



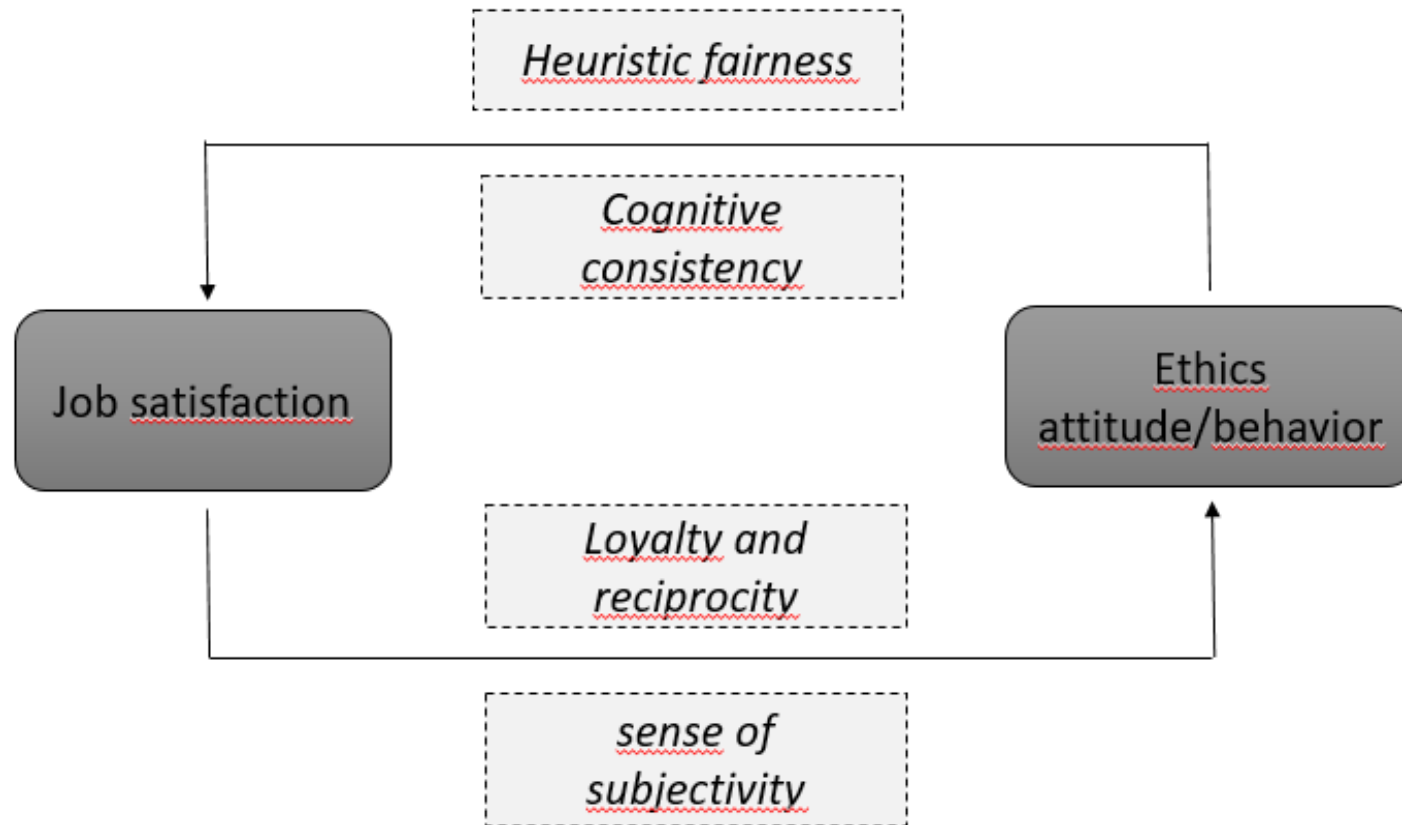
# Is more satisfied more ethical? The impact of job satisfaction on the professional ethics' attitude of Polish and Austrian property appraisers

