



Chartered
Governance
Institute of
Southern Africa

THE ART OF BEING A COMPANY SECRETARY

November 2023

The Chartered Governance Institute
of Southern Africa

CGISA BEST PRACTICE GUIDE

VISION

Our vision is to be the leader in the practice of governance in Southern Africa.

MISSION

Our mission is to become the shining beacon in governance. We will be the best explainers, the best advocates, the best educators and the most active organisation in the promotion of good governance in Southern Africa.

VALUES

- **Stand up:** Challenging. Proud to take a position. Never afraid to do so.
- **Listen well:** Totally aware. Understanding what's going on in the world. Always mindful of change.
- **Move forward:** Forever looking at the path ahead. Remembering where we've been.
- **Stay balanced:** A source of ethical conscience. Never shaken. Standing firm.
- **Be totally up to date:** In tune with the global trends in governance.
- **Inspire:** Leading the way so others will follow.

The Chartered Governance Institute of Southern Africa NPC

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FOREWORD



“While this guide cannot cover all the soft skills required, it focuses on four of the most significant being emotional intelligence, diplomacy and tact, trust, and educating the boardroom.”

The title of this best practice guide – The Art of Being a Company Secretary – aptly describes this publication. There is a certain art to being a good company secretary. Often this art comes with many years of experience of working intensely with board members and executive management. It comes with having made mistakes, with ongoing learning of how to handle difficult directors, and with building up your ability to navigate the daily challenges of being a company secretary.

Over the past few years, it was easy to see the blatant disregard for fiduciary duties and ethical behaviour taking place in boardrooms across the public and private sectors alike. While a company secretary does not have legislated fiduciary duties akin to those of a director, the skills required by a company secretary are no less stringent.

In addition to the technical skills, a company secretary needs to possess what are known as “soft skills”, although, as this best practice guide will show, these skills are not “soft” by any manner or means. These skills may be called “soft” because they can’t be verified through proof of a qualification or set of test results, or even the daily work carried out by company secretaries, however, they are some of the most difficult skills to master. This best practice guide is aimed at company secretaries and governance professionals that play a role in supporting a board.

While this guide cannot cover all the soft skills required, it focuses on four of the most significant being emotional intelligence, diplomacy and tact, trust, and educating the boardroom. These four encompass most of the unmeasurable skills required by a company secretary. Emotional intelligence includes the ability to “read” a room or a person and handle any issues arising in a calm, productive, unobtrusive, and efficient manner, leading directly into diplomacy and tact, including conflict management. Trust is probably one of the more difficult skills to assimilate. The board must be able to trust the company secretary to have the required, skills, experience, knowledge, and discernment to provide the required advice, perform the legislated duties, and undertake statutory compliance.

Educating the board has recently come to the fore as it moves the company secretary away from the (incorrect) traditional role as a scribe and compliance officer, to that of an educator. It is the company secretary’s and governance professional’s responsibility to advise and educate the board on issues important to all stakeholders. Prominent among these issues is good corporate governance, ESG concerns, and ethics all within the framework of legislation, regulations, The King Report, and other best practices.

I would like to thank Luthfia Kalla, former technical adviser, who put so much effort into writing this guide and Adrienne Mattiuzzo, current technical manager, for proof-reading and editing the guide. This best practice guide joins a list of previous best practice guides, which demonstrate the Institute’s visionary thought leadership.

I hope you find this guide useful and enlightening.

Stephen Sadie
(MBA, M.Ed.)
Chief Executive Officer

20 November 2023

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Conclusion

01 INTRODUCTION

This guide is not about “soft skills”; the term is a misnomer. It fails to fully embrace the challenges that lie in employing skills like diplomacy, tact, negotiating, trust, and emotional intelligence which represent the bedrock for a company secretary navigating boardroom politics and personalities. These are not skills that are soft at all.

Indeed, these are hard skills which are made harder by the nuanced role played by the company secretary. The company secretary currently occupies a fast-paced, dynamic space of statutory prescriptions, evolving regulations, governance codes, ethical obligations and myriad risk factors arising from technology, AI and the pressures of a hybrid workplace. These must all somehow be blended with the prevailing corporate identity and purpose, where the company secretary represents one of the many players in marrying this all together in a fluid manner. These dynamic challenges must be seen against the backdrop of companies coming increasingly under the scrutinising glare of regulators, shareholders, stakeholders, and society at large who seek to hold them accountable for their actions in the quest for achieving sustainable and ethical ends.

To employ so-called soft skills to the best effect in good governance practice is challenging and demands a level of skill and maturity coupled with discernment. It requires, much like a painter, careful crafting, and a conscious blending of appropriate skills at the opportune moment, from a “palette” of ready skills, to leverage the best result in each situation. It is an art.

What a company does behind closed doors is no longer only of interest to those in the boardroom together with a smattering of the majority shareholders. Companies and governments alike, now occupy similar spaces in terms of geo-political tensions, socio-political movements and other value-based actions and are increasingly going to be held accountable for their actions. Already, a collective of shareholders are litigating against Shell directors for failing to adequately prescribe sustainable ESG targets.

This guide will show how governance has been put to good, or in some cases not so good use, through an illustration of how these skills are a necessary component of building governance practice. It relies heavily on interviews with established company secretaries on the deployment of these skills, which are necessary for a company secretary to thrive. It does not seek to be an exhaustive list of all these skills, but it does seek to reflect those that represent the “common denominator” based on interviews conducted with practicing company secretaries.

The purpose of this guide is to stimulate interest in the topic and to propose a palette of skills that a company secretary may draw upon in crafting the art that this role demands. The chapters are laid out in short, overview topics that each contain the overall aim, an introduction, a definition, insights from experts’ literature, woven together with practical illustrations from interviews with company secretaries which are then distilled into a summary of the “palette” of skills exhibited with a brief conclusion.

1.1 The role of ethics in this guide

There is a golden thread running through this guide, and it is the ethical value that our actions must promote the attainment of the good. What is the good? What is ethical behaviour in corporate governance?

The company secretary occupies a position that is underpinned by legislation, most notably the Companies Act 71 of 2008. This legislation is enhanced by a framework of regulations and the King IV Report on Corporate Governance for South Africa 2016 (“King IV”) which together seek to espouse values of transparency, accountability, and due and proper enforcement of the prevailing framework. This proper enforcement implies a right and a wrong way of adherence.ⁱ This presupposes a value of good in the right way of adherence.

The legal theory of interpretation assumes that law is a “system of rules that are meant to reduce conflict and keep society intact.”¹ If this is meant to promote good in the context of that legal system then it has met the base needs of society, in that the legal rules remain rational, uniform, and consistent.

This guide will refer to the attainment of the good throughout, with the good linked to the values underpinning the legislative framework that companies and other business entities fall under, i.e., towards transparent, accountable, responsible ethical and fair governance practices.

i. This is not meant to reduce the nuanced discussion on good and bad and right and wrong, as there will be instances when what is wrong is not necessarily bad. This is a convenient means, considering the prevailing legislative context in this guide, to adhere to this simple illustration.

