

Institution: Henley Business School, University of Reading		
Unit of Assessment: 17, Business and Management Studies		
Title of case study: Improving Board Outcomes by Enhancing the Strategic Capability of the Company Secretary		
Period when the underpinning research was undertaken: 2014–16		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Nadeem Khan	Lecturer in Governance Policy and Leadership and Director of MA in board practice and directorship.	2014 – present
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Period when the claimed impact occurred: 2016–20		
Is this case study continued from a case study submitted in 2014? No		
<p>1. Summary of the impact</p> <p>Very often, businesses fail when a known problem is not recognised and properly addressed by the Board. Meanwhile, board judgements in unclear/unknown situations are dependent on the quality and rigour of more intense board interactions. In this regard, the role of the Company Secretary is important. It carries with it an element of strategic stewardship, enabling the post-holder to shape board outcomes positively, and therefore enhance organisational performance. Recognising the importance of the Company Secretary to organisational survival, research at the University of Reading (Henley Business School) has underpinned the new core competency framework and training programme adopted by the Institute of Chartered Secretaries and Administrators (ICSA). It has done this by analysing the role and skillsets for effective company secretaries. The competency framework was implemented by ICSA in 2018 across its global network of 36,000 members, who represent a range of sectors, from major multinationals to small and medium-sized enterprises (SMEs). The framework has enabled company secretaries to fulfil their role as governance professionals with the capacity to underpin more resilient and sustained achievement of board outcomes.</p>		
<p>2. Underpinning research</p> <p>Under the direction of Professor Andrew Kakabadse, the Henley Directors' Forum is a global research and advisory group at the University of Reading focusing on enhancing the performance of its network. Research within the Forum uses their database of 19,000 organisations across 41 countries. For more than a decade, the Directors' Forum has attracted critical research funding from a number of organisations and associated bodies. Since 2014, their funded research has included ground-breaking qualitative work supported by ICSA, focusing on the role and contribution of the Company Secretary [refs 1 and 3] and on how to address conflict and tension in the boardroom [ref 2]. The research team engaged with board members through semi-structured interviews and focus group discussions, and at events, with support from ICSA. The combined networks of the Henley Directors Forum and ICSA facilitated access to the boards (Chair people, CEOs, non-executive directors, company secretaries) of the largest organisations (such as BAE, Barclays, Barratt Homes, National Grid), as well as those of SMEs. The sample comprised a range of 300+ private, public and</p>		

third-sector organisations within the ICSA global network (34,000 members at that time across 70 countries).

The aim was to understand the critical role of the Company Secretary in building trust between board members through good governance practice. The key responsibilities of the Company Secretary role, and the characteristics of the individuals operating within it, were explored from the perspectives of board members and the incumbents. Pilot-testing confirmed a gap for full-scale study and informed the research questions. An inductive thematic analysis of the transcripts was undertaken. This identified the necessary discretionary skills required of an effective Company Secretary from different stakeholder perspectives, and evaluated opportunities for raising the profile and impact of the Company Secretary at board level. Relevant conceptual development of the research garnered significant new insights into the unique stewardship role of the Company Secretary, and how it could be better understood and promoted. This role requires a multifaceted skillset, and, when deployed effectively, it becomes the cornerstone of successful board outcomes and ultimately, the longer-term survival of the organisation. Indeed, the skills and attributes of the best company secretaries are closest to those of the Chair and include humanity, humility, high intelligence, an understanding of agendas, the ability to negotiate and resilience [refs 1, 2, and 3].

The research has demonstrated that the Company Secretary is key to delivering strategic leadership, and adds significant value when it comes to delivering organisational objectives [refs 1, 2, and 3]. It has brought attention to the key strategic influencing and behavioural attributes, skills and capabilities that are an important contribution to the board – for example, building trust, having open relationships, enabling positive interactions, providing timely and good quality information and communications, observing dynamics, and being diplomatic. These attributes represent “statesperson-like” qualities, which are critical for better decision-making when steering the board, by engaging board-member contributions and weathering times of change or crisis [refs 3, 4, and 5]. The Company Secretary is often the first to know of strategic business issues which need addressing, and frequently has the best institutional memory of any of the board members. Furthermore, critically, the research has demonstrated that success in progressing organisational business and addressing potential threats to the longer-term sustainability of the organisation is dependent on the effective engagement of the Company Secretary by the Chair and CEO. Indeed, to be effective, a Company Secretary should be established within the trivariate framework that includes the Chairman and CEO [ref 3].

