



BarkerGilmore

The Reporting Structure of Legal, Compliance, Risk, and Privacy Leadership

WHITE PAPER

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I. Introduction



As the leader in executive search for top legal, compliance, privacy, and risk leaders, BarkerGilmore is often asked by clients where these key leadership positions report within organizations. BarkerGilmore conducted a survey to understand the reporting nuances of Chief Legal Officers/General Counsel, Chief Compliance Officers, Chief Risk Officers, and Chief Privacy Officers across industries, organization size, organization type, and organization revenue.

II. Survey Design



206

individual
responses

BarkerGilmore conducted an online survey in August 2021 to understand the reporting structure of in-house legal, compliance, risk, and privacy leaders at public and private corporations across the United States. The survey was administered to a random sample of General Counsel, Chief Compliance Officers, Chief Risk Officers, and Chief Privacy Officers. A total of 206 individual responses from an assortment of industries were received and analyzed.

III.

Key Findings



Of the positions surveyed, the Chief Privacy Officer has the widest range of reporting lines.

- » Private companies, and companies with revenue less than \$500 million, are less likely to have Chief Legal Officers/General Counsel, Chief Compliance Officers, Chief Risk Officers, and Chief Privacy Officers.
- » Respondent companies were least likely to have a Chief Risk Officer (65% do not have) or a Chief Privacy Officer (48% do not have).
- » The larger a company's employee size and total revenue, the more likely the Chief Legal Officer/General Counsel reports to the Chief Executive Officer.
- » Chief Compliance Officers are most likely to report to the Chief Legal Officer/General Counsel (44%) or the Chief Executive Officer (42%).
- » Companies with a Chief Risk Officer (35%) report a disparate reporting structure with 45% reporting to the Chief Executive Officer, 24% to the Chief Legal Officer/General Counsel, 21% to the Chief Financial Officer, and 7% to the Chief Operating Officer/Chief Administrative Officer.
- » Of the positions surveyed, the Chief Privacy Officer has the widest range of reporting lines.

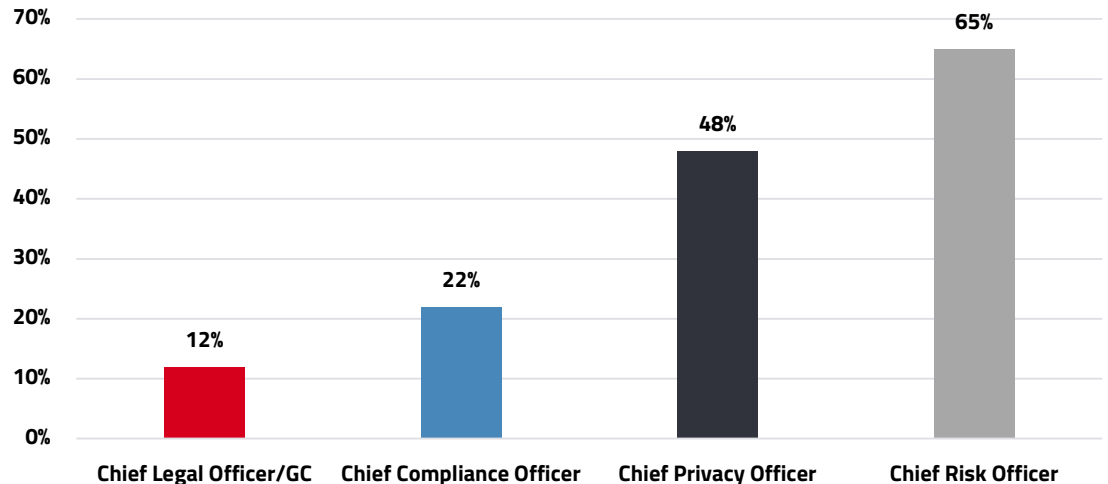


The larger a company's employee size and total revenue, the more likely the Chief Legal Officer/General Counsel reports to the Chief Executive Officer.

