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A Study on Mentorship Within the Appraisal Profession

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A STUDY ON MENTORSHIP WITHIN THE APPRAISAL PROFESSION

Kenneth M. Jenkins, B.A.

An Abstract Presented to the Faculty of the Graduate School of Lindenwood College in Partial Fulfillment of the Requirements for the Degree of Master of Valuation Sciences

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ABSTRACT

The purpose of the study of mentorship within the appraisal profession is to determine the extent and perceived value of any existing mentorship within the profession in the Northern Virginia area. Employees indicate that of those persons having mentors, they advance professionally and monetarily more rapidly than those employees who don't have mentors. The employees who have no mentors indicate that the system is unfair, in that, the mentored employees are better "taken care of" when it comes to promotions, project selection, and training.

The literature bears out the employee comments. Many articles have been written extolling the virtues of having a mentor, citing the many professional and monetary advantages. Company's have recognized the value of mentors within an organization, with some going so far as to implement formal mentoring programs to pair new employees with older more experienced employees. Company's have found that mentoring promotes a closer bond between workers and

managers, that mentors learn as much from the proteges as the other way around, and that many proteges learn the corporation and product lines faster under a mentor than in seminars or formal training.

A survey instrument was prepared and distributed to a randomly selected representative sample of the Northern Virginia area appraisers. The instrument was designed to capture responses in each of three objective areas. These areas consisted of determining the current extent of mentoring, determining the perceived value of existing mentoring, and determining the proposed extent of support if a formal mentoring program were to be established. The intervention was to be based on the numerical results of the survey instrument, as applied to a formal matrix.

The investigator recommends that the Director of Education consider the implementation of a formal mentoring program. This recommendation is based upon the results of a survey instrument randomly distributed to the appraiser candidates in the Northern Virginia area. The resultant data indicates that in excess of 70 percent of the respondents would support such a program, that there currently is a very low level of participation (25 percent) in an informal mentoring program, and that well over 70 percent of those that have mentors perceive their extra attention as valuable.

Based on the results of the survey, the main benefit to the appraisal profession is one of increased appraiser knowledge at a lower cost than seminars or formal classes. The survey reveals that 45 percent of the appraisal staff felt that up to 25 percent of their professional education could be attributed through their mentor. The training methodology used predominantly by the mentor was "through example", which accounted for 53 percent of the responses. This indicates a cost effective methodology for providing continuing training and personnel support.

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CHAPTER 1

INTRODUCTION

The purpose of this project is to conduct a study determining the extent and value of mentorship within the real estate appraisal profession among appraisal firms in the Northern Virginia real estate appraisal community.

The implementation of a mentorship program in the appraisal profession, could advance appraisers professionally and benefit them financially.

History and Background of the Problem

Attempting to assess the current state of real estate appraisal education through research or information available can be a complex and frustrating task. The local nature of real estate appraisal and the state by state control of licensing requirements only compound confusion in a field that has as many reasons for education as it has practitioners. It was the intention of this researcher to find out and determine the extent and value of mentorship within the real estate appraisal profession in order to propose possible methods for improving the professional qualifications of real estate appraisers.

Information concerning certification and education is collected on a year-to-year basis. The professional associations query their membership about income, demographics, business practices and attitudes. College and university faculties ponder the appropriate place and role of real estate appraisal education in the curriculum and designated practitioners call for more education, especially for those who are coming into the profession of real estate appraisal.

As a result of pressures on the practice of appraisal, educators are faced with a new challenge in teaching appraisal courses and practical application in the "real-world". This pressure is coming from the Federal government, from state governments, and from the profession itself. Based on a U.S. Census Bureau survey of 1982 taxable property values, the estimated real estate market value of the United States of America is approximately eight trillion dollars, most of which is supported by mortgage instruments. Financial institutions attempt to support this demand for trillions of dollars worth of mortgages with antiquated, pre-computer age appraisal methods and management review techniques. The savings and loan

(S&L) industry has received much publicity recently regarding faulty and fraudulent appraisal reports for real estate mortgage lending purposes. A report to the 99th Congress by the Committee on Government Operations (US Government Printing Office, Washington, D.C., September 25, 1986; Forty-Eighth Report) reported findings noting:

> "Faulty and fraudulent real estate appraisals have become an increasingly serious national problem. Their harmful effects are widespread, pervasive, and costly. They have seriously damaged and contributed directly to the insolvency of hundreds of the Nation's financial institutions and have helped cause billions of dollars in losses to lenders, private mortgage insurers, investors, and Federal insurance funds. Responsibility for this problem rests with those who perform appraisals or base lending and related mortgage insurance/investment decisions on appraisals they know or should have known were improper or inaccurate. Equally culpable are the Federal agencies that regulate or oversee lending and mortgage insurance/investment activities and programs. The nature and extent of the appraisal problem suggest that for meaningful changes to occur, a broad array of corrective measures will have to be developed and instituted by Federal regulatory authorities, the appraisal industry, and real estate finance and investment interests."

