

Firms seek both ‘soft’ and technical skills in CCO role

A new survey from Compliance Week and the Seton Hall School of Law gets to the heart of what employers are seeking in a chief compliance officer today. **Jaclyn Jaeger** has more.

Compliance officers should check out a new survey that reveals the specific credentials and skills that companies are seeking today when making compliance-related hiring decisions.

One key finding from the survey, conducted jointly by Compliance Week and the Seton Hall School of Law, is that most firms seek a broad range of leadership skills in a compliance officer. Among 109 respondents who are responsible for making hiring-related decisions for their organizations, the top leadership skills they cited as most important for a compliance officer’s repertoire include creative problem-solving; flexibility/adaptability; people management; and diplomacy. Only 14 percent cited public speaking as a necessary skill.

“We often hear from compliance leaders that leadership and other ‘soft skills’ are becoming a focus in both hiring and career advancement,” says Timothy Glynn, senior associate dean and professor of law at the Seton Hall School of Law. “This is a sign of the profession’s maturity. It shows that compliance leaders no longer are as concerned about finding enough candidates with adequate technical skills and that compliance is now seen as bigger than its underlying, traditional functions—such as policy drafting, training, monitoring, auditing, and investigations.”

“Indeed, the recognition that effective compliance programs are centered on ethics and values, and that developing an ethical organization culture is the key to success in compliance over time, highlights the need for leadership,” Glynn says.

The survey also shows that no single leadership skill or trait is paramount—an effective leader ordinarily possesses a combination of skills. When asked in which areas compliance officers have experience, the top answers, by far, were legal (66 percent) and audit (63 percent). Finance and IT experience were also listed, cited by 49 percent and 31 percent of respondents, respectively. Fewer cited HR, sales, and marketing experience.

Not surprisingly, 93 percent of respondents said they actively search out hires that will add a diversity of skills to their department. “Other skills we hear frequently discussed are genuine listening skills, open-mindedness, communication skills, the ability to engage with and earn the trust of multiple constituencies, and strategic thinking,” Glynn says.

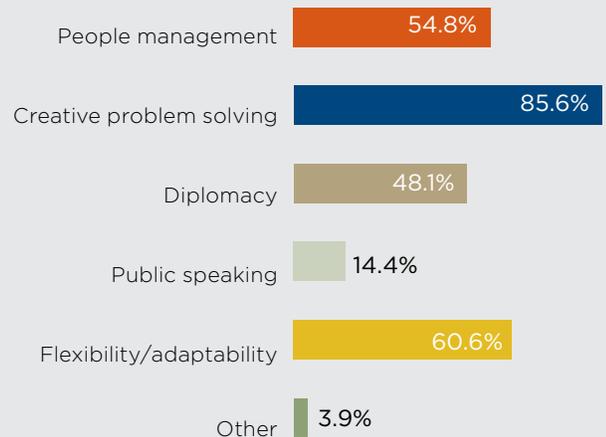
“The best compliance officers are very good at strategic thinking, seeing the big picture,” agrees Shelly Scott, a managing director at executive search firm BarkerGilmore. Along those same lines, it’s also important to be adaptable, she says: “How flexible are they when the goals of the business change? Can they adjust quickly? How do they handle that?”

When it comes to engaging with and earning the trust of multiple constituencies, an effective compliance officer needs to know how to deal with regulators and enforcement authorities. “Some people can demonstrate their prowess in that area much better than others can,” Scott says.

During an interview with compliance-officer candidates, Scott advises companies to offer candidates specific scenarios and relevant questions such as: “Describe a difficult issue with which you’ve had to deal with the government. How did

In partnership with Seton Hall, Compliance Week polled 100+ compliance professionals on the specifics that go into hiring a chief compliance officer and the level of continued education for that role within the firm.

Which leadership skills are most crucial for a compliance officer? (Select up to three)



Sources: Compliance Week and Seton Hall

you handle it? Who did you have to get involved? Did it rise to the level of board involvement?" Those are the kinds of questions that get to the bottom of how the CCO handles serious investigative issues, Scott says. Team building is also key: "Compliance officers cannot do every-thing themselves. Being able to recognize the skills of others and capitalize on those skills to meet the objectives of the compliance program is a good skill for CCOs to have," Scott says.

