Received 22 March 2025
Revised 12 June 2025
15 July 2025
Accepted 17 July 2025

Dynamic capabilities and legitimacy in professional associations: impact on member competitiveness in the auditing field

María A. Agustí-Pérez, Manuel Orta Perez and Laura Oliva
Departamento de Contabilidad y Economía Financiera, Universidad de Sevilla, Seville, Spain

Abstract

Purpose – The purpose of this study is to examine the role of professional associations in enhancing the competitiveness of their members, particularly within the audit industry. Specifically, this study investigates how dynamic capabilities embedded within professional associations influence managerial legitimacy and, subsequently, improve member performance.

Design/methodology/approach – This study uses legitimacy theory and the dynamic capabilities framework to explore how professional associations adapt to changing environmental conditions. A partial least squares structural equation modelling approach is used to assess the relationships between associations' adaptability, managerial legitimacy and members' strategic decision-making.

Findings – The findings of this study reveal that professional associations can effectively leverage dynamic capabilities to strengthen managerial legitimacy, thereby fostering enhanced competitiveness and performance among their members.

Originality/value – This research provides novel insights into the largely unexplored role of auditing associations and how they can use strategic mechanisms, particularly dynamic capabilities, to maintain legitimacy and enhance member performance in competitive environments.

Keywords Dynamic capabilities, Legitimacy, Professional associations, Auditing, Competitiveness, PLS-SEM

Paper type Research paper

1. Introduction

The audit industry is characterised by its high concentration (Bills *et al.*, 2018; Lee *et al.*, 2024), where most of the market share is distributed among a few companies. Despite the different regulations that have sought to reduce this concentration, this reality is repeated worldwide (Elbardan *et al.*, 2023). This situation has led to an increase in the competitive intensity among small firms, combined with the asymmetric position of large firms that have demonstrated low balling strategies thanks to their ability to take advantage of economies of scale (Elbardan *et al.*, 2023). Additionally, professional associations have played a crucial role in structuring the field of auditing for small and medium-sized companies, helping to establish barriers to entry and professional control mechanisms (Antonelli *et al.*, 2024;

Meditari Accountancy Research
Vol. 33 No. 7, 2025
pp. 492-512
Emerald Publishing Limited
2049-372X
DOI 10.1108/MEDAR-03-2025-2950

Soares Fontes *et al.*, 2023). This competitive situation has been exacerbated by the effect that new technologies are expected to have on the accounting and auditing professions (De Santis and D'Onza, 2021; Frey and Osborne, 2017; Staszkiewicz *et al.*, 2024) and the recommendation to enhance small firms' capabilities and resources (Bills *et al.*, 2018).

This scenario presents two key challenges. First is the importance of the search for a new professional identity (Goto, 2021) that will redefine the future of the profession as a result of the impacts of new technologies on companies' everyday activities (De Santis and D'Onza, 2021; Staszkiewicz *et al.*, 2024). Second, the unavailability of resources and knowledge to cope with increasingly demanding quality standards and growth strategies (Bills, *et al.*, 2018; Gunny and Zhang, 2013) poses a major challenge, especially for small firms compared to large firms.

One recommendation that has been put forward, and has shown evidence, is the usefulness of using entities, alliances and networks to face competition (Bills *et al.*, 2018; Ai, *et al.*, 2025) or the development of mergers between firms (Christensen *et al.*, 2023). However, little attention has been paid to the role that professional associations play in enhancing the competitiveness of small audit firms.

Professional associations are:

> Organizations consisting of mission, objectives, structures, and processes centred on the education and development of a voluntary membership situated in the intersecting contexts of specific fields of knowledge and practices, clientele, and values (Rusaw, 1995, p. 217).

Examples of such associations include the FAR (Sweden) and CNCC (France), as well as internationally recognised organisations such as the American Institute of Certified Public Accountants (the USA) and the Institute of Chartered Accountants in England and Wales (the UK). Unlike commercial alliances or networks of independent firms, such as Baker Tilly International, Nexia International and Moore Global, these professional associations have a significant impact on the profession that extends beyond the individual performance of each firm. Moreover, they address the identity challenges that the profession faces, as professional associations often contribute to its construction (Chreim *et al.*, 2007), which is continuously reinterpreted and enacted by professionals in their daily professional work and is affected by the dynamics of the organisation to which they belong (Pratt *et al.*, 2006). It is this role that gives them an important function in generating legitimacy, both toward the members of the organisation and toward the clients of these firms.

However, in today's changing environment, these professional associations must be alert to changes in the environment, identify trends and introduce them to their members. According to Eisenhardt and Martin (2000), the acquisition of knowledge and learning can occur through contact with research institutions and educational establishments, external professional associations and researchers in other firms. These knowledge-accumulation routines can contribute to the liberation and eventual reallocation of resources. Therefore, professional associations must maintain a proactive attitude toward change to uphold their legitimacy among their members and, in turn, ensure their sustained membership in the association (Gruen *et al.*, 2000).

To address this situation, we propose a framework based on two different theories, dynamic capabilities and legitimacy theory, to provide insights into the understanding of this effect. Each theory brings a unique, but complementary, approach to the role of associations in fostering their members' performance.

Legitimacy theory, according to Suchman (1995), refers to how an organisation's actions are valued and regarded as adequate or appropriate by their stakeholders (Dowling and Pfeffer, 1975). In the context of professional associations, legitimacy is also linked to the construction of a professional identity (Farndale and Brewster, 2005), seeking legitimacy by establishing a specialised body of knowledge and regulating professional practice (Soares Fontes *et al.*, 2023). Furthermore, the way professional associations interact with regulators and other institutional actors can influence the evolution of the accounting field. Everett *et al.* (2024) highlight how institutional experimentation and public discourse can reshape the legitimacy perception of the accounting profession, suggesting that associations must adapt to new social and regulatory expectations. Another crucial factor in legitimacy assessment is peer endorsement and the influence of professional networks.

In the field of auditing, the achievement of objectivity and ethical standards is crucial (Pasewark *et al.*, 1995; Guénin-Paracini and Gendron, 2010). Professional associations play an important role in the development of regulatory and control norms and standards. Holm and Zaman (2012) identify that regulatory changes often respond to past crises and are designed to reinforce transparency and professionalism.

As aforementioned, the importance of legitimacy also affects the performance of their members. Thus, Ahn *et al.* (2022) found that membership in professional auditing associations positively impacts the growth of auditing firms. These associations provide institutional legitimacy, facilitating client acquisition and enhancing the reputation of participating firms (Ahn *et al.*, 2022; Drees and Heugens, 2013; Ki and Wang, 2016).

The theory of dynamic capabilities demonstrates the need for organisations to continuously adapt their business platforms to remain competitive in today's dynamic environments. The concept of dynamic capabilities refers to an organisation's ability to integrate, build and reconfigure internal and external competencies to address rapidly changing environments (Teece *et al.*, 1997). This theory aims to assess whether professional organisations take action to improve their activity. These capabilities are crucial for organisational resilience, as they allow firms and institutions to innovate and remain competitive (Helfat and Peteraf, 2009). Auditing associations contribute to the development of dynamic capabilities among their members by offering continuous professional education, fostering best practices and providing a platform for knowledge exchange. Nonetheless, to achieve this objective, the professional association must develop its own dynamic capabilities both in fostering the skills of their members and in ensuring the organisation's adaptability to changing environments. This duality must be legitimised in two different ways. Thus, the members must legitimise both the way in which these organisations carry out this adaptation, that is, the legitimacy of management, and the pillars of legitimacy of the organisation itself.

In summary, there are some gaps that need to be addressed regarding the activity of professional associations, which are of particular interest in the auditing field. How do professional associations develop and apply dynamic capabilities to adapt to changes in their environment? Is there a correlation between an association's adaptability and members' satisfaction, engagement or professional success? How is this adaptation process related to their legitimacy?

Therefore, in this work, we extend the effect of legitimacy on performance to the adaptation capabilities of professional associations and how this affects members' competitiveness. To this end, we will assess the activities that the professional organisation undertakes to adapt to the environment, as well as the perception of change management by its members in the assessment of management legitimacy and in the main dimensions that justify legitimacy. Finally, legitimacy will be linked to the strategic decisions of the partners in relation to the relationship with the professional association.