III. Key Findings, continued

RESPONDENT COMPANIES DO NOT HAVE:

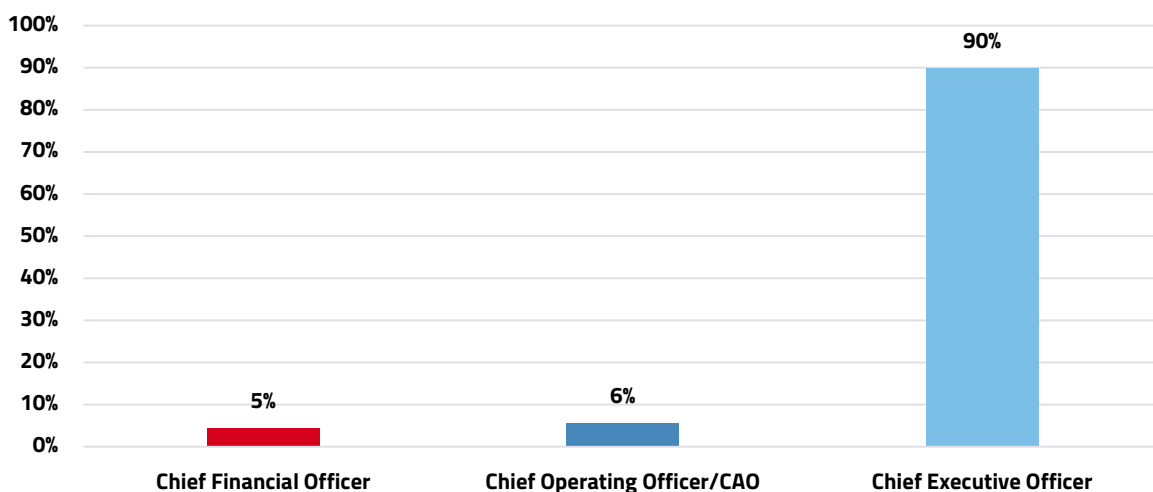
Of the four positions surveyed, respondent companies were least likely to have a Chief Risk Officer (65% do not have) or a Chief Privacy Officer (48% do not have). Company revenue is correlated with not having all four positions. Of those without a Chief Legal Officer/General Counsel, 79% had



company revenue less than \$500 million. Nearly half of companies without a Chief Compliance Officer, Chief Privacy Officer, or Chief Risk Officer had revenue less than \$500 million. Private companies were the company type most likely to not have a Chief Legal Officer/General Counsel, Chief Compliance Officer, Chief Privacy Officer, or Chief Risk Officer. The financial industry was the least likely industry to not have a Chief Legal Officer/General Counsel, Chief Privacy Officer, or Chief Risk Officer.

CHIEF LEGAL OFFICER / GC REPORTS TO:

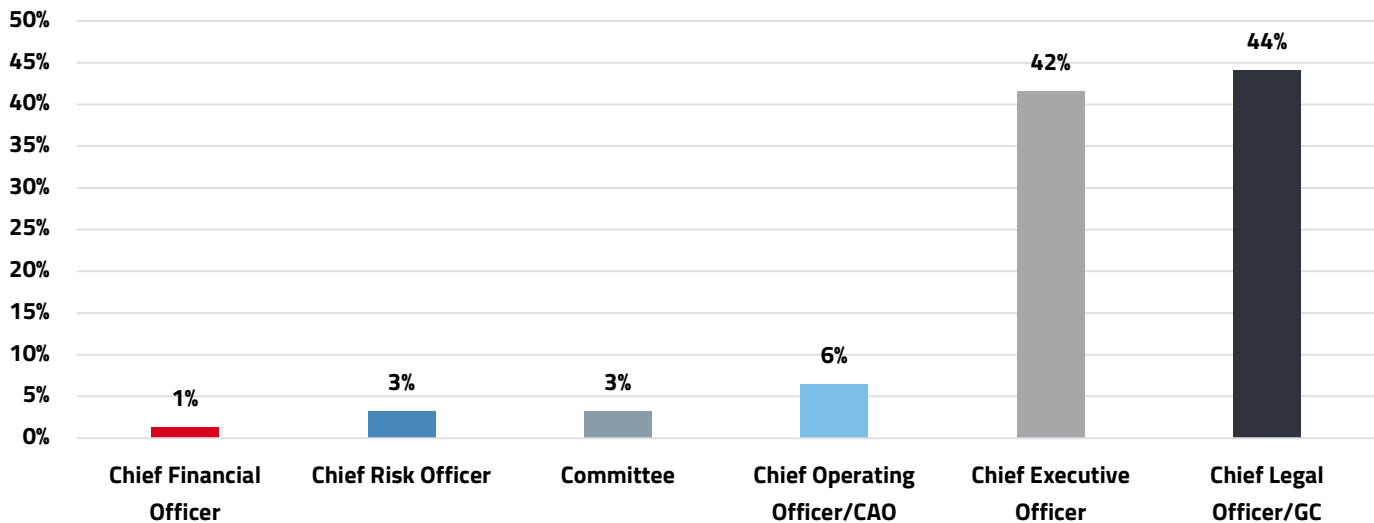
Of the companies with a Chief Legal Officer/General Counsel (88%), 90% indicated the Chief Legal Officer/General Counsel reports to the Chief Executive Officer. Private companies were more likely to have the Chief Legal Officer/General Counsel report to the Chief Financial Officer or Chief Operating Officer/Chief Administrative Officer. The greater the organization revenue and employee size, the more likely the Chief Legal Officer/General Counsel reports to the Chief Executive Officer.



III. Key Findings, continued

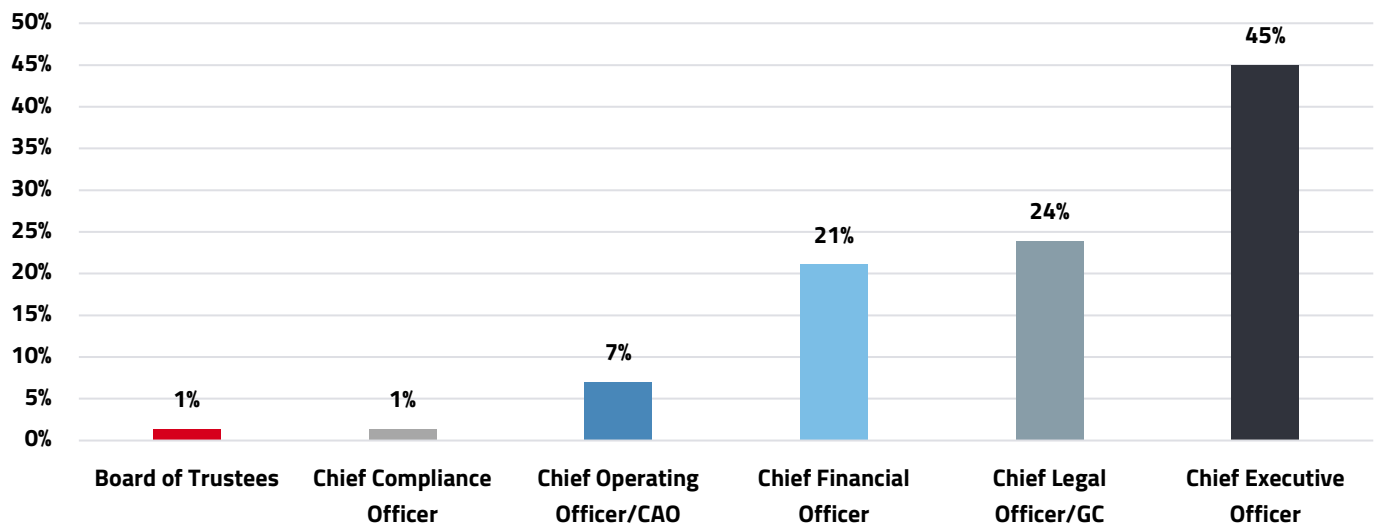
CHIEF COMPLIANCE OFFICER REPORTS TO:

Chief Compliance Officers are most likely to report to the Chief Legal Officer/General Counsel (44%) or the Chief Executive Officer (42%). Chief Compliance Officers are more likely to report to the Chief Executive Officer at private companies, when the company employee size is 500 or less, and in the financial industry.



