Our inaugural Leathwaite Company Secretary Survey polled individuals in leadership roles within Company Secretary functions globally. We reached across industry sectors, with respondents largely based in EMEA.

We recognise that Company Secretaries are now vital to delivering sustainable business performance and are finding themselves increasingly in the limelight needing to deal with more sophisticated corporate governance and regulatory issues. In our experience the role is, and has been for some time, emerging from the shadows. We are convinced that a strong Company Secretary is a critical part of an organisation’s executive team and that the Company Secretary has the potential to act as a key pivot point between the business and the Board.

The purpose of this survey was to provide insights into the areas of focus, the challenges and the current priorities for Company Secretaries. We wanted to explore the measures and support which could help this function to play a more strategic and commercial role going forward.

“The Company Secretary profession as a whole needs to evolve and develop into a more strategic and commercial offering. We need to stop being seen as administrative cost centres but rather as commercial Board advisors and enablers, not barriers, to the business.”

Evolving regulatory demand is consistently highlighted as the biggest theme and issue facing Company Secretary functions over the next 12 months and beyond. Against this backdrop, cost management pressures are very evident, with two thirds of respondents anticipating that headcount within the function will remain the same in the near term.

Respondents consistently highlight a need to use technology and data more effectively, with nearly 60% of respondents feeling that technology and data are most in need of improvement within the Company Secretary function.

The most interesting theme to emerge from this survey is the extent to which Company Secretaries would appreciate executive coaching, leadership advice and mentoring. Over 40% of respondents highlight executive coaching as a priority for them to receive from their employer, significantly more than those who would prioritise a pay rise (12%). Even an increase in the budget for their function (15%) was ranked as being more important than increased individual reward, reflecting the pressures that some Company Secretaries and their teams are clearly under.
Which trend do you foresee having the greatest impact on the Company Secretary function over the next 12 months? Respondents were asked to select one

Evolving regulatory demands are anticipated by Company Secretaries to have the greatest impact on the function in the near term. Cost management pressures and structural change are also commonly highlighted. Other key trends highlighted in feedback comments include corporate governance code changes, culture and conduct, Board succession planning and increasing shareholder expectations.

“Increased disclosure and regulatory requirements, alongside budgetary and resource constraints, present a real and ongoing challenge for the function.”

Which areas are most in need of improvement within the Company Secretary function at your organisation? Respondents were asked to select one

Technology and data are highlighted as being most in need of improvement within the function, followed by efficiency; the two of which are inextricably linked. Responsiveness to regulation and commercial acumen also appeared frequently in respondents’ feedback and we would draw the conclusion that the volume of work may be the block to allowing teams to take the proper time to focus on these things.

Over a quarter of respondents feel that the relationship with the executive is in need of improvement and this is perhaps an area in which Company Secretaries could benefit from external mentoring and guidance. This survey confirms that there is the appetite from Company Secretaries for this.

“The increasing volume of information that Directors are expected to consume means Company Secretaries and Boards have to look to use emerging technologies more effectively for board communications.”
What are the key challenges facing your Company Secretary function over the next 12 months?

Respondents were asked to tick all that apply

Regulation continues to be key and this is not surprising, with just over half of respondents working in Financial Services, where all functions are highlighting regulation as a key focus and challenge. Nearly half of the Company Secretaries polled feel that improving the quality of Board information will be a focus in the near term, with team development and changes at Board level being other key challenges. A third of respondents highlight talent retention as important.

“Ensuring a high quality service to the Board and the business, whilst motivating and retaining talent, is extremely hard to achieve in the current environment.”
Headcount expectations over the next 12 months

What is your expectation of change in the function’s headcount over the next 12 months? Respondents were asked to select one

- Significant increase: 1%
- Marginal increase: 2%
- Remain the same: 22%
- Marginal decrease: 66%
- Significant decrease: 9%

Two thirds of respondents expect the function’s headcount to remain the same. Only 2% expect the function to significantly increase over the next 12 months. Based on comments received around the regulatory demands and challenges this function faces, these expectations seem to be based more on cost and headcount pressures rather than team workload and the need for additional resource. This would suggest that many functions have not got the depth of resource to operate in the way in which they would optimally like.

Key internal stakeholders for the Company Secretary function

Outside of the Company Secretary function, with whom do you interact most in your role? Respondents were asked to select one

- Not surprisingly, two thirds of respondents interact most with the Chair, the General Counsel or the CEO. A further 14% interact most with the other NEDs. More general comments from the survey reflect the desire of Company Secretaries to strengthen their relationships with their Chair and CEO.
To whom does your role report? Respondents were asked to select one

“Reporting lines for Company Secretaries vary more widely than for most other senior roles. What works for one company would not necessarily suit the next.”