1. Nussbaum M. (1986) “The Fragility of Goodness. Luck and Ethics in Greek Tragedy and Philosophy” Cambridge University Press.

02 EMOTIONAL INTELLIGENCE

2.1 The aim

Emotional intelligence is an important aspect in leadership assessment with a range of competencies that can be tested across sectors. The Emotional Intelligence ("EI") focus on assessment and measurement provides a useful framework to mark out areas of improvement, is a nifty corporate exercise since it can be largely results-driven. The knowledge gained in learning about how one's emotions can be best used and where one's areas of deficiency lie is not only illuminating but also a critical exercise in generating both self-knowledge and other-knowledge about other actors in a workplace.

It must be cautioned that this self-knowledge, whilst acting as a pivot to better all-round performance in both self and team, is not always the end goal with some extremely emotionally intelligent proficient people. In some cases, as will be shown later in this chapter, proving to be an emotionally intelligent, rational, reasoned, unbiased and emotionally proficient person has also led to the propensity for EI to be wielded for darker, more self-interested purposes. Thus, it will be argued that EI must be coupled with an ethical component that drives the attainment of the common purpose of good which governance ultimately rests on. This ethical bedrock will serve well when a company secretary, as the custodian of governance, is faced with the challenges that a boardroom brings in its execution of its mandate.

2.2 Introduction

EI has become, albeit not without controversy, the standard tool in management courses and remains the "go-to" competency standard when discussing leadership qualities in the C-Suite.

It is and will be a largely useful indicator of the values indicative of effective leadership. Indeed, according to Daniel Goleman,² IQ is but only one of the characteristics that lead to success in the workplace. Goleman attributes the other

characteristics of success to emotional intelligence which includes, in his opinion, a key set of abilities including, "[the] abilities to motivate oneself and persist in the face of frustrations, to control impulse and delay gratification, to regulate one's moods and to keep distress from swamping the ability to think, to empathise and to hope."³ In his later work⁴, Goleman attributes being emotionally proficient as being held in higher esteem in leadership positions than the intelligent quotient.

A company secretary, in the leading role of arbiter and custodian on good governance in a company, is positioned to play an integral role in cultivating corporate conscience and identity. This role will be heightened to best effect when it is imbued with emotional intelligence competencies like empathy, regulation and control of emotion and compassion which, amongst others, can be found in a host of EI assessments. These are crucial skills when working as a member of a corporate team involved in building the conscience of the company, which is one of the many roles that a company secretary is called upon to play.



2. Goleman D (1996) "Emotional Intelligence. Why it can matter more than IQ". Bantam Books.

3. Ibid: page 34.

4. Goleman D (2002): "Primal Leadership. Realising the power of Emotional Intelligence" Harvard Business School Press.

02 EMOTIONAL INTELLIGENCE (continued)

2.3 What is emotional intelligence?

There have been many attempts to define EI and the views provided below are those of Peter Salovey and Jack Mayer, the original designers of the competency framework that EI currently embodies as a tool for assessment and measurement.

What EI refers to “is the ability to perceive and express emotion, assimilate emotion and thought, understand and reason with emotion, and regulate emotion in the self and others.”⁵

The takeaways from this definition lay in the words “reason” and “understand” which both imply an approach that is rationally based, which tends to indicate little or no bias in making decisions around emotions.

2.4 The literature

The concept of emotional intelligence rests on a vast array of academic literature dating back to 1920.⁶ It was initially conceived by Edward Thorndike in 1920 as “social intelligence”, and according to McClesky it remains, at its core, a form of intelligence that rests on three premises:

1. Emotions play an important role in daily life;
2. People display variances in their ability to perceive, manage, use, and understand these emotions; and
3. These variances will affect the way in which an individual adapts in different contexts, like the workplace.

5. Mayer J, Salovey P, Caruso D. (2000), “Models of Emotional Intelligence” Cambridge University Press.

6. McClesky J. (2014), “Emotional Intelligence and Leadership. A review of the progress, controversy and criticism” *International Journal of Organisational Analysis* 22(1), pages 76 to 93.

02 EMOTIONAL INTELLIGENCE (continued)

2.4 The literature (continued)

This may seem intuitive to most people, and it largely is, however what EI is and how it can be best utilised in the workplace is not often intuitive and requires tools for measurement and assessment. This has resulted in the development of a wide range of competencyⁱⁱ standards that are EI focused such as empathy, compassion, integrity, and a host of others which provide valuable entry-points to a more effective workplace. To this end, another definition is necessary to link EI with a competency standard in that EI is “the ability to recognise and understand emotional intelligence about others that leads to or causes effective or superior performance.”⁷ McClesky writes that EI has been positioned by numerous studies to be a key determinant for effective leadership.

His counter proposal to the various arguments against EI is that intelligence, whilst admittedly a rational and dispassionate exercise can also equally be applied to emotions. This is a compelling argument because it implies that there can be a reasoned, rational, careful deployment of emotions in an emotionally charged environment.

McClesky proposes that EI will always be a useful indicator of success in jobs which require emotional labour and states that, in these jobs, high EI scores will almost always be accompanied by high performance. He defines emotional labour as one in which the role called for involves “the process of regulating both feelings and expressions for organisational goals”⁸. This definition is a superb encapsulation of the type of labour that a company secretary’s role usually encompasses.

However, these competency frameworks continue to court controversy, as shown in another article, this time on ethics. Michael Segon and Chris Booth in their article “Virtue: The Missing Element in Emotional Intelligence”⁹ argue that both the EI

Inventory frameworks of Daniel Goleman and Richard Boyatzis along with the more developed version, the Emotional and Social Inventor, present gaps in their appeal to moral and ethical concerns in their definitional constructs.

Their argument is that managers and leaders who are outwardly deemed to be EI competent have acted unethically despite their competency – and this deficiency is due to a gap in the construct of the EI framework. The authors suggest that virtue, this being the ethical theory that places ethical purpose as the driving force behind an action, should be built into the EI framework. In this way, highly emotionally intelligent individuals start from an ethical foundation. This is because EI should be directed at a purpose that achieves the good, because there will be times when an EI competent leader is able to use EI to achieve non-ethical purposes and be able to do so quite competently in terms of the existing EI frameworks. Subtle manipulation and leveraging off others’ emotions to suit darker motives is a tactic that can be put to use by a skilled emotionally intelligent person.

For a company secretary, emotional intelligence competencies remain valuable skills as they will be faced with being the “manager of emotions” when navigating the varied personalities of the people encountered in their daily work-life. A company secretary should be the embodiment of reasoned, ethical thought in governance and this reasoned, ethical thought should be put to best effect so that superior governance practice remains the ultimate goal. This will occur when there has been a careful distillation of the emotions that often charge a boardroom setting, using the skills that EI seeks to assess, measure and indicate. Often, emotions can cloud business decisions and in the dynamic setting of a boardroom where a variety of new risks and a plethora of dynamic regulations collide with business interests, a cool, calm rational and ethical voice is required in order to distil the emotion from the decision.

