

# **Ethics and Professional Standards for Surveyors towards a Global Standard?**

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## **SUMMARY**

While recognizing the differences in the culture and professional practice of its membership, FIG has had a statement on of the fundamental ethical principles which should apply to all surveyors since 1998. At the end of 2002, The Royal Institution of Chartered Surveyors published a statement on the nine core values which it proposes to require of all Chartered Surveyors, regardless of where they practice. This paper previews research into the issues which affect the imposition of a set of specific values in the light of the range of cultural and professional practices within the global surveying profession.

# **Ethics and Professional Standards for Surveyors towards a Global Standard?**

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## **1. INTRODUCTION**

*”There is certainly unease about professional ethics, not only by the professionals themselves, but by the general public, who are the clients or consumers of professional services”* (McDowell, 2000 p:1). Recent years have seen a rise in the amount of literature highlighting the ethical dimensions of professional behaviour, from medical practice to accountancy and, more recently, to the world of corporate governance. In part this can be traced to the rise in corporate social responsibility and the heightened awareness of the human rights movement. In this way ethics is viewed as part of the morality dilemma and a question related to concepts of normative behaviours (Kultgen, 1988). In part, however, especially in relation to professional ethics, the cause is less abstract and more related to specific concerns.

High among the specific concerns are consumer criticism of professionals and a loss of confidence in the ability of professions to regulate themselves. Nowhere has this been more clearly demonstrated than in the number and range of recent high profile cases affecting the accountancy profession e.g. Enron and Worldcom. All these factors demonstrate the failure of professionals to fulfil even basic standards of trust.

For The Royal Institution of Chartered Surveyors (RICS), evolution into a global profession has established the need for a debate regarding the nature, content and application of a clear and unequivocal statement of the principles and rules which should govern the behaviour of all Chartered Surveyors, regardless of where they qualify or where they practice. To this end, the RICS has developed and is currently implementing within its Rules of Conduct (RICS, 2002b) nine “core values” adherence to which is being required of all Chartered Surveyors, on a global basis.

However, these “core values”, with which all RICS members are expected to conduct themselves “at all times” (RICS, 2002b p. c5) may be interpreted in different ways in different countries of the world, depending on the cultural context, as each will have its own values and norms. It is important for the RICS and its membership to understand how such “core values” can be achieved within different cultural environments.

The RICS has introduced the revised code of conduct for all of its members, regardless of their geographical location and their practice sector. It is equally applicable to those working in the public sector as the private sector. This paper previews research which, while benefiting the RICS membership, is also of particular relevance to the wider surveying community and to the client/consumer community. It seeks to develop a greater understanding of relevant issues surrounding the implementation of ethical standards across cultural boundaries in order to ensure that the ultimate goals of service quality, professional

reputation and rigorous standards can be appropriately met. Only then will client and public confidence be assured for surveyors within a global marketplace.

FIG has had a statement on ethics since 1998 (FIG, 1998). This recognises the need for common ethical principles and codes of professional conduct, and also the responsibility of “member associations” to prepare, implement and enforce “a detailed code of professional conduct”. Indeed, given the chronology, the RICS appears to be achieving such a goal.

It cannot be disputed that principles and codes of conduct are important, both for professionals, for their clients and for the general public at large, but there is plenty of evidence of the wealth and richness of cultural variety within the social lives and working practices across the world, to demonstrate the need to look beyond the words of a code of conduct and to seek the interpretation which surveyors from different countries will place upon these words. The aim of such an investigation is not to seek conformity of interpretation; on the contrary, the aim is to develop an understanding of what the terms signify to others and thereby improve communication, working relationships and thereby strengthen the global profession of surveyors.

There is little already published on ethics for surveyors, although professional codes of conduct exist, for example, for members of the American Appraisal Institute and for other UK professions. Of greater significance, there is little written about how a code of conduct can be applied across international and (by implication) cultural boundaries. Other work in this area appears to be confined to international business management and some main texts have been cited earlier in the submission.

## **2. THE RESEARCH PROJECT**

This paper outlines and provides a contextual background to a pilot study aimed at developing a methodology to investigate how the RICS’s code of conduct as represented by the “nine core values” may be interpreted by Chartered Surveyors in selected different countries and within selected sub-markets.

By so doing, an additional aim is to inform and encourage the debate towards defining and developing the principles and practice of professional behaviour for all Chartered Surveyors, such as to demonstrate and enhance professional reputation and standards, and merit client and public confidence and esteem.

