

What's a Profession?

When footballers turn professional, it means they're playing for money; if a plumber does a great job fixing your roof, you might describe it as a professional repair job but Christchurch engineer, Steve Abley maintains that the central definition of professional relates to those engaged in, or suitable for a profession and conforming to the standards of a profession

While there is no single definition of a true profession, concepts common to most include a requirement for mastery of a highly complex body of knowledge, self regulation through a professional body against standards, including a code of ethics that goes beyond the requirements of general law, and a commitment to put wider community interests ahead of the interests of individuals within the profession.

A 2006 report by the British Computer Society¹ identified five levels of maturity for professions:

- Level one: the field of work is recognised as an industry
- Level two: a qualification regime is implemented
- Level three: the occupational group is governed by a framework of institutions
- Level four: the nine tests of public obligation are satisfied
- Level five: the profession gains statutory support for its self regulatory processes

There are lots of industry groups that fall into each of the categories and a specific builder might be at level one or two. Because we know the work this group

performs it meets the threshold for level one. If your particular builder has a relevant qualification then they are at level two. But because the builder is not governed by a framework of institutions they don't get to level three. In contrast a barrister has a duty of obligation to the general public before their client. This is significantly different to the builder that has a duty of service to their customer. Barristers are also regulated by the Lawyers and Conveyancers Act 2006 that provides criteria for who can and can't belong to this industry group. Barristers then meet all five levels.

So why should society care about professionals and professions? We should care because of the fundamental impact that the quality of a profession can have on society by influencing health, law, education or public infrastructure standards. Barristers for example explain and pose legal interpretations as to how society interacts. Other professions include accountants, doctors, and nurses. It is the power these and other groups have to add to or potentially remove social capital from our communities that is part of what defines them as a profession. It is vital then that professions exercise their responsibilities to society with significant care and diligence.

How Professions Add Value

Another reason we should care about professions and the professional bodies that underpin them, is the economic value they add to society. In 2006 the World Bank measured the true wealth of nations. Their study *Where is the Wealth of Nations – Measuring Capital for the XXI Century* concluded that nations have three sources of wealth; natural capital such as minerals, oil, coal etc, produced capital such as infrastructure and cities etc, and intangible capital such as the quality of the nation's institutions. It is this last point that is particularly interesting and includes human capital and institutional quality.

The World Bank study of over 130 nations found that institutional quality made up roughly 80 per cent of the wealth of nations with produced capital being 15 per cent and physical resources only being about 5 per cent. This is very interesting because it shows that even countries with limited natural resources can be very wealthy if they are developed smartly. Singapore is an exceptionally good example where physical limitations have not been a barrier to growth when people put their mind to significant growth and prosperity. The World Bank Study concluded that "Rich countries



are largely rich because of the skills of their populations and the quality of the institutions supporting economic activity" Institutions really do matter and they add to our economic well being.

By way of comparison, New Zealand has about a third of the intangible capital of the UK, half that of Australia and roughly the same as Portugal. In contrast South Africa, a large country with vast natural resources only has about a quarter of our intangible capital. Size then cannot be considered a predetermining factor for wealth.

The Need for Standards

But for our professional institutions to exist they need to continuously evolve, remain

Is Being a Director a Profession?

It fits a little awkwardly in the definition given above. Director is a broad term, covering everyone from someone working on and within their own business to independent directors sitting on the board of a listed company. Nevertheless, being a director is a recognisable field of work.

Unlike doctors or accountants, directors are not asked to meet any standard tested by examination before they practise.

relevant and retain the trust of the public. The recent example where the Real Estate Institute lost the support of the public and the government stepped in to further regulate this industry group (removing the right to self regulate) is particularly relevant. Professions and professional institutions can never forget their societal duties, the quality of the job they (and their members) perform and their ability to self regulate. If institutions don't maintain the quality of their membership then they risk failing in their duty to society and losing their right to self-regulate. If they do, then they no longer have relevance and will fade and disappear – in doing so we will be a little worse off.

So, while your builder might do a professional job just like a barrister, only one works as a professional, conforming to the standards of a profession in service to society. Societal wealth is created in part by the organisations that support our professionals and our wider communities.

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such as the Resource Management Act relate to directors' wider obligations to society at large. But as an occupational group, directors do not meet level five as there is no self-regulatory, representative body legally empowered to discipline members or punish with financial penalties.