

#1 The four types of professional organizations

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This brief article explains the differences between four types of professional organizations: member-benefit professional associations, associations that offer designations, certifying bodies, and professional regulatory bodies.

Why is this important? Because on the surface these four types of professional organizations can appear to do some of the same things—but even when these organizations appear to be doing some of the same things, when one looks to the how and why beneath the surface clear distinctions emerge.

Member-benefit professional associations

- Exist primarily to create value for their members
- Offer various products and services to members
 - Networking and events
 - Advocacy on behalf of the members
- Do not have a statutory mandate and obligation to promote and protect the public interest

Designation-granting associations

- Similar to associations, but in addition offer one or more designations
- Designations are seen as an added-value product or service offered to members
- Certification is not a requirement of membership, but membership is required to maintain right to use designation

Certifying bodies

- Focus is on the designation(s) as a product
 - Few member services
- One must be certified to maintain membership in the certifying body
- Do not have a statutory mandate and obligation to promote and protect the public interest

Professional regulatory bodies

- Exist primarily to promote and protect the public interest and not to serve the interests of the professionals under regulation
- Exercise authorities delegated by law pursuant to statute
- Establish, maintain, develop, and enforce standards of qualification, practice, and conduct

Member-benefit professional associations

The first type is the *member-benefit association*. The reason for putting the ‘member-benefit’ qualifier before the word ‘association’ is that the word ‘association’ is actually quite ambiguous and can refer to all sorts of different organizations.

In common usage, the term ‘professional association’ has become associated with professional organizations which serve the interests of the members of the profession. In this context, ‘association’ is often used in contradistinction to ‘regulatory body.’ But the reality is that it is the objects of the

organization that matter not the fact that the word ‘association’ appears in the name of the organization. Indeed, some ‘associations’ are in fact ‘regulatory bodies.’

Consider Professional Engineers Ontario (PEO) which is the professional regulatory body for professional engineers in Ontario. (The member-benefit association for engineers in Ontario is the Ontario Society of Professional Engineers (OSPE)). The real name for PEO, the one given in the *Professional Engineers Act, 1990*, is ‘the Association of Professional Engineers of Ontario.’ So, for professional engineers in Ontario, the ‘association’ is the professional regulatory body, and the ‘society’ is the member-benefit association. In fact, one of the reasons why the Association of Professional Engineers of Ontario adopted the name Professional Engineers Ontario (PEO) was to make it clearer to their members and to the public that they were the regulator for the profession and not the member-benefit professional organization.

As exemplified by PEO, having the word ‘association’ in the name of the organization does not mean that it is an organization that exists to serve the interests of its members. In matters of mandate (why an organization exists), it is the objects of the organization that matter not the name of the organization. In Ontario, in addition to PEO, there are a number of other ‘associations’ which are, in fact, professional regulatory bodies—the Ontario Association of Architects, the Professional Foresters Association, the Association of Professional Geoscientists of Ontario, and the Association of Ontario Land Surveyors. All of these are bodies with a statutory duty to serve the public interest.

Many professional member-benefit associations will have mission statements that reference the public good or include altruistic elements. This is not surprising given that a service orientation is part of what professions are all about and some of the services provided by member-benefit associations are not inconsistent with the public interest. Nonetheless, the aim and purpose of member-benefit professional associations is to create value for members. Some member-benefit associations will have codes of ethics, but usually have no mechanisms in place to enforce these.

Designation-granting associations

The long form here would be ‘designation-granting member-benefit associations.’ In many occupations, there comes a point where the professional association thinks of offering a designation. Granting a designation is seen as the first step in the process of professionalization and supports the aspirations of members to be seen as professionals. Nonetheless, offering a designation is done initially to provide members with a means of signalling their professional status and not to protect the public from incompetent or unethical practitioners.

Being member-benefit associations, such organizations are focused on the community of practitioners. One challenge posed by certification is that some members of the community of practitioners will not be able to meet the requirements to obtain the designation, or have no interest in doing so. Associations that offer designations will often manage this issue by not making the designation required for membership. This means that associations that offer designations have to juggle the interests of those members who do have the designation with those who don’t. Associations that offer designations must create value for members who do have the designation with those who don’t.