7. Ibid: page 78.

8. Ibid: page 86.

9. Segon M and Booth C. (2014), “Virtue: the Missing Ethics Element in Emotional Intelligence” *Journal of Business Ethics* 128, pages 789 to 802.

02 EMOTIONAL INTELLIGENCE (continued)

2.4 The literature (continued)

This distillation of emotions and the ability to divorce emotion from the company's best interest using rationality and reason towards the attainment of a good purpose, is a necessary part of this exercise. It is put to good effect when the arbiter of that calm and rational voice is also the custodian of good governance.

Conflict management

There are different ways in which to react to conflict. This article deals with the ways in which conflicts arise, the styles for dealing with them and tips for how to avoid them at the workplace. The styles are dependent on the time available for conflict resolution, the types of conflict and the types of parties involved in the process.

This article presents five styles of conflict management:¹⁰

- ▶ **Accommodating** – Involves an element of sacrifice of needs and values by one party in favour of another high in cooperation and low in assertiveness.
- ▶ **Avoiding** – Trying to bypass a conflict. Low in assertiveness and low in cooperation.
- ▶ **Collaborating** – High level of cooperation built on a foundation of mutual respect.
- ▶ **Competing** – Placing your own needs and desires over others. High level of assertiveness and low in cooperation.
- ▶ **Compromising** – A moderate level of assertiveness and cooperation from all involved parties.

2.5 How does the company secretary currently experience EI in the boardroom?

Meetings are often places where the clash of personalities is most evident. Decisions need to be taken and made on issues that can be contentious and divisive. It is at these points that the capacity to maintain a cool head and a calm exterior is essential.

Managing the emotions of others is a role that company secretaries fulfil in a variety of ways. These may include negotiating with the chairperson on matters pertaining to the meeting or even advising a director on an interpretation of their prescribed duties. The intervention of the company secretary may not be taken in the spirit that it is intended. Indeed, it may even be the experience of many company secretaries that their role is relegated to one of minute-taking and procedural matters on meeting formalities only.

This is unfortunate and may be a legacy issue in Southern Africa. Company secretaries hold prescribed duties in terms of the Companies Act and play an integral role in advising and educating the board on governance. So, in imparting necessary advice in the context of a Southern African board, the ability to gauge the reactions of the person receiving the information and the knowledge of how to temper the way in which to deliver it becomes an important skill.

This task is complicated in this local context when the boardroom is still skewed in terms of equitable gender representation. Furthermore, the gender imbalance in terms of which company secretaries are largely female adds to this imbalance. The task of delivering "instructions" on governance or calming down a director or a chairperson in a meeting is made more challenging when such gender representations are strained in the boardroom. This tension in gender roles, issues about cultural values and beliefs coupled with societal and cultural gender biases are brought more keenly to the fore in Southern Africa when the dynamics are that much more nuanced given their racialised legacy. This makes the task of being able to effectively deal with emotions (others and your own) more challenging. Whether a chairperson or a director is able to "receive" the guidance from a company secretary who is perceived to be different both racially, culturally and sexually remains in question.

10. Coursera (2023), "Conflict Management: Definition, Strategies and Styles", available at [Conflict Management: Definition, Strategies, and Styles|Coursera](#).

02 EMOTIONAL INTELLIGENCE (continued)

2.6 Skills for the palette

Deal with your emotions first, quietly and quickly, then speak, if necessary.

Use the itemised agenda as a vocal reminder to others.

Create a dignified way-out for potential disruptors/emotionally charged individuals in meetings.

Create a safe space for the other party to express emotion whilst urging them to remain professional.

Manage the possible emotional expectations for the meeting. Do not use the meeting to vent emotional agendas.

2.7 Conclusion

What appears apparent from the analysis above, is that emotional intelligence in the workplace is also intricately linked with establishing trust relationships in the workplace. EI represents one aspect in the nuanced establishment of corporate identity and corporate conscience. Studies¹¹ have shown high correlations between EI and effective transformational leadership. This in turn signifies that higher levels of EI would contribute to higher levels of trust in leadership decisions.

In order to best develop a corporate conscience, the company secretary represents an influencer in this space. She should be able to wield both the skills in emotional intelligence as well as trust-building tools so that this custodian role in governance is approached with emotional maturity, clarity, reason, and rationality. She needs to build trust that those decisions forwarded by the company secretary always errs on the side of good governance in enhancing corporate identity. Trust, how to build it, nurture it and sustain it will be explored later in this guide.

“Managing the emotions of others is a role that company secretaries fulfil in a variety of ways. These may include negotiating with the chairperson on matters pertaining to the meeting or even advising a director on an interpretation of their prescribed duties.”

11. Pelliteri, J (2021) "Emotional Intelligence and leadership styles in education", available at PAJK_21_2_Pellitteri.pdf (osu.cz), accessed on 10 January 2023.
ii. There are differing schools of thought on EI, with some academics calling EI an ability, which is linked to an internalized form of EI whilst others view EI a competency/skills-based construct and still others who view it as a personality trait. For the purposes of this guide, EI is a competency construct.



03 DIPLOMACY AND TACT

3.1 The aim

This chapter briefly sets out the theoretical basis for why diplomacy is an important skill. In doing so, it will reveal ways in which the choice of diplomacy style can be utilised to best inform the desired outcome. In the case of the company secretary, utilising skills such as diplomatic behaviour and employing tact, when necessary, are valuable traits to cultivate. This chapter will also provide a further layer to the skill of diplomacy necessary for a company secretary, in the form of a value-based ethical foundation where diplomacy, and the consequent styles that are chosen to render this skill effective are also viewed through the lens of an ethical value.

3.2 Introduction

What lies behind successful governance at the boardroom table does not start with the timeous delivery of the weighty board packs and the seamless, necessary and smooth running of the meeting for the efficient and effective dispensing of the agenda items.

Good governance practice starts well before the meeting. Company secretaries play an important role in managing the behind-the-scenes activity before the agenda is set. During this time, the company secretary may be privy to a host of issues that may affect good governance in the meeting, such as possible conflicts of interest on the agenda with the directors. It may become necessary to act upon that information to maintain independence and create clear roles and boundaries at the meeting.

Often it may involve the careful calibration of the different personalities and values that naturally arise with those seated at the table combined with the ability to cumulatively bring these differences all together in a cohesive, non-confrontational manner so that the best outcome can be achieved. Communication is key to this strategy as is the ability to engage as an independent agent whilst also being a collaborative partner in the collective company identity.

This is harder done than said. A company secretary will need to rely on creating a safe, yet non-offensive way in which to handle the matter at hand. This may be an intuitive skill for some but can be learnt to be put to good use in the form of diplomacy. Couple diplomacy with the skill to be acutely alive to exactly who the other party in your conversation is, commonly known as tact, and what is created between the two is a powerful strategic negotiation tool that can be enhanced for great effect.

Simply put, the reason behind choosing a particular diplomatic style when coupled with a values-based approach towards the common good will alter the ultimate style of bargaining. This in turn will affect the end result if it can be accepted that the ultimate attainment of the common good in governance good practice is the driving purpose behind such a choice.