CHIEF RISK OFFICER REPORTS TO:

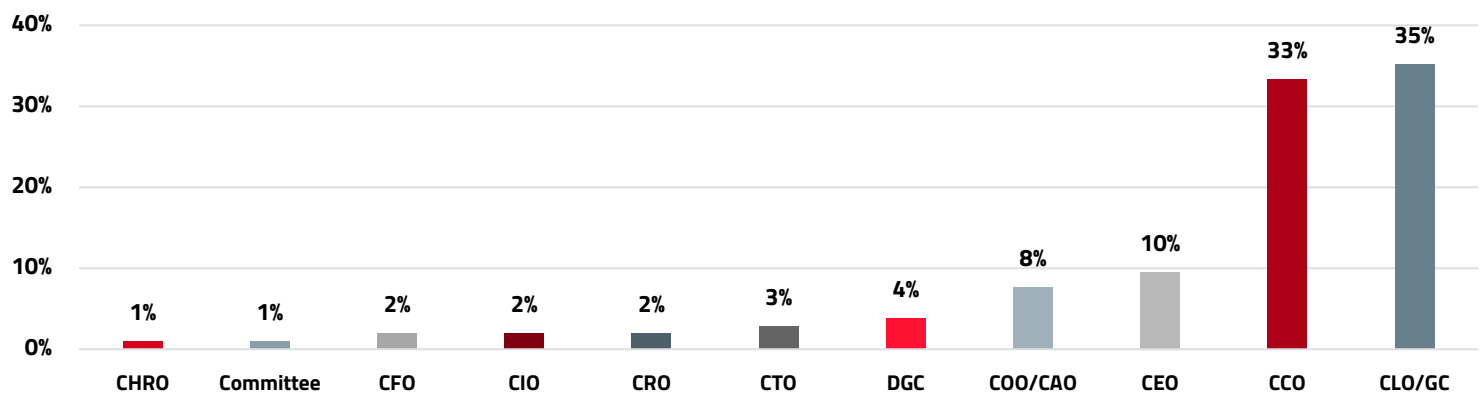
Companies with a Chief Risk Officer (35%) report a disparate reporting structure with 45% reporting to the Chief Executive Officer, 24% to the Chief Legal Officer/General Counsel, 21% to the Chief Financial Officer, and 7% to the Chief Operating Officer/Chief Administrative Officer. The Chief Risk Officer is more likely to report to the Chief Executive Officer in private organizations and in the financial industry. The Chief Risk Officer is most likely to report to the Chief Legal Officer/General Counsel in the healthcare and technology sectors.



