

Professional socialization of valuation students: what the literature says

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Professional socialization refers to the acquisition of values, attitudes, skills and knowledge pertaining to a professional subculture. This paper seeks to review what the literature offers concerning the socialization or professional socialization of valuation students.

Socialization studies in the fields of nursing, law, pharmacy, education, engineering, accountancy and business are summarized.

The paper examines the requirements to become a valuer in Australia or a member of a professional body that represents valuers. It compares the requirements for professionalization with that suggested by the literature and suggests areas of research to address what this means for graduate education.

In everyday life we can often pick out a teacher, scientist or an engineer by the attitudes, habits and values that are displayed. How did these values, habits or attitudes develop? Were they present initially and, as such, did individuals choose a profession that matched/accommodated these characteristics? Did the university teaching process foster these characteristics through the content taught, was it the way that it was taught or were they developed during induction into the firm when the professionals started their career?

These characteristics can be important for ensuring individuals operate in a professional manner and do not make mistakes or poor judgements when under pressure. They can also be important for an individual to advance in their profession. The development of these characteristics is known in the literature as professional socialization and I am interested at what point an individual believes they have developed the characteristics to consider they have become a valuer and what they consider these characteristics to be.

In this paper I review the definition of professional socialization and summarize socialization studies. As there is no specific literature on the professional socialization of valuation students, I then summarize the legislative requirements within Australia and the membership requirements of professional valuation bodies to identify if these include elements of professional socialization. I also briefly discuss the bigger picture drivers for the local professional valuation bodies.

Defining professional socialization

The literature I have reviewed uses the terms socialization and professional socialization interchangeably, but in reality the latter is a subset of the former. In this paper I will focus on literature concerning socialization in professions i.e. professional socialization. Where the term socialization is used the reader can assume this refers to professional socialization.

Weidman, Twale & Stein (2001 p4) define socialization in a broad sense as "the process by which persons acquire the knowledge, skills, and disposition that makes them more or less effective members of society". They add "socialization has also been recognized as a subconscious process whereby persons internalise behavioural norms and standards and form a sense of identity and commitment to a professional field" (Weidman, Twale & Stein 2001 p6)

Waugman and Lohrer (2000 p49) also include in the socialization definition:

- taking on the group's organizational goals and social mission;
- advocating its knowledge;
- learning the technology and language of the profession and

- integrating the professional role into one's identity and other life roles as components of professional socialization.

Schleef (forthcoming) suggests the idea of ideology and the role this plays in socialization. She also reconceptualizes the notion of resistance and its role in the socialization process.

Howkins & Ewens (cited in Secrest, Norwood & Keatley 2003) state that professional socialization encompasses values and norms as well as skills and behaviours. Perna & Hudgins (1996 p3) offer the following:

Acquiring a professional identity involves learning not only the knowledge and skills required to perform a particular job task, but also the attitudes, values, norms, language and perspectives necessary to interpret experience, interact with others, prioritise activities and determine appropriate behaviour.

Whilst the literature does not use a common definition of socialization there are clearly consistent themes. For the purposes of this paper I will summarize the themes and suggest the following definition:

Professional socialization is the acquisition of values, attitudes, skills and knowledge pertaining to a professional subculture.

The valuation professional can be considered to be one type of professional subculture and for ease of reference values, attitudes, skills and knowledge will be referred to as characteristics of socialization. It is important to have these characteristics in mind as much of the literature pertaining directly to valuation does not refer explicitly to professional socialization and these terms help build common ground between a discussion of professional socialization and professional requirements.

Socialization model

Weidman, Twale & Stein (2001) undertook a comprehensive review of graduate and professional socialization in higher education for the Office of Educational Research & Improvement within the U.S. Department of Education. In addition, Weidman has researched and published in the socialization field for over a decade. Weidman, Twale & Stein's (2001) paper reviews several socialization models and the authors present their own model, which essentially summarises other models and also adheres to previous models by Weidman himself. This model is shown in Fig. 1 and together with the core elements of socialization presented in Table 1, they provide a useful base to explain socialization in the higher education setting.