A working definition of diplomacy and tact will be useful for the purposes of this chapter. Diplomacy, according to Pam Soden can be defined as the "subtle and skillful handling of a situation" and she defines tact as "consideration in dealing with others and avoiding offence."¹²

3.3 The literature

From an academic point of view, diplomacy as an intrinsic value, features mostly in literature involving state power and international relations. It is largely approached as a necessary adjunct to that of the balance of power which exists between two opposing sides/states involved in a battle for territory. This scenario is analogous to some boardrooms and so this literature is not entirely without merit when considering how these skills can best be used in the context of boardroom diplomacy.

Diplomacy, according to Brian Rathbun in his book *Diplomacy's Value*,¹³ is a process that individuals choose to engage in and has its roots in the theory of agency, which provides us with useful illustrations of the types of choices that an individual makes when engaging in diplomatic behaviour.

12. Soden, P (2017), "The Essentials of Communicating with Tact and Diplomacy in the Workplace", available at American Management Association (amanet.org): Accessed January 2023.

13. Rathbun, BC. (2014), "The Value and Values of Diplomacy in Diplomacy's Value": Cornell University Press, available at Review: Theorizing Diplomacy as Agency on JSTOR accessed 3 February 2023.

03 DIPLOMACY AND TACT (continued)

3.3 The literature (continued)

He sets out a value theory on diplomacy which proposes that there is an intrinsic value underpinning diplomacy without which negotiations with powerful players will tend to negatively affect productivity.¹⁴ He argues that a theory of diplomacy necessarily not only involves delving into the theory of agency, where the diplomat is free to choose his style of negotiation but also where the diplomat is best able to affect the outcome of his negotiations on that choice that he makes.

This is a crucial step in understanding that the ultimate choice in diplomacy style is largely based on the agency of the diplomat holds value. How to make that choice and what determines that choice, is a matter of which values are held dear to the diplomat in reaching a desired outcome.¹⁵ The freedom to choose a successful diplomatic style brings an intrinsic value to the balance of power that exists at the negotiating table which ultimately plays a crucial role in the outcome of the negotiations.

To be an agent with freedom of choice over a diplomatic style implies that a company secretary would have to also be their own agent, so that they can influence the outcome of their interactions at board level. To be one's own agent implies that one is necessarily independent and free from the constraints of management decisions in a company.

This is the crux of the role of a company secretary which is referenced in the legislated "arm's-length and independent" characteristics indicative of an arbiter of governance in a company. Ensuring this agency and independence necessarily implies that a company secretary should refrain from descending into making management decisions or to be seen to be involved in the making of such decisions.

Added to the particular style that the company secretary chooses in diplomacy combined with the independence of the role create a potent combination in the desired outcome of good governance. To achieve this, a company secretary would have to ensure she is free of encumbrances and personal ambition to embrace this "arm's-length independence" legislated role. This is quintessentially what the role is meant to signify: The ability to stand free of the encumbrances of the politics of the boardroom and from the personalities that inhabit it.

14. *Ibid.*

15. *Ibid.*



03 DIPLOMACY AND TACT (continued)

3.3 The literature (continued)

There are three diplomatic styles available to decision-makers:¹⁶

1. Coercive bargaining;
2. Pragmatic statecraft; and
3. Reasoned dialogue.

Different styles are used because of different psychological motivations, which in turn are dependent on the ideological motivations motivating the diplomat.¹⁷

Ideology plays a key role in affecting one's psychology which in turn impacts on the choice of negotiation style. A company secretary would then have to firstly ensure that their psychology (including the ability to identify, control, and manage the emotions of oneself and others) is intact. Secondly, they would then have to ensure that their ideological driver, namely the good governance of the company, remains on point. Once these steps are in place, the foundation has been laid for the type of negotiation style that a company secretary would use, blended, and informed by the particular situation that they are presented with.

3.4 Types of negotiating styles

3.4.1 Coercive bargaining

The use of threats to apply pressure in order to exploit a state to concede to demands. These types of diplomats are described as rationalists, "make high demands, refuse to budge to demonstrate their credibility, and hold issues dear to the other state, hostage to their demands."¹⁸

3.4.2 Pragmatic statecraft

This style is attributed to realists who use tactics more like "chess rather than poker"¹⁹ and who have far-sighted goals in mind when they approach negotiation. This diplomat will concede on the smaller issues since they have their sights set on achieving the more essential interests at play and will do so to avoid creating conflict between the states.

3.4.3 Reasoned dialogue

This type of style, the purview of liberals, approached negotiation as an argumentative process where each side offers their viewpoint, and offers to convince the other side of their point of view. All this whilst "listening closely to their [each other's] claims."²⁰ Reason, in the title, implies that there would be an exchange of reasons so that there would be suitable moderation of demands from both sides so that both sides arrive at a place of mutual agreement. The dialogue is essentially "marked by good faith and goodwill."²¹

These styles aid in understanding what may seem like an intuitive process for many.

3.5 The drivers behind the choices that are made

Rathbun²² provides an interesting psychological aspect to the drivers behind these choices. His use of the terms "proself" and "prosocial" to define different choices of diplomacy highlights a simple yet effective way of linking the styles of diplomacy with the desired outcome. Individual preferences as to what motivates you form the basis for the value distinction between a proself and prosocial.

A proself will actively seek gains for themselves as "egoistic value claimers"²³ who think only of their own individual state and often employ coercive bargaining as their preferred style. They make lower offers, reveal less information, and hold out longer on negotiations. On the other hand, prosocials are motivated by social gains and value gains for others as highly as those for themselves. They seek joint value and employ reasoned dialogue towards their ultimate aim of value creation for their own state and for other states as well.

16. Ibid.

17. Ibid.

18. Ibid: page 4.

19. Ibid: page 4.

20. Ibid: page 4.

21. Ibid: page 5.

22. Ibid: page 5.

23. Ibid: page 5.

03 DIPLOMACY AND TACT (continued)

3.6 The role of ethics in value claiming and value creation

It is submitted that value claiming and value creation as signposts for a style cannot be simplistically reduced to an either/or for every situation. Studies in outcomes-based research on negotiation styles have revealed that the best joint wins are achieved when both sides employ value creation and what remains compelling about these signposts is what the ultimate motivation for choosing either of these are. The answer, says Rathbun, appears to lie in ethics.

This is a crucial insight for the company secretary and one which should be put into practice. Whether it be value claiming or value creation, diplomacy as a negotiating tool is based on a set of values that a diplomat chooses to use depending on their value style. This in turn implies that these values rest on a bedrock of ethics, where the norms of good and bad subsequently inform the choices that are made at the negotiating table.

If this is so, the “diplomat” in the company secretary will have to possess a strong ethical foundation so that the choice for good value creation is one that naturally flows in difficult dealings, and furthermore is one where fairness and reasoned dialogue form the basis for good governance. In practice this should not be a choice, but rather an injunction. Reasoned dialogue and value creation with the ultimate aim of good governance practice needs to inform the diplomacy and the tact that a company secretary needs to employ as an independent agent.

“Communication is key to this strategy as is the ability to engage as an independent agent whilst also being a collaborative partner in the collective company identity.”

