

Professional competence and Leadership skills: A key value enhancing matrix for the Company Secretary

The role of the company secretary is undergoing a transitional phase in response to changing business scenarios and demands of and from boards. The increased focus on corporate governance is leading to greater recognition and visibility, of the company secretary, who has become the primary point of information and influence between the executive management and the board. What was once traditionally viewed as an administrative and compliance role is now expanding with the company secretary viewed as accountable for the embedding of effective governance practices within the organization. The company secretary is now required to be more outward-looking, interacting with major shareholders, proxy advisers and regulators, and being increasingly strategic – bringing a wider understanding of business and the economic context in which their organisation works. The board looks to the company secretary to advise them not only on matters of compliance but for effective working of governance practices at board level, how these are manifesting in the organisation and their impact on stakeholders.



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CHANGING DIMENSIONS OF COMPANY SECRETARY'S ROLE

A growing focus on governance and corporate social responsibility; increasing shareholder and stakeholder expectations; the need to reflect a diverse range of views on the board – all of these are changing the role and responsibilities of the Company Secretary. The Company Secretary's role is changing in tandem with the changing demands of business and the expectations of the wider world. The modern Company Secretary is an invaluable resource to the Board of Directors and a critical member of the executive management team. The Company Secretary is responsible for ensuring that the Board has the proper advice and resources to discharge its fiduciary duties to a company's stakeholders. Company secretaries are ideally placed to align the interests of different parties around a boardroom table, facilitate dialogue, gather and assimilate relevant information, and enable effective decision-making. They are often the only people to know first-hand how the decisions made have been reached. The role of the company secretary has expanded to add value and, among other things, includes taking a more proactive role in facilitating flow of information to the board and initiating relevant topics for agendas. This requires a strong

understanding of the business and its strategic direction and a healthy appreciation of risk and learning agility. Soft skills, the ability to collaborate and work with stakeholders including synergistically with the legal team are important.

WHAT SKILL SETS DOES A COMPANY SECRETARY NEED?

The role of a company secretary today requires a pretty exceptional combination of skills and characteristics, including but not limited to: Discretion, Diplomacy, Integrity, Attention to detail, Ability to exert influence at senior levels, Business acumen, Understanding of the regulatory environment and its implications.

The list of core competencies includes:

- Having a thorough understanding of the company's business
- Having expert knowledge of corporate and securities laws
- Having good communication skills and an "executive presence"
- Being intuitive and sensitive to the thoughts and feelings of board directors and the CEO
- Staying current with changes in corporate governance and giving the board and managers a "heads up" about new developments
- Being able to work and achieve a consensus within multidisciplinary settings
- Being able to navigate bureaucratic thinking
- Being comfortable with numbers
- Being flexible, creative and detailed
- Remaining calm under pressure and not losing sight of perspective

Being a trusted adviser to the board, places the company secretary in a position of strategic importance, becoming a 'go to' confidant, participating in the conversations that matter. It involves strategic thinking around why and how the company is doing business and the compliance procedures needed to ensure it operates in accordance with its values.



The Company Secretary needs to recognise this importance, and push himself forward by becoming a central player in the executive team, displaying a deep understanding of the business, commercial sense, management acumen, and leadership. Great leaders don't set out to be a leader, they set out to make a difference. It's never about the role, always about the goal'. As company secretaries we need to have the governance vision for our organisation, and then 'make the difference'. Sometime that will mean standing up for who we are, articulating what we stand for – "showing up". Sometimes it will be about the role, as well as the goal.

CHAIRMEN AND CEOs ARE INCREASINGLY DEMANDING A GREATER BREADTH OF SKILLS AND COMMERCIAL ACUMEN FROM COMPANY SECRETARIES

- A proactive, horizon spotter, someone who will head to the issues
- A commercial, business focused individual
- A strategic outlook and gravitas in the Boardroom
- Proactive relationship-builder, with the Board
- Effective manager of challenging messages
- Good emotional intelligence and soft skills
- Have the standing and confidence needed to be a leading board professional.
- combine intelligence and practical skills to make innovative judgements.
- Manage depth and breadth – through technical, commercial and social traits.

Practically speaking, not all leaders immediately possess all of the qualities that spell success. Many leaders learn along the way with hard work. As crises and challenges arise, those at the top of the hierarchy have key opportunities to demonstrate to others that they are in fact, qualified to be leaders. Actually, greater competency can be achieved as a leader gains more on-the-job experiences. For a leader to be genuinely competent, he needs to demonstrate both professional and leadership competencies.