Setting the initial requirements for the designation can also be a challenge. The debate usually centres on the level of the designation. Some will want the standards to be high, others who may not meet such high standards will want them lower. To get the critical mass of members who hold the designation, such designations are often introduced with a grandfathering process whereby current practitioners are granted the designation even though they may not meet the established standards. At first the designation is marketed to members as a means of enhancing one's career, this is followed by marketing the designation to employers and other users of the professional service.

As noted above, offering one or more designations is often seen as the first step in the professionalization process. Associations that offer designation will often emulate professional regulatory bodies by adopting codes of ethics and establishing discipline processes. In practice, however, there are real differences. Associations that offer designations are loathe to impose restrictions on the practice of their members or any requirements that their members would consider onerous such as practice inspections. Associations that offer designations are not comfortable with discipline processes. Although they exist 'on paper' they are rarely used.

Certifying bodies

A certifying body is an organization that issues some form of credential having established qualifications and assessed candidates against such qualifications. Certifying bodies are different from associations that offer designations in a number of respects. For one, certifying bodies do not have members who do not hold the designation. This means that certifying bodies do not have a dual allegiance to designated and non-designated members.

Further, certifying bodies offer few if any member services beyond certification and certification maintenance. Certifying bodies have one main product--their designations. Certifying bodies will sometimes offer preparation programs for their exams. Some certifying bodies require candidates to take specific coursework offered by the certifying body.

It is not uncommon to have competing designations. As a result, certification offerings are often shaped by competitive pressures. Designations with high standards will be more desirable in the marketplace but may have a smaller pool of potential designation holders; designations with lower standards will be more accessible but less highly valued in the marketplace. The success of certifying bodies is in finding the right niche to fit the actual needs of the market.

In regards to concern for the public interest, there is a wide spectrum of positions among certifying bodies. Some are quite concerned about the public interest whereas others are less concerned about 'the public' and much more on meeting the needs of business. The desirableness of a designation for individuals is a direct reflection of its desirability for employers and clients. Therefore certifying bodies are usually quite sensitive to the needs of employers and clients.

One aspect that is shared between associations that offer designations and certifying bodies is the reluctance or disinclination to impose any obligations on their certificants or to discipline their certificants. The reluctance or disinclination to impose obligations on their members stem from the fear

that this will discourage individuals from pursuing the designation. The reluctance or disinclination to discipline certificants, at least in some jurisdictions, seem to reflect a concern for being sued by the certificant being disciplined.

Jurisdictional aspects

The law has a big impact here. In the US, making access to a designation contingent upon membership in an association is considered a ‘tying arrangement.’ Such tying arrangements are deemed to be in breach of anti-trust laws. The impact is that associations which offer member services will stay away from offering designations, and certifying bodies which offer designations will avoid offering member services. For instance, the Society of Human Resources Management (SHRM) in the US—an association—has recently begun to offer designations but the one does not need to be a member of SHRM the association to be obtain and maintain the designations.

Because of the different legal frameworks, in Canada, one will tend to see associations that offer designations and in the US one will tend to see certifying bodies. Of course, there is nothing to stop American certifying bodies from promoting their designations in Canada when licensing is not required.

It should also be noted that the US does not have a self-regulation model. In the US, professional regulation is done through Boards which are part of the state apparatus. Also, in the US, some professional regulatory bodies will require as part of their licensing requirement certification by a specified certifying body. The point is that the relation of professional regulatory bodies and certifying bodies is different in the US than it is in Canada.

Professional regulatory bodies

Professional regulatory bodies have a simple distinguishing feature—they exercise authorities delegated by law. In Canada, this is almost always done by provincial statute. In other words, these professional regulatory bodies are granted their regulatory powers by statute. However, in exchange for such powers, these professional regulatory bodies must govern and regulate their members in the public interest. It is this public interest mandate which sets professional regulatory bodies apart from member-benefit associations, associations that offer designations, and certifying bodies.