03 DIPLOMACY AND TACT (continued)

3.6 The role of ethics in value claiming and value creation (continued)

3.6.1 Effective communication

If reason and dialogue form the basis for value creation in diplomatic behaviour, then it follows that effective communication becomes a necessary adjunct to these skills.

To this end writers, like Soden, argue that communication comprises both verbal and non-verbal cues whilst employing the styles of diplomacy and tact. Diplomacy and tact require an atmosphere that is both open and non-defensive for effective strategic communication. Soden presents the below-listed categories of communication as markers on how to enhance the skills of subtlety, finesse, decorum, and non-offensiveness that comprise diplomacy and tact.

- ▶ Body language.
- ▶ Facial expressions.
- ▶ Silence.
- ▶ Choice of language.
- ▶ Consideration of others.

All the above, employed in a variety of styles, either as actions or strategic omissions, can be used to good effect in conveying tactful signals of assent or disapproval depending on the circumstances presented to a company secretary.

3.7 How does the company secretary currently experience diplomacy and tact in the boardroom?

It would be remiss not to make mention of the large levels of corruption that abound at entities in Southern Africa. The company secretary would have to be armoured with nerves of steel besides those skills of negotiation, tact, and diplomacy to navigate the challenges around disclosures of impropriety from whistleblowers, be it at board level or at employee level. Whether to employ diplomacy to deal with the allegations at hand or to confront it head-on is a difficult challenge. The threat of job security in an already strained economy with high levels of unemployment make the option of confrontation less palatable. The ethical values of King IV imply that the responsibility to espouse ethical governance is also part of the role of a company secretary. As a professional, adhering to a code of ethics remains the priority for the company secretary. However, the ability to seamlessly incorporate these values in a workplace where these values may not be clear or where there is a clear indication that they are being flouted is an area that diplomacy may not be able to solve with its 10-step approach. How would a company secretary be able to employ coercive bargaining in a situation of flagrant abuse of resources or clear indications of nepotism? The ability to continuously rise above the issues and remain at arm's-length seems easier said than done.

03 DIPLOMACY AND TACT (continued)

3.7 How does the company secretary currently experience diplomacy and tact in the boardroom? (continued)

Negotiating styles

This article from Harvard Law School provides a quick overview of negotiating styles that will complement this chapter on diplomacy. It is useful in understanding the underlying methodology employed in negotiating styles that may already be employed on an intuitive basis but can be better understood once it is made conscious.

In summary this article highlights ten negotiating tips²⁴:

- ▶ Always have a Best Alternative To Negotiating Agreement ("BATNA") in place before commencing negotiations. This informs your ability to walk away.
- ▶ Negotiate the process without preconceived assumptions.
- ▶ Build a rapport before commencing negotiations.
- ▶ Practice active listening.
- ▶ Ask good questions.
- ▶ Search for smart trade-offs.
- ▶ Be aware of anchoring bias.
- ▶ Present multiple equivalent offers simultaneously.
- ▶ Have a contingency arrangement in place.
- ▶ Plan for implementation.

24. Shonk, K (2023), "Top 10 Negotiation Skills", available at (harvard.edu).



03 DIPLOMACY AND TACT (continued)

3.8 Skills for your palette

Reserve your opinion if your knowledge is lacking. Approach such situations with authenticity and do not commit to a viewpoint unless you are in a position of knowledge.

Maintain confidentiality but err on the side of good governance. Confidentiality must be exercised in the best interests of the company.

All relevant communication should be in writing and should remain brief, unemotive and professional.

Have a clear end-goal in sight, i.e., all difficult communication should have a purpose attached to it with a clear agenda of how to work towards that purpose with intention.

Entertain the possibility of strategic compromise if the best interest of the company can be upheld.

3.9 Conclusion

A choice in diplomacy style can be difficult in practice. A company secretary should avoid descending into the actual management of the company. If the company secretary becomes involved in management, then, in terms of the Companies Act, the company secretary is a prescribed officer, in the same way as a director is, and equally attracts the rights, duties and obligations of such officers. Avoiding this involves a clear demarcation of roles and processes which necessitate the careful skills of diplomacy and tact so that issues in governance can be diplomatically managed with care and skill. In implementing this, a company secretary can be likened to a “manager of situations” in the boardroom. This means walking a fine line of balancing both governance on the one hand and the skillful, non-offensive “management” of personalities and conflicts so that the path to governance remains clear and in focus. This involves not only the skills of diplomacy and tact, but also the skills in bargaining and negotiation which are intricately linked with that of diplomacy and tact.

04 TRUST

4.1 The aim

The aim of this chapter is to lay out the framework for trust, the nature of it in relation to organisational operations and how to nurture and cultivate it within an organisation. This will be viewed in the context of the role of the company secretary – namely promoting good governance practice and adhering to the prescripts of the regulatory frameworks that inform this role. It will be shown that trust, in particular interpersonal trust, is an action-based value that requires management not only internally within an organisation but also externally with its stakeholders, which contributes to overall corporate identity. Learning to build and nurture trust and aligning it to a strategy that seeks to maintain trust will be shown in the ways in which a company secretary can seek to change the way they are perceived and in turn how they perceive others in the trust relationship.

4.2 Introduction

A company secretary builds their career on a bedrock of trustworthiness.

Without trustworthiness, the role of the company secretary as the arbiter/advisor on governance best practice will falter as workplace confidence in the expression of this role is positively enhanced through the building of credible trustworthiness. This chapter will explore the nature of trust (and its necessary adjunct distrust) in establishing trustworthiness in a workplace. Trust should not be seen as a virtue but rather as an intricate relational value that needs cultivation so that mutual trust can thrive in a workplace. Furthermore, trust should not be seen as intrinsically good because naïve trust can be destructive, neither can distrust be viewed as the converse because there is a place for measured discernment and distrust in interpersonal relationships in a workplace. Thus, viewing trust as a virtue should be avoided, instead the focus of trust should rather be on the promotion of appropriate behaviour in the given context of workplace relationships and dynamics.

This chapter will examine a range of trust-building actions that can enhance interpersonal relationships and seek to explore trust-decaying actions, and which may also have a place in a workplace if the overall good is to be promoted.

This chapter aims to illustrate how trust can enhance the role of the company secretary but only when it intersects with the values of corporate governance through which lens trust/distrust must necessarily be viewed. Trust can be expressed as a:

“ Peculiar relation between someone and a trusted person or impersonal reality (an institution or machine for example), (and so) cannot (purely) be described as the relation between a subject and an object.²⁵ ”

In this way the bond of trust can exist in interpersonal relationships on many iterated levels, including, most notoriously, between members of illegal cartels where it can be used either to great effect or disastrous consequences.

It will be argued here that for a company secretary to thrive, trust in the promotion of the good will have to be nurtured, cultivated, and maintained in a workplace by building on interpersonal relationships.

