2021

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Paper accepted for publication in

Corporate Governance: The International Journal of Business in Society

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STRUCTURED ABSTRACT

Purpose: This research aims to examine the core challenges facing company secretaries in a two-tier board context. The study focuses on the key factors contributing to these challenges as well as how company secretaries can effectively address them.

Design/methodology/approach: An analysis of the narratives provided by 291 Dutch company secretaries in response to a series of open-ended questionnaire questions led to insights into the key challenges company secretaries face in their day-to-day work.

Findings: Company secretaries perceive a myriad of factors contributing to pressures on their time, the need to work for multiple organizational bodies and the processing of information. They believe process interventions and social interventions are needed to alleviate these issues.

Research implications: The research highlights the need to deeply study boards from a holistic and systems point of view that recognizes the various actors, such as the company secretary, and their relationships in a boardroom context. Furthermore, the research shows how the two-tier board model may complicate these relational dynamics due to the formal separation of decision-management from decision-control.

Practical implications: The study identifies various pragmatic ways to address the core challenges facing company secretaries so as to improve their contributions to decision-making at the apex of organizations.

Originality/value: The study sheds light on an important organizational actor (i.e. the company secretary) that hitherto has received scant attention in the governance literature.

Keywords: company secretaries, two-tier boards, challenges, interventions, the Netherlands, corporate governance.

INTRODUCTION

The board of directors plays a central role in the governance of the modern corporation and a long tradition of research has studied the factors contributing to board effectiveness (e.g. Boivie *et al*., 2016; Forbes & Milliken, 1999; Hambrick *et al*., 2015). Boards are essentially decision-making groups whose members are collectively and individually responsible for two key roles. First, they are necessary to keeping managerial self-interest in check (Fama & Jensen, 1983; Useem & Zelleke, 2006). Second, they ensure the company has an effective strategy in place (Bailey & Peck, 2013; Pugliese *et al*., 2009). With boards increasingly perceived as "*dynamic social systems*" (Lorsch, 2017, p. 2), researchers are increasingly studying how board dynamics, interactions and processes shape directors' execution of their role sets (Bailey & Peck, 2013; Bezemer *et al*., 2018; Heemskerk, 2019; Ingley & Van der Walt, 2003; Sur, 2014).

Whereas previous research has extensively examined the role, power and influence of key organizational actors in the boardroom, such as the CEO, CFO, board chair and directors, (Bezemer *et al*., 2018; Kakabadse *et al*., 2006; Kanadlı et al., 2020; Krause *et al*., 2016; Uhde *et al*., 2016; Withers & Fiza, 2017), another actor with a potentially significant impact on board decision-making has received scant attention to date: the *company secretary* (e.g. Kakabadse *et al*., 2016; 2017; McNulty & Stewart, 2015; Peij *et al*., 2015; Trubshaw, 2018). This oversight is somewhat surprising, as qualitative research suggests that the company secretary can be an "*invisible leader*" (Kakabadse *et al*. 2017, p. 243) who has a significant organizational impact. The company secretary connects organizational decision-makers, oversees and manages information processes in and around the boardroom, and ensures company compliance with statutory and legislative demands (Erismann-Peyer *et al*., 2008; Fuzi *et al*., 2019; Kakabadse *et al*., 2016; 2017). Nascent database research supports such a potential positive performance effect (Nowland *et al*., 2020; Wang *et al*., 2019; Xing *et al*., 2019).

Whereas studies have been hinting at a growing influence of the company secretary in board decision-making and the governance of corporations (Erismann-Peyer *et al*., 2008;

Kakabadse *et al.*, 2016; 2017), scholars and practitioners have also noted the (heightened) challenges that contemporary company secretaries face (McKenzie, 2019; Peij, 2017; Peij *et al.*, 2015; Trubshaw, 2018). With the function moving away from a purely administrative one towards a more strategic one, the required minimum technical, business and social skills have increased (Erismann-Peyer *et al.*, 2008; McKenzie, 2019; Rees, 2019). Moreover, studies have noted that company secretaries often operate in the space between the board and management (McNulty & Stewart, 2015; Peij *et al.*, 2015; Trubshaw, 2018), requiring them to navigate sometimes conflicting demands. Furthermore, the legislative environment has become more complex, with the ramifications of non-compliance increasing for companies and decision-makers. On top of that, the company secretary function itself is legislatively often less well-defined around the globe (Kakabadse *et al.*, 2017; Nizaeva & Uyar, 2016; Peij *et al.*, 2015), thus creating ambiguity around the specific role company secretaries are required to fulfil.

