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PROFESSIONALISM AND ETHICS: A QUANTITY SURVEYING PERSPECTIVE

A Literature Review

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Introduction

The Society of Chartered Surveyors (SCSI) requires its members to *‘Be able to justify your own actions at all times, and demonstrate your own personal commitment to abide by ethical standards to maintain the integrity of the profession.’* (2006 p.5) This literature review examines ethical principles and the means by which professional standards may be achieved and maintained. The review commences with an outline of the expectation of the Society of its members in relation to ethics, professional identity and accountability. It proceeds to discuss the nature of these concepts and examines why ethics is important for surveyors. It sets out regulations governing the conduct of members and finally discusses means by which the required standards may be achieved.

The SCSI views the maintenance of high ethical standards as being fundamental to the practice of all Chartered Surveyors. The Society requires all members to *‘understand the significance of professional ethics’* and to be committed to maintaining professional and ethical standards. It is considered so important that the Society has stipulated that its *SCS 037 Ethics, Professional Identity and Accountability* competency, must be held by all members at level three. This requirement is required of only one other competency *‘Self Management’*. (Society of Chartered Surveyors, 2006)

The competency covers a wide range of subject matters including core ethical principles, the Codes of Conduct, the Society’s Rules and Regulations and other professional issues and dilemmas that chartered quantity surveyors may face. The competency graduates from level one where members must understand the Society’s role, its core values, have a working knowledge of its Conduct Regulations and appreciate the public’s expectations

of the Society and its membership. Level two requires members to adhere to and apply the nine core values in practice. Level three is the highest level of the competency and requires members to practice in an ethical manner, be able to give proper professional advice, and to be able to justify their actions ethically and in accordance the profession's standards. (Society of Chartered Surveyors, 2006). The notion of integrity and trustworthiness is at the heart of this competency.

The Nature of Ethics and Professionalism

Ethics may be seen as being fair or not wronging or harming others. Cartlidge (2011) states that '*business ethics are about the rightness and wrongness of business practice.*' He discusses the nature and sources of ethics describing how ethics are developed and shaped by the individual's personal life experiences and abilities and are informed by a wide range of sources including '*family, friends, religious beliefs, education and the media*'. He lists a number of concepts including '*right and wrong, good and bad, rights and duties*' which raise fundamental moral questions involving choice. This prompts questions such as what is the right thing to do in this situation? He claims that ethics provides a '*framework*' or '*moral map*' to deal with the difficult issues faced by surveyors. The SCSI view ethics as '*a set of moral principles extending beyond a formal code of conduct.*' This definition indicates that ethics seeks higher than minimum standards which in turn guide individuals and enables them to justify their actions in '*resolving the inevitable conflicts between the interests of the professional, the client and the community at large*' (Society of Chartered Surveyors, 2006)

The concept of ethics is closely related to that of professionalism, the nature of which is discussed by Murdoch and Hughes (2008). They note that construction professionals operate in a highly fragmented industry which includes many differing skills and professions, and where relationships and boundaries are not always clear. They state that professions possess four defining characteristics: '*a distinct body of knowledge, barriers to entry, serving the public and mutual recognition.*'(p. 5). Considered together, these characteristics indicate that professionals possess specialist skills and knowledge which is obtained through carefully regulated education and training programmes supervised by qualified and experienced practitioners. These qualifications are recognised by fellow

practitioners, other professionals and the wider public as evidence of ability to practice in a competent manner.

Murdoch and Hughes (2008) stress the importance of the professions primary aim to serve the public. This commitment means that *'the true professional places the public good before mere financial reward'* (p. 6). Acting in such a manner may, on occasion, conflict with an individual's or client's interest. They add that this concept is embodied in many of the professions' codes of conduct. Seeley (1997) concurs, adding that that upholding professional ethics underpins the primary objectives of professional codes of practice.

Providing a professional service may therefore be viewed as delivering technical skills competently and in a way society expects of professionals. Ashworth and Hogg (2007) comment that the work of the quantity surveyor has evolved rapidly since the 1970s. They discuss the findings of a number of influential industry and institutional reports which identify changing client needs and their dissatisfaction with construction products and services. They identified key drivers of changes in the business environment, the industry, customer needs, and the professions and IT. The reports were highly critical of construction inefficiencies and called for urgent improvement in construction performance.

