key areas within the sphere of influence; and (3) role selection positively influences strategy selection.

4.11   Summary

This chapter has presented the results of within-case analysis for each of the CILTA case Sections, Australian National Council, and Singapore National Council case studies. The analysis has linked to cases to the first three research questions in Section 1.4, as confirmed by the systems approach (Chapters 2 and 3). Three broad phenomena were identified from the literature to guide the research process, these were:

·   Strategy context
·   Barriers to strategy
·   Issues influencing strategy development

Important themes emerging from the within-case analysis conducted in this chapter which seem important to the development of a strategy framework for the CILTA, are summarised and presented in Table 4.20.

Table 4.20 Summary of Important Themes Emerging from Within-Case Analysis

Theme
· Vision and mission statements have little meaning or practical value for the operation of Sections
· Leadership establishes the influence position of the local Section and the Institute nationally
· Strategy is essential for the Institute
· Strategic flexibility is necessary for Sections to respond to local conditions while implementing National strategy directives
· Co-operative strategy orientation not competitive advantage
· Value is a key driver and outcome of the strategy process
· Existence is the primary issue driving strategy
· Satisfying member needs is the key outcome of strategy efforts
· Members need to identify with the Section and the Institute
· Organisational structure drives strategy
· Maintaining and developing industry and government credibility are essential
· The Institute must be relevant to members
· Position determines role
· Multiple roles can be adopted. However, roles(s) chosen shape the strategy process
· Strategy formulation is restricted to issues within the sphere of influence
· A 'business model' is necessary to expand organisational capability
· Strategy needs to be concentrated and focused
· Key strategy barriers are:
- poor communication between Sections and between National Office and Sections
- poor implementation of developed strategy
- voluntary membership
- ineffective management committees resulting from resource constraints and high turn-over of committee members due to election cycle
- lack of commitment and/or interest by committee members
- a view held by younger and newer members that older and retired members ('old farts club') are acting as gatekeepers and are resistant to change
- no manageable approach to strategy development
- attempting to manage multiple strategies
· Appropriate terminology is necessary to reflect the voluntary nature of the organisation so that members can understand and identify with
· Organisational values are meaningful to support strategy, but do not drive strategy formulation.
· Relationship building is an essential strategy outcome
· Concentration of strategy effort is necessary to focus effort to a limited number of strategic areas.
· The systemic problem that even though almost all participants believed that the Institute is not competing with other associations, membership is optional, (a discretionary purchase) in contrast to other PA's where membership is required.

Analytical case summaries, presented at the end of each case study in this chapter, provide the foundation for the cross-case analysis in Chapter 5 to develop themes between the cases. These themes in turn link to the development of holistic theoretical models in the final section of Chapter 5, to answer research question 4.

CHAPTER 5   BETWEEN-CASE ANALYSIS AND THEORETICAL DISCUSSION

5.0   Introduction

The previous chapter developed the with-in case analysis of the phenomena and issues of strategy development in the CILTA and CILTS.   Important issues that may influence strategy development in the case organisations, and third sector organisations generally, were also identified.   The findings of each case were presented in summary form at the end of each case, following a common format of strategy context, strategy barriers, and issues, influencing strategy development.

This chapter uses the 'between-case analysis' approach proposed by Yin (1994) to reveal important themes, barriers, and issues, by comparing and contrasting the individual case findings from the with-in case analysis in Chapter 4. These findings answer Research Questions 1 – 3, which were derived from an examination of the extant literature in Chapter 2.

This chapter concludes with a discussion of the Strategy Drivers and Future Shaping models, developed from the analysis conducted in this chapter, to address Research Question 4: *what would a strategic framework for the particular needs of the Chartered Institute of Logistics and Transport in Australia look like?*   The chapter follows the sequence shown in Figure 5.1.

Figure 5.1 Outline of Chapter 5
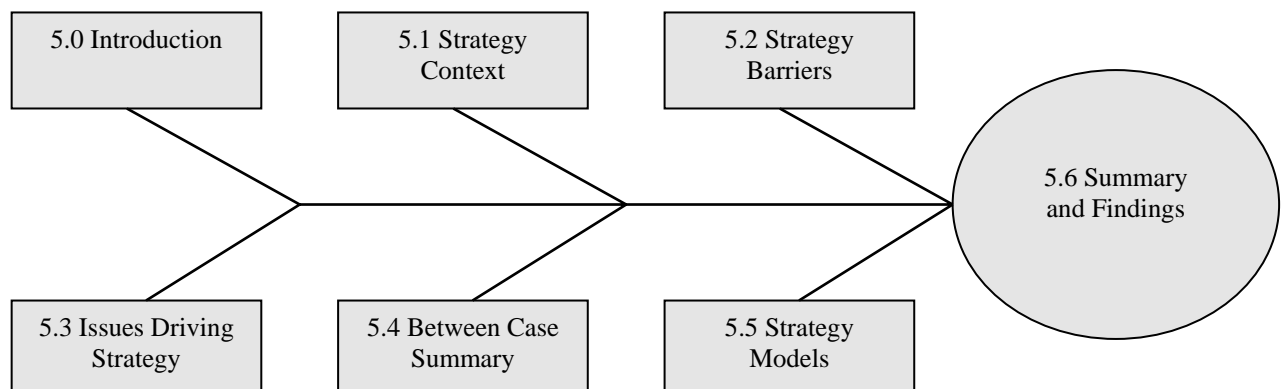
The discussion in this chapter will be conducted in the following format:

· Case Sections will be discussed to identify important themes and differences between Sections. This is necessary as Sections: (1) operate as autonomous organisations within the CILTA structure; and (2) are located throughout Australia, in metropolitan and regional centres.

· The Section case analysis is then compared and contrasted with the Australian National Council case, to identify important themes and differences between Sections and National Council. This level of analysis is important as National Council: (1) acts as the umbrella organisation in Australia to provide a national and industry identity for the Institute; (2) provides strategic guidance to Sections; and (3) assists Sections administratively, when requested. However, Sections are autonomous from the National Council, retaining the freedom to act independently.

· The Australian and Singapore National Council cases are then compared and contrasted to identify important themes and differences. This analysis provides a comparison between two National Councils, operating in the same industry. However, cultural, government, environmental, and industry differences may influence the respective outcomes. Comparisons and differences identified should be viewed in context to provide a reference point for CILTA strategy development.

To support the theoretical discussion, analytical summary tables are presented at the end of each discussion.

5.1   Strategy Context

5.1.1   Case Sections - Strategy Context

This section identifies the context and themes influencing strategy development in the CILTA, and then compares and contrasts the findings with the CILTS. All CILTA Sections and National Council face similar national industry challenges and issues. However, local issues influence the context and strategy development processes of each Section. Table 5.1 is derived from the Tables summarising strategy context analysis at the end of each case in Chapter 4.

Table 5.1 Between-Case Summary - Strategy Context

Case Section	Findings - Phenomena of Strategy context
North Queensland Section (NQ)	· Vision and mission statements have little practical meaning or value for the operation of the Section. · There is no particular benefit or value to be gained in developing a local version of an Institute's vision or mission statement. · The Section and Institute as a whole are not 'competing' with other organisations for members. · Strategy should be flexible and reflect the changing circumstances of the environment in which the Section operates. · Key drivers of strategy are value and existence – what value does the Section and Institute provide to the individual member, and why do we exist? · The Section and Institute need to be relevant to members and play an active role in the industry and community it serves. · Relationships between members flowing from Section networking activities
Queensland Section (QLD)	· Strategy is essential to shape the future for the Section and Institute · Constant changes in the structure and operation of Industry · Industry competitive conditions are forcing employees to maintain a knowledge and skills edge · Networking is a vehicle to develop meaningful industry relationships · Strategy horizon is between 1-2 years, resulting from industry dynamics · Why we exist and value are drivers of strategy · Strategy developed around co-operation with other industry associations rather than competitive strategy
Gold Coast and Northern Rivers Section (GCNR)	· Membership growth is a key strategy outcome · Strategy flexibility is necessary · Competitive strategy is destructive. · Relationship building is vital · Sections need the freedom to adapt National strategy direction to suit local conditions and situations · Existence and value are key strategy driving questions.
Northern Territory Section (NT)	· Strategy is 'profit driven', profit meaning increasing membership, increasing value of membership, and increasing value to industry · Give back to the members as much as you can · Information cross flow (networking) is critical to deliver member value · Relationship building facilitates career development · Proximity to Asia and multicultural composition of Darwin · Vision and mission statements "in this type of organisation are not relevant". · Policy statements have greater meaning than mission statements · Profits are necessary to achieve the role selected · An appropriate business model is required to grow financial capacity
Northern New South Wales Section (NNSW)	· Strategy is necessary, but strategy needs to be flexible · Value is the key driver of strategy · Traditional strategy concepts provide limited assistance in developing meaningful strategy · Strategy needs to be developed at both National and Section level. National strategy sets overall direction - Section strategy deals with local issues
New South Wales Section (NSW)	· Strategy is about members and building their commitment to the organisation · Strategic flexibility is critical · Strategy reflects the uniqueness of the Institute – broad whole of industry charter · Competitive strategy is not appropriate

Table 5.1 Between-Case Summary - Strategy Context (Continued)

Australian Capital Territory Section (ACT)	· Strategy is necessary – requires a simple and flexible approach · Section strategy reflects national and international strategy directives. However, Sections are different, requiring individual approach to reflect local conditions · Competitive strategy is not appropriate in professional associations. · Members join out of interest and expect value for membership investment · Community service organisations pose direct competition – provide recognition · Strategy development occurs 'offline'

Australian National Council (NC)	· Requirement of sustainable cooperative relationships between all organisations representing the industry
	· Sections are different, requiring strategy to match local circumstances
	· Conventional strategy frameworks have not been successful in the past – a new approach is required
	· Three fundamental questions drive strategy development:
	  - why does the Institute exist?
	  - what value does the Institute provide?
	  - who does the Institute provide value to?

Singapore National Council (NC)	· Strategic flexibility · No mission or vision statements – instead a philosophy of providing a 'lifelong professional anchor' · Value for membership drives strategy · Partnerships and relationships with government, educational providers, industry and other industry associations · Not competing with other industry organisations · Business model drives operations to deliver resource base

Important Themes

Six important themes emerge between the case Sections. First, the concept of value derived from CILTA membership by the individual member is common across the case Sections.   Value results from the time and effort invested in membership activities by members within the Section, and by what the CILTA 'gives back' to members. However, NQ, QLD, GCNR, NT and NNSW Sections view membership value in the broader context. Strategy outcomes are necessary to provide value to members within the activities of the local Section, and from an industry wide perspective, driven by the strategy efforts of the National Council. NQ, QLD, and GCNR Sections regard value as a primary driver of the strategy process.

Second, all Sections consider that a strategic approach is necessary for both the CILTA as a whole and for individual Sections. Constant changes occurring in the structure and operations of the industry impact on the needs of members, and the industry, requiring, therefore, a strategic approach. However, strategic flexibility is required. Sections are required to develop and implement strategy to embody the

needs of local members and the industry tasks in the region. National Council strategy reflects national industry issues, and changes involving constant interaction with Commonwealth and State Governments and major industry groups and organisations. This is beyond the capacity of individual Sections. National strategy, whilst reflecting industry wide issues, requires tempering to suit local Section and industry conditions - NQ, GCNR, NT, NNSW, and ACT Sections. Failure to recognise factors impacting members in their local area is likely to diminish the value of membership. The strategy horizon under these circumstances is between one and two years – QLD Section.

Third, the Institute, at a national level, or Sections at the local level, do not compete with other VMPAs for members. Members join VMPAs 'out of interest', and to gain some form of value for the 'time and commitment' invested in the Institute as a member. Members choose the number of organisations in which they wish to participate, and are free to participate in more than one industry association. Competitive strategy is seen as inappropriate – NSW, ACT, and NQ Sections. GCNR Section regards competitive strategy as 'destructive', leading to an undermining of the professionalism of industry Institutes, and ultimately of members.

Fourth, member-networking opportunities are a key vehicle to develop relationships between members within Sections, between Sections, and with members of other professional associations and organisations – NQ, GCNR, NT, and QLD. Networking provides a vehicle for the development of relationships between members. Such relationships are valuable in the work situation. For example, relationships formed between senior managers in the NQ Section resulted in the recognition and understanding of a common business problem, which was a requirement to develop and implement upgraded security policies and plans, as a result of the 'war' on terrorism. The relationship developed by the members from the networking activities of the NQ Section resulted in the port, railway, and airport, forming a joint working group to develop a common security approach.

Fifth, vision and mission statements provide limited value to members, or to the functioning of Sections – NQ, NT and NNSW Sections. Vision and mission statements are seen as confusing, with 'limited practical meaning or value', as

members are confronted with an array of such statements in their work situations. There is a lack of consistency of meaning and purpose in the industry of such statements. Vision and mission statements serve only to further complicate the strategy process in a voluntary membership organisation where members are drawn from a broad cross Section of employment and industries - NQ Section. The NT Section views such statements as 'not relevant' in this type of Institute. Policy statements have greater relevance than vision and mission statements. However, the NNSW Section considers that traditional strategy approaches do, in fact, provide limited/some assistance in developing strategy for a VMPA.

Sixth, membership growth is an important outcome of strategy efforts. Growth in membership is viewed as the 'profit' of Section and Institute activity – NT Section, and a key outcome of strategy efforts – GCNR Section. However, membership numbers are a reflection of the value of membership provided as a result of the strategy process. Value was identified as a driver of the strategy process.

Important Differences

Community service organisations such as Lions, Rotary, Apex, and Red Cross, are viewed as a direct threat to membership of VMPAs - ACT Section. Such organisations provide members with an immediate recognition and reward for personal effort in community wide activities. Recognition and reward in VMPAs is frequently restricted to employment and industry spheres. Where a choice is necessary, some individuals may perceive a greater value for time and effort directed at activities with a broader community benefit, over an Institute with a narrower industry focus. Themes identified in the Section case analyses are summarised in Table 5.2.

Table 5.2 Analytical Summary of Strategy Context - Between Section Analysis

Case Sections	
Important Themes	1. Value for membership to the individual. Value is an outcome of strategy efforts at Section and National levels. Value is a driver of strategy development and implementation processes. 2. A strategic approach based on strategic flexibility is necessary. Strategy is required at the National level to reflect industry wide issues and changes, and at the Section level to reflect the local environment. Each Section is unique requiring flexibility to develop and implement strategy to suit local circumstances, member, and industry needs. 3. Sections are not competing with other professional associations. Competitive strategy ultimately leads to a weakening of professional standards by industry institutes and members alike. 4. Relationship building between members, resulting from networking activities, is central to strategy development and implementation. 5. Vision and mission statements and traditional business approaches to strategy provide limited practical benefit or value to the strategy process in VMPAs. 6. 'Profit' is reflected in membership growth, but is a result of value for membership.
Important Differences	1. Community service organisations are a competitor for members' time and commitment

5.1.2 Strategy Context – Case Sections and National Council

Important Themes

Four key themes emerge between the case Sections and National Council. First, a strategic approach is necessary, to cope with changing needs of members and the industry. However, previous strategy attempts, based on competitive strategy frameworks, have failed to deliver an appropriate strategy process both at the National and Section level. Second, relationships between members are an important outcome of both Section and National Council activities. The Institute does not compete with other industry organisations. However, the development of relationships between the Institute nationally, and all organisations representing the industry, and relevant government departments, is necessary to further the industry as a whole. Case Sections were primarily focused on relationships between Section members.

Third, 'why does the Institute exist?', 'what value does the Institute provide?', and 'who does the Institute provide value to?', drive the strategy making process. These questions are relevant at National and Section level, requiring flexibility in the strategy process. Fourth, Sections are unique, necessitating flexibility to develop local strategy within the national framework, to reflect local industry and member needs and issues.

Important Differences

The National Council identified relationship building as a key strategy outcome. Relationship building is necessary with other industry institutes, government, as well as between the CILTA Sections, and members. Themes identified in the Section case and National Council analyses are summarised in Table 5.3.

Table 5.3 Analytical Summary of Strategy Context - Sections and Australian National Council Analysis

Sections and Australian National Council	
Important Themes	1. A strategic approach is required at National and Section levels to guide activities. 2. Relationship building between Institute members. The Institute does not compete with other industry organisations for members. 3. Value and reason for existence are primary strategy drivers. 4. Strategic flexibility is necessary to reflect uniqueness of Sections and the National Institute.
Important Differences	1. Relationships between the Institute and other industry players and government, are necessary at the National level.

5.1.3 Strategy Context - Australian and Singapore National Councils

Important Themes

Five key themes emerge between the CILTA and CILTS National Councils. First, value for membership drives the strategy process. Second, strategic flexibility is required. Third, relationship building is a critical outcome of the strategy process. Fourth, the Institute does not compete with other industry Institutes and organisations. Developing and fostering on-going relationships, for the mutual benefit of members and the Institute, is a key strategic outcome. Fifth, vision and mission statements provide limited strategic guidance.

Important Differences

Four differences emerge between the CILTA and CILTS Councils. First, the focus of value for the CILTS is on its members, in contrast to Australia's wider concern for industry and member value. Singapore's approach is that member value will directly translate into wider industry value as a result of member participation in the industry. Second, the emphasis on strategy flexibility differs between CILTA and CILTS. In the case of Singapore, industry and government issues represent the main drivers of industry change. Singapore is a single Section, but the CILTA reflects the

composition of industry and government issues, in addition to regional differences in Sections.

Third, Singapore has extended networking and relationship building outcomes to form partnerships. In contrast to Australia's focus on developing relationships between members, other industry organisations and government, Singapore has entered into partnership arrangements with industry, non-industry and government organisations. Based on CILTS's philosophy of 'lifelong professional anchor', partnership arrangements furnish fee-for-service professional development activities, to deliver lifelong learning for members and non-members. Fourth, the CILTS use of a 'business model' to generate income from partnership and professional development activities to fund Institute operations. In contrast, the Australian Council relies on membership subscriptions, and the voluntary contribution of National Councillors and members, to sustain operations. Themes identified in the Australian and Singapore National Council analyses are summarised in Table 5.4.

Table 5.4 Analytical Summary of Strategy Context - Australian National Council and Singapore National Council Analysis

Australian National Council and Singapore National Council	
Important Themes	1. Value for membership drives strategy 2. Strategic flexibility 3. Relationship building 4. Does not compete 5. Vision or mission statement not appropriate.
Important Differences	1. Australian National Council regards value to industry as a driver of strategy. 2. Singapore's development of on-going partnerships 3. Singapore's philosophy of providing a 'lifelong professional anchor'. 4. Singapore's 'business model' approach to fund operations and expand the resource base.

In summary, the context of strategy development is dominated by a requirement to provide value for membership. Membership value is a function of Section activities, providing networking and relationship building opportunities, in response to local circumstances and national operations, reflecting industry wide issues and changes. Value is a key strategy driver. Second, Sections are unique, necessitating strategic flexibility to reflect member and industry circumstances. Third, the CILTA does not compete with other industry Institutes. Nevertheless, service organisations pose a direct membership threat. Fourth, in contrast to Australia, Singapore has developed

long-term partnerships with industry, non-industry and government organisations; focuses on member, rather than industry value; has a philosophy of providing a 'lifelong professional anchor'; and employs a 'business model' to fund Institute activities.

5.2   Strategy Barriers

5.2.1   Case Sections - Strategy Barriers

The purpose of this section is to identify barriers to strategy formulation and implementation, as suggested by Noble (1999). Barriers to strategy are identified in the CILTA, and then compared with barriers identified in the CILTS. Noble suggests that strategic development and deployment often fails as a result of an inability to identify and overcome barriers to strategy development and implementation. Barber & Metcalfe (1989) observe that there is a lack of consensus in the literature of a definition of what is a barrier to strategy development and implementation. Table 5.5 is derived from the tables summarising strategy barriers, identified at the end of each case in Chapter 4.

Table 5.5 Between-Case Summary - Strategy Barriers

Case Organisation	Findings – Phenomena of Strategy barriers
North Queensland Section	· Time constraints on committee members · Predominance of retired members on Section committee · Reluctance to serve on or lead sub-committees · Lack of industry contacts by committee members · Difficulty in attracting 'new blood' to the committee with new ideas · Communication of the National plan to Section members was inadequate. · Inadequate number of committee members to fill the required positions and drive the business plan. · Lack of time by committee members to devote to implementation issues. · Lack of commitment by committee members to the goals of the plan · Lack of interest by Section members in attending activities.

Table 5.5 Between-Case Summary - Strategy Barriers (Continued)

Queensland Section	· Lacking a clear identity from a member's perspective · Lacking a clear focus – attempting to be all things to all people · Requirement for a manageable approach to strategy development · Divided loyalties of members to work, family and social activities · Lack of competency by committee members to develop strategy · Members pursuing own agenda · Apathy towards strategy development · Two yearly committee cycle · Resource poor. Business model required to generate resource shortfalls · Lacking credibility in the industry · Structure of the National Council · Poor direction and communication from the National Council · Not developing an integrated strategy but rather having many strategies
Gold Coast and Northern Rivers Section	· CILTA is a 'second' association · Small membership base · Poor industry representation · Few industry leaders · Lacking industry credibility · No clear role · Annual turnover of committee members at both Section and National Council · Section does not have the capacity to undertake detailed strategic analysis · No clear direction from National Council · Poor member participation rates in any Section activity · Relevance of Institute and Section to members is poor
Northern Territory Section	· No strategic direction from National Council · Institute is not proactive in industry · Age of committee members – new blood is required · What does the Institute stand for? · Why do we exist? · Viewed as "old farts club"
Phenomena	**Strategy barriers**
Northern New South Wales Section	· Voluntary membership · Time constraints · Poor communications between Sections and between National Council and Sections · The Institutes structure – independent Sections · Lacking focus – attempting to be very broad and encompass too much · Resource constraints · Diverse educational or professional qualifications for membership eligibility

Table 5.5 Between-Case Summary - Strategy Barriers (Continued)

New South Wales Section	· No problem identification to help focus strategy development · Lack of interest by members · Complicated structure · Lack of focus · Broad, whole-of-industry coverage · Lacking common interest · Social club · Lacking purpose and clear role · No ongoing strategic discussions at Section or Institute level · Resource constraints – requires business model to generate necessary resources to implement strategy
Australian Capital Territory Section	· Lack of strategic thinking - comfortable doing the same things · Reactive operational and administrative actions by National and Section committees · Individuals driving personal agendas · Lack of industry leaders as members · Time pressures on members · Poor resource base – requirement for business model to generate resources · Voluntary organisation · Broad charter and structure of organisation prevents a position being taken on industry or member issues · Poor communication – National to Sections, Sections to members, members to members · Broad membership base – competing needs
Australian National Council	· Structure of National Council · Reactive to administrative and crisis issues · Little future or strategic thinking · Voluntary membership · Individuals pursuing Sectional agendas · Resource constraints in National office · Too few Sections and groups across Australia to provide coverage in all areas
Singapore	· Ineffective leadership · Insufficient representation of senior industry leaders · Broad membership base drawn from all levels of employment · Inadequate capital and resources to implement strategy – membership subscriptions insufficient to fund strategy implementation

Important Barriers

Seven important barriers emerge between the case Sections. Most relate to the challenges imposed by the organisational structure, and the impact of voluntary membership on the strategy development and subsequent implementation process. An organisational structure, based on a two-year committee election cycle, emerges as the first key barrier. The composition of National Council changes by as much as 50

percent each twelve months. This high 'cycling' of National Council members interferes with long-term strategy thinking and implementation. New Council members, at their first Council meeting, often require explanations and justification of previous decisions taken by Council. With Council meeting for one day, on two occasions during the year, such reactive discussions constrain strategy thinking, resulting in the committee perpetuating the 'comfort' of discussing 'administrivia' and operational matters – ACT Section. However, the two-year cycle also impacts on Section committees. Section committees meet on a regular monthly basis; have increased interaction between committee members; demonstrate a higher degree of communication between committee members; and display a higher level of interest and commitment to local issues and circumstances. The 'Sectional structure' of the Institute has a natural tendency to perpetuate a Sectional view. As a result, Sections develop a response to local industry and members needs to the detriment of a broader industry and national focus. A 'fractured' response, driven by 'sectional' needs and aspirations, results.

