



LE SAVOIR POUR NOURRIR LE MONDE

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## PROFESSIONAL INDEPENDENCE COMMITTEE REPORT

## **1. Introduction**

Our society challenges agronomists and questions them on all aspects of their work. Our fellow citizens are more and more sensitive to issues affecting the environment, health, water quality and food safety. These questions are all the more important than the withdrawal of the State from several sectors of activity, which leads to a loss of expertise which affects all of its services to society.

The public's skeptical look at the professional world is unfortunately regularly fueled by unfortunate events involving professionals: the Charbonneau Commission made a very severe observation on the practices of several engineers, and by extension, on the entire professional world. Loss of professional independence and conflict of interest is cause for concern. The traditional situation where the professional is a self-employed worker who provides services in exchange for fees is becoming less and less frequent. Today's professional is more often an employee and their employment relationship complicates the "professional-client" relationship. The agronomist finds themselves at the crossroads of potentially divergent interests of the employer, the client, and the public. This complexity of professional services worries professional organizations due to increased risks of conflict of interest and the accompanying loss of professional independence that may result.

In response to these concerns, the Order of Agronomists has undertaken a major reflection on conflicts of interest in the early 2000s. In 2004, the Order published the first edition of the Memento of the agronomist of Quebec in which a complete section was (and still is) devoted to professional and professional ethics. On September 7, 2005<sup>i</sup>, the Order organized a first forum during which around fifty agronomists discussed the ethical and legal issues related to conflict of interest. Following this first reflection, the Order organized on March 31, 2006, a conference on conflicts of interest where nearly 300 agronomists<sup>ii</sup> came together to appropriate the different concepts of "real" conflict of interest, both "potential" and "apparent", and to better understand the differences between analysis of professional behavior from the point of view of ethics, and the analysis of the same ethical behavior. The Order has maintained a regular conversation since 2006 with its members on the various aspects of the Code of Ethics of agronomists.

The revision of the Pesticides Management Code is associated with the obligation to obtain an agronomic's directive to obtain the authorization to purchase certain pesticides put back on the agenda the debate on conflict of interest and professional independence within the Order. Some College members perceived and continue to perceive that external factors (particularly the remuneration) unduly influence the professional practice of agronomists and are concerned about this situation.

## **2. The Remuneration Survey<sup>iii</sup>**

As several other professional orders have done, we have collected information on the factor most often associated with a conflict of interest: compensation or remuneration. During the summer of 2017, the Order of Agronomists invited many employers to participate in a survey on the remuneration of agronomists. The Order wished to paint a portrait of the modes of remuneration existing in the various fields of activity of agronomists. The Order wished to be able to make a precise diagnosis on the components of compensation.

The survey firm, SOM, was selected to carry out this survey. The Order benefited from their investigative expertise and maintained the necessary distance from employers to preserve the confidentiality of

shared information. The survey covers the sale of a product and / or a service, and from a very wide range of employers: input suppliers (fertilizers, seeds, pesticides feed, etc.), consulting clubs, group advisory services, agricultural finance institutions and agricultural unionism (see Appendix II).

Twenty (20) companies employing agronomists were contacted. These offered a varied set of products and services for agricultural producers. Of this number, fourteen (14) agreed to cooperate in the investigation. The number of agronomists in employment varied from a few to several dozen. Finally the survey focused on the remuneration of agronomists working with agricultural producers. Survey data was collected from managers during telephone or in-person interviews. The primary objective of this survey was to assess the presence of components of variable compensation such as bonuses, commissions, bonuses, sales contests or others and to define the reasons and criteria justifying variable compensation.

The SOM survey confirmed that employers want to reward the professional who exceeds expectations compared to another who meets expectations. The professional can be evaluated according to several criteria. For example, an agronomist who supervises a group of more clients because s/he has more rigorous time management and poses better structured actions than another that supports a smaller number of clients or who is less structured in their planning. Employers recognize the additional effort by remuneration. The variable portion of the compensation presents the following features:

- compensation is added to the basic salary and evolves according to the achievement of pre-established objectives
- compensation can apply to an individual, a team, a group or an entire organization.
- the "variable" portion of compensation is not guaranteed from one period to another.
- variable compensation plans are multiple; Appendix I presents some examples.