The structure of this paper is as follows. First, the theoretical framework is presented, justifying the relationship between dynamic capabilities, the different legitimacy dimensions and members' performance. Second, we explain the sample and the methodology used in our study. Partial least squares structural equation modelling (PLS-SEM) multivariate analysis was used to test these hypotheses. Third, we present the results, including validation of the measurement scales and evaluation of the structural model. Finally, the implications of this paper are discussed along with proposing future research directions.

2. Theoretical framework, literature review and hypotheses

Greenwood *et al.* (2002) argue that professional associations play a crucial role in shaping organisational fields, differentiating their impact from earlier studies by emphasising their role in institutional change. Their work is fundamental to understanding the processes of legitimacy and change within professional domains.

Building on Millerson's (1964) framework, Farndale and Brewster (2005) highlight that professional associations pursue multiple objectives: fostering a community with a strong sense of identity and professional legitimacy, facilitating active networking among members, establishing common standards for entry and performance, enforcing ethical codes of conduct and defining a distinct body of knowledge along with core competencies.

By achieving these objectives, professional associations provide their members with a range of benefits. Ki and Wang (2016) identify three primary advantages, which are particularly significant as they capture both the structural and social benefits provided by professional associations. First, these associations ensure a standardised level of training and knowledge among their members, enhancing professional competence (Greggs-McQuilkin, 2005). Second, they serve as a repository of established and widely accepted professional practices (Greenwood *et al.*, 2002). Finally, they facilitate the exchange of experience and knowledge through socialisation within a network of like-minded professionals (Markova *et al.*, 2013). These benefits contribute to the legitimacy of both members and other stakeholders, reinforcing their professional standing and access to social capital (Bills *et al.*, 2018; Markova *et al.*, 2013). Consequently, professional associations act as hubs of activity that influence organisational strategy (Kahl, 2014).

Furthermore, Greenwood *et al.* (2002) emphasise that professional associations play an instrumental role in the transformation of professions and their respective fields. These organisations are responsible for identifying emerging challenges and linking them to viable solutions. By leveraging the expertise of their members, they not only facilitate knowledge dissemination but also support adaptation to market changes and the enhancement of service offerings.

Despite these insights, existing literature has yet to explore in depth how professional associations manage the processes of information search and assimilation, how these processes are evaluated in terms of legitimacy and the impact of such processes in developing their purposes.

2.1 Dynamic capabilities as a legitimacy enabler

Dynamic capabilities are defined by Teece, Pisano and Shuen (1997) as "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments" (p. 516). In a changing environment such as the one surrounding audit performance, dynamic capabilities, which are directed toward strategic change (Helfat and Winter, 2011; Winter, 2003; Zahra *et al.*, 2006), are a fundamental element to consider for identifying those behaviours or actions that are most appropriate for society and its members. As Rivero-Gutiérrez *et al.* (2024) reported, dynamic capabilities and organisational legitimacy share interests in the interaction of organisational context and practices (Greenwood *et al.*, 2008).

When an organisation wants to develop specific strategies leading to the achievement of legitimacy, it is necessary to focus on a particular dimension of legitimacy that is most relevant to the organisational context. In the case of professional associations, managerial legitimacy emerges as a critical dimension. Managerial legitimacy involves the recognition of management's role in guiding organisations effectively (Díez-Martín *et al.*, 2021).

Managerial legitimacy refers to the perception that managers or organisational leaders possess the authority, competence and ethical standing to make decisions and govern effectively within their domain. It arises when stakeholders trust that the managerial leadership can align organisational objectives with broader societal norms, values and expectations (Bitektine and Haack, 2015). This legitimacy encompasses three primary components (Bitektine and Haack, 2015; Deephouse *et al.*, 2017): authority (managers have a legitimate right to govern and make decisions), competence (the recognition of their technical skills to achieve organisational goals) and ethics and values (their actions are aligned with moral and ethical standards valued by stakeholders). These components can be constructed through substantive and symbolic actions (Bills *et al.*, 2018; Deephouse *et al.*, 2017).

Legitimacy theory proposes that organisations can gain legitimacy by adopting symbolic and/or substantive legitimacy strategies (Ashforth and Gibbs, 1990). Consequently, the process through which governing bodies develop various policies to achieve organisational goals, build adaptable operational structures and promote organisational learning (Ruef and Scott, 1998; Loos and Spraul, 2024) must be perceived by association members as appropriate for its objectives (Yoon and Thye, 2011; Walker, 2004). Therefore, dynamic capabilities are fundamental to evaluating and assessing managerial legitimacy and, in turn, achieving legitimacy (Gölgeci *et al.*, 2017) and shaping the substantive aspect of managerial legitimacy (Bills *et al.*, 2018).

In professional associations, dynamic sensing and seizing capabilities developed by their governing boards play an essential role for the organisation (Wilden and Gudergan, 2019) in achieving managerial legitimacy, which is fundamental to maintaining trust and positive perceptions among their members and other stakeholders.

In this regard, sensing (and shaping) new opportunities is very much a scanning, creation, learning and interpretative activity (Teece, 2007: 1322). Once a risk, or opportunity, is identified or sensed by stakeholders and their concerns are recognised, it must be addressed either through an external strategy or through adaptation of existing resources (Henisz, 2016). This process is crucial for establishing and maintaining managerial legitimacy in professional associations, as it demonstrates the managers' ability to detect and respond to the values, norms and expectations of their members and society at large (Greenwood *et al.*, 2002). This requires developing a dual approach: external and internal. The external dimension focuses on identifying changes in the environment that may affect the association, while the internal dimension emphasises assessing the evolving needs and expectations of its members. By aligning the association's actions with members' concerns, managers can enhance their legitimacy, which is essential for the survival and success of the professional association (Suchman, 1995). This legitimacy is not only institutional but also performance-based, as it stems from generating services and benefits that meet the needs and expectations of association members, thus contributing to its performance and relevance in the professional field (Deephouse and Suchman, 2008).

From the literature review, we propose the following hypothesis:

H1. Dynamic capabilities impact the managerial legitimacy of the professional association.

2.2 Managerial legitimacy, organisational legitimacy and performance

Managerial legitimacy, as established, significantly influences the broader organisational legitimacy of professional associations. Suchman (1995) proposed a primary definition of legitimacy that was reformulated by Deephouse *et al.* (2017) as "the perceived appropriateness of the organisation to a social system in terms of rules, values, norms, and definitions" (Deephouse *et al.*, 2017, p. 9). Legitimacy must be understood as a multifaceted construct (Díez-Martín *et al.*, 2021) that encompasses different forms of social recognition and acceptance by stakeholders. This multidimensional conceptualisation has been widely studied in the literature of institutional theory and strategic management, highlighting that legitimacy is not a fixed attribute but a dynamic perception that varies according to the values, beliefs and expectations of the environment (Suchman, 1995; Deephouse *et al.*, 2017).

In the study of organisational legitimacy, several dimensions are commonly recognised. These dimensions help to clarify how legitimacy is understood and assessed across different contexts (Díez-de-Castro *et al.*, 2018; Díez-Martín *et al.*, 2021). Suchman (1995) establishes one of the most commonly used taxonomies, which refers to the identification of three dimensions for legitimacy: moral, cognitive and pragmatic.

Each dimension can be further understood through the lens of substantive and symbolic actions (Bills *et al.*, 2018; Deephouse *et al.*, 2017). Substantive legitimacy is achieved through concrete, tangible actions that directly address stakeholder needs and expectations, such as implementing effective programs or delivering real benefits. Symbolic legitimacy, on the other hand, relies on actions that signal conformity with societal norms and expectations, such as public communications or the adoption of formal codes of conduct, even when underlying practices may not change significantly (Bills *et al.*, 2018; Deephouse *et al.*, 2017). This dual approach helps to explain how organisations, and their managers, can build and sustain legitimacy by combining real achievements with effective signalling.

In this study, we argue that managerial legitimacy not only constitutes a key dimension of organisational legitimacy but also actively shapes its three primary forms: moral, cognitive and pragmatic legitimacy. The extent to which managers are perceived as legitimate – possessing authority, competence and ethical standing – directly affects whether the organisation is viewed as acting ethically (moral legitimacy), as comprehensible and aligned with societal expectations (cognitive legitimacy) and as providing value to its stakeholders (pragmatic legitimacy). In the following, we detail how managerial legitimacy influences each of these dimensions.

