Ethics & Compliance
Professional Competency Model

Update and Outlook

Eva Gardyan-Eisenlohr, Andy Gascard, Katalin Pungor, Tamara Tubin, Sue Egan
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

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**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

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03 Oct 2014
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’)

50 Priority Setting

+ 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

1 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.

50 Priority Setting

- 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.
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

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 not done 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
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

### Mentoring/Coaching
- **Educate** your different stakeholders
- Find ways to **develop** your team’s potential
- **Encourage** the next generation by delivering both **knowledge** and **clarity**

### Emotional Intelligence
- 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**

### Communications
- 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

### Time Management
- **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

### Vision
- **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**

### Cultural Awareness
- 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

### Results-Oriented
- 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

### Integrity
- Demonstrate **integrity** and tenacity
- Be **consistent** and credible with your actions and decisions
- Have a high regard for the **character** of others

### Courage
- 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

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

**HCC knowledge** (including system, legal)
## Skills – phasing?

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<th>Leadership</th>
<th>Personal efficiency</th>
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<td>Working in team</td>
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<td>Giving &amp; receiving feedback</td>
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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.