For the purpose of this research project, a real estate appraisal is defined as those methods, procedures, and documents which, collectively, lead to and support an estimate of the market value of the collateral securing a mortgage loan or investment.

In the event of a default, the collateral's market value is what stands between the lender or investor and a loss. If performed competently and honestly, an appraisal is conducted independently of the other parties- borrower, lender, broker, etc., who have a vested interest in a loan transaction's completion. In this respect, only the appraiser is considered to be neutral and only the appraiser is responsible for certifying the value estimate.

The appraisal function is neither entirely an art nor wholly scientific. The appraisal consists of a dynamic blend of subjective judgment and objective methodology, depending of course on the assignment involved and the extent of the appraisal process (scope) of the appraisal.

Notwithstanding the inherent subjectivity involved, objective appraisal approaches to value and techniques have reached a state of development and sophistication that affords considerable accuracy in determining estimates of value.

Accurate appraisals are necessary to insure the best allocation of resources. Capital must be directed to projects which produce the most benefits. Inaccurate or fraudulent appraisals cause a misallocation of resources. This causes several negative effects on the economy. It causes a loss of return on investment, even possible loss of capital and it diverts capital from a more worthy project.

According to the 99th Congressional Report (Committee on Government Operations, Impact of Appraisal Problems on Real Estate Lending, Mortgage Insurance, and Investment in the Secondary Market, Forty-Eighth Report, September 1986, pg. 8), "Appraiser ineptitude, negligence, and misconduct are widespread. Of greatest concern is "client advocacy appraising," wherein large numbers of appraisers willingly agree, or otherwise succumb, to pressure brought to bear by lenders, borrowers, and others involved in the loan origination and underwriting process. Essentially, in exchange for an implicit or explicit promise of future business, so-called "advocacy appraisers" provide the numbers needed "to make the deal work," instead of the independent value estimate they are supposed to furnish."

Theoretically, these appraisals are performed by nearly 150,000 to 200,000 persons on a full- or part-time basis of which approximately one-third are affiliated with a legitimate professional appraisal organization with professional standards, certification criteria, code of ethics and disciplinary procedures. The remaining two-thirds who are not certified or licensed are also accountable for their performance, and are the basis for:

a. Trillions of dollars in loans,
b. Millions of loan applications which are packaged for resale to money markets,
c. Financial soundness of over 17,000 insured financial institutions and
d. Fiscal review by accounting firms and regulators in fifty states.

The real estate mortgage and investment industry is going through a very chaotic transition. Deregulation, equity loans, consolidation, mortgage market changes and thrift failures have caused changes which mandate new and up-to-date procedures that will provide effective risk management.

In evaluating the underlying roots of the appraisal problem, attention must be focused on the potential disaster faced by the thrift industry. The Federal Savings and Loan Insurance Corporation (FSLIC) insures 3,200 thrifts while the Federal Deposit Insurance Corporation (FDIC) insures approximately 14,000 banks. Many of these institutions are too small to remain economically viable. "According to Federal government estimates, the deficit of the Federal Savings and Loan Insurance funds could be between $30 billion and $65 billion. At the end of 1987, FSLIC's list of problem S&L's included 510 insolvent institutions with $145 billion in assets, and this number could double to $295 billion." ("S&L Insurance Fund Said to be in Trouble," The Honolulu Advertiser, April 18, 1988, pg. A1).

"Commentators in the news media have been recently referring to the Savings and Loan as "the walking dead." Such widely publicized failures as Ohio's Home State Savings Bank and other institutions have fueled a public outcry for reform." (Nicholas Ordway, "The Deregulation Dilemma and the Banking System", Real Estate Finance, Summer, 1985, pp. 90-93).

Financial institutions measure the risk (surety) of loans based on the applicant's ability to repay and the market value of the property which is based on the real estate apppraisals. The ability of the borrower to repay is measured by a detailed credit report. The property is used as security if the borrower's ability to repay is damaged. The recent failures or near failures and continued criticism of several lending institutions and the subsequent loss of investment dollars is so extensive that it prompted a congressional investigation.

In recent years deregulation of financial institutions in the United States has converted the focus of this industry from local markets to national and international operations. Formerly, loan officers knew the location, approximate condition of the property, its neighborhood and local economy. Now financial institutions are lending over vast areas and it is impossible for upper level management and board of directors to be fully aware of local situations. This situation causes an ever increasing reliance on the buyer's ability to repay because it can be easily and quickly verified by credit and employment reporting. As a result, reliance on appraisal reports continues to decrease because:

1. It is seen as less important than the ability to repay
2. Appraisals are done by vast numbers of people where quality control is lacking and methodology is non-standardized and
3. Lenders do not expect defaults to occur or they would not lend the money in the first place.

(National Association of Review Appraisers & Mortgage Underwriters, PReviews, Vol. 12, Issue I, Winter, 1988.)