Given these (recent) developments surrounding the position of the company secretary and our limited understanding of the critical challenges that company secretaries experience at the coalface of board decision-making, our guiding research questions in this study were focused on three related topics: (i) what are the key challenges company secretaries face in their job, (ii) what are the key factors contributing to these challenges, and (iii) which interventions could help to address these challenges? We qualitatively explored these questions in the Dutch context by analyzing the responses provided by nearly three hundred company secretaries across two survey waves in 2014 and 2019. Our results indicate that the top-3 experienced challenges are (i) time pressure, (ii) working for multiple organizational bodies and (iii) difficulties around the obtaining and processing of information. Company secretaries indicated that these challenges both limit their job effectiveness (i.e. meeting deadlines, completing tasks and delivering quality work) and undermine their personal health (i.e. high stress levels and a distorted work-life balance). Resolving these issues appears feasible yet complicated, given the myriad of social and structural factors involved.

These results provide two key insights. *First*, our in-depth qualitative analysis of three key challenges experienced by company secretaries highlights the complexities surrounding the important support company secretaries provide in the governance of organizations. A combination of structural and social factors makes the company secretary's role challenging. For example, structurally the company secretary faces disconnected information systems, ill-defined responsibilities, little organizational support and a stringent annual planning cycle. From a social perspective, the position has to manage conflicts between organizational bodies, differing guidance from the top management team/board and a general lack of understanding of what constitutes good governance. As such, our findings point to a need to carefully assess the job requirements of the company secretary and possibly redesign their work through both *process interventions*, such as clarifying responsibilities, limiting the scope of the role and establishing information protocols, as well as *social interventions*, such as establishing internal and external networks, improving intra-organizational communication and explaining the role to organizational actors. *Second*, by exploring the evolving position of the company secretary in a two-tier board system, we highlight how the functioning of the company secretary can be particularly challenging in a context in which decision-management and decision-control are structurally separate. Whereas this practically highlights the heightened need for company secretaries to be able to navigate the political landscape and build strong relationships with key organizational actors, it also raises questions as to whether the position requires to be stronger embedded within national/industry-wide corporate governance frameworks.

The remainder of this paper is organized as follows. Section two provides an overview of prior research on company secretaries and briefly discusses the institutional context in which company secretaries in The Netherlands operate. Section three describes the adopted research design, sampling procedures and data analysis techniques. Section four provides an overview of the insights generated by our in-depth analysis of the symptoms and causes of the identified top-3 challenges that company secretaries experience in the Dutch two-tier board model. Finally,

section five discusses the findings and their theoretical and practical implications.

THE ROLE OF THE COMPANY SECRETARY

Although not formally recognized and defined as such, the position of (company) secretary has played a role throughout history. During the Roman Empire its administration was supported by one or more officers that fulfilled a role comparable to the current company secretary role (Bing, 2006). The position also appeared in the Principality of Florence around 1500 and in 1614 one of the first joint listed stock companies, the Dutch East India Company (VOC), also introduced the position, which was filled in by a lawyer that played a pivotal role in the continuity of the administration of the company (Frentrop, 2002; Gepken-Jager, 2005). The word secretary is etymologically derived from the Latin word *secretum*, which relates to how the word secret is understood nowadays (Merriam-Webster, 2020). In the examples above this meaning is visible in the fact that the secretary oftentimes was a modest person with a great sense of loyalty to its superior (Davies *et al*., 2014). This loyalty is also found in the broader literature, such as in role of the "*consigliere*" in The Godfather (Puzo, 1969), which means confidant or counsellor and was filled in by a legally skilled, good friend of the family.

While the role of the (company) secretary has been around for a long time (Kakabadse *et al*., 2016; 2017), surprisingly enough, relatively limited research has examined the responsibilities of the contemporary company secretary (Erismann-Peyer *et al*., 2008; McNulty & Stewart, 2015; Nowland *et al*., 2020; Peij *et al*., 2015). Most studies point to a combination of facilitating organizational meetings, contributing to a company's compliance with regulatory and/or statutory requirements, overseeing information flows and reporting activities, and/or providing legal advice (ISCA, 2014; Kakabadse *et al*., 2017; May-Amy *et al*., 2020; Nicholson and Kiel, 2004; Xing *et al*., 2019) as being core to the role. The descriptions provided by professional associations point to a similar breadth of tasks. For example, the SCSGP in the US defines company secretaries' responsibilities as "*coordinating and attending board and*

committee meetings and drafting minutes, serving as a liaison for directors, officers and shareholders, and directing the activities related to the annual meeting of shareholders" (2013, p. 2). Similarly, the ISCA in the UK highlights that "*the most effective company secretary is one who is regarded by the board as its trusted adviser and who keeps under review legislative, regulatory and governance developments that may impact the company and ensures that the board is appropriately briefed on them; wins the confidence of and acts as a confidential sounding board to the chairman and other directors on issues of concern; and provides, where appropriate, a discrete but challenging voice in relation to board deliberations and decision making [...]*" (2008, p. 2).