The key findings demonstrated the unique and widely misunderstood role of the Company Secretary, a role which is, however, alongside that of the Chair, the most important on the board for improving board outcomes [refs 3, 4, and 5]. Despite at times wrongly being considered an administrative function, the role delivers proactive strategic leadership, providing a vital bridge between the executive management and the board. The recommendations from the research included addressing gaps in the ICSA qualification (and the impact of gaps in reporting line on the role), and developing the higher-level discretionary capacity, perhaps through a doctorate-level qualification or continuing professional development [refs 1 and 2]. As a result, ICSA has enhanced its own training programmes, to promote higher-order skillsets across their network, addressing issues such as handling boardroom ethical dilemmas, how to manage changing board dynamics, and succession planning. This research has also underpinned ICSA’s competency development framework. This framework is being deployed internationally across organisations of different sizes in all sectors (private, public, third), in a bid to raise the competencies, skills and profile of the Company Secretary role.

3. References to the research

1. Kakabadse, A., Korac-Kakabadse, N., Khan, N., Morais, F. and Lee-Kelly, E. (2014) [*The Company Secretary: Building Trust Through Governance*](#). Report. ICSA, Reading.
2. Kakabadse, A., Kakabadse, N., Moore, P., Morais, F. and Goyal, R. (2016) [*The Conflict and Tension in the Boardroom Report*](#). ICSA, London.

3. Kakabadse, A., Khan, N. and Kakabadse, N.K. (2016) '[Company secretary: A role of breadth and majesty](#)'. *Society and Business Review*, 11 (3). pp. 333–349. doi: <https://doi.org/10.1108/sbr-04-2016-0023>
4. Kakabadse, A. (2015) [The Success Formula: How Smart Leaders Deliver Outstanding Value](#). Bloomsbury.
5. Kakabadse, A., Khan, N. and Kakabadse, N. (2017) '[Leadership on the board: The role of company secretary](#)'. In: Storey, J., Hartley, J., Denis, J.-L., t' Hart, P. and Ulrich, D. (eds) *The Routledge Companion to Leadership*. Routledge, Abingdon.

The underpinning research for this case study comprises two reports commissioned by a professional body, an article in a blind-refereed journal (rated 2* by the AJG/ABS list), a refereed 200-page book, and a book chapter. The work meets or exceeds 2* quality definitions. It utilises Andrew Kakabadse's unique database of company boards spanning over 40 countries and based on the results of a mixture of interviews and large-scale surveys that led to important new knowledge on the roles and attributes of successful company secretaries.

4. Details of the impact

Recognising that the effective deployment of the Company Secretary is pertinent to positive board outcomes, the research has raised the role's profile among board members and shown it to be critical to board governance. Furthermore, it has empowered company secretaries and enabled them to be more confident [source 1]. This has been possible through the deep developmental engagement over several years between the University of Reading and ICSA. As a result, ICSA's core competency framework [source 2] and training programmes, underpinned by the research, have been implemented across its global ICSA network, now consisting of 36,000 members across 70 countries.

The Company Secretary is an executive position that usually reports directly to the Chair and is the key point of contact for other board members. In the context of stricter governance regimes, new disclosure regulations, and greater competitive pressures on boards, the secretariat holds a strategic function. However, historically, the role of the Company Secretary has been undervalued and misunderstood. Often, the demise of organisations is a result of the inability of boards to recognise and address a known business problem. In this regard, the Henley research has demonstrated the importance of the unique skillset of an effective Company Secretary in addressing these issues, and the importance of the role to the success of the organisation.

Increasing the skills capacity of company secretaries through an evidence-informed change in a training programme

The initial report [ref 1] has been reprinted three times and disseminated across ICSA's global network [source 1]. Furthermore, it has been downloaded over 1,500 times from the ICSA website and University of Reading repository. The findings of the research projects were launched as printed and online reports, with keynote presentations given at the ICSA Annual Conference (London) to an audience of over 1,000 delegates (company secretaries and board members) comprising FTSE-listed and Multinational Enterprise (MNE) companies. Following this launch, ICSA cascaded the findings via their local and regional offices across 70 countries, where it has guided the work of ICSA with organisations in countries such as Australia, Hong Kong and China [source 1]. This was complemented by the release of the second report, published in 2016, on conflict in the boardroom [ref 2].