Each dimension can be further understood through the lens of substantive and symbolic actions (Bills *et al.*, 2018; Deephouse *et al.*, 2017). Substantive legitimacy is achieved through concrete, tangible actions that directly address stakeholder needs and expectations, such as implementing effective programs or delivering real benefits. Symbolic legitimacy, on the other hand, relies on actions that signal conformity with societal norms and expectations, such as public communications or the adoption of formal codes of conduct, even when underlying practices may not change significantly (Bills *et al.*, 2018; Deephouse *et al.*, 2017). This dual approach helps to explain how organisations, and their managers, can build and sustain legitimacy by combining real achievements with effective signalling.

Moral legitimacy refers to the normative assessment of whether an organisation is "doing the right thing" in accordance with societal values and ethics (Suchman, 1995). Therefore, managerial legitimacy will also be evaluated from the moral legitimacy perspective, as their decisions, behaviours and adherence to ethical norms significantly impact stakeholders' moral evaluations of the organisation. In this context, substantive actions, such as the genuine enforcement of ethical standards or the implementation of responsible practices, are essential for building moral legitimacy. At the same time, symbolic actions, like public statements or the adoption of codes of ethics, can reinforce perceptions of moral legitimacy among stakeholders, even when actual changes are limited (Bills *et al.*, 2018). In professional associations, it is fundamental to uphold ethical practices and professional integrity, making managerial legitimacy critical in affirming these values. Cognitive legitimacy is about the organisation's ability to be comprehensible and taken for granted within its social environment (Scott, 2013). Managerial legitimacy has a significant influence on cognitive legitimacy because it determines the extent to which the organisation operates within a clear and coherent framework. This makes the association's existence more easily understood and accepted by its stakeholders, strengthening cognitive legitimacy. Here, substantive actions, such as the adoption of widely recognised standards and practices, contribute to cognitive legitimacy by making the organisation's operations understandable and predictable. Symbolic actions, including the use of professional language or the adoption of recognised models, can further reinforce cognitive legitimacy by signalling alignment with accepted norms, even if internal changes are minimal (Bills *et al.*, 2018).

Finally, pragmatic legitimacy arises when stakeholders perceive that the organisation serves their interests or provides value (Mitchell *et al.*, 1997). This form of legitimacy is transactional and directly linked to the benefits the organisation offers its members and other stakeholders. In professional associations, offering tangible benefits such as networking opportunities, professional development resources and advocacy for the profession enhances stakeholders' perception of value. Managers who effectively deliver these benefits earn the trust of members. Substantive actions, such as the actual provision of resources and services, are central to pragmatic legitimacy. However, symbolic actions, such as promotional campaigns or public commitments to member interests, can also shape stakeholders' perceptions of value, especially when combined with real, substantive benefits (Bills *et al.*, 2018; Deephouse *et al.*, 2017):

Based on these proposals, we understand that:

H2. Managerial legitimacy impacts the legitimacy of the professional association.

We have already seen that belonging to professional associations significantly enhances firm performance in the auditing industry, particularly for small accounting firms (Bills *et al.*, 2018). In particular, managerial legitimacy can exert an influence on members' performance. Thus, managerial legitimacy significantly impacts organisational performance through effective alignment with objectives, the ability to address challenges, committed leadership, visibility of management quality and the adaptability to environmental modifications. Better adaptability and alignment with members' interests will contribute to improved performance. Thus, membership benefits provide access to essential resources, expertise and operational efficiencies (Bills *et al.*, 2016, 2018); therefore, adequate management of the resources and elements offered by associations will favour improved performance. This is in addition to the fact that the professionalism and independence of auditors, reinforced by association membership, positively influence their performance, as auditors are better equipped to deliver reliable and accountable audit results. Overall, the integration of resources and enhanced legitimacy through association membership contributes to superior audit outcomes and client satisfaction. Based on the above, the following hypothesis can be put forward:

H3. Managerial legitimacy of the professional association impacts the performance of the members.

The legitimacy of a professional association is crucial for the performance of its members. Legitimacy positively impacts access to essential resources, social identity, commitment and performance. Greenwood *et al.* (2002) identify that professional associations are a source of social capital and provide their legitimacy to the performance of their activity (Bills *et al.*, 2018; Drees and Heugens, 2013). Similarly, the possibility of access to resources and knowledge (Zucker, 1987; Oliver, 1990; Dacin *et al.*, 2007), the enhancement of members' image and reputation (Bills *et al.*, 2018; Ki and Wang, 2016) and professional development (Markova, *et al.*, 2013) have been identified. It is also noteworthy that professional associations play an important role in facilitating the codification and absorption of a body of knowledge basic to business activity (Kahl, 2014) and ensure respect for standards and unification of criteria in their application (Greenwood *et al.*, 2002). Professional associations, therefore, act as generators of legitimacy for their members (Bills *et al.*, 2016, 2018; Sánchez-del-Río-Vázquez *et al.*, 2024). This gaining of legitimacy derived from membership in a particular professional association allows for better organisational outcomes (Díez-Martín *et al.*, 2013; Haas, 2017):

H4. Organisational legitimacy of the professional association will have a positive impact on the performance of the members.

3. Sample and methodology

In many professional associations, including the one studied, membership is not only recommended but often mandatory for practicing professionals. This requirement ensures that the association's membership base is comprehensive and representative of the profession. According to Greenwood *et al.* (2002), professional associations play a crucial role in legitimising and regulating the profession, which underscores the importance of studying such organisations.

This study used a survey methodology to gather data from members of one of the largest Spanish auditors' associations. The survey was conducted in the early months of 2024 using an online questionnaire. This method was chosen for its efficiency and ability to reach a wide audience quickly, ensuring comprehensive data collection.

A probabilistic sampling method was used to ensure that the sample was representative of the entire population. This approach minimises selection bias and enhances the generalizability of the findings.

The data were collected using an online questionnaire. Of the more than 2,100 members invited to participate, 220 responses were received. After a thorough review, 205 of these responses, each corresponding to a different firm, were deemed usable for analysis, yielding a usable response rate of approximately 9.25%, which is consistent with similar response rates. The sampling error for this study was calculated to be 6.33%, and no differences were found between early and late respondents.

The analysis of the respondents reveals a clear picture of the auditing profession in Spain. We find a significant amount of experience within the audit profession. Thus, a 69% of respondents report having over 20 years of professional experience, with an additional 22.6% having between 11 and 20 years. Only a small fraction has less experience, with 5.7% reporting 6–10 years and 2.7% reporting less than 5 years. Regarding the size of the audit firm, the majority (57.3%) work in firms with fewer than ten employees, followed by 21.4% who are individual auditors. A smaller portion, 14.6%, work in firms with between 10 and 50 employees, and the rest work in large firms with over 250 employees.

3.1 Variable measurement

Legitimacy can be measured, "based on perceptions or data, by exploring individual dimensions or in an aggregate way" (Díez-Martín *et al.*, 2021, p. 4). "As a general rule, perceptions should be considered the most appropriate approach. Perceptions are measured by asking stakeholders" (Díez-Martín *et al.*, 2021, p. 8).

The questionnaire was composed of seven-point Likert scale questions, and all items were justified based on the existing literature. After testing the validity of the scales with a pre-test performed on 20 auditors in December 2023 via a personal administration, information was collected using a Web-based survey using the items shown in Table 1.

The items for the sensing and seizing dimensions of dynamic capabilities are rooted in the work by Teece (2007). The questions were selected to capture both the proactive identification of opportunities (sensing) and the organisation's ability to mobilise resources in response (seizing) (Bogodistov and Schmidt, 2024). For the legitimacy constructs, item selection was guided by the multidimensional framework of organisational legitimacy. The selection of the items allowed us to cover both symbolic and substantive aspects of legitimacy in its different dimensions (Bills *et al.*, 2018). Managerial legitimacy reflects the image and the perception of adequacy in the activity of the association. Moral legitimacy is represented by the association's concern for societal welfare, capturing the ethical dimension that underpins stakeholder trust. Pragmatic legitimacy focuses on the tangible value and alignment of the association's actions with member interests, directly reflecting the practical benefits perceived by stakeholders. The cognitive legitimacy items assess the degree of taken-for-grantedness, familiarity and perceived competence of the association, including awareness of services, operational satisfaction, adequacy of resources and organisational image.

Finally, the items related to performance were selected to observe the common performance measures that capture both direct and indirect benefits arising from association membership, consistent with prior research emphasising the dual role of professional bodies in providing resources and enhancing reputation.

