



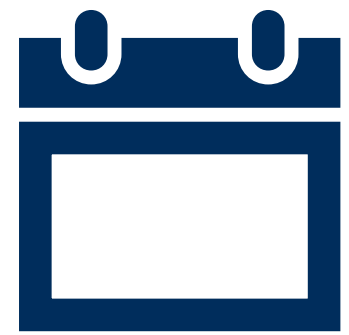
2022 Career Survey & Trends

Key Takeaways from the NIRI-Korn Ferry Study

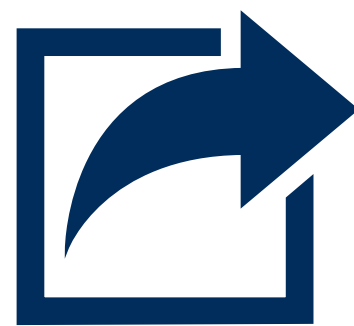
November 15, 2022
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2022 Career Survey Overview

- 7th joint survey; partnership since 2008
- This Survey Overview



Survey Timeframe:
April-May 2022



Participants: In House Only
Response: 397/2000
(~20%)



Those surveyed:

- IROs
- Deputy IROs
- Staff roles



Gender Breakdown:

- IROs: 63% male; 37% female
- Deputy: 64% male; 36% female
- Staff: 45% male; 55% female

Key Findings

- Nearly two-thirds (64%) of IROs say the IR function has been elevated within their company.
- More than 90% of IROs are “very optimistic” or “somewhat optimistic” about the profession.
- IROs say the most important skills needed to be successful today are:
 - Communications/storytelling
 - Financial acumen
 - Strategic mindset and managing ambiguity
- Only 20% of IROs have a succession plan in place and 71% do not have a clear next move for themselves.



NIRI Results: COVID

- Managing through the Pandemic:
 - More than 80% of IROs changed how they managed the IR function during the pandemic.
 - With a virtual lockdown, more IROs have leveraged technology and digital communications to conduct roadshows, one-on-one meetings, and conferences, as well as fine-tuning their materials to better suit the virtual meeting landscape.
 - Having found ways to operate successfully in a virtual mode, nearly 51% of NIRI members say they are personally “not willing to relocate” for a new position.
- The Investor Relations (IR) profession is "pandemic proof."
 - The pandemic appears to have had no (negative) effect on IR professional salaries and compensation. This is similar to what happened during the recession of 2008, where, despite the dramatic economic downturn and resulting stock market volatility, average base salary ranges of corporate IR practitioners were essentially unchanged.



Current IR Career Path

- IR is a desirable career path.
 - The top professional fields IR draws from were reported to be corporate finance (29 percent), corporate communications/PR (18 percent), securities (17 percent), strategic planning (16 percent), and accounting (15 percent).
 - Fifty-four percent of respondents held a previous role in IR before their current role. Sixteen percent held a role in corporate finance, and nine percent reported having worked as a buy or sell-side analyst as their previous role.
 - Continuing trends highlighted in previous surveys: fewer report IR roles as rotational; more report a desire to remain permanently in IR; and more report that the position has been elevated within their companies.
 - The most common additional responsibilities are ESG/sustainability (22 percent of respondents), competitive intelligence (17 percent) corporate communications (50 percent of those who have additional responsibilities), followed at a distance by corporate strategy (four percent).



Future of IR

- IR is a desirable career path.
 - Only 20% of IROs have a succession plan in place and 71% do not have a clear next move for themselves.
 - IR professionals are increasingly optimistic about the future of the profession (92 percent in 2022 compared to 86 percent in 2019).
 - Nearly two-thirds (64%) of IROs say the IR function has been elevated within their company.
- IROs say the most important skills needed to be successful today are:
 - Communications/storytelling
 - Financial acumen
 - Strategic mindset and managing ambiguity



Credentials

- Forty-one percent of respondents hold an MBA (78 percent in 2019). The MBA remains the most common advanced educational attainment for those in the IR field. In 2019, twenty-five percent of respondents reported holding an MS or MA degree, now 9 percent in 2022.
- Only 11 percent of respondents reported holding CFA credentials (down from 26 percent in 2019), 11 percent hold the Investor Relations Charter (IRC®) certification, and nine percent hold CPA credentials.
- The IRC credential, which was first awarded in 2016, is held by 39 percent of senior IRO respondents (a six-percentage point increase since 2019, and the credential senior-level respondent IROs are most likely to hold), 22 percent of deputy/mid-level IROs, and 40 percent of those in analyst/manager positions



Gender Diversity

Gender breakdown by IR professional title for 2022 is as follows:

- Senior-Level IRO (63 percent male, 37 percent female),
- Deputy IRO (64 percent male, 36 percent female), and
- Senior Staff (45 percent male, 55 percent female).