Fig. 1 Conceptualising graduate and professional student socialization (Weidman, Twale & Stein 2001 p37)

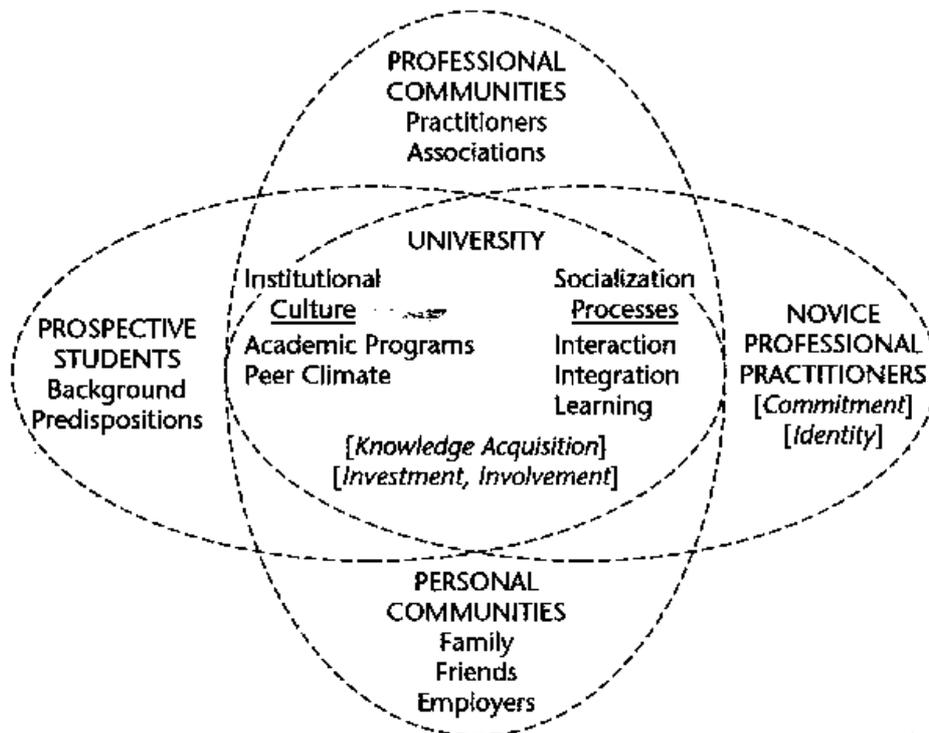


Table 1 Core elements and the collaborative approach to professional socialization (Thornton & Nardi reproduced in Weidman, Twale and Stein 2001 p29)

Stages	Core elements		Nature of identity and commitment
	Knowledge acquisition	Investment	
Anticipatory	Simulations, web sites, CD-ROMs, videos of institution or profession	Matriculation, financial investment, tolerance of diversity, inclusiveness.	Evaluate mental models of the profession, identify with the professional role.
Formal	Transformative projects, learning communities, incorporate technology in the curriculum, adaptive evaluation strategies, new instructional delivery methods, distance learning courses, new learning paradigms.	Team learning; clear, realistic guidelines.	Conference presentations, professional development, joint research projects, acceptance of ideologies, professional community of learners, mutual evaluations, professional collaboration, advancing the profession through research.
Informal	Studenthood role, academic interactions, role learning, cyber competence, cyber receptivity.	Mutual sharing, group maturity, embrace diversity in class, faculty/student bonding, sociocultural activity, social interactions, collaborative dialogue, study groups.	Professional interaction, practitioner interaction, appreciate diverse colleagues, networking, role identification, self-reflection.
Personal	Listserv, Internet, chat rooms, bulletin boards, personal mastery, personal vision, faculty and students becoming familiar with new technologies that affect teaching and learning.	Formal mentoring, sponsorship.	Internalise professional role, connectedness to professionals, independent thinking, self-evaluation, ethical practice, role transformation.

Figure 1 shows a framework for understanding the socialization of graduate and professional students. At the centre is the core socialization experience in the professional degree program consisting of the institutional culture of the university, the socialization processes and the core elements of socialization. This is the part of the socialization process that universities have key control over.

Surrounding the central portion of Fig. 1 are four other components of professional student socialization: prospective students (background, predisposition), professional communities (practitioners, associations), personal communities (family, friends, employers) and novice professional practitioners. These components are outside universities control, though prospective students backgrounds may be taken into account in the selection process.

Table 1 provides a summary of stages and core elements relevant to this model. It is based on a four-stage model of anticipatory, formal, informal and personal stages, which are represented as non-linear and interactive. Early models were mainly linear in approach. The elements are common to most models of socialization, which include knowledge acquisition, investment and involvement. A complete analysis of socialization models, elements and processes is covered in Weidman, Twale & Stein's (2001) review.

The ultimate outcome from this model is the professional who has been transformed with respect to self-image, attitudes and thinking processes.

Upon graduation, valuation graduates embark on two more socialization processes, one into the organization that employs them and the second into the profession. The profession expects students to be mentored and monitored through their initial period of experience. This experience process has gradually changed from an apprenticeship under a mentor, with faith that it will be successful, to one that is highly controlled and monitored.

Novice professionals must keep diaries and logs of their work and experience and the competencies they have achieved. This is monitored at 6 or 12 monthly periods by the profession. Graduates are increasingly required to undertake prescribed courses and other professional development activities before they finally present themselves for assessment to a panel that determines if they have become a professional. This assessment can also include exams and assessment of valuation reports (see Table 3).