The research focuses on Chartered Surveyors because of the recent introduction and imposition by the RICS of its code of conduct. However, in view of the fact that FIG has had a statement of ethical principles and code in place for some years, the experience of FIG members will be highly valuable to the research.

Similarly, it may be necessary to investigate the experiences of other global professions whose record in this area is longer than surveyors, and the literature has identified both law and medicine as having extensive experience in ethics, while the business community

provides a wealth of information and experience relating to the management of a single global workforce.

### 3. PROFESSIONS AND ETHICS

*“Professions have evolved differently in various societies . . . Some differences stem from alternative modes of organizing society, and others from different underlying social values. Professional ethics can be properly analysed only against a set of social values and a conception of the general role of professions in society.”* (Bayles, 1989 p:5)

#### 3.1 Professions

The responsibility upon professions and professional institutions is onerous, because of their traditional role in society. *“Professions do not have a right to practice: it is a privilege conferred by the state. . . . Individual professionals have only a privilege to practice; . . . the profession as a whole is privileged activity created by the state to further social values.”* (Bayles, 1989 p:12). In the case of The Royal Institution of Chartered Surveyors, this status is conferred specifically by Royal Charter and not by legislation or by statutory protection of title.

Regardless of how they achieve their status, professions continue to justify their privileged position in society by reference to social values and their ability to enhance and contribute to them. Societies across the world have placed the professions in positions of immense power and influence. For example, in the UK, the British government uses professional organisations to regulate the qualifications and activities of their members in a way that normally is regulated by the state in much of the rest of Europe.

*“Historically, the professions have controlled admission to their ranks, regulated the conduct of their members, and defined their role in society. The lay public regarded professionals with respect and entrusted their lives and fortunes to their judgements. Although antipathy and suspicion have occasionally be directed towards individual professions . . . by and large people concurred in professionals’ self-judgement that all the decisions in and about their respective fields should be exclusively theirs. Now, however, criticism has become widespread and is directed at almost all professions.”* (Bayles,1989 p: 4))

The traditional respect accorded to both professions and commercial organisations is increasingly being challenged by the public and by governments. According to Bayles (1989, p: 4-5):

*“As society has become more complex and dependent on technology, the professions have become increasingly central to its function. For years, violations of professional ethical codes were frequent and unpunished, yet did not spark the kind of criticism that is currently widespread. At the least, the recent criticisms reflects the development of consumerism.”*

This situations no longer exists, with high profile cases of apparent fraud in organisations such as Enron and WorldCom in the USA, coupled with the increasing propensity of

members of the public to turn to litigation against professionals. These are clear demonstrations of the breakdown of trust between the public and organisations which often prided themselves on offering a quality public service. It points to the need for professional organisations to defend themselves and their membership by demonstrating clearly to their clients and the public at large that they are, indeed, “professional”.

One of the ways of protecting themselves is for professional organisations to define and impose on their members a code of ethics or conduct which can be adhered to no matter where in the world members have qualified or where they work. There is an associated requirement to provide explicit and unambiguous guidance to their membership on the interpretation of such codes.

Thus, “. . . *professional ethics encompasses all issues involving ethics and values in the roles of professions and the conduct of professionals in society*” (Bayles, 1989 p:3). However, the values which underpin ethics are not universal. They reflect a cultural environment and are therefore different in the various parts of the world.

This provides a dilemma. Should the imposition of the values be interpreted as implying one single set of values or should the interpretation have spatial differentiation? The initial stance of the RICS and thus the originating hypothesis for the proposed research is that cultural differences must be both acknowledged and respected. Thus, the imposition of a code of conduct, such as the RICS’s “nine core values” must be accompanied by a clear understanding of what those values mean to members in different countries. Such understandings need to be clear, articulated and communicated both within and outside the professional organisations, so that members know what is expected of them (or, perhaps, what is permissible) and clients and other consumers are left in no doubt as to what to expect from the membership.

### 3.2 Values and Norms

Values can be defined as “*broad tendencies to prefer certain states of affairs over others. . . They deal with: good vs evil . . . irrational vs rational.*” (Hofstede, 1989 p:9 and Bayles, 1989: pp 17 – 25). Values are acquired by people from their earliest age implicitly and are therefore hard to articulate. Often they can only be inferred from the way people act under various circumstances. It is, however, important to distinguish what people want in a general sense, such as honesty and reliability from a professional, from what individuals want for themselves (e.g. to purchase a property for a low price). Their benevolence may be modified when faced with personal choices (refer, for example, Hofstede, 1989 p:9 and Bayles, 1989: pp 17 – 25)

Norms can be defined as “*the standards for values which exist within a group or category of people*” (Hofstede, 1991 p:9) or “*the mutual sense a group has of what is ‘right’ and ‘wrong’*” (Trompenaars and Hampden-Turner, 1999 p:21-22). In the case of how people think the world ought to be run (the “desirable”) (Hofstede, 1991 p:9 and Trompenaars and Hampden-Turner, 1999 p:22), the “norm” is absolute and reflects what is right and refers (in the context of this research) to the criteria for evaluating the conduct of professions and professionals.