Ashworth and Hogg (2007) examine the impact of this changing environment on the quantity surveying profession. They report that the traditional role of the profession, based primarily on measurement and valuation, has developed into a more diverse, complex and sophisticated one demanding a wider range of specialist skills. At the heart of this evolution is an increasing focus on clients needs. Increasingly clients sought *'reduced time scales'*, total rather than practical completion, *'simplified process'*, procurement expertise, comprehensive service provision, *'excluding the exclusions, effective change management, and solutions not projects'*. Current client needs have been summarised as *'the seven Cs: - choice, co-investment and risk taking, commitment, credibility, competence, clarity and accountability, and consistency'* (Powell, cited in Ashworth and Hogg, 2007 p.11). These needs and expectations have clear links to the SCS *Ethics, Professional Identity and Accountability* competency described above. It is

also clear that clients view quantity surveyors as being capable of providing objective advice and implementing business solutions in specialist areas. These expectations may lead to dilemmas for practitioners who are not expert in these areas.

In this regard Seeley (1997) argues that practitioners should confirm to their clients that they have the necessary skill and local knowledge to carry out such an instruction. He adds that members must not hide relevant facts or claim to offer higher standards than they are capable of providing in order to gain a commission. He cites Jonas' assertion that pressure on fees cannot justify lowering professional standards and supports the former Bishops of Durham's observation that professionalism often goes beyond the clients brief when writing:

A professional man is one who, in the judgement of his peers has proved himself competent in the exercise of the work he has undertaken. He is one who is not limited in the performance of his duties by a timetable or, when he understands his work aright, by the ability of those he serves to pay him. He does not practice his skill as a mere technician, but as a human being, conscious of the fact that he is dealing with human beings in the complexity of human situations. (p. 439)

The Rationale for Ethics

The Society of Chartered Surveyors (2006) identifies that upholding ethical principles is a key reason why people rely on professional bodies. The discussion above identifies competence and trust as central elements in generating confidence in the professions. Cartlidge (2011) argues that professions can only survive if the public retains confidence in them. He points out that *'transparency and ethical behaviour are particularly important'* for quantity surveyors who are involved daily with financial transactions such as *'procurement, contractual arrangements, payments and valuations'* (p. 122). These are areas which are susceptible to malpractice and corruption, particularly as the sector is characterised as being constructed on personal relationships. He judges the Construction Industry to have low ethical standards, describing a wide range of fraudulent activities which have occurred within the UK Construction Industry in the recent past. These include high profile instances of malpractice including: bid rigging through collusion, cover pricing, providing illegal compensation payments to unsuccessful bidders, theft, systematic overvaluation and deception. He reports survey findings that indicate a widespread tolerance for irregular tendering practices among quantity surveyors and a

particularly worrying finding that over 40 percent of the respondents had offered or accepted bribes. Corruption and malpractice such as this impacts not only on the reputation of the profession, but also tarnishes all its members and destroys public confidence in them.

Cartlidge (2011) points to the increasing importance of corporate social responsibility and organisational ethics. He claims that upholding ethical standards has several benefits for firms. He argues that firms with a strong ethical culture may gain competitive advantages over irresponsible firms, be better at attracting and retaining high calibre staff, be more attractive to investors, have better staff morale, gain enhanced company reputation, be seen as progressive, and will be seen as a benefactor rather than exploitative. These advantages represent a powerful business case, particularly in attracting socially responsible clients. Put simply honest business is good business.

Regulating Conduct.

The basis for maintaining standards of professional conduct is compliance with the particular institutions regulations, bye-laws and codes of conduct. The *RICS Rules of Conduct for Members* (2007) (The Rules) focus on '*proportionality, accountability, consistency targeting and transparency*' in providing better regulation over members professional practice. They stipulate the minimum professional standards expected of its members. Separate rules of conduct are required of Chartered Surveying practices. Seeley (1997) notes that the aim of these rules is to '*ensure that no chartered quantity surveyor can be party to unprofessional conduct which could bring himself and the profession into disrepute*'. He adds that the most fundamental rules prohibit conduct unbecoming a chartered surveyor or engaging in practice prejudicial to the Institution's reputation. Both he and Murdoch and Hughes (2008) point out that breaches of a professional code of conduct may lead to proceedings resulting in expulsion from the profession.

Professionals in common with other members of society must operate within the Law. This is recognised in the Rules which identify matters such as discrimination and employment as areas which are subject to statutory or common law. Criminal behaviour such as that described by Cartlidge (2011) or professional negligence discussed by Seeley (1997) also fall under this category.

Seeley (1997) argues that in addition to using their technical skill for the client's benefit that professionals have a '*moral duty of care*' which requires them to practice with the '*utmost honesty and integrity.*' He adds that chartered surveyors must ensure that they do not inadvertently harm their client's interests or the reputation of the profession. Commenting upon adherence to the Rules, he recognises the importance of the wider public interest and the objectives of the Institution. Therefore, in situations where a conflict of interest arises between a member and a client; the client's interest shall take precedence unless it is contrary to the public interest. Cartlidge (2011) notes that surveyors working abroad operate in regions which may have completely different cultural values and attitudes towards what would be viewed as irregular or corrupt practices in the UK and that these issues may present particular difficulties for surveyors.