The pass rates of these assessments are generally not publicized. HKIS does publicize the pass rate for its exams in their annual reports and these have been in the order of 50 to 60%, which appears to be a low pass rate.

The point at which a novice becomes a professional is both an internal point for the individual and one that is sanctioned by state government controls over certification and licensure and/or in other cases professional boards sanction practices. The paper reviews both the requirements of Australian states and those of professional bodies representing valuers, to identify their socialization requirements.

Socialization in various professions

Professional socialization research is available in many fields: nursing, pharmacy, teaching, MBAs and law. However, the literature is very thin when we look for socialization in the field of business and there is no specific literature on socialization of valuers. There are a couple of books that examine organizational socialization and its effects on graduates. These include Anderson-Gough, Grey & Robson (1998) who examine the organizational and professional socialization of trainee chartered accountants and Kelly (1994) who examined the organizational socialization of lawyers within small to large legal firms in the United States.

There is however, a range of competency and essential skills literature for business. These identify a range of qualities or competencies for a business graduate but are quiet on the issue of socialization. Literature related to business graduate skills includes BHERT (1993), Curtin Business School (n.d), Curtin Business School (1999) and Moy (1999). There is also literature pertaining to requirements for valuers and these will be discussed later in the paper.

Page (2000) discussed how graduate qualities were being introduced into university degrees and Page & Kupke (2001) outlined how internationalisation as a graduate quality was integrated into the property degree.

The following is a brief review of the socialization literature for various professions.

Business and law socialization

The socialization literature on business and law is sparse, with many of the recent studies written by Debra Schleef who undertook her PhD on the socialization of elites in the United States.

Schleef (1998) compared the impact of socialization on graduate law students and graduate business students. She categorized their attitudes and beliefs at the beginning, and through their studies, to identify any changes. She found that the graduates had changed their view of the world by the second year of their program. She did, however also note that they did not come out of business and law school completely moulded into something they were not when they came in (Schleef 1998).

Schleef (1998 p628) notes that students absorb cues on how to talk, cut their hair and dress or wear makeup. They relearn how to express their values and goals in order to conform to norms with school culture as well as within the wider profession.

Schleef (1998) discusses the concept of reasonable responsibility:

- the notion that public service should only be undertaken when time and resources permit;
- the compartmentalization of work life from personal responsibility and
- the redefinition of responsibility as any action that is not irresponsible.

Egan (1989) argues that professional socialization is not necessarily good. In reviewing socialization of graduate students, Egan (1989) indicates that the self-concept can be destroyed if the socialization process is not consistent with the students' previous experience. Egan advocates a number of strategies to support first year graduate students so they maintain confidence, perform and do not drop out.

Schleef (1997) in her literature review of socialization of business schools indicated that there was very little related literature available. Her paper suggests that there were two broad types of business school. There were schools that fostered intense loyalty and cooperation and whose graduates would go to companies that emphasize managerial teamwork. The second type of school encouraged individual achievement and their graduates would seek jobs that reward solitary performance. This supports the model in Fig. 1 both in reinforcing that the university institutional culture influences socialization and that there is a complexity of variables affecting socialization.

With the shortage of formalised studies on business and law students' socialization, Schleef (1997) used as a default the autobiographical accounts of business people and lawyers to obtain an understanding of the socialization that occurred and how this occurred at business and law schools.

The case method encouraged short-term thinking because it set us up to analyse and solve a problem without having to account for the impact of our decisions ... Did Harvard business school, with its emphasis on eight hundred cases and short-term solutions cause an over-reliance on short-term objectives in the biggest US companies and Wall Street investment houses? Or was it that this was the way that business was structured and thus Harvard, being closely tied to business, followed suit? (Henry cited in Schleef 1997 pp11 – 12).

Schleef (1997 p12) summarises that the central theme of business and law schools is "the construction of rationality, emphasizing abstract, neutral, and non-emotional ways to think about solving problems". Students are taught to make decisions in terms of self-interest and economic outcomes, with emotional responses, are devalued. The case method teaching also suggests that teaching pedagogy can also influence socialization.

Schleef (2001) reviews the socialization of law students. Law students were socialized into "thinking like a lawyer" using the Socratic Method, which is a form of question and answer system unique to law schools. Students learn the importance of form over content by sounding authoritative, even if they do not know what they are talking about (Schleef 2001 p73). Law students are socialized to distance themselves from clients, to consider matters of justice and precedent rather than the context of current relationships and not to take emotional or personal matters into account when deciding cases. This style is described as more consistent with a male approach than a female approach and the findings are that differences in thinking are not just a gender issue with some women liking the adversarial approach. Though there were different approaches, gender itself was not the only variable that related to the acquisition of professional knowledge.