It is because of the shared and cultural nature of “values” and “norms” within any given society, that ethics can only be considered within a cultural context. By definition, therefore, it is likely that norms differ between societies and cultures and that therefore a code of ethics (founded on desirable values) which is acceptable in one society with one set of norms may not be acceptable in every other society. Such a society may be local, national, or regional. Indeed, it is the characteristics of the “society” which will define the geographical boundary within which certain values and norms apply.

### 3.3 Ethical Relativism

This raises the issue of “ethical relativism”, a central feature of which is that “. . . *norms always refer to a particular reference group. Thus, different norms can be correct in different societies or for different groups.*” (Bayles, 1989 p:17-18).

If norms are the standards for values which exist within a group or category of people, then it follows that different groups or categories of people will have different norms and therefore different codes of “desirable” ethics. Indeed, much of the work of Hofstede (ibid.) and Trompenaars and Hampden-Turner (ibid.) is based on the premise that different values and norms produce different cultures which have are defined by these differences.

The problem of ethical relativism, according to Bayles (ibid.:18) is that, because people have different beliefs, which are based on their various values and norms, these different beliefs can all be correct. This, he maintains (ibid.) “. . . *makes meaningful ethical disagreement impossible . . .*” and that the only justification that an individual from another cultural group can give to justify such a belief is that “. . . *most people think so.*”

There are many examples of forms of behaviour which are accepted in some countries (or cultures) but not in others. Bayles (ibid.) provides one: “*If a Korean engineer says that bribing officials is permissible, and a US engineer says it is not, they do not really disagree. The Korean is saying that most people in Korea believe it is permissible, and the American is saying that most people in the United States believe that it is not. Both can be correct, and there is no disagreement.*” Whilst Bayles’ view is that this is not a disagreement, in ethical terms as the practice is rooted in local *custom*, it is not as simply or unproblematic as he suggests. To the client operating within a global context, there may be an expectation that different members of the same grouping (i.e. profession or consultant firm) operate to the same practice.

This very clear example, quoted by Bayles, therefore brings into a sharp focus the nature of the problem faced by a global professional organisation seeking to establish, impose and regulate a code of values on an international membership. It also demonstrates the need to support and provide appropriate interpretations of any core values which are imposed globally.

#### 4. THE ROYAL INSTITUTION OF CHARTERED SURVEYORS' CORE VALUES

The strategy formulated by the RICS's Ethics Conduct and Consumer Policy Committee (ECCPC) and reported to General Council (RICS 2002a) has an underpinning philosophy which is that all regulatory requirements should be grounded in the "Nine Core Values". These are set out as rule 3 (RICS, 2002b p:c5), in Part II of the RICS's Rules of Conduct, together with a brief explanatory statement (RICS, 2002c). Within the Guidance to Rules of Conduct (RICS, 2002c p:8), the core values are prefaced, with:

*"RICS has a set of overarching values it expects members to apply in their work. Adherence to such a set of values is one of the key features that defines the professionalism of all chartered and technical surveyors. Members are expected to determine all their actions and judgements on the basis of them."*

and set out, as follows (ibid.)

1. *Act with integrity.* Never put your own gain above the welfare of your clients or others to whom you have a professional responsibility. Respect their confidentiality at all times and always consider the wider interests of society in your judgements.
2. *Always be honest.* Be trustworthy in all that you do – never deliberately mislead, whether by withholding or distorting information.
3. *Be open, and transparent in your dealings.* Share the full facts with your clients, making things as plain and intelligible as possible.
4. *Be accountable for your actions.* Take full responsibility for your actions and don't blame others if things go wrong.
5. *Know and act within your limitations.* Be aware of the limits of your competence and don't be tempted to work beyond these. Never commit to more than you can deliver.
6. *Be objective at all times.* Give clear and appropriate advice. Never let your own sentiments or your own interests cloud your judgement.
7. *Always treat others with respect.* Never discriminate against others.
8. *Set a good example.* Remember that both your public and private behaviour could affect your own, RICS's and other members' reputations.
9. *Have the courage to make a stand.* Be prepared to act if you suspect a risk to safety or malpractice of any sort.