However, the ability to repay can quickly change. The loss of employment or changes in the regional economy can see effective demand and the willingness to repay disappear very quickly. Real estate values change at a slower pace and become stagnant, thus the valuation is the security behind the loan.

This imbalance between the importance of the loan-to-value ratio which is the loan to "market value", and the ability to repay must be recognized. Economic theory states that for general equilibrium to exist in the economy, it is necessary that both consumers' equilibrium and producers' equilibrium exist simultaneously. Builders must not overbuild or overprice. Consumers or the buying public must not be allowed to overpay with borrowed funds simply because there is an abundance of mortgage money to be placed into circulation.

"In searching for simple solutions to a very complex problem, some criticism has been directed toward the appraisal profession." (Robert Guenther, "Appraisers Face More Scrutiny as Property Values Stagnate," Wall Street Journal, Feb. 13, 1985, p. 33). In general, criticisms have focused on four areas. These are: speculative markets, increased foreclosures, incomplete projects and fraud. The first three areas have been discussed by Ordway and Alvayay (1987). (Nicholas Ordway and Jaime Alvayay, "Reviewing Appraisals Under Rule 41c Compliance," Appraisal Review Journal, Summer 1987, pp. 45-52). They remarked that foreclosures have increased significantly in some parts of the country as borrowers have been unable to pay their bills or have just walked away from their obligations. In the oil patch and farm belt states, property values have been severely eroded as local economies have stagnated or become depressed. In Houston, Texas, for example, housing prices have dropped over sixty percent in some suburban neighborhoods during the last three years. In many cases, over-appraised property was used as collateral; as a result, lenders are sustaining large losses. F.F. Arnold, the director and secretary of the National Association of Review Appraisers and Mortgage Underwriters, has stated, "Evidence indicates that there is a direct relationship between poor quality loans and poor quality appraisal reports. An examination of loan packages that are in default revealed that 29 out of 30 properties were over-appraised, many substantially." (Fayete F. Arnold, "An Appraiser Takes a Look at His Profession," Mortgage Banking, March, 1985, p. 85).

The reputation of the appraisal community has been tarnished by some of its members' clear misuses of appraisal procedures. In a response to the growing criticism of the appraisal profession, Congressman Douglas Barnard (D-Ga.) has proposed the Real Estate Appraisal Reform Act of 1987 (HR 3675). This bill would require the establishment of a federal interagency appraisal council to establish uniform standards for real estate transactions. The council would also set mimimum qualifications and certification requirements for appraisals in "federally covered" transactions. States would have an opportunity to set up their own licensing or certification standards. Any state that failed to do so would be subject to a federally established certification system.

In an effort to help bridge the education and experiential gap, the researcher wanted to try and acertain what was the current extent and value of mentorship within the real estate appraisal community of Northern Virginia, in order to try and make recommendations to implement an "entry-level" learning contract or mentor program for people coming in to the appraisal profession.

Imbedded in this task location process is the influence of mentors within an organization. Those employees having mentors typically are looked after, in that, they rarely have to locate their next assignment. The mentor intervenes with both the functional manager and the program manager to provide his protege with suitable tasking.

There are various reward systems in place within the corporate structure of companies implementing such mentor programs, foremost of which is the merit review system. This is a complex mechanism for determining the operating budget of the company for the next year, and determining how much of that budget will be used for pay raises. The merit review system is the primary means by which each employee is rewarded for the quality and quantity of work performed the previous year. It is observed as inequitable by some employees who note that the company decides what the average raise will be, and it then becomes a popularity contest as to who gets how much. Conversations with those employees having mentors indicate that they tend to receive above average merit raises and receive promotions in advance of their peers.

Many companies support continuing education for its employees in a variety of ways. Some of these include internal seminars, internal formal classes in a variety of subjects, off-campus university classes held at company headquarters, and formal continuing education held at local colleges and universities. Training is also conducted at the personal level in a one-on-one situation whereby, individuals receive instruction from a mentor. In several appraisal firms interviewed, which usually fund the traditional corporate educational efforts, it has indicated its support in determining the extent and value of any perceived mentorship.

Currently there is not a formal mentorship program implemented for the local real estate appraisal chapter. By determining the extent and value of mentorhsip as it exists now, an appraiser employer may better allocate its efforts in providing continuing educational support for all entry-level appraisers in the future.

Scope of the Project

The study is limited to qualitative analysis of the perceived extent and value of mentorship experienced by the appraisal profession within the Northern Virgina real estate appraisal area. The analysis will incorporate only data collected through the use of survey instruments developed specifically for this purpose. A survey instrument will be administered to full-time appraisal companies' personnel. The results of the study will be used by the researcher to assist the education departments of appraisal education in advising upper management with respect to long term planning.