Siegel, Blank & Rigsby (1991) investigated the relationship between the educational institutions involved in accounting and the subsequent professional development of auditors. The research focussed on turnover and time to promotion following graduation. Results indicate that graduates from professional schools of accounting were promoted faster to senior and manager level when compared with accredited or non-accredited accounting programs. The study also reported a lower turnover of graduates from professional

accounting schools. The results showed greater difference in the longer term, indicating that the effects of professional socialization are more likely to show up later than earlier.

Siegel & Rigsby (1998) undertook an analysis of the development of education and experience requirements for certified public accountants during the period of 1915 – 1985. Their study showed that through adoption of the CPA examinations that education started to replace experience as the most significant requirement for entry into the public accounting profession i.e. those that had undergone education were better equipped to be successful in an exam.

The pharmacy experience

A number of studies review the responses to changes in pharmacy teaching that were being driven by a need to change the profession. In 1990, the American Association of Colleges of Pharmacy Commission recommended a number of changes to pharmacy programs. The changes include socialization and professionalization of students including communication abilities and professional ethics (Carter et al 2000). The commission also recommended that graduates have a contextual awareness of the role of pharmacy in the health care system and that graduates are instilled with a professional identity and pride in the profession. They also indicated that socialization be integrated throughout the curriculum.

In 1999, the University of Colorado Health Sciences Centre School of Pharmacy introduced a two-week orientation course to address some of these concerns. Topics discussed included roles of faculty, responsibilities of different types of pharmacists, time management, active learning strategies, pharmaceutical care and drug misadventuring. Carter et al (2000) report a highlight of the orientation course for many students was the white coat ceremony at the end, which symbolized their progression into the professional program. The evidence from student feedback, and anecdotally from the faculty, was that students started their program with a more professional attitude.

MacKinnon, McAllister & Anderson (2001) report on the development, implementation and associated outcomes of a 30 week introductory practice course at Midwestern University College of Pharmacy – Glendale. They found that the introductory practice experiences were valuable in the early professionalization of pharmacy students.

Brown et al (2001) report on a self-directed professional development program that was developed in response to education problems with pharmacy students. This program was successful in guiding students to develop professional values, which they advocated should be integrated into the curriculum.

Experience of vets

Heath, Lynch-Blosse & Lanyon (1996) undertook a longitudinal study of students during their veterinary science studies and post graduation (second year). It found that views on role and status of veterinarians remained stable. It also found that changes occurred in the characteristics of a successful veterinarian, with increases in perceived importance of interpersonal skills and the capacity to work hard. Decreases in the perceived importance of honesty, integrity, dedication and prevention of cruelty were also reported. Attitudes hardened over time in relation to costs of treatment, non-payment of fees and availability out of hours.

Nursing experience

The nursing profession provides a good comparison for valuation as both have changed from an apprenticeship model to some formal qualifications and now both require a degree. In the main, both professions still require some practical experience component.

Secrest, Norwood & Keatley (2003 p78) note that the American Association of Colleges of Nursing (AACN) detail the essential knowledge, values and professional behaviours expected. According to AACN, professionalism is transmitted through professional education that encompasses a liberal education, professional values, core competencies, core knowledge and the development of professional nursing roles.

Secrest, Norwood & Keatley (2003) examined professional socialization and what this meant to an individual in determining when a person felt they were actually a nurse. They surveyed students around the themes of belonging, knowing and affirmation and they concluded that reflective courses or seminars on professionalism should begin at the commencement of the nursing program, rather than an add-on or just at the end. They believe that developing a sense of professionalism is equally important as the knowledge and the skills.

Waugman & Lohrer (2000) examined the influence of age and gender on the professional socialization and career commitment of student registered nurse anaesthetists. The study showed significant differences in the socialization process according to age and gender. The study confirmed that with increasing age, personal relatedness to the profession is decreased.

Waugman & Lohrer's (2000 p49) literature review on professional socialization of nurse anaesthetists suggests that gender is not necessarily a consistent effect on socialization. Foster & Biddle (cited in Waugman & Lohrer 2000) studied educational and biographic variables that influenced positive self-esteem in student nurse anaesthetists and found high grade point averages and marriage to be significant, whereas gender was not. Fallacare & Wu (cited in Waugman & Lohrer 2000) in a study of variables affecting nurse anaesthetists feelings of resentment or deprivation and their relationship to job satisfaction, found that job autonomy, but not gender or educational level, predicted satisfaction.

Fagerberg & Kihlgren (2001) examined the meaning of identity to Swedish registered nurses and reviewed how this changed from when they were a student until two years after graduation. The longitudinal study found that nurses did not change perspectives but these perspectives showed a transition through time i.e. a subtle/partial change but not a radical change.