Interestingly enough, whereas the multiple and sometimes varying responsibilities of company secretaries have attracted attention around the globe (Erismann-Peyer *et al.*, 2008; Fuzi *et al.*, 2019; Kakabadse *et al.*, 2017; McNulty & Stewart, 2015; Peij, 2017), the question as to what the actual impact is of company secretaries on the performance of organizational bodies and organizations at large, remains open to academic debate. Most qualitative studies exploring the issue suggest that company secretaries can have a significant impact, although this effect appears to depend on several organizational characteristics (e.g. Kakabadse *et al.*, 2016; 2017; McNulty & Stewart, 2015; Trubshaw, 2018) and often tends to be mainly indirect through the supporting of decision-making processes (Peij *et al.*, 2015). The few available quantitative studies corroborate the complexity surrounding the corporate impact of company secretaries, with scholars noting that the experience, tenure and identity of company secretaries have differential effects on earnings management, the quality of an organization's governance framework and whistleblowing intentions (May-Amy *et al.*, 2020; Nowland *et al.*, 2020; Wang *et al.*, 2019; Xing *et al.*, 2019).

An explanation for these ambiguous performance effects may be found in the fact that scholars and practitioners have noted that company secretaries can experience significant challenges in effectively executing their various tasks (e.g. Kakabadse *et al.*, 2017; Peij *et al.*,

2015; Trubshaw, 2018). For example, company secretaries often rely on other stakeholders for information, and regularly must work with high-status individuals (i.e. CEOs, CFOs and outside directors), something which requires caution, tact and diplomacy. Kakabadse *et al.* (2017, p. 242) highlight this as the tension "*between being the invisible power behind the throne [...] and knowing how to diplomatically challenge individual board member effectiveness [...]*". Moreover, company secretaries often combine their role with other corporate functions, and/or support multiple organizational bodies at the same time, raising questions about whom they owe their allegiance to in case of opposing demands (e.g. Peij *et al.*, 2015; Trubshaw, 2018). Relatedly, the combination of multiple functions can put pressure on the company secretary's contributions. In Peij *et al.* (2015, p. 18) a participant, for instance, noted that "*my main issue is a lack of time, as I am also responsible for communications and quality management*". As such, the context in which the company secretary typically must execute its various tasks, appears to be socially complex, continuously evolving and poses information challenges.

While scholars and practitioners have noted that the specific challenges experienced by company secretaries vary across different type of organizations and national contexts (e.g. Fuzi *et al.*, 2019; Kakabadse *et al.*, 2017), these challenges may be particularly salient in a two-tier board context. In such a board model, the management board, which is composed of executive directors only, is responsible for the daily operations of the organization. The supervisory board, which is composed of non-executive directors only, is tasked with overseeing and controlling managerial decision-making (see Bezemer *et al.*, 2014; Jungmann, 2006; Maassen, 1999; Millet-Reyers and Zhao, 2010 for a more detailed description of this board structure). In this set-up, company secretaries often operate in the space between both boards, with each one having their own interests and demands. To unpack this potentially challenging situation, the aim of this research is to explore the main challenges that secretaries experience in the Dutch two tier model. In the next section we briefly describe this context.

The Company Secretary in the Dutch Two Tier Context

Dutch company law explicitly defines the (public) corporation as a legal entity that must take into account the rights of all stakeholders affected by the firm, not only the shareholders. As a result, the government, financial institutions, work councils and directors historically have played important roles in corporate governance (Bezemer *et al*., 2015; Melis & Nijhof, 2018; Peij *et al*., 2012). As mentioned before, this stakeholder approach is supported by a two-tier board model consisting of a management board and supervisory board. The supervisory board consists solely of non-executive directors to assure its independence from management and has the duty to supervise and advice the executive board while acting in the best interests of the corporation and its stakeholders (Hooghiemstra & Van Manen, 2004; Maassen, 1999).

In this governance system, the position of the company secretary is not legally defined, and the appointment and responsibilities of the company secretary therefore entirely depend on the organization's internal regulations and corporate governance codes. The Netherlands has a significant tradition of promoting good corporate governance through self-regulation, with the "*Peters Corporate Governance Committee*" being the first in 1997. The following committees reformulated and further refined the code, with the latest version also containing some provisions regarding the company secretary. Specifically, provision 2.3.10 of Principle 2.3 outlines that "*The supervisory board should be supported by the company secretary. The secretary: (i) should ensure that the proper procedures are followed and that the statutory obligations and obligations under the articles of association are complied with; (ii) should facilitate the provision of information of the management board and the supervisory board; and (iii) should support the chairman of the supervisory board in the organization of the affairs of the supervisory board, including the provision of information, meeting agendas, evaluations and training programmes*" (Monitoring Committee Corporate Governance, 2016, p. 24). The code further stipulates that "*the company secretary should, either on the motion of the supervisory board or otherwise, be appointed and dismissed by the management board, after*

the approval of the supervisory board has been obtained. If the secretary also undertakes work for the management board and notes that the interests of the management board and the supervisory board diverge, as a result of which it is unclear which interests the secretary should represent, the secretary should report this to the chairman of the supervisory board" (Monitoring Committee Corporate Governance, 2016, p. 24). Against this backdrop, we now turn to our empirical study of the specific challenges company secretaries experience in their (legally) ill-defined position in the Dutch two-tier board context.

