"The profession naturally attracts idealists. As its goodwill grows, it attracts an increasing number of committed professionals but also rent seekers."

The key variable here is the public reputation of a profession ("level of goodwill enjoyed by the profession"). This goodwill is seen as a joint asset enjoyed by all members of a profession. The case is about the dynamics of goodwill as it impacts and is impacted by three kinds of members of a profession.

The idealists are true believers attracted by the profession’s calling, namely, the intrinsic rewards that the profession’s practice offers. Committed professionals are individuals who are attracted by the status and satisfaction that accrue to members of the profession. Committed professionals pursue social mobility and personal and career growth through membership in the profession. Committed professionals practice in accord with the profession’s norms and value its reputation. The difference between idealists and committed professionals is that whereas idealists are natural professionals, committed professionals need to be recruited and socialized into the role.
‘Rent seekers’ are individuals who seek primarily personal gain even at the expense of destroying public goodwill of the profession. (Rent-seeking is used in economics and in public-choice theory to describe practices which seek to increase one’s share of existing wealth without creating new wealth. Professional rent seekers benefit from the goodwill enjoyed by the profession but do not contribute to this goodwill in return. In other words, rent seekers take more than they give in terms of goodwill.)

According to Nanda:

“The profession naturally attracts idealists. As its goodwill grows, it attracts an increasing number of committed professionals but also rent seekers. Whereas idealists and committed professionals increase the profession’s goodwill, rent seekers’ pillage reduces it.”

In Nanda’s model, goodwill also depreciates over time, requiring a certain constant input from the profession. Nanda saw some real implications for the governance of the profession:

“A flourishing profession requires a strict association that, through vigorous certification and self-regulation, bars potential rent seekers from practicing and monitors and disciplines current practitioners to prevent the rent seekers among them from plundering the commons. If rent seekers form a sufficiently powerful part of the practitioner community, the association might risk capture by them so that practitioners’ personal interests are elevated above clients’ interests. An association directed by rent seekers uses its rights as a certifying and self-regulating organization not to ensure adherence to the professional pledge but rather to maximize the gains that accrue to practitioners.”

Now in discussing his model, Nanda how his model characterizes individual practitioners as exclusively idealists, committed professionals, or rent seekers but that in reality individual practitioners can contain within them characteristics of all three types to varying degrees over time. Although this makes the model more complex, it doesn’t change the essential dynamics.

What are the key points here?

• That ‘professional reputation’ or ‘public goodwill’ is an important aspect of the value of a profession. Professions would do well to monitor and nurture the goodwill value that the profession has accumulated. Public goodwill may not be the same thing as the competent delivery of professional services.

• We can look at each practitioner as a blend of idealist, committed professional and rent seeker in the sense that there is some of each in all professionals. The relative proportions of each make a big difference, however. Some professionals create more goodwill than they extract, but some extract more goodwill than they contribute.

• It is fine to have individuals pursue social mobility and personal and career growth through membership in the profession as long as these individuals are recruited and socialized to practice in accord with the profession’s norms and value its reputation.

• Professions, through their professional regulatory, need to do a few things. They need to make sure that rent seekers are not allowed into the profession, and that those who do make it into
the profession are dealt with accordingly when they transgress the norms of the profession. Importantly, professional regulatory bodies are to avoid being ‘captured’ by rent seekers.

- Professional regulatory bodies need to encourage and foster the creation of goodwill on behalf of their members. For instance, the Ontario College of Teachers has an Inspiring Public Confidence award for the individual who has stood out in regards to inspiring public confidence in education.
- By focusing on the WIIFM (‘what’s in it for me’), professional regulatory bodies may well weaken the commitment of committed professionals, and may well be encouraging rent-seekers by encouraging an extrinsic motivation mindset in the profession.