25. Peperzak AT. (2013), "Trust. Who or what might support us?" Fordham University Press: New York. (Page 9).

04 TRUST (continued)

4.3 What is trust?

Trust must be understood in the context of a transactional relationship since it is embodied in a "lived" experience.²⁶

The nature of trust is grounded in action-based behaviour. It comprises a series of multidimensional actions and other behavioural qualities which may result in building or negatively influencing a trust relationship. The attributes most associated with trustworthiness are ability, benevolence, and integrity.²⁷

Interpersonal trust can be defined as "the extent to which a person is confident in and willing to act on the basis of words, actions and the decisions of others."²⁸

4.4 The literature

Trust is a difficult concept to define. It has been approached from many different angles, ranging from philosophical, social, organisational to psychological amongst others and these varied approaches have resulted in varying interpretations.

Trust can be both character-based and relation-based.²⁹ For the purpose of this chapter, the essential common qualities that feature more significantly in the literature will be discussed when these have an impact on governance. Trustworthiness is the necessary building block to trust-building and how to build this trait to support effective and sustainable governance practices will be discussed here.

Researchers on trust in academic literature cite these common qualities on enhancing positive interpersonal trustworthiness: ability, integrity, benevolence, procedural justice, and interaction frequency.³⁰ Ability can be defined as skills and competencies that contribute to wellbeing. Research has shown that what enhances ability in the workplace is the setting of direction and the creation of a supportive organisational structure.

Benevolence can be defined as the demonstration of genuine care and concern which research has shown is enhanced through creating and sustaining a supporting organisational structure.

Integrity can be defined as conduct that exemplifies an adherence to moral principles, values which research has shown are enhanced through accountability, perceptions of justice and value congruence.

Procedural justice refers to the consistent, clearly-defined framework of rules that are applied fairly and equally.

Apart from these qualities, which can be easily extended to individual behaviour, trust itself can be approached as a form of a behavioural competence listed below:³¹

- ▶ Communication;
- ▶ Competence; and
- ▶ Contractual commitment.



26. Rudolph M. (2009) "Trust and the capacity for change in an organisational context", available at [PDF] Trust And The Capacity For Change In An Organisational Context Full Read | Skill Experto (page 11).

27. Ibid.

28. Mahajan, Bishop & Scott. (2012), "Does Trust in Top Management mediate Top Management Communication, Employee Involvement and Organisational Commitment Relationships" Journal of Managerial Issues VXXIV/2 page 173.

29. Op.cit. Rudolph.

30. Op.cit. Rudolph.

31. Ibid.

04 TRUST (continued)

4.4 The literature (continued)

These concepts are necessary corollaries to deeper understanding around how trust is acted out in practice and viewed by others.

Table of behavioural actions linked to types of trust in the workplace:³²

Contractual trust	Communication trust	Competence trust
Managing expectations	Sharing information	Acknowledging skills and abilities
Establishing boundaries	Truthfulness	Allow decision-making
Delegating	Admitting mistakes	Seeking input
Encouraging mutual intentionality	Giving and taking constructive feedback	Helping people learn
Respecting agreements	Confidentiality	
Consistency	Speaking with good purpose (no gossip)	

The table illustrates key behavioural actions that can be utilised to build a trust relationship. Together with the qualities for trustworthiness, these factors can be used effectively for trust-building. This notion conceives of trust as a transactional process where it must be lived in a relationship using the actions of contractual, communication and competence to build trustworthiness.³³ For a company secretary, a further action would be that of perceived neutrality.

Whilst the established literature on trust approaches the building of trust and the antecedent risk that is associated with trust-taking actions from differing schools of thought, the most apt construct for these purposes lies in the contention that trust is a rational choice. When viewed as a rational choice, the action of trust is infused into the lived reality of which trust is necessarily an integral part.³⁴

This rational choice of trust implies the taking (and acceptance) of risk into the equation and the ability to decide. The act of trust must necessarily also include the converse, the non-act. This means that having the ability to rationally choose also implies the ability to actively not take, and to subsequently not accept, the risk of trust. This act can be likened to a sub-species of trust, a form of distrust that is a necessary corollary to the action of trusting. This risk-based approach inherent in trust and distrust will ring true for company secretaries who face balancing and assessing risks allied to their designated functions daily.

The act of trust is also extended to persons who occupy certain roles, so that these roles, like a medical doctor, a lawyer and, in this instance, the company secretary, by virtue of the role that is occupied, are already infused with qualities of trustworthiness. The role presupposes, by its clearly defined social expectations, a level of fiduciary responsibility to it without the need to know the individual qualities of the person. In role-based trust then, the role occupied by the trustee already presupposes a relationship of accountability and competence.³⁵

In the case of a company secretary in the position of the arbiter on governance, the expectation of the role is confirmed in the established hierarchy of the company, and the assumptions are that the skills will be competently and accountably managed in a trustworthy manner. The fact that this role makes trust a fiduciary obligation, and therefore capable of operating as a social function, allows for it to be substantively enhanced either through a legislative framework or through professional bodies.³⁶ The role that professional bodies play in enhancing the fiduciary responsibilities associated with company secretarial roles is supported by the ongoing professional development facilitated by The Chartered Governance Institute of Southern Africa. The CGISA's further professional education offerings showcase the ways in which the role of the company secretary is intrinsically tied to good governance practice.

The difficulty in these role-based trust relationships lies in the concomitant ability to nurture and maintain the qualities of trustworthiness, whilst avoiding trust decaying actions that may negatively impact this fiduciary role of trust. Rational choice remains essential to this exercise and the overall aim of linking this choice to good governance in view of the aims of the Companies Act, King IV and values underpinning good corporate governance practice remains important.

32. Rudolph M. (2009) citing Reina DS and Reina ML (2006), "Trust and Betrayal in the Workplace" San Francisco: Berrett-Koehler.

33. *Ibid.*

34. *Op.cit.* Peperzak

35. *Op.cit.* Rudolph

36. *Ibid.*

04 TRUST (continued)

4.4 The literature (continued)

4.4.1 Trust-decaying actions

Trust is based on a reciprocal relationship which depends on the mutual understanding of roles, obligations, and expectations in a workplace.

There are instances when actions can serve to damage this relationship. These can range from misunderstandings (minor or major) to a breakdown/breach in expectations.³⁷ A company secretary must seek to manage the expectations of the role in a manner that does not create an opportunity for misunderstanding in each situation. This is easier said than done. Breaches in expectations can be done accidentally and there will be a need to repair trust once this has taken place.

4.4.2 Repairing trust

If trust has been viewed as relational, then depending on the depth of the breach and the context in which it occurred, the following actions are worth examining:

Deal with anger and fear. Acknowledge the breach, and an acknowledgment of what caused it. Show willingness to remedy it by willing to accept personal responsibility and a willingness to effect repair. Follow substantive steps to remedy besides an apology, such as regulation and procedure. Both sides must be able to apologise, forgive and take steps to move forward towards trusting again.³⁸

4.4.3 Distrust (the necessary corollary to trust)

There are times in the workplace when the context, lived reality, change in circumstances and/or structure of the organisation does not allow for relational trust to be built in the ways illustrated above.