Importance of the Project

Mentorship within an organization is rapidly becoming an issue that management must deal with. Mentorship is seen in different ways within an organization. For those employees involved in a mentor/protege situation, it is perceived as a good thing. For an outsider it can be seen as favoritism, especially if the protege is perceived by his or her peers as not worthy of the attention. The mentor, without proper supervision, can provide the protege with more seminars than the average employee. The mentor can, if in the proper position, promote a protege to a position above his or her capabilities. The survey instruments will provide a means to evaluate the extent and value of mentorship within the localized real estate appraisal profession. The data collected will be used by the real estate appraisal education committee to develop long term planning with respect to resource allocation for educational benefits. The data will also be used to determine whether or not it would be advisable to implement a formal mentorship program.

Definitions of Terms

1. Matrix management. A tool used by management whereby employees are assigned to other projects and duties in addition to normal group activities. The desired result is to keep the company cost effective.

2. Programs. A contract with civilian or government agency which is intended to provide goods and/or services.
3. Mentor. A person who assumes the role of both teacher and career enhancer.
4. Patron. A person who has the power to enhance a career.

CHAPTER 2

LITERATURE REVIEW

This section will discuss the extent and perceived value of mentoring and mentorship within the real estate appraisal business community. The purpose of this review is to establish the accepted norms already in existence within the community.

The concept of mentoring is not a recent phenomenon, although renewed interest has brought it back into vogue. Mentoring has its roots in Greek mythology. Mentor was the trusted advisor to Ulysses, who then gave the care of his son to Mentor while he went to the war. Each trade guild during the Middle Ages had a mentor or master who was responsible for the apprentices' behavior and work. It is popular these days to find a mentor and use him or her as a method of moving up within a corporation. "Being "adopted" by a senior person is one sure way, perhaps the only sure way, to receive coveted promotions and eventually power" (Westoff, 1986).

Generally, the mentorship process involves an experienced older member, and a younger more inexperienced member. Mentor/protege pairings allow both members to benefit from the relationship. "The younger member gains a deeper understanding of how the job is really done at the higher levels, and the older member passes along the lore acquired from years of perfecting skills" (Westoff, 1986). Mentors don't have to be older/younger pairings. "Peers can often serve as a mentor by steering new, inexperienced employees around the pitfalls at work" (Lamb, 1989). McCrowey-Costa (1989) agrees, stating that "Mentors can teach the corporate ropes and accelerate your career growth."

Finding a mentor can be a matter of luck, or a matter of selectively searching for the right person. Finding a mentor by searching can be enhanced by preparing for the opportunity when it arises. Gottlieb (1989), suggests that "If your goal is to move up in your company, notice whom you admire, whom you'd care to be like, and who has expressed an interest in you or praised your work." This sentiment is echoed by McCrowey-Costa (1989) who says "You can set the wheels in motion by increasing your visibility with key executives within the company." Preparation, however, is no guarantee of success. The person approached may not be interested in being a mentor. When looking for a mentor, one must "Start with the understanding that it is a relationship-not just a transfer of information, instructions, or advice" (Gottlieb, 1989).

Many companies have developed and implemented formal mentorship programs. These programs do not follow the classical "relationship" of mentor/protege pairings, they are more manager or peer guidance pairings. This does not mean that the more intense relationship does not develop. At Georgia-Pacific, new salespeople are paired with more experienced salespeople. "Although the relationships are primarily intended, in the early phase, to teach the ropes of selling for Georgia-Pacific and, later, to relay product knowledge, they also have a personal side, with the mentor offering counseling on adapting to the company's culture, and the like" (Bragg, 1989). Some of the larger companies which use formal or informal mentorship programs include Colgate, Johnson and Johnson, AT&T, Pacific Bell, and Pepsi-Cola Co. "Pepsi's informal mentoring program is structured toward preparing the more that 100 college interns who work for the company each summer to become permanent additions to the staff after graduation" (Lamb, 1989). Larger companies are noticing that better recruits are obtained by having a formal mentorship program.

> "Schering-Plough credits its Management Associate Program-cum-mentoring for winning some of the nation's best new hires. Says spokesperson Jane Himmel, " 'In 1987, fifty-three percent of the students from schools such as Harvard, Wharton, and Northwestern that we offered a job to accepted, as compared to what Schering-Plough estimates is the standard thirty to forty percent acceptance rate for most companies that recruited at these schools.' " (Bragg, 1989)

Smaller companies have been able to benefit from mentorship programs also. At Pathfinder Software, a small software services company, a formal mentoring program was instituted to help train its people without incurring the expense of formal seminars. "The employees learned faster from each other than they would have at seminars, and the new project managers who were developed through mentoring were better at estimating and controlling costs" Bragg, (1989).

Having a mentor has many positive aspects, whether or not it was a corporate or a personal decision. "Corporations need mentoring. It is still the fastest way for bright young managers to learn the ropes of corporate life" (Westoff, 1986). Another benefit of having a mentor is pointed out by McCrowey-Costa (1989) who states, "In this age of corporate belt tightening, a mentor can reduce your chances of feeling the downsizing ax." A benefit to the mentor and their company can come when "they become privy to hidden issues in their firms lower echelons, such as morale problems, or dissatisfaction with the compensation plan" (Bragg, 1989).