Of those who lead their functions, only a quarter of respondents report directly to the Chair. This is not surprising as we are continually asked by clients: to whom should the Company Secretary role report?

There is a real divergence in opinion, as is demonstrated by the data. The wider consensus in the market is that a Company Secretary’s primary focus is to the Board and Chair and thus the position should report to the Chair, at least with a dotted line.

Closely behind the Chair reporting line, respondents report into the General Counsel and it is quite common for this to be a combined role. In a recent review of the FTSE 100, 55 companies have a combined General Counsel and Company Secretary role. From the remaining 45 companies, eight of the Company Secretary appointments are qualified lawyers.

In our experience, there is often an assumption by Board members with whom we have worked that the most appropriate qualification route for a Company Secretary is law. While we recognise that in some instances there is a real need for this, we equally believe that the industry could do more to challenge this trend.
How frequently do you interact with the Chair of your organisation?

Respondents were asked to select one

- Daily: 11%
- Weekly: 23%
- Monthly: 7%
- Quarterly: 8%
- Not at all: 51%

We are encouraged by the results of this feedback, with 63% of respondents interacting with their Chair weekly or more. The topic to further explore is the agenda at these meetings and the quality of this interaction.

Areas most supported by the Chair

In which areas do you receive most support from your Chair?

Respondents were asked to select up to three answers

Nearly 60% of respondents feel that their Chairs are successfully helping to empower the Company Secretary function within the boardroom and organisation. In contrast, less than a third of respondents feel that the Chair is successfully helping them to influence the CEO.

Only 8% of the individuals polled feel that the Chair is supporting them in embracing technology; this is linked with the view that technology and data are most in need of improvement in the function.

- Empowering the function within the boardroom and organisation: 57%
- Insight into other organisations and sectors: 30%
- Influencing other members of the management team: 30%
- Leadership advice and mentoring: 27%
- Influencing the CEO: 24%
- Engagement with regulators: 12%
- Embracing technology within the function and the boardroom: 8%
- Other: 16%
In which areas would you appreciate additional support from your Chair?

Respondents were asked to select up to three answers

Despite technology being highlighted as the area most in need of improvement, only 17% of respondents felt that it was a priority for additional support from their Chair. Instead, the strongest response, at 40%, was for additional leadership advice and mentoring. This is theme that has come through consistently in comments from respondents.

Nearly 30% of respondents feel that they need additional support from the Chair to empower the Company Secretary function within the boardroom and wider organisation (this is in contrast to 60% who, as shown in responses to the previous question, feel well supported by the Chair in this).

We are keen to play this question back to our Chair network to see where and how they feel they can offer additional support to the function. Is time capacity a problem; do Chairs have the availability to dedicate more time to their Company Secretary? Alternatively, should the Company Secretary be reaching out more to the other NEDs for mentoring and support instead?

“I would definitely appreciate more guidance from my Chair on how best to build and develop effective relationships with senior management.”
Useful external sources of support for Company Secretaries

Which bodies are most useful when gathering the information and advice needed to effectively do your role? *Respondents were asked to select all that apply*

- Law firms: 74%
- ICSA: 53%
- Big four accountancy firms: 51%
- Regulators: 38%
- Advisory consultancies: 28%
- Boutique governance advisors: 19%
- Other: 9%
- Recruiters: 9%

Law firms continue to be the most valuable external source of support for Company Secretaries. More than half of respondents also felt that the ICSA is a useful source of information and advice.

In contrast to many other control functions, the Company Secretary community appears to be well-networked and respondents added comments about the importance of strong personal connections and a peer group to seek advice from.

As human capital specialists, we would be interested to hear from Company Secretaries as to how we can help more with regards to events or intelligence that is useful to the function.

Remuneration for Company Secretaries

Do you feel that the Company Secretary function is financially rewarded in line with the rest of the organisation?

53% of respondents feel that their personal financial reward is lower than their peers in the rest of the organisation. We are not surprised to see this. As a function it is hard to benchmark compensation across industries as the position is viewed differently between organisations depending on the size, scope and scale of the role.

To support with this, Leathwaite have launched a compensation tool called the Pay Index which is a free-to-use crowd-sourced compensation index specifically for senior executives.

www.thepayindex.com
“The combination of increased demands and workload alongside a general reluctance to spend money on cost centres make for an interesting dynamic.”

Which of the following do you feel are viable routes for career progression for senior Company Secretary leaders within your organisation?

Respondents were asked to select all that apply

Nearly half of respondents feel that opportunities for progression beyond the Company Secretary function are limited within their organisation. This is something that needs to be addressed if organisations are serious about retaining and developing top talent.