METHODS

Given limited prior research examining the key challenges company secretaries experience in their day-to-day functioning (Kakabadse *et al*., 2016; 2017; McNulty & Stewart, 2015; Peij *et al*., 2015; Trubshaw, 2018), this research uses a qualitative approach. Qualitative techniques are especially useful in exploring new phenomena and new actors (Bansal, 2013; McNulty *et al*. 2013). As explained before, we decided to explore this new phenomenon in the two-tier board model that is commonly used in the Dutch context. Given that there exist good reasons to expect that the position of the company secretary might be particularly challenging in such a context (Peij *et al*., 2015; Peij, 2017; Trubshaw, 2018), our research therewith is an example of extreme case sampling (Patton, 2005; Seawright, 2016).

The study applies a two-stage approach. During the first stage in 2014, a web-based questionnaire was sent to 326 alumni of a company secretary training institute and members of company secretary associations and networks throughout different business sectors. Next to a series of closed-ended questions, this questionnaire included three open-ended questions asking respondents to describe the top-3 challenges that they were facing in their company secretary job. A qualitative analysis of the narratives provided by 99 study participants, highlighted several key challenges which clearly stood out and we used this information as the starting point of our 2019-survey. A detailed description and analysis of the 2014-findings can

be found in Peij *et al.* (2015).

During the second stage in 2019, we examined the most important three challenges that company secretaries had mentioned in much more detail. Our aim was to particularly understand the causes of these challenges and how company secretaries tried to respond to and/or cope with them. In the questionnaire we first asked the respondents whether they recognized tension X (yes/no) and if so, a series of open-ended questions then probed them to further describe how tension X was visible in their job, which factors contributed to the issue, and which solutions might help to minimize its significance. Therewith, we allowed company secretaries to describe their experiences in their own words and only share those specific examples they were feeling comfortable with. As such, we chose to examine our research topic from the perspective of the company secretaries themselves and it is through this lens that the preceding analyses should be read and interpreted (cf. Jackson and Mazzei, 2009). Before sending out the questionnaire, a pilot study was conducted, resulting in some minor adjustments in the used wording.

During January 2019 the new questionnaire was sent to 973 alumni of the same company secretary training institute and members of company secretary associations and networks throughout different business sectors (i.e. alumni of the course Professional Company Secretary, Inspire for not-for-profit companies, VO Raad for the education sector, Nive for listed and commercial enterprises and Aedes for social housing companies). A link to the study was also made available on the LinkedIn page of one of the authors. In total, 192 company secretaries provided a valid response to the open-ended questions. The respondents that filled out the questionnaire are generally seasoned company secretaries: their average tenure in the profession is 7.6 years; the tenure in their current organization is on average 5.3 years. The educational background is mainly in law (35%) and business administration (22%), with 94% having completed a university/polytechnic degree. On average the company secretaries spent 28.3 hours a week on their company secretary job, with 64% indicating it is their main function. Approximately 72% of the respondents were female, with around 71% of the participants

between 40 and 60 years old. Most respondents worked for organizations operating in health, education and public housing (56%), with private for-profit firms (19%) and listed firms (7%) constituting other significant groups.

To analyze the data, we used open coding techniques to assign first-order concepts to the 621 narratives provided by the respondents (Strauss and Corbin 1990). These first-order concepts allowed us to create an overview of how participating company secretaries perceived the three key challenges, their causes and possible interventions to address them. Company secretaries' narratives were analyzed several times in order to group similar descriptions in higher-level categories. Given the diversity of responses to the various open-ended questions, the coding of some of the narratives required multiple iterations in order to correctly classify all of them. In the next section we will present the pattern that emerged from this coding of company secretaries' narratives.

FINDINGS

The 2014-survey indicated that company secretaries face a number of significant challenges. The three most significant challenges were: (i) time pressure (mentioned by 35.8% of the respondents as their biggest challenge), (ii) working for multiple organizational bodies (17.3%) and (iii) problems related to information processes (11.1%) (Peij *et al.*, 2015). In the 2019-survey we further probed company secretaries about the significance of these challenges as well as their main causes and possible solutions. The outcomes of the 2019-survey generally confirmed the importance of these three challenges, with 72% of the respondents indicating that time pressure was an issue, 19% confirming that working for multiple organizational bodies was challenging, and 36% highlighting they were at times struggling with organizational information processes. The following sections explore each of these three challenges in further detail.

