

Stress, Compliance, and Ethics

*A survey by the Society of Corporate Compliance and Ethics
and the Health Care Compliance Association*

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Health Care Compliance Association and
Society of Corporate Compliance and Ethics
6500 Barrie Road, Suite 250, Minneapolis, MN 55435
HCCA 888 580 8373 | SCCE 888 277 4977 or +1 952 933 4977
hcca-info.org | corporatecompliance.org

Introduction

The role of the compliance and ethics officer can be a very difficult one. It involves identifying the key legal, regulatory and ethical risks an organization faces and designing programs that help mitigate those risks.

In implementing the program the job often requires the compliance professional to change long-standing practices and to confront wrong-doing that many may see as essential to the success of the business. In addition, the compliance and ethics officer may find him or herself in a situation in which continuing in the role would compromise his or her integrity.

To assess the degree of stress that this creates, and the causes of that stress, the Society of Corporate Compliance and Ethics and Health Care Compliance Association jointly fielded a survey of compliance professionals.

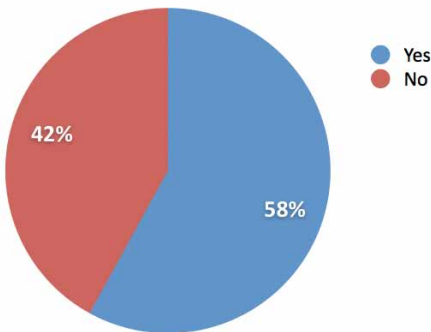
Executive Summary

The results revealed a profession very much under stress. New regulations, adversarial relationships and difficulty with groups such as sales are causing sleepless nights for most and leading a clear majority to consider leaving their jobs. Although there were some differences between industries, most of the differences were very small.

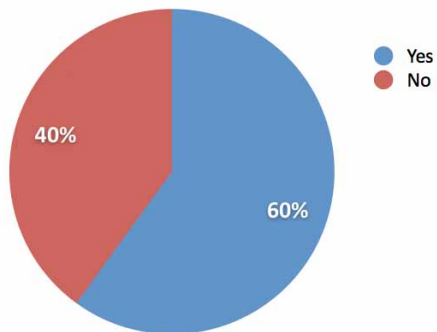
Key Findings

- o **Most compliance professionals operate under significant amounts of stress, enough so that they are losing sleep and have considered leaving their jobs because of the stress.** Overall 58% of survey respondents reported that they often wake up during the middle of the night worrying about job-related stress. In addition, 60% reported having considered leaving their job in the last 12 months due to job-related stress.

Do you wake up worrying about stress?

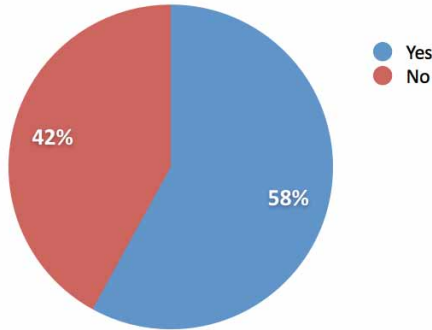


Have you considered leaving your job?



- o **Adding to the stress is the feeling by most compliance professionals that the relationship with colleagues is adversarial.** 58% of respondents felt that they are in an adversarial situation or isolated from colleagues in other departments.

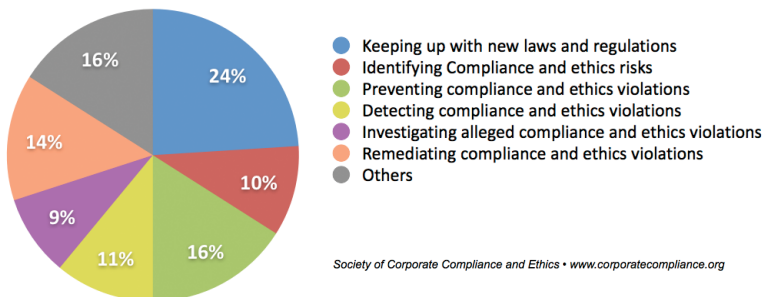
Are you in an adversarial relationship or isolated?