It is not the case, that all professional regulatory bodies must confine all their activities to governing and regulating the practice of their members in the public interest. There are variations amongst professional regulatory bodies, with some having latitude that some other professional regulatory bodies do not have. For instance, the objects of the Ontario Association of Architects include “*to promote public appreciation of architecture and the allied arts and sciences.*” The objects of the Ontario Professional Foresters Association include: “*to provide vocational guidance to persons wishing to enter the forestry profession.*” The objects of the Ontario College of Trades include: “*to promote the practice of trades.*” The Law Society of Upper Canada has as a principle in carrying out its functions, duties and powers: ‘*a duty to maintain and advance the cause of justice and the rule of law.*’ In each case, these non-regulatory objects are intended to support the public interest. Nonetheless, despite these variations, the essential mandate of all professional regulatory bodies is to promote and protect the

public interest by governing and regulating the professional practice of their members. Professional regulatory bodies are not permitted to conduct any activity that would detract from their ability to serve the public interest, or to be seen as serving the public interest.

In contrast to member-benefit associations, associations that offer designations, and certifying bodies, professional regulatory bodies are more willing to impose obligations on their members. In fact, their enabling statute requires professional regulatory bodies to govern and regulate the practice of their members. Also in contrast to member-benefit associations, associations that offer designations, and certifying bodies, professional regulatory bodies are more willing to discipline their members. Again, their enabling statute requires them to do so.

Confusion among the different types of professional organizations

Not surprisingly, there is confusion among the different types of professional organizations. They all so, seem to do or claim to do many of the same things. For instance, all four types of professional organizations can espouse codes of ethics and have mechanisms to discipline their members. As part of a professionalization process, member-benefit associations that begin to offer designations will often emulate professional regulatory bodies. Such organizations will often develop a code of ethics and establish a discipline process and may emulate professional regulatory bodies in other ways as well. This process of emulating professional regulatory bodies often occurs in parallel with a push to obtain self-regulation legislation. So the confusion is hardly surprising.

Of course, some of the differences relate to statutory powers and authorities granted to professional regulatory bodies by the state. Simply, member-benefit associations that offer designations and certifying bodies do not have powers delegated by the state. But the differences go beyond powers. With these powers, professional regulatory bodies have a duty to promote and protect the public interest whereas other types of professional organizations do not have this duty. It is not only the duty to promote and protect the public interest which sets professional regulatory bodies apart from associations that offer designations, it is the sense of duty towards the public that is often an important differentiator. In other words, professional regulatory bodies have different mindsets than other professional organizations.

Associations that offer designations and certifying bodies put a strong emphasis on designations and the certification processes that lead up to them. Professional regulatory bodies also manage designations, but they are also concerned about the conduct and practice of members once they are certified. The emphasis is different. In contrast to other kinds of professional organizations, professional regulatory bodies will impose obligations on their members and discipline their members as required.

Other differences between professional regulatory bodies and other types of professional organizations may be more subtle and yet profound. This issue is of 'coloration versus substance' as Forsyth & Danisiewicz¹ put it. Simply, professional regulatory bodies are solely invested in the promotion and protection of the public interest in a way that other types of professional organizations simply are not.

¹ Forsyth, P., & Danisiewicz, T. (1985). Toward a theory of professionalization. *Work and Occupations*, 12, 59-76.

Definitions of success

One quick way of telling which is which is to consider definitions of success. Each of the four types of professional organizations will define success somewhat differently.

Type of professional organization	Definitions of success
Member-benefit associations	<ul style="list-style-type: none">• Member satisfaction• Membership growth• Membership retention
Designation-granting associations	<ul style="list-style-type: none">• Member satisfaction• Membership growth• Membership retention• Desirableness of designation (in the eyes of the members of the profession and employers)
Certifying bodies	<ul style="list-style-type: none">• Number of certificants• Growth in certificant base• Desirableness of designation (in the eyes of the members of the profession and employers)
Professional regulatory bodies	<ul style="list-style-type: none">• Protection of the public• Public confidence in professional regulation (which includes but goes beyond the establishment, maintenance, development and enforcement of standards of qualification)

Summary

Although the differences among the different types of professional organizations may be confusing at first, it is easy to tell them apart if one looks at the characteristics that differentiate one from the other.

If a professional organization exists mainly to create value for its members, then it is a member-benefit professional association. If in addition, it offers one or more designations as a service to its members it is an association that offers a designation. If a professional organization offers a designation but does not have non-designated members and is mostly focused on its designation(s), it is likely a certifying body. If an organization has regulatory powers delegated to it by statute and has a mandate to promote and protect the public interest, it is a professional regulatory body.