III. Key Findings, continued

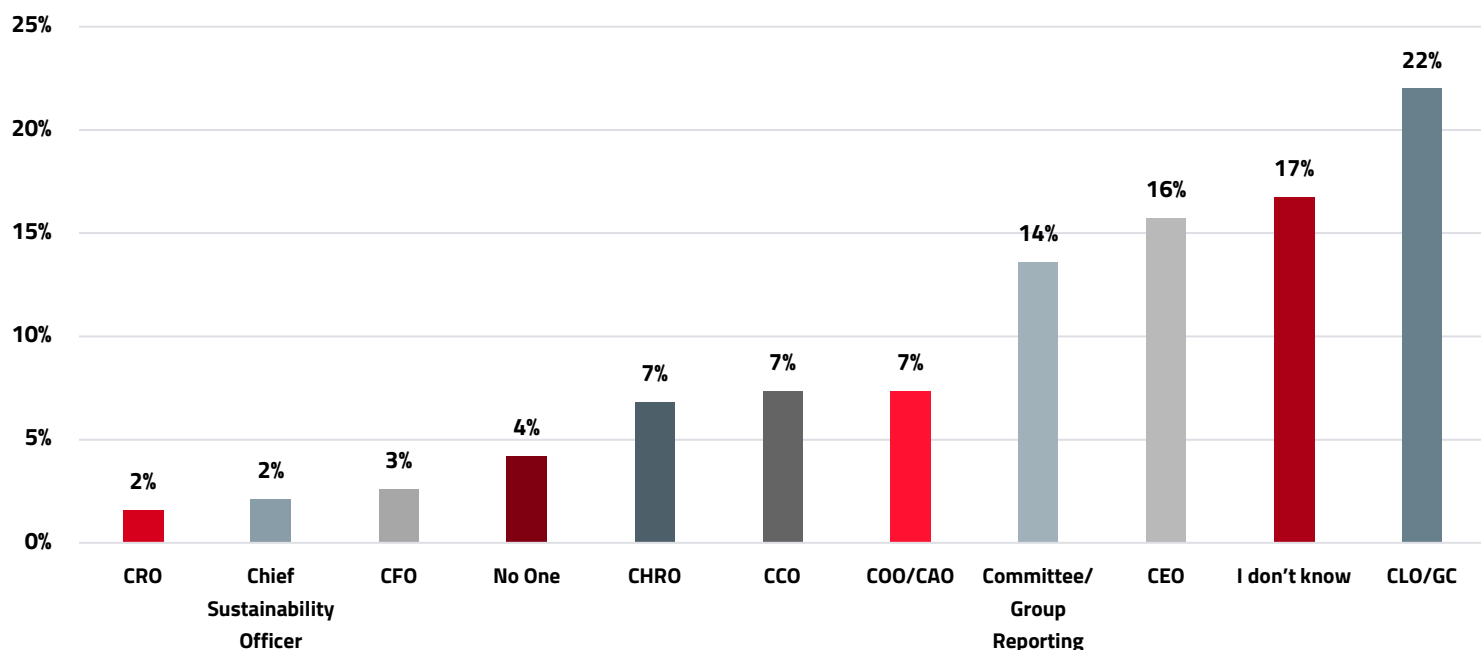
CHIEF PRIVACY OFFICER REPORTS TO:

Fifty-two percent of companies report having a Chief Privacy Officer. Of the positions surveyed, the Chief Privacy Officer has the widest range of reporting. The Chief Privacy Officer reports to the Chief Legal Officer/General Counsel in 35% of organizations and the Chief Compliance Officer in 33% of organizations. The remaining 32% of respondents report various reporting lines across the organization. Public companies and the energy, consumer, technology, and industrial and manufacturing industries were most likely to have the Chief Privacy Officer report to the General Counsel. The Chief Privacy Officer is most likely to report to the Chief Compliance Officer in the financial industry.



