

Ethics & Compliance Professional Competency Model



INTERNATIONAL
SOCIETY OF
HEALTHCARE
ETHICS AND
COMPLIANCE
PROFESSIONALS

Update and Outlook

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Action Item from Sep 26, 2013

- **Relevant and preferred competencies** of a compliance professional (skills, profile, attributes)

- Focus on individual personal assessment and development

- Roles & Responsibilities vary company by company e.g. due to business models – general guidance provided by trade associations

- **Rather HOW vs. WHAT -> Behaviour vs. Responsibilities**

The continuing education work stream engaged the audience in a discussion of the options they had explored including issues around definitions of a curriculum for compliance officers (i.e. **what does an effective compliance officer need to know and what skills should they have**), difficulties involved in accreditation, ensuring the right quality of tuition, and absence from commercial bias. The discussion demonstrated that there is still some work to do for this work stream. **Again, if you are able to offer practical support, please do offer to help.**

A set of questions has been devised for members to pose to their HR colleagues, which are:

- **Is there an ideal profile for a compliance professional in your opinion? If so, what attributes would you include? Is there a preferred background?**
- How do you see the career path developing for compliance professionals?
- How can we ensure that compliance is perceived as a business enabler for compliant growth / competitive advantage?
- How can HR support their colleagues working in compliance to enable compliant business growth?

Vision: HCC Professional facilitates regaining and sustaining of stakeholder, governmental and public trust of Health Care/Life Science Industry as valuable partner in finding treatment solution for diseases

Mission: HCC Professional advances and promotes culture of business accountability of ethical business decision making with a focus on reducing risk and perception of corruption

Strategic Pillars of the HCC Professional Function

STRATEGIC PARTNER

to get alignment on ethical behavior, integrity and transparency

For internal stakeholders/business leaders

- understands business strategy and market trends
- aligns on present and future compliance risks related to their business
- advises business leaders on compliant business solutions, including changes to business models
- facilitates development of compliance SWOT/strategy
- fosters candid discussions on business compliance
- fosters adequate actions in case of incidents

For external stakeholders

- either via supporting/advising the relevant business representative
- and/or via active personal participation policy makers' groups (e.g. industry associations)

CHANGE MANAGER

- facilitates **re-positioning** of the compliance function "from policing to business partnering" (if needed, if not: ensures the value based positioning)

- facilitates **competency development** for compliant business if needed based on insight into business decision making and customer facing interactions

- fosters **business accountability**

- translates **HCC into business benefits** : fosters emotional identification around values

ADVISER AND LEADER ON COMPLIANCE

- acts as a **role model** for compliance and a visionary, inspires and motivates stakeholders

- **embeds compliance requirements** in a simple, easy to understand way into business processes

- **monitors/tests** adherence to compliance programs/local rules and regulations as part of risk assessment,

- **informs** stakeholders/ business leaders and **ensures relevant actions are taken**

- **leads/facilitates cooperation across different functions** to align on compliant and ethical business standards/ competencies/ strategies/ resources/ communication

Achievements

- **Vision & Mission Statement** with strategic pillars – next slide and for discussion
- **Identify methodology** to determine behavioral competencies – Korn Ferry Competency Leadership Architect ('Lominger Model') – example in this deck
 - Licensing discussion with Korn Ferry (Sue and Eva)
 - 8 factors -> 26 Clusters -> 67 Competencies
 - Simple scoring method by group of experts to distill most relevant competencies e.g. for 'Compliance Professional Executive Level, Managerial Level, Entry Level
- **First scoring and summary of clusters and factors** - Work Stream team met June 20, 2014

Achievements

Korn Ferry Competency Leadership Architect ('Lominger Model')

Leadership Architect® Library

FACTOR I: Strategic Skills

CLUSTER A. UNDERSTANDING THE BUSINESS

- 5. Business Acumen
- 24. Functional/Technical Skills
- 61. Technical Learning

CLUSTER B. MAKING COMPLEX DECISIONS

- 17. Decision Quality
- 30. Intellectual Horsepower
- 32. Learning on the Fly
- 51. Problem Solving

CLUSTER C. CREATING THE NEW AND DIFFERENT

- 2. Dealing with Ambiguity
- 14. Creativity
- 28. Innovation Management
- 46. Perspective
- 58. Strategic Agility

FACTOR II: Operating Skills

CLUSTER D. KEEPING ON POINT

- 16. Timely Decision Making
- 50. Priority Setting

CLUSTER E. GETTING ORGANIZED

- 39. Organizing
- 47. Planning
- 62. Time Management

CLUSTER F. GETTING WORK DONE THROUGH OTHERS

- 18. Delegation
- 19. Developing Direct Reports and Others
- 20. Directing Others
- 27. Informing
- 35. Managing and Measuring Work

CLUSTER G. MANAGING WORK PROCESSES

- 52. Process Management
- 59. Managing Through Systems
- 63. Total Work Systems

50 Priority Setting

50

+ SKILLED

Spends his/her time and the time of others on what's important; quickly zeros in on the critical few and puts the trivial many aside; can quickly sense what will help or hinder accomplishing a goal; eliminates roadblocks; creates focus.