The second key barrier to emerge relates to the broad industry coverage of the Institute, and a resulting lack of focus on any particular aspect of the industry, or the needs of members, individually or collectively – NNSW, NSW, and ACT. This broad, whole of industry approach – NSW, GCNR, NNSW, and ACT, acts to prevent the Institute from taking any particular position on industry or member issues. Essentially this has lead to the adoption of a 'neutral' position by the Institute on industry issues, members needs, and a wide spread view of the Institute as an 'old farts club' – NT Section, and 'social club' – NSW Section. As a consequence of broad industry representation, Section activities are frequently issue specific. These 'hot topics' are often impacting on the local Section, such as port security, airline safety, terrorism, road funding, and passenger transport services. As a result, the views of the Section remain local and narrowly focused. Member attendance at such activities tends to be low due to the specific nature of the activity, which may be of interest to only a small percentage of the membership – NNSW, GCNR, QLD, and NSW.

Third, ineffective communication imposes a significant barrier to both strategy development and implementation. Ineffective communication is evident between: (1)

Sections; (2) National Council and the Sections; (3) National Council and members; (4) Sections and members; and (5) members. The National Council does not maintain a complete and accurate database of members, and Section records reflect National Council's inadequate record keeping. The main communication media between National Council and members is the twice-yearly publication of the Australian Transport Journal. A number of Sections have attempted to publish a regular newsletter to members, as has National Council in the past. However, these initiatives have failed over the long-term. Time pressures on voluntary members, and resource constraints at both Section and National level, being cited as the major causes for the cessation of the newsletters. The main communication medium with members, utilised by Sections, is the monthly activity or member function. However, member attendance averages between 10-15 percent of the Sections' membership – QLD, NT, NNSW, NSW, and ACT Sections. Such attendees are the 'regulars' with a large number of members rarely, if ever, attending Section functions – GCNR. Thus, current communication methods are ineffective.

Resource constraints surface as the fourth key barrier to strategy development and implementation – QLD, NNSW, NSW, and ACT Sections. The most significant resource constraint is financial capacity. Section funding is sourced from a combination of a return of 40 percent of membership fees collected from the Section, and profits from Section activities. National Council funding consists of the retention of 60 percent of membership fees collected on behalf of Sections, and advertising revenue from the publication of the Institute journal. As the result of a steadily declining membership base since 1992, Section and National Council income has significantly reduced, placing further pressure on the Institute's capacity to advance a strategic orientation. The ACT, NSW, and QLD Sections have identified a requirement to develop an Institute 'business model' approach to generate additional capital to enable the Institute to develop a strategic stance. However, no progress has been made on this issue to date.

The voluntary nature of membership of the Institute emerges as the fifth common barrier across the cases. Key issues prevalent between the Sections, directly emanating from voluntary participation are:

- Lack of time by members to give to the Institute, particularly attendance at Section activities, and active participation on management committees. Participation in Institute activities and management is frequently given low priority by members, being something completed after work, family, and social commitments – NQ, QLD, ACT, NSW and GCNR.

- Several Sections – NQ, NT, identified the 'ageing' membership, and difficultly in attracting 'new blood' to management committees. As a consequence of the difficulty experienced in attracting younger members to the Institute, most Section management committees have a disproportionate number of members who are either (1) retired from the industry, yet desire to maintain a 'link' with the Institute, or (2) are close to retiring. However, the current Chairpersons of the NQ, QLD, GCNR, NNSW, NSW and ACT Sections are significantly younger, but they experience difficulty obtaining active participation and involvement in committee activities by older committee members.

- Apathy, lack of interest, and lack of commitment of members to actively become involved in Section or National Council affairs. Sections identified the broad charter of the Institute, resource constraints, poor communication, and structure, as key contributing factors.

- Personal agenda. Several Sections – ACT and QLD identified that where apathy, lack of interest or commitment occurs, highly motivated members are able to secure leading management roles on committees and perpetuate personal agendas, or act from a basis of self-interest.

- Lack of capability by committee members to undertake strategic development and implementation – QLD, GCNR, NT, ACT Sections. Few senior managers are able to commit the time to participate in committee activities, resulting in a deficiency in the capability of committees to actively conduct strategic development. Committee members frequently experience low levels of involvement in strategy development and implementation in the work environment, with a consequent diminished 'competency' to conduct strategic management in the Institute context.

The need for industry leaders and particularly high profile leaders to actively participate in the Institute arises as the sixth important barrier. Industry leaders, at

both the national and local levels, are crucial to guiding strategic analysis and thinking concerning industry issues, to ensure an appropriate response by the Institute.

Lack of an 'integrated approach' to strategy, resulting in the development of 'many strategies', as a response to current or high profile issues, emerges as the seventh barrier. The effect is to spread limited resources across 'too many strategies' with few actually being achieved - QLD Section.

Important Differences

No significant differences were identified between the case Sections.

Barriers identified between case Sections are summarised in Table 5.6.

Table 5.6 Analytical Summary of Strategy Barriers - Between Section Analysis

Case Sections	
Important Barriers	1. Structure of Sections and National Council from: 　· Sectional structure 　· two-yearly committee cycle 2. Lack of focus resulting from broad industry charter 3. Poor communication between: 　· Sections 　· National Council and Sections 　· National Council and members 　· Sections and members 　· members 4. Resource constraints, particularly finance 5. Voluntary membership resulting in: 　· member time constraints 　· high proportion of 'old' members, particularly serving on committees 　· apathy, lack of interest and lack of commitment 　· pursuit of person agendas and self-interest 　· lack of capability by committee members to conduct strategic management activities 6. Requirement for industry leaders to actively participate in the Institute 7. Many 'strategies' leading to a wide spreading of limited resources and lack of an 'integrated strategy'
Important Differences	No important differences identified.

5.2.2 Strategy Barriers – Case Sections and National Council

Important Barriers

Four strategy barriers are common between the case Sections and National Council. First, the structure of National Council consisting of Section Chairpersons, and the

two-yearly election cycle, results in a discontinuity of National Council operations. Each year, up to 50 percent of Council members may be newly elected to Council by the Sections. In this environment Council struggles to generate strategic thinking.

Second, participation in National Council by Section chairpersons, is an extra time and resource commitment in addition to section committee activities. Third, National Council suffers from financial resource constraints resulting from a narrow income base and declining membership. Fourth, National Council has identified that the 'footprint' of the Institute across Australia is inadequate, with too few Sections to provide adequate presence across Australia. For example the NQ, QLD and NNSW Sections attempt to service areas approximately half of the area of the State in which they are based. The NT Section for example, has responsibility for the entire Northern Territory.

Important Differences

No important differences were identified. Barriers, identified in the Section and Australian National Council analyses, are summarised in Table 5.7.

Table 5.7 Analytical Summary of Strategy Barriers - Section and Australian National Council Analysis

Sections and Australian National Council	
Key Barriers	1. Structure of National Council and the Institute 2. Voluntary membership 3. Resource constraints 4. Inadequate 'footprint' across Australia
Differences	No important differences identified

5.2.3 Strategy Barriers – Australian and Singapore National Councils

Important Barriers

Two important barriers to strategy are common between the Australian case Sections and National Council and Singapore National Council. First, inadequate capital and resources are available to develop and implement strategy. Singapore has adopted a 'business model' approach to generate sufficient capital to employ full-time paid employees to implement strategies. The 'business model' is based on the provision of fee-based services, stemming from relationships and partnerships developed with other industry Institutes, organisations, and government. Second, poor representation by senior industry leaders in the activities of the Institute. Singapore has established

an industry advisory panel of senior industry and government leaders, to identify relevant strategic issues likely to impact on the CILTS.

Important Differences

Two important differences are noted between the CILTA and the CILTS. First, ineffective leadership of the CILTA is a key barrier to strategy development. In this context, leadership refers to individual leadership. Poor leadership is at the heart of a declining and increasingly irrelevant organisation. Second, membership is drawn from a broad industry base and from all levels of employment. For example, operational employees, such as drivers, to senior executives, including Chief Executive Officers, generates complexity to develop and implement effective strategy across all extremes. In contrast, Singapore is positioning itself to accept only members from middle and senior management, but from across the industry spectrum. Barriers identified in the Australian and Singapore National Council analyses are summarised in Table 5.8.

Table 5.8 Analytical Summary of Strategy Barriers - Australian and Singapore National Council Analysis

Australian National Council and Singapore National Council	
Important Barriers	1. Inadequate capital and resources to implement strategy. 2. Low representation and participation by senior industry and government leaders.
Important Differences	1. Ineffective leadership 2. Membership restricted to middle and senior managers

In summary, important barriers to strategy development and implementation stem from the structure of the organisation, voluntary membership, a broad industry charter, resource constraints, ineffective communication, low representation of senior industry and government leaders, and lack of an integrated strategic approach. Singapore has identified ineffective leadership and a membership base drawn from all levels of industry and employment as significant strategy barriers, but are taking steps to overcome these.

5.3 Important Issues Influencing Strategy Development

5.3.1 Case Sections - Important Issues Influencing Strategy Development

The purpose of this section is to identify issues influencing strategy formulation in the CILTA, and then compare these findings to the CILTS. Strategy formulation in third sector organisations is subject to a complex and unique set of influences (Parker, 1998). Handy (1988) and Dichter (1989) further argue that third sector organisations encounter broadly similar management challenges as for-profit organisations. However, Campbell (1987), Koteen (1997), and Lewis (2002) argue that third sector organisations confront significantly different management and planning challenges to those of for-profit organisations. Table 5.9 is derived from the tables summarising issues influencing strategy development, identified at the end of each case in Chapter 4.

Table 5.9 Between-Case Summary - Issues Influencing Strategy Development

Case Organisation	Findings - Phenomena of Issues influencing strategy development
North Queensland Section	· Answering the fundamental question 'why do we exist'? · What value do we provide? · Relevance of the Institute and Section to members? · Understanding and satisfying members' needs · Members need to identify with the Section and Institute as a whole · The role or roles of the Section and Institute determine the direction of strategy · Provide networks to facilitate relationship development · Provide leadership to the influence industry behaviour and operations
Queensland Section	· Value is the primary strategy driver · Understanding and satisfying members' needs · The Institute and local Section must be relevant to members · Members must identify with the Institute and local Section · Relationship building is critical · Principles underpin organisational operations · Values establish boundaries but change over time · Leadership establishes an influence position · Multiple roles can be adopted. However, the role or roles chosen shape the strategy process · Focus directs strategy development to key areas

Table 5.9 Between-Case Summary - Issues Influencing Strategy Development (Continued)

Gold Coast and Northern Rivers Section	· Why do we exist and what value do we provide are key strategy drivers
	· Member and industry needs drive value
	· Relevance of CILTA to members
	· Identity with the Institute
	· Industry credibility and reputation
	· Position to be taken, role, at National and Section level
	· Developing relationships
	  - Member to member
	  - Institute to member
	  - Institute to Institute
	  - Institute to government
	  - Institute to media
	· Focusing on key areas to develop integrated strategy
	· Avoiding multiple 'strategies' in response to local issues
	· National direction with freedom for Sections to develop local identity, reputation, role and relationships to suit operating environment

Northern Territory Section	· Understanding member and industry needs is a start point for strategy · The Institute needs to be relevant to members · Members need to identify with the Institute · Institute requires a profile · Visibility, reputation, and image in industry and government is required to build credibility · Only those factors influencing the industry and members impact on strategy · Leadership by the Institute is required to influence industry · Strategy concentrates resources into key areas · Relationship and partnerships development are key outcomes of networking activities · Principles and values are fundamental inputs to identity
Northern New South Wales Section	· Why does the Institute exist? · Member needs · What position or role the Institute adopts · Relevance to members · Industry reputation · Recognition for members contributions by Sections and National Council
New South Wales Section	· Understanding member and industry needs · Answer the question 'why do we exist?' · Facilitating life long learning and knowledge sharing · Adopting a position in the industry · Relationship building through networking activities · Identity and credibility · Organisational values establishing behaviour · Influencing members and industry through Leadership

Table 5.9 Between-Case Summary - Issues Influencing Strategy Development (Continued)

Australian Capital Territory Section	· Location of Section – factors and issues influencing local members and industry
	· Feasible implementation action agenda
	· Industry credibility
	· Poor understanding of Institute's role
	· Role – multiple or singular – drives selection of strategies. Possible roles
	  - Facilitation of education
	  - Knowledge leadership through information sharing
	  - Identifying, communicating, and discussing industry issues
	  - Providing networking opportunities
	  - Developing relationships with other industry organisations and government
	  - Industry research
	  - Facilitating links
	    ° Mode to mode
	    ° Industry to industry
	    ° Industry to government
	· Future thinking
	· Focused integrated strategy

Australian National Council	· Value for membership – lifting the capability of people in the industry · Integrated strategy · Industry credibility · Relationship building – members, industry associations, media, and government · Influencing policy direction, industry practices and member behaviour
Singapore National Council	· Leadership through influence – industry and members · Strategic flexibility to identify and secure new opportunities · Relationship and partnerships – networking is the vehicle · Established identity as education and training provider · Focus on key strategic issues within identity

Important Issues

Eleven important issues are identified across the case Sections. First, all Sections except QLD and ACT identified the need to ask 'why do we exist?' as the starting point of strategy. This question was also identified as a key theme in Section 5.1.1. This is the fundamental question driving strategy, is to be addressed first, and continually revisited throughout the strategy process. Second, understanding the needs of both members and industry is essential. A common theme running across the case Sections is that member needs is the primary concern of Sections and National Council. Members are the Institute. Without members the Institute ceases to exist. Industry needs are viewed as secondary to member needs, and is a

responsibility of National Council. However, Sections consider that a primary responsibility of National Council is to understand members needs, and develop national strategy to satisfy identified needs. Sections reflect Sectional circumstances then adjust strategy, but National Council should determine the lead strategy. All Sections reported that needs, member and industry, are poorly understood. Most Sections recounted that member surveys have not been conducted in any formal sense in recent times. Sections tend to gather informal feedback at Section activities. However, as discussed in Section 5.2.1, Section activities typically attract only 10-15 percent of the membership - the 'regulars'.

A third issue relates to the position and role(s) – NQ, QLD, NNSW, NSW, ACT. Position taken determines the role or roles to be adopted. Sections and the Institute require clear understanding of their respective roles to deliver value to members - Section 5.1.1. Multiple roles – QLD, ACT – are possible. However, additional complexity is introduced to the strategy process, further straining existing inadequate resources as previously discussed in Section 5.2.1. Roles identified are: (1) facilitation of education; (2) knowledge leadership through information sharing; (3) identifying, communicating, and discussing industry issues; (4) providing networking opportunities; (5) developing relationships with other industry organisations, and government; (6) conducting industry research; (7) facilitating links - mode to mode, industry to industry, and industry to government; and (8) future thinking.
The role or roles adopted emerge as a primary issue shaping the selection of strategy.

Providing networking opportunities, as a conduit for relationship building between members and their employer organisations, surfaces as the fourth key issue. Relationships were also identified in Section 5.1.1 as a key contextual theme. Networking opportunities, such as Section activities, provide a vehicle for the development of relationships between members. Relationship building is critical to the reputation and credibility of the Institute in the industry, and acts to 'identify' the Institute for members. Relationships identified are: (1) member to member; (2) Institute to member; (3) Institute to Institute; (4) Institute to government; and (5) Institute to media. Relationships developed are an outcome of the strategy process and were identified as one possible role that the Institute, and at a local level, Sections can choose.

Relevance emerges as the fifth common issue. Relevance refers to members, as opposed to an industry context. Underlying relevance is the issue of value - how does the Institute provide value to members? Value was discussed in Section 5.1.1. If the Institute fails to deliver value its relevance to members is diminished. If relevance decreases, existing members are likely to exit the organisation, while the difficultly of recruiting new member's increases. Relevance is a key issue driving the strategy process, which is to be reviewed continually.

Identity surfaces as the sixth common issue. Identity, in this context, refers to how members identify with, and relate to, the Institute. Identity operates at two levels, Section and Institute. Sections recounted that some members identify only with their local Section and not with the Institute as a whole, possibly as a result of the communication barrier identified in Section 5.2.1. If members do not identity firstly with the Institute, and secondly with their 'home' Section, a consequent loss of relevance occurs, resulting in members relinquishing membership, further undermining credibility. Identity acts to differentiate the Institute from all other organisations. As a result, identity is to be continually reviewed throughout the strategy process.

Credibility and reputation arise as the seventh common issue. Credibility refers to the Institute's standing in the industry. Industry credibility and reputation are clearly separate from identity and member relevance, but both are interrelated and key drivers in the strategy process. Credibility leads to the establishment and improving of the Institute's 'profile' or standing in the industry, and with government. Where profile is lessened or absent the organisation faces the possibility of diminishing relevance to members, and developing a negative reputation in the industry. Visibility, reputation, and image, are key components of credibility – NT Section.

Leadership emerges as the eight common issue. Poor leadership was also identified as a key barrier to strategy development in Section 5.2.1, in relation to industry leaders participating in the strategy process. Leadership relates to the leadership position that the Institute nationally, and Sections locally, attempt to maintain. Influence is a direct outcome of leadership, requiring answers to the questions of 'how' and 'where' will influence occur. Leadership, in this context, deals with the

Institutes position in the industry and the role adopted. Leadership, at the individual level, is distinct from an individual's leadership position of the Institute, in the form of a committee position such as Chairperson, for example.

Concentrating strategy efforts is the ninth common issue. Concentrating strategy focuses strategy development into key areas, to gain maximum value for the limited resources available. Resource constraints were identified as a key barrier to strategy development and implementation in Section 5.2.1. Concentrating and focusing only on critical issues is a key driver in the strategy process. Sections considered strategy as unworkable, when multiple 'strategies' are being pursued without any particular 'focus'. A strategic focus leads to a holistic and integrated body of strategy, providing a clear sense of direction into the future.

Remitting value to members, at the local level by the Sections and the Institute nationally, surfaces as the tenth common issue. The significance of value as a key theme and driver in the strategy process was also identified in Section 5.1.1. Organisational principles and values emerge as the eleventh common issue. Principles and values are considered to underpin the strategy process. Failure to adopt and maintain a base set of principles and values undermines relevance to members and credibility in industry. Principles establish the foundation of credibility for the Institute, and are regarded as unchanging over the long-run. However, values are likely to change in response to shifts in member, society, and industry values. Important issues identified between case Sections are summarised in Table 5.10.

Table 5.10 Analytical Summary of Issues Influencing Strategy Development - Between Section Analysis

Case Sections	

Important Issues	1. 'Why do we exist?' is the starting point of strategy development and drives the process. Also identified as a key theme in Section 5.1.1.
	 2. Understanding members' needs first and satisfying those needs. Industry needs are secondary to member needs and a responsibility of National Council.
	 3. The position adopted by the Institute influences selection of role. Multiple roles can be taken, but resource constraints may limit choice. Position and role are drivers in the strategy process. Roles are:
	     · facilitation of education
	     · knowledge leadership through information sharing
	     · identifying, communicating, and discussing industry issues
	     · providing networking opportunities
	     · developing relationships with other industry organisations and government
	     · conducting industry research
	     · facilitating links
	        - mode to mode
	        - industry to industry
	        - industry to government
	     · future thinking
	 4. Relationship building. Relationships are an outcome of networking activities and were previously identified in Section 5.1.1. The scope for relationship development are
	     · member to member
	     · Institute to member
	     · Institute to Institute
	     · Institute to government
	     · Institute to media
	 5. Relevance. The Institute must be relevant to members to retain and increase membership.
	 6. A clear identity is essential. Identity deals with members and underpins relevance.
	 7. Credibility and reputation. Industry credibility is essential for reputation development.
	 8. What leadership role and subsequent influence does the Institute adopt?
	 9. Concentration and focusing strategy efforts to key areas maximise resource usage and leads to development of integrated strategy.
	 1. Remit value to members. Previously identified in Section 5.1.1.
	 10. Principles and values underlie strategy.
	 11. Principles remain constant, but values may shift in response to member and external changes.

Important Differences	No significant differences were identified.

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5.3.2 Important Issues Influencing Strategy Development - Section and Australian National Council

Important Issues

Five major issues emerged from the National Council case. Each of the issues have been previously identified and described in detail in preceding Sections. The first issue is value, and the fundamental responsibility of National Council is to identify and continuously satisfy members' needs, in order to deliver value for membership. The issue of value was described at Section 5.1.1, and member needs at Section 5.3.1. National Council describes value for membership as 'lifting the capability of people in the industry.' The second issue deals with concentrating or focusing limited resources to achieve an integrated strategy outcome, as opposed to attempting to deal with 'multiple' strategies. The issue of concentration, focus and integrated strategy was described in Section 5.3.1.

A third issue to emerge is credibility of the Institute, in the industry, and with government. Credibility was described in Section 5.3.1. Relationship building is the fourth issue emanating from National Council. This issue is discussed at Section 5.1.1. Leadership, and influence, by the Institute, is the final issue identified. Leadership, in this context, relates to the leadership of the Institute to influence behaviour of members and the industry, as opposed to leadership displayed by individuals. Leadership and influence is discussed at Section 5.2.1.

Differences

No important differences are identified. Issues identified between case Sections and National Council are summarised in Table 5.11.