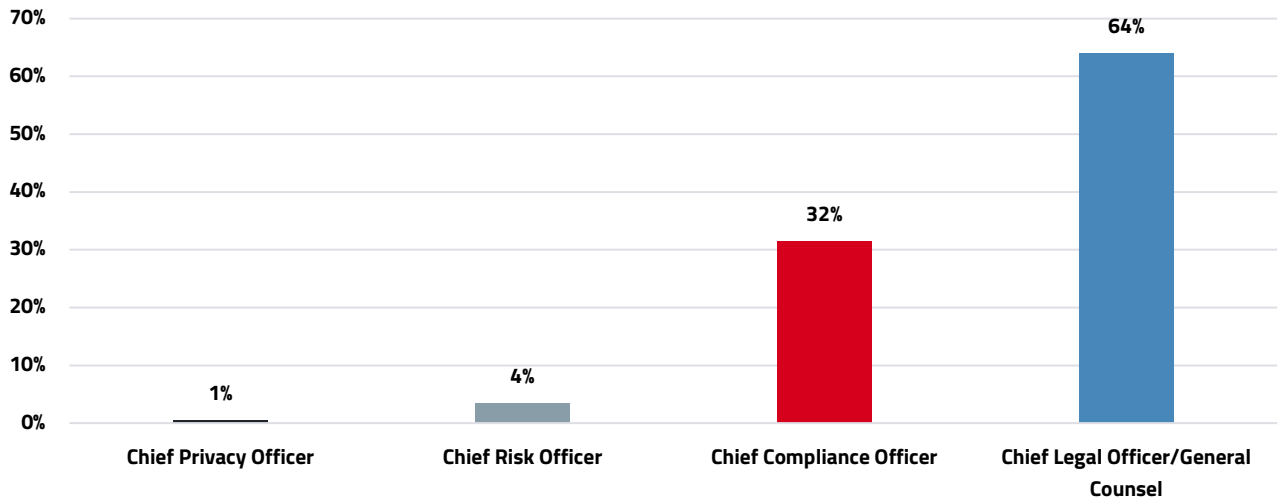
ESG (ENVIRONMENTAL, SOCIAL, AND GOVERNANCE) RESPONSIBILITY

The survey asked respondents to identify Environmental, Social, and Governance responsibility. A wide range of reporting lines was reported. The Chief Legal Officer/General Counsel is most likely (22%) to have ESG Responsibility. Seventeen percent of respondents did not know who maintained ESG responsibility in their organization.



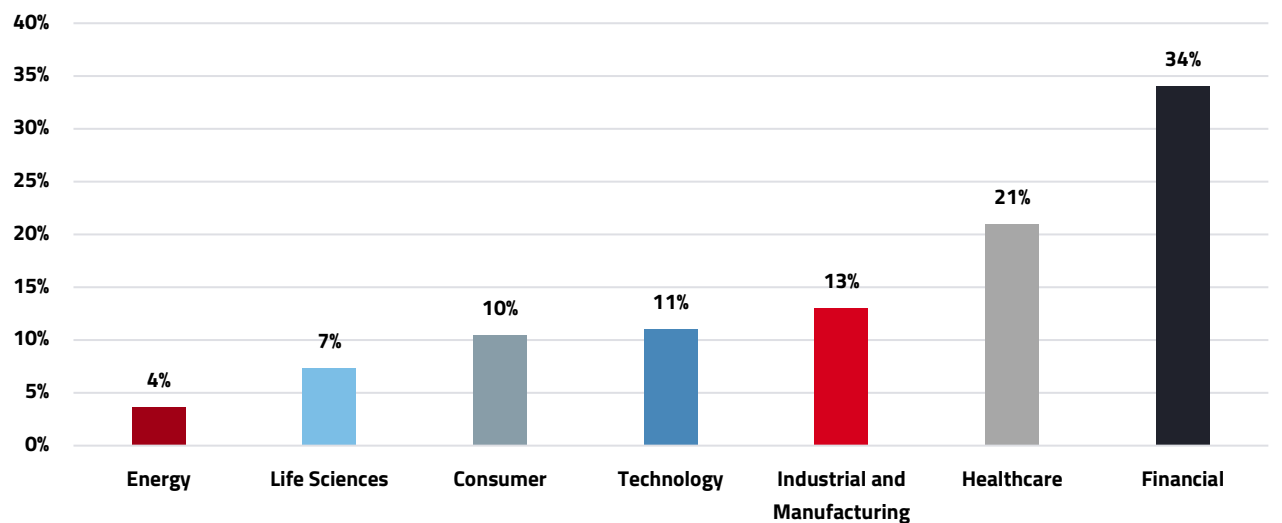
IV. Respondent Demographics

RESPONDENT POSITION



Survey respondents were primarily Chief Legal Officers/General Counsel (64%) and Chief Compliance Officers (32%).