Saylor (1988) examined how evaluations within a nursing education program shaped nurses' skill development and professional competence by directing effort to their professional work. The paper finds that students responded to the evaluator but less so, as they gained seniority and self-confidence.

Nesler et al (2001 p300) found that students in distance programs demonstrated even more professional socialization than students in campus based programs. They concluded that socialization occurred by means other than faculty interaction, which could relate to continuing work or having a health work experience before starting a program.

Role of field experience in professional development

The novice professional must be capable of doing and not just knowing. This can be undertaken within the university program of study or after the program, with supervised work, before becoming a fully recognized professional.

Field experience within education programs is variously described as clinical practice or experience, field studies, industry placements, practicum and internships.

Dunn et al (2000) compared the perceptions of students undertaking three distinctly different undergraduate field experiences. They reviewed the results with respect to role integration, confidences and altruism. Their findings were that the practicum was a rewarding learning experience that served an important role in understanding and fulfilling the role of professional. Dunn et al (2000) identified some weaknesses and made the following three recommendations for the field experience components of nursing and teaching degrees:

1. The need for university lecturers to play a more proactive role in supporting students learning in the field experience.
2. The need to foster positive and collaborative partnerships between university staff and field-based staff.
3. The need to refocus time and resources on the field experience component of teaching and nurse education courses (Dunn et al 2000 p399).

Gallimore (1991) puts the case for practical knowledge within surveying education. He sees there is a need for practice skills, which he sees as different from problem solving skills. He argues for greater involvement of practitioners in teaching programs and for them to provide models of reflective observation and analysis, rather than as experts for the transmission of technical knowledge.

Nesler et al (2001) reports on work by Saarman, which concludes that socialization occurs both as a function of the education process and experience in the workplace. Evidence varied as to whether the socialization occurred through the classroom or with previous and concurrent experience.

The literature concentrates on experience within the study period and not post study. However, post study is also an important period given the membership requirements for valuers discussed later. It is not uncommon to hear people say "they learnt on the job".

Summary of socialization literature

The literature shows the transformation that occurs in the professional socialization process. Graduates have not only obtained technical skills through university studies but have also changed their values and how they think. Their professional socialization means that they think like, look like and have values of their respective professions.

The influence of socialization is long lasting with Siegel, Blank and Rigsby's (1991) study showing the influence continuing when individuals were promoted beyond senior level to manager. Socialization was influenced by age, time in profession and by other factors, which are all consistent with Weidman, Twale & Stein's model shown in Fig. 1.

The literature also shows the complex nature of professional socialization with each study only being able to present parts of the picture.

The pharmacy experience shows how professional socialization can be addressed when it is identified as a problem requiring change. Though different approaches were used in the various studies, they were all concerned with improving the understanding, values and skills of students.

Field experience played an important role in pharmacy, nursing and teaching socialization. Knowing 'how to do' is just as important as knowing 'what to do'. This can be achieved within the education program or post education, though the literature cited is mainly about experiences within programs.

From a university perspective, the socialization research supported the students undertaking field experience early in their studies so they more fully understand why they were learning the material presented. Also, the understanding of professional issues was something that should occur early and be integrated, rather than left as an add-on in the final year of study.

The Harvard Business School example, though a supposition, shows the potential of how far reaching the effects of socialization could be.

The valuation profession

Given the lack of studies for valuers, this paper also reviews the requirements of professional bodies representing valuers and the state legislative requirements. This information will provide an indication of the important socialization characteristics for valuers eg membership requirements can incorporate values, attitudes, skills and knowledge.

In this section I briefly present a summary of the history of valuation development in the US, which is itself a socialization story. This is followed by sections discussing the drivers for change in socialization requirements, using the recent changes in RICS as an example. This is contextualized, by briefly discussing three international forums whose aims are to develop and promote consistency in valuation standards worldwide.

I then provide an overview of the requirements of five professional bodies with respect to socialization of valuers. Finally, an overview of the legislative environment in Australia of concern to valuers is presented to provide a contrast with professional bodies activities to socialize professional valuers.

Valuation development in US

The valuation profession is probably only 100 years old, with the first professional bodies developing in the 1920s (Australia in 1926 and USA in 1928). The first American University course in real estate is said to have been taught by Richard Ely in 1919 (Miller & Markoysan 2003 p173).

Miller & Markoysan (2003 p172) have noted that the development of the valuation profession could be divided into four defined periods as presented in their Appraisal History Timeline in Table 2. Miller & Markoysan conclude that the development of valuation was made by individuals who were linked. These individuals had studied and worked together and were based at major universities that taught in the real estate field. (This is significant in that RICS is now developing a partnership model with universities). This shows that the professional socialization of the individuals influenced the development of valuation methods and techniques and the education thereof. The history of the profession is very much about the history of the socialization of the American professors but no values, attitudes and ethics are listed in the table.