The survey found that, as in many other employment sectors, compensation variables are present throughout the service sales sector, the sale of products and services, and in agricultural finance. According to the company and the variable remuneration used, its share varies from 1.5% to 30% of the total salary. It takes various forms: merit-based salary increase; salary-bonus combination; or a salary-commission combination. Only one company among those interviewed confirmed remuneration of agronomists on a commission basis only. The investigation into the compensation of agronomists did not allow determination as to whether certain companies utilized sales contests or if certain agronomists received discounts.

### **3. The Mandate of the Committee On Professional Independence**

To analyze the data collected during the survey on the remuneration of agronomists and the conflict of interest situations raised by the company as well as some of the members and partners of the Order, its board of directors established the Committee on professional independence by entrusting it with the following mandate:

- analyze the results of the survey of the Order of Agronomists on the remuneration of agronomists.
- determine the level of risk of loss of independence associated with the programs remuneration and variable remuneration of agronomists.
- Present recommendations to the board of directors, particularly on the compensation programs for agronomists and their ethical aspects and ethics.

#### **4. The Composition of the Committee on Professional Independence.**

The committee is composed of independent experts, ethicists, the syndic and the president of the Order agronomists. The Order chose these experts to obtain objective opinions on the issues raised by compensation programs, the risk of loss of professional independence and the "agronomist-client-employer" relationship. These experts are:

##### **François Claveau, PhD in philosophy**

Dr. François Claveau is an assistant professor in the Department of Philosophy and of Applied Ethics of the University of Sherbrooke, and holder of the Research Chair of Canada in Practical Epistemology.

Dr. Claveau is a social philosopher of science with a multidisciplinary path (philosophy, political science, economics, STS [Science, Technology and Society]). His journey was guided by his fascination for an object of research: the discourses of the social sciences, particularly that of the economy, in the public square. Its objective is to better equip us, as researchers, citizens and decision-makers to produce, criticize and integrate these discourses. He is member of the Center for Research in Ethics and of the Inter-University Research Centre on Science and Technology.

##### **Valérie Lampron, B.A, A., Human Resources**

Ms. Valérie Lampron is a consultant at CaerHa HR services. Since 2002, Ms. Lampron has acquired solid experience in human resources by occupying various functions within both small and large companies. Her expertise is varied, ranging from policy development and human resources management procedures, employee coaching, management of labor relations and collective bargaining negotiations, to staffing processes for management and administrative staff, and the establishment of a performance appraisal process.

##### **Diane Parent, PhD in Communications**

Dr. Diane Parent has been Professor Emeritus since December 2018 and retired from Laval University in January 3, 2017. She was a full professor at the Faculty of University of Laval Agricultural and Food Sciences. She is also Founding member of the TRAGET Laval research group (transfer-management establishment in agriculture). Her research interests relate to social aspects and cultural aspects of farm transfer and establishment in agriculture. Long before her integration into the mandatory training of agronomists, Dr. Parent had explored the importance of training on the ethical and deontological issues of agronomic practices. She launched the first university training in ethics and professional conduct for future agronomists in 1996.

##### **Julien Prud'homme, PhD in History**

Dr. Julien Prud'homme is an assistant professor in the science department, University of Quebec at Trois Rivières. He is a specialist in the History of Professions and Expertise. He is interested in the evolution of expert practices in health, education and economic production sectors in the 20th and 21<sup>st</sup> centuries. He has conducted research on the policies of professional orders, on the multiplication of expert trades and their impact on the evolution of power in public services, in private firms and in planning territory. He is a member of the Interuniversity Center for Quebec Studies (CIEQ) and the Inter-University Research Centre for Science and Technology (CIRST).