3.2 Statistical analysis partial least squares structural equation modelling

Statistical analyses were performed using PLS-SEM using SMARTPLS4 (Ringle *et al.*, 2024). PLS-SEM is a multivariate analysis technique that allows investigating causal–predictive relationships in pathway models with latent variables and estimating their relationships (Richter *et al.*, 2016; Hair *et al.*, 2021; Ringle *et al.*, 2012). With PLS-SEM, the strength of the estimated relationships, between the latent variables, represents the impact of the antecedent latent variables on the explanation of our target construct. This technique is suitable to evaluate the causal–predictive relations proposed in this study. Among the different reasons that justify this statistical approach, it has been reported as useful when dealing with composite variables such as those analysed in this study (Sarstedt *et al.*, 2016). This analysis requires component scores for modelling a higher-order construct (Hair *et al.*, 2019a, b, c) using the disjoint two-stage approach (Sarstedt *et al.*, 2019). PLS aims to avoid collinearity problems and the non-assumption of hypotheses regarding the distribution of variables (Henseler and Schuberth, 2020). The evaluation of PLS-SEM models comprises two stages (Sarstedt *et al.*, 2021): the measurement model and structural model. The former evaluates the relationships between the indicators and their constructs (validity and reliability), while the latter evaluates the predictive capacity of the relationships between the constructs addressed (Hair *et al.*, 2017) to test the hypotheses proposed in the theoretical model.

3.2.1 Measurement model. Our research model includes four variables estimated following a composite measurement model. The selection of the estimation model (A or B) was made after a thoughtful literature review, because of the lack of possibility of

Table 1. Items and constructs

Variable	Item	Description	Source
Sensing	DC1	Participates in training activities organised by my professional association	Wilden and Gudergan (2019), Wilden and Gudergan (2015), Wilden *et al.* (2013), Fainshmidt and Frazier (2017)
	DC2	My professional association follows social and market trends and drives innovations in the audit sector	
	DC3	My professional association invests in acquiring new skills to propose new solutions to clients' problems	
Seizing	DC4	My professional association promotes the adoption of best practices in our sector	Wilden and Gudergan (2019), Wilden and Gudergan (2015), Wilden *et al.* (2013), Fainshmidt and Frazier (2017)
	DC5	My professional association responds to the requirements indicated by its members	
	DC6	My professional association uses the knowledge of its members when market opportunities arise	
Moral legitimacy	MLeg1	My professional association cares about society	Alexiou and Wiggins (2019), Díez-Martín *et al.* (2013), Díez-Martín *et al.* (2021)
Pragmatic legitimacy	PLeg1	My professional association provides value to me	Alexiou and Wiggins (2019), Díez-Martín *et al.* (2013), Díez-Martín *et al.* (2021)
	PLeg2	My professional association's actions align with my interests	
Cognitive legitimacy	CLeg1	I am well aware of the services offered by my professional association	Díez-Martín *et al.* (2021), Alexiou and Wiggins (2019), Díez-Martín *et al.* (2013), Díez-Martín *et al.* (2021)
	CLeg2	I like how my professional association operates	
	CLeg3	My professional association has adequate infrastructure and resources for its activities	
	CLeg4	My professional association has a good image	
Managerial legitimacy	ManLeg1	My professional association's executives have extensive experience	Díez-Martín *et al.* (2021), Díez-Martín *et al.* (2021)
	ManLeg2	The way my professional association delivers its services is appropriate	
	ManLeg3	My professional association staff are well-trained	
Performance	Perf1	My professional association has contributed in recent years to improving my organisation's market position	Hernández-Carrión, *et al.* (2017), Walker and Ruekert (1987)
	Perf2	My professional association has satisfactorily introduced improvements in our business	
	Perf3	My professional association has helped us enter new business areas	

Source(s): Authors' own creation

applying the confirmatory tetrad analysis as the number of indicators was less than 4 (Gudergan *et al.*, 2008).

Our model presents two second-order constructs (organisational legitimacy and dynamic capabilities) and two first-order constructs (managerial legitimacy and performance). The two second-order constructs were considered as Mode B. The proposed instrument also provides researchers with a means by which all three of the dimensions of legitimacy advanced by Suchman (1995) can be measured either simultaneously or individually. However, we consider it important to emphasise that our conceptual and empirical approach to the organisational legitimacy construct is as a reflective measure of the three individual dimensions (Alexiou and Wiggins, 2019; del-Castillo-Feito *et al.*, 2022). The literature has considered legitimacy in different ways, first- and second-order reflective and formative specifications (Alexiou and Wiggins, 2019; Edwards, 2011).

This study uses SEM and PLS techniques as outlined in Sarstedt *et al.* (2021) to examine the measurement models. The results, presented in Table 2, demonstrate that the constructs possess high levels of reliability, as evidenced by the mean variance extracted values greater than or equal to 0.5, indicating strong convergent validity (Sarstedt *et al.*, 2021).

Those first-level constructs estimated in Mode A (reflective) were evaluated by applying measures of internal consistency, reliability and validity (Henseler *et al.*, 2016). All of our indicators met the reliability requirement as most of the values exceeded the 0.7 threshold. Furthermore, the composite reliability measure indicated that all constructs are reliable, as they were all above 0.7, and all constructs reached convergent validity, as their average variance extracted values were above 0.5 (Hair *et al.*, 2019a, b, c). As most of our constructs were estimated in Mode B, the heterotrait-monotrait ratio of correlations (HTMT) discriminant validity could not be used.

Mode B variables were assessed at the indicator level (multicollinearity and weight assessment) (Bolívar *et al.*, 2022). The weights shown in the table indicated how much each indicator contributed to the understanding of the composite variable. All of them presented significance levels adequate to confirm their relevance in constructing the composite variable. In our model, VIF values are uniformly below the threshold value of 5. We conclude, therefore, that collinearity does not reach critical levels in any of Mode B constructs and is not an issue for estimating the PLS model.

3.2.2 Structural model. Bootstrapping, using 10,000 subsamples, showed that most of the path coefficients hypothesised were statistically significant (Table 3). In particular, we can accept from these results *H1*, *H2* and *H4*.

Concerning *H1*, dynamic capabilities have a positive and significant influence on managerial legitimacy (*H1:* $\beta = 0.847$; $p < 0.000$). The effect of managerial legitimacy is also positive and direct on organisational legitimacy (*H2:* $\beta = 0.915$; $p < 0.000$), but its effect on performance is only significant at the 0.1 level (*H3:* $\beta = 0.287$; $p = 0.097$), which makes us reject this hypothesis or at least take it with caution. Finally, organisational legitimacy presents a notable and significant effect on members performance (*H4:* $\beta = 0.563$; $p < 0.000$), with a similar impact as on organisational legitimacy (*H2b:* $\beta = 0.498$; $p < 0.000$).

Regarding the explanatory power of the model, on the one hand, the R^2 values of 0.714 (managerial legitimacy), 0.838 (organisational legitimacy) and 0.729 (performance) indicate a remarkable predictive effect of the hypotheses proposed. To evaluate the predictive capacity, the Stone–Geisser value (Q^2) should be greater than zero. The values obtained in our model are 0.730 (managerial legitimacy), 0.709 (organisational legitimacy) and 0.607 (performance). Besides, it is also important to evaluate the effect of an exogenous variable on explaining an endogenous variable in terms of R^2. The analysis of f^2 offers values of 2.496 for the effect of dynamic capabilities on managerial legitimacy, 5.171 for the effect of

Table 2. Measurement model results

Construct/Dimension/Indicator	VIF	Weight	Loading	Composite reliability	AVE
Dynamic capabilities (higher order construct, Mode A)					
Sensing (Mode A)		0.282	0.944	0.943	0.848
DC1		0.360	0.877		
DC2		0.372	0.940		
DC3		0.379	0.883		
Seizing (Mode A)		0.739	0.992	0.928	0.811
DC4		0.378	0.928		
DC5		0.381	0.940		
DC6		0.326	0.894		
Managerial legitimacy (Mode A)				0.941	0.889
ManLeg1		0.331	0.936		
ManLeg2		0.379	0.950		
ManLeg3		0.350	0.956		
Legitimacy (higher order construct, Mode B)				NA	NA
Pragmatic legitimacy (Mode A)	4.111	0.473	0.961		
PLeg1		1	1		
Moral legitimacy (Mode A)	3.296	0.130	0.902		
MLeg1		1	1		
Cognitive legitimacy (Mode A)	3.078	0.447	0.960	0.941	0.800
CLeg1		0.242	0.835		
CLeg2		0.307	0.916		
CLeg3		0.270	0.907		
CLeg4		0.296	0.917		
Performance (Mode A)				0.941	0.889
Perf1		0.343	0.871		
Perf2		0.382	0.986		
Perf3		0.345	0.857		