Table 5.11 Analytical Summary of Issues Influencing Strategy Development - Section and Australian National Council Analysis

Sections and Australian National Council	
Key Issues	1. Value for membership. 2. Concentrating and focusing strategy efforts to obtain maximum value from limited resources. Integrated strategy is an outcome of the strategy process. 3. Credibility of the Institute in the industry. 4. Relationship building. 5. Leadership by the Institute to influence behaviour of members and industry.
Differences	No important differences identified

5.3.3 Issues Influencing Strategy Development - Australian and Singapore National Councils

Important Issues

Five major issues emerged from the Singapore National Council case. All of the issues have been identified and described in detail in preceding Sections. The first issue is Leadership. Leadership is at the organisational level, and previously described at Section 5.2.1. Second, formation of relationships is a critical outcome of the strategy process. Relationships are described at Section 5.1.1. The third issue is identity, which is described at Section 5.3.1. The fourth major issue is concentrating and focusing strategy efforts, as opposed to attempting to implement multiple small strategies. As discussed in Section 5.3.1, an integrated strategy approach is the consequence of a focused approach to strategy development. The final issue emerging from the Singapore case is the need for strategic flexibility to adjust strategy in recognition of industry and environmental movements. Strategic flexibility was discussed at Section 5.1.1.

Important Differences

Identified in Section 5.3.3, Singapore concentrates relationship-building efforts at industry organisations and government, to develop partnerships as opposed to Australia's primary concern for building member relationships. Further, Singapore has built partnerships, from the relationships, as part of a 'business model' approach to management. A second difference between the Councils is identity. Singaporean members identify the Institute as an education and training provider. The CILTA discarded this education role in 1978, and has not since established another clear identity. Issues identified in the Australian and Singapore National Council are summarised in Table 5.12.

Table 5.12 Analytical Summary of Issues Influencing Strategy Development - Australian National Council and Singapore National Council Analysis

Australian National Council and Singapore National Council	
Important Issues	1. Leadership of the Institute to influence members and industry. 2. Relationship building is critical. 3. Identity built on providing professional development and training services to members, industry organisations, and government. 4. Concentrating strategy efforts to achieve integrated strategy outcomes. 5. Strategic flexibility is essential.
Important Differences	1. Relationship building is focused at organisations and government. Partnerships are a logical outcome of relationship building. 2. Members identify Singapore as a professional development and training organisation.

In summary, the issues of 'why do we exist' and value are the primary driving forces in strategy development. Existence and value shape an integrated strategy as an outcome of the strategy process that is to be reviewed regularly. Relevance and identity, industry credibility, position and role(s) taken, leadership influence, and concentrating resources, are key drivers of the strategy process. Singapore differs from Australia through focusing relationship-building activities with industry organisations to develop partnerships. The CILTA has not entered into partnership arrangements. Providing fee-based professional development and training services further differentiates the CILTS from the CILTA.

5.4   Between-Case Summary

In total, twenty-five recurring themes, barriers and issues impacting on strategy formulation are drawn from the between-case analysis. These are discussed as themes relating to strategy context, barriers to strategy, and issues influencing strategy development. Differences between the cases are also described. Elements identified in this section are summarised in Table 5.13.

5.4.1   Strategy Context

1. Value for membership is critical to retain existing members and to attract new members to the Institute. A necessary outcome of the strategy process is to provide members with a sense of value for the time and effort invested in Institute membership. Value is a key driver in the strategy process, requiring continual review as part of the ongoing strategy process.

2. A strategic approach is necessary for the growth and development of a voluntary membership professional association such as the CILTA. Until recently the organisation has merely existed by managing administrative issues. The first attempt at strategy development in 2000 recognised the changing environment and consequent industry conditions in which the CILTA is embedded. However, the approach used failed to deliver any long-term improvements. The Institute and the Sections recognise an absolute requirement to lead the organisation, using a strategic approach that reflects the realities of the organisation, its structure, and the environment.

3. Competitive strategies are inappropriate for the CILTA. Members are free to join or leave the Institute as they deem appropriate for their individual needs. Indeed, members may belong to a number of industry or industry related VMPAs or other professional associations where membership may be a requirement for employment or practice, such as the Institute of Engineers. Competitive strategy is viewed as destructive to the organisation, the industry and the profession. The aim of strategy efforts is to build the membership base by providing value to members. This aim is best achieved by working cooperatively with other industry institutes and organisations and government. However, community service organisations are regarded as a competitor to Institute membership, as they offer a form of community service that may offer greater value and recognition to individuals for time invested.

4. Relationship building is a crucial outcome of the strategy process. Relationship building occurs at several levels: (1) member to member; (2) Institute to Institute; (3) Institute to other organisations; (4) Institute to government; and (5) Institute to media. Relationship building contributes to enhancing the professionalism of the industry. A primary issue for Sections is to provide networking opportunities for members at the local level. Relationships developed through Section activities regularly lead to development of cooperative working relationships between industry organisations. National Council has a responsibility to develop and foster relations between the Institute and industry, other industry associations, government, and relevant organisations. The CILTS case demonstrates the next logical step from relationship building - entering into partnerships with other

relevant associations and organisations. Partnerships provide a mechanism to enhance the Institutes credibility and significantly contribute to the value of the Institute to members.

5. Vision and mission statements provide little practical guidance for the management of the organisation, or contribute in any meaningful way to enhancing members' value. Vision and mission statements are considered to promote competitive behaviour between industry associations, whereas a cooperative approach is deemed appropriate.

6. Flexibility is required when developing and implementing strategy by the CILTA. The transport and logistics industry is subject to continual change, requiring organisations and employees to constantly update knowledge and skills levels. The strategy process is required to reflect the rapid industry changes, to ensure that the Institute remains credible to industry, and continues to deliver value to existing members.

7. The CILTS offers its members a 'life long professional anchor', based on development and conduct of industry, and industry related professional development and training programmes. Developing the knowledge and skill base of CILTS members, and members of other associations, is regarded as the key role of CILTS. This contrasts with Australia, which withdrew from all forms of educational activities in 1978.

8. The CILTS operates from the basis of a 'business model' approach. While recognising that the CILTS is not competing with other industry institutes, the business model approach delivers additional financial resources to fund operations. Income streams from 'business' activities, in addition to membership fees, fund implementation of CILTS strategic initiatives. This is in contrast to the CILTA, which relies almost entirely on membership fees and Section activities, to fund operations. However, limited additional income is generated through the conduct of conferences, workshops or industry gatherings held on an irregular basis.

5.4.2   Strategy Barriers

1. The Institute's structure creates significant barriers to both strategy formulation and implementation.   Each Section operates as an autonomous organisation. Sections deal with local issues and members.   Communication, knowledge sharing, or interaction between Sections, is the exception rather than the norm. Section chairpersons and immediate past chairperson constitute the National Council, which meets for only one day twice per year.   The national office operates to support National Council, and to provide limited administrative support to Sections, if requested. The structure results in a Sectionalised approach to strategy development, with Sections 'doing their own thing' in the local area, while National Council is resource poor, and ineffective at coordinating a national approach to strategy.   A second significant structural issue is a two-yearly committee cycle that creates instability on Section committees, and a 'constant churn' through National Council. The Councils first meeting, following Section elections, is dominated by 'administrivia' and revisiting and justifying past decisions. Members appointed to various Council committees frequently fail to complete tasks before their Council appointment expires.

2. The broad whole-of-industry charter of the CILTA frequently results in a 'do nothing' approach to industry issues. The industry includes air, rail, road, and sea transport modes, as well as logistics, which was added in 2001 following an international vote by all CILT members worldwide. Each of the transport modes and logistics industry encompasses a significant range of elements, issues, and complexity.   Strategy is required to reflect the Institutes industry charter. However, the size and complicated nature of the industry, challenges the Institute's ability to accommodate such complexity.

3. Ineffective communications is a significant barrier to strategy. Communication between Sections is almost non-existent while communication between National Council and Sections is limited. National Council meets only twice per year, which provides a limited forum to develop the communication process. However, an increasing use of e-mail between the National chairperson and Section chairpersons is contributing to improved communication throughout the Institute. Communication between Sections and members is lacking while communication

between the Institute and members is limited to the publication of two journals per year, and an occasional newsletter. Poor communications results in a Sectionalised view by members, and a lack of identity with the Institute.

4. Resource constraints pose a significant barrier to strategy development and implementation in particular. A lack of finance is cited as the main barrier to the strategy process. In the majority of cases income is limited to membership fees and surpluses from Sections' activities and functions. With a steadily declining membership base, the income stream is inadequate to fund operations.

5. The voluntary membership nature of the Institute imposes significant barriers to the Institute's ability to form and subsequently implement strategy initiatives. The major difficulties imposed from voluntary membership are: (1) time constraints on members to participate in functions and activities, or to serve on the various management committees; (2) a high proportion of older members serving on committees, as younger members are less inclined to give their time to such activities; (3) an apparent apathy, lack of interest and commitment by members to take an active role in the Institute, which is often a result of 'the boss pays the membership fee', and membership is not a requirement for career advancement; (4) the pursuit of personal agendas and self-interest by individuals on management committees can stall or even prevent the strategy process, particularly where older members attempt to maintain the 'good old days'; and (5) a lack of capability of committee members to undertake strategy management activities, through lack of strategy knowledge and experience.

6. A scarcity of industry leaders, who are CILTA members, constrains the Institutes capability to deal with the scope of industry issues. This impacts on the capacity to undertake a meaningful strategy process. Industry leaders provide a holistic view of the industry, and are capable of guiding strategic analysis and thinking. Members, who are regarded as industry leaders, contribute to the Institutes credibility and standing in the industry, and potentially, government circles.

7. A lack of concentration and focus has resulted in the development of 'multiple strategies' often in response to 'hot topics', crisis situations, or local issues.

Attempting to manage a large number of 'strategies' frequently results in a failure to achieve meaningful outcomes. National and Section strategy processes require an integrated outcome that is focused on delivering long-term value to members.

8. The CILTS recognises that ineffective leadership of the Institute poses a significant barrier to strategy development. The issue of leadership in the CILTA cases is in the context of leadership by the Institute in the industry. Singapore acknowledges the criticality of leadership of the Institute, and by the Institute.

9. The CILTS recognises the difficulty of servicing members drawn from across the industry and associated spectrum of employment levels. A broad general approach has the effect of 'diluting' the value of membership at any particular level of employment. Membership is now restricted to middle and senior managers in industry, government, and associated sectors.

5.4.3 Issues Influencing Strategy Development

1. The question 'why do we exist?' emerges as the fundamental question driving the strategy process. In light of continual industry change, and a requirement for members to regularly upgrade knowledge and skills, the strategy process begins with this fundamental question. The answer leads the strategy process. Failure to continually ask and answer the question of existence is likely to result in a failure of the strategy process.

2. Understanding member and industry needs. The Institute has a scant awareness of member or industry needs with a resultant loss of value to members, which contributes to declining membership. Understanding and satisfying needs to create value for membership, emerges as the second fundamental driving force in the strategy process.

3. Determining position in the industry leads to a consideration of the role or roles the Institute will adopt. The position selected in the industry, and broader society, focuses the selection of role(s). The role or roles adopted focuses the strategy effort in a specific direction, avoiding the issue of 'multiple' small or reactive strategies as identified above.

4. Relationship building emerges as a major issue in strategy development, as well as appearing as a major theme, and discussed in 4 above. Relationship development is an outcome of the strategy process, contributing to the value element of membership.

5. Relevance to members, and the associated issue of identity, are key issues driving the strategy process. Underlying the decline in membership, is a loss of relevance to members, and the associated difficulty of recognising the Institutes identity. In members, minds, identity acts to differentiate the Institute from all other similar Institutes. Relevance and identity require regular review during the strategy process.

6. Credibility in the industry and with government, and the associated issue of reputation are key issues driving the strategy process. If the organisation fails to maintain industry credibility as a result of a poor reputation, its capacity to contribute to the industry in any meaningful way is restricted. Individuals are unlikely to join a voluntary membership association with a weak reputation or which lacks credibility.

7. Leadership, and the influence of leadership on behaviour, is a critical issue driving the strategy process. Leadership, in this context, relates to the leadership influence by the Institute and not leadership of the Institute. Where, and how, the Institute influences behaviour of members and the industry, is a key question to be addressed during the strategy process.

8. Concentrating strategy efforts to focus on a limited range of issues, based on the answers to the issues, themes, and barriers identified in this section, leads to the development of an integrated strategy. Strategic focus avoids the predicament of 'multiple' strategies, which frequently fail as a result of inadequate resource availability. Integrated strategy provides clear direction by incorporating the answers to the issues of existence, value, relevance, credibility, position and leadership. Concentration and focus are key issues driving the strategy process.

The twenty-five elements identified in the between cases analysis are summarised in Table 5.13.

Table 5.13 Context, Barriers and Issues Identified in the Between-Case Analysis

Theme	
Strategy Context	1. Value for membership. 2. A strategic approach is required. 3. Competitive strategies are inappropriate. 4. Relationship building is a crucial outcome of the strategy process. 5. Vision and mission statements provide little practical guidance. 6. Strategic flexibility is required. 7. Developing member's knowledge and skill base. 8. 'Business model' approach in Singapore.
Barriers to Strategy	1. Structure of the organisation. 2. Broad whole-of-industry charter. 3. Ineffective communications. 4. Resource constraints. 5. Voluntary membership. 6. Lack of industry leaders as members of the CILTA. 7. Lack of focus. 8. Ineffective leadership of the Institute. 9. Members drawn from all levels of employment.
Issues influencing strategy	1. Why do we exist? 2. Understanding needs of members and industry. 3. What position and role(s) to be adopted. 4. Relationship building. 5. Relevance and identity. 6. Credibility and reputation. 7. Leadership and influence of the Institute. 8. Concentrating strategy efforts to focus on a limited range of integrated strategies.

5.5 Strategic Framework for the Chartered Institute of Logistics and Transport in Australia

5.5.1 Introduction

This section draws together the between-case research findings to answer Research Question 4: *what would a strategic framework for the particular needs of the Chartered Institute of Logistics and Transport in Australia look like?*

Two new holistic strategy models, suited to the particular needs of the CILTA, are presented in this section:

1. Figure 5.2, Strategy Drivers model, identifies the conceptual issues driving strategy consideration in the CILTA.

2. Figure 5.3, Future Shaping model, describes a holistic strategy process. This is the next level below the issues driving strategy, as identified in the Strategy Drivers model in Figure 5.2. The Future Shaping model identifies specific questions to be addressed in the strategy process, to answer the strategy driving issues identified in the Strategy Drivers model.

Previous investigations into strategy development in third sector (non profit or not-for-profit) organisations have largely approached the issue of strategy formulation by modifying existing for-profit strategy approaches, in an attempt to match the unique needs of third sector organisations (Allison & Kaye, 1997; Barry, 2001; Bryson, 1995; Crittenden & Crittenden, 1997; Oster, 1995). Based largely on the assumption that third sector organisations compete for donor funding, such models have limited application to the CILTA, and possibly other Australian VMPAs. The CILTA does not compete for donor funding or with other industry associations. It relies on membership fees and activity income. Mara (2000) provides a fresh approach, which is conceptually simple but powerful, by identifying stakeholders and key focus areas. The process is streamlined and interesting for participants, which leads to a heightened sense of ownership of the resulting plan. Mara's strategy model, Section 2.7.1, demonstrates the possibility of a simple, powerful and 'doable' strategy development process for the particular needs of third sector organisations in the North American context. The Strategy Drivers and Future Shaping models developed in this section are derived from the results of the between case analysis and are an attempt to develop a strategy model for the unique needs of the CILTA, and possibly other Australian VMPAs.

5.5.2 Strategy Drivers Model

By combining strategy context research finding 1 with Issues research findings 1, 3, 5, 6, 7, and 8 from the between-case analysis in Section 5.4.1, Figure 5.2, Strategy Drivers model, is developed. The model incorporates seven key drivers of strategy: (1) value; (2) existence; (3) position; (4) relevance; (5) credibility; (6) leadership; and (7) concentration. The result is an integrated strategic outcome.

The effect of the Strategy Drivers model is to develop a simple framework of prioritised issues and associated questions requiring continual review as part of an

ongoing strategy process. The framework recognises that the fundamental for-profit question 'what business are we in' is inappropriate for the CILTA, operating within an existing legal and taxation system, which constrains operations to the Institute's constitution. For-profit organisations are able to significantly change the nature of their business to reflect their competitive environment, if they so choose. The CILTA and VMPAs are not permitted to change the nature of their 'business' without fundamentally altering their standing as a 'non profit' organisation.

The Strategy Drivers model recognises the necessity for a simple approach to strategy that differentiates the organisation from other industry institutes. By positioning the Institute in the industry to determine the role to be played (Issue finding 3), relationships can be developed and maintained with other organisations (finding 4), rather than adopting a competitive stance (Context finding 3). The outcome is an integrated strategy that focuses limited resources (Barrier finding 4), to avoid 'multiple' ineffective strategies (Barrier finding 7).

The model recognises the voluntary nature of the CILTA, and other VMPAs, by providing a framework for ongoing strategic thinking and discussion by committee members, with limited experience and knowledge of the strategy process (finding 13).

Figure 5.2 Strategy Drivers Model

```
                        ┌──────────────────────────┐
                        │      1. EXISTENCE        │
                        │    (Why do we exist?)     │
                        └──────────────────────────┘
                              ↓          ↑
                        ┌──────────────────────────┐
                        │        2. VALUE          │
                        │ (What value will we provide?) │
                        │ (To whom do we provide value?) │
                        └──────────────────────────┘
```

1. EXISTENCE
(Why do we exist?)

2. VALUE
(What value will we provide?)
(To whom do we provide value?)

3. RELEVANCE
(How will members identify with us?)

5. POSITION
(What role will we play?)

8. Integrated Strategy

· Where will we **Focus** our activities?
· What **Means** will we use to achieve our Focus activities?
· How will we **Phase** our activities?
· What **Resources** are needed to achieve our Focus activities?
· What **Value** outcomes are required?

Sphere Of Influence

Organisational Capacity

4. CREDIBILITY
(What industry reputation do we want?)

6. LEADERSHIP
(Where/how will we influence behaviour?)

7. CONCENTRATE
(Where will we focus our resources?)

The major issues and supporting questions of the Strategy Drivers Model are:

1. **Existence.** Why do we exist is the primary question driving the strategy process. The transport and logistics industries are subject to continual and often rapid changes, requiring that the Institute address the question of existence throughout the strategy process. Should the reason for existence fundamentally change, the Institute may no longer have a reason to exist.

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2. **Value**. To whom do we provide value? What value do we provide? Determining which stakeholders the Institute is attempting to provide value to is the first priority. Three primary stakeholder groups may demand value from the Institute: members, the industry including supporting industries, and government. To answer the question of 'value', an understanding of the needs of the target stakeholders (Issues finding 2) is necessary.

   Existence and value are the primary driving issues of the strategy development process. The following key issues and questions determine the outcome of these issues.

3. **Relevance.** How will members identity with us? The Institute, as a member-based organisation, needs to remain relevant to those members if membership value is to be maintained. Identity is what members view as being central, relatively stable, and that distinguishes the organisation from other organisations (Albert & Whetten, 1985). Gioia, Schultz and Corley (2000, p. 65) argue that identity is 'nonetheless inherently dynamic'. If individual members are unable to clearly identify with the Institute a loss of relevance occurs. Loss of relevance and identity lead to a reduction of membership value and ultimately membership loss.

4. **Credibility**. What industry reputation do we want? The primary question is to determine the type of reputation that the Institute wants to develop and maintain in the industry over time. Industry credibility is essential as members are employed in industry and associated organisations. Herbig and Milewicz argue that a failure to fulfil stated intentions results in loss of perceived reputation (Herbig & Milewicz, 1995). If the Institute has poor credibility, new members are unlikely to be attracted into the Institute, while the value of membership to existing members, is diminished. Whilst the literature dealing with reputation is extensive, a definition of reputation is divided (Fombrun & Van Riel, 1997). Gotsi and Wilson (2001) define reputation as a 'stakeholders overall evaluation of a company over time' (p. 29).

5. **Position.** In what role(s) will we act? Although there are superficial similarities to the constructs of position and role, position requires the Institute to differentiate

and strategically locate itself in the industry through the role or roles that it adopts. Position sets the Institute apart from all other industry associations and organisations, demanding that role(s) adopted add value to members and contribute to relationship building (Context finding 4). More than one role can be adopted, but in an environment of resource constraints (Barriers finding 4), multiple roles increase the complexity and difficulty of remaining relevant to members and credible in the industry. Role(s) adopted begin to concentrate strategic focus on where limited resources are to be used, contributing to relationship building (Issues finding 4) with other organisations by reducing role duplication and competitive moves (Context finding 3).

6. **Leadership.** Where and how will we influence behaviour? The act of leadership requires that some form of influence on behaviour be exercised. Leadership in this context relates to the leadership by the Institute over its members and/or the transport and logistics industries, or both (Barriers finding 8, and Issues finding 7). Linked to the issue of who does the Institute want to provide value to (Context finding 1), the primary questions are to determine 'where' leadership, and then 'how' such influence will be exercised. Influence requires the exercise of power (Nahavandi, 2003). Without power the organisation is in a weakened position to exert influence over members, industry or both. Determining a position, and adding it to the issues of existence, value, relevance, and credibility, strengthens the Institutes power base, and its ability to exercise such power to influence behaviour of members and the industry.

7. **Concentration.** Where will we focus our resources? Following role(s) selection, deciding where and how influence will be exerted, and what reputation and identity is appropriate, the issue of concentration of strategy efforts is then addressed. Determining where to focus limited resources is a logical outcome of the preceding strategic deliberations, reducing the potential for 'multiple' resource intensive strategies (Issues finding 8). It is likely that resources can be used in numerous ways. However, the question of focus channels strategy selection to the fulfilment of role, influence, reputation, and identity issues previously chosen to reduce the potential for resource wastage.

8. **Integrated Strategy.** Where will we focus our activities? What means will we use to achieve our focus activities? How will we phase our activities? What resources are needed to achieve our focus activities? What value outcomes do we expect? An integrated strategic outcome is the result of the strategic deliberation process. Augmenting the work of Hambrick and Fredrickson (2001), integrated strategy focuses the organisation's activities to achieve specific integrated outcomes, which deliver expected value outcomes. Following selection of the specific activities to be accomplished, the means to achieve the activities, the phasing over time and resource requirements to achieve those activities need to be addressed. Integrated strategy developed in this manner contributes to answering the primary strategy drivers of value and existence.

Two additional elements (1) sphere of influence, and (2) organisational capacity, are introduced in the Strategy Drivers Model and discussed briefly. The capacity to undertake extensive data collection and analysis is constrained by the voluntary nature of the organisation (Barriers finding 5), and limited availability of resources (Barriers finding4). Recognising such limitations restricts data collection, analysis and consideration, to those areas that have a direct influence on the organisation, its sphere of influence. Factors outside the Institute's sphere of influence are beyond the capacity of the organisation to deal with or influence in any meaningful way, serving to blur the strategy process. Effectively, sphere of influence and organisational capacity, act to focus the strategy process to achieve strategic outcomes within an environment that has the greatest impact on the organisation, and is within the capacity of the organisation to deal with.