The core values appear in the Rules of Conduct, under the heading "Personal and professional standards". Thus, it is clear that these "core values" extend beyond the professional role of the individual, and include "personal" attributes. Core value number 9 is quite specific - *"Remember that both your public and private behaviour could affect your own, RICS's and other members' reputations."* The Guidance (RICS, 2002c p:9) further states: *"We also expect high standards of members in their private as well as professional lives."*

This demonstrates that, in interpreting the core values, it is both professional and personal values and norms which must be investigated. It is also significant that the RICS states (RICS, 2002c p:9):

*“These values can be adapted to reflect changes in society’s expectations of the profession. They can even be adapted to differences in cultural norms.” (ibid., p. 9)*

Thus, it is “*society’s expectations of the profession*” which is seen to be the determinant of the values. It must also be implied that such “expectations” can and will vary over time.

It was envisaged (RICS, 2002a p:4.3(c)) that “. . . *as more national associations reach maturity and become capable of articulating local regulatory requirements, against the Nine Core Values, so further additions to these Regulations will be made.*” This provision should allow national associations to provide appropriate national interpretations or examples of how the core values should be applied within their area. To date, no such interpretations have been published. Schedule 1 of the Rules of Conduct, which applies to the UK, the Channel Islands and the Isle of Man, supplements and provides specific guidance on a range of issues, including complaints handling procedure, professional indemnity insurance, and members’ accounts. It does not, however, seek to interpret the nine core values for the UK membership.

## **5. THE RESEARCH**

Other professional organisations have established and are implementing codes of conduct. In particular, the legal and medical professions have had experience of dealing with such issues over many decades and landed professions in the USA also appear to have well-defined codes of conduct. Thus, part of the research will investigate the nature of these codes of conduct, how they are interpreted and implemented, specifically within different cultures in order to inform the debate.

### **5.1 The Aim of the Research**

The aim of this pilot study is to investigate how the RICS’s code of conduct as represented by the “nine core values” cited above may be interpreted by Chartered Surveyors in different countries. Thereby, it will inform and encourage the debate towards the principles and practice of professional behaviour for all Chartered Surveyors, such as to demonstrate and enhance professional reputation and standards, and merit client and public confidence and esteem.

As well as members of the RICS, research will include the experience of FIG in drafting and supporting its statement of ethical principles and model code of professional conduct.

However, it is clear from the interpretation of “values” and “norms” that what is most significant, is not the perception of professional organisations, nor indeed that of its members, but the understanding, expectations and demands of the wider society in which professionals practice. Thus, the ultimate goal of the research is to establish a range of interpretations of the nine core values based on the understanding, expectations and demands of a number of societies across the world, using questionnaires directed at clients, consumers as well as surveyors. This is an ambitious project, but one which is vital to the success of the global marketplace for surveying services.



## 5.2 Programme and Methodology

The pilot study is based in part on the published literature available from both academic texts and other professional organisation around the world, and on a survey of Chartered Surveyors within three European countries. This will provide a critical assessment of the *interpretation* of the nine core values imposed by the RICS, and other existing principles and rules which are to be implemented by the RICS as an institution. The output will therefore provide information to RICS on ways in which the rules should and could govern the professional and personal behaviour of all Chartered Surveyor, regardless of where that professional practices.

The context in which these regulatory measures are to be investigated include:

- a. institutional issues, including the availability of services, ability to pay, and restrictions on services;
- b. personal and professional standards of behaviour;
- c. the relationship with clients, including obligations to inform clients, conflicts of interest, including those between clients;
- d. obligations to others, which may conflict with obligations to clients; and
- e. professionals' status as employees and potential conflict with employers' judgements.

These have implications both for the individual professional Chartered Surveyor, but also for the professional institution which represents them and which is responsible for devising, implementing and enforcing an appropriate code of ethics and/or conduct.

## 5.3 Literature Search

This research of existing literature will focus on the relevant ethical issues which affect Chartered Surveyors, codes of conduct imposed on surveyors in other countries, although examples may be drawn from other professions where current research and experience is more extensive than for surveyors.

In addition, the existing statements (including the by-laws) and specifically the nine core values will be critically evaluated in the light of the review of professional ethics within the global market within which both Chartered Surveyors and the RICS are required to operate.