In these instances, the giving of trust, the act of taking the risk and turning towards the other may only be able to be done in a manner that is carefully calibrated. A more measured, risk-averse discernment may be warranted in the form of distrust. This aspect of trust is a necessary and pragmatic approach to building and sustaining a perception of neutrality in situations where the conventional tools for trust-building have not been made accessible or where the situation demands it.

4.5 How does the company secretary currently experience trust in the boardroom?

If we accept that trust is built inter-relationally, it begs the question of how to best build those relationships from the start. A boardroom does not appear to be the safe harbour for trust-building. There are many companies that are managed as subsidiary boards which have board members who are either appointed externally by external shareholders and/or who are bound to the decisions of the group and so may have competing values and interests at play. Boards in Southern Africa are also prone to government appointments when the company is a state-owned entity, and this brings with it the added complexities of political interference along with competing values and interests.

These appointments, whether external or governmental, seek to exacerbate the exercise of trust-building since the commonality of values may be missing or questionable. The role of the company secretary would be to carefully pick out a path between those competing values and interests to find a middle ground. How to do this whilst intrinsically "trusting" the decisions of the board is the challenge, especially when such board may not be homogenous in its outlook. To be able to rationally, and with the qualities of integrity, benevolence, and consistency, apply these actions to board members who may seek to pursue their own agendas separate from that of the company is something that a company secretary may have to do to maintain good governance despite these nuances. In other words, and in some instances, it may be necessary to pursue and sustain good governance despite the boardroom and not because of it.

“Trust is based on a reciprocal relationship which depends on the mutual understanding of roles, obligations, and expectations in a workplace.”

37. *Ibid.*
38. *Ibid.*

04 TRUST (continued)

4.5 How does the company secretary currently experience trust in the boardroom? (continued)

Trust and governance

This article is slanted towards the growing need to improve stakeholder relations in matters of governance as trust embodies the currency that companies require from their stakeholders and shareholders alike in building and sustaining transparent and accountable reporting and management.

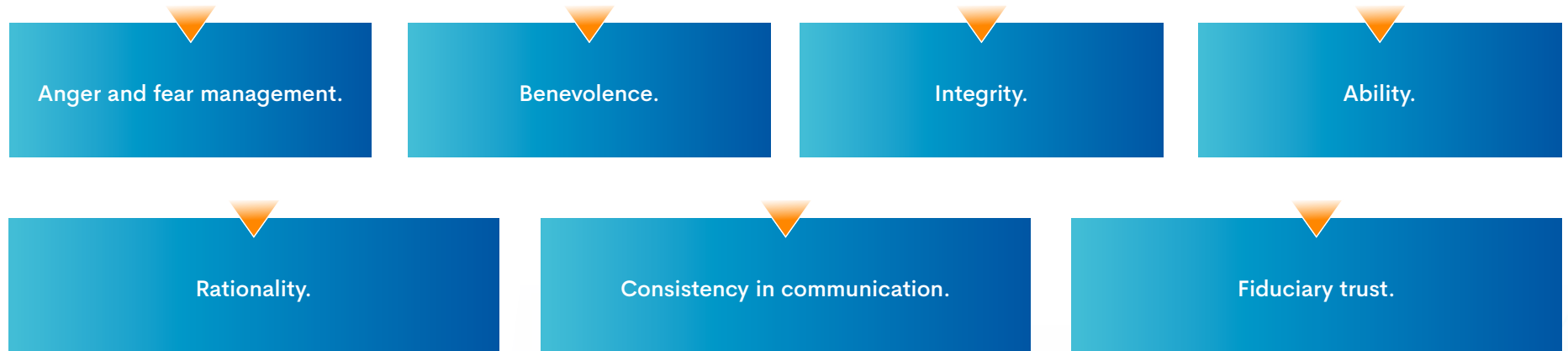
In summary it shows that:³⁹

- Every stakeholder counts.
- Talk is cheap.
- Trust impacts business performance.
- The CEO and the board own the trust agenda where the board must play an active role in embedding trust.
- Trust evolves with stakeholders' evolving expectations.
- Lack of clear action plans and how to measure progress are barriers to trust.

39. Iwasaki J and Kongsburg D (2023) "Stakeholder Trust and Corporate Governance", available at Deloitte Insights.

04 TRUST (continued)

4.6 Skills for your palette



4.7 Conclusion

It can be surmised that whilst trust-making abilities and the invariable relational nature of trust involves a “turning towards another”⁴⁰ in a manner that invites one to explore the nature and aspects of that relationship, it also involves a necessary look at that other’s existence in the world. To trust is to join yourself to the other person in a personal relation so that even if tiny, there is a role for that person in your life. As Peperzak says “my turn to another becomes part of my way of looking at the other.”⁴¹

This look at the other will be explored in the next chapter.

40. *Op.cit.* Peperzak, Page 12.

41. *Ibid:* page 13.

05 EDUCATING THE BOARDROOM

5.1 The aim

This chapter describes the beginning of the journey that a company secretary as the custodian of governance must undertake to steward governance towards the good. It has become common practice to view a company as one that occupies a certain moral standing within a specific social, political, and economic milieu of which it is an intrinsic part of and of which it cannot be divorced from. As such, companies can make moral decisions. This moral role should be embodied by the company secretary. Coupled with the legislative prescript that the company secretary remains at arm's-length; it will be shown that it is important that positive steps are taken to embody this custodianship. The act of education is best served with the appropriate action behind it and this appropriate action may call for a multiplicity of applications in the boardroom depending on the context, the circumstances and how it is intended to land, bearing in mind that choice of delivery too, is an art.

5.2 Introduction

A company secretary should, ideally, remain at the forefront of developments in the legislative and regulatory environment. This role means that the company secretary must be alive to both the continued adherence to governance practice but also to the changes and deviations from those practices should they arise. In so doing the company secretary will have to remain agile in relation to the dynamics of the workplace, the prescripts of the law and be able to communicate information, knowledge and practices that inform these changes. This agility is informed by the ability to recognise "the other" in managing these informational experiences together with the ability to act appropriately in accordance with that recognition.

5.3 What does educating mean?

The act of education represents the knowledge (transfer) and development resulting from the process of being educated.⁴²

The act of education in this context is the role that the company secretary plays in enhancing good governance and the process in which it must be carried out is through the Companies Act and the related framework of regulations, King IV, and related practices necessary for its proper implementation in the workplace.



42. Merriam-Webster Dictionary.

05 EDUCATING THE BOARDROOM (continued)

5.4 The literature

The notion of “the other” when used as a verb, is understood to mean to “view or treat (a person or a group of people) as intrinsically different from and alien to oneself.”⁴³

In philosophy when used as a term of reference, it refers to something that is “other than” that which is currently understood as the normative concept of a prevailing system. Leaving aside the negative connotation inherent in the definition of “othering” from the dictionary, there is a positive aspect to this concept when it is approached ethically and is used to promote the attainment of the good. This is because, when used to promote the good, it allows for a deeper understanding of what is outside one’s current realm of experiences. What makes it valuable as a tool for insight is that it allows for a way of understanding another who has had a different context, space, experience and set of norms from one’s own. This is an essential skill in building trust relationships, in being emotionally and cognitively aware of skills and abilities in another, and in being able to build healthy interpersonal working relationships as a result. It is, as stated by Peperzak, a “turning towards the other”⁴⁴ that is demanded.