Company Secretary Challenge 1 – Time Pressure

Both the 2014-survey and 2019-survey indicate that time pressure is the most significant challenge faced by company secretaries in the Dutch context. Company secretaries regularly highlight that they often work long hours to be able to deliver the required level of quality on time, with this creating ongoing high levels of stress. As one secretary put it: "*I always work under enormous time pressure. I have a lot of meetings which take up a lot of time. I also must prepare many reports which need time and have deadlines. Moreover, there are always new things that pop up during the week and require immediate attention. On top of that, when I am ill or on holidays, there is no back-up to get any of this work done*". Similarly, another secretary mentioned that "*there always seems to be 50% more work than there is time available*".

Company secretaries see several causes for these time pressures. First, many highlight that the diversity of tasks makes the scope of the company secretary position unrealistic, with one company secretary describing that "*there are too high ambitions*", whereas another noted that "*there is a multitude of topics you are dealing with simultaneously*". Company secretaries see internal and external developments contributing to this task diversity, i.e. both "*increased governance regulation*" and "*increased demands from management and the board*" have added to their list of tasks and responsibilities. As one company secretary noted "*I always appear to get more tasks; nothing is ever taken away*" while another suggested that "*the complexity and sensitivity of the work makes it very difficult to delegate aspects of the job*".

Second, company secretaries mentioned that time pressure arises from a lack of resources and support for the role. One company secretary described that (s)he "*is the only one in the job; there is no further support and there are no opportunities to share any of the work*". Other secretaries were more critical, with one of them making it very explicit that (s)he feels that "*the company deliberately under-resources the company secretary position*" and "*does not take the work of the company secretary that seriously*". Company secretaries also felt that resource and staffing constraints worsened when managers and directors did not appreciate

these resource constraints. This often took the form in tight deadlines that did not consider the work imposed on the role. For instance, one company secretary noted that "*we have got an informal organization in which questions are easily posed*; *so, I have to educate them*" and another highlighted that "*questions from managers and directors always appear to be posed last-minute*".

Third, company secretaries also indicated that the annual meeting and reporting cycle created time pressures. The limited time between board meetings means there is little time to process information after a meeting and prepare for the next one. Thus, "*there are too many interdependent meetings that are organized too closely after one another*". Similarly, "*there are times in the year/quarter that there is no additional time or flexibility to work on other things than the absolutely required*". The yearly reporting cycle means the work performed by company secretaries comes in the form of peaks with strict deadlines and limited flexibility, creating significant time pressure for many in the role.

Addressing Company Secretary Challenge 1

Company secretaries see a range of interventions that may address these time pressures. Before discussing those, we note that many company secretaries appear to simply accept that time pressure is a natural part of the job. For instance, they variously noted that "*there are no real solutions*", "*it is important to simply accept it*", "*you just need to remain calm*", "*keep breathing*" and "*just do the work; otherwise this job is not for you*". In these cases, company secretaries report they decide to "*work harder and longer*", "*use you evenings and weekends when needed*" and accept "*that there are 24 hours in a day*". Thus, as one company secretary summarized "*this job costs a lot of time and energy; it is important to accept that and try to enjoy the ride as much as possible*".

Most company secretaries, however, mentioned that they attempt to dampen time pressures. Many described the effort they put into prioritizing tasks/activities and planning their

agenda meticulously, refraining from any activities that are not essential and trying to anticipate future work. One company secretary, for example, highlighted that for him/her it was all about *"continuously judging what was most important"*, while another mentioned that (s)he created *"a clear and complete work plan with arranged support where needed"*. For others this is a balancing act, as *"too much planning can make your schedule fixed and inflexible"* and *"proactive work has the potential to result in doing the same task multiple times"*.

A key theme emerging from our analysis of the suggested interventions was the central role of communication played in addressing time pressures. Many company secretaries described how they spend significant amounts of time managing stakeholders' expectations, i.e. discussing which activities have priority, explaining why certain deadlines will not be met, clarifying demands and making sure there is agreement before executing tasks. One company secretary outlined why this was necessary as follows: *"One needs to start drafting agendas and exploring reporting needs early on, so that there is enough time to discuss issues with information providers and other stakeholders"*. Another highlighted that *"you need to proactively communicate deadlines, offer your support, question things repeatedly and do your own pre-work well"*. As part of this stakeholder management process, several company secretaries also regularly discuss their tasks and activities with the CEO, particularly to make sure there is alignment around priorities and the boundaries of the job are clear. For example, one secretary noted that *"I discuss with my CEO what I do and what is going on. I often justify and explain my choices or ask him what has priority"*.

Company Secretary Challenge 2 – Working for Multiple Bodies

The second key challenge facing company secretaries involves working for multiple organizational bodies (mainly the management board and the supervisory board). Secretaries felt that this created conflicting loyalties, ambiguity around what to share with whom, and often led to them (unwantedly) being drawn into conflict between different organizational bodies. As one

company secretary expressed his/her frustration "*everybody talks to me; they actually try to persuade others through me*". Similarly, working for multiple bodies can strain the company secretary's relationship with the CEO, with one commenting that: "*the supervisory board involves me more than the CEO on a certain issue; the CEO is very displeased with that*". Thus, working through these opposing demands and intra-organizational conflicts is a challenging part of the role.