There are drawbacks to mentoring in addition to benefits. Mentors can descend into several pitfalls which may lead to adverse conditions for the protege. "In some cases the mentor may use the protege as a lackey to perform routine clerical or administrative work. In other cases the mentors are so overburdened with work they have no time for the protege" (Meyers and Humphreys, 1985). A mentor can retard the protege's development by leaving him or her in a position too long, due to the mentors need for expert support in that area. Possessiveness by the mentor can lead to other problems. "Proteges may be instructed to accept no assignement that has not been approved by the mentor. The proteges become so impressed with their importance they get exaggerated opinions of themselves: (Meyers and Humphreys, 1985). In some cases the mentor/protege relationship grows to the point where the careers of both become intertwined. This leads to dependence on the mentors ability to maintain his or her position. "If your mentor's career fades, then your career may fade"

(McCrowey-Costa, 1989). A pitfall for the protege may occur when the mentor is attacked within the corporate structure. "Proteges can be excessively devoted to their mentors, almost chauvinistic in their blind loyalty" (Meyers and Humphreys, 1985). This can be avoided if the protege realizes that the mentor is an individual who must be able to defend his own actions. It is fine to have a mentor and to want to conduct your professional actions in a similar manner, but as Gottlieb (1989) says, "The purpose of the relationship is not to become a carbon copy of your mentor, its to become yourself." McCrowey-Costa (1989) agrees, saying that "You can be over mentored and lose your identity."

Throughout the literature there are two main ideas which are dissected and expounded upon. The first idea is that a young professional needs the benefit of a mentor to teach him or her the ropes, and help with professional growth. "Students know that the two things they need to be successful in today's world are networking and being able to grab the coattails of someone important" (Bragg, 1989). The second idea is that mentoring can be beneficial to both the mentor and the company. "Older managers tend to forget the difficulties new people always have in coping with their new jobs. They tend to forget what they themselves went through. As mentors they're reminded which can make them better managers." (Bragg, 1989).

Mentoring is an effective methodology for developing young professionals. "Socialization, cognitive skills, and noncognitive abilities can be developed under the guidance of and understanding by a demanding mentor" (Meyers and Humphreys, 1985). Simply put, the advantages of having a mentor seem to outweigh the disadvantages. If both the mentor and protege chart a careful course through the corporate ocean, rewards can be had by both parties. "For more than 25 centuries, great teachers have always learned as much from their best students, as the other way around" (Srully, 1985).

CHAPTER 3

RESEARCH STRATEGY AND DATA COLLECTION PLAN

Summary of Chapters 1 and 2

The study of mentorship within the real estate appraisal community is an exercise in determining the extent and perceived value of any existing mentorship within the company. Employees indicate that of those persons having mentors, they advance professionally and monetarily more rapidly than those employees who do not have mentors. The employees who have no mentors indicate that the system is unfair, in that, the mentored employees are better "taken care of" when it comes to promotions, project selection, and training.

The literature bears out the employee comments. Many articles have been written extolling the virtues of having a mentor, citing the many professional and monetary advantages. Companies have recognized the value of mentors within an organization, with some going so far as to implement formal mentoring programs to pair new employees with older more experienced employees. These pairing have positive and negative aspects with the positive aspects outweighing the negative. Companies have found that mentoring promotes a closer bond between workers and managers, that mentors learn as much from the proteges as the other way around, and that many proteges learn the corporation and product lines faster under a mentor than in seminars or formal training.

Section 1: Research Strategy

Subsection 1: Statement of Objectives

The first objective for evaluation in this study is to determine the current extent of mentoring as it exists within the local appraisal community. This will allow a determination to be made whether or not to implement a formal program. If informal mentoring is conducted on a regular basis, and the survey results indicate that participation is high, no formal program may be desirable at this time.

The second objective for evaluation in this study is to determine the perceived value of any mentoring that exists within the local appraisal community. This will be the second determining factor in whether or not to implement a formal mentoring program. This factor will be used as a variable, providing weight to the first and third objectives.

The third and final objective of the study is to determine the extent of participation in a formal mentoring program, if proposed by the Director of Appraisal Education.

Subsection 2: Research Model Selection

In order to accurately assess the perceived value and extent of mentorship within local real estate appraisal community of Northern Virginia, data collected from the questionnaire will be used to evaluate the objectives described above. The questionnaire has been designed to focus on determining the extent of mentorship within the community and the perceived value. Along with these objectives one question will address the potential level of support anticipated, should the education committee decide to implement a formal mentoring program, based on the results of objectives one and two. The survey instrument is provided in Table 1, Mentorship Survey.