Technical skills

Respondents were also asked what technical skills are necessary in the compliance field. Ninety-three percent said relevant regulatory knowledge, followed by 72 percent who said data analytics. Other highly cited technical skills included forensics and accounting.

"As the survey results indicate, data analytics, machine-learning, and other technological innovations will alter dramatically the work of compliance professionals," Glynn says. "Going forward, far fewer professionals will be performing many basic monitoring, auditing, due diligence, and investigatory functions that comprised the bread and butter of compliance work just a few years ago."

Importantly, machines and algorithms do not inculcate values, "so humans will continue to be needed for these ascendant aspects of compliance," Glynn says. "It is therefore not surprising that, despite automation, a substantial portion of survey

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respondents anticipate the growth in compliance staffs in the next two to three years." Specifically, 71 percent of respondents said they expect to see their compliance staff grow.

Certifications and degrees

The survey also found that 63 percent of respondents seek specific credentials in a compliance officer. When asked which specific credentials they seek, the majority cited industry-specific certifications.

"The strong demand for candidates with industry-specific certifications reflected in the survey is no surprise," Glynn says. "In our interactions with compliance leaders, we consistently hear that they are looking for candidates with industry-specific compliance education credentials, including certificates and certifications."

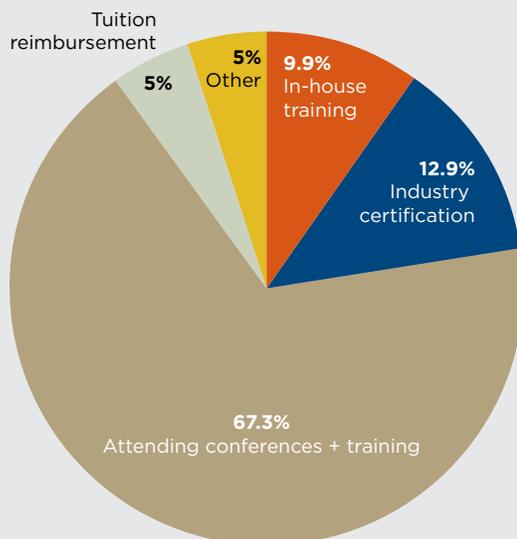
Other respondents said they look for higher education degrees—such as a Bachelor's (18.5 percent); Master's (8 percent); or Law (9 percent). Moreover, 80 percent of respondents said a degree or a certification in a compliance field makes a job candidate more attractive.

"Compliance-focused degrees or degree concentrations prepare candidates to be real-world compliance officers in several ways," Glynn says. "Unlike law, medicine, and other professions, there is no standard educational pathway or set of educational credentials needed to enter the compliance profession. Degrees—particularly graduate degrees—with a compliance focus, then, give candidates a leg up because they deliver substantive knowledge and develop skills central to compliance work that candidates may not have been exposed to in other educational programs."

For example, Seton Hall Law's Master of Science in Jurisprudence (MSJ) program—offering degrees in privacy law and cyber-security, pharmaceutical and medical-device, and financial services—provide candidates with a deep understanding of the relevant legal doctrines, enforcement mechanisms and risks, and compliance strategies and tools. "In addition, these degrees are designed to enhance skills critical to real-world compliance work, including analytical reasoning, problem solving, and effective and persuasive writing," Glynn says.

The importance of having an industry-specific certification or a higher-education degree typically depends upon the indus-

What level of continuing education does your company offer compliance officers?



Sources: Compliance Week and Seton Hall

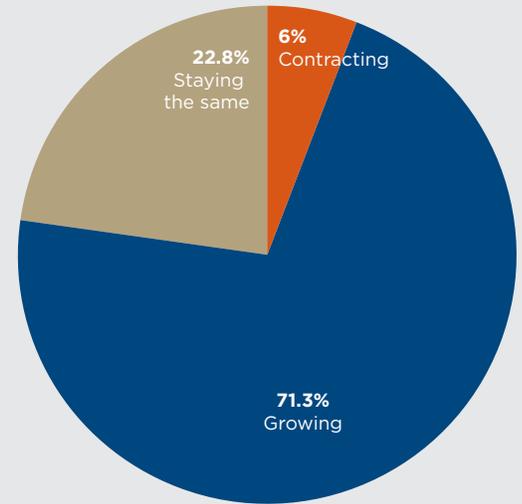
try, however. “My clients generally like it when candidates have an MBA or a Master’s in public health,” says Scott, who also chairs BarkerGilmore’s Healthcare and Life Sciences Practice. “Those are looked on very favorably, and the main reason for that is that it shows they are committed to their field.”

