

THE ETHICS & COMPLIANCE PROFESSIONAL: TODAY AND IN THE FUTURE

WELCOME AND AGENDA

- **ECI Capabilities Working Group Charter, Objective and Scope**
- **Five Defining Questions for our Practice**
- **Survey Respondents**
- **Current and Projected Degree and Certificate Preferences**
- **JD Preferences by Management Level and Tenure**
- **Current and Projected Professional and Discipline Preferences**
- **Typical Areas of Operational Focus**
- **Personal and Leadership Qualities Most Essential for Success as an E&C Professional**
- **Compensation**

OBJECTIVE AND SCOPE OF WORKING GROUP'S REPORT

PROBLEM STATEMENT:

- Currently, there is **no well-established standard for the skills/capabilities** necessary for the roles to implement an effective ethics and compliance program.

GOAL STATEMENT:

- Determine the **skills/capabilities** necessary for E&C personnel to support an effective program.
- Examine the range of tasks, the roles and positions, the capabilities required for each position, and leading practices to develop skills for each role.

SCOPE:

- Ethics and Compliance **capabilities/competencies**, and **professional qualities** essential to implement an effective program.

POTENTIAL BENEFIT:

- Identify **essential capabilities and emerging capabilities** necessary to enable an effective ethics and compliance program.
- Establish a **common standard** for the skills/capabilities necessary for roles to implement an effective E&C program, now and in the future, and to accelerate certifications and traditional education approaches to better prepare E&C professionals with the skills to implement an effective E&C program.

Capabilities Working Group Charter

OBJECTIVE AND SCOPE OF WORKING GROUP'S REPORT

CAPABILITIES WORKING GROUP:

Determine **range of activities** performed in E&C function and **compare to external standards for expectations of an effective ethics and compliance program.**

- **CAPABILITIES RESOURCES SUB-TEAM:** Assessed current external expectations and benchmark qualifications (USSC-Chapter Eight of the Current Guidelines Manual, OECD Anti-Bribery, UK Bribery Act, SEC Resource Guide to the US FCPA, DOJ Evaluation of Corporate Compliance Programs, CPA Licensure, US CPA International Qualifications Examination)
- **SURVEY SUB TEAM:** Develop and implement survey of working group or all Fellows. (490 respondents diverse in terms of organizational hierarchy level, years of experience, industry, organization size, organization ownership structure, age and other characteristics.)
- **Publish results** in partnership with ECI Team.

OBJECTIVE AND SCOPE OF WORKING GROUP'S REPORT

ESSENTIAL SKILLS & QUALITIES OF THE ETHICS & COMPLIANCE PROFESSIONAL: TODAY AND IN THE FUTURE

This all-new, unprecedented report, written and published by an ECI working group of practitioners, organizational leaders, and academics in the E&C field defines:

- *The importance of various **advanced degrees and certificates** in the E&C profession today and in the future;*
- ***Leadership qualities and areas of professional or disciplinary expertise** important to the success of E&C professionals;*
- ***Essential roles and functions** performed;*
- ***Expected trends in desired skills and qualities** of successful E&C professionals in the next 5-10 years; and more.*

FIVE DEFINING QUESTIONS FOR THE E&C PROFESSION

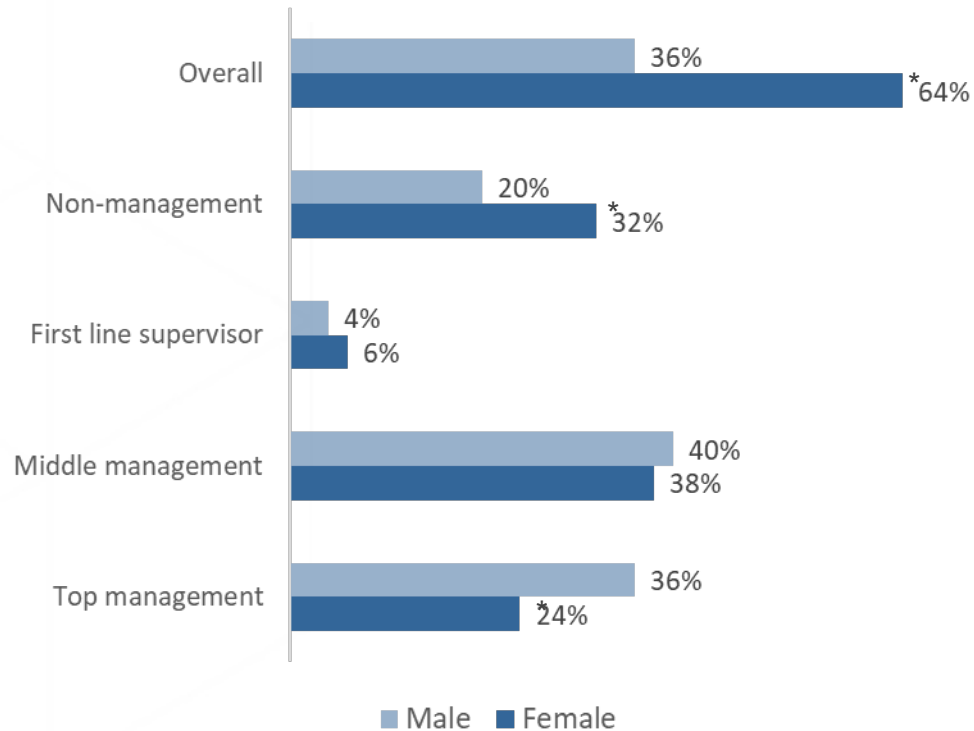
1. Should E&C professionals become **specialists or generalists** to ensure that they have the expertise necessary to build and sustain a High-Quality E&C Program (HQP)?
2. Do E&C professionals need a **Juris Doctor (JD)** to develop or contribute to a strong E&C program?
3. Should E&C emphasize **technological prowess or soft skills**, or are both necessary for a successful E&C program?
4. Should E&C focus on **tactical excellence or strategic influence**?
5. Will E&C best be served by those who find their **calling** there or by **challenging the constraints** on compensation and advancement for E&C professionals?