Double-headed arrows show the relationship between relevance, credibility, position, and leadership, indicating that each element influences, and is influenced by those elements, to focus thinking on wholes or holons, and the relationships and interdependences among them. Existence and value drive relevance, credibility, position, and leadership elements, which then determine where resources will be concentrated to achieve an integrated strategic outcome. Outcomes of the integrated strategy influence the primary driving issues of value and existence. The strength of these relationships has not been determined in this thesis, but may be the subject of future research.

In sum, Figure 5.2 identifies the issues that drive the strategy process in the CILTA. The model is a simple framework for continual strategy consideration, and serves to shift thinking from operational to a strategic level. The Strategy Drivers model provides a framework to initiate and continually stimulate strategic thinking and discussion in the CILTA. The model serves to drive the strategy process and to deliver integrated outcomes. However, the process is not linear. Individual issues may be considered in isolation, but the relationship of changes in any particular issue should be examined in the context of the impact on other issues in the model, consistent with classical systems theory.

5.5.3 Future Shaping Model

Figure 5.3, Future Shaping model, describes the holistic strategy process one level down from the issues driving strategy in the Strategy Drivers model. Presented in a linear form, the Future Shaping model incorporates the important questions underlying the issues driving strategy in Figure 5.2, and the consequence of those questions - action agenda, output, and value outcomes. The model synthesises the findings of the between-case analysis to develop a simple, flexible approach (Context finding 6) to strategy development in the CILTA. The importance of an integrated strategy outcome from the strategy process is central to this model, as identified in the research (Barriers finding 7 and Issues finding 8).

Figure 5.3 Future Shaping Model

SPHERE OF INFLUENCE

1. Why do we exist?

2. VALUE
- What value will we provide?
- To whom will we provide

CILTA

3. Identity

4. Reputation

5 Role

6. Influence

7. Focus

ORGANISATIONAL CAPACITY

MEMBERS

8. Focus Areas

Activities	Means
Resources	Phasing

9 Action Agenda

10 Performance

11 Value Outcomes

FUNDAMENTAL DRIVING FORCES

CONSEQUENCE OF FUNDAMENTAL DRIVING FORCE STRATEGY
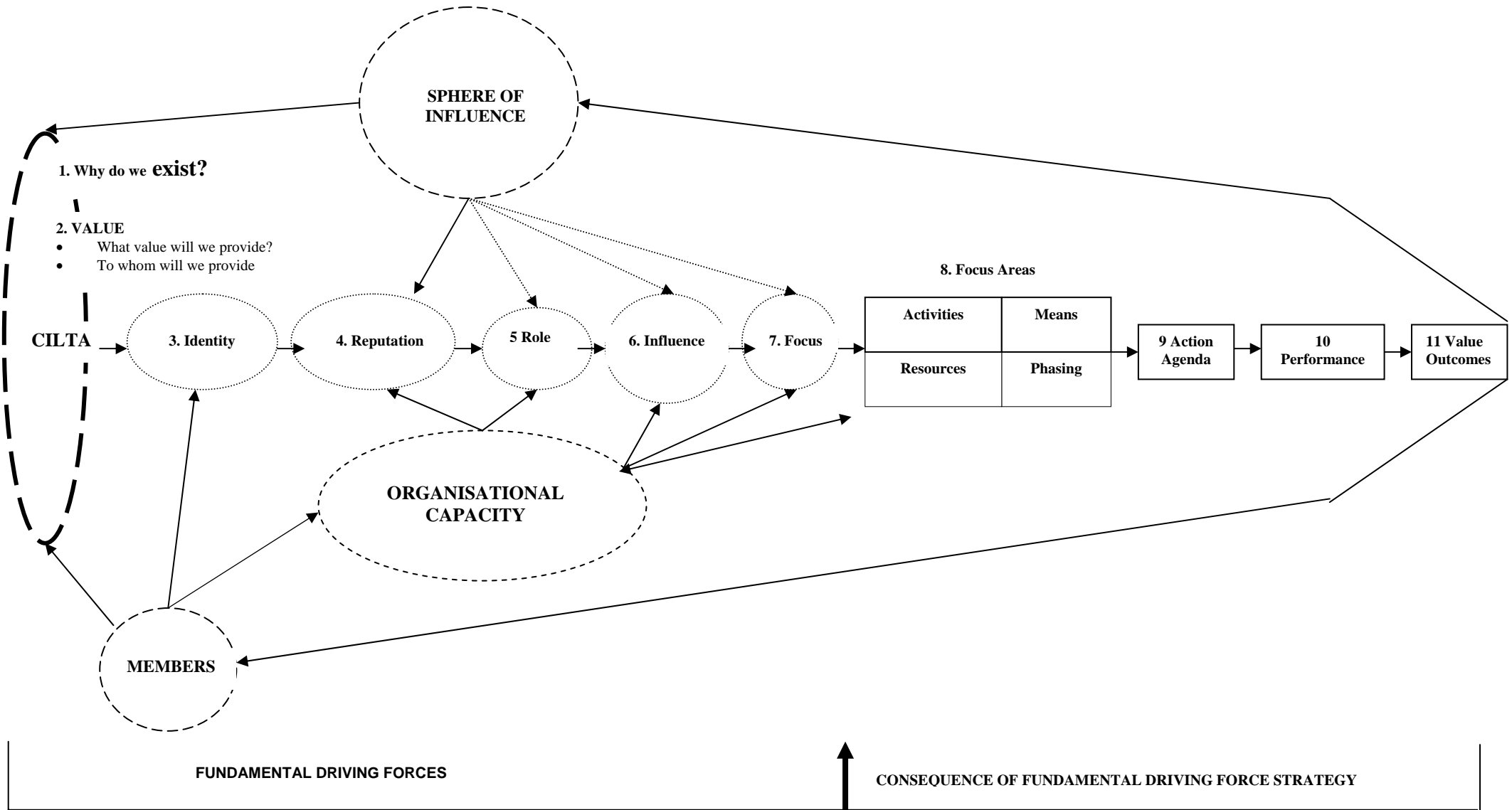
Source: Developed by the author from analysis of the case organisation

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The Future Shaping model contributes a new dimension to third sector strategy development. Strategy development, based on this model, is focused towards relationship building, in an environment based on co-operation, and free from competitive posturing (Context finding 3). LaBerge and Svendsen (2000) argue that there is 'no end of the road in relationship building', and requires an on-going effort and commitment 'to continuously learn from and respond to the interests and needs of partners'(p. 50). Haggard (2002) suggests that 'People connect most naturally with others who are like them. Common interests, ideas, studies, practices, hardships…these make the best framework for relational connectivity' (p. 11). Flint (2000) argues that there is 'no permanent competitive advantage that is ascertainable' while Klein (2002) argues that strategy focuses on organisational performance, and competition is the process 'by which performance becomes relative' (p. 325).

The model demonstrates that members are a key input, and beneficiary, of the strategy process. The strength of the value outcomes of the strategy process is a significant contributor to membership decline or growth. The model demonstrates that the strategy process is primarily influenced by those issues identified to be in the Institutes sphere of influence, as determined by the identity, reputation and role(s) adopted. Strategy development commences with the organisation answering the fundamental issues driving the process, 'why do we exist?', 'to whom will we provide value?', and 'what value will we provide?' The research demonstrates that strategy formulation in the CILTA is restricted by the lack of a simple, clear and flexible model of strategy development (Context findings 2 and 6,and Barriers findings 4 and 5,). The Future Shaping model addresses that deficiency.

A brief description of the major components of the model is presented in the remainder of this section. The terminology used reflects the between-case research findings.

Existence and Value

As discussed in Section 5.5.2, the strategy process commences with a clear resolution of the primary issues driving strategy - existence and value. Existence and value underpin the Institute's continued operation. Understanding the needs of members and stakeholders, and issues in the sphere of influence are critical inputs to the

answering of these questions. The research shows that a failure to address these issues, based on a clear understanding of needs, will produce a weak strategy outcome, resulting in multiple strategies that attempt to deal with operational and administrative matters.

Identity, Reputation, Role, Influence and Focus

Discussed in Section 5.5.2, Identity, Reputation, Role, Influence, and Focus combine to differentiate the Institute from all other Institutes and organisations, to clearly set the direction for the development of an integrated strategy approach. Reputation, Role, Influence, and Focus issues, are affected by the factors and elements in the CILTA's sphere of influence, members needs, and the capacity of the organisation. The case analysis reveals the importance of a business model (Singapore) to expand organisational capacity to further organisational development and growth. The case analysis confirms the importance of members having a clear identity with the Institute (Fiol, 2002; Gioia et al., 2000; Young, 2001). Further, an industry reputation is a valuable asset (Caruana, 1997), a strategic asset (Gotsi & Wilson, 2001), and organisations can affect their corporate image to deliver 'major strategic benefits' (Greyser, 1999, p 177-178; Herbig & Milewicz, 1995, 1997). The research reveals that industry reputation is a key element in developing strategy in a VMPA.

Selection of role(s) is a primary means to begin focusing strategy efforts to achieve an integrated outcome, which deliver value outcomes to members and stakeholders in the sphere of influence. Role is defined as 'usual or customary function' (HarperCollins, 2003, p. 1401). Dubrin and Dalglish (2003) define role in a leadership context as 'an expected set of activities or behaviours stemming from one's job' (p 9). However, a gap exists in the literature dealing with organisational role. This research reveals that role selection and continuous review of roles, is part of an ongoing strategy process in the CILTA. Role selection is critical to move the organisation towards its desired future.

Within the role(s) selected, this research reveals that 'where' and 'how' to influence behaviour of members and others is next considered. Addressing the issue of leadership, influence causes a change in the behaviour of those being influenced (Daft, 2001; Dubrin & Dalglish, 2003; Hubbard, Samuel, Heap, & Cocks, 2002). The

cases reveal that to strengthen industry reputation and member's identity, the Institute needs to adopt a leadership position that influences industry and member behaviour.

Integrated Strategy

The combined result of existence, value, identity, reputation, role, and influence, shape the focus of strategy development, the outcome of which is an integrated strategic approach. Tweed (1990) argues that focusing 'boosts effectiveness through concentration of efforts and resources where they will do the most good' (pp. 13-14). The cases reveal that neglecting to focus strategy efforts to achieve an integrated result has resulted in 'multiple' strategies, which ultimately prove unworkable. Resource wastage was further highlighted, in the cases, as a result of a failure to focus.

The model identifies that these issues combine to differentiate the organisation from other similar institutes, and is the fundamental driving force in the strategy process for the CILTA, and possibly other VMPAs. The remaining major elements of the model are tangible process outputs, the consequence of the fundamental driving forces.

Hambrick and Fredrickson (2001) argue that there are three essential conditions for modern strategy: (1) strategy need not be static, but evolve and adapt over time; (2) strategy should be flexible and aid organisational flexibility, to respond to 'today's turbulent environment'; and (3) strategy does not attempt to predetermine the future, but assess 'current conditions and future likelihood's, then making the best decisions possible today' (p. 58). Strategy, Hambrick and Fredrickson contend, is 'not primarily about planning. It is about intentional, informed, and integrated choices' (p. 58). Integrated strategy focuses on the specific activities to be achieved, the means by which those activities are to be achieved, how activities will be phased-in during the strategy process, and necessary resources to achieve the activities.

Action Agenda

The development of an action agenda to implement the resultant strategy is the output of the integrated strategy process. The action agenda serves as an implementation framework and a communication tool for distribution to members. The action agenda

partly addresses the ineffective communication barrier identified in research Barriers finding 3.

Performance

Measurement of organisational performance is a difficult issue for third sector organisations, where profit is not the primary outcome of the strategy process (Mintzberg, 1994). Thus, some other measure of performance is required. The cases reveal that membership growth is an important indicator of performance and can be regarded as the 'profit' of the strategy process. Further, measures of organisational performance that emerged are, the nature and degree of relationship development, and the increased value of members to employers as a result of participating in CILTA activities. A final performance measure revealed is the rate of participation by members in the Institute activities, at both the Section and National levels. Identifying and assessing performance measures are beyond the scope of this thesis.

Value Outcomes

Outcomes derived from integrated strategy formulation, and articulated in the action agenda, are to be assessed to determine their value to members and other stakeholders. The case analysis reveals that a failure to deliver strategic outcomes that have value to members is likely to result in members withdrawing membership. Second, industry reputation is likely to decline.

Arrows show a relationship between elements, and shows that existence, value, members' needs, sphere of influence factors, identity, reputation, role, influence, and focus, interact in various ways to determine an integrated strategy and implementation action agenda. Implementation of integrated strategy outcomes results in improved performance, member participation, and relationship development. Outcomes of the integrated strategy influence the primary driving issues of existence and value. The strength of these relationships has not been determined, as it is outside the scope of this thesis.

In sum, the Future Shaping model explains that strategy development in the CILTA is a result of the interaction of existence, value, members' needs, sphere of influence factors, identity, reputation, role, influence, focus, integrated strategy, action agenda,

and performance, to deliver value outcomes. The value of those outcomes to members, and stakeholders in the sphere of influence, ultimately determine membership levels and industry credibility. The model is a simple framework for continual strategy consideration, and serves to shift thinking from an operational to a strategic level. The Future Shaping Model provides a framework to initiate and continually stimulate strategic thinking and discussion in the organisation. The model serves to drive the strategy process and deliver integrated outcomes. However, the process is not linear. Individual issues may be considered in isolation, but the relationship of changes in any particular issue should be examined in the context of the impact on other issues in the model – a systems perspective.

5.6   Summary

The purpose of this chapter was to identify themes, barrier, and issues by comparing and contrasting the cases using the 'between-case analysis' approach as proposed by Yin (1994). The research results were then used to develop two new models, which may be useful to facilitate the process of strategy development in the CILTA. Accordingly, key gaps in the literature of strategy development in the third sector, and in voluntary membership professional associations in Australia in particular, will be partially filled.

The key findings of this research are:

Strategy context

·   Value for membership is a primary outcome of the strategy process.
·   A strategic approach to deal with an increasingly complex and changing industry environment is necessary.
·   Competitive strategies are inappropriate for CILTA operating in the transport and logistics industries.
·   Relationship building is a valuable outcome contributing to member and Institute value.
·   Vision and mission statements offer little practical guidance for the development and implementation of strategy.
·   Strategic flexibility is required, with strategic horizons of approximately 12 to 24 months.

- Developing members' knowledge and skill base is a primary value output of the activities of the Institute.
- A 'business model' underpins the expansion of organisational capacity through revenue raising, in addition to membership income.

Strategy Barriers

- Organisational structure is a barrier to strategy development and implementation.
- A broad whole-of-industry organisational charter complicates the strategy process.
- Ineffective communications impede development and implementation of strategy.
- Resource constraints, particularly finance and people, determine the quality of the strategy process.
- A lack of industry leaders in the Institute reduces the Institute's credibility and ability to identify broad industry issues impacting on strategy development.
- A lack of strategic focus has resulted in 'multiple' ineffective administrative and operational 'strategies', which fail to address strategic direction.
- Leadership is required of the Institute and by the Institute in its sphere of influence.
- Members drawn from all levels of the industry 'dumb down' membership value and industry credibility.

Issues Influencing Strategy

- Determining why the organisation exists is the primary question and force driving strategy development.
- Understanding and satisfying members' needs underpins the strategy process.
- Resolving the issues of relevance to members, industry credibility, industry position, and leadership influence, determine the direction of strategy and differentiate the CILTA from other associations.
- Strategic concentration focuses strategy development on a limited range of integrated strategic activities.
- Relationship building is a key value outcome.

Strategy Models

Two new models were developed from the research findings: Figure 5.2, Strategy Drivers model; and Figure 5.3, Future Shaping model. The Strategy Drivers model provides a framework to initiate and continually stimulate strategic thinking and discussion in the organisation. The Future Shaping model demonstrates that strategy development in the CILTA is a result of the interaction of existence, value, members

needs, sphere of influence factors, identity, reputation, role, influence, focus, integrated strategy, action agenda, and performance, to deliver value outcomes. The value of those outcomes to members, and stakeholders in the sphere of influence, ultimately determines membership levels and industry credibility.

The models are simple systems frameworks to foster continual strategy consideration by relevant members of the Institute, to shift thinking from operational to strategic issues. They act to drive the strategy process to deliver integrated outcomes. However, the process is not linear. Individual issues may be considered in isolation, but the relationship of changes in any particular issue should be examined in the context of the impact on other issues in the model.

Chapter 6 outlines the conclusions and implications of this research. The chapter commences with a review of the research undertaken in this thesis. The strategy models developed in this research are outlined, and implications presented. Conclusions to the research questions and research problem are then presented, followed by a discussion of implications for strategic practice, research limitations, and important issues for further research identified by this research.

CHAPTER 6   CONCLUSIONS AND IMPLICATIONS

6.0   Introduction

Chapter 5 uncovered important themes, barriers, and issues, in the cases by comparing and contrasting the individual case findings using the between-case analysis approach, as proposed by Yin (1994). The chapter concluded with a discussion of the Strategy Drivers and Future Shaping models developed from the analysis conducted in the chapter to address Research Question 4: *what would a strategic framework for the particular needs of the Chartered Institute of Logistics and Transport in Australia look like?*

This chapter briefly reviews the research conducted in this thesis to address the research problem and research questions posed in Section 1.2. The chapter commences with a review of the research outlining the research purpose. It highlights the major features of the Strategy Drivers model and Future Shaping model developed from the between-case analysis in Chapter 5. The research questions and the research problem will be discussed with reference to the case study organisation, the CILTA. Implications for theory, limitations, and future research directions will then be discussed. The sequence of the chapter is shown in Figure 6.1.

Figure 6.1 Outline of Chapter 6
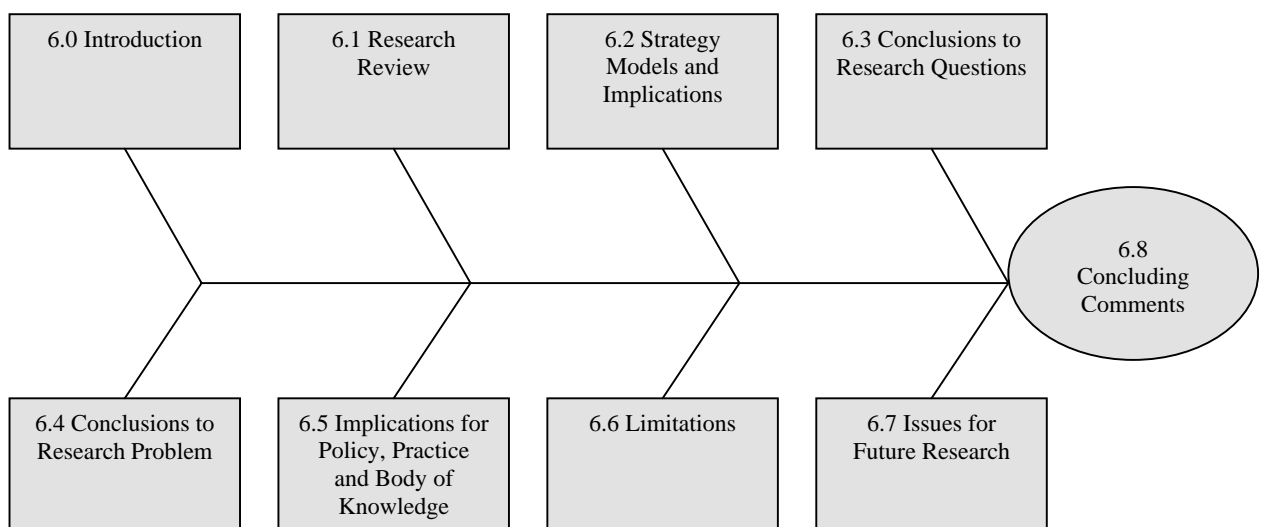
6.1 Research Review

6.1.1 Purpose of Research

The purpose of this research was to address the research problem posed in Section 1.2:

What are the particular factors relevant to develop a strategic framework for voluntary membership professional associations in Australia's third sector?

6.1.2 Research Structure

Chapter 1 outlined the significance of the research problem in terms of the need to understand strategy development in VMPAs. Deficiencies in existing research into context, barriers, and issues of strategy development in VMPAs, in an Australian context, were highlighted. Justification given for the research centres on six issues. These are:

· Professional associations provide a vital role in the professional development of their members. They contribute to the ongoing professionalisation of the industry in which those members are employed and facilitate industry research (Fisher, 1997; Kloss, 1999).

· The literature describing strategy development in voluntary membership professional associations has not been adequately investigated (Kloss, 1999).

· Previous third sector strategy models have focused on large North American nonprofit organisations. They specifically target the needs of boards of directors, staff, and external funding sources. Existing research has produced planning models that are resource intensive, complex, and not specifically adaptable to the particular needs of smaller voluntary membership professional associations. They may not have the resources, skill, or time, for a complex process (Kloss, 1999).

· Application of the findings of this research may assist the CILTA and similar VMPAs and professional associations generally. It will assist development of more specific and targeted planning processes suited to their particular needs and circumstances.

· There is a dearth of case studies shedding light on strategy development in voluntary membership professional associations in Australia, and professional associations generally (Mara, 2000).

· Finally, the research findings will be of theoretical value to the body of strategy knowledge in the third sector, the immediate discipline of the research problem.

Chapter 2 reviewed the strategy literature in the for-profit and third sectors to identify issues that may guide strategy development in VMPAs. Researchable questions were formulated to investigate the research problem, and a framework developed to guide the research to address each research question. Gaps in the extant literature were identified. Significant findings were:

- The modern academic discipline of strategy is considered to have commenced with the classic strategy model. Strategy development, under this model and subsequent derivations, requires significant resources to implement. Such resource availability may be beyond the capability of numerous small third sector organisations such as VMPAs. This includes the CILTA in particular. A new strategy approach is needed to assist VMPAs.

- The literature points to an evolution in strategy thinking and practice. However, third sector strategy is a rich field requiring further research. Areas for further research include:
  - strategy as an art
  - strategy flexibility
  - shorter planning horizons
  - recognition of the impact of senior manager's personal philosophy and personality
  - cultural issues
  - the uniqueness of the strategy process for each organisation

- Value of membership was seen as a significant strategic issue. Failure by VMPAs to deliver value to the membership is likely to result in declining membership. Value was identified as a possible strategic issue requiring further investigation in this research.