50 Priority Setting

II: OPERATING SKILLS
D: KEEPING ON POINT

! OVERUSED SKILL

May let the trivial many accumulate into a critical problem; may too quickly reject the priorities of others; may have a chilling effect on necessary complexity by requiring everything to be reduced to the simple; may confuse simple with simplistic; may be too dominant a force on priorities for the team.

○ UNSKILLED

Has little sense of what's mission-critical and what's just nice to do; doesn't identify the critical few well for self or others; may believe that everything's equally important, may overwhelm others with unfocused activities; may be addicted to action, do a little bit of everything quickly; may be a poor time manager; may not say no; wants to do everything; not good at figuring out how to eliminate a roadblock.

50 Priority S

50 Priority Setting

II · D

Recommendation / Next Steps

- **Get alignment / agreement with Korn Ferry** on how ETHICS may utilize their Competency Leadership Architect ('Lominger Model')
 - Including updates and upgrades
 - Offer forthcoming in early October
- **In case no alignment by end Oct 2014 – identify similar efficient and effective models**
- Due dates depend on the outcome of the conversations with Korn Ferry
 - Validate the scoring conducted June 20, 2014
 - Summarize in regards to core competencies, its clusters and factors
 - Share with ETHICS Steering Committee
 - Sharing with all ETHICS members – ideally early 2015

ANNEX BACK UP SLIDES

03 Oct 2014



Vision: HCCO facilitates regaining of stakeholder, governmental and public trust of Pharmaceutical Life Science Industry as valuable partner in finding treatment solution for diseases

Mission: HCCO advances and promotes culture of business accountability of ethical business decision making to reduce corruption risk and the perception of corruption

Strategic Pillars of the HCCO Function

STRATEGIC PARTNER

to get alignment on ethical behavior, integrity and transparency

For internal stakeholders/business leaders

- understands business strategy and market trends
- aligns on present and future OpCo compliance risks
- advises business leaders on OpCo business
- facilitates development of compliance SWOT/strategy
- fosters candid discussions on business compliance
- fosters adequate actions in case of incidents

For external stakeholders

- either via supporting/advising the OpCo representative
- and/or via active personal participation policy makers' groups (e.g. industry associations)

CHANGE MANAGER

- facilitates re-positioning of the compliance function „from rules to values“ (if needed, if not: ensures the value based positioning)

- facilitates competency development for compliant business if needed based on insight into business decision making and customer facing interactions

- fosters the right perception of business accountability

- translates HCC into business benefits : fosters emotional identification around values

ADVISER AND LEADER ON COMPLIANCE

- embeds compliance requirements in a simple, easy to understand way into business processes

- monitors/tests adherence to compliance programs/local rules and regulations as part of risk assessment, informs stakeholders/ business leaders and ensures relevant actions are taken

- acts as a role model for compliance and a visionary, inspires and motivates stakeholders

- leads/facilitates cooperation across different functions to align on compliant and ethical business standards/ competencies/ strategies/ resources/ communication

Challenges of an Ethics and Compliance Function

- ◆ Insufficient authority and responsibility to design the program
- ◆ Insufficient ethical culture and commitment of integrity, missing tone at the top and/or at the middle
- ◆ No independence from functional and operational perspective
- ◆ Inadequate resources (headcount, banding, budget, skills)
- ◆ Window-dressing
- ◆ Perception of administrators: tick the box
- ◆ Perception of action-orientation vs strategic-orientation

Professional Skills

Education and Experience

- ◆ Business Knowledge
- ◆ Technical skills such as law, healthcare professional, IT, HR, Audit, Financial, Sales & Marketing background
- ◆ Must feel comfortable with applying, developing and implementing technical solutions
- ◆ Experience in peer communication
- ◆ Must have the ability to develop and deliver training
- ◆ Project management skills
- ◆ Knowledge of and passion for ethical conduct and compliance
- ◆ Knowledge of the applicable ABAC, HCP Interaction laws and regulations including best practices codes and Conflict of Interest (COI)
- ◆ Risk Management Skills:
 - Must be forward thinking and have experience in providing solutions to make the organization more risk intelligent.
 - Must have experience in risk management and to work in complex and ambiguous environments.

Personal Skills and Development Summary

- A person of trust, integrity and honesty
- Is an advisor and consultant
- Is a coach and a mentor to the internal and external stakeholders
- Is seen as a partner that adds value to the business
- A person of strong character/role model
- Equipped with strong people skills/interpersonal savvy
 - strong understanding of people; change management; conflict management; influencing without authority; political savvy; communication skills etc.
- *Persistent*
- *Courageous*
- *Results-oriented implementer: visionary and an execution-oriented implementer.*