#### **5. Conflict of Interest and Loss of Professional Independence**

Conflict of interest and loss of professional independence are two concepts which, under one form or another, are found in all professional codes of ethics in Quebec. For the purposes of this document, we have used the following definitions:

a. Professional independence: "Safeguarding professional independence means retaining the ability to perform acts reserved for their profession protected from any form of intervention, both real as it seems, from any person, employer and client included."<sup>iv</sup>

b. Conflict of interest:

"Professional judgment is influenced by considerations that do not neither in the interest of the client nor in the public interest. Any personal interest that influences, appears to influence, or could influence professional judgment, gives birth to a conflict of interest".<sup>v</sup>

This definition distinguishes three main conflict of interest categories:

1. A real conflict is a situation where the conflict has arisen or is in progress. For example, a researcher responsible for product evaluation in a centre agrees to promote a product of a commercial company in exchange for a pleasure trip. An apparent conflict is a situation that can be reasonably interpreted as the instrument of real conflict.
2. A potential conflict is a situation in which there are interests which, for the time being, are not yet in conflict, but are likely to become so. For example, a university researcher who is a member of an ethics committee research has interests in a commercial company which could possibly submit to this committee, for evaluation, a research protocol.

Note that several actors can play a role in professional independence and situations that could lead to a conflict of interest:

- The employer by their requirements or by related remuneration directly to the sale of products or services.
- The client by their desire to achieve certain objectives or by a request for certificate of convenience.
- The professional by ignorance or ignorance of their ethical and professional obligations.

## 6. Targeted Lines of Intervention

The professional's relationship with their client and/or their employer implies a financial interest. This interest should not interfere with the ability to take adequate professional action. The interests of the employer and the professional must, at all times, give way to the clients interest. In addition, the public interest must be omnipresent in the professional process. The Committee On Professional Independence recommends to the Order of Agronomists, the following lines of intervention:

- a. The first line of intervention: identifying the professional act and ensuring its traceability:
  - i) The professional actions must at all times be distinguished from the actions related to the sale of product.
  - ii) The professional action(s) must at all times be justified by the agronomist and traceable to the invoice in the agronomist's files.
  - iii) Record keeping must document and justify all professional actions and allow a link to be made with the billing of these actions.

- b. The second line of intervention: guaranteeing responsible remuneration methods:
- i) The prescription of the modes of remuneration dependent on the sale.
  - ii) In particular, the proscription of certain modes of remuneration: commission, rebate, or sales competition.
  - iii) In particular, the proscription of methods of remuneration directly related to a sales volume (in dollars or quantity), a product or specific range of products.
  - iv) Systematic declaration to clients about the terms of the agronomist's remuneration. This declaration of interest would be an integral part of the contract concluded between the client and the agronomist.
  - v) The systematic declaration of the terms of the agronomist's remuneration during their annual registration on the roll of Members of the Order.

The third line of intervention: improving the transparency of the Order:

- i) Document deficiencies in professional practice, using the Order to communicate and publish the results of the professional conduct inspection.
- ii) Document deficiencies in professional practice, using the Order to communicate and publish the result of the work of the Office of the Trustee.
- iii. Give a mandate to a specialized firm to document by means of the "general public", stakeholder (e.g., government) consultations and experts (e.g. public communications specialists) the information of public interest related to the profession of agronomist. For example, what information would help you improve your level of trust in agronomists? The results of this (or these) survey(s) would be communicated and published on the College's website.

## **7. Implementation of Recommended Interventions**

To implement the recommended lines of intervention, the members of the Committee On Professional Independence propose to the Order the following measures to achieve the lines of previously mentioned interventions:

### **a. The Agrologists' Code Of Ethics**

The Code of Ethics establishes a set of rules and duties governing the profession of agronomists. Similar to the rules of law, the ethical rules must be applied in a way identical to all members of the Order, and in all practice situations. To achieve this objective and facilitate its daily use, a guide application and interpretation should be made available to agronomists. This guide will have the role of informing the reflection in case of uncertainty and making it possible to resolve ethical conflicts by limiting personal interpretations. Usage of examples of situations to avoid and decision trees applicable to situations of conflict of interest will invite the agronomist to question themselves and determine the action to be taken for a given situation.