Table 2 Appraisal history timeline (Miller & Markoysan 2003 p175)

Period	People	Technology	Theory
Three Approaches Period 1900 – 1940s	1892 R. Ely became head of U of WI Schl of Econ, which evolved into first real estate program		
	1903 R. Hurd wrote <i>Principles of City Land Values</i>		
	1924 E. Fisher wrote <i>Principles of Real Estate Practice</i>		
	1932 F. Babcock wrote <i>Valuation of Real Estate</i>		
	1939 H. Hoyt co-wrote <i>Principles of Urban Real Estate</i> with A. Weimer		
Theory Refinement Period 1950 – first half of 1960s	1949 R. Ratcliff wrote <i>Urban Land Economics</i>		Definitions of value and three methods evolve Most probable price approach
	1951 Appraisal Institute starts writing <i>The Appraisal of Real Estate</i> (aka <i>The Bible</i>) as collaboration		
	1956 P. Wendt wrote <i>Real Estate Appraisal</i>	1959 Ellwood Cap Tables Before 1960 Simple calculation and slide rules	
New Methods and Techniques Period Second half of the 1960s beginning of 1980s	1964 J. Cranskamp joined University of Wisconsin – stayed until 1988		
	1968 Homer Hoyt Institute established	1968 Electronic calculators available	1970 'Ellwood without Algebra' by C. Akerson Warnings about using three approaches in all cases 1977 'Ellwood After Tax' by J. Fisher DCF as valuation techniques 1979 'Ellwood Factors' by J. Fisher 1981 'Unified Field Theory of the Income Approach to Appraisal' by P. Colwell Capitalization theory refined
	1979 Homer Hoyt Institute set up as think tank in Florida by M. Seldin		
		1982 Growth of personal computer use	
Personal Computer/Internet/Real-Time data Period Second half of 1980s – 1990s		1992 present Internet connectivity and real time data becomes reality AVMs promoted by Freddie Mac	

One could surmise that the next period will be the full socialization within the profession despite the development of techniques, use of internet and better access to data. The development of methods, techniques and definitions of valuation have occurred to attempt to obtain consistent reliable valuations. These have not attempted to deal with the operator of the techniques and their values and/or attitudes. Miller & Markoysan's Appraisal History Timeline (Table 2) would be more complete if it also summarized changes in the ethical requirement of the profession.

The American Appraisal Institute has had a code of ethics since its inception in 1932 (Featherston 2002). Featherston's article is a reprint of an article originally reprinted in 1975 and in the article the author provides an analysis of the reasons for the major regulations on Professional Ethics & Standards of Professional Conduct. The profession has had significant troubles. There have been problems within the profession that have come from inaccurate valuations, especially in commercial investment properties. The profession worldwide has struggled in obtaining professional indemnity insurance.

Bond (2002) outlines similar challenges confronting property valuation practitioners in Australasia including the problem in obtaining professional indemnity insurance. The reprinting of Grosvenor's (2000) article entitled '*The Valuation Profession: current issues likely to drive future directions*', from the New Zealand Valuers' Journal into the Canadian Appraisal journal shows the similarities faced by different countries.

Drivers for change

The following example relates to RICS, but similar stories can be identified for the professional valuation bodies in other countries.

In late 2000 the University of Reading and Nottingham Trent published their findings in a report 'The Influence of Valuers and Valuations on the Working of the Commercial Property Investment Market' (cited in RICS 2002). This report addressed the question "Are valuers simple 'scorekeepers' or do they actively affect prices, liquidity and turnover"?

In April 2001, the Investment Property Forum/RICS Property Valuation Forum Panel Discussion was held. This discussion allowed practitioners, clients and others interested parties to discuss the findings of the University of Reading and Nottingham Trent. Following this forum RICS commissioned a working party to make recommendations to RICS. The working party, chaired by Sir Bryan Carlsberg, produced the report '*Property Valuation: The Carlsberg Report*' (RICS 2002). This report produced 18 recommendations, which were the basis for changes to upgrade *The Red Book* (RICS 2003b). These recommendations, which are related to professional socialization, address five areas:

- Accuracy and currency of valuation
- Sources and structure of valuation
- Security independence and objectivity
- Valuation reporting
- Quality assurance and monitoring

The Red Book (RICS 2003b) refers to, or incorporates, all significant aspects of international valuation standards.

Consistency of standards is also being driven by the International Valuation Standards Committee (IVSC) and also by TEGoVA who are developing and publishing standards that are specific to European legislation. The objectives of IVSC are to formulate, publish and promote acceptance and observance of valuation standards and procedural guidance for the valuation of assets used in financial statements (International Valuation Standards Committee 2003). A second objective is to harmonize standards throughout the world and ensure disclosure where standards differ.