3 Key Audiences:

1. **E&C organizational leaders**
2. **E&C practitioners**
3. **E&C academics and associations**

Survey Respondents

ORGANIZATIONAL HIERARCHY BY GENDER



* Estimate for females is significantly different from estimate for males ($p < .05$).

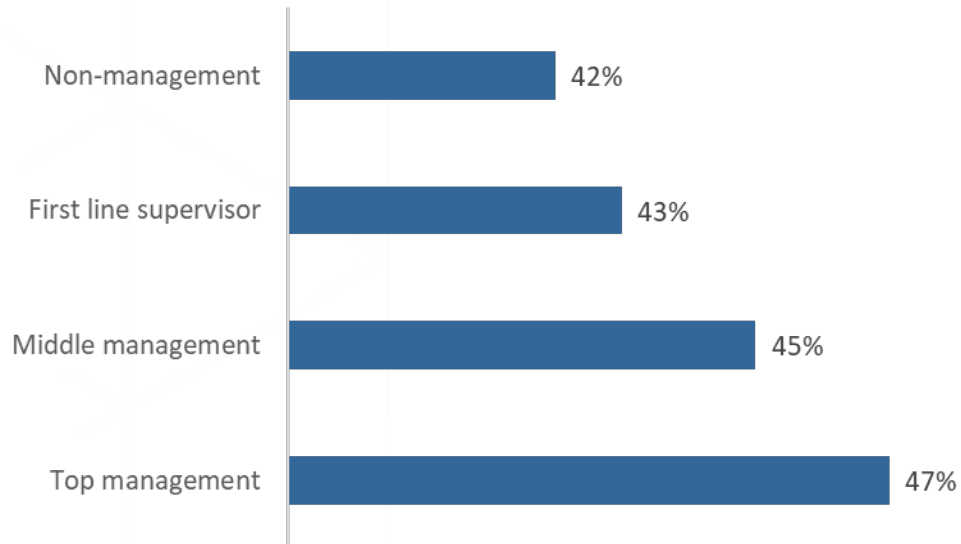
- **490 respondents**
 - Formally distributed to ECI members and informally disseminated through Working Group members' professional networks and posted on social media.
 - Fielded from Oct 15 to Nov 26, 2018.
- **85% headquartered in U.S.**
- **64% of respondents were women; 36% were men.**
- **However, 36% of male respondents were in top management roles compared with 24% of female respondents**
- **The survey results do not allow us to identify the specific causes of this gender disparity in top management, but they yield an interesting and important area for future research**

Current and Projected Degree and Certificate Preferences

	CURRENT EDUCATIONAL DEGREES AND/OR CERTIFICATES OF RESPONDENTS	EDUCATIONAL QUALIFICATIONS MOST VALUABLE FOR E&C PROFESSIONALS IN <u>5 TO 10 YEARS</u>
Associate's degree	6%	2%
Bachelor's degree with a major in Business or related field or in any other major	59%	32%
Bachelor's or Master's degree with specialization in Compliance, Ethics, Law, or related field	8%	76%
Master's degree in any other major	23%	19%
MBA	21%	26%
JD and/or LLM	23%	43%
PhD in Psychology, Ethics, or related field or any other major	4%	21%
Professional certificate in E&C	23%	69%
Other	12%	7%