### **b. Member's Mandatory Declaration**

When registering or re-registering on the membership panel, the agrologist should declare the method of remuneration applied by their employer. This declaration will prioritize the audit of agronomists announcing a method of remuneration.

### **c. Professional Inspection**

Professional inspection is the oversight mechanism that the College uses to rigorously apply the rules of record keeping, mandate and justifications recommendations. Inspection assesses the

quality of record keeping (justification + traceability) and validates the absence of a prohibited method of remuneration.

The agrologist should provide, at the time of their inspection, a copy of the disclosure of their interests (remuneration, variable remuneration) made with clients or clients of their employer.

#### d. Compulsory Training

Training in ethics and professional conduct is included in the training curriculum of the Institute of Agronomists. Knowledge of ethics and professional conduct is validated during the admission exam to the Order of Agrologists. A training update in ethics and professional conduct every two years for all active agronomist members is necessary to maintain the level of ethical and deontological knowledge of all agronomists.

#### e. Employers

Even if the College has no legal means to compel employers to eliminate certain remuneration practices, it must inform them of the new requirements that the Order intends to establish. The latter must be involved in the modification of their marketing and billing practices to allow agronomists to comply with the requirements of the Order.<sup>vi</sup>

#### f. The Public

The primary mission of the Order of Agronomists is the protection of the public, and for satisfactory achievement of this mandate, public confidence is essential. The Office of the Order and the professional inspection committee are two key players in public confidence. The Order must commit to better publish and facilitate access to the greater public to the results of its inspection campaigns, and to all decisions that have to results of requiring additional training, imposing a fine, limiting the rights to practice as an agronomist and to strike them off the membership rosters temporarily or permanently. The public must have easy access in various forms, including the technological means to this information. By being transparent and by facilitating public accessibility to information on the quality of professional practice of agronomists, the Order will add an additional milestone to its mission to protect the public.

#### g. Periodic Stakeholder Consultation

Consultation with stakeholders will allow them to probe their interests and concerns about the profession and the role of the agronomist in our society. The Order must consider and involve stakeholders from different backgrounds within its transparency approach. This exercise will put into perspective values that are important to the participants and allow the Order to act in order to improve its actions related to its public protection mission.