38% of respondents feel that taking on a NED role is a viable option. While this is encouraging, building a NED portfolio career remains challenging and we would recommend proactively pursuing this from an early stage. The current reality is that there are very few NEDs in the FTSE with a Company Secretary background. Why is this?
Surprisingly only 10% of respondents see their career progressing into the General Counsel role. As the Company Secretary profession increases in profile we are seeing the industry attract a greater variety of individuals, most prominently with legal backgrounds, so we would anticipate that movement into the General Counsel role will become more common.

“The most likely career progression for me would be an expansion of my role to include duties broader than a traditional Company Secretarial role.”

Most attractive benefits from employers

When considering your needs, which of the following benefits would be of most interest to you from your employer? *Respondents were asked to select one answer*

“I am at the stage of my career when some more formal executive or leadership coaching would be really valuable and attractive to me. I would prioritise this over other potential benefits.”

Executive coaching is highlighted by respondents as being the most attractive additional offering from employers. This appears to be a consistently held view across senior functional leads; other surveys that Leathwaite has conducted show the same result.

This is an area in which we and other external sources can play a leading role and raises the question of what more can be done as an industry collective to deliver on this.

![Pie chart showing the most attractive benefits from employers](chart.png)
Composition of respondents

**Industry**
- Technology, media and telecoms: 51%
- Not for profit/charity: 4%
- Support and outsourcing: 3%
- Life sciences/pharma: 3%
- Construction: 3%
- Public sector: 2%
- Other: 1%
- Financial services: 1%
- Energy, mining and infrastructure: 1%
- Retail / FMCG: 1%
- Logistics/transport/distribution: 1%
- Manufacturing: 1%
- Professional services: 1%

**Type of company**
- FTSE 100: 12%
- FTSE 250: 6%
- Private/unlisted company: 6%
- AIM listed: 5%
- Listed outside of UK: 4%
- FTSE outside 250: 3%
- Not for profit/charity: 3%
- LLP: 2%
- Public sector: 2%
- Other: 1%

**Size of function**
- Less than 3 people: 27%
- 3 - 5 people: 27%
- 6 - 10 people: 15%
- 11 - 20 people: 13%
- 21 - 50 people: 10%
- 51 - 100 people: 8%

**Role**
- Group Company Secretary: 23%
- Deputy Company Secretary: 20%
- Head of Secretariat: 10%
- Divisional Company Secretary: 7%
- Senior Assistant Company Secretary: 7%
- Governance Advisor or Manager: 3%
- Other: 2%
Shona Kundu
Shona works within Leathwaite’s Professional Services and Company Secretary practice covering executive search, due diligence and market consultancy. In addition to partnering with financial services clients and FTSE corporates, Kate works closely with private practice law firms and big 4 accountancies. She has extensive experience in all the major European economies, the US and across the Asia Pacific region. She began her career at Whitehead Mann in both London and Hong Kong in the legal, governance and risk practices.

Kate Huggins
Kate leads the Company Secretary practice and also the firm’s global Professional Services team. She joined the firm from Hedley May, where she spent seven years specialising in legal, compliance and company secretary mandates. In addition to partnering with financial services clients and FTSE corporates, Kate works closely with private practice law firms and big 4 accountancies. She has extensive experience in all the major European economies, the US and across the Asia Pacific region. She began her career at Whitehead Mann in both London and Hong Kong in the legal, governance and risk practices.

Vicky Griffiths
Vicky leads the Board practice at Leathwaite, partnering with clients on non-executive searches across a broad range of sectors. She also works on Company Secretary searches. Prior to joining Leathwaite in 2015, Vicky worked for five years at Brevan Howard Asset Management LLP in London, where she was responsible for operational and business risk. Vicky started her career as a strategy consultant for Bain & Company and also spent some time working as a consultant for Vantis Plc. In a non-executive capacity, Vicky sits on the Finance Committee of the MCC at Lord’s Cricket Ground and is a trustee of a multi-academy education trust.

Shona Kundu
Shona works within Leathwaite’s Professional Services and Company Secretary practice covering executive search, due diligence and market consultancy. Shona has spent many years working with financial services and professional services clients as well as spending time working in-house at Macquarie Group. Shona started her search career at Whitehead Mann focused on senior investment banking hires. Prior to this, Shona qualified and worked as a barrister in London.

Leathwaite is a leading international firm of human capital specialists with offices in London, New York, Hong Kong and Zurich and was established with one clear purpose: to help organisations secure the best Human Capital within Support, Enablement & Control Functions.

With a leading reputation for delivering exceptional executive search, executive interim, managed project delivery and data & insight solutions, Leathwaite is seen as a partner of choice for some of the world’s most innovative and ambitious companies.