IMPERATIVE LEADERSHIP SKILLS FOR A COMPANY SECRETARY

Commitment to the organization: A strong and unflinching personal commitment to the organization, the courage and determination to enforce regulatory and governance discipline, with process and people orientation,

Self-motivated: The leaders who progressively strengthen their leadership capacity are highly self-motivated. They are hungry to strengthen their capacity to both manage and to inspire while caring and respecting others.

Self-awareness of personal strengths and weaknesses:

Self-awareness is being conscious of what you're good at while acknowledging what you still have yet to learn. This includes admitting when you don't have the answer and owning up to mistakes. Organisations benefit more from leaders who take responsibility for what they don't know than from leaders who pretend to know it all. Being aware about own strengths and weaknesses is important for any 21st century leader. This helps in developing ability to leverage strengths and continuously work on overcoming weaknesses

Intuitive and personable: If you want someone on your side, don't try to convince him—connect with him. A connected leader knows that relationships must be cultivated as well, so that anyone from your organization that needs support can rely on you, your connections, and abilities to get them

Adaptability: One common key trait woven in each leader is adaptability. Since we are living in the constant state of flux with the marketplace and stakeholder expectations changing practically overnight, leaders need to be ready to learn fast and shift on the fly. Company secretaries as leaders need to see change as an opportunity, not a problem

Passion: Never be satisfied, always want to push to do something bigger, better and greater. Innovation is essential not only for success but for survival. Be ready and willing to embrace change to make a difference, to take your role and your own abilities to the next level

Proactive, not reactive: Great leaders prepare themselves not for the comfortable predictability of yesterday but for the realities of today and the unknown possibilities of tomorrow.

Critical and strategic thinking: Ability of being Inquisitive, and to find the what and the why behind a proposition and the ability to adopt difference perspectives is a key trait of the successful modern leader.

Emotional intelligence (EI): The most effective leaders are all alike in one crucial way: they all have a high degree of EI. In practical terms, this means being aware that emotions

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can drive our behaviour and impact people (positively and negatively), and learning how to manage those emotions – both our own and those of others – especially when we are under pressure. It is very important to understand that emotional intelligence is not the opposite of intelligence, it is not the triumph of heart over head — it is the unique intersection of both.

An eye for detail: A keen eye for detail is critical for company secretaries. A Company Secretary must ensure that the work of the board in particular as well as the overall organisation is well planned and executed and that compliance with relevant requirements, policies and procedures is facilitated to facilitate achievement of the strategic goals and plans of the organisation.

Organisational knowledge: The Company Secretary must understand the business and the context of their organisation. They must be able to translate governance theory into the appropriate frameworks, policies and processes for their organisation. The chairperson will not only depend on the Company Secretary to bring compliance issues to the attention of the board of directors at meetings, but also to provide solutions for implementing actions.

Planning skills: A Company Secretary must be ahead of the game, with plans in place at all times. This is essential, given that board and committee meeting cycles are schedule-driven and external and internal compliance obligations must be met on time. A company secretary has to keep a lot of balls in the air at the same time: preparing for meetings while making sure that corporate governance / compliance is up to date; supporting communications between management and the board of directors. This means that the company secretary has to be good at project management, because there are always several ongoing projects that will require his attention at the same time

Integrity and independence: As the 'keeper of the organisation's conscience, a Company Secretary must possess outstanding integrity, and be able to provide impartial, frank and fearless guidance and advice. He/she must possess the courage to raise issues and concerns and be accountable and transparent for his/her actions and decisions.

Values: Value is another important quality that effective leaders must possess. Value is the intrinsic worth, quality or excellence that renders a thing useful or desirable. A leader must choose the values that are most important to him; he has to select those values that he believes in and defines him more, and most importantly he must live them visibly every day at work.

Sound judgment: The ability to assess and make sound judgements, often in circumstances involving conflicting issues and ends, is a key requirement for a Company Secretary. This is especially so given the senior / Key Managerial Personnel and experts; a Company Secretary has to deal with.

Perspective / Balance: This is another essential quality that is important to be an effective leader. Having this quality gives you the ability to see the world from different angles. A leader who is equipped with this quality expectedly says "the way I



see the world is not the only way it is" His thinking is changed to "the world is the way we all see it". Perspective here means that, there is a possibility to change views to develop new insights. A true and an effective leader is able to visualize his/her goals from different angles and plan things accordingly.

Commitment. A commitment to doing 'a good job' is essential. This could be said to apply to many organisational roles. However it particularly applies to a Company Secretary given the continuing 'spotlight' he/she is under from both internal and external stakeholders.