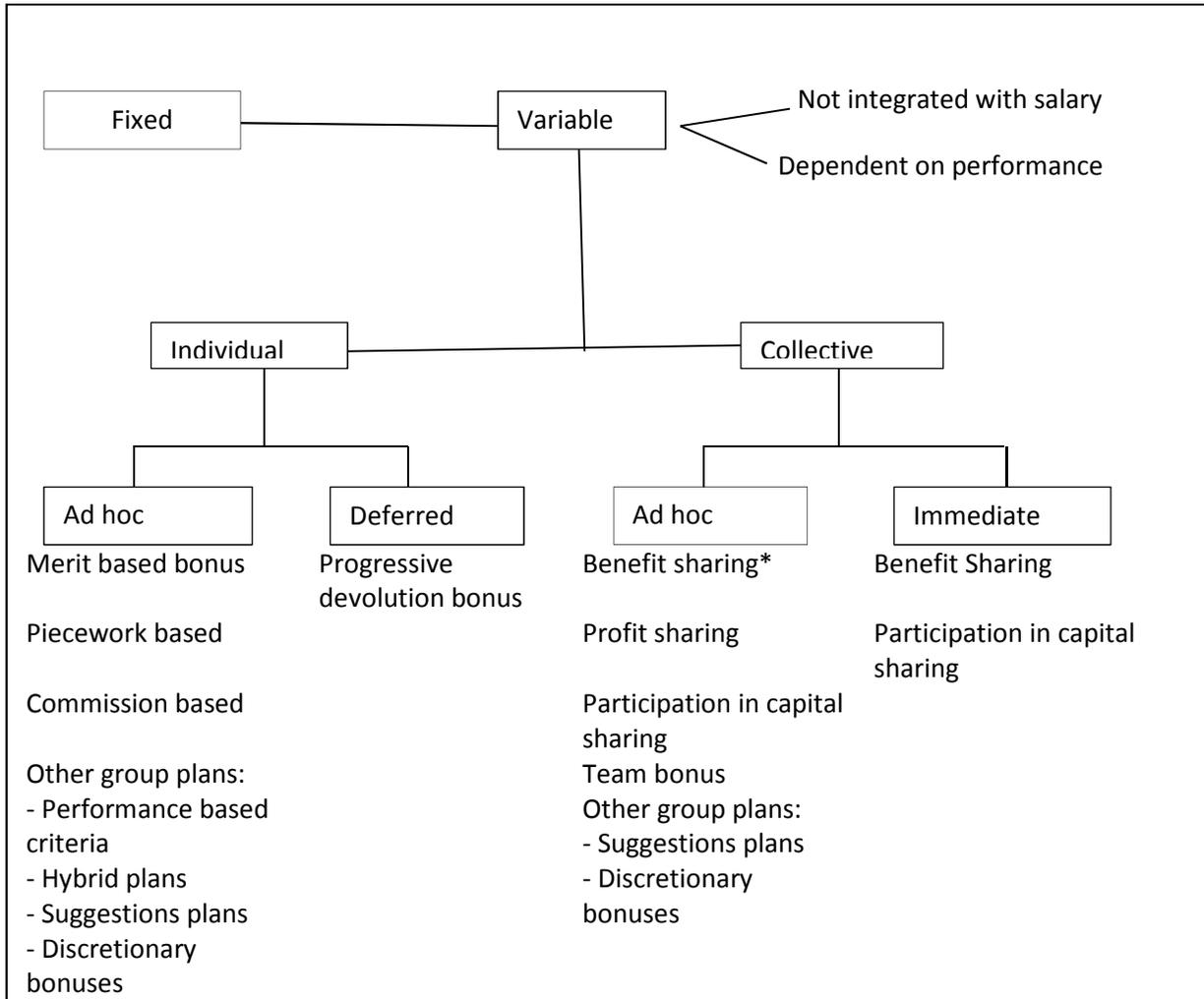
### **8. Recommendations to the Order's Board of Directors**

The members of the Professional Independence Committee recommend:

1. That all agronomic actions are distinguished at all times from acts of product sales or services.
2. That all agronomic actions are traceable, from invoicing to the file of the customer.
3. That all agronomic actions are justified and attributable.
4. That each client's file documents and justifies all professional actions and allows a link to the billing of these actions.
5. That a declaration of interests of the agronomist be included in the professional mandate contract signed with each client. This declaration must allow the client to understand and accept the terms of the agronomist's remuneration.

6. That methods of remuneration dependent on the sale of products are prohibited.
7. That all modes of variable remuneration in direct connection with a specific sales volume, product or range of products.
8. The following modes of remuneration should be prohibited: commission-based remuneration, rebate, sales competition.
9. All gifts which are not of modest value should be prohibited.
10. That the code of ethics of agronomists be provided with an interpretation guide and a supportive decision tool.
11. That each member of the Order of Agronomists be required to declare the annual mode of remuneration applied by their employer. This declaration will be included during the annual registration on the roll of members of the Order.
12. That professional inspections add the traceability of invoiced recommendations in the client's file to their criteria .
13. That professional inspections verify the disclosure of interests (compensation, variable compensation) made to clients or clients of the agronomists' employer in each client file.
14. That all active agronomists registered on the membership roll are required to participate in ethics and professional conduct training every two (2) years.
15. That the Order of Agronomists take steps with employers to encourage the elimination of certain modes of remuneration placing agronomists in a situation of conflict of interest and loss of professional independence.
16. That the Order of Agronomists takes steps with employers to ensure the implementation of the traceability of all agronomic activities. Traceability of agronomic actions aims to follow this act as soon as it is recommended. This trace must be present from the client's file to the invoice for the product associated with this recommendation.
17. That the Order of Agronomists takes steps to ensure its own transparency with external stakeholders.