- Existing third sector strategy models have largely been developed for large North American non-profit [third sector] organisations (Hubbard, 2000; Kheng-Hor & Munro-Smith, 1999). A major purpose of strategic planning and strategic management, in such organisations, is to secure donations from large corporate donors and government organisations. Such models were found to have limited application to strategy formulation efforts in third sector organisations, and in the CILTA in particular.

- Existing third sector strategy models that were reviewed, exhibited a number of omissions and deficiencies:

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- a significant resource base is required to undertake comprehensive environmental scanning. Such resource base may not be available in small VMPAs

- the role or roles adopted by third sector organisations and VMPAs in particular, is poorly understood

- the issue of VMPA organisational identity has not been adequately researched

- the particular issues driving strategy formulation in VMPAs has not been adequately researched

- barriers to strategy development for VMPAs has not been adequately addressed

- failure to fully recognise the impact of differences in the strategy development task of small third sector organisations and larger, externally funded third sector organisations.

· Previous research has not produced strategy models specifically adaptable to the particular needs of VMPAs. Kearns and Scarpino (1996) conclude that empirical research in strategic planning by nonprofit organisations is in an embryonic state. This leads to vague and inconsistent findings. Although a number of authors have developed strategy models for the nonprofit [third] sector (Barry, 2001; Bryson, 1995; Crittenden & Crittenden, 2000; Mara, 2000; Mulhare, 1999; Oster, 1995; Young, 1999), the particular needs of professional associations, and voluntary membership professional associations, in particular, is not well understood. Kloss (1999) notes that there is a need for further research on how to engage a vested but highly diverse membership in a change process that may be threatening to members. Stonehouse and Pemberton (2002) argue that practical strategy research is in relatively short supply. Much of the available research deals with larger market focused organisations. Further, (Mara, 2000) calls for a planning process that is 'doable', interesting and not burdensome. This is in light of the challenges confronting professional associations.

Finally, Chapter 2 identified four research questions:

Question 1   what is the context of strategy formulation in a voluntary membership professional association, representative of voluntary membership professional associations in Australia?

Question 2   what are the barriers to strategy formulation and implementation in a voluntary membership professional association, representative of voluntary membership professional associations in Australia?

Question 3   what are the key strategic issues to be considered by a voluntary membership professional association, representative of voluntary membership professional associations in Australia when developing strategy?

Question 4   what would a strategic framework for the particular needs of the Chartered Institute of Logistics and Transport in Australia look like?

Chapter 3 addressed research methodology. The methodology used for this research is based on epistemological and ontological assumptions made in the context of the research problem described and justified in Section 1.4. The chapter discussed the exploratory approach to the research, together with the various types of research paradigms and rationale behind the choice of a qualitative approach. The research design was discussed and the use of the case study methodology and Soft Systems Methodolgy (SSM) outlined and supported. Data collection strategies, issues of case selection, piloting of data collection instruments, lessons learnt from the pilot study, issues of research quality, measures adopted to optimise reliability, validity and generalisability of data and findings, and issues of bias and triangulation, were discussed. Finally, ethical issues relating to the study were outlined.

Chapter 4 developed a with-in case analysis. Links between the research questions and the phenomena investigated in this study were established, see Table 6.1.

Table 6.1 Link Between Research Questions and the Phenomena Investigated

Research Question	Phenomena
What is the context of strategy formulation in a voluntary membership professional association representative of voluntary membership professional associations in Australia?	Strategy themes/context
What are the barriers to strategy formulation and implementation in a voluntary membership professional association representative of voluntary membership professional associations in Australia?	Strategy barriers
What are the key strategic issues/elements to be considered by a voluntary membership professional association, representative of voluntary membership professional associations in Australia when developing strategy?	Issues influencing strategy development

Key findings of context, barriers, and issues, from the with-in case analysis were presented.

Chapter 5 developed the between-case analysis and identified themes, barriers, and issues fundamental to strategy formulation in the CILTA. Key themes identified were:

· strategy is necessary at both the National and Section level

· Sections are unique

· strategic flexibility is required at both National and Section level

· value is a driver of the strategy process

· relationship building is critical

· competitive strategy is inappropriate

· in contrast to Australia, Singapore:

  - has developed long-term partnerships

  - focuses on member rather than industry value

  - has a philosophy of providing a lifelong professional anchor

  - employs a 'business model' to fund Institute activities.

Key Barriers to strategy formulation and implementation are:

· organisational structure

- voluntary membership

- broad industry charter

- resource constraints

- ineffective communication

- low representation of senior industry and government leaders

- lack of an integrated strategic approach

- ineffective leadership

- a membership base drawn from all levels of industry and employment.

Key Issues driving strategy formulation and implementation are:

- existence and value are the two primary forces driving strategy development

- relevance to members, industry credibility, position and role taken, leadership influence, and concentrating resources, drive the strategy process.

- integrated strategy is a key outcome

- partnerships and providing fee-based professional development and training services differentiates Singapore from Australia.

Finally, Chapter 5 introduced two new holistic strategy models - Figure 5.2, Strategy Drivers model and Figure 5.3, Future Shaping model, to guide strategy development and implementation in the CILTA. The models may be suitable for the particular needs of the CILTA.

6.2   Conclusions to Research Questions

The following section discusses the conclusions made about each Research Question in Section 1.4, and identifies the contributions made by this research. Each of the following sections commences with a summary outlining findings relevant to a specific research question, and is followed by a brief discussion of the significance of the findings to the literature.

6.2.1   Research Question 1:

what is the context of strategy formulation in a voluntary membership professional association, representative of voluntary membership professional associations in Australia?

Research Question 1 addresses the context of strategy development in a VMPA. Chapter 5 identified eight significant themes emerging from the between-case analysis. These are:

· A strategic response to its environment is necessary for the CILTA.

· Strategy development is dominated by a requirement to provide value for membership. Membership value is an amalgam of Section and National strategy outcomes. First, Sections provide networking and relationship building opportunities in response to local circumstances. Second, National strategy and operations need to reflect industry wide issues and changes. Value is a key strategy driver.

· Competitive strategy is inappropriate. The CILTA is not competing with other industry Institutes. Nevertheless, community service organisations pose a direct membership threat.

· Relationship building is a critical outcome of the strategy process. Five key relationships were identified:
  - member to member
  - institute to institute
  - institute to other organisations
  - institute to government
  - institute to media.

· Relationships provide an important mechanism to enhance industry credibility and contribute to increased member value.

· Traditional strategy terminology, such as vision and mission statements, is viewed as promoting competitive strategic responses between industry associations. They provide limited strategy guidance or value adding.

· Sections are unique entities necessitating strategic flexibility to reflect member and industry circumstances.

· In contrast to Australia, Singapore
  - has developed long-term partnerships with industry, non-industry and government organisations
  - focuses on member rather than industry value
  - operates on a philosophy of providing a lifelong professional anchor
  - employs a 'business model' to fund Institute activities.

Conclusions Relating to Research Question 1

Analysis of the third sector strategy literature in Chapter 2 revealed a need to understand the context of strategy development in Australia VMPAs. Themes emerging from the case analysis illustrate the uniqueness, and complexity, of the strategy process in an Australian VMPA. This research:

· Confirms Parnell and Lester's (2003) assertion that strategy formulation is a key building block of strategy.

· Answers, in the affirmative, Little's (1998) question 'Is strategy still relevant?'. The research demonstrates the relevance of strategy to the CILTA.

· Confirms the argument for the necessity for membership associations to deliver value to their members (Fisher, 1997; Greenwood, Suddaby, & Hinings, 2002; Rhea, 2000).

· Supports the assumption that some form of strategy development is necessary by non-profit organisations (Brinckerhoff, 2000; Farjoun, 2002), while questioning the argument (Hubbard, Samuel, Heap, & Cocks, 2002; Stonehouse & Pemberton, 2002) that strategy is not needed in all organisations.

· Supports Parnell and Lester's (2003) argument that strategy is both an art and a science, as illustrated in Table 6.2.

Table 6.2 The Art and Science Approaches to Strategy

Characteristic	Art	CILTA	Science	CILTA
Systematic analysis of environment	Difficult at best	✘	Possible and essential	
Environmental predicability	Very limited	✘	Extensive	
Perception of environment	Subjective	✘	Objective	
Planning steps	Varies by organisation; no one best way		Similar for most or all organisations	✘
Key intellectual influence	Imagination	✘	Analysis	

Source: Parnell and Lester (2003, p. 292) modified for this research

- Sheds additional light on the strategic flexibility and strategic consistency debate (Gannon, Smith, & Grimm, 1992; Gazell, 2000; Grant, 2002; Grewel & Tansuhaj, 2001; Parnell & Lester, 2003; Petersen & Welch, 2000; Scholes, 1991; Wernerfelt & Karnani, 1987), identifying that strategic flexibility is necessary in the CILTA.

- Supports the proposition that the nature of strategy is culture bound with no universally accepted definition of good or bad, right and wrong or correct or mistaken ways of managing the strategy process (Kheng-Hor & Munro-Smith, 1999).

- Challenges the argument for a sustainable competitive advantage (Lieberman & Montgomery, 1988).

- Supports Grant's (2002) findings that strategic planning has become more decentralised, more informal, and with shorter time frames.

The research findings confirm the need for VMPAs in the transport and logistics industries to adopt a strategic approach. The approach taken is to reflect the unique nature of the industry, flexible and capable of being used in different environments, ranging from large metropolitan Sections, to smaller regional Sections, and in differing cultural settings, so as to reflect the worldwide presence of the Institute. The findings indicate a need for a strategy model suitable for the particular needs of the CILTA and possibly other VMPAs in Australia.

6.2.2 Research Question 2:

what are the barriers to strategy formulation and implementation in a voluntary membership professional association, representative of voluntary membership professional associations in Australia?

Research Question 2 addresses barriers to strategy development in a VMPA. Chapter 5 identified nine barriers to strategy development emerging from the between-case analysis. These were:

- structure of the organisation
- voluntary membership
- broad industry charter
- resource constraints
- ineffective communication
- low representation of senior industry and government leaders

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- lack of an integrated strategic approach
- ineffective leadership
- a membership base drawn from all levels of industry and employment.

Conclusions Relating to Research Question 2

Analysis of the third sector strategy literature in Chapter 2 revealed that strategic deployment often fails as a result of an inability to identify and overcome barriers to strategy development and deployment (Noble, 1999). O'Regan and Ghobsbian (2002) identified five internal barriers to strategy development in third sector organisations. The findings of this research contribute seven further barriers to O'Regan and Ghobsbian's list of barriers to strategy formulation in the third sector. These are:

- structure of the organisation
- broad industry charter
- resource constraints
- low representation of senior industry and government leaders
- lack of an integrated strategic approach
- ineffective leadership
- a membership base drawn from all levels of industry and employment

Acknowledging resource constraints as a key barrier, the research confirms Parker's (1998) finding that third sector organisations are increasingly reliant on fee-for-service activities and investments as a way of generating income. The finding of this research highlights the need for a 'business model', as used by the CILTS.

An understanding of strategy barriers in the CILTA assists in the task of developing a strategy process that is 'doable' (Mara, 2000). The findings confirm that significant strategy barriers exist in the CILTA, and possibly other VMPAs. Findings emerging from Research Question 2 supports a key finding of Research Question 1 that a requirement exists to develop a strategic framework capable of meeting the specific needs of the CILTA, and possibly other Australian VMPAs. Existing strategy models do not adequately address the impact of barriers to strategy development in the CILTA, and possibly other VMPAs and small third sector organisations.

6.2.3 Research Question 3:

what are the key strategic issues to be considered by a voluntary membership professional association, representative of voluntary membership professional associations in Australia when developing strategy?

Research Question 3 addresses the specific issues driving strategy development in the CILTA. Chapter 5 identified seven issues driving strategy development in the CILTA, these are:

· existence and value are the primary forces driving strategy development

· relevance to members

· industry credibility

· position in the industry

· leadership by the Institute

· concentration of resources

· an integrated strategy outcome communicated through a clear and concise action agenda is required.

Chapter 5 also identified two key differences between the CILTS and the CILTA, these are:

· relationship-building activities with industry organisations to develop partnerships

· Operating the Institute on a 'business model' by providing fee-based professional development and training services.

This research:

· Partially fills the gap in understanding the roles that a VMPA may undertake. The research extends Fisher's (1997) and Phoon's (1997) list of organisational roles, identifying an additional six organisational roles

　· knowledge leadership through information sharing and education services

　· future thinking through identifying, communicating, and discussing industry issues

　· providing networking opportunities

　· developing relationships and partnerships with other industry organisations and government

　· conducting industry research

　· facilitating links

　　- mode to mode

- industry to industry
- industry to government
- industry to media

· Develops a framework of issues to drive the strategy process in the CILTA, which may also be suitable for other VMPAs. The issues framework within the Strategy Drivers model moves strategy consideration from terminologies associated with competitive for-profit strategy, to language reflecting the reality of the environment of the CILTA and possibly other VMPAs. The issues identified are
  - existence
  - value
  - credibility
  - relevance
  - position
  - leadership
  - concentration

· Develops a series of questions that provide a framework to guide the strategy formulation. These are
  - why do we exist?
  - what value will we deliver and to whom?
  - how will members identify with the Institute?
  - what industry reputation is required?
  - what role or roles will the Institute engage in?
  - where and how will influence be exerted?
  - where will strategic efforts be focused?
  - where will activities be focused?
  - what means will be used to achieve focus activities?
  - how will activities be focused?
  - what resources are needed to achieve focus activities?
  - what value outcomes are expected?

· Extends Hambrick and Fredrickson's (2001) integrated strategy model, and modifies it for VMPA application. Elements emerging from this research to form an integrated strategy in a VMPA are
  - focus activities
  - means

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- phasing
- resources

Conclusions Relating to Research Question 3

Analysis of the third sector strategy literature in Chapter 2 revealed a lack of awareness of the issues driving strategy development in VMPAs in Australia. The research has highlighted important differences in the terminology used in the for-profit sector literature and terminology in third sector organisations, illustrating the uniqueness and complexity of issues driving the strategy process in the CILTA. The research contributes to the third sector literature regarding the role of VMPAs. Six organisational roles have been identified. Further research is necessary to increase understanding of organisational role, issues driving strategy, and the elements of integrated strategy in third sector organisations. The findings, in association with the findings of Research Questions 1 and 2, confirm the necessity for the development of a strategy model suitable for the particular needs of VMPAs in Australia.

6.2.4   Research Question 4:

What would a strategic framework for the particular needs of the Chartered Institute of Logistics and Transport in Australia look like?

Chapter 5 introduced and discussed two new holistic strategy models to guide the strategy process in the CILTA. The Strategy Driver model, Figure 5.1, is a framework to initiate and focus strategic thinking and ongoing discussion of key issues driving strategy development. The cases reveal that strategic thinking and discussion is not undertaken in the CILTA. This is largely a result of inexperience and a lack of understanding of strategy by committee members, time constraints, organisational structure, ineffective communication processes, and resource constraints.

The Future Shaping model demonstrates that strategy development in a VMPA is a result of the interaction of existence, value, members' needs, sphere of influence factors, identity, reputation, role, influence, focus, integrated strategy, action agenda, and performance, to deliver value outcomes. The value of those outcomes to

members and stakeholders, in the sphere of influence, ultimately impact on membership levels and industry credibility.

Based on systems thinking, the model elements are interrelated. This indicates that each element influences and is influenced by other elements. The interrelationship focuses thinking on wholes, or holons, and the relationships and interdependences among them. The cases reveal a shortfall of systems thinking in the CILTA.

Conclusions Relating to Research Question 4

Analysis of the third sector strategy literature in Chapter 2 revealed the lack of a suitable framework for strategy development in VMPAs in Australia. The research makes a contribution to the third sector strategy body of knowledge with development of the Strategy Drivers model and the Future Shaping model. The models contribute to the body of third sector strategy knowledge by:

·   Responding to Mara's (2000) call for a 'doable' strategy model.

·   Responding to Wilson's (1997) charge that associations have not responded to members needs while assuming that services offered remain relevant to members.

·   Responding to Cufaude's (2001) call for improved leadership by associations.

·   Addressing DeLizia and Siegel's (2000) call for new strategies due to changing environmental conditions and membership needs.

·   Answering Hambrick and Fredrickson's (2001) call for integrated organisational strategy, within the context of the CILTA as a representative VMPA.

The Strategy Drivers and Future Shaping models offer the CILTA in particular, and possibly other VMPAs, a framework of issues and questions to guide strategy formulation. They do this by initiating and sustaining focused strategic thinking and discussion. The models recognise the unique circumstances of strategy development in the third sector, and develop a platform for strategy cooperation. This is in contrast to competitive advantage, which underlies existing models in the extant literature.

6.3   Conclusions Relating to Research Problem

What are the particular factors relevant to develop a strategic framework for voluntary membership professional associations in Australia's third sector?

The extant literature reviewed in Chapter 2 indicates the plethora of meanings and interpretations of strategy resulting in a lack of consistency, and 'thoughtless' application in a wide range of situations (Beaver, 2000; Franklin, 1998, 2001). Chapter 2 outlined the evolution of strategy thinking and practice, particularly in the for-profit sector. However, strategy thinking in the third sector has lagged behind the for-profit sector developments. Chapter 2 argued that the current debates of strategy as art, strategic flexibility, shorter time horizons, recognition of the impact of senior managers personal philosophy, cultural issues, strategy barriers, and uniqueness of the process for each organisation in for-profit strategy literature, provide avenues for further research in the third sector.

Lyons (2001) noted the paucity of strategy research in Australian third sector organisations. Strategic planning has become an essential element of both for-profit and nonprofit [third sector] organisations (Bryson, 1995; Crittenden & Crittenden, 2000; Oster, 1995). However, existing planning processes consume large quantities of time and resources that small nonprofit [third sector] organisations frequently lack (Mara, 2000; McNamara, 2002). Other writers argue that third sector strategy formulation is subject to a complex and unique set of circumstances (Drucker, 1990; Gazell, 2000; Madden, McGreggor-Lowndes, & Marsden, 2003; Parker, 1998). Further, Mara (2000) calls for a strategy process that is not 'burdensome' and one that is 'doable'. This research makes a contribution towards answering that call.

The Strategy Drivers and Future Shaping models introduced and discussed in Chapter 5 recognise the complex and unique circumstances of the third sector (Drucker, 1990; Gazell, 2000; Madden et al., 2003; Parker, 1998), and in particular, a VMPA operating in the transport and logistics industry in Australia . Whilst similarities exist between for-profit and third sector strategy development, this research has revealed differences that are required to be addressed to increase the relevance (Franklin, 2001; Little, 1998) of strategy to third sector organisations. The findings of the research questions in Section 6.3 combine to formulate the Strategy Drivers and Future

Shaping models. The significance of this research to the extant strategy literature is also briefly discussed in Section 6.3

The models identify that underpinning strategy development in the CILTA is the need to address the question of why the Institute exists and the value it delivers to members and stakeholders. The answers to those two questions drive consideration of the relevance of the CILTA to its members, and its credibility in the industry. Determining the Institutes position in the industry, and its leadership role, drives strategy efforts. It drives strategy efforts to concentrate resources and to achieve an integrated strategic outcome that increases stakeholder value. A failure to deliver value to members and stakeholders will result in a loss of membership, declining industry credibility, and the eventual cessation of the CILTA (Fisher, 1997; Rhea, 2000).

The models offer a simplified framework for ongoing strategic thinking and discussion in an environment of limited time, resources, and experience, in undertaking strategy development. The models are holistic, identifying relationships between the elements, and encouraging committee members to consider 'holons'. The models demonstrate flexibility for use by National Council to develop strategy for the Institute as a whole, and can also be used by Sections to develop local strategy within the National framework. They reflect Section uniqueness and circumstances.

The research problem has been addressed by the development of two models emerging from the case study research conducted in this thesis. The models recognise the particular context and barriers to strategy development in an Australian VMPA. The models drive strategy formulation by identifying issues relevant to VMPAs rather than modifying existing strategy frameworks based on competitive advantage. The models recognise the requirement for relationship building between (1) the CILTA and its Sections; and (2) the Institute and other organisations.

6.4   Strategy Models and Application
6.4.1   Strategy Drivers Model
The Strategy Drivers model emerged from the research findings. The model identifies a number of key issues that are important considerations underpinning and

driving strategy development in the CILTA. It was apparent from the literature that there is a dearth of literature relating to strategy development and implementation in VMPAs in an Australian context. Available literature largely described strategy models developed for large non-profit North American organisations, mainly for the purpose of securing funding from large donor organisations.

It became apparent that the CILTA required a flexible strategic approach to operate in its industry environment. However, existing approaches, based on competitive models of strategy were inappropriate for the particular needs of the CILTA. It also became evident that a framework of issues was necessary to guide the strategy process. Such a framework had been absent in previous strategy attempts by the CILTA. Rather, strategy formulation was based on the for-profit models, which largely focus on developing and maintaining strategic competitive advantage. The research revealed the importance of relationship building between: (1) Institute members; and (2) the Institute and other industry institutes, organisations, and government.

The research has highlighted a need for a flexible strategy approach focused on the needs of members and other stakeholders in the Institute's sphere of influence. Sphere of influence represents those factors that have a direct and ongoing influence on the Institute's operations and strategy development. Finally, the research recognises the need for different terminology for strategy development in the CILTA and possibly other third sector organisations. Members undertaking strategy development brought to the process a range of terminology used in their work organisations. However, confusion arose when the terminology was used in the CILTA. For example, vision and mission statements have been discarded by Sections as they were viewed as interchangeable and offered little clear guidance to drive the strategy process.

The model identifies eight key elements driving the strategy process, and two elements bounding strategy formulation. The question of existence is the primary issue driving strategy development. The reason for 'existence' requires continuous review as a result of changes in member and stakeholder needs. 'Value' is the second primary issue driving strategy. An essential outcome of strategy efforts is the delivery

of value to members and other stakeholders. Existence and value are the primary forces driving strategy. They also influence resolution of the questions of relevance to members, credibility in the industry, position occupied in the industry, and finally, leadership by the Institute.

Existence, value, relevance, credibility, position, and leadership, concentrate strategy development to deliver an integrated strategy outcome. However, implementation of the integrated strategy further impacts on the value of the organisation to members and other stakeholders, subsequently challenging the issue of existence. The capacity to undertake extensive data collection and analysis is restrained by resource constraints, and the voluntary nature of the CILTA. Recognising such limitations, the model restricts data collection, analysis, and consideration, to those areas that have a direct influence on the organisation – the sphere of influence. Factors outside the Institute's sphere of influence are beyond the CILTA's capacity to deal with, or influence, in any meaningful way.

In summary, the Strategy Drivers model provides a framework to initiate and continuously stimulate strategic thinking and discussion in the CILTA. The model serves to drive the strategy process to deliver integrated outcomes. Nevertheless, the process is not linear, as individual issues may often be considered in isolation. The impact and relationship of changes in any particular issue should be examined in the context of their impact on the other issues in the model, consistent with general systems methodology.