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- o **When asked what is the greatest cause of stress, the reasons cited most often were keeping up with new laws and regulations, preventing compliance and ethics violations, and remediating compliance and ethics violations.** Notable as well were the range of issues addressed, with a number of respondents indicating “all of the above” as the principle source of stress.

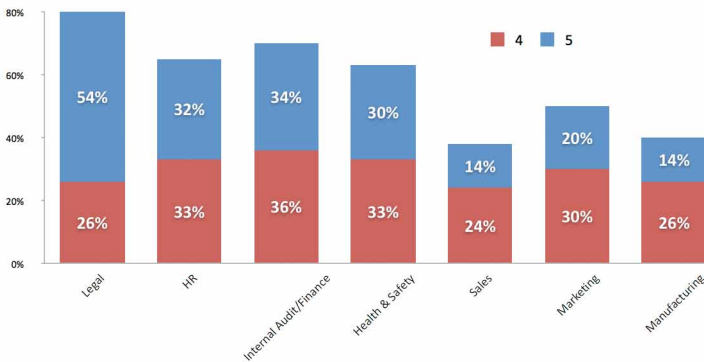
Which of the following causes you the greatest stress?



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- o **The relationship with the legal department is generally perceived to be the healthiest of relations with other departments.** The survey asked participants to rate the relationship of compliance and ethics with other departments – legal, HR, Health and Safety, Internal Audit/Finance, Sales, Marketing and Manufacturing. Among those who had a relationship with legal 54% gave the relationship a rating of 5, the highest mark. Another 26% gave the relationship a rating of 4. Legal was followed closely by HR, Internal Audit and Health and Safety, all of which scored a 4 or 5 with between 65% and 70% of respondents.

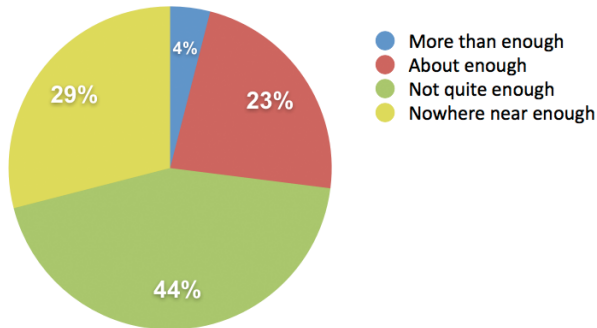
Ratings of relationship of compliance with other departments



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- o **Budgets also proved a source of stress for compliance and ethics professionals.** 29% felt that they had “no where near enough” budget for their compliance program. Another 44% felt that they had “not quite enough budget.”

How would you rate the resources available for your compliance program?



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- o **Despite the attention paid to legislation such as SOX and Dodd-Frank, the responses from employees of publicly traded companies were not markedly different than those from other organizations.** To be sure the responses were not exactly the same, but overall they were marked by a remarkable consistency with those from non-profit and privately held organizations.

Conclusions/Implications

- **Compliance professionals are likely enduring an unhealthy level of stress.** The job is costing them sleep, they feel isolated and in conflict with many of their colleagues, and their relationship with several departments is very strained. In addition, they feel as if the amount of resources available lags the requirements they need to meet.
- **The causes of the stress were widespread.** No one item was indicated as the principal stress producer. Instead, a combination of factors seemed to be working in harmony to make the job so challenging, making it difficult to devise a simple solution.
- **Despite some of the conflicts that exist with legal, the legal department remains a strong ally for compliance.** Over the last few years there has been a push to move compliance out of the legal department. Many perceive a conflict between the duty of the legal department to defend the company and the duty of the compliance office. While that conflict likely remains and independence for the compliance officer is equally as important as it is for departments such as Audit, on a day to day basis the relationship with legal is a healthy ones.
- **Serious work needs to be done to address the relationship with sales.** The stereotypical perception that sales sees compliance as an obstacle to winning business may not be so stereotypical after all. Further work needs to be done to help sales and compliance better understand each other's perspective.

Methodology

Survey responses were solicited in October and November 2011 from contacts in the database of the Health Care Compliance Association and Society of Corporate Compliance and Ethics. Over 970 responses were collected using Zoomerang, a third-party survey solution.