Leadership Attributes for Ethics & Compliance Officers



<p style="text-align: center;">Mentoring/Coaching</p> <ul style="list-style-type: none"> • Educate your different stakeholders • Find ways to develop your team’s potential • Encourage the next generation by delivering both knowledge and clarity 	<p style="text-align: center;">Emotional Intelligence</p> <ul style="list-style-type: none"> • Remain unflappable, and always stay calm, cool and collected • Trust and empower your team and those in the field, understand their challenges, show patience and tolerance • Be genuine, be human, possess humility and approachability 	<p style="text-align: center;">Communications</p> <ul style="list-style-type: none"> • Convey good communication skills, speak a common language and adapt to the listener • Inspire and use your passion to impact others • Show transparency in your words and actions
<p style="text-align: center;">Time Management</p> <ul style="list-style-type: none"> • Prioritize projects, identify risks and proactively address them • Learn all aspects of the business • Use your influence to develop loyal followers, and motivate to help others get the work done 	<p style="text-align: center;">Vision</p> <ul style="list-style-type: none"> • Lead without need for authority, using passion and charisma • Bring perspective to myriad issues, and keep your eyes open to new risks and opportunities • Keep ear to the ground, know the company’s mission, and build networks 	<p style="text-align: center;">Cultural Awareness</p> <ul style="list-style-type: none"> • Understand diversity of generations, cultures and functions among your constituencies • Bring perspective to a myriad issues and cultures • Learn to adapt to international counterparts by modifying your view of yourself
<p style="text-align: center;">Results-Oriented</p> <ul style="list-style-type: none"> • Be a creator of solutions, not problems • Set achievable, but tough goals • Demonstrate efficiency and pragmatism, and achieve maximum benefit with minimum impact to the business 	<p style="text-align: center;">Integrity</p> <ul style="list-style-type: none"> • Demonstrate integrity and tenacity • Be consistent and credible with your actions and decisions • Have a high regard for the character of others 	<p style="text-align: center;">Courage</p> <ul style="list-style-type: none"> • Maintain a strong backbone, stand by your decisions and be persistent • Do the right thing, lead by example • Be resilient (it’s a marathon, not a sprint)

Personal Skills / Development

- Change Manager
- Continuous improver
- Deliver against the odds
- Inspirational
- Situational flexibility
- Agile communicator
- Open-minded
- Visionary
- Decision-Making
- Advisor
- Consultant
- Influencing
- Building Trust
- Independence
- Open and honest
- Coach
- Mentor
- Inquisitive
- Communicator
- Standing Alone
- Influencing without authority
- Strategic agility
- Dealing with ambiguity, complexity and paradox
- Motivates and inspires
- Business Knowledge

Personal Skills / Development

- Role Model
- Political savvy and organizational agility
- Conflict management
- Integrity and trust
- Ethics and values
- Interpersonal skills
- Big picture puts into perspectives
- Cross cultural resourcefulness
- Understanding others
- Foresees trends
- Self Awareness / Emotion Management
- Learning Agility
- Negotiation Skill
- Qualitative and quantitative analytical skills
- Curious (the *why* and the *how*)
- Adaptive behaviour
- Intellectually flexible
- Big conceptual complexity and broad thinker
- Brings value add to the business

Skills & Knowledge

Knowledge

- ◆ HCC content (guide, framework, SOPs)
- ◆ Systems
- ◆ Business
- ◆ Legal

Skills to be a strategic partner

- ◆ To manage day to day work
- ◆ To manage the change (from rules to values) – demanding repositioning exercise

Clarity may make the job more attractive (for HCC & outside)



Skills & Knowledge

Communication

Assertive communication
Listening
Presentation
Awareness of body language
Negotiation/selling
Interviewing
Identify/manage manipulation
Managing difficult discussions
Conflict management & resolution

Leadership

Running a meeting
Working in team
Motivating
Project management
Leading an investigation
Delegating
Account management
Managing complexity
Managing change
Coaching

Personal efficiency

Prioritization
Accepting mistakes
Celebrating success
Self management
Stress management

Non-HCC knowledge: Finance for non-finance, strategic & business planning, budget planning

HCC knowledge (including system, legal)

Skills – phasing?

Communication
Assertive communication Giving & receiving feedback Listening Presentation
Awareness of body language Negotiation/selling Interviewing
Identify/manage manipulation Managing difficult discussions Conflict management & resolution

Leadership
Working in team Running a meeting Motivating Project management
Leading an investigation Delegating Account management Managing complexity Managing change Coaching

Personal efficiency
Prioritization Celebrating success Accepting mistakes
Self management Stress management

Level 1 (at recruitment)

Level 2

Level 3

Korn Ferry Competency Modeling

Quotation from the Korn Ferry Website

Competency Modeling

- How can you be sure you have the right leaders for your business when your business changes day by day?
- Through competency modeling, we enable organizations around the world to successfully match specific people to specific roles, even as the requirements of those roles continuously change and evolve. This not only secures closer alignment between talent strategy and business strategy, but also helps minimize risk to investment when recruiting or developing employees.

What is competency modeling?

- Competency modeling is very different from traditional job analysis. The aim is not to encapsulate how a role has been performed to date, but rather to identify the behaviors that will be needed to achieve long-term strategic goals. In this sense, competency modeling is forward looking and not rooted in the past.
- The advantage of using competencies is that they are measurable skills, attitudes, or attributes that can be closely aligned to organizational strategy. Examples of competencies include business acumen, patience, perspective, and planning.