6.4.2   Future Shaping Model

The Future Shaping model, Figure 5.3, emerged from the identification of the issues driving strategy development. The model is derived from the answers to specific questions underlying each of the strategic issues identified in the Strategy Drivers model. The questions are:

1. Why do we exist?
2. What value will be delivered and to whom?
3. How will members identify with the Institute?
4. What industry reputation is required?
5. What role or roles will the Institute engage in?

6. Where and how will influence be exerted?

7. Where will strategic efforts be focused?

8. What activities will be focused on?

9. What resources are needed to achieve 'focus' activities?

10. How will the focus activities be phased?

11. What means will be used to achieve focus activities?

12. What value outcomes are expected?

The consequence of those answers is also incorporated in the model. The consequences are integrated strategy, action agenda, performance measurement and analysis, and value outcomes.

The model demonstrates that strategy development in the CILTA may result from the interaction between existence, value, members needs, sphere of influence factors, identity, reputation, role, influence, focus, integrated strategy, action agenda, and performance, to deliver value outcomes. The value of such strategic outcomes to members and other stakeholders, ultimately impacts on membership levels and industry credibility.

The model has the flexibility for use by National Council to guide National strategy. It may also be used by Sections to develop integrated strategy outcomes within the National framework appropriate to Section needs and circumstances. Further, the model has potential for use by other industry VMPAs to develop a cooperative and integrated strategy approach across the entire industry. The model has the capacity to enable individual VMPAs to differentiate themselves, by answering the fundamental driving force questions to determine what roles or roles they will engage in, and how and where influence will be exerted. Such a synergistic effect has the potential to enhance the professionalism of individual members and the industry.

The model is a simplified framework for continuous strategy consideration. It shifts VMPA thinking from an operational to a strategic level. It provides a framework to initiate and continuously stimulate strategic thinking and discussion throughout the organisation. The model contributes a new dimension to third sector strategy development by focusing on relationship building in an environment free from competitive posturing. The apparent interrelationship between the elements of the

model attests that each issue is to be examined in the context of its impact on other elements of the model. This is consistent with general systems theory. Focused integrated strategy, which delivers value outcomes, is the major consequence of the model. The model presents a logical framework to conduct ongoing strategic discussion and thinking.

Previous third sector strategy models have approached strategy from a competitive stance. The intent was to develop a sustainable competitive advantage. Little guidance was given by the models to guide the strategy process for the particular needs of a VMPA. Relationship building, based on cooperation, is a key requirement of CILTA and VMPA strategy formulation. Application of the Strategy Drivers and Future Shaping models overcomes a number of problems associated with existing strategy models, by:

· Providing a consistent framework of issues and questions to be addressed by committee members who may lack experience in strategy development.

· Employing simple concise terminology appropriate to the CILTA.

· Delivering strategic flexibility. The models are appropriate for use by National Council to formulate integrated National strategy. They may also be used by Sections to develop integrated Section strategy appropriate to local circumstances within the National framework.

· Creating a framework of strategic thinking and action that will result in enhanced membership and stakeholder value.

· Increasing the Institutes influence (leadership) within the industry.

· Developing synergy between industry associations. The models may be appropriate for use by other VMPAs to achieve synergy and enhance industry professionalism.

6.5   Implications for Policy and Practice

Policy and practice implications of this research are that VMPAs pursuing strategy formulation and implementation require an understanding of the context, barriers, and issues driving strategy. VMPAs need to understand, think, discuss, and act on them if effective strategy is to result. VMPA leaders need to establish an ongoing process of strategic thinking and discussion within the organisation, and with other organisations involved in the sector. They need to develop synergies and enhanced industry

credibility, relevance and member value. Clearly, strategy outcomes will vary across associations. The potential exists for each to maintain an individual identity while cooperatively advancing member and industry needs. Thus the issues and questions raised above in the form of Research Questions may be very applicable to many third sector organisations. The two models developed may be very pertinent for strategy considerations in many of the third sector organisations.

The research makes theoretical contributions to the wider body of knowledge, apart from the practical implications and contributions. Table 6.3 summarises the contribution of this research to the strategy and third sector body of knowledge.

Table 6.3 Contributions to Strategy and Third Sector Body of Knowledge

Discipline	Contribution
Strategy	Strategy formulation is a key building block (Parnell & Lester, 2003)
	Strategy is still relevant (Little, 1998)
	Confirms strategy is an art and science (Parnell & Lester, 2003)
	Supports call for strategic flexibility (Gazell, 2000; Grant, 2002; Grewel & Tansuhaj, 2001)
Third Sector	Membership value is critical (Fisher, 1997; Greenwood et al., 2002; Rhea, 2000)
	Strategy formulation is necessary in nonprofit organisations (Brinckerhoff, 2000; Farjoun, 2002)
	Counters sustainable competitive advantage argument (Lieberman & Montgomery, 1988)
	Strategy is shorter term, increasingly decentralised, and more informal (Grant, 2002)
	Identifies further barriers to strategy (Noble, 1999; O'Regan & Ghobabian, 2002)
	Confirms move toward fee-for-service activities (Parker, 1998)
	Extends knowledge of VMPA organisational roles (Fisher, 1997; Phoon, 1997)
	Identifies issues driving strategy in the CILTA and CILTS
	Contributes a 'doable' strategy framework (Mara, 2000)

The research contribution to the wider body of knowledge is summarised in Figure 6.2, as a modified Soft Systems Model (SSM). Figure 6.2 presents a 'real world' position of the research problem leading to possible actions the CILTA can take to increase value. Figure 6.2 explains that in the 'real world' strategy context, strategy barriers, and a range of 'issues', drive the strategy process in third sector organisations. Development of strategy based on competitive for-profit models is likely to lead to ineffective strategy outcomes. The research has contributed a disciplined and in-depth analysis of the research problem from the perspective of an Australian VMPA.

Figure 6.2 Modified Soft Systems Methodology Resulting from Research
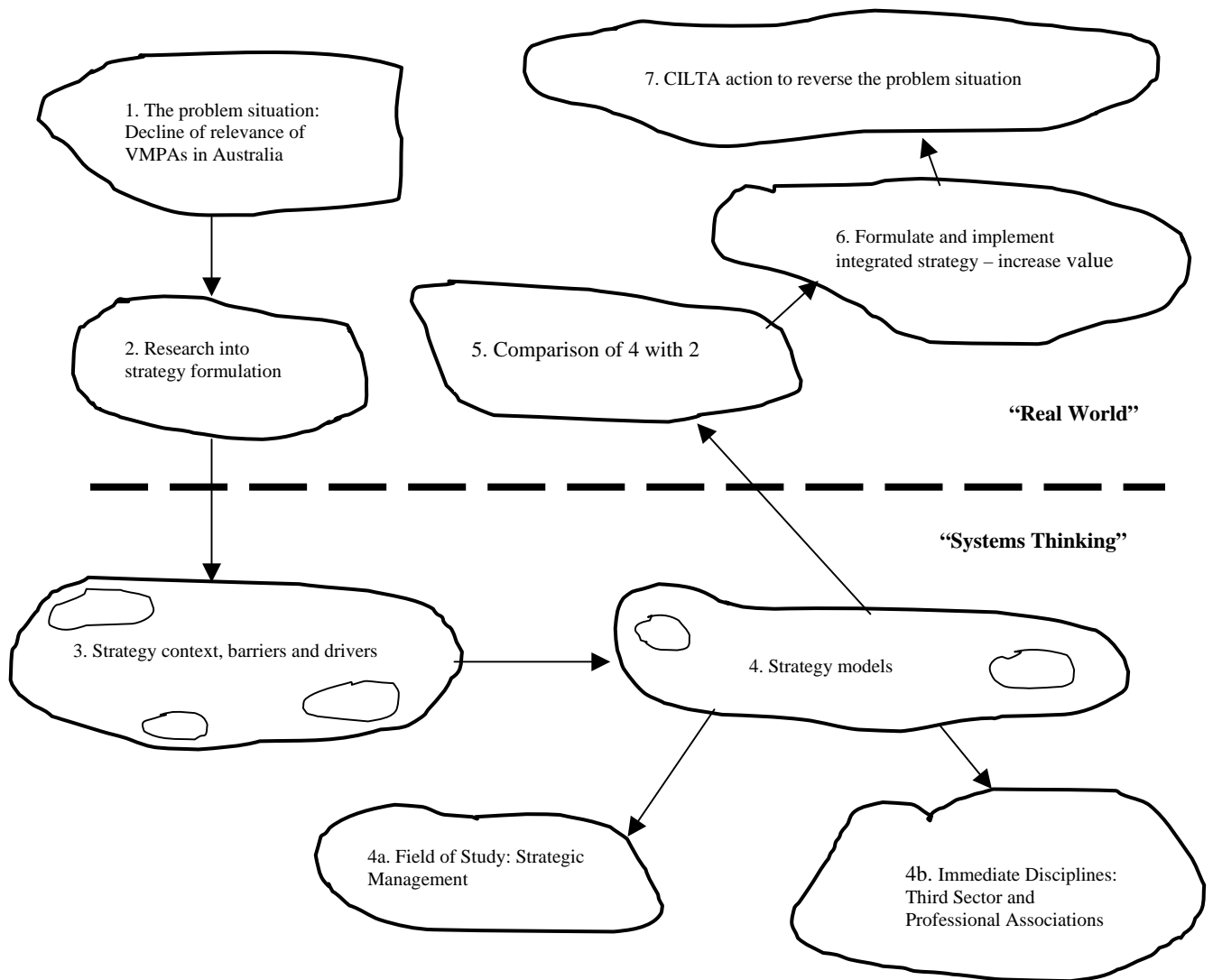
Source: Developed from this research by the author, based on Checkland (1999)

6.6   Limitations

Section 1.7 outlined the limitations embodied in the research plan for this thesis. However, further limitations emerged during the conduct of the research.   The research explored strategy development in seven CILTA Sections, the National Council, and the CILTS. CILTA Sections located in Tasmania, South Australia and Western Australia were excluded from the research due to time and resource limitations. The research findings may have been further enriched had those Sections been included in the research. However, according to Yin (1994), a minimum of six and maximum of ten cases is appropriate for PhD research using the case study method, in order to generate compelling evidence of a social phenomenon. In total,

nine case organisations were included in the research plan, indicating, from a qualitative perspective, that the results are sound, though perhaps limited to those Sections and the CILTA in particular.

The inclusion of other transport and logistics VMPAs in the research plan would provide a bountiful canvas from which to draw further issues, barriers and themes impacting on strategy development by VMPAs in the transport and logistics industries. However, PhD research should be bounded to ensure the successful completion of the research in a timely manner. Similarly, VMPAs in other industries could have enriched the research process. However, time and resource limitations constrained the research plan.

6.7   Issues for Future Research

Research undertaken in this thesis has identified a number of issues that require further research in this important field. This research has established a path for further investigation into the phenomena of strategy in Australian third sector organisations. Given the scope (Section 1.10), this research was primarily limited to the CILTA, and the CILTS as a means of triangulation. Future research may be able to broaden the understanding of the context, barriers, and issues of strategy formulation and implementation by studying other third sector organisations. This may assist organisations to more closely tailor a strategy process to reflect their particular needs. Figure 6.3 outlines possible future research directions.

Figure 6.3 Possible Research Directions

Focus of this Research	Possible Future Research
1. Identifying context, barriers, and issues influencing strategy formulation in VMPAs. 2. Creation of models to guide strategy in an environment of resource constraint in VMPAs.	1. Test strength of relationships between elements identified in the strategy models. 2. Modify and test models across the diversity of third sector and government sector organisations. 3. Investigate and expand strategy barriers. 4. Investigate the role played by associations in the industry, and the impact of such role on strategy. 5. Investigate members' needs across third sector organisations, and the impact on strategy. 6. Investigate relationship building and contribution to members' values and industry credibility.

Possible future research areas are discussed in the following section.

6.7.1   Strategy Drivers and Future Shaping Models

The Strategy Drivers and Future Shaping models were developed to provide a framework to guide strategy development in an environment constrained by a lack of resources available to voluntary members to devote to strategy considerations, which include time, financial resources, and strategy experience.   The Strategy Drivers model provides the 'big picture' perspective of strategy development, encouraging committee members to develop a strategy thinking mindset, and on-going strategic discussion. The Future Shaping model is a holistic systems model requiring answers to specific questions emerging from the issues identified in the Strategy Drivers model.

The models identify interrelations between elements of the model. The strength of those relationships has not been tested in this research, and requires further research. Further, the models indicate the apparent direction of the interrelations between elements. However, further research is necessary to test and validate the direction

demonstrated in the models. Further research is also required to validate with other VMPAs and the third sector generally, the issues driving strategy.

6.7.2 Generalisability of the Models to Other Sectors

The Strategy Drivers and Future Shaping models were developed for the particular needs of the case study organisation. They have the potential for use in other VMPAs and third sector organisations. However, the models may also have application in the Government Sector. Government departments, instrumentalities, corporations and local government operating in non-competitive environments, and where relationship building are critical operating considerations, may benefit by application of the models to their individual circumstances. For example, the author employed a preliminary version of the models to facilitate the development of a five-year Corporate Plan in a North Queensland Shire Council. The models developed in this research were modified to reflect the particular circumstances of a small remote Shire Council in Far Western Queensland, Australia. The plan was subsequently adopted by the Council. This appears to support Salamon and Anheier's (1997) assertion that relationships between third sector organisations and other sectors are possible. However, further research is necessary to test this proposition.

The models provide a framework to stimulate focused, on-going strategy thinking and discussion, based on issues and questions that may be applicable to other organisations. This seems to suggest that the models presented may have wider application in third sector organisations and in government.

6.7.3 Barriers to Strategy Development

A major area for future research is to further investigate the barriers impeding strategy development in VMPAs and professional associations generally in Australia. This research identified eight barriers specifically relating to the CILTA. There is a need to study a more extensive representation of VMPAs within the transport and logistics industries specifically, and VMPAs in industries other than the industries studied in this research. For example, the Logistics Association of Australia, Freight Forwarders Association, Sea Freight Council, and the Road Freight Council could be examined to identify additional strategy barriers.

6.7.4 Organisational Roles

Further investigation is required into the roles of third sector organisations. This research identified five roles specifically relating to the CILTA. There is an apparent need to further understand organisational role and the range of roles that VMPAs and third sector organisations generally may take, and the impact those roles have on strategy formulation and implementation. This research has demonstrated that role is a key driver in the strategy formulation process. The role or roles chosen directly impact on strategy development and implementation, and may result in significantly different value outcomes.

6.7.5 Members' Needs

Identifying and understanding the needs of members is an area for further investigation in third sector organisations. This research has identified that satisfying member and other stakeholder's needs, to enhance value, underpins strategy formulation. This research has identified that each Section is unique, thus indicating that the needs of members and other stakeholders may not be the same in each of the Sections. Further research is necessary to investigate such needs. Possible research avenues include differences between:

- Member needs in metropolitan and non-metropolitan areas.
- Members of the CILTA and other industry institutes.
- CILTA members directly employed in the transport and logistics industries, and members employed in other industries.
- Members employed in different transport modes.
- Members employed in different employment levels.

6.7.6 Relationship Building and Development

Further investigation is required into the issue of relationship building and partnership development in third sector organisations. This research identified five possible relationship building routes specifically relating to the CILTA. While the extant relationship marketing literature extends understanding of relationship building particularly related to business-to-business, little is understood about relationships in the third sector. There is an apparent need to further understand the nature, types of relations, strengths of such relationships, and importance of relationship building to strategy development in third sector organisations.

6.8 Implementation Recommendations

The Strategy Drivers model provides a simple framework to facilitate strategy development and implementation. Individual associations have a capacity to use the framework to guide strategy at both National and Section levels. Associations and Institutes representing a diversity of industry interests are able to use the Strategy Drivers framework to establish a position and influence for each within an integrated or cooperative environment to achieve industry synergy (Bryson, Ackermann, Eden, & Finn, 2004; Checkland, 1999; Elohim, 2002; Kast & Rosenzweig, 1972; Loefgren, 2002; Mulej et al., 2004).

Based on the research conducted for this thesis, the following implementation recommendations are offered.

Recommendation One

Institutes and associations conduct member forums, first at the Section level, to determine member needs by addressing the issues of (1) Existence (why do we exist?), and (2) Value (what value do we provide; to whom do we provide value?). Second, national executive committees develop directional statements resulting from the member forums.

Existence and Value are the primary drivers of strategy formulation, and need to be reviewed at the commencement of each round of strategy consideration at all organisational levels.

Recommendation Two

The issues of Relevance and Credibility, Position, Leadership, and Concentration are considered by national executives following the determination of Recommendation One outcomes.

Each of the key strategic issues is to be considered individually. However, associations and institutes should avoid determining an absolute position on any of the issues without considering the impact of each issue on each of the remaining issues. A systems view (Checkland, 1999; Ecimovic, Mulej, & Mayur, 2002) is essential at this juncture to recognise the interrelationships between the strategy issues to ensure a synergistic outcome is achieved for the organisation. The strategy issue of Position is of particular importance in this consideration process. The determination of: (1)

Position and its associated question of Role(s) that the organisation is to take, (2) Leadership (Influence), and (3) Concentration (Focusing of limited resources) drive the ultimate selection of integrated strategy.

Recommendation Three

National executives of cooperating institutes and associations address the strategy issues of Position, Leadership, and Concentration in a cooperative strategy formulation process, to determine association and institute synergy across the relevant industry grouping.

Adopting a cooperative approach, each participating industry association and association will determine its own Position (and Role/s) within the industry. The relationship loop created between organisations will free-up limited organisational resources to enable each association and institute to concentrate on developing its own integrated strategy based on the Position and Leadership outcome adopted.

Recommendation Four

National executive feedback to Sections the Position and Role(s) adopted as an outcome of the industry relationship loop, in Recommendation Three.

This is a vital and necessary step in the initial strategy formulation process. A failure to effectively communicate (Barriers finding 3, section 5.4) with Sections and the membership is likely to result in negative responses or possibly rejection by members. Strategy development in this context is an interactive bottom-up, top-down process with the members ultimately determining the issue of value and the very continued existence of the organisation.

Recommendation Five

National executives develop an integrated strategy to implement the outcomes of Recommendations One to Four.

National strategy reflects the concentration of limited national resources (Barriers finding 4 section 5.4) to implement integrated strategies particularly avoiding multiple strategies resulting in limited outcomes. The integrated strategy outcomes focus National and subsequently Section activities into areas that will achieve the Value, Relevance, Credibility, Position and Leadership outcomes determined in the strategy

formulation process. Determination of the means to achieve, phasing, resource requirements, and value outcomes, increase the likelihood of successful strategy implementation.

Recommendation Six

Sections adopt the Strategy Drivers framework, to consider the strategic issues at the local level, and within the context of the national strategy outcomes.

Individual Sections confront each of the strategic issues at the local level in a similar manner as the National association. The primary driving issues of Existence and Value must be the primary concerns at the Section level to ensure that individual members identify with the organisation at the national and international level, but just as importantly (if not more particularly) at the local Section level. At the Section level individual members participate in networking activities of the Section and develop relationships (Context finding 4 and 7, section 5.4). Strategy Context finding 6 identified that each section faces particular industry tasks and circumstances requiring therefore that local industry credibility also be addressed by each individual section. The Position (role/s) taken up by local Sections within the national strategic framework is also crucial to drive the development and implementation of local integrated strategy.

Recommendation Seven

At least twenty percent of each national and section executive meeting be devoted to strategic dialogue of the strategy issues identified in the Strategy Drivers framework.

Barriers to strategy finding 8, identified ineffective strategic leadership and time devoted to considering strategic issues. Sufficient time devoted to considering strategic issues is necessary at each executive committee meeting to avoid the 'trap' of management committees focusing only on 'administriva' and operational issues (Barriers finding 7).

Recommendation Eight

An Industry Advisory Body (IAB) be established at National and Section levels to provide strategic advice to management committees.

The IAB is to consist of industry and relevant government leaders who will provide independent advice and guidance to management committees. Members of IABs need not, by necessity, be members of the relevant institute or association. However, it is essential that they are recognised industry or government leaders, capable of providing independent strategic leadership advice to the organisation.

6.9 Concluding Comments

In conclusion, this thesis has made a significant contribution to the understanding of strategy development in the CILTA by identifying the context and barriers influencing strategy, and the issues driving strategy formulation in a VMPA. The insights provided by the Strategy Drivers and Future Shaping models may have many practical applications for other VMPAs in particular, and possibly other types of third sector organisations. Informal approaches to a religious organisation, a government primary school, and a small community organisation, have shown encouraging signs that the two models are very pertinent for strategy considerations in these three groups. And the apparent success of the model, modified for the particular needs of a remote Queensland Shire Council, points to the possible application of the model beyond the case organisation and the third sector. Further extension of the model by the author and other researchers has the potential to bridge the gap between theory and practice, in a manner that has not been possible with existing strategy models.

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APPENDIX 1
Focus Group Moderators Guide

FOCUS GROUP MODERATORS GUIDE

INTRODUCTION

Good morning/afternoon/evening, for those of you who do not know me, my name is Murray Prideaux. I am from the School of Business, James Cook University Townsville, in North Queensland, Australia. I am conducting research into the strategy development and implementation in Professional Associations in Australia.

Purpose of the Research

The purpose of this PhD research is to investigate strategy development processes currently in use in Professional Associations in the non-profit sector in Australia – CILTA as a case study.

Aim of the Research

To develop an approach to strategy development, implementation and a strategy model suitable for the particular needs of voluntary professional associations in Australia. Such a model will assist professional associations to think and act strategically in a rapidly changing environment and contribute to the development of their members and the industry sector that they represent.

Project Description

Currently there is little available research looking at how Professional Associations in Australia develop and implement strategy to meet the challenges of a rapidly changing environment in which they must operate. Much of the existing research into strategy development deals with the for-profit sector where the driving motive is predominately to make a profit, usually to satisfy shareholders.

Such for-profit sector strategy models are not directly transferable to the non-profit sector due to the very different needs of the non-profit sector where the primary motive is not to make a profit, but rather to achieve some other purpose that may be embedded in their mission or charter. Strategy models need be developed to suit the particular needs of the sector, and in the case of this research, the CILTA .

Professional Associations in Australia are an important element in the transfer of knowledge, research and provision of professional development and training for the various industries that they represent. However, without a simple and effective strategy framework suitable to the particular needs of professional associations, the delivery and effectiveness of these organisations continues to diminish.

The outcomes of this exploratory research will assist voluntary professional associations in Australia, and internationally, to become more proactive and effective in developing and implementing strategies for the continuous development and improvement of the industries in which they operate and the members which they represent.