Compensation Overview

- Recent Pay Equity laws have placed restrictions on what we can “ask.” Here’s some background:
 - *In an effort to achieve pay equity, several states, cities, and a territory in the United States have enacted laws to prevent employers from inquiring about or relying on a prospective employee’s salary history in making hiring decisions and setting compensation.*
 - *Under all of these laws, an employer or recruiting agency may only ask an applicant about their salary and benefits expectations, provided the applicant is not requested or required to disclose their compensation history.*
 - *Currently, laws are in effect prohibiting inquiry by a private employer into a job applicant’s prior compensation in the following locations:*
 - *California • Colorado • Connecticut • Delaware • Hawaii • Illinois • Maine • Maryland • Massachusetts • Nevada • New Jersey • New York • Oregon • Puerto Rico • Rhode Island • Vermont • Washington • Cincinnati, OH • Kansas City, MO • Philadelphia, PA • San Francisco, CA • New York City, NY • Toledo, OH • Albany County, NY • Suffolk County, NY • Westchester County, NY*

Compensation Overview

Given the legal requirements, we had to modify the survey instrument and provide only ranges for those who “chose” to participate in this part of the study

Here’s What We Can Share

Base Salary:

- More than 30% have base salaries in the \$276K to \$350K range; and nearly 12% are \$351K and above.
- **2020: by comparison 33% reported base salaries in the \$226K to \$275k range**

Cash Bonus:

- Nearly 30% have an annual cash bonus target of 26-35% of base compensation and more than 30% have a bonus target in the 36-60% range.
- **2020: The median bonus percentage was in the range of 26-35 percent in the 2020 study.**

Long-term Incentives(LTIPs):

- More than 25% have annual LTIP plans valued at 26-50% of base salary.
- Equity: those with an equity component, nearly 60% have restricted stock
- **2020: median equity range was 26-50 percent in 2020.**

Reporting Structure:

- Sixty-five percent report to the Chief Financial Officer (CFO).
- **2020: This is up ten percentage points**

Compensation Overview

Given the legal requirements, we had to modify the survey instrument and provide only ranges for those who “chose” to participate in this part of the study

Gender Compensation Breakdown

2022 BASE SALARIES

- 40% of men & 40% of women reported earning a base salary range of \$276K+
- 48% of men & 42% of women reported earning \$176K - \$275K.
- 12% of men & 18% of women reported earning \$175K and below




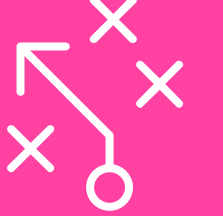

2019/2020 BASE SALARIES

- 27% of men & 13% of women reported earning a base salary range of \$276K+
- 47% of men & 40% of women reported earning \$176K - \$275K.
- 26% of men & 47% of women reported earning \$175K and below

KF Perspective: Current Market Conditions

- IR / Finance talent demand has increased significantly since early-2021.
- Past two years: Unprecedented demand for public company IR talent
 - Overall increase in IPOs and other corporate transactions (during 2020-2021)
 - Active public SPAC market
 - Considerable M&A activity
 - CFO departures and retirements, prompting IR turnover
- IR leaders can serve as “tip of the spear” in navigating through COVID health and economic challenges, and these executives are busier than ever.
- Companies’ approach to relocation / real estate is changing due to COVID.
- Global / international experience is valued more than ever.
- Since COVID; The IR role is broader / more strategic and has more external exposure.
- Searches are progressing faster through utilization of video interviews; in person finalists.