When looking to hire a chief compliance officer, one of the things that companies must decide for themselves is, “Do they want a change agent or are they looking, instead, for someone to come into an already established compliance program and help it continue to run?” Scott says. “Those are two different types of compliance officers.”

For compliance to be a value-add to the business, rather than an impediment, it takes a “masterful leader,” Scott says, someone who has strong communication and interpersonal skills. “Because a compliance officer has to deal with so many different audiences and so many different people, they really have to be an expert at people skills. Something as simple as being a good listener is so critical for a compliance officer.”

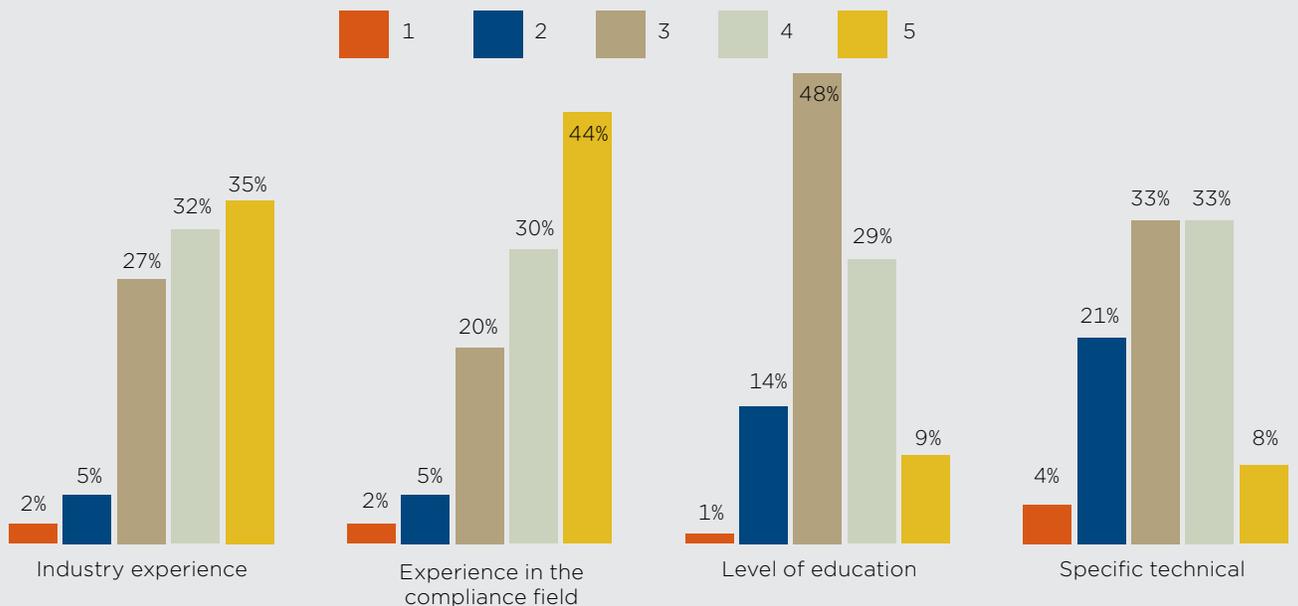
Overall, there is no cut-and-dry profile of the perfect CCO. “Compliance officer effectiveness can be achieved in different ways and is sometimes situational,” Glynn says. “Still, successful compliance officers’ profiles typically include appropriate industry-specific education and experience, the common set of technical skills, some combination of leadership and other soft skills, and a strong commitment to ethics and integrity.” ■

Would you expect your compliance staffing to be contracting, growing, or staying the same in the next 2-3 years?



Sources: Compliance Week and Seton Hall

Rate the following characteristics for what kind of experience you typically look for in hiring for compliance? (Rating 1-5 for each of these; 1 = Not valued, 5 = Valued above all else)



Sources: Compliance Week and Seton Hall