Source(s): Authors' own creation

Table 3. Path significance from the bootstrap analysis of 10,000 subsamples

Hypothesis	Path coefficients	95% PBCI (paths)	Significance ($p < 0.005$)	f^2 effect sizes
H1: Dynamic Capabilities → Managerial Legitimacy	0.847	0.882	0.000	0.000
H2: Managerial Legitimacy → Organisational Legitimacy	0.915	0.933	0.000	0.000
H3: Managerial Legitimacy → Performance	0.287	0.448	0.002	0.097
H4: Organisational Legitimacy → Performance	0.563	0.736	0.000	0.000

Note(s): PBCI: Percentile bootstrap confidence interval; bootstrapping based on n = 10,000 subsamples; a one-tailed test for a *t*-student distribution (PBCI 95%) is applied to evaluate the hypothesised paths
Source(s): Authors' own creation

managerial legitimacy on organisational legitimacy and 0.354 for the effect of organisational legitimacy on performance. All these values depict a large effect (Hair *et al.*, 2019b). Consequently, with the rejection of the hypothesis, the effect of managerial legitimacy on performance is small (0.005) (Hair *et al.*, 2019b).

The suitability of the reflective measurement models was also verified using goodness-of-fit indicators (Henseler *et al.*, 2016; Henseler, 2017; Benítez *et al.*, 2020; Henseler and Schuberth, 2020). The approximate fit measure of the model shows that the model has a good fit with a Standardised Root Mean Squared Residual of 0.040, a level below the 0.08 threshold proposed by Hu and Bentler (1999).

As a consequence of the results obtained, we evaluated the mediation effect of the organisational legitimacy in the relationship between managerial legitimacy and members performance. The guidelines followed are those described by Nitzl *et al.* (2016). The results revealed that there is a significant indirect effect (β = 0.704; p < 0.000), showing a full mediation as the direct effect was not significant (p < 0.1).

4. Conclusion and implications

This study delves into the complex interplay between dynamic capabilities, managerial legitimacy and overall organisational legitimacy within professional associations in the auditing field. Positioned within a changing business environment, marked by heightened competitive intensity, technological disruption and increasing regulatory pressure (Bills *et al.*, 2018; De Santis and D'Onza, 2021; Lee *et al.*, 2024; Frey and Osborne, 2017), our research sought to understand how these associations can adapt, remain valuable and enhance the competitiveness and success of their members. Integrating dynamic capabilities theory (Teece *et al.*, 1997) with legitimacy theory (Suchman, 1995), we offer a novel perspective on the strategic actions and organisational processes underpinning the impact of professional associations. As Rivero-Gutiérrez *et al.* (2024) noted, dynamic capabilities and organisational legitimacy share interests in the interaction of organisational context and practices.

Our findings underscore the pivotal role of dynamic capabilities in enabling professional associations to sense, seize and reconfigure their resources and capabilities in response to emerging challenges and opportunities. As highlighted by Teece *et al.* (1997), dynamic capabilities are essential for organisations to thrive in dynamic environments. In the context of professional associations, these capabilities translate into the ability to identify trends, assimilate new knowledge and adapt existing practices to meet the evolving needs of members and stakeholders. Professional associations that actively cultivate dynamic capabilities are better positioned to navigate the complexities of the modern business landscape. In this regard, the legitimacy of an association's management increases when it adapts quickly to transformations, promoting organisational learning and novel operational structures (Loos and Spraul, 2024).

Moreover, our findings demonstrate that managerial legitimacy serves as a pivotal antecedent for the three dimensions of organisational legitimacy, cognitive, moral and pragmatic (Suchman, 1995; Deephouse and Suchman, 2008).

Our study emphasises, as a result, the importance of managerial legitimacy as a key mediating factor between dynamic capabilities and the overall legitimacy of professional associations. Managerial legitimacy, as defined by Díez-Martín *et al.* (2021), refers to the perception that managers or organisational leaders possess the authority, competence and ethical standing to make decisions and govern effectively. This approach to legitimacy has been less studied than the traditional approach related to organisational legitimacy as proposed by Suchman (1995). Our findings demonstrate that substantive managerial legitimacy (Bills *et al.*, 2018) is more likely to be perceived as credible, trustworthy and valuable by their members and stakeholders. Therefore, managerial legitimacy does not only build trust but also advances cognitive legitimacy by making practices understandable and accepted as the norm (Suchman, 1995; Deephouse and Suchman, 2008). This, in turn, enhances the association's overall legitimacy and its ability to attract and retain members, influence industry standards and advocate for the interests of the profession. Simultaneously, it reinforces moral legitimacy by showing commitment to ethical standards (Bitektine and Haack, 2015; Greenwood *et al.*, 2002; Suchman, 1995) and pragmatic legitimacy by delivering tangible member benefits such as training and resources (Zimmerman and Zeitz, 2002; Drees and Heugens, 2013).

This interplay is particularly relevant for both the professional association as a whole and for individual member firms. Managerial legitimacy not only shapes the collective reputation and legitimacy of the association but also directly influences the perceived value, trust and engagement of each member firm. Consequently, maintaining organisational legitimacy across its cognitive, moral and pragmatic dimensions requires a consistent alignment between substantive managerial initiatives and symbolic signalling. Our empirical results corroborate that only when substantive managerial actions support symbolic communication, organisational legitimacy is strengthened across all three dimensions, ultimately enhancing member competitiveness.

Our research also sheds light on the multidimensional nature of legitimacy, as highlighted by Suchman (1995) and Deephouse *et al.* (2017). Legitimacy is not a static attribute but rather a dynamic perception that varies according to the values, beliefs and expectations of the environment. In the context of professional associations, legitimacy encompasses various dimensions, including moral legitimacy (adherence to ethical principles), pragmatic legitimacy (meeting the needs of stakeholders) and cognitive legitimacy (being understood and accepted by the public). Each of these dimensions can be reinforced by both substantive actions, such as delivering real value, upholding ethical standards and implementing recognised best practices, and symbolic actions, such as reputation campaigns or public endorsements (Bills *et al.*, 2018). We observe from results that professional associations that address these different dimensions of legitimacy are more likely to achieve sustained success and influence in their respective fields. It is noteworthy to remark that in our results, moral legitimacy seems to play a minor role in the perception of organisational legitimacy in our model. This does not mean that it is not important, but that to understand the improvement of members' performance the weight shown is less than that obtained by the other two dimensions. As expected, pragmatic legitimacy linked to the benefits of the stakeholders presents the higher impact ($w = 0.473$), grounded in the self-interested calculations of stakeholders, focusing on the tangible benefits that an organisation provides (Barron, 1998). It is followed by cognitive legitimacy ($w = 0.447$), which refers to the extent to which an organisation is perceived as "taken-for-granted" within its environment, often established through familiarity and social norms (Barron, 1998). Islam *et al.* (2021) find that companies seek pragmatic legitimacy by avoiding disclosures of corruption cases, but in the long run, they may lose moral legitimacy, despite the importance of this dimension reflected in the literature (Morales-Sánchez *et al.*, 2020; Aliyu, 2024).

Moreover, our study underscores the critical role of professional associations in constructing and maintaining professional identity, as highlighted by Farndale and Brewster (2005), particularly in the field of auditing (Duska *et al.*, 2011; Stack and Malsch, 2022). By establishing specialised bodies of knowledge, regulating professional practice and fostering a strong sense of community among members, professional associations contribute to the legitimacy of the profession as a whole. Our research supports the notion that membership in professional associations can enhance the professional competence of individuals, provide access to established practices and facilitate the exchange of knowledge and experience (Ki and Wang, 2016; Greenwood *et al.*, 2002; Markova *et al.*, 2013). These benefits, in turn, contribute to the legitimacy of both members and other stakeholders, reinforcing their professional standing and access to social capital (Everett *et al.*, 2024).

The relationship between organisational legitimacy and member performance was found to be significant. This demonstrates the importance of the professional association in achieving the objectives of its members. These findings imply that joining professional associations is more important than previously thought and can positively affect the interests of its members, offering a standardised level of training and knowledge among its members, enhancing professional competence (Bills *et al.*, 2018; Greggs-McQuilkin, 2005).