TABLE 1

MENTORSHIP SURVEY

1. Please indicate your trade level either by grade or labor category.

____

2. Please indicate your position.

   a. trainee
   b. program manager
   c. appraiser
   d. senior appraiser
   e. apraisal director or Vice President
   f. President or other officer

3. Do you have a mentor? Y N

   If your answer is NO, please stop after question 8.

4. Have you ever had a mentor in organizations other than the appraisal profession? Y N

5. Have you had a mentor within the appraisal business previously? Y N

6. If you don't have a mentor, is it because:
   a. you are new to the company and don't know everyone yet?
   b. you don't feel it's necessary at this time?
   c. you haven't been approached?
   d. you never considered the idea before now?

7. If you had a mentor before and don't now, is it because:

   a. the mentor left the company?
   b. you parted ways due to divergence of goals?
   c. you parted ways due to mutual agreement?
   d. you progressed to a point where you didn't need a mentor?

8. Would you support a formal mentorship program if implemented by your company, either as a mentor or protege? Y N

9. Have you received extra training or instruction from your mentor? Y N

10. Has your professional career within your company progressed more rapidly than others due to your mentor? Y N

11. Is your mentor in:
    a. your area of expertise?
    b. other area of expertise?
    c. your division?
    d. other division?

12. Does your mentor provide training:
    a. through extra work?
    b. through training/instruction?
    c. through example?
    d. by sending you to seminars/schools?
    e. by assigning you to work with specialists?

13. Have you had more than one mentor? Y N

14. If you have a mentor, did you acquire him/her through:
    a. mutual professional attraction?
    b. just worked out that way?
    c. worked with him/her before?
    d. mentor requested your services on other projects?

15. What percent of your professional education acquired on the job can be attributed to your mentor?
    a. 0-25%
    b. 25-50%
    c. 50-75%
    d. 75-100%

Some assumptions must be made prior to the implementation of the survey instrument, and are listed below.

1. The appraisers/employees themselves will complete each questionnaire.
2. The appraisers will provide answers which truly represent their opinions.
3. A representative sample of appraisers will be obtained when the completed questionnaires are returned for evaluation.

<u>Section 2: Description of the Intervention</u>

The following evaluation design and data collection plan was devised to elicit the necessary information for completion of the proposed research project. The purpose of the project is to conduct a study determining the extent and value of mentorship within the real estate appraisal profession among appraisal firms in the Northern Virginia real estate appraisal community. It is hoped that the information gleaned from the research instrument will be beneficial in evaluating strengths and weaknesses of the current day appraisal processes. The specific plan for data gathering and data analysis was selected in lieu of other methods as the following approach was determined to be most efficient for both researcher and subjects. Moreover, it is hoped accuracy was enhanced by the chosen design.

Evaluation Design

The purpose of this project is posed as a research question. Therefore, the type of design chosen was the descriptive research method. The descriptive method seeks to investigate what attitude presently exists among the selected population. The population for this project are appraisal candidates who currently do not hold an appraisal designation membership in any of the two (2) real estate appraisal organizations of the Appraisal Foundation who reside in Northern Virginia who belong to the NVAR Multiple Listing Service . It was revealed that there were nearly three hundred total population that fit this criteria. A sample was randomly selected from the total population to receive the research instrument which is in this case a questionnaire. The sample was sequentially chosen from a list. The first person to receive the questionnaire was randomly selected. After the first selection, every other person on the list will be given the questionnaire. The nature of the list was examined carefully to ensure random order to eliminate bias. At least 130 questionnaires were analyzed which represents approximately 20 percent of the population based on figures from 1989.

Data Collection Plan

As stated above the data collection instrument was a questionnaire which was self-developed. The questionnaire was not field tested. However, it was submitted to the a primary instructor for review and criticism. The questionnaire itself consists of fifteen questions which is included in this project.

The questionnaire was mailed to one hundred fifty eight randomly selected candidates with the intention of at least sixty questionaires being completed and returned. A cover letter explaining the purpose and nature of the project accompanied the questionnaire. Instructions on how to complete the survey were also included in the cover letter. Each subject was asked to refrain from placing his or her name on the survey as this would ensure anonymity for the respondents and prevent bias in the project. A return self-addressed, stamped, envelope was provided for the convenience of each respondent. Should less than sixty of the one hundred fifty eight surveyed respond, a second set of ten were issued. This procedure continued until a minimum of sixty completed questionnaires had been returned.

Data Analysis

After at least sixty completed questionnaires were received the distribution of surveys ended and data analysis begun. Each question was hand tabulated using frequency charts to determine how each item was answered by the subjects. Frequency charts and graphs were used to graphically represent the data received. These percentages were analyzed for any emerging patterns of information. Comparisons may be used to supplement the frequency information by using the data which is demographic in nature.

Limitations of the Data Collection Plan

The design of this study is dependent on honest evaluative answers by the sample population. Several factors may negatively influence subjects to answer in this way. Their mood at the time they received the survey, past experience with similar surveys, or general unwillingness to complete the questionnaire honestly are possible explanations for this occurence. Any or all of these could cause misrepresentation in the findings of the project. However, it is impossible for this researcher to satisfactorily eliminate these factors.