## 5.4 Surveys

In the light of the literature search, it is proposed to investigate specifically how the nine core values might be interpreted in three specific and different European cultural milieu, depending on resources.

It is proposed that a series of interviews will be established with Chartered Surveyors representing their national associations in order to discuss their interpretation of the nine core values, and areas of difficulty either in interpretation or practice, and any other relevant areas of concern. Following from this, a questionnaire will be devised, translated (back-to-back) and sent to a sample of Chartered Surveyors chosen at random from the faculties active

within the chosen countries, for their opinions and experience as to how the nine core values would operate in practice.

## 5.5 Analysis

The results of the research will be analysed both to confirm (or recommend variations to) the methodology adopted and also to indicate areas of ambiguity, interpretation or omission which affects the specific countries chosen.

## 5.6 Extension of Study

It is anticipated that, following such a small European-based pilot study as is described above, a further study will be developed including more European countries and extending the study to other countries where there is an active national association. It may be possible to extend the study to reflect the nature of the phasing in by the RICS of its proposed code of regulation.

## 6. CONCLUSION

This is an area of immense importance to the entire surveying profession, to professional institutions, their membership and to all of their clients, employers and to the public at large.

According to Bayles (1989 p: 5):

*“From [an historical] perspective, the study of professional ethics must be more than the application of traditional principles of professional ethics to new problems. It must be an analysis of the property roles of professionals in society. One cannot simply accept the prescription of professionals of their own roles. . . . Although the responsibilities and situations of individual professionals vary, common elements stem from their role as professionals.*

Increasingly, it is within the context of social values, more specifically the values recognised and respected by society, that the behaviour of professionals and their institutions is judged. Thus, professional ethics determine the role of professions, the quality of service and the conduct of professionals within the social, economic and legal philosophy of the environment in which the professions and professionals operate. Curiously, regardless of the view of the professions themselves, it may be that it is the interpretation of these values by any particular society, as articulated by the judiciary of that society, which may provide the ultimate definition of the ethics which we should adopt. There is also the element of changing values over time, and shifts in public opinion mean that the interpretation of such terms as “honesty” and “integrity” may change.

Surveying is a relatively new profession when compared to the law or medicine. Yet the expertise of surveyors is the land and property, widely recognised now as one of our most valuable resources. Public, government and employer confidence that such a fragile and finite resource is benefiting from the best objective and reliable professional support is vital to us

all and our future generations. If we cannot demonstrate to global community that, we can be relied on as professionals to respond to their needs and respect their values (whether technical, professional or cultural), then our advice will go unheeded and, as a profession we will have no future, regardless of our quality of our expertise.

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## BIOGRAPHICAL NOTES

**Frances Plimmer** *Dip Est Man, MPhil, PhD, FRICS, IRRV* has been an academic involved in the lecturing of applied valuation for over 20 years at the University of Glamorgan, and in research since the 1980s, achieving the highly prestigious status of Reader in 1996. She is now Senior Researcher with Kingston University and is the editor of *Property Management*, on the editorial advisory board of the *Journal of Tax Administration & Assessment*, and also on the advisory board of the RICS Research Foundation. She is the RICS's delegate to the FIG's Commission 2 (Professional Education) and heads the FIG Working Party on the Mutual Recognition of Professional Qualifications. She has been researching into

professional qualifications issues since 1988 and this topic has formed the basis of many publications and papers delivered at national and international conferences, as well as the basis of both of her research-based qualifications. She is particularly interested in how the issue of culture affects the nature of and education underlying professional qualifications and has been funded to undertake earlier research in this area by the RICS, FIG and the CLGE.

**Professor Sarah Sayce**, *BSc, PhD, FRICS, IRRV* has been an academic involved with professional education for surveyors since 1982 and the Head of the School of Surveying at Kingston University since 1992. Prior to that she was a practising Chartered Surveyor. Her research interests include leisure property, property appraisal and management issues, including professional valuation standards and professional education. In recent years she has also developed a specialism in the emergent field of sustainable property and she has published widely in both academic refereed journals and national and international conference proceedings. She is currently a member of the RICS South-East Regional Board and the Council for England and Wales, Vice-Chair and Treasurer of the Leisure Property Forum and a member of the Association of Heads of Surveying. She has extensive experience of managing externally funded research projects, including co-directing the HEFCE funded FTDL project '*Learning to Work: Working to Learn*' 2000-2002 and currently the DTI funded project '*Integrating Social Responsibility Policy into Property Investment Practice*'.

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