Several factors contribute to this issue. First*,* many secretaries highlight that it is a structural issue; a product of the two-tier board model and having to work with multiple boards simultaneously. They highlight that it is important to recognize that "*both bodies might have different interests*", particularly "*around important strategic decisions*". The challenge then becomes coordinating these activities, because "*as [a] company secretary you often have more information than the bodies separately; so which information do you then share with them?*". Second and related, these conflicts become more problematic when one or more of the organizational bodies do(es) not function effectively. As one company secretary described it, they were put in a difficult position because "*the CEO and the board do not take their time to work through their differences of opinion*" while another noted how "*a lack of governance understanding and experience*" contributes to tensions. Third, there was a key challenge in that many directors and officers appear not aware that the company secretary works for multiple organizational bodies and that there are often no clear protocols around how to deal with the conflicts that arose. This was put succinctly by one company secretary who noted: "*my role is not well-defined in terms of the support I need to provide to the supervisory board and the expectations the supervisory board and management board have around that*".

Addressing Company Secretary Challenge 2

A range of possible interventions that address the challenges of working for multiple bodies emerged from our interviews. The most straightforward suggestions involve either dividing the

responsibilities between different people or exempting the company secretary from attending specific, problematic meetings. Thus, one company director described the actions (s)he took in this regard: "*in discussion with the board chairs I have distanced myself and have not attended certain board meetings*". Secretaries also highlighted the need to openly discuss this specific challenge with those stakeholders involved. As one company secretary put it: "*the management board is my main responsibility, but I simply raise opposing demands when experiencing those*". Several company secretaries presented this approach in a different way. They see part of their job as explaining why certain information needs to be shared with other organizational bodies. As such, it is important to "*be transparent and communicate that specific information needs to be shared*" and "*you sometimes know more than every manager and director; often I have to encourage individuals to pass on vital pieces of information*".

Interestingly, company secretaries are also emphasizing the importance of operating diplomatically, remaining neutral and being steadfast when faced with conflicting demands from different bodies. Thus, a company secretary needs "*wisdom, fortitude and self-restraint to not disclose unhelpful things*". This is not without stress – as can be seen when one company secretary suggested (s)he "*is reticent at times, realizing that I am lucky with a supervisory board that does not ask any inappropriate questions*". Still, the company secretaries we interviewed concluded that it is about "*being transparent to both sides*" and "*allowing dialogue to happen and repeatedly explaining your own position*". This requires a company secretary to be self-reflecting. For instance, it was suggested to us that it helps to "*regularly reflect on [his/her] own integrity*" and that company secretaries need to go back to "*remaining loyal to the best interests of the organization at large*". Therewith company secretaries appear to point to several personal strategies to cope with and work through conflicting job demands.

Company Secretary Challenge 3 – Information Management Challenges
The third major challenge company secretaries commonly raised involved the management of

information (i.e. the collecting, processing and distributing of information to organizational bodies). Each step of this information process is potentially problematic, with problems arising regularly when the 'right information' does not arrive at the 'right time' at the 'right place'. This took the form of how the information was presented as "*often reports are qualitatively poor with it being unclear what is expected from the reader*", as well as poor timing – for example, "*reports are often delivered way too late"*. As a result, company secretaries regularly needed to chase information. Thus, "*information does not automatically come to me*" and "*sometimes I accidently come across important information*", resulting in a feeling of "*always lagging behind and not being able to anticipate information demands*".

Company secretaries reported several different sources of tension in this challenge. First, boards often failed to adequately define information requirements, thereby creating ambiguity around what specific information was required. Two company secretaries noted that "*it is rather unclear what information is expected and why"* and *"there is no clarity around what information can/must be shared"*. Moreover, the frequent and informal communication between intra-organizational actors means much of the key information remains undocumented. Thus, "*there is a lot happening outside the formal structure*" and "*in the boards there is not enough of a good understanding of governance and compliance; as a result, both boards want to arrange things quickly and informally, resulting in a lack of information within the rest of the organization"*. As a result, company secretaries appear to sometimes find themselves in a situation without the needed understanding of what is happening at the board-level.

Second, it can be difficult for a company secretary to identify and obtain support from the appropriate information owner. Several company secretaries mentioned that "*there is no central information point; is it all fragmented"*, "*the importance of quality information is underestimated by information providers"* and "*there are a lot of people involved, causing delays"*. Thus, a lack of adequate information systems (e.g. "*there is no management dashboard"*; "*the IT system is outdated")* and employees not following procedures (e.g. *"rules*

around saving and transferring data are not being followed") provide multiple barriers to easy information flows. Interestingly, some secretaries highlighted that the challenge is not so much in identifying information sources, but rather in dealing with multiple information owners. While it can be that "*the challenge is the amount of data and how to adequately store it all"*, it also arises when "*there are so many providers of information"*.