**Appendix 1 - Variable Remuneration Model<sup>vii</sup>**



Note: Profit sharing and capital sharing schemes may be ad hoc or deferred.

Source: Institute of Compensation Research and Information. Variable compensation: Description and trends.

## Appendix II - Characteristics of Surveyed Companies and Organizations

Major Business Sectors	Consulting Services without member sales (N:4)	Agri – supplies with or without member sales (N:7)	Agricultural finance (N:3)
OAQ managers interviewed	4	5	3
Main responsibilities of hired agronomists	<ul style="list-style-type: none"> <li>• Offer services to agricultural producers (PAEF, analyzes of soils, geolocation of soils, soil drainage plans, feeding programs for animals, analyzes of milk quality, etc.) involving data collection, analysis of reporting plans or programs.</li> <li>• Offer management information or agricultural business performance services.</li> <li>• Carry out economic studies for companies integrated in the agricultural sector or agri-food (competitiveness, profitability, market conditions etc.).</li> <li>• Carry out strategic organizational plans or management training for companies.</li> <li>• Carry out research and development projects aimed at improving grain production or animal husbandry dairy, etc.</li> <li>• Perform agronomic consultations and knowledge / expertise transfers at the base customer level.</li> <li>• Administrative roles (management of human resources or of work teams)</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain the relationship business with agricultural producers or other customers in food industry.</li> <li>• Offer advice, agronomic solutions and customer support.</li> <li>• Offer services agronomic (e.g. PAEF, formulation and updates programs etc.).</li> <li>• Sell services and business inputs (seeds, fertilizers, pesticides, animal feed, pig genetics, etc.).</li> <li>• Ensure the management of animal production under contract.</li> <li>• Train agricultural representatives on products or offer them assistance technical.</li> <li>• Perform the research and development of new products, the agronomic outlook; carry out innovation programs (animal production or cereal).</li> <li>• Manage a team of agricultural representatives</li> <li>• Administrative roles (management human resources, programs research, shopping production of inputs, contract producers, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>• Manage and develop a client portfolio with a global range of services financial solutions liquidity of credit, protection of commodities or risk management, financing of assets, products insurance, investments, payroll management, etc.).</li> <li>• Respond to the needs of the customer base and maintain business relationships.</li> <li>• Advise customers on the financial plan (development and financial profitability).</li> <li>• Manage and support teams of account managers (agronomists responsible for a customer portfolio).</li> <li>• Create financial analysis reports for accounts directors.</li> <li>• Review financial records and authorize requests for credit.</li> </ul>
# of agronomists in workplace	Between 3 – 30	Between 1 – 40	Between 40 - 200
# of agronomists with Variable compensation	3 out of 4 companies	6 out of 7 companies	3 out of 3 companies

## References

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<sup>i</sup> Forum on conflicts of interest, Ordre des agronomes du Québec, Agronouvelles; September - October 2005, pages 5 to 7

<sup>ii</sup> Symposium "Conflicts of interest and agronomic practice: how to better assess and manage my convenient ? " Ordre des agronomes du Québec, Agronouvelles; May-June 2006, pages 6 and 7.

<sup>iii</sup> Study on the variable remuneration of agronomists, summary report presented to the Order of agronomists from Quebec; SOM research firm specializing in the collection, analysis and data visualization. April 2018.

<sup>iv</sup> Me François VANDENBROEK, P.Eng., The engineer and his code of ethics, Trois-Rivières, Les Juriméga editions, 1993, p. 91.

<sup>v</sup> Adapted from: Professional independence and conflict of interest: a matter of trust! Professional references. 11.2 Professional practice sheets (March 2006), Order of Quebec Forestry Engineers.

<sup>vi</sup> Resolution 2001-2002 BU 07 023 adopted at the 1st meeting of the 2001-2002 Bureau of the Order of agronomes du Québec held in Saint-Antoine-de-Tilly, July 5, 6 and 7, 2001.

<sup>vii</sup> Institut de la statistique du Québec: Variable compensation in companies with 200 employees and more in Quebec Results of the Survey on Total Compensation in Quebec 2013 Collection