Time to speak up

The increasing number and complexity of issues for which boards are accountable is leading to an increased reliance on the insights provided by governance professionals.

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The role of the board is more nuanced now than ever before. Gone are the days when a pure financial assessment could be used to determine the way forward. Nowadays, boards need to understand and take account of a much wider range of factors in their decision-making. They must respond to society's growing demands for organisations to be responsible members of local, national and global communities, to be fair partners to those they trade with and to be good employers for their staff. The board no longer needs to protect only the company's reputation from harm, it needs to actively determine and shape the values and culture upon which that reputation will be built. It is now unacceptable for directors to turn a blind eye to poor standards within a company's extended supply chain – they must ensure that the conduct of those from whom they buy goods and services is appropriate. These are issues which the traditional capitalist model of bygone times would barely have considered.

Some of the matters which boards are expected to decide on and monitor are much harder to get to grips with than others. Many wider issues such as digital capability, cybersecurity, automation and environmental impacts are highly technical, fast-moving and beyond the direct knowledge of many experienced directors. This can create a sense of being out of one's depth on a particular issue, which in turn can lead either to an over-cautious approach that potentially blocks progress or, conversely, to stepping back from responsibility in the belief that others are better qualified to make the necessary decisions. While there is a logic to accepting recommendations and proposals from those with greater expertise, the collective nature of a board does not absolve individual directors of responsibility for decisions – they remain duty-bound to exercise reasonable skill, care and independent judgement.

As the expectations placed on boards for the delivery of good corporate governance have increased, so has the remit of the governance professional.

The traditional role of the company secretary was focused mainly on ensuring compliance and providing administrative and organisational support to the board. The company secretary needed to be a reliable individual who understood what needed to be done and was completely trusted to manage such requirements competently and report accordingly. Many elements of the job were backward looking, reactive or non-negotiable and the communication required from the company secretary was similarly largely concerned with monitoring or providing factual updates. Almost like a Victorian child, in the boardroom the company secretary was often expected to be seen and not heard. Contributions were largely made on request and restricted to those issues within his or her remit. The company secretary was respected as a competent administrator but not seen as someone who would bring commercial insight.

But as corporate governance has evolved, so the remit and expectations placed on modern governance professionals have also ballooned. Sound knowledge of the Companies Act and relevant corporate governance codes, while still clearly a core qualification, is no longer sufficient if you want to be able for the job. The governance landscape has expanded significantly and with it the role of the governance professional. Good governance is recognised as a matter of strategic importance and accordingly a commercial matter. A governance professional is expected to be able to help shape appropriate governance practices to support the delivery of the commercial objectives of the business. Their perspective and views are now something to which boards want to listen.

An effective company secretary must now possess a much broader skillset alongside their traditionally high level of specialist knowledge. Luckily the company secretary occupies a privileged position in the boardroom – part observer, part contributor – such that they can readily develop such skills and, not carrying the responsibility of decision-making, they frequently see things in a different light to their director colleagues, enabling them to add to the diversity of views around the table.

As someone uniquely required to re-live the board's discussions through the subsequent study of the notes and careful drafting of minutes, a governance professional rarely leaves a board meeting and forgets about it until the next time. That need to recall the nature and detail of the meeting, information flows, the debate and the decisions, provides so many opportunities for review and reflection that should be put to good use to develop views on how to enhance governance and board effectiveness continually.

The company secretary of yesteryear may have been expected to be a relatively quiet boardroom player, but modern governance professionals should not be so reticent as their predecessors. They have much in the way of valuable experience to bring to the table.

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