Participants Role in the Research

Your role in this research is critical. Through the course of this focus group discussion, I will be posing a number of key issues that I would like the group to discuss. What I am looking for is your ideas, beliefs and issues that relate to the various issues raised, but more importantly to the issues of strategy development in a voluntary professional association in the transport and logistics sector in Australia. Please let me stress that I am taking no position on any of these issues. *I am seeking your input*. Also, issues that I raise are really a starting point and other issues may arise during this discussion. If appropriate, and if time permits, such issues may be further pursued in the course of this discussion.

I must again stress that all information is strictly confidential and you may be assured that information collected in this focus group will be treated with complete confidentiality. All published results are in aggregate form. However, as a focus group is an open forum with participation by other people, other participants of this focus group will hear your views.

Results will be published in a PhD thesis. In addition, the results will be made available to the Chartered Institute of Logistics and Transport in Australia and all interested members and citizens on request.

May I ask if there is anyone who is not sure about the purpose, aim, and their role in the discussion?

Introductory Activity
As a warm up activity to the main event, could we go around the room and tell me a little about yourself. Perhaps you could say your name, how long you have been a member of the Institute, where you work and something that you might like to share with the group about yourself.

Thank everyone for their participation and state that a few basic ground rules need to be established to ensure that the discussion is the most profitable possible.

STATEMENT OF BASIC RULES AND GUIDELINES OF CONDUCT
1. A few **BASIC** ground rules for the conduct of the discussion to allow the session to be free flowing so really meaningful outcomes can be achieved.
   - Please respect each others view and opinion
   - If we could have just one person talking at a time – no side discussions and conversation please
   - Please be open, honest and candid with your views
   - Please extend courtesy and respect to each other
   - Finally, everyone is encouraged to contribute and participate

2. Regarding the research questions, I will be proceeding in the following manner. I will introduce discussion topics and questions to the group and then invite free and open discussion. As an alternative, if discussion stalls on a topic I will invite each person to give a short response to a question and then open the discussion based on what has been flushed out. "Remember, we are interested in strategy development in professional associations and want to hear as many different things as possible. So what usually happens is that someone will think of something that has not come up yet and that will restart the discussion".

3. "It is likely that everyone may have a different opinion or answer to the questions and I really want to hear all of the points of view and opinions. This is exactly what we want"

4. "If the discussion gets off track, someone will usually bring the focus back to the topic. I will jump in if necessary, but usually someone takes care of that for me".

5. There are no right or wrong answers; the important point is that I need to hear what is important to you.

6. Finally , the session is being recorded so that I can transcribe the tape and analyse the discussion to identify key themes and issues. Again I stress the confidentiality of the session.

SHORT QUESTION-AND-ANSWER DISCUSSIONS
I have *six key questions* that I must get your response to in this session.
In addition, I have a number of probe questions to flush out further information as the session proceeds, if appropriate. However, if topics arise that need to be pursued, we will also go with the flow if appropriate considering time constraints. So there is flexibility about this discussion.

The issues to be addressed are:
1. Is strategy development and implementation necessary in the CILTA ? If so, to what extent?
2. What would you consider to be the key strategic issues/elements that need to be considered by the CILTA when developing strategy?
   - Identity - Who do we think we are? Who do we think we should be?
   - Organisational Role - What do you consider to be the usual function of the CILTA ?
   - Organisational Values - What are the key enduring beliefs that have worth, merit and importance that the CILTA should aspire to?

- Environment – What are the key issues that need to be considered about the external environment of the CILTA ?
- Needs - What are your needs for membership of CILTA ?
- Leadership - What type of leadership does the CILTA need to achieve its future?

3. Strategy – Should the CILTA be seeking strategic consistency over the long-term or maintaining flexibility?
4. Are there any barriers to strategy development and implementation in the CILTA ?
5. Ethics - What would you consider to be the key ethical issues for the CILTA to consider when developing strategy?
6. Would your answer be different if we were considering another Voluntary Membership Professional Association in Australia?

DEALING WITH SENSITIVE ISSUES

Whilst it is not anticipated that the discussion will be dealing with sensitive issues of a private or personal nature, questions should be framed from a broader perspective to open the door for discussion, for example:
- "What do you think about……" rather than "tell me about your …."

SHORT ACTIVITIES /EXERCISES – about 10 minutes in total

Opening discussion-starter question. Thinking about your experiences and what you know about strategy development and implementation, please take a couple of minutes to write down a response to the following question:
- Are the concepts of strategic management and strategic planning such as the concepts of vision, mission, long-term planning, competitive advantage, and market segmentation, from your experiences, appropriate when considering strategy development in the CILTA ?

Introducing the Research Issues

If the issue of identity has been raised in the preceding discussion, commence with
- One thing "that I have heard a number of people mention is identity. Then lead in with point 1.
- If identity has not been mentioned, commence with "One thing I am surprised that no one has mentioned yet is identity". Then lead to point 1.

Focus Group Question
1. **Is strategy development and implementation necessary in the CILTA ?**

Is Strategy Development and Implementation Issues Probe Questions
➢ Are the concepts of strategic management and strategic planning, such as the concepts of vision, mission, long-term planning, competitive advantage, and market segmentation, from your experiences, appropriate when considering strategy development in the CILTA ?

Is the issue complete?
- In your view, is there anything that I have missed in this issue?

Generalization of the issue to other Professional Associations in Australia
- Would your answer be different if we were considering another Professional Association in Australia?

Focus Group Question
2. What would you consider to be the key strategic issues/elements that need to be considered by the CILTA when developing strategy?

Key Strategic Issues Probe Questions
a. Identity - Should Identity be considered in the strategy development process?
Crucial to understanding strategy development, an organisation needs to understand its identity, so that successful strategies and structures can be developed. **Identity** reflects *"how members perceive the organisation"*. **Identity** is defined as being what is **central**, **distinctive,** and **enduring** about the organisation. **Identity** asks the fundamental questions Who do we think we are? and Who do we think we should be?"

In contrast, **Image** is different. **Image** is how members think *outsider's* picture CILTA For example "What do they think we are? and Who do they think we should be?"

Examples of organisational identity Young (2001)
- o A business
- o A goal-seeking system
- o Disseminator of knowledge to members
- o A community of members
- o A cutting-edge pioneer for developing new industry practices
- o A lobby organisation
- o An industry problem solver
- o A facilitating agent between members and industry
- o Social or industry enterprise to undertake entrepreneurial projects and commercial activities to advance a social or industry cause or contribute to the public good.

Additional Identity Probe Questions
- ➢ Should CILTA 's identity change over time in response to changes in members needs, external environmental changes or other factors?
- ➢ What effect does this have on the strategy making process?
- ➢ Is it possible or even desirable to have multiple identities for CILTA ?
- ➢ If so, are these identities competing with each other?
- ➢ What do you consider to be central, distinctive and enduring about the CILTA ?
- ➢ Who are we?
- ➢ Should CILTA 's identity change over time in response to changes in members' needs, external environmental changes or other factors? What do we want to be?

Is the issue complete?
- In your view, is there anything that I have missed in this issue?

Generalization of the issue to other Professional Associations in Australia
- Would you answer be different if we were considering another Professional Association in Australia?

b. Organisational Role – Should Role be considered in the strategy development process?

Role can be described as CILTA 's usual function.
Examples of organisational roles:
- o An industry spokesman
- o Influence the knowledge, skills and development of its members
- o Influencing the nature or structure or operations of the industry
- o A combination of the previous two
- o Disseminating information throughout the industry
- o Provide leadership for the industry through training and communication activities
- o Identify industry improvement projects
- o Act as an industry arbitrator or negotiator
- o Represent industry to government

Leadership Management roles

Interpersonal Roles	Informational Roles	Decisional Roles
Figurehead	Monitor	Entrepreneur
Leader	Disseminator	Disturbance-handler
Liaison	Spokesperson	Resource-allocator
		Negotiator

Source: Based on Mintzberg (1980)

Additional Role Probe Questions
- ➢ What do you consider to be the role of the CILTA ? For example what business or service are we in?
- ➢ Should CILTA's role(s) change over time in response to changes in members' needs, external environmental changes or other factors?
- ➢ Is it possible or even desirable to have multiple roles for CILTA ?
- ➢ If so, are these roles competing with each other?

Is the issue complete?
- In your view, is there anything that I have missed in this issue?

Generalization of the issue to other Professional Associations in Australia
- Would your answer be different if we were considering another Professional Association in Australia?

c. Organisational Values – Should organisational values be considered in the strategy development process?

Organisational values can be described as the enduring beliefs that have worth, merit and importance for the CILTA . Key values should embody what the CILTA needs to be effective. Also, value can be described as an enduring preference for a state of conduct (e.g., formality) or end-state of existence (e.g., freedom).

Examples of shared organisational values relevant in the context of the modern business corporation are:

Adaptability	being flexible and changing in response to new circumstances.
Aggressiveness	being aggressive and pursing goals vigorously.
Autonomy	being independent and free to act.
Broad-Mindedness	accepting different viewpoints and opinions.
Cautiousness	being cautious and minimizing exposure to risk.
Consideration	being caring, kind and considerate.
Cooperation	being cooperative and working well with others.
Courtesy	being polite and having respect for individual dignity.
Creativity	developing new ideas and applying innovative approaches.
Development	achieving personal growth, learning and development.
Diligence	working long and hard to achieve results.
Economy	being thrifty and careful in spending.
Experimentation	taking a trial and error approach to problem solving.
Fairness	being fair and providing just recognition based on merit.
Forgiveness	being forgiving and understanding when errors occur.
Formality	upholding proper ceremony and maintaining tradition.
Humor	creating fun and being lighthearted.
Initiative	seizing opportunity and taking responsibility without hesitation.
Logic	being rational and thinking in terms of facts and figures.
Moral Integrity	being honorable and following ethical principles.
Obedience	complying with directions and conforming to rules.
Openness	being straightforward, sincere and candid in discussions.
Orderliness	being neat, tidy and well-organized.
Social Equality	being equal to others and avoiding status differences.

1.	A belief in being the "best".
2.	A belief in the importance of the details of execution, the "nuts and bolts" of doing the job well.
3.	A belief in the importance of people as individuals.
4.	A belief in superior quality and service.
5.	A belief that most members of the organization should be innovators.
6.	A belief in the importance of informality to enhance communications.
7.	An explicit belief in, and recognition of, the importance of economic growth and profits.

Additional Values Probe Questions
- ➢ What are the key shared values that the CILTA should aspire to?
- ➢ Should CILTA 's organisational values change over time in response to changes in members' needs, external environmental changes or other factors?
- ➢ Do these organisational values compete with each other?

Is the issue complete?
- In your view, is there anything that I have missed in this issue?

Generalization of the issue to other Professional Associations in Australia
- Would your answer be different if we were considering another Professional Association in Australia?

d. Environment – Is the external or industry environment important in the strategy development process?

Environment describes the factors external to the organisation which may or may not impact on the operation, direction or future position of the CILTA. In some cases the CILTA may be able to influence these factors, in others cases it may not. However, the CILTA must be aware of what the critical factors and the issues are in the external environment in order to develop effective strategy.

Additional Environment Probe Questions
- ➢ What are the key environmental variables for the CILTA to consider when developing strategy? For example, risk, uncertainty, technology.
- ➢ How would you describe change in the external environment? Rapid, slow or moderate?
- ➢ What impact is this likely to have on the CILTA in relation to:
  - ➢ Identity
  - ➢ Values
  - ➢ Role
  - ➢ Strategy
- ➢ What effect does this have on the strategy making process?

Is the issue complete?
- In your view, is there anything that I have missed in this issue?

Generalization of the issue to other Professional Associations in Australia
- Would your answer be different if we were considering another Professional Association in Australia?

e. Needs - Should member needs be considered in the strategy development process?
If we define needs as those attributes that you, the member of the CILTA value most.

Examples of membership needs include:

- Developing industry networks
- Developing and updating my industry knowledge
- Assisting my career aspirations
- Gaining access to education programmes
- Institute representation on industry working committees
- Information provided to members
- Access industry research
- Written submissions to proposed legislation or events which will impact on the industry
- Annual programme of practical and industry relevant training courses
- Regular national and international conferences on industry current issues and events
- Reduced fees for attendance at industry conferences, seminars and training courses
- Papers presented by eminent guest speakers on industry issues and events
- Information service on industry developments through e-mail newsflashes
- Annual magazine containing in-depth analysis of industry events and issues
- Regular newsletter containing in-depth analysis of latest industry events and issues
- Advertising of career opportunities
- Sharing Best Practice
- Technical visits abroad
- Exchange visits with other CILT councils
- Clear path for continuing professional development
- Access to library facilities including tertiary libraries
- Annual diary containing industry and references and contact
- Provides an avenue/opportunity to develop skills, knowledge, and contacts for career
- Chartered status
- Access to free 24/7 legal service
- Image of the Institute in the Industry
- Exclusive privileges for members, such as discounts schemes for travel, accommodation, professional services, insurances and retail purchases
- Cost

Additional Members' Needs Probe Questions
  ➢ What are your needs?
  ➢ Are such needs competing with the identity, values, role etc., previously discussed?
  ➢ What effect does this have on the strategy making process?

Is the issue complete?
- In your view, is there anything that I have missed in this issue?

Generalization of the issue to other Professional Associations in Australia
- Would your answer be different if we were considering another Professional Association in Australia?

f. Leadership - Describe the leadership that the CILTA needs to achieve its future?

Leadership is about the future. Leadership can be defined as '*an influencing process of leaders and followers to achieve organisational objectives through change*'. Leadership, like strategy in a professional association, is likely to require a different approach to that of a for-profit organisation. The style or approach to leadership is likely to also influence the strategy development process and ultimately the structure of the organisation.

Individual/group leadership is about coordinating individual (members) efforts and moves the CILTA forward as a group or series of groups where everyone is assumed to play an active role in leadership.

Individual leadership with a style such as coach, facilitator.

Additional Leadership Probe Questions

- Is leadership about leading the CILTA or about leading the industry?
- What effect does this have on the strategy making process?

Is the issue complete?
- In your view, is there anything that I have missed in this issue?

Generalization of the issue to other Professional Associations in Australia
- Would your answer be different if we were considering another Professional Association in Australia?

Focus Group Question
3. Strategy - Should the CILTA be seeking strategic consistency over the long-term or maintaining flexibility?

In its broadest sense, strategy is about achieving a desired future position.

For example:
Adaptive (Anderson, A. R 2001)
- Flexible to suit changing external environments?
- Robust to allow tolerance within predefined upper and lower limits of performance?
- Seeking new ways of doing things – the butterfly approach, but where the emphasis is on deliberation and learning
- Lottery approach by experimenting with various situations, scenarios or systems by random selection of actions
- Clear but fuzzy (Hubbard 2002) **OR**

Predictive (Anderson, A. R 2001) –
- planned in detail with set goals, objectives and targets to be achieved?

Additional Strategy Probe Questions

- ➢ Should CILTA 's strategies change over time in response to changes in members needs, external environmental changes or other factors?

- ➢ What do you consider as being the essence of strategy that the CILTA should be pursuing? For example knowledge development, industry research and development, networking, member services.
- ➢ What type of strategies could the CILTA pursue? For example
- ➢
    - The Institute could launch a For Profit company to conduct industry research.
    - The Institute could provide accredited educational opportunities for members
    - The Institute could develop an industry research capacity
    - The Institute could organise sections around industry groupings rather than by geographical locations
    - The institute could represent non-affiliated people in the industry
    - Chartered membership should be recognised as equivalent to postgraduate Masters qualification internationally
    - CILTA chartered members should be preferred for jobs in the logistics and transport sectors

- ➢ Is it possible or even desirable to have multiple strategies for CILTA ?
- ➢ If so, are these multiple strategies competing with each other?
- ➢ What effect does this have on the strategy making process?

Is the issue complete?
- In your view, is there anything that I have missed in this issue?

Generalization of the issue to other Professional Associations in Australia
Would your answer be different if we were considering another Professional Association in Australia?

Focus Group Question

4. Barriers to strategy Development and Implementation - Are there any barriers to strategy development and implementation in the CILTA ?

For example *five main internal barriers* to strategy development and implementation are:
- Communication inadequacies;

- Implementation taking longer than expected;

- Shortfall in employee capability;

- Ineffective co-ordination; and

- Goals and strategy not understood by employees.

In addition to the internal barriers, *three external* implementation barriers exist. These are:

- Crises distracted attention from implementation;

- Unanticipated external problems arose; and

- External factors impacted on implementation.

Additional Barriers to Strategy Probe Questions
- ➢ Does the structure pose an issue for strategy development and/or implementation?

Is the issue complete?

- In your view, is there anything that I have missed in this issue?

Generalization of the issue to other Professional Associations in Australia

- Would your answer be different if we were considering another Professional Association in Australia?

Focus Group Question

5. Ethics - What would you consider to be the key ethical issues for the CILTA to consider when developing strategy?

Ethics are principles of conduct within the organisation that guide decision-making and behaviour.

Additional Ethical Probe Questions

- Should the CILTA establish ethical standards for the industry or just for the conduct of operations within the organisation?
- Is there a need for a code of conduct or business/industry ethics?
- What effect does this have on the strategy making process?

Is the issue complete?

- In your view, is there anything that I have missed in this issue?

Generalization of the issue to other Professional Associations in Australia

- Would your answer be different if we were considering another Professional Association in Australia?

Focus Group Question

6. Completeness – The catch all

Any other issues

- In your view, are there any other issues that I have missed when we are considering strategy development in the CILITA?

Generalization of the issue to other Professional Associations in Australia

- Would your answer be different if we were considering another Professional Association in Australia?

Cultural Issues

- Would your expect to answer differently if you were working or living in another country other than Australia?

APPENDIX 2
Focus Group Participants Guide

FOCUS GROUP

FOCUS GROUP - GUIDELINES OF CONDUCT
1. A few **BASIC** ground rules so really meaningful outcomes can be achieved.

    - Please respect each others view and opinion
    - If we could have just one person talking at a time – no side discussions and conversation please
    - Please be open, honest and candid with your views
    - Please extend courtesy and respect to each other
    - Finally, everyone is encouraged to contribute and participate

2. Regarding the research questions, I will be proceeding in the following manner. I will introduce discussion topics and questions to the group and then invite free and open discussion. As an alternative, if discussion stalls on a topic I will invite each person to give a short response to a question and then open the discussion based on what has been flushed out. Remember the interest is focused on strategy development in voluntary membership professional associations and the discussion needs to be as broad ranging as possible to collect as many ideas and issues as appropriate for the topic. So what usually happens is that someone will think of something that has not come up yet and that will restart the discussion.

3. "It is likely that everyone may have a different opinion or answer to the questions and I really want to hear all of the points of view and opinions. This is exactly what we want"

4. "If the discussion gets off track, someone will usually bring the focus back to the topic. I will jump in if necessary, but usually someone takes care of that for me".

5. There are no right or wrong answers; the important point is that I need to hear what is important to you.

6. Finally, the session is being recorded so that I can transcribe the tape and analyse the discussion to identify key themes and issues. Again I stress the confidentiality of the session.

SHORT QUESTION-AND-ANSWER DISCUSSIONS

I have _**six key questions**_ that I must get your response to in this session. In addition, I have a number of probe questions to flush out further information as the session proceeds, if appropriate. However, if topics arise that need to be pursued, we will also go with the flow if appropriate considering time constraints.

Research Issues

1. **Is strategy development and implementation necessary in the CILTA?**
2. **What would you consider to be the key strategic issues/elements that need to be considered by in the CILTA when developing strategy?**
a. **Identity - Should Identity be considered in the strategy development process?**

> Crucial to understanding strategy development, an organisation needs to understand its identity so that successful strategies and structures can be developed. **Identity** reflects *"how members perceive the organisation"*. **Identity** is defined as being what is **central**, **distinctive** and **enduring** about the organisation. **Identity** asks the fundamental questions Who do we think we are? and Who do we think we should be?"

> In contrast, **Image** is different. **Image** is how members think *outsider's* picture CILTA For example "What do they think we are? and Who do they think we should be?"

> Examples of organisational identity Young (2001)
> - A business
> - A goal-seeking system
> - Disseminator of knowledge to members
> - A community of members
> - A cutting-edge pioneer for developing new industry practices
> - A lobby organisation
> - An industry problem solver
> - A facilitating agent between members and industry
> - Social or industry enterprise to undertake entrepreneurial projects and commercial activities to advance a social or industry cause or contribute to the public good.

b. **Organisational Role – Should Role be considered in the strategy development process?**

> Role can be described as CILTA's usual function.
> Examples of organisational roles:
> - An industry spokesman
> - Influence the knowledge, skills and development of its members
> - Influencing the nature or structure or operations of the industry
> - A combination of the previous two
> - Disseminating information throughout the industry
> - Provide leadership for the industry through training and communication activities
> - Identify industry improvement projects
> - Act as an industry arbitrator or negotiator
> - Represent industry to government

c. **Organisational Values – Should organisational values be considered in the strategy development process?**

Organisational values can be described as the enduring beliefs that have worth, merit, and importance for the CILTA. Key values should embody what the CILTA needs to be effective. Also, value can be described as an enduring preference for a state of conduct (e.g., formality), or end-state of existence (e.g., freedom).

Examples of shared organisational values relevant in the context of the modern business corporation are:

Adaptability	being flexible and changing in response to new circumstances.
Aggressiveness	being aggressive and pursing goals vigorously.
Autonomy	being independent and free to act.
Broad-Mindedness	accepting different viewpoints and opinions.
Cautiousness	being cautious and minimizing exposure to risk.
Consideration	being caring, kind and considerate.
Cooperation	being cooperative and working well with others.
Courtesy	being polite and having respect for individual dignity.
Creativity	developing new ideas and applying innovative approaches.
Development	achieving personal growth, learning and development.
Diligence	working long and hard to achieve results.
Economy	being thrifty and careful in spending.
Experimentation	taking a trial and error approach to problem solving.
Fairness	being fair and providing just recognition based on merit.
Forgiveness	being forgiving and understanding when errors occur.
Formality	upholding proper ceremony and maintaining tradition.
Humor	creating fun and being lighthearted.
Initiative	seizing opportunity and taking responsibility without hesitation.
Logic	being rational and thinking in terms of facts and figures.
Moral Integrity	being honorable and following ethical principles.
Obedience	complying with directions and conforming to rules.
Openness	being straightforward, sincere and candid in discussions.
Orderliness	being neat, tidy and well-organized.
Social Equality	being equal to others and avoiding status differences.

1.	**A belief in being the "best".**
2.	**A belief in the importance of the details of execution, the "nuts and bolts" of doing the job well.**
3.	**A belief in the importance of people as individuals.**
4.	**A belief in superior quality and service.**
5.	**A belief that most members of the organization should be innovators.**
6.	**A belief in the importance of informality to enhance communications.**
7.	**An explicit belief in, and recognition of, the importance of economic growth and profits.**

d. Environment – Is the external or industry environment important in the strategy development process?

