



Edge Commission on Future Professionalism

Speakers' Notes : Session 2 – The Economy

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Ian Brinkley – The Work Foundation

1. UK is one of the most “professionalised” labour markets in the OECD. Professional jobs one of the biggest single source of new job growth so far in recovery. Share can only go up.
2. Why are we seeing these movements?
 - across OECD knowledge intensive service industries have provided the majority of jobs
 - firms shifted investment away from physical to knowledge intensive intangibles (brand, software, human capital, design, IP, R&D)
 - technological changes, making vast quantities of information available which is often worthless unless interpreted and turned into knowledge;
 - growing global demand for health and education services (UK higher education increasingly focused on global markets, health may follow)
 - quality assurance and workforce status, especially in public services and also elsewhere (eg teachers and nurses). But also now adopted in some low pay areas (eg security industry)
3. Intermediaries rule. Biggest increases in intermediary business to business services for both employees and self-employed
 - complexities of supply chains increasing because business need more and more specialised services, business and contract relationships consequently become more complex
 - more professionals working for themselves, including small business, self-employed, freelance
5. None of this is likely to change much over the next decade. Forget scare stories that professionals will be replaced by AI robots or offshoring/globalisation. Why?
6. Currency of professionalism is tacit knowledge than cannot be written down (made harder by impenetrable jargon?). Information exchange is anywhere. Knowledge exchange is mainly face to face. City and NY Madison global industries squeezed into incredibly expensive small space. Businesses spend small fortune on moving people rather than teleconference.
7. Implications – professionalization of the workforce will continue for foreseeable future. Expansion of existing professions. Invention of new professions. Expansion into new areas previously not considered professional. Some thoughts on issues being thrown up:
 - Pulling up the drawbridge: professionalization increases status, pay and prospects of incumbents, but may also cut off access, increases polarisation, and reduces social mobility
 - Who develops the new self-employed? Implications of more professionals in insecure work
 - Can unions reshape themselves as professional development and promotion organisations? Or are unions now redundant and supplanted by professional organisations?
 - How do you ensure quality assurance and consumer/business confidence when (almost) everyone wants to be seen as a professional worker?

Stephen Hodder MBE, RIBA President

"How can professionals continue to do what they regard as the right thing, when this is not a priority for their client?"

Background

Do professional institutes support members in serving public good or just their own interests?

The RIBA's mission is to advance architecture in the public interest. We set out to create the conditions in which architects can contribute to economic, social and environmental sustainability. We set high professional standards, stimulate innovation and share knowledge to make sure the profession is up to the challenge, and we promote the profession and demonstrate the value of our skills to ensure there is a demand for architects. Better architects can create better outcomes and promote business growth - the two reinforce one another. But in recent years striking the balance between business and social responsibility has been a challenge.

Rem Koolhaas recently observed that since the Thatcher era the domination of the market economy has severed architects from their public purpose. The practice of architecture has moved from a regulated profession in the 1960s and 70s working predominantly on public programmes, to a liberal free market. Since the 1980s and 90s, the profession has been challenged to strike the right balance between embracing business values and competition whilst maintaining its ethics and social responsibility. Professional skills and services have become increasingly commodified and exposure to a competitive marketplace has brought commercial pressure on fees.

In the face of market-led short-termism and deregulation, who is responsible for doing the right thing? The question implies that clients' economically driven priorities are the main barrier to achieving the best outcomes for society and the environment. But this depends on whether a client's ownership and financial model incentivises them to consider the long-term and wider impacts of their decisions; clients with a stake in the long-term outcome of their projects - developer landlords or even homeowners - often lead by example.

Can we rely on government to set clear and consistent policy and regulation? The RIBA has been effective in influencing policy and regulation to support better outcomes. But in practice we know that the regulatory environment often lags behind best practice and market demand and doesn't support or incentivise investors, developers, land and building owners, or even government clients to prioritise long-term outcomes over short-term costs. The viability waiver in the NPPF is a good example of this.

How architects can do the right thing individually and as a professional body?

Influence from the start and take responsibility for the whole-life of projects 0-7:

Often the important decisions on project scope, budget and priorities have been made before architects are brought on board. The RIBA Plan of Work 2013 has been developed to enable architects to take greater responsibility for outcomes by getting involved from the start when projects are strategically appraised and defined (stage 0). Remaining involved beyond project delivery to monitor the performance of a building in use through post-occupancy evaluation (stage 7) is a step towards greater accountability. The 'continuous cycle' recognizes the significant benefits of feeding back learning from completed to subsequent projects. If we can consistently and transparently measure the impacts of our design decisions, architects can make a robust case that good design adds value not cost, and cost follows carbon and become accountable for the performance of their buildings.