This turning towards the other is essential if a company secretary must build and nurture relationships in the boardroom. Against this, the statutory path that the company secretary takes dictates an arm’s-length principle which implies that whilst the skill to lean into a deeper understanding of another’s lived experience should be honed, it is paramount that it is done in a manner that does not disrupt the independence of the role. This is necessary so that the company secretary remains the point of impartial, unbiased advice on governance practices.

The concept of the appropriate action in ethical conduct is noteworthy⁴⁵ in its application to governance practices. What appropriate conduct in ethical conduct is meant to convey is a sense of “shared values that endorse common moral beliefs and also provide a critical basis for reevaluating those beliefs when they become problematic.”⁴⁶

Why it is relevant for governance is because the concept seeks to extend the notion of action to what is appropriate in each context with a given subject, having regard to the attainment of the good but also having regard to the other that may exist (in the subject itself) in the prevailing system of norms. It will, when applied in a governance context, reveal itself to be useful in its application. This is because, whilst the prevailing legislative context demands adherence to its prescripts, there will be many permutations in its practical application. Case law on varying interpretations of the Companies Act continues to abound. What remains at the core of legislative interpretation, in cases when the actual provision may be lacking in detail, is the attainment of good governance that reflects the spirit of the law. It is noteworthy that the subject itself is a valuable component in judicial interpretation despite the established hierarchy of applicable legal rules.ⁱⁱⁱ From an ethical perspective, the position of the subject (be it a person or a matter) is essential to beginning to understand it. This approach should inform the ways in which the role of the company secretary is also viewed.

Martha Nussbaum, writing on moral conflict in the Aristotelian notion of goodness⁴⁷ provides an interesting concept that marries the tension that a company secretary faces:

“One must find some common end that all parties to the dispute would agree on, which would generally be a thinner and core general characterisation of that end than any of those held by the specific parties and then evaluate the claims of the parties on the basis of how well they satisfy those ends.”⁴⁸

43. Oxford Dictionary.

44. Peperzak AT. (2013), “Trust. Who or what might support us?” Fordham University Press: New York. (Page 9).

45. Holland NJ. (1998), “The Madwoman’s Reason. The concept of the Appropriate in Ethical Thought”, University Park, University of Pennsylvania Press.

46. Ibid page 40.

47. Nussbaum M. (1986), “The Fragility of Goodness. Luck and Ethics in Greek Tragedy and Philosophy”, Cambridge University Press.

48. Op cit Holland page 44.

iii. In this way case law extends the application of formulaic rules to its contextual surroundings.

05 EDUCATING THE BOARDROOM (continued)

5.4 The literature (continued)

If one extrapolates this illustration on moral conflict to appropriate action in a governance context, that seeks to follow the spirit of the law, then it may follow his path:

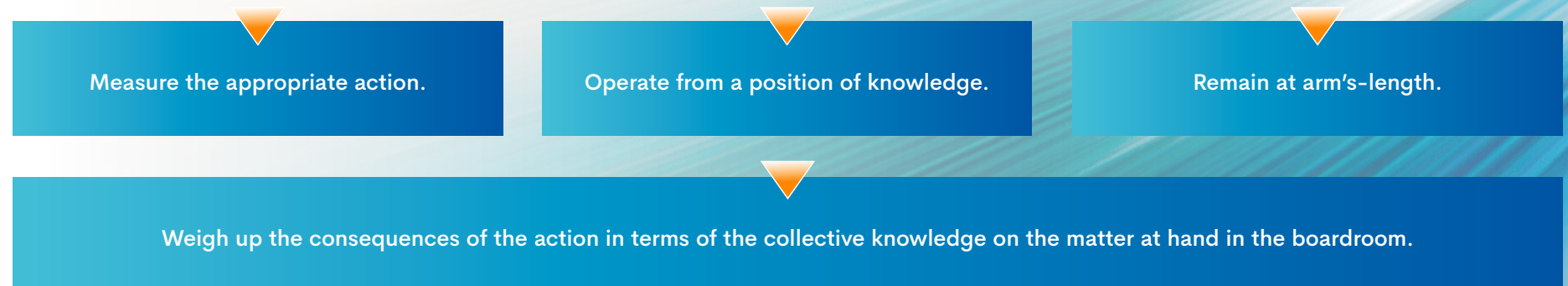
- ▶ Identify the base needs for a specific matter (the thin, core characterisation).
- ▶ Ensure that this becomes the common end for all parties (general characterisation).
- ▶ Evaluate if all parties can agree to this and how well they meet it.
- ▶ This becomes the appropriate action.

This necessarily will involve an examination against what is permissible and what is not in both ethical and legal conduct in the current context.

5.5 Resistance

The act of educating is one that comes with the necessary battle for common ideas and shared ideals on governance practice. When this notion of shared values falters there will be instances where the company secretary will face resistance and may, in turn, have to resist wherever necessary. In these instances, a suitable course of action will need to balance the ethical or moral tension with the appropriate action that will need to be taken. All of this will need a further added layer of calibration against the legislative prescripts that the role naturally demands whilst maintaining the ethical high ground that is required.

5.6 Skills for the palette



5.7 Conclusion

There will, no doubt, be instances when the act of education is undertaken at great cost. The difficulty in maintaining the proper, and ethically correct, implementation of the legislative prescripts of the role cannot be underestimated. It is one that should serve as a beacon for governance practices and has rightly been labelled the "conscience of the company" because the role calls for an unwavering, single-minded focus on good governance practice. If one understands that working at arm's-length enhances that single-minded focus on adherence to good governance which, in turn, are informed by an adherence to the prescripts of the law underpinning the role of the company secretary, then this challenge to be an active participant in its ultimate devolution in the workplace remains a constant for the company secretary.

06 CONCLUSION

In the introduction to this guide, we stated that the “soft skills” required by a company secretary are misnamed. These soft skills encompass diplomacy, tact, negotiating, trust, and emotional intelligence without which a good company secretary cannot hope to succeed. While it is not disputed that a company secretary needs to have a myriad of skills as well as extensive knowledge of the law, governance, risk management, compliance and other similar concepts, the added requirement of being able to manage him or herself and a board of directors is vital to the effective operation of the job.

The time when a company secretary was viewed as a mere minute taker and statutory compliance officer is long gone. The job is so vital it has been legislated in certain circumstances, and the minimum “hard skills” outlined in law. What the law cannot do, however, is describe fully how to be a successful company secretary as it cannot enforce the ethereal soft skills discussed above. It may even be fair to say that these skills are the primary skills required to be a good company secretary rather than the rote roles usually ascribed to the profession.

This is a challenging profession, and one that requires an all-rounder to perform well. The requirements to maintain one’s composure while guiding a board from the background to embrace good governance practices, all while retaining an unwavering standard of ethics and integrity leading to becoming a trusted advisor to the board, is a lot to ask. Yet the satisfaction of doing this job well and seeing the good influence wielded by a company secretary take root makes it all worthwhile.



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