Third, at a secretary-level, time pressures lead company secretaries to not managing information flows optimally. Thus, because of "*time pressure there is not enough time to informally acquire and share information; on top of that there is also too little time to read all the written documentation"*. Another company secretary added that "*there is not enough time to go through all information"* and "*there is simply no time to write high-level summaries of key information"*. The company secretaries noted that this is certainly not unique to their position, as they observe that "*many stakeholders are also under time pressure"* and "*everyone is busy, prioritizing other things"*.

Addressing Company Secretary Challenge 3

There appear to be two key ways to deal with information challenges. First, secretaries again emphasized that there is no substitute for good communication. Part of this relates to explaining information needs and supporting information providers. One respondent explained that "*it is important to directly talk to main sources of information, to make sure that there is a good alignment, and to monitor their progress"*. Another added that it is important to "*make it as easy as possible for people to collect and transfer information"*, while another described that (s)he "*offered support to information providers"*. Interestingly, whereas many of these comments relate to the creation of a positive information sharing culture, the company secretaries also highlighted that good communication includes chasing information providers. Several company secretaries pointed to practices such as "*keep asking"*, "*confront people"* and "*repeat, repeat, repeat feedback"* to indicate their attempts to keep things on track.

Second (and relatedly), company secretaries note that it is highly important to spend time on networking. For them it is about "*meeting people over many coffees*", "*staying alert and trying to be involved in everything*", "*taking time to informally chat with employees*" and "*attempting to be part of informal networks*". It was noteworthy this did not only refer to intra-organizational networks, but also to external networks. In that context several secretaries noted that "*it is important to learn from others*", "*I use my networks to make sure that I don't overlook key things*" and "*professional networks are handy in terms of keeping each other focused as well as remaining up-to-date*". So, internal and external networking appear to be important ways for company secretaries to deal with the increasing information management demands.

To conclude, figure 1 provides an overview of the most frequently indicated causes of the top-3 challenges experienced by company secretaries, and the best-practice interventions they suggested.

INSERT FIGURE 1 ABOUT HERE

DISCUSSION AND CONCLUSION

Research suggests that the role, power and influence of the company secretary in corporate governance has been growing over the past decade (Erismann-Peyer *et al*., 2008; Kakabadse *et al*., 2016; 2017; McNulty and Stewart, 2015). Yet, to date, still very little is known about the challenges company secretaries face in their day-to-day work and how they attempt to work through these tensions. In that context this study set out to explore the experiences of company secretaries in the Dutch two-tier board system. The findings of two questionnaire waves indicate that company secretaries experience some significant challenges related to time pressures, working for multiple bodies and information processes. Our in-depth analysis of the

factors contributing to these challenges highlight the complexities involved in the execution of this role. Our analysis also points to several practical interventions company secretaries and/or companies can adopt to potentially improve the contributions company secretaries can make to the functioning of a company's governance systems.

These results contribute to the literature in two important ways. First, our qualitative analysis speaks to the literature discussing the impact of company secretaries on the governance and performance of corporations. Our findings illustrate that secretaries oftentimes need to overcome a significant number of hurdles in order to effectively contribute to board decision-making. This is important, as many of our study participants appeared to be frustrated, over-burdened and critical towards their organization, thus most likely not realizing the full potential their support role could offer to the governance of the organization. As such, our study points to the importance of fully understanding the social context in which secretaries operate if we want to know when and how company secretaries have an impact on the governance and performance of organizations. This insight is in line with broader calls in the governance litera-ture to study boardrooms from a holistic and systems point of view, recognizing the numerous actors and their relationships that will shape what happens in the boardrooms of corporations (cf. Baily and Peck, 2013; Bezemer *et al*., 2018; Ingley & Van der Walt, 2003; Lorsch, 2017; Roberts *et al*., 2005; Sur, 2014; Veltrop *et al*. 2020). Our study tentatively suggests that company secretaries should be included in such inquiries, given that they appear to provide important governance support to boards when enabled to do so (see also Erismann-Peyer *et al*., 2008; Kakabadse *et al*. 2017; May-Amy *et al*., 2020; McKenzie, 2019; Peij *et al*., 2015).