Following the analysis of the data resulting from the survey instrument, a recommendation to the education committee will be made. This recommendation will be to either consider implementing a formal mentorship program, or to maintain the status quo. The final decision rests with the Director of the Education Committee.

If the results of the survey indicate a current lack of informal mentoring (less than 40 percent), and a strong interest in a formal program (greater than 70 percent), a recommendation will be made to implement a formal mentorship program. The secondary objective, the perceived value of existing mentorship, will be used as a variable in the decision making process.

Of the personnel indicating they have a mentor, if the majority (greater than 70 percent) indicate that mentoring has enhanced their professional growth, the value will be used a a positive variable. The three objectives are given across the top of Table 2, Truth Table and Proposed recommendations, with the possible survey outcomes in a truth table format. The proposed recommendations are given in the right hand column.

TABLE 2

TRUTH TABLE AND PROPOSED RECOMMENDATIONS

Extent	Support	Value	Recommendation for Program
L	L	L	NO
L	L	H	NO
L	H	H	YES
L	H	L	NO
H	H	H	YES
H	H	L	NO
H	L	L	NO
H	L	H	YES

The intervention in this study will be a recommendation to the education committee on whether or not to implement a formal mentoring program. When first contacted by the author, the Director of the Education Committee provided support for the study and indicated it would be interested in determining the objectives discussed above. As discussed in the Literature Review, many other companies, both large and small, have implemented formal mentoring programs. The results at these companies have been positive in both the training areas and in the recruitment of new employees. The Education Committee may implement a formal mentorship program with appropriate funding and upper management approval, depending on the results of the survey. The implementation of this type of program is feasible in that, the committee currently has no such program, and that the benefits to new (and future) appraisers will possibly offset any associated costs.

CHAPTER 4

RESULTS, CONCLUSIONS, AND RECOMMENDATIONS

Summary of Chapters 1, 2, and 3

The study of mentorship within the local real estate appraisal community is an exercise in determining the extent and perceived value of any existing mentorship within the community. Employees indicate that of those persons having mentors, they advance professionally and monetarily more rapidly than those employees who don't have mentors. The employees who have no mentors indicate that the system is unfair, in that, the mentored employees are better "taken care of" when it comes to promotions, project selection, and training.

The literature bears out the employee comments. Many articles have been written extolling the virtues of having a mentor, citing the many professional and monetary advantages. Companies have recognized the value of mentors within an organization, with some going so far as to implement formal mentoring programs to pair new employees with older more experienced employees. These pairings have positive and negative aspects with the positive aspects outweighing the negative. Companies have found that mentoring promotes a closer bond between workers and managers, that mentors learn as much from the proteges as the other way around, and that many proteges learn the corporation and product lines faster under a mentor than in seminars or formal training.

A survey instrument was prepared and distributed to a randomly selected representative sample of the real estate appraisal community of the Northern Virginia area. The instrument was designed to capture responses in each of three objective areas. These areas consisted of determining the current extent of mentoring, determining the perceived value of existing mentoring, and determining the proposed extent of support of a formal mentoring program if one were to be established. The intervention was to be based on the numerical results of the survey instrument, as applied to a formal matrix. Depending on the outcome of data, a recommendation would be made to the Director of the Appraisal Education Committee on whether or not to consider implementing a formal mentorship program.

<u>**Section 1: Summary of Results**</u>

The survey instrument was distributed to a randomly sampled population representing 25 percent of the appraisal community. The data collected is based on the number of respondents which represents 20 percent of the appraisal staff. The survey instrument rate of return was 78 percent and the cross section of appraisal personnel responding is considered good. Table 1, Mentorship Survey should be used when correlating and interpreting the data presented in the following paragraphs.

The survey was designed to capture responses in three areas. The first objective was to determine the current extent of mentoring within the community. Questions 3, 5, 6, 7, 11, 13, and 14 dealt with this objective. Table 3, Results Pertaining to Objective 1, provides the summarized data from these questions. As can be seen from Table 3, 75 percent of the respondents stated they did not have a mentor currently. 28 percent stated that they had a mentor within their company previously. Of the persons not having mentors, 43.3 percent indicated that it was due to the fact they had never been approached. Of the 25 percent of repondents stated they had mentors currently, only 33 percent indicated their mentor was in their own functional group. The remainder indicated their mentor was elsewhere. This may be indicative of the matrix organization where very little tasking is performed within the functional group, so less guidance and counseling would come from a functional manager. The results pertaining to this objective exceed the target percentage of a greater than 70 percent lack of informal mentoring within the company.