Membership of IVSC is through national valuation societies and institutions representing countries. The IVSC has had status with the United Nations Economic and Social Council since May 1985.

TEGoVA was established in 1977 by a steering group of professional bodies representing valuers from Belgium, France, Germany and the UK. Its purpose is:

- To write and promote European Valuation Standards (EVS) for adoption across Europe;
- To introduce and manage a system of pan-European certification of valuers providing clients with a guarantee of professional excellence;

Table 3 Summary of membership requirements

Membership requirements	Professional Body				
	RICS	AI	HKIS	SISV	API
Requirements to attain full membership					
Qualifications	Accredited 3 year degree course	Accredited 4 year degree (post 1 January 2004)	Accredited 3 year degree course	Accredited 3 year course	Accredited 3 year degree course
Minimum age	Not specified	Not specified	21 years of age	21 years of age	Not specified
Post-course experience	<p>Individuals require 2 years experience that must include:</p> <ul style="list-style-type: none"> • e-diary of work experience • e-log book of time spent on competencies • 48 hours professional development training per annum • 3000 word summary of experience at end of first year • completion of a short assessable course dealing with ethical issues • 1500 word summary of experience (final year) • 3000 word report on a project that the individual has been involved in • 10 minute presentation on critical analysis of the project report • answer questions on presentation and professional capabilities at an interview • a lifelong learning plan (not assessable) 	<p>Individuals must:</p> <ul style="list-style-type: none"> • undertake Advanced Residential Forum and Narrative Writing course or Report Writing and Valuation Analysis • must have been an associate member of good standing for minimum of 12 months • must submit list of appraisal work after completing 2000 hours (maximum of 1500 hours per annum credit) for a SRA [residential valuer only] member and 3000 hours for MAI members [valuer of all property types]. 	<p>Individuals must:</p> <ul style="list-style-type: none"> • have 2 years experience with minimum of 100 hours undertaking valuation work, 100 hours in another field and 100 hours in one or more fields • maintain a diary of work experience and log book of time spent on competencies • undertake 40 hours structured learning and education • write 3000 word summary of experience at end of first year • write 3500 summary of experience, training and structured learning • make 10 minute presentation on project work • pass an Assessment of Professional Competence • undertake a professional interview 	<p>Individuals must:</p> <ul style="list-style-type: none"> • have 2 years experience, which must be under supervision of a member with no less than 7 years experience • pass an exam • keep a log book for minimum of 24 months and must submit the log book every 6 months for inspection • attend an interview conducted by an assessment panel 	<p>Individuals must:</p> <ul style="list-style-type: none"> • have 2 years experience • provide documentary evidence of involvement in profession • undertake a professional interview covering expertise in particular field, understanding of professional responsibilities and Code of Professional Practice • Standards and professional development

Table 3 continued

Memberships requirements		Professional Body			
		RICS	AI	HKIS	SISV
Requirements to attain full membership contd.					
Required competencies	A full listing of competencies, which graduates must acquire is available from the RICS web site (RICS 2003a). The breadth is illustrated by the following subset: Customer Care, Law, Environmental Awareness, Health & Safety, Self Management, Information Technology, Teamworking, Oral Communication'	Not specified	Lists tasks to be undertaken during experience and minimum time for key skills.	Not specified	Not specified
Membership maintenance					
Ethics	Strongly recommended to comply with Guidance Notes on Professional Ethics	Comply with Code of Ethics and Standards of Professional Conduct.	Comply with Rules of Conduct	Comply with ethics outlined in Constitution & Bye Laws	Conform to Rules of Conduct
Character		Maintain status of good moral character			
Valuation standards	Value in accordance with The Red Book (RICS 2003b)		Comply with standards of Professional Appraisal Practice		Comply with standards or professional practices
Compulsory courses		Standards of Professional Practice course once every five years	Not specified	Not specified	Undertake Risk Management Module every 3 years
Professional development	60 hours over 3 years with minimum 10 hours in a year. From 2004, must develop learning objectives in advance and provide evaluation of effectiveness.	Valuations must contain statement that individual has/has not maintained continuing professional educational requirement. 100 hours over 5 years.	60 hours over a 3 year period	60 hours over a 3 year period	20 hours of continuing professional development

- To promote a set of minimum educational requirements with which members of European professional bodies for valuers must comply;
- To recommend a standard approach to valuation methodologies;
- To represent the professional views of valuers to European Union institutions to influence policy and/or legislation and
- To participate in the work of the International Valuation Standards Committee (IVSC) via joint committees and commentary on draft Standards. (TEGoVA 2003)

World Association of Valuation Organizations (WAVO) was formed in 2002 to provide a voice for the valuation consulting community. The organization supports international valuation standards, promotes best practice, encourages the continuing education of its members and assists in developing transparency in valuations.