Second, our findings speak to the ongoing debate about the comparative strengths and weaknesses of the two-tier board model versus the one-tier board model (for instance, see the recent studies by Jouber, 2020; Pham & Tran, 2019). Whereas scholars and practitioners have noted that the separation of decision-management (management board) and decision-control (supervisory board) should enhance a two-tier board's ability to independently monitor

managers (Bezemer *et al.*, 2014; Jungmann, 2006; Millet-Reyes and Zhao, 2010), others have noted that the existence of information asymmetries and the generally slower speed of decision-making might make two-tier boards less effective (Hooghiemstra and Van Manen, 2004; Jungmann, 2006; Maassen, 1999). Our study tentatively supports the latter, more critical view by revealing how the role of the company secretary can be particularly challenging when there is a formal separation of management and supervisors. Many of the participating company secretaries did highlight that navigating the resulting political landscape required a lot of skill and the building of strong interpersonal relationships with organizational actors, thus pointing to the pivotal role of networking and communication in their daily work. Intriguingly, this insight poses a bit of a puzzle in that the supporting role of the company secretary in a two-tier board model may be more important to connect organizational bodies, yet it turns out to be much more challenging to do so. This also raises the open-ended question as to whether the Dutch corporate governance code should pay more attention to the role the company secretary, as the currently ill-defined legal position of the secretary appears to limit their contributions to corporate governance and board decision-making in the Dutch system.

More practically, our research findings indicate that a combination of structural and social factors appear to contribute to the challenges company secretaries face in their day-to-day work. This raises the question as to which extent the role needs a redesign in several of the participating organizations and more generally in the Dutch institutional context. Our insights indicate that both process interventions, such as clarifying responsibilities, limiting the scope of the role and establishing information protocols, *and* social interventions, such as establishing internal and external networks, improving intra-organizational communication practices and more thoroughly explaining the role to organizational actors, are needed. As such, this suggests that addressing some of these challenges will require a joint effort from company secretaries and the companies they work for, and we hope that our research will be a good starting point for a solid dialogue between the various involved stakeholders (as there may be good corporate

reasons to not want to pursue some of the suggested interventions).

This research has several limitations that simultaneously offer opportunities for future research. First, we solely relied on the self-reports of company secretaries, therewith obtaining a possibly biased picture of the challenges company secretaries experience on the job. As such, our results need to be treated with care and future research could examine to which extent the expressed views are shared by other key organizational actors, such as CEOs, chairs and non-executive directors. Second, although we attempted to reach an as large as possible group of company secretaries in the Netherlands (through various associations and training institutes), we relied on convenience sampling to reach potential respondents. As such, our findings are likely to not be representative of the entire population of company secretaries in the Dutch setting. Further research could examine to which extent our findings are generalizable across The Netherlands. Third, future studies might concentrate on other institutional contexts to ensure the generalizability of our findings. As prior studies have shown that the role of company secretaries varies across countries (Erismann-Peyer *et al*., 2008; Fuzi *et al*., 2019; Kakabadse *et al*., 2017), and given we have studies an extreme institutional setting, future research could examine to what extent our insights are similar for other countries with two-tier boards (e.g., Germany or Austria) and one tier boards (e.g., Australia, United States or the United Kingdom).

In studying the challenges experienced by company secretaries in the Dutch context, we hope this research has contributed to an enhanced appreciation of this important position in corporate governance. We also expect the potential ways of addressing those challenges will aid those filling a position growing in power and influence. Further, given the current speed of change in global governance systems, we hope our study will motivate further research into the contributions of the contemporary company secretary.

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Figure 1: Overview of the Main Challenges Experienced by Company Secretaries in the Netherlands

Contributing Factors   **Secretary Challenges**   **Interventions & Solutions**

* Too many, diverse responsibilities
* Too little organizational support/priority for the role of the company secretary.
* Annual year plan / meeting scheduling.
* Lack of clear/consistent guidance from the TMT and/or board of directors.

Time Pressure (72%)
- Tasks remain (partially) undone
- Quality of work under pressure
- Working longer hours than expected
- Experiencing personal stress

* Strict planning of priorities and time.
* Timely/clearly communicating with all the involved actors.
* Clarifying the tasks of the secretary, limiting the scope of the activities/role.
* Pacing the work / working more hours.

* Inherent due to structure of the job.
* Conflict between organizational bodies.
* Responsibilities not clear and well-defined for all the involved.
* Lack of skills and knowledge about good governance in organization.

Working for Multiple Bodies (19%)
- Unclear what information to (not) share
- Experiencing loyalty conflicts
- Being dragged into and/or used in conflict between governing bodies.

* Raising awareness of challenges.
* Remaining a neutral position (focusing on what is good for the organization).
* Clarifying responsibilities versus the various organizational bodies.
* Restructuring the role and/or activities.

* Immaturity of organizational structure
* Information needs bodies not explicit
* Time pressure (secretaries to process info; providers to deliver info).
* Information widely spread and little links between the various sources.

Information Management Challenges (36%)
- Hard to get access to all the needed info
- Hard to decide which info is needed
- Hard to find time to manage/present info

* Explaining the need for information + helping people to deliver (talk, talk, talk)
* Spending time on internal and external networking (to keep up to date).
* Persistent questioning of information providers to obtain what is needed.