The Rules are expressed in straightforward manner and superseded the earlier, more detailed, 2004 *Rules of Conduct*. The 2004 Rules contained several additional areas which were then subject to regulation but which, nevertheless, members should be mindful of in upholding professional standards. Guidance provided in the 2007 Rules encourages members to act within the spirit of the Regulations rather than by the express provisions. Failure to follow such guidance may be taken into consideration in an enquiry into a member's behaviour. The 2007 Rules contains two parts: Part I relates to general matters and contains two regulations relating to Interpretation and Communications and service of documents; Part II contains seven regulations relating to personal and professional standards covering integrity, competence, standards of service, lifelong learning, solvency, information to the RICS and cooperation with the RICS. These regulations require members to:

- act with integrity, avoid conflicts of interest, and avoid situations inconsistent with professional obligations,
- exercise due skill and diligence in their work,
- carry out work in a timely manner and take due account of client expectations,
- comply with Continuing Professional Development (CPD) requirements,
- manage their personal and professional finances appropriately, and

- provide information to, and cooperate with the RICS as requested (Royal Institution of Chartered Surveyors, 2007)

The rules have been effective since 1st January 2010.

Seeley (1997) elaborates on a number of additional important issues regulated by the Institutions Bye-Laws, primarily relating to firms rather than individuals including conflicts of interest; keeping of separate accounts and accounting for client's money; keeping proper practice accounts; complying with Institutions practice statements; maintaining adequate Professional Indemnity Insurance cover; connected business; trade discounts; financial interest and other related procedural and administrative matters. With regard to conflicts of interest between members and clients, the requirements are that members shall disclose the relevant facts promptly and refuse to continue the commission unless requested to do so, having advised the client to seek independent professional advice and confirming the position in writing.

Achieving Ethical Standards

The Society of Chartered Surveyors (2007) sets out nine core values, or principles, which may guide members in managing difficult situations or where their professionalism may be compromised. Members are expected to know and understand these principles and be committed to them in order to and maintain the integrity of the profession. The nine principles are:

1. "Act with integrity. Never put your own gain above the welfare of your clients, and respect their confidentiality at all times.
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 all your actions. Never commit to more than you can deliver, take full responsibility 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.
6. Be objective at all times. Give fair neutral advice, and never let your own dealings or interests cloud your judgement.

7. Never discriminate against others. Always treat others with respect whatever their gender, race, religion or sexual orientation.
8. Set a good example. Remember that both your public and private behaviour could affect your own, the Society's and other members' reputation.
9. Have the courage to make a stand. Be prepared to act if you suspect another member of malpractice." (Society of Chartered Surveyors, 2006 p.5)

These nine core principles have been reorganised and amended slightly and augmented by a further three principals in a recently issued RICS Guidance Sheet *Maintaining Ethical Standards* (2010) These three additional principals require members to:

- 10 Comply with relevant laws and regulations and avoid any action, illegal or litigious that may bring the profession into disrepute;
- 11 Avoid conflicts of interest and declare any potential conflicts of interest, personal or professional, to all relevant parties and
- 12 Respect confidentiality maintain the confidentiality of your clients' affairs. Never divulge information to others, unless it is necessary. (RICS, 2010)

Taken together these principles represent best practice in upholding ethical standards and adherence to them indicates high personal standards. Seeley (1997) refers to Clark's view that standards must be maintained through further education and information. He argues that ethics should be taught on undergraduate surveying programmes which would provide a solid foundation for members to develop these qualities. The Society's continuing professional development requirements are noteworthy in requiring members to update and extend their skills and knowledge base.

Cartlidge (2011) lists a variety of ethical decision making models, two of which he describes in some detail: The American Accounting Association model and the Laura Nash model. Both models break down the decision making process into a number of steps involving identifying, defining and assessing the problem, courses of action, potential consequences and outcomes.

Cartlidge (2011) argues that awareness of ethics can be raised by implementing an ethics charter and he sets out a number of guidelines for designing such a charter. He goes on to discuss the issue of exposing malpractice or corruption known as whistle blowing. Making a stand often involves situations in which the whistle blower is not personally

affected by the danger or illegality, but does so, on the grounds of morality and conscience. He suggests that companies should consider adopting a whistle blowing policy which may reduce concerns over potential victimisation of individuals who raise serious issues.

Conclusion

This review has shown that upholding ethical standard is important for quantity surveyors. It has identified that ethics has a clear link with integrity and professionalism and has characterised a professional as trustworthy and competent. It has discussed the Rules of Conduct which regulate the actions of chartered surveyors and how twelve core ethical principles extend these Rules and encourage members to seek to achieve higher professional standards. It finally discusses various measures which may help quantity surveyors to manage ethical dilemmas they encounter in practice.

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