However, the data indicates only marginal support for the direct effect of managerial legitimacy on performance. This result suggests that the influence of managerial legitimacy on performance may be more complex and indirect than initially hypothesised. In this sense, there is little evidence of this relationship in the literature. This finding warrants further investigation to explore the potential mediating or moderating factors that might explain the weak relationship between these two constructs. Thus, in professional associations the competence, values and authority of the managers in developing and helping to advance the profession (Bitektine and Haack, 2015; Deephouse *et al.*, 2017) are reflected in the legitimacy (Greenwood *et al.*, 2002). It is this legitimacy, and the advantages provided as a member (Kahl, 2014; Bills *et al.*, 2016, 2018; Sánchez-del-Río-Vázquez *et al.*, 2024), that leads to better performance (Díez-Martín *et al.*, 2013; Haas, 2017).

Our findings have several important implications for professional associations, policymakers and researchers. First, our research highlights the need for professional associations to prioritise the development of dynamic capabilities as a means of adapting to environmental changes and maintaining their legitimacy. This may involve investing in training and development programs, fostering a culture of innovation and experimentation and actively engaging with stakeholders to identify emerging trends and challenges.

Second, our study underscores the importance of managerial legitimacy as a key driver of organisational success. Professional associations should strive to cultivate strong managerial legitimacy by promoting ethical leadership, fostering transparency and accountability and ensuring that managers possess the necessary skills and expertise to effectively govern the organisation. Both substantive and symbolic approaches should be considered: while substantive actions (such as effective governance and transparent decision-making) build a robust foundation of trust, symbolic actions (such as visible commitments to ethical standards) reinforce and communicate this legitimacy to a broader audience (Bills *et al.*, 2018; Deephouse *et al.*, 2017).

Third, our research emphasises the need for professional associations to address the multidimensional nature of legitimacy. This may involve aligning the association's actions with ethical principles, meeting the needs of stakeholders and actively communicating the value and benefits of membership to the public.

Finally, our study calls for further research on the role of professional associations in shaping organisational fields and promoting institutional change. Future research could explore the specific mechanisms through which professional associations influence industry standards, advocate for the interests of the profession and contribute to the overall well-being of society.

In conclusion, this study provides valuable insights into the complex relationship between dynamic capabilities, managerial legitimacy and the overall legitimacy of professional associations. By integrating dynamic capabilities theory with legitimacy theory, our research offers a novel perspective on how professional associations can adapt to environmental changes, maintain their legitimacy and ultimately enhance the competitiveness and performance of their members. By embracing dynamic capabilities, cultivating managerial legitimacy and addressing the multidimensional nature of legitimacy, professional associations can play a vital role in shaping the future of their respective fields and contributing to the overall well-being of society. Furthermore, professional associations must remain proactive in their approach to change, maintaining legitimacy with their members (Gruen *et al.*, 2000). A balanced combination of substantive and symbolic managerial actions will be essential to secure enduring legitimacy and continued relevance (Bills *et al.*, 2018).

This proactive stance ensures their continued relevance and enduring presence within the association.

The main limitations of this study lie in focusing on a single association in a single country. Despite the different regulations and implications for members that may affect the condition of membership and the influence of the association in the professional environment (Soares Fontes *et al.*, 2023), there are more similarities than differences encouraging future research. Besides, the application of other techniques may deepen into the microfoundations of the legitimacy process. These approaches will surely advance our understanding of how information processing and decision-making impact organisational legitimacy (Díez-Martín *et al.*, 2021).

References

Ahn, J., Akamah, H., Bills, K.L. and Saunders, K.K. (2022), "Accounting firm association membership and small audit firm growth", *Auditing: A Journal of Practice and Theory*, Vol. 41 No. 3, pp. 45-65.

Ai, X., Cunningham, L.M., Li, X. and Myers, L.A. (2025), "How can small international accounting firms improve audit quality? The role of accounting associations and networks", *Auditing: A Journal of Practice and Theory*, Vol. 44 No. 1, pp. 1-26.

Alexiou, K. and Wiggins, J. (2019), "Measuring individual legitimacy perceptions: scale development and validation", *Strategic Organization*, Vol. 17 No. 4, pp. 470-496.

Aliyu, S. (2024), "Issues in sustainability reporting assurance: evidence from interviews", *Sustainability Accounting, Management and Policy Journal*, Vol. 15 No. 3, pp. 628-653.

Antonelli, V., D'Alessio, R., Lauri, L. and Marcello, R. (2024), "Professional bodies and professional closure strategies: the field of auditing for small and medium-sized enterprises in Italy", *Critical Perspectives on Accounting*, Vol. 99, p. 102714.

Ashforth, B.E. and Gibbs, B.W. (1990), "The double-edge of organizational legitimation", *Organization Science*, Vol. 1 No. 2, pp. 177-194.

Barron, D.N. (1998), "Pathways to legitimacy among consumer loan providers in New York city, 1914-1934", *Organization Studies*, Vol. 19 No. 2, pp. 207-233.

Benítez, J., Henseler, J., Castillo, A. and Schuberth, F. (2020), "How to perform and report an impactful analysis using partial least squares: guidelines for confirmatory and explanatory is research", *Information and Management*, Vol. 57 No. 2, pp. 103-168.

Bills, K.L., Cunningham, L.M. and Myers, L. (2016), "Small audit firm membership in associations, networks, and alliances: implications for audit quality and audit fees", *The Accounting Review*, Vol. 91 No. 3, pp. 767-792.

Bills, K.L., Hayne, C. and Stein, S.E. (2018), "A field study on small accounting firm membership in associations and networks: implications for audit quality", *The Accounting Review*, Vol. 93 No. 5, pp. 73-96.

Bitektine, A. and Haack, P. (2015), "The 'macro' and the 'micro' of legitimacy: toward a multilevel theory of the legitimacy process", *Academy of Management Review*, Vol. 40 No. 1, pp. 49-75.

Bogodistov, Y. and Schmidt, S. (2024), “Affective states and a firm’s performance: the mediating role of dynamic managerial capabilities”, *Baltic Journal of Management*, Vol. 19 No. 6, pp. 111-132.

Bolívar, L.M., Roldán, J.L., Castro-Abancéns, I. and Casanueva, C. (2022), “Speed of international expansion: the mediating role of network resources mobilization”, *Management International Review*, Vol. 62 No. 4, pp. 541-568.

Chreim, S., Williams, B.E. and Hinings, C.R. (2007), “Interlevel influences on the reconstruction of professional role identity”, *Academy of Management Journal*, Vol. 50 No. 6, pp. 1515-1539.

Christensen, B., Smith, K.W., Wang, D. and Williams, D. (2023), “The audit quality effects of small audit firm mergers in the United States”, *Auditing: A Journal of Practice and Theory*, Vol. 42 No. 2, pp. 75-99.

Dacin, M.T., Oliver, C. and Roy, J.P. (2007), “The legitimacy of strategic alliances: an institutional perspective”, *Strategic Management Journal*, Vol. 28 No. 2, pp. 169-187.

De Santis, F. and D’Onza, G. (2021), “Big data and data analytics in auditing: in search of legitimacy”, *Meditari Accountancy Research*, Vol. 29 No. 5, pp. 1088-1112.

Deephouse, D.L. and Suchman, M. (2008), “Legitimacy in organizational institutionalism”, *The Sage Handbook of Organizational Institutionalism*, pp. 49-77.

Deephouse, D.L., Bundy, J., Tost, L.P. and Suchman, M.C. (2017), “Organizational legitimacy: six key questions”, *The SAGE Handbook of Organizational Institutionalism*, pp. 27-54.

Del-Castillo-Feito, C., Blanco-González, A. and Hernández-Perlines, F. (2022), “The impacts of socially responsible human resources management on organizational legitimacy”, *Technological Forecasting and Social Change*, Vol. 174, p. 121274.

Díez-de-Castro, E., Peris-Ortiz, M. and Díez-Martín, F. (2018), “Criteria for evaluating the organizational legitimacy: a typology for legitimacy jungle”, in Diez-de-Castro, E. and Peris-Ortiz, M. (Eds), *Organizational Legitimacy*, Springer pp, pp. 1-21.

Díez-Martín, F., Prado-Román, C. and Blanco-González, A. (2013), “Beyond legitimacy: legitimacy types and organizational success”, *Management Decision*, Vol. 51 No. 10, pp. 1954-1969.