Understand what we are doing: As professionals, we are more than technicians, and must go beyond compliance with regulation and policy. If we take responsibility for understanding what we are doing within a broader context, we can become trusted experts. This means understanding the principles of environmental, social and economic sustainability, developing skills to work collaboratively and to resolve competing priorities through efficient and innovative design. The RIBA is supporting improved professional knowledge and skills through the current education review, promoting research in practice, and CPD.

Value the profession's role in better outcomes: We are in a position to advise clients if their budget is realistic, and includes sufficient allowance for professionals to charge the fees needed to do a job properly. It is an RIBA priority for architects to reclaim our post-contract role and this will require specialist technical knowledge of construction innovation, and a willingness to take on risk and responsibility.

Cross-industry collaboration and knowledge building and sharing: The RIBA is becoming a more outward-looking institute, which means understanding our clients and collaborating with industry partners. We need more evidence about what works in order to do the right thing and demonstrate whole-life value; knowledge is more powerful than opinion.

Innovative and efficient design: As architects we must remember what we do best. We are 'envisioners' who communicate compelling narratives to get buy-in from clients and stakeholders. We help clients ask the right questions. We synthesize complex and competing priorities (cost and sustainability) through the design process and deliver innovative and efficient solutions. In the currently commercially driven and risk averse industry context, do architects have a duty to innovate? We will only get different outcomes by doing things differently.

Sean Tompkins, Chief Executive – RICS

"How can professionals continue to do what they regard as the right thing, when this is not a priority for their client?"

Our world is in a continuous state of change - Market forces, culture, nature of regulation, competition and growth of the corporation have all impacted the roles each of us and our members play today. Client behaviour is a consequence of the market conditions at play.

RICS holds its self-regulatory function and indeed we require our membership to do the right thing against our principles based standards – and we take regulatory action. But do markets, government and society really value and support professionalism today?

KEY POINTS

- WHAT WORKS AGAINST PROFESSIONALISM IN UK
- POSITIVE SCENARIOS FOR PROFESSIONALISM IN THE UK
- TRENDS FROM KEY INTERNATIONAL MARKETS

The trend that we are seeing across key global locations is a shift and desire for greater levels of professionalism by firms and governments

- CURRENT REGULATORY ENVIRONMENT IN THE UK

UK Government does not always follow through into overt support for the role of professional bodies or professionalism in the UK. In order to continue to be a leading world economy this approach is no longer sufficient, many international governments and firms in emerging markets are being explicit in their call for professionalism of our industry.

WHAT IS RICS ALREADY DOING?

- regulating our profession
- developing standards
- maintaining clear and relevant standards of entry
- support open and transparent conduct
- actively engaging the clients in our sector

WHAT MORE CAN BE DONE?

The levels of skills and professionalism prevalent in the UK are in huge demand overseas, are marketed by UKTI and are setting the benchmark for professionalism in many countries worldwide. It is important that the UK government recognises this and places renewed explicit emphasis on professionalism to maintain its competitiveness in the professional services arena.

We also have an obligation to continuously look at the relevance of professions and regularly make changes to how we operate. We have seen in the past when we be implicit in our approach the value of professionalism will be diminished

There needs to be greater cross-sector collaboration

We need the professions looking at how they can support standards that link better across sectors internationally e.g. Financial > Accounting > Valuation > Measurement > Ethics > Environmental etc.

We need to be explicit about the benefits of professionalism to wider society

We need to be more inclusive and diverse

**Nick Russell BSc(Hons) CEng FICE FIStructE MCMI,
President- IStructE, Director - Thomasons**

How can professionals continue to do what they regard as the right thing when this is not the priority for their client?

- Presupposes that professionals are prepared to do such a thing. Perhaps a breach of professional duty. Where do the professional institutions lie?
- Doing the right thing – a wide remit.
- There are many things that professionals know are right and their clients know too.
- But in the light of emerging legislation, greater knowledge, technology and sometimes onerous conditions of engagement there are choices to be made and consequences to be faced.
- So professionals have a wide remit; not so much as doing what they feel is the right thing but explaining to their clients why they are recommending the solutions or courses of action that they are.
- Clients do have a choice – not so much the Consultant passing an informed “buck” but allowing clients to consider the options available and make informed descisions.
- It is now a two way street.