KF Perspective: Success Attributes in Investor Relations

	Strong performance in ambiguous contexts	Comfortable with vague and unknown parameters and operate effectively even without a clear way forward
	Focused on strategy and perspective	Consider and value diverse perspectives when examining future possibilities and take a global lens when approaching issues
	Focused on performance	Motivated to meet and exceed standards and achieve outcomes in the face of tough obstacles
	Demonstrates agility	Derive energy from low-structure situations and complex problems; enjoy finding creative solutions and addressing issues using thoughtful and intellectually driven methods
	Action oriented	Display confidence in managing concerns, holding difficult conversations, and being proactive in high-stakes settings

Note. This is a first-look at differentiators using KF4D Executive Search Assessment data. A “Most-Sought” archetype is someone with unusually high Compensation (99th percentile) given their Country, Currency, Job Pyramid Level, and Job Title Level. A “Least-Sought” Archetype is someone with unusually low Compensation (1st percentile) given those same variables.

KF Perspective: C-Suite and IRO Perspectives

C-Suite Expectations: Key Competencies

Strategic Mindset	Deep financial literacy	Excellent communicator
<i>Defines and delivers a proactive IR program, covering both buy and sell side audiences across a broad range of geographic markets</i>	<i>Possesses commercial acumen and a high level of financial and operational understanding – holds a firm grasp of the business / industry nuances</i>	<i>First-class stakeholder management skills – senior executive, Board level and Investor credibility</i>

IRO Expectations: What IROs look for in Next Move

Clear line of sight to Board	Latitude	Progression	Investment in function from CEO/CFO	Good relationship with communications team	Excellent in-roads into the rest of the business
<ul style="list-style-type: none"> At the top level IROs feel it is critical to have first-hand exposure to CEO/CFO and Board in order to understand and communicate Group strategy. 	<ul style="list-style-type: none"> IROs want responsibility for the design and execution of a core agenda, for both financial communication and shareholder management, that is in-line with Group strategy. 	<ul style="list-style-type: none"> IROs are attracted to roles that offer challenge via international scope, group complexity, expected IPOs, listings, a shift in shareholder base, growth strategy and the added responsibility of corporate communication or corporate affairs. 	<ul style="list-style-type: none"> IROs indicate that they must have corporate support at the highest level to add value internally and externally. 	<ul style="list-style-type: none"> Clear delineation and a strong relationship between these two functions is critical as mixed messaging or turf wars can be both damaging and frustrating. 	<ul style="list-style-type: none"> IROs are interested in building deep relationships with business unit leaders; these inroads are best used to develop an IRO's knowledge of their Company as well as offer market view to senior level leadership.

KF Perspective:

ESG is a balancing act for many companies

THE PURPOSE QUESTION

To a large extent, the **pressure on sustainability** is coming from **outside** of the organization. The **strategic purpose** is often **rather reactive** than proactive

THE GRASSROOT CHALLENGE

Sustainability initiatives started where **individuals felt a call for action** – not necessarily **consistent** and with a **joint ambition**. Now, CSOs often need to “**backward engineer**” a **strategy**

THE BALANCING ACT AROUND REGULATION

Regulation **promotes** sustainability. At the same time, it creates a **sense of “have-to”** and “**potentially harmful**”. Getting **out of the reactive corner** is a **prerequisite** for mindset change

THE TONE FROM THE TOP

The **ExCo** is crucial in **translating** the outside asks into **strategy** & executable **business priorities**. A **clear, credible** and **observable positioning** creates “**aha-moments**” & **shift mindsets**

THE SHAPING OPPORTUNITY

Everyone has an **opinion** about sustainability and many **want to involve**. Creating these **opportunities** with in a clear **purpose** **unleashes** the **potential** and **creates identification**

THE POWER OF THE “INFORMAL”

Informal networks of **promoters** of sustainability are **crucial** – also for the impact of CSOs. **Development** of **talent** and **leadership** continuously **grows** the “**fan base**” of sustainability

NIRI Perspective



- Results reinforce value of IR as essential partners to C-suite
- Top challenges = roadmap for NIRI
 - Market Structure
 - ESG-Related
 - Regulatory Advocacy



2022 Career Survey & Trends

- Q&A



Career Resources



- NIRI-Korn/Ferry 2022 Career Survey & Trends Report
 - www.niri.org/niri/media/protected-documents/2022-niri_kf-iro-study-results.pdf
- Previous Reports
 - www.niri.org/resources/publications/niri-analytics
- NIRI Career Center
 - www.niri.org/career-center