Díez-Martín, F., Blanco-González, A. and Diez-de-Castro, E. (2021), “Measuring a scientifically multifaceted concept. The jungle of organizational legitimacy”, *European Research on Management and Business Economics*, Vol. 27 No. 1, p. 100131.

Dowling, J. and Pfeffer, J. (1975), “Organizational legitimacy: social values and organizational behavior”, *The Pacific Sociological Review*, Vol. 18 No. 1, pp. 122-136.

Drees, J.M. and Heugens, P.P. (2013), “Synthesizing and extending resource dependence theory: a meta-analysis”, *Journal of Management*, Vol. 39 No. 6, pp. 1666-1698.

Duska, R., Duska, B.S. and Ragatz, J. (2011), “Accounting as a Profession: Characteristics of a Profession”, in Hoffman, W.M., Frederick, R.E., Duska, R., Duska, B.S. and Ragatz, J. (Eds), *Accounting Ethics*, Wiley.

Edwards, J.R. (2011), “The fallacy of formative measurement”, *Organizational Research Methods*, Vol. 14 No. 2, pp. 370-388.

Eisenhardt, K.M. and Martin, J.A. (2000), “Dynamic capabilities: what are they?”, *Strategic Management Journal*, Vol. 21 Nos 10-11, pp. 1105-1121.

Elbardan, H., Kotb, A. and Ishaque, M. (2023), “A review of the empirical literature on audit market concentration”, *The International Journal of Accounting*, Vol. 58 No. 2, p. 2350006.

Everett, J., Rahaman, A.S., Neu, D. and Saxton, G. (2024), “Letters to the editor, institutional experimentation, and the public accounting professional”, *Critical Perspectives on Accounting*, Vol. 99, p. 102725.

Fainshmidt, S. and Frazier, M. (2017), “What facilitates dynamic capabilities? The role of organizational climate for trust”, *Long Range Planning*, Vol. 50 No. 5, pp. 550-566.

Farndale, E. and Brewster, C. (2005), “In search of legitimacy: Personnel management associations worldwide”, *Human Resource Management Journal*, Vol. 15 No. 3, pp. 33-48.

Frey, C.B. and Osborne, M.A. (2017), “The future of employment: how susceptible are jobs to computerisation?”, *Technological Forecasting and Social Change*, Vol. 114, pp. 254-280.

Gölgeci, I., Larimo, J. and Arslan, A. (2017), “Institutions and dynamic capabilities: theoretical insights and research agenda for strategic entrepreneurship”, *Scandinavian Journal of Management*, Vol. 33 No. 4, pp. 243-252.

Goto, M. (2021), “Collective professional role identity in the age of artificial intelligence”, *Journal of Professions and Organization*, Vol. 8 No. 1, pp. 86-107.

Greenwood, R., Oliver, C., Suddaby, R. and Sahlin-Andersson, K. (2008), *The SAGE Handbook of Organizational Institutionalism*, Sage, Thousand Oaks, CA.

Greenwood, R., Suddaby, R. and Hinings, C.R. (2002), “Theorizing change: the role of professional associations in the transformation of institutionalized fields”, *Academy of Management Journal*, Vol. 45 No. 1, pp. 58-80.

Greggs-McQuilkin, D. (2005), “Why join a professional nursing organization?”, *Nursing Management (Springhouse)*, Vol. 36 No. Supplement, p. 19.

Gruen, T.W., Summers, J.O. and Acito, F. (2000), “Relationship marketing activities, commitment, and membership behaviors in professional associations”, *Journal of Marketing*, Vol. 64 No. 3, pp. 34-49.

Gudergan, S.P., Ringle, C.M., Wende, S. and Will, A. (2008), “Confirmatory tetrad analysis in PLS path modeling”, *Journal of Business Research*, Vol. 61 No. 12, pp. 1238-1249.

Guénin-Paracini, H. and Gendron, Y. (2010), “Auditors as modern pharmakoi: legitimacy paradoxes and the production of economic order”, *Critical Perspectives on Accounting*, Vol. 21 No. 2, pp. 134-158.

Gunny, K.A. and Zhang, T.C. (2013), “PCAOB inspection reports and audit quality”, *Journal of Accounting and Public Policy*, Vol. 32 No. 2, pp. 136-160.

Haas, A. (2017), “From information to opportunity: the role of boundary spanners in sensing and seizing opportunities”, *Research Handbook on Entrepreneurial Opportunities*, Edward Elgar Publishing, pp. 212-240.

Hair, J.F., Hult, G.T.M., Ringle, C.M., Sarstedt, M., Danks, N.P. and Ray, S. (2017), *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*, Sage, London.

Hair, J.F., Hult, G.T.M., Ringle, C.M., Sarstedt, M., Castillo Apraiz, J., CepedaCarrión, G. and Roldán, J.L. (2019a), *Manual de Partial Least Squares Structural Equation Modeling (Pls-Sem)*, OmniaScience Scholar, New York, NY.

Hair, J.F., Risher, J.J., Sarstedt, M. and Ringle, C.M. (2019b), “When to use and how to report the results of PLS-SEM”, *European Business Review*, Vol. 31 No. 1, pp. 2-24.

Hair, J.F., Sarstedt, M. and Ringle, C.M. (2019c), “Rethinking some of the rethinking of partial least squares”, *European Journal of Marketing*, Vol. 53 No. 4, pp. 566-584.

Hair, J.F., Jr, Hult, G.T.M., Ringle, C.M., Sarstedt, M., Danks, N.P. and Ray, S. (2021), *Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R: A Workbook*, Springer Nature.

Helfat, C.E. and Peteraf, M.A. (2009), “Understanding dynamic capabilities: progress along a developmental path”, *Strategic Organization*, Vol. 7 No. 1, pp. 91-102.

Helfat, C.E. and Winter, S.G. (2011), “Untangling dynamic and operational capabilities: strategy for the (N) ever-changing world”, *Strategic Management Journal*, Vol. 32 No. 11, pp. 1243-1250.

Henisz, W.J. (2016), “The dynamic capability of corporate diplomacy”, *Global Strategy Journal*, Vol. 6 No. 3, pp. 183-196.

Henseler, J. (2017), “Bridging design and behavioral research with variance-based structural equation modeling”, *Journal of Advertising*, Vol. 46 No. 1, pp. 178-192.

Henseler, J. and Schuberth, F. (2020), “Using confirmatory composite analysis to assess emergent variables in business research”, *Journal of Business Research*, Vol. 120, pp. 147-156.

Henseler, J., Hubona, G. and Ray, P.A. (2016), "Using PLS path modeling in new technology research: updated guidelines", *Industrial Management and Data Systems*, Vol. 116 No. 1, pp. 2-20.

Hernández-Carrión, C., Camarero-Izquierdo, C. and Gutiérrez-Cillán, J. (2017), "Entrepreneurs' social capital and the economic performance of small businesses: the moderating role of competitive intensity and entrepreneurs' experience", *Strategic Entrepreneurship Journal*, Vol. 11 No. 1, pp. 61-89.

Holm, C. and Zaman, M. (2012), "Regulating audit quality: restoring trust and legitimacy", *Accounting Forum*, Vol. 36 No. 1, pp. 51-61.

Hu, L. and Bentler, P.M. (1999), "Cutoff criteria for fit indexes in covariance structure analysis: conventional criteria versus new alternatives", *Structural Equation Modeling: A Multidisciplinary Journal*, Vol. 6 No. 1, pp. 1-55.

Islam, M.T., Kokubu, K. and Nishitani, K. (2021), "Corporate social reporting in the banking industry of Bangladesh: a test of legitimacy theory", *Social Responsibility Journal*, Vol. 17 No. 2, pp. 198-225.

Kahl, S.J. (2014), "Associations, jurisdictional battles, and the development of dual-purpose capabilities", *Academy of Management Perspectives*, Vol. 28 No. 4, pp. 381-394.

Ki, E.J. and Wang, Y. (2016), "Membership benefits matter: exploring the factors influencing members' behavioral intentions in professional associations", *Nonprofit Management and Leadership*, Vol. 27 No. 2, pp. 199-217.

Lee, E.Y., Choi, J.H., Kim, E. and Sunwoo, H.Y. (2024), "Audit market concentration, legal regime, and audit fees: an international investigation", *International Journal of Auditing*, Vol. 28 No. 1, pp. 206-225.