McParland, Adair & McGreal (2002) surveyed valuers in Sweden, Netherlands, Germany and France and concluded that, despite the long debate promoting harmonized standards, limited progress had been made.

In the last three years we find that there have been significant changes to the membership requirements of the professional bodies. These have included strengthening of ethical requirements, more compliance with an increasing number of valuation standards and the introduction of compulsory courses that address risk and practice standards. The professional indemnity insurance companies have driven the requirement for compulsory risk management modules.

The main upgrades in the requirements of the professional bodies have followed periods of valuation problems and the increased education, ethics or professional development requirement has followed as a response to problems and difficulties.

Professional body membership requirements for valuers

A summary of the full membership requirements for five professional bodies covering valuers is presented in Table 3. These include the UK-based Royal Institute of Chartered Surveyors (RICS) and the USA-based Appraisal Institute (AI), which are both trying to cover members outside their home countries. The other professional bodies, which are predominantly aimed at representing local professionals, include; Hong Kong Institute of Surveyors (HKIS), Singapore Institute of Surveyors and Valuers (SISV) and the Australian Property Institute (API).

For the purposes of this review the contents of Table 3 have mainly been prepared from materials presented on the web sites of the professional bodies, which is available to the public. The members-only materials have not been reviewed for this paper. I believe the summarized information in Table 3 shows that the professional bodies are trying to socialize their new members and maintain the professional socialization of existing members. Of the five professional bodies reviewed, RICS would appear to offer the most structured socialization process that is targeted at values, skills, knowledge and attitudes.

The competency document for RICS (2003a) provides a very complete picture of the values, skills and knowledge that a valuer should have as a minimum. RICS, like the other professional valuation bodies described, clearly has a process of socialization of graduates after they leave university, and before they are tested and potentially accepted as full members.

Regulatory framework applicable to valuers in Australia

In Australia, each state, except Victoria, regulates the licensing, registration and practice of valuation by valuers. The regulations specify the requirements that a valuer must meet to become registered or licensed, the conduct expected and required of valuers and other matters associated with the practice of land. There is no legislation governing valuation practice in Victoria, the Australian Capital Territory and the Northern Territory and as such anyone could act as a valuer in those jurisdictions.

A summary of education and character requirements is found in Table 4, which has been prepared from a summary of legislative requirements within API Risk Management Module course notes (Australian Property Institute 2003 pp113 – 117).

It is clear that the regulatory framework requires those who carry out valuations to have both technical skills and have good fame and character.

In Australia, depending on your location, you may have a valuation undertaken by anyone to someone fully or partly socialized into the profession.

Table 4 Summary of legislative requirements for valuers (compiled from Australian Property Institute 2003)

State	Legislative requirements	
	Character	Qualifications
NSW	Good character	Approved study or gained experience under guidance of registered valuer
WA	Good character and repute Competent	Prescribed education and practical experience during past two years or not less than 4 in past 10 years
SA	Not specified	Education qualities of a type acknowledged by the Commission
TAS	Good fame and character	Prescribed study and hold certificate of competency
QLD	Good fame and character Fit and proper person	Certificate of competence issues by prescribed institute of valuers or Sufficient experience over a period of five years, after commencement of an approved course of study

Conclusions

The literature would suggest that university experience and field experience have an influence on the professional socialization of valuers. Though the relative value of each period is unknown.

Professional bodies representing valuers are increasing their professional socialization requirements in response to market failure. These requirements include both demands of skills, knowledge, values and attitudes. This has taken the form of changed ethical requirements, demand for increased initial skills base, the compulsory maintenance of skills and values through professional development and regular compulsory updates on practice.

The literature provides little guidance on when a person becomes a valuer and exactly what variables are the most important to the individual.

In an endeavour to understand the professional socialization process for valuers, I believe we need to ask students and graduates about their experiences relating to socialization. With this information the university and professional bodies could understand the other organizations attempt to professionally socialize the students and identify if any changes are needed.

Traditionally the professional bodies have been concerned with the content of programs, resources and quality of intake. As professional bodies consider a partnership model with universities, rather than regular accreditation, a joint approach to socializing valuers could be one outcome of further study in professional socialization of valuers and provide useful input into future partnership.

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- Appraisal Institute (AI) – <http://www.appraisal.institute.org>
- Hong Kong Institute of Surveyors (HKIS) – <http://www.hkis.org.hk>
- Singapore Institute of Surveyors and Valuers (SISV) - <http://www.sisv.org.sg>
- Australian Property Institute (API) – <http://www.propertyinstitute.com.au>