TABLE 3

RESULTS PERTAINING TO OBJECTIVE 1

	Percent Responses							
Question	Yes	No	A	B	C	D	E	F
3	25.0	75.0						
5	28.0	72.0						
6			06.6	33.3	43.3	16.6		
7			27.2	18.1	18.1	36.3		
11			33.3	0.0	11.1	22.2	22.2	11.1
13	70.0	30.0						
14			21.4	42.8	14.4	21.4		

The second objective of the survey was to determine the perceived value of any mentoring currently in place within the appraisal community. Questions 9, 10, 12, and 15 pertain to this objective and are summarized in Table 4, Results Pertaining to Objective 2. The results obtained indicate that the perceived value of having a mentor is extremely high. Of the 25 percent of repondents indicating having a mentor, 90 percent stated they had both received extra training or instruction, and their careers had progressed more rapidly than others. The most significant statistic in the table bears out the literature review, in that, 45.4 percent of the respondents stated that at least 25 percent of their professional education was through mentoring. This is a significant amount of training benefit to come from a single source, and is extremely cost effective. This objective also exceeded the target percentage of 60 percent of the respondents indicating a positive effect on their professional growth.

TABLE 4

RESULTS PERTAINING TO OBJECTIVE

Question	Percent Responses						
	Yes	No	A	B	C	D	E
9	90.0	10.0					
10	87.5	12.5					
11			12.00	12.0	53.0	5.5	17.5
12			45.4	36.3	18.3	0.0	

The third and final objective was to determine the extent of support of a formal mentoring program as implemented by the Education Committee. Questions 4 and 8 dealt with this objective. The responses to question 4 indicate that 63 percent of the respondents had mentors in other organizations than their existing company. This indicates that the majority of respondents understand the concept and value of mentoring. Question 8 directly asked if a formal program would be supported, and 77 percent indicated they would actively support such a program if implemented. The amount of support actually is higher than 77 percent since 10 percent of the respondents hand wrote a "maybe" on the survey form and indicated their support with caveats. The target percentage for this objective was 70 percent support for a proposed program which was well exceeded by the respondents.

Section 2: Conclusions

The target percentages presented in Chapter 3 as criteria for preparing a recommendation for implementing a formal mentoring program were exceeded. According to the matrix presented in Table 2, Truth Table and Proposed Recommendations, all the criteria required to recommend a formal mentoring program were met. The data collected indicates that the extent of current mentoring within the community is low, the perceived value is high, and the support for a formal program is high. The truth table provided required that under these conditions the intervention will be that the Director of the Appraisal Education Committee consider implementing a formal mentoring program.

At one time the real estate community enjoyed a higher percentage (3.6 percent) of mentor/protege relationships than is current. Question 7 asks why the relationship dissolved. The responses indicate that almost 38 percent of the relationships didn't work out for one reason or the other. Some of these reasons could be those identified earlier in Chapter 2, overworking the protege or lack of time for the protege.

A significant discrepancy exists between the number of people having had a mentor at another organization (61 percent), and the number of people having had a mentor previously within their own company (28 percent). This tends to indicate that other service related companies place more emphasis on mentoring and the attendant rewards in employee training and motivation. This is consistent with the information provided in Chapter 2 which discusses some of the major corporations and their formal or informal mentoring programs.

Section 3: Recommendations

Subsection 1: Policy Recommendations

This investigator recommends that the Director of the Real Estate Appraisal Education Committee consider the implementation of a formal mentoring program. This recommendation is based upon the results of a survey instrument randomly distributed to the local real estate appraisal community personnel. The resultant data indicates that in excess of 70 percent of the respondents would support such a program, that there currently is a very low level of participation (25 percent) in an informal mentoring program, and that well over 70 percent of those that have mentors perceive their extra attention as valuable.

The formal mentoring program should be coordinated with the Director of Real Estate Appraisal Education such that he may direct his lower level committee members and managers to actively support the Educational Committees' effort. Directors and managers would be responsible for implementing the program at their levels by pairing new hires with more experienced older personnel. Each of the mentors selected should attend a short orientation course designed to explain what their individual and company roles are.

Based on the results of the survey, the main benefit to the appraisal community is one of increased appraisal knowledge at a lower cost than seminars or formal classes. The survey reveals that 45 percent of the staff felt that up to 25 percent of their professional education could be attributed to their mentor. Another significant segment (36 percent) felt that even more training, up to 50 percent, was provided by their mentor. The training methodology used predominantly by the mentor was "through example", which accounted for 53.60 percent of the responses.

This investigator recommends that prior to the implementation of a formal mentorship program the Education Committee conduct a survey baselining the appraiser/employee attitudes and perceptions concerning current training and motivation. A re-survey should be administered 12 months after implementation of the program using the same survey instrument to determine the value and effectiveness of the mentoring program.

Subsection 2: Recommendations for Further Research

The only recommendation for further research on the subject is as described above. Since the original sample population is small it may be advantageous to administer a short (5 question) survey to the entire population to gather additional data. If the responses are consistent with the apparent support for a formal program, implementation can continue.

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