Loos, C. and Spraul, K. (2024), "The why, how, and when of CSR managers' internal legitimation strategies", *Journal of Management Studies*.

Markova, G., Ford, R.C., Dickson, D.R. and Bohn, T.M. (2013), "Professional associations and members' benefits: What's in it for me?", *Nonprofit Management and Leadership*, Vol. 23 No. 4, pp. 491-510.

Millerson, G. (1964), *The Qualifying Associations: A Study in Professionalization*, Routledge, London.

Mitchell, R.K., Agle, B.R. and Wood, D.J. (1997), "Toward a theory of stakeholder identification and salience: defining the principle of who and what really counts", *The Academy of Management Review*, Vol. 22 No. 4, pp. 853-886.

Morales-Sánchez, R., Orta-Pérez, M. and Rodríguez-Serrano, M.Á. (2020), "The benefits of auditors' sustained ethical behavior: increased trust and reduced costs", *Journal of Business Ethics*, Vol. 166 No. 2, pp. 441-459.

Nitzl, C., Roldan, J.L., Cepeda, G., Roldán, J.L. and Cepeda-Carrion, G. (2016), "Mediation analysis in partial least squares path modeling: helping researchers discuss more sophisticated models", *Industrial Management and Data Systems*, Vol. 116 No. 9, pp. 1849-1864.

Oliver, C. (1990), "Determinants of interorganizational relationships: integration and future directions", *The Academy of Management Review*, Vol. 15 No. 2, pp. 241-265.

Pasewark, W.R., Shockley, R.A. and Wilkerson, J.E. Jr, (1995), "Legitimacy claims of the auditing profession vis-à-vis the behavior of its members: an empirical examination", *Critical Perspectives on Accounting*, Vol. 6 No. 1, pp. 77-94.

Pratt, M.G., Rockmann, K.W. and Kaufmann, J.B. (2006), "Constructing professional identity: the role of work and identity learning cycles in the customization of identity among medical residents", *Academy of Management Journal*, Vol. 49 No. 2, pp. 235-262.

Richter, N.F., Cepeda-Carrión, G., Roldán, J.L. and Ringle, C.M. (2016), "European management research using partial least squares structural equation modeling (PLS-SEM): editorial", *European Management Journal*, Vol. 34 No. 6, pp. 589-597.

Ringle, C.M., Wende, S. and Becker, J. (2024), "SmartPLS 4. Bönningstedt: SmartPLS", available at: www.smartpls.com

Ringle, C.M., Sarstedt, M. and Straub, D.W. (2012), "A critical look at the use of PLS-SEM in MIS quarterly", *MIS Quarterly*, Vol. 36, pp. 3-14.

Rivero-Gutiérrez, L., Cabanelas, P., Díez-Martín, F. and Blanco-González, A. (2024), "How can companies boost legitimacy in international markets? A dynamic marketing capabilities approach", *International Marketing Review*, Vol. 41 No. 1, pp. 273-301.

Ruef, M. and Scott, W.R. (1998), "A multidimensional model of organizational legitimacy: hospital survival in changing institutional environments", *Administrative Science Quarterly*, Vol. 43 No. 4, pp. 877-904.

Rusaw, A.C. (1995), "Learning by association: professional associations as learning agents", *Human Resource Development Quarterly*, Vol. 6 No. 2.

Sánchez-del-Río-Vázquez, M.E., Rodríguez-Rad, C., Orta-Pérez, M. and Revilla-Camacho, M.Á. (2024), "Influence of perceived legitimacy and perceived value of professional association members on attitudinal loyalty", *Administrative Sciences*, Vol. 15 No. 1, pp. 4.

Sarstedt, M., Hair, J.F., Cheah, J.-H., Becker, J.-M. and Ringle, C.M. (2019), "How to specify, estimate, and validate higher-order constructs in PLS-SEM", *Australasian Marketing Journal*, Vol. 27 No. 3, pp. 197-211.

Sarstedt, M., Hair, J.F., Ringle, C.M., Thiele, K.O. and Gudergan, S.P. (2016), "Estimation issues with PLS and CBSEM: where the bias lies!", *Journal of Business Research*, Vol. 69 No. 10, pp. 3998-4010.

Sarstedt, M., Ringle, C.M. and Hair, J.F. (2021), "Partial least squares structural equation modeling", in Homburg, C. and Klarmann, M. (Eds.), *Handbook of Market Research*, Springer International Publishing, Cham.

Scott, W.R. (2013), *Institutions and Organizations: Ideas, Interests, and Identities*, Sage Publications.

Soares Fontes, A., Lima Rodrigues, L., Marques, C. and Silva, A.P. (2023), "Barriers to institutionalization of an IFRS-based model: perceptions of Portuguese auditors", *Meditari Accountancy Research*, Vol. 31 No. 2, pp. 470-497.

Stack, R. and Malsch, B. (2022), "Auditors' professional identities: review and future directions", *Accounting Perspectives*, Vol. 21 No. 2, pp. 177-206.

Staszkiewicz, P., Horobiowski, J., Szelągowska, A. and Strzelecka, A.M. (2024), "Artificial intelligence legal personality and accountability: auditors' accounts of capabilities and challenges for instrument boundary", *Meditari Accountancy Research*, Vol. 32 No. 7, pp. 120-146.

Suchman, M.C. (1995), "Managing legitimacy: strategic and institutional approaches", *The Academy of Management Review*, Vol. 20 No. 3, pp. 571-610.

Teece, D.J. (2007), "Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance", *Strategic Management Journal*, Vol. 28 No. 13, pp. 1319-1350.

Teece, D.J., Pisano, G. and Shuen, A. (1997), "Dynamic capabilities and strategic management", *Strategic Management Journal*, Vol. 18 No. 7, pp. 509-533.

Walker, H.A. (2004), "Beyond power and domination: legitimacy and formal organizations", *Legitimacy Processes in Organizations*, Emerald Group Publishing, Bingley.

Walker, B.J. and Ruekert, R.W. (1987), "Marketing's role in the implementation of business strategies: a critical review and conceptual framework", *Journal of Marketing*, Vol. 51 No. 3, pp. 15-33.

Wilden, R. and Gudergan, S.P. (2015), "The impact of dynamic capabilities on operational marketing and technological capabilities: investigating the role of environmental turbulence", *Journal of the Academy of Marketing Science*, Vol. 43 No. 2, pp. 181-199.

Wilden, R. and Gudergan, S.P. (2019), "Service-dominant orientation, dynamic capabilities and firm performance", *Journal of Service Theory and Practice*, Vol. 29 No. 4, pp. 513-534.

Wilden, R., Gudergan, S.P., Nielsen, B.B. and Lings, I. (2013), "Dynamic capabilities and performance: strategy, structure and environment", *Long Range Planning*, Vol. 46 Nos 1-2, pp. 72-96.

Winter, S.G. (2003), "Understanding dynamic capabilities", *Strategic Management Journal*, Vol. 24 No. 10, pp. 991-995.

Yoon, J. and Thye, S. (2011), "A theoretical model and new test of managerial legitimacy in work teams", *Social Forces*, Vol. 90 No. 2, pp. 639-659.

Zahra, S.A., Sapienza, H.J. and Davidsson, P. (2006), "Entrepreneurship and dynamic capabilities: a review, model and research agenda", *Journal of Management Studies*, Vol. 43 No. 4, pp. 917-955.

Zimmerman, M.A. and Zeitz, G.J. (2002), "Beyond survival: achieving new venture growth by building legitimacy", *The Academy of Management Review*, Vol. 27 No. 3, pp. 414-431.

Zucker, L.G. (1987), "Institutional theories of organization", *Annual Review of Sociology*, Vol. 13 No. 1, pp. 443-464.

Further reading

Hampel, C.E. and Tracey, P. (2018), "Introducing a spectrum of moral evaluation: integrating organizational stigmatization and moral legitimacy", *Journal of Management Inquiry*, Vol. 28 No. 1, pp. 11-15.

Humphrey, C., Sonnerfeldt, A., Komori, N. and Curtis, E. (2021), "Audit and the pursuit of dynamic repair", *European Accounting Review*, Vol. 30 No. 3, pp. 445-471.

Hurst, B., Johnston, K.A. and Lane, A.B. (2020), "Engaging for a social licence to operate (SLO)", *Public Relations Review*, Vol. 46 No. 4, p. 101931.

Corresponding author
María A. Agustí-Pérez can be contacted at: magusti@us.es