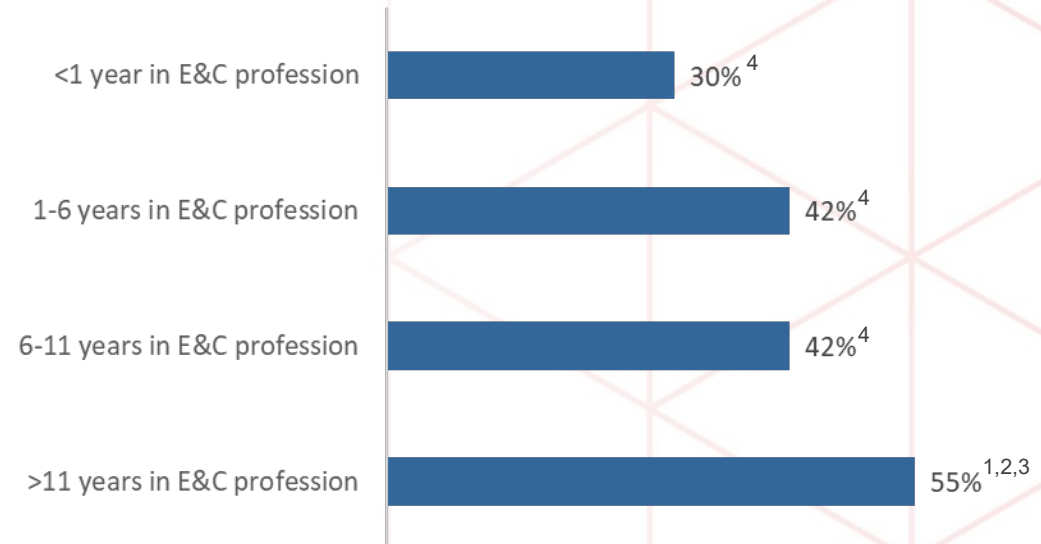
JD Preferences by Management Level and Tenure

JD AND/OR LLM SELECTED AS AN EDUCATIONAL QUALIFICATION MOST VALUABLE FOR E&C PROFESSIONALS CURRENTLY BY MANAGEMENT LEVEL



Note: There were no statistically significant differences by management level.

JD AND/OR LLM SELECTED AS AN EDUCATIONAL QUALIFICATION MOST VALUABLE FOR E&C PROFESSIONALS CURRENTLY BY YEARS IN THE E&C PROFESSION



¹ Estimate is significantly different from the estimate for the <1 year in E&C profession group ($p<.05$).

² Estimate is significantly different from the estimate for the 1-6 years in E&C profession group ($p<.05$).

³ Estimate is significantly different from the estimate for the 6-11 years in E&C profession group ($p<.05$).

⁴ Estimate is significantly different from the estimate for the >11 years in E&C profession group ($p<.05$).

Current and Projected Professional or Discipline Preferences

AREAS OF PROFESSIONAL OR DISCIPLINE EXPERTISE MOST ESSENTIAL IN THE SUCCESS OF AN E&C PROFESSIONAL – CURRENTLY AND IN THE FUTURE (5 TO 10 YEARS) [TOP 10]

CURRENTLY		FUTURE (5 TO 10 YEARS)	
Compliance	58%	Compliance	44%
Risk Management	47%	Risk Management	43%
Training and Education	43%	Organizational Ethics	41%
Investigations	43%	Training and Education	37%
Organizational Ethics	39%	Data Analytics	36%
Communications	34%	Investigations	32%
Law	32%	Privacy/Data Protection	31%
Project Management	27%	Technology (Governance, Risk, and Compliance applications)	27%
Organizational Behavior	24%	Organizational Behavior	27%
Privacy/Data Protection	23%	Strategy Development Planning, and Implementation	26%

Behind the numbers . . .

In the future, E&C “will be more structured with more professional standards which is good and bad.”

In the future, “it will become less of a melting pot collection of degrees and backgrounds and become more specialized with individuals who either set out to be in Compliance or decide early in their career to pursue a career in Compliance.

In the future, there will be “more education required” of E&C professionals.

“Communication, marketing, teaching, advertising, psychology...Think liberal arts background vs. Law School.”

Typical Areas of Operational Focus



Personal and Leadership Qualities Most Essential for Success as An E&C Professional

Integrity	61%
Critical thinking	49%
Listening skills	47%
Relational/Interpersonal skills	40%
Communication skills - Verbal	40%
Trustworthiness	37%
Influence/persuasion	34%
Communication skills - Written	34%
Collaborative	29%
Approachability	28%

The E&C Practitioner – Compensation

Minimum: \$52,000

Median: \$80,000

Maximum: \$125,000

Market outlook: ***23,000 new compliance jobs by 2026***

From *Payscale* 2019

Growing into a job that you no longer do . . .it does you!

“Since I joined the E&C team...there is no day that passes by without me saying to myself ‘I was born to do this.’”

In the future, “Ethics won't be something separate. It will be embedded in why the organization exists and what it does.”

My work in E&C has meaning and purpose because of the “ability to live out my personal values on the job.”

My work in E&C has meaning and purpose because I am “bringing order to chaos.”

My work in E&C has meaning and purpose because “my passion is helping.”

Thank you!

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