Environment describes the factors external to the organisation which may or may not impact on the operation, direction, or future position of the CILTA. In some cases the CILTA may be able to influence these factors, in others cases it may not. However, the CILTA must be aware of what the critical factors and the issues are in the external environment in order to develop effective strategy.

For example:
- Technology changes
- Industry changes
- Changes in knowledge and skills requirements

e. Needs - Should member needs be considered in the strategy development process?

We may define needs as those attributes that you, the member of the CILTA value most.

Examples of membership needs could include:
- Developing industry networks
- Developing and updating my industry knowledge
- Assisting my career aspirations
- Gaining access to education programmes
- Institute representation on industry working committees
- Information provided to members
- Access industry research
- Written submissions to proposed legislation or events which will impact on the industry
- Annual programme of practical and industry relevant training courses
- Regular national and international conferences on industry current issues and events
- Reduced fees for attendance at industry conferences, seminars and training courses
- Papers presented by eminent guest speakers on industry issues and events
- Information service on industry developments through e-mail newsflashes
- Annual magazine containing in-depth analysis of industry events and issues
- Regular newsletter containing in-depth analysis of latest industry events and issues
- Advertising of career opportunities
- Sharing Best Practice
- Technical visits abroad
- Exchange visits with other CILT councils
- Clear path for continuing professional development
- Access to library facilities including tertiary libraries
- Annual diary containing industry and references and contact
- Provides an avenue/opportunity to develop skills, knowledge, and contacts for career
- Chartered status
- Access to free 24/7 legal service
- Image of the Institute in the Industry
- Exclusive privileges for members, such as discounts schemes for travel, accommodation, professional services, insurances and retail purchases
- Cost

f. Leadership - Describe the leadership that the CILTA needs to achieve its future?

Leadership is about the future. Leadership can be defined as '*an influencing process of leaders and followers to achieve organisational objectives through change*'. Leadership, like strategy in a Voluntary Membership Professional Association, is likely to require a different approach to that of a for-profit organisation. The style or approach to leadership is likely to also influence the strategy development process and ultimately structure of the organisation.

3. Should the CILTA be seeking strategic consistency over the long-term or maintaining flexibility?

4. Are there any barriers to strategy development and implementation in the CILTA?

For example *five main internal barriers* to strategy development and implementation:
- Communication inadequacies;
- Implementation taking longer than expected;
- Shortfall in employee capability;
- In-effective co-ordination; and
- Goals and strategy not understood by employees.

In addition to the internal barriers, *three external* implementation barriers exist, these are:

- Crises distracted attention from implementation;
- Unanticipated external problems arose; and
- External factors impacted on implementation.

5. Ethics - What would you consider to be the key ethical issues for the CILTA to consider when developing strategy?

6. Would any of your answers be different if we were considering another Voluntary Membership Professional Association in Australia?

APPENDIX 3
Purpose and Aims - Focus Group

PURPOSE AND AIMS - FOCUS GROUP
March 2004

Purpose of the Research. The purpose of this PhD research is to investigate strategy development processes currently in use in Professional Associations in the non-profit sector in Australia – CILTA as a case study.

Aim of the Research. The aim is to develop an approach to strategy development and implementation suitable for the particular needs of voluntary membership Professional Associations in Australia. Such an approach will assist similar Professional Associations to think and act strategically in a rapidly changing environment and contribute to the development of their members and the industry sector that they represent.

Research Description. Currently there is little available research looking at how voluntary membership Professional Associations in Australia develop and implement strategy to meet the challenges of their environment in which they must operate. Much of the existing research into strategy development deals with the for-profit sector where the driving motive of strategy is predominantly profit driven.

Such for-profit sector strategy models are not directly transferable to the nonprofit sector due to the very different needs of the nonprofit sector where the primary motive is not to make a profit, but rather to achieve some other purpose that may be embedded in their mission or charter. Strategy models need be developed to suit the particular needs of the sector, and in the case of this research, the CILTA.

Voluntary Membership Professional Associations in Australia are a key element in the transfer of knowledge, research and provision of professional development and training for the various industries that they represent. However, without a simple and effective strategy framework suitable to the particular needs of voluntary membership professional associations, the delivery and effectiveness of these organisations may continue to diminish.

The outcomes of this exploratory research will assist Voluntary Membership Professional Associations in Australia, and internationally, to become more proactive and effective in developing and implementing strategies for the continuous development and improvement of the industries in which they operate, and for the members they represent.

All information shared during the focus group is strictly confidential and will be treated with complete confidentiality. However, as a focus group is an open forum, other participants of this focus group will hear your views. Results will be published in a PhD thesis in aggregate form only. In addition, the results will be made available to the CILTA and all interested members and citizens on request.

Participants Role in the Research. Your role is critical. Through the course of the focus group discussion, the key issues below will be discussed. These issues are really only a starting point and other issues will arise which, if appropriate, and time permits, may be further pursued

What I am looking for are your ideas, beliefs and opinions which relate to these issues, and how they relate to strategy development in a voluntary membership professional association in the transport and logistics sector in Australia. In addition, please consider if there are other issues that are relevant, and think about how you would respond to the issues if you were (or are) a member of different professional association.

The Research Issues to be addressed in the focus group are:

1. Is strategy development and implementation necessary in the CILTA?
2. What would you consider to be the key strategic issues/elements that need to be considered by the CILTA when developing strategy?
3. Should the CILTA be seeking strategic consistency over the long-term or maintaining flexibility?
4. Are there any barriers to strategy development and implementation in the CILTA?
5. Ethics - What would you consider to be the key ethical issues for the CILTA to consider when developing strategy?
6. Would any of your answers be different if we were considering another Voluntary Membership Professional Association in Australia?

APPENDIX 4

The following peer reviewed paper based on Chapter 3, was presented at the American Society of Business and Behavioural Sciences Conference, 6-7 August 2004

Towards a Strategy Model for Voluntary Membership Professional Associations in Australia

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Abstract

The aim of this paper is to review the literature on 'third sector' organisations, and in particular identify the special features and planning requirements of voluntary membership professional associations (VMPA's) in Australia. Existing third sector empirical strategy research is in an embryonic state leading to vague and inconsistent findings. The Chartered Institute of Transport in Australia (CILTIA) is introduced as a case study organisation to research the identified issues. Strategy formulation by VMPA's is subject to complex and unique influences that have not been adequately addressed by current strategy research. Strategy issues requiring further research in Australian VMPA's are identified.

Introduction

The purpose of this paper is to review the literature on 'third sector' organisations, and in particular identify the special features and planning requirements of voluntary membership professional associations (VMPA's) in Australia. Strategy development and deployment for third sector organisations present challenges that are distinctly different to business operating in the for-profit sector. For the latter, the primary concern is profitability derived from a sustainable competitive advantage. In contrast, third sector organisations exist to service the needs of their members and other key stakeholder groups, whilst providing some form of industry leadership. However, research in the Australian third sector, has not produced a framework suitable for organisations such as VMPA's to build and deploy strategy. In this paper we will place 'third sector' organizations in the context of contemporary organizational forms. We shall identify a 'third sector' organizational typology, but concentrate on 'professional associations' and how they plan. In analyzing professional associations we shall provide a case study of the Chartered Institute of Logistics and Transport in Australia (CILTIA), to demonstrate the features and planning requirements of an Australian voluntary membership professional association. We shall then explore from the literature, what important information exists to guide planning in professional associations, and then consider what is missing from the literature that may be important in the planning process. Finally we contemplate how the extant literature on planning may be expanded to form a suitable generic approach for Australian VMPA's .

The third sector characteristics

The third sector is characterised by diversity encompassing all private nonprofit organisations not included in the business and government sectors. Such organisations are formed and operated by voluntary members acting without seeking personal financial benefits; are democratically governed; provide services to members and non-members; and advance a cause. Member benefits are primarily derived from active participation (Lyons, 2001). The difficulty of classifying nonprofit organisations is acknowledged by the International Classification of Nonprofit Organisations (ICNPO) which has developed a classification typology according to the primary area of activity in goods and services provided by the nonprofit organisation, see table 1 (Salamon & Anheier, 1997). The diversity, nature, and

importance of organisations excluded from the for-profit and government sectors, is highlighted by Salamon's typology classification.

Table 1   Types of entities embraced within the nonprofit sector according to the structural-operational definition.

- Culture and recreation
- Education and research
- Health
- Social services
- Environment
- Development and housing
- Law, advocacy, and politics
- Philanthropic intermediaries and voluntarism promotion
- International
- Religion
- Business, professional associations and unions

Source (Salamon & Anheier, 1997)

Anheir (2003) notes that the terms nonprofit, voluntary and third sector are used synonymously. However, there is a lack of consensus in the literature about the appropriate terminology to describe the group of organisations included in the sector. Each term describes organisations that are not primarily motivated by profit and are not part of government (Hall & Banting, 2004). Nonprofit refers to organisations operating with a non-distribution of surplus operating income constraint. The term originates in the language of market economics where only market-driven producers and government organisations are recognised. Voluntary organisations are distinguished by the significant time members give to serving on governing boards without pay. In addition members often make significant extra contributions of time and resources to sustain operations of the nonprofit organisation. However, staff may also be employed to assist volunteers to manage the organisation. The term 'third sector' attempts to draw a distinction between market driven organisations and government sector organisations. The distinction highlights the independence of third sector organisations from government control and a focus on service delivery rather than profit making.

The term third sector is gaining currency in Australian literature. Various definitions attempt to recognise the significant differences in organisational size and manner of operation of organisations in the sector in Australia. Australian third sector

organisations include professional, business, and trade associations, universities, technical and further education (TAFE) colleges, private schools, research foundations, hospitals, aged care organisations, charities, religious organisations, community health organisations, and sporting organisations (Lyons, 2001). Collectively, third sector activities include economic, educational, research, welfare, social and spiritual endeavours. Lyons (2001) further distinguishes third sector organisations from government and for-profit organisations by: the centrality of values; complexity of revenue generation; reliance on volunteers; difficulty in judging performance; complex accountabilities; and a likelihood of board/staff conflict. The Australian third sector is characterised by a diverse range of organisations. This diversity raises complex and difficult strategy challenges that are different for-profit organisations.

Planning Challenges in the Third Sector

According to (Parker, 1998) strategy formulation by nonprofit organisations is subject to a complex and unique set of influences. At the heart of third sector strategy, according to Hammack and Young (1993), is the inability of nonprofits to distribute any profit. McNamara (2003) argues that most nonprofit organisations lack the resources to conduct comprehensive strategy development and implementation. He notes that such organisations, including professional associations, often focus 'strategy' development on existing and known issues of major significance directly impacting on the organisation, and attempt to quickly address only these issues. Frequently the result of such strategy attempts is operational rather than strategic. Lewis (2002) argues the need for third sector organisations to take management issues more seriously, while (Parker, 1998) notes that such organisations are frequently as intensely competitive as for-profit organisations. Competition may take the form of competing with other third sector organisations for sponsors, donors, clients and/or members. Some writers however, argue that such organisations encounter broadly similar management challenges as for-profit organisations such as attracting resources, decision-making, and the requirement for effective operating and support systems (Dichter, 1989; Handy, 1988). Other writers argue that third sector organisations face significantly different management and planning challenges to for-profits, and should not be managed in the same way. Such challenges can include: multi-site accountabilities; volunteer management; members instrumental and expressive values, and motivations; absence of a bottom line; reconciling mission

achievement with organisational values; and maintaining organisational legitimacy (Campbell, 1987; Koteen, 1997; Lewis, 2002). Koteen (1997) notes that strategic management is not always effective as strategic competence is not universal in the third sector organisations.

Parker (1998) notes that nonprofit strategy formulation may be further influenced by four key factors: the professional background and philosophical commitments of senior management; the identity of individual board members and their concern for a particular personal service, welfare or lifestyle agendas; specific performance criteria, strategic direction or priorities imposed by major resource contributors; and image, ability, willingness and resource capacity to innovate and attract new members, sponsors, or clients.

Drucker cited in (Gazell, 2000, p.50), identified five unique problems of third sector planning and management: measures of performance such as a bottom line, market share or sales are non-existent; a focus on a single purpose for which they were originally established; success equated to budget size, a de-facto performance measure; a diverse and multiple constituent base that can drive activities and preserve ineffective but desired activities through vested interests; and an absolute perspective on goals based on a tendency of 'righteousness (or moralism)'.

Four further challenges impacting on planning are identified by (Madden, McGreggor-Lowndes, & Marsden, 2003). These are: the existence of numerous volunteers; scarcity of resources, particularly technology; continuous changing of office bearers resulting in a lack of continuity; and operational rather than strategic thinking and planning; and seasonality of some organisations. Under such conditions and unique influences, strategy development may be heavily influenced by key stakeholders and a concern not to offend them; leaving the resulting strategy so broad or general as to provide limited specific guidance. Parker (1998) further notes that strategy formulation in nonprofits requires development of a distinctive competence, and uniqueness in profile, service provision and delivery, requiring a through appreciation of the features and complexities of the nonprofit environment. Van Ewyk (1992) calls for an organisational philosophy which does not change each time a different individual takes on the leadership role. Professional associations represent an important element of the third sector and their particular planning issues will now be briefly examined.

Professional Associations as third sector organisations

Professional organizations and professional relationship are a feature of the social structure of all advanced societies (Ackroyd, 1996). Professional associations, originating in the late seventeenth century, are sometimes referred to as professional bodies. They have traditionally played a significant role in furthering the profession and in the ongoing development of members. A key distinguishing feature between professional associations and other third sector organisations is their focus on the individual. Associations have traditionally served the needs of individuals who are also its members. The primary focus areas have been the provision of professional development to members through education or training, facilitating and disseminating research into the profession or industry, or to provide industry and/or professional representation to government (Kloss, 1999). Professional associations have frequently been pioneers in developing and delivering training and services in the profession. However, Greenwood, Suddaby and Hinings (2002) observe that professional associations are commonly understood to be agents of reproduction rather than of change. This may well be an issue of strategic importance to be addressed by further research.

In addition to the strategy and planning challenges of the third sector previously mentioned ownership, funding, leadership, and identity issues further characterize professional associations. Associations are owned and funded by the membership. They are democratic with any member able to nominate and be elected to leadership positions. Associations are formed as a result of a pre-existing common identity among members and membership is voluntary, resulting in a sense of professional identity rather than ideology.

When first formed, associations have a common purpose, usually to provide some form of value to the membership. Purpose is primarily achieved through the roles associations establish for themselves. Typical roles can include: developing and conducting information and educational programmes; lobbying government for improved services and infrastructure; initiating industry services; taking responsibility for developing and supervising training standards; conducting examinations for professional entry and membership to the industry; setting and monitoring ethical standards; and the delivery of programmes of continuing education for members (Phoon, 1997). Gold, Rodgers and Smith (2002, p.52) note that the 'traditional role' of professional associations as being a "learned society", is under challenge. Further, Rhea (2000) argues that rapid environmental change is impacting on associations in

ways not previously recognised and may significantly challenge traditional roles. The role of professional associations may be an issue of strategic importance requiring further research. To further investigate the planning challenges identified, a case study approach is proposed to examine the particular needs of an Australian voluntary membership professional association.

The Chartered Institute of Logistics and Transport in Australia as an example of a professional association, and why, and how, it needs to plan.

The Chartered Institute of Logistics and Transport (CILT) is an international professional association dedicated to encouraging fair competition between all transport modes. The Institute operates in 16 countries with membership exceeding 25,000 worldwide. Operating in Australia as the Chartered Institute of Logistics and Transport in Australia (CILTIA), CILTIA comprises 13 Sections located in metropolitan and regional centres around Australia. CILTIA membership is voluntary and not a requirement for career advancement or employment in Australian transport or logistics industries. Members are encouraged to actively contribute to the ongoing operations of the institute by serving on local committees or national council. National council, formed from section chairpersons, provides overall direction and administrative support to the sections. Members are elected to serve a two-year term on section committees and national council. Council members are then entitled to attend meetings in an advisory capacity without voting rights for a further two years. Each national council is responsible for developing and implementing strategy. However, an overall strategy framework suitable for the specific requirements of the CILTIA does not exist. Currently, planning is operationally based and not strategic, thereby fundamentally weakening the position of the Institute in the industry and reducing the value of membership for existing members.

The diverse federal structure, voluntary membership base, multi-modal industry representation and lack of a suitable strategy framework to guide the strategy process combine to present significant strategy challenges in the quest to provide membership value and contribute to industry leadership. Strategy development by national council is necessary to contribute to 'whole of industry' strategic issues, and overall industry leadership. At the section or regional level, strategy should strive to recognise the specific needs of members and the transport and logistics issues of each area. Such needs and issues may be significantly different to the needs and issues of members and industry in other locations. Strategy development under such conditions

is greatly influenced by time and resource constraints of voluntary members. Strategy development is further compounded by the cyclic nature of committee membership, and the industry or location specific knowledge of members. The CILTIA as an example of voluntary membership professional associations (VMPA's) operating in Australia represents the particular strategy and planning challenges faced by Australian VMPA's. These challenges will now be briefly examined.

The challenge of strategic planning in Voluntary Membership Professional Associations

Voluntary membership professional associations face a suite of issues critical to strategy development and deployment markedly different to for-profit and government organisations. A focus on market-driven product based strategy development frameworks is questionable as the primary concern is to serve the needs of individual members and industry in ways other than producing a tangible product. Planning and management is further impacted by the voluntary nature of membership and leadership roles; members time constraints; rotating board and committee positions; structural configurations; resource allocation; service delivery; and governance systems (Grossman & Rangan, 2001; Madden et al., 2003; Mara, 2000). Under such conditions strategy development and deployment is not a simple case of professional associations adopting and using product or market strategy models.

Oster (1995) notes that many non-profit organisations have turned to managerial tools from the for-profit sector for strategy development. However, the nonprofit sector is not exactly like the for-profit sector and the ideas do not always proceed smoothly. Where association membership is voluntary and not a condition of practice or industry employment; the challenge of planning is further complicated. Wilson (1997) argues that under such conditions, associations have no choice but to respond to stakeholder and member needs and environmental changes to ensure that services offered remain 'wholly relevant'. Wilson (1997) further argues that where members do not believe that they are receiving value, they are able to exercise their option to resign their membership; and that many associations do not research and understand members needs when developing strategy. Time, financial capacity, staff and skills constraints are major internal challenges to strategy formulation in VMPA's in Australia. Technology, competition and globalisation are key external forces driving strategy development for any professional association, and the strategy

process must be tailored to the specific situation of the professional association (Bryson, 1995; Mulhare, 1999; Oster, 1995; Young, 1999).

Important planning features derived from the extant literature

Wilson (1997) notes a major weakness of professional associations is that they have not responded to their members changing needs while assuming that services offered remain relevant to members. Wilson (1997) argues that it is relatively uncommon for associations to research in depth what the needs and satisfactions of the membership might be and how they may best be served. This has a major impact on the strategy development process and may be a starting point for strategy development. Cufaude (2001) notes that leadership is critical to association management and he calls on associations to rethink their governance and leadership models to leverage maximum contributions and talents from members to suit the rapidly changing and dynamic environment that professional associations now operate in whilst ensuring that associations satisfy the needs of their members. Cufaude (2001) argues that strategy development in this new environment calls for new strategy-planning framework. DeLizia and Siegel (2000) note that many traditional strategies used by professional associations are no longer appropriate or successful.

Important planning features missing from the extant literature

Research into the particular needs of the third sector organisations in Australia is patchy. What little literature is available deals predominantly with complex and diverse non-profit organisations in the North American context (Kenny, 2003; Lyons, 2001). Previous research has not produced strategy models specifically adaptable to the particular needs of VMPA's . Kearns and Scarpino (1996, p.43) conclude that empirical research in strategic planning by non-profit organisations is in an 'embryonic state leading to vague and inconsistent findings'. Although a number of authors (Bryson, 1995; Mulhare, 1999; Oster, 1995; Young, 1999) have developed strategy models for the nonprofit sector, the literature fails to identify the particular needs of professional associations and VMPA's in particular, except in a cursory manner. Kloss (1999) notes that there is a need for further research on how to engage a vested but highly diverse membership in a change process that may be very threatening to members. Stonehouse and Pemberton (2002) argue that practical strategy research is in relatively short supply, with much of the available research dealing with larger market focused organizations. Further, (Mara, 2000) calls for a planning process that is 'doable', interesting and not burdensome in light of the

challenges confronting professional associations. Lyons (2001) argues for a need to understand how strategies are developed and deployed in the third sector in Australia. There is a paucity of strategy planning literature dealing with VMPA's in Australia. The challenge then, is to investigate Australian VMPA's with the aim of identifying and developing a planning framework suitable to their particular needs.

The challenge to develop a suitable planning model for Australian professional associations

Most VMPA's lack the necessary resource base to conduct comprehensive strategy development and implementation using existing strategy models. However, such organisations are required to remain future focused if they are to stay relevant to their membership and industry. Development of an appropriate strategy framework will assist professional associations to remain viable whilst contributing to the ongoing development and competitiveness of Australian industry in an increasingly dynamic environment.

Summary and Conclusions

The third sector is a recently recognised phenomenon in the literature. Existing empirical third sector strategy research is in an embryonic state leading to vague and inconsistent findings. The literature fails to identify the particular planning issues of professional associations and VMPA's in particular, except in a cursory manner. The CILTIA was introduced as a case study organisation to research the identified issues. Available strategy literature points to a need for professional associations to begin the strategy process by understanding the needs of their members as many traditional strategies used by such associations are no longer appropriate or successful in a changing environment. The CILTIA fulfils an important role in the ongoing professionalisation of the transport and logistics industries in Australia. However this role is not well understood. Many professional associations are small and lack the resources to adequately develop strategy to ensure that they continue to make a valuable contribution to their rapidly changing profession whilst satisfying the changing needs of their members.

The voluntary nature of membership, governance, leadership, funding and organisational identity issues characterise VMPA's pointing to a need for further research. Unfortunately, existing strategy models do not provide a 'doable' strategy model, which recognises the limited resource base of VMPA's. Failure to develop a suitable strategy framework for VMPA's such as the CILTIA may lead to the

eventual demise of VMPA's. Such an outcome would leave a gap in the ongoing professional development of members and in the volume of industry and professional research.

In this paper we have identified four issues of strategic importance to VMPA's. These are: professional associations are commonly understood to be agents of reproduction rather than change; the role of VMPA's requires further research; time, financial capacity, staff and skills constraints are major internal challenges to strategy formulation in VMPA's in Australia; and membership needs and satisfactions are poorly understood by VMPA's. A fundamental characteristic of a new strategy-planning framework is likely to include these issues whilst taking account of regional differences. Through such a focus, the strategy development process will ultimately lead to increased member satisfaction and contribute to the ongoing relevance and success of Australian VMPA's.

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