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# Idea & Motivation

- ▶ The appraisal profession, its role in the real estate market and related issues
  - ▶ Liberal professions and credence goods
  - ▶ Information asymmetry and principal-agency problem
  - ▶ Professionalisation and institutionalisation of the appraisal profession
- ▶ Ethics in the appraisal profession
  - ▶ Code of professional ethics and ethical dilemmas in professional performance
  - ▶ Independence and impartiality of appraisal services
  - ▶ Loyalty to the client and employer
- ▶ Job satisfaction in the appraisal profession
  - ▶ Expertise based occupation
  - ▶ Scope of work according to Hackman and Oldham's job characteristics theory (Hackman and Oldham, 1976): *variety, autonomy, task identity, task significance, and feedback perceived by the job incumbent*"

# The relationship between job satisfaction and ethics



# The appraisal profession in Poland and Austria

Features	Poland	Austria
Duration of the profession	30 years	70 years
Formal requirements for entry into the profession	Yes, several stages of training: university studies, postgraduate studies, professional practice, state examination	No, only certification as an expert witness requires passing an exam, however, there are different tracks to get to work for the courts
Code of ethics	Appraisers are required by law comply with the principles of professional ethics. A formal Code of Professional Ethics was established by the national professional body for valuer (PFVA) in 2008.	Principles of ethical conduct are included in general regulations: Austrian Valuation Law (LBG) and Norms (ÖNORM) but also in international standards and guidelines of professional organizations.

# Research design

- ▶ Research questions:
  - ▶ What factors influence the ethical attitudes of real estate appraisers
  - ▶ Does higher levels of job satisfaction translate into more ethical attitudes
  - ▶ Are there differences in ethical attitudes depending on the country of real estate appraiser
- ▶ Survey of certified court experts in Austria and certified real estate appraisers in Poland belonging to professional association
  - ▶ Austria - questionnaire was sent to 1399 people, 77 responded
  - ▶ Poland - questionnaire was sent to 3438 people, 99 responded

# Survey design

## ▶ Measuring Ethical Attitudes:

- ▶ ten hypothetical stories presenting non-obvious ethical dilemmas potentially occurring in the work of a property appraiser
- ▶ hypothetical stories refer to the ethical principles of the Code of Ethics
- ▶ respondents rated the actions of the appraisers described in the stories using a five-point scale (agreeing or disagreeing with the appraiser's conduct in each of the hypothetical cases)

## ▶ Measuring Job Satisfaction

- ▶ the MOAQ-JSS (Michigan Organizational Assessment Questionnaire - Job Satisfaction Subscale) was used to measure job satisfaction among appraisers
- ▶ respondents were asked to respond to three statements, one negative and two positive:
  - 1) In general, I am not particularly proud with my job;
  - 2) All in all, I am satisfied with my job;
  - 3) I like working as a property appraiser.
- ▶ By aggregating the respondents' answers, we obtained two indices: an index of ethical attitudes and an index of job satisfaction

# Methods

- ▶ Linear regression model

- ▶ 
$$EI = \beta_0 + \beta_1 JSI + \beta_2 PPI + \beta_3 Gender + \beta_4 WE + \beta_5 WA + \sum_{k=1}^{e-1} \alpha_k E_k + \sum_{k=1}^{t-1} \theta_k T_k + \sum_{k=1}^{p-1} \delta_k P_k + \vartheta Country + \varepsilon$$

- ▶ Where:

- ▶ ethics index (*EI*) (dependent variable)
  - ▶ job satisfaction index (*JSI*)
  - ▶ perceived pressure indicator (*PPI*)
  - ▶ gender of a given respondent (*Gender*)
  - ▶ work experience (*WE*)
  - ▶ average number of valuations made monthly (*WA*)
  - ▶ country of a given respondent (*Country*)
  - ▶ sets of dummy variables relating respectively to the education background, the predominant type of clients in the order structure and the predominant type of real estate in the order structure of a given appraiser ( $E_k, T_k, P_k$ )