When the research was conducted, only 15% of company secretaries demonstrated higher-order skills. As a result of the evidence, the focus has since been to target the remaining 85% (29,000 members), to share best practice and learning widely and to "raise the bar of training" [source 1]. This represents a strategic change in ICSA's training offer, moving away from focusing solely on technical skills, to add the softer skillset and strategic awareness demonstrated by effective company secretaries [refs 1 and 2; source 1 and 5]. For the first time, the research was used to develop a master's programme. ICSA also redesigned their continuing professional development training to reflect the importance of life-long learning

[source 1]. For example, there are two courses offered on the role of the Company Secretary – parts 1 and 2 [source 3a]. More than 200 delegates have attended the London-based ICSA courses, with further regional and international offices providing local delegates with similar training. There are also courses offered on director duties, effective influencing skills and risk management [source 3b]. ICSA are also developing courses that are specific to the private, public or third sector [source 3a]. The advantage of these is the opportunity to focus on sector-specific issues; for example, the skills needed by voluntary board members in charities will differ from those needed in the private sector and indeed the abilities required in the public sector. The new ICSA Governance Leadership programme [source 3a] is being offered as either a residential three-day course or as modular days.

The research also underpins the executive education two-day board director's open programme at Henley Business School, and the master's programme in Board Practice and Directorship that is designed for practising, experienced board members and company secretaries. The two-day open programme has had 60 participants a year for the last four years, and the master's programme has 20 board-level participants in its 2020 cohort across the public, state-owned and private sectors.

The Policy and Research Director for ICSA reports that the research-informed training has led to an increased confidence among company secretaries, with an improved skillset in terms of transferrable skills. Examples include a Company Secretary in a UK-based FTSE 100 company, who "had the confidence to stand up for themselves and, when necessary, work with the board to effect leadership change where the current style was inimical with the board's chosen culture". Through the training, the company secretaries are now able to work across sectors and have a clearer career path, as the research has provided an "intellectual underpinning" of the Company Secretary as a Governance professional [source 1]; this concurs with observations from the ICSA's membership on the changing nature of the role [source 1]. Other examples include individual company secretaries working across a number of different boards within the same sector, with each board requiring a different and nuanced strategic approach, as well as providing a strategic steer on the evaluation and appropriate composition of the board [source 1 and 5].

Change in name to Corporate Governance Institute and launch of a core competency framework

In 2018, ICSA launched its new skills competency framework, which was underpinned by the research. This has been "well received in the market place" [source 1]. Indeed, a number of FTSE 100 companies have used the framework as part of annual performance reviews – in terms both of informing development needs and of evaluating performance [source 1]. In turn, ICSA has observed a "change in how boards are operating". Furthermore, as a result of developing a set of competencies, a number of company secretaries have moved into different roles, including that of chief governance officer and those of non-executive directors [source 1].

The research gave ICSA, formerly known as the Institute of Chartered Secretaries and Administrators, "an academic underpinning" for its move to re-position itself and to rename itself as the Chartered Governance Institute. As a result of the repositioning of ICSA and their revised training curriculum, the profile of the Company Secretary has become better recognised and acknowledged at board level as a governance professional [source 1 and 5]. FTSE 100 companies report, for example, an increased resilience of boards where company secretaries are well placed as "trusted advisors to the board" as well as more broadly within the firm on governance issues [source 5]. Indeed, within larger organisations, the secretariat is an evolving department/function [see, for example, source 4 and 5] that enables increased strategic contributions. As company secretaries "get governance in a way that many other executives don't....[the Company Secretary role] has become more important over the last three to five years" [source 5]. In the finance field, section 166s, issued by the Financial Conduct Authority, now scrutinise the governance pathways for decision making, which are designed and implemented by company secretaries [source 5]. As a result, the perception of the Company Secretary role has changed with an appreciation of its strategic nature, whereby there is a consistency in terms of information provision to the board acting as a "bridge [for] the

independent [directors'] perspective and the executives' perspective and to help them get what they need in order to challenge the business and make the decisions that they need to make" [source 5]. Indeed, the demonstration of these softer skills is now more key to promotion than technical skills [source 5].

In summary, the research has demonstrated the unique skillset required for the Company Secretary role and the benefits that it can bring to an organisation. It has underpinned a core competency framework and training programme adopted by ICSA and used in executive education at Henley Business School and within FTSE 100 companies. The changed profile of the Company Secretary, facilitated by the training programmes and competency framework, has improved board outcomes across a range of businesses for different sectors on a global basis. This is significant in terms improving the composition and agility of the board, and thus its ability to respond to business needs in an effective and timely manner, which ultimately underpins the success of an organisation.

5. Sources to corroborate the impact

- [S1] Interview with Policy and Research Director of ICSA and follow up email.
- [S2] The Governance Institute (2018) [The Competency Framework for Governance Professionals](#). ICSA, London.
- [S3] a) [The Chartered Governance Institute Training Courses](#) b) Example of training syllabus (Risk Management).
- [S4] Example of secretariat function: [GlaxoSmithKline Corporate Secretariat](#).
- [S5] Interview with FTSE100 Company Secretary (12 October 2020)