RESPONDENT COMPANY INDUSTRY

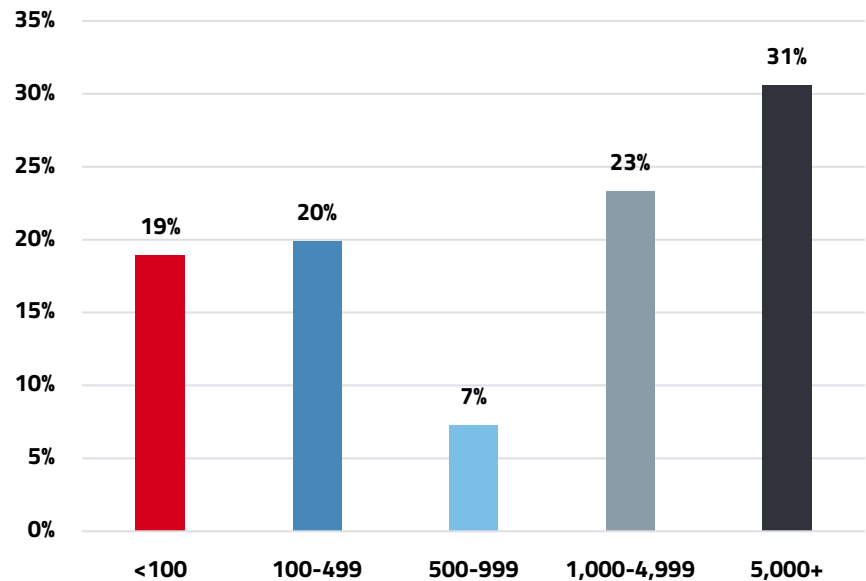


Financial (34%), Healthcare (21%), and Industrial and Manufacturing (13%) represent 68% of respondents.

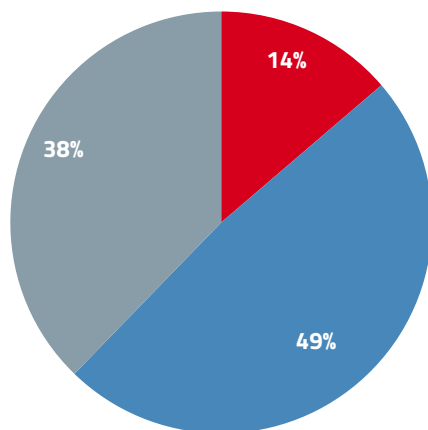
IV. Respondent Demographics, continued

RESPONDENT ORGANIZATION NUMBER OF EMPLOYEES

Fifty-four percent of respondent organizations had 1,000 or more employees. Organizations with 500 – 999 employees were underrepresented at 7% of respondents.



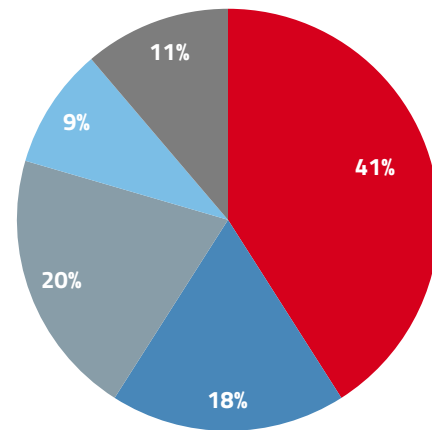
RESPONDENT ORGANIZATION TYPE



■ Non-Profit ■ Private ■ Public

Half (49%) of respondents were from private companies, 38% were from public companies, and 14% were from non-profits.

RESPONDENT COMPANY 2020 REVENUE



■ <\$500M ■ \$500M - \$1B ■ \$1B - \$5B ■ \$5B - \$10B ■ \$10B+

Forty percent of respondent companies had annual revenue of \$1 billion or more.

V. Discussion



Understanding the reporting structure of Chief Legal Officers/General Counsel, Chief Compliance Officers, Chief Risk Officers, and Chief Privacy Officers is important because the roles and responsibilities of these positions are imperative to an organization's success. Optimizing the effectiveness of these roles should be a priority for senior leadership. The insight from this survey helps us understand which positions organizations have and to whom they report. A next step is to understand the impact of these reporting lines on an organization's success.



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Contact BarkerGilmore for a complimentary consultation and learn how to take your team to the next level.

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