## Baseline models estimates

Variable	Coefficient				
	Model 1	Model 2	Model 3	Model 4	Model 5
Constant	33.0114***	35.0744***	33.0264***	33.6231***	34.0056***
Job satisfaction index (JSI)	-0.6351***	-0.6287***	-0.5898***	-0.5965***	-0.5317***
Perceived pressure indicator (PPI)	0.3668	0.3730	0.5410	0.5544	0.4479
Gender	0.2418	0.4089	0.4869	0.5147	1.0338
Work experience (WE)	0.0119	-0.0049	-0.0121	-0.0134	0.0244
Work activity (WA)	0.0085	0.0205	0.0570	0.0543	0.0563
Technical		-1.8256	-1.0392	-1.1415	-2.6282
Economic		-2.6097	-1.4701	-1.4889	-2.4777
Legal		-2.6295	-3.2807	-3.3935	-4.6103
Technical and economic		0.9891	2.0734	2.3006	2.0390
Individuals			0.5036	0.6328	0.8443
Developers			5.4528***	5.6578***	6.0284***
Banks			-2.8719*	-2.6836	-2.7558
Courts			-1.4591	1.7523	1.1878
Private enterprises (excluding developers)			-0.9470	-0.4483	-1.3270
Public bodies (excluding courts)			-1.4591	-1.5275	-2.1158
Housing				-0.5623	-0.0704
Commercial				-1.1129	-0.0696
Forest or agricultural				-0.7573	0.3106
Country					-2.2268*
$R^2$	0.0686	0.0818	0.1372	0.1405	0.1587

$R^2$



Variable	Coefficient				
	Model 1	Model 2	Model 3	Model 4	Model 5
Constant	41.2314***	42.9604***	43.9922***	44.4296***	41.7786***
Job satisfaction index (JSI)	-1.2765*	-1.2264*	-1.4025*	-1.3834*	-1.1234 <sup>‡</sup>
Perceived pressure indicator (PPI)	0.2037	0.2217	0.3197	0.3122	0.3143
Gender	0.3246	0.4913	0.5578	0.6067	0.9573
Work experience (WE)	0.0133	-0.0028	-0.0068	-0.0063	0.0191
Work activity (WA)	0.0158	0.0287	0.0694	0.0652	0.0636
Technical		-2.0944	-1.5615	-1.8904	-2.7631
Economic		-2.7540	-1.8678	-2.0932	-2.6448
Legal		-3.3497	-4.2871	-4.5999	-5.1533
Technical and economic		0.5123	1.1708	1.2811	1.3681
Individuals			0.6164	0.6415	0.7921
Developers			4.7463**	4.9434**	5.4050**
Banks			-2.7584	-2.6383	-2.7028
Courts			1.3664	1.4125	1.0962
Private enterprises (excluding developers)			-0.9872	-0.2467	-0.9370
Public bodies (excluding courts)			-1.6189	-1.6726	-2.0589
Housing				-0.4058	-0.0923
Commercial				-1.4238	-1.0384
Forest or agricultural				-1.0884	-0.2260
Country					-1.6109
$R^2$	0.0306	0.0449	0.1130	0.1153	0.1330

Additional models estimates based on the 2SLS method

# Conclusions

- ▶ Job satisfaction is conducive to improving appraisers' attitudes to professional ethics.
- ▶ The second important predictor of an ethical approach is the market segment, in the sense of the prevailing client type in the appraiser's orders structure. Professionals who serve mainly developers express significantly less ethical attitudes than others. The developer's strong economic position can explain this, the appraiser's financial profits, and the potential fear of losing a meaningful source of income.
- ▶ The impact of the country of origin of the appraiser on their ethical stance is not straightforward and may be due not so much to cultural differences as to differences in the conditions of the valuation profession in Austria compared to Poland.

Thank you for your attention

The background features a series of overlapping, semi-transparent geometric shapes, primarily triangles, in various shades of blue and green. These shapes are positioned on the right side of the slide, creating a modern, abstract design. The colors range from light, airy blues to deeper, more saturated greens and blues.