Positivity: Great leadership comes with an added dose of strong positivity. Because, while regimented strength is admirable, it does not inspire or influence a team the way that the force of positivity can. Being positive is not just something you do to be nice: it leads to measurable improvements in performance.

Competence: Competency is among the important qualities of an effective leadership. In its most basic form, the anatomy of leadership is a matter of character and competence. As a leader, the leader must be seen by his group being an expert in his domain of expertise. Unless his followers see him / her as highly credential--either by academic degree or with specialized experience--and capable of leading group or organization to success, it will be more difficult for him to be respected, admired, or followed.

ABILITY TO BUILD EFFECTIVE WORKING RELATIONSHIPS WITH ALL BOARD MEMBERS

The company secretary must have the ability to build effective working relationships with the board members so as to enable him to offer impartial advice and act in the best interests of the company. In promoting board development, he should assist the chairman with all development processes, including board evaluation, induction and training. This should involve implementing a rigorous annual board, committee and individual director assessment and ensuring that the actions arising from the reviews are completed.

The Science and Art of being Liaison: The secretary is effectively the liaison between the board and company management. It is both science and art to serve in this crucial role. The corporate secretary must carefully navigate how he or she interfaces with individual board members, all people of accomplishment and influence—and of sometimes contrary and strong opinions.

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Team player: A leader must use, intuition, interpersonal, and problem-solving skills to influence and guide by leveraging strengths of others to accomplish a common goal. A leader must inspire others to reach their very best via example through selflessness and demonstrated integrity.

Accountability: Accountability is a concept in ethics and governance with several meanings. It is another important quality for an effective leadership and often used synonymously with such concepts as responsibility and answerability. In leadership roles, accountability is the acknowledgement and assumption of responsibility for actions, decisions, and policies including the administration, governance, and implementation within the scope of the role and encompassing the obligation to report, explain and be answerable for resulting consequences. As a leader, above all, we have to accept personal accountability for our actions.

Openness: Openness is the other essential quality of an effective leader. Openness as a leadership quality has many things in it. The first is openness to accept change or new idea. Since change is an undeniable part of life, the leader has to be ready to accept this. The reality is that life stops when change stops. A key part of leadership is recognizing and adapting to change, and making choices about how change happens.

Humility: This is one of the effective leadership qualities. Though leaders have the maximum responsibility, and though they are the ones who work harder than anyone else in the group, a leader needs to be down-to-earth. He should not think of himself as someone special. Only if the leader is humble will he be able to function effectively within the cross dimensional structures within an organization

Effective communication skills: Company secretaries work with senior people – board members or directors, CEOs, senior executives and often many senior external stakeholders (including regulators, investors and funders). They must be able to listen well and effectively communicate both orally and in written form. While communicating with others, the leader has to use appropriate words, terms or phrases.

Listen and Observe with the Intensity of an Artist: Listening is the master skill in a relationship-based world. An ideal is to learn to listen and observe with the focus of an actor, a writer, a painter. Merely hearing is as far from listening. The best leaders listen deeply during conversations and absorb and

process every word. This is an essential trait in a leader. With deep listening we can get to the heart of concerns and focus on the real issues. A leader needs to be genuine and have a sincere authenticity when listening.

CONCLUSION

The importance of the company secretary's role has grown over the years. The corporate collapses of the late 1990s and early 2000s resulted in an increased shareholder focus on corporate governance and transparency which has emphasized the company secretary's role in assisting with and supporting the governing and monitoring role of the board within their organizations. The Company Secretary is the guardian of governance for the organisation, and, as such, acts as its 'conscience'. The role the Company Secretary play in managing legal entity governance has changed dramatically in recent years and perhaps a more befitting title for the role is now Governance Director or Leader. In today's regulatory environment, the Company Secretary plays a more strategic enabling role, making sure directors are protected and proactively ensuring legal and regulatory governance compliance, throughout a group. As the responsibilities of the board have increased, the volume of work and necessary skills to support the board have added to the role of the company secretary. In order to thrive in this golden age of governance, one should think outside of the box. Do not do everything the way others would do it, rather create ways to improve the quality and efficiency of your work. Build up good internal and external relations with the various stakeholders of your organization. And finally, by being updated with the latest trends in the legal, banking and corporate governance domains, the company secretaries would be geared meet the expectations of the stakeholders. The role of a company secretary is broad and onerous to say the least and, if this post is not occupied by a competent person who has the appropriate knowledge and skills; the consequences can be the cause of significant organisational friction. Company secretaries would need to combine intelligence and practical skills to make innovative judgements in coming years. They will have to focus on assessment and judgment / opinion-oriented work and provide valuable insight into complex and critical board issues rather than collecting and controlling information flow. ☑

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