

COMPANY SECRETARIES: WORKING FROM HOME A YEAR ON



Ahead

MAY 2021

In April 2021 we reached out to our Ahead network of governance professionals to gain an insight into their evolving work practices. Most businesses and individuals have faced seismic change in work practices over the last year.

Whether accommodating working from home, home schooling or caring responsibilities, business operating models have had to adapt and change. However, are these changes likely to go back to what they were pre pandemic?

We sought to answer this by talking to our governance community about what 'day to day' changes are here to stay as part of the new 'normal' and what they were itching to get back to.

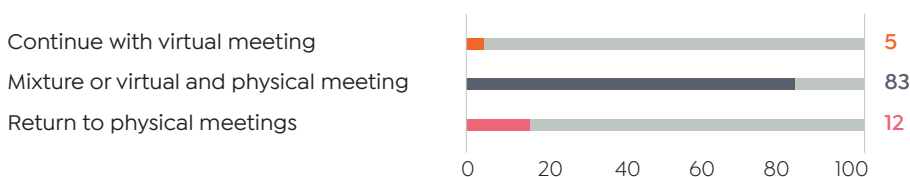
A big thank you to the 100 governance professionals who completed the survey. Over the following pages our survey results show us what has changed, what has not, lessons learned and what has been implemented to manage the need for rapid transformation.



Board meetings

Accurate and timely information sharing, especially in a screen led environment, has been and will remain critical. In the last year virtual communications, such as Zoom or Teams, have become the mainstay of almost all businesses (and many families). However, only five respondents in our survey thought their organisation will hold fully virtual board meetings in the future, with 12 returning to fully physical meetings. Interestingly, the majority, 82, said they would use a mixture of virtual and physical for their board meetings. Possibly a reflection on the predicted changing location demographics of the workforce.

Future board meetings

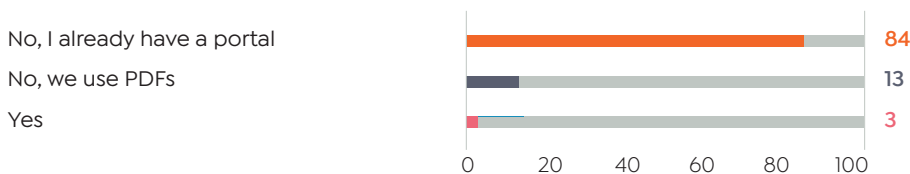


Of those who did cite that board meetings would be fully or partially face-to-face there were three key reasons:

- The boards preference to be face-to-face. Long onscreen meetings, sometimes held over a number of days, make it difficult to retain focus, in depth debate and accountability.
- Being able to develop better relationships through networking around the meetings, seeing body language and the nuances of in person communication.
- The unreliable nature of technology. Whether it is home internet stability, tech failing at the last minute or the well-known “you’re on mute”, the effectiveness of virtual communication channels themselves and, in some cases, the users, is still not up to scratch.

Many companies were already using a digital board portal. Of those that were not, 3 companies have adopted a new digital board portal solution working from home.

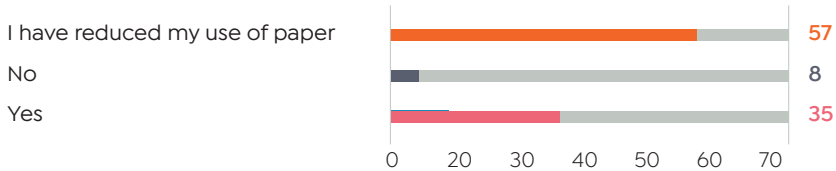
New digital board portal



Paperless, or not

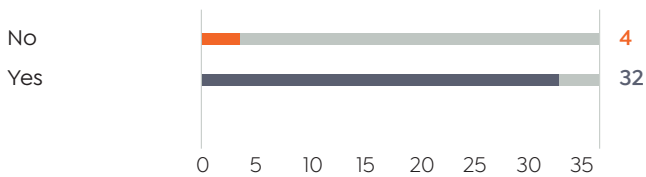
Rather unexpectedly, only 35 have adopted a paperless strategy whilst working at home. Encouragingly, the majority have reduced their use of paper (57) with only 8 having neither gone paperless nor reduced their use of paper.

Paperless



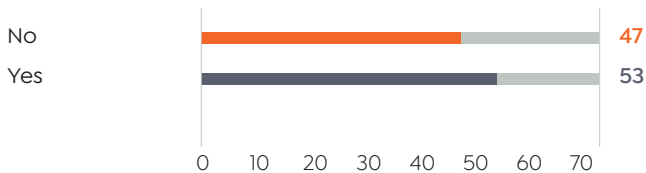
Of those who have gone paperless, almost 92% will stay that way. Going up to 97% if and when those individuals return to an office environment. This could indicate that the ability to print in the office does not mean people intend to return to old habits:

Staying paperless



Adopting an Electronic Signature Platform (ESP) certainly seems to have helped some companies. 53 of our 100 respondents have adopted an electronic signature platform in the last 12 months. With the majority saying they are using DocuSign (30), Adobe (11) or Diligent (5). The remainder use Board Intelligence, BoardVantage, Spring, PDF Expenses or Nitro Pro. All of those now using an ESP will either continue to do so or use where a 'wet ink' signature is not possible.

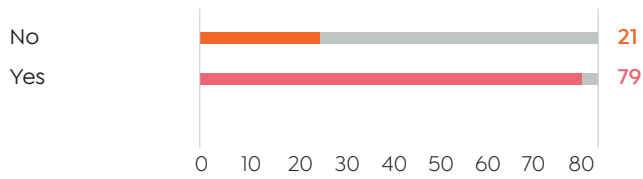
New ESP over the last twelve months



For those not using an ESP they are currently managing by:

- Applying scans of electronic signatures, with the consent of the director in question by email or using Board minutes to provide that e-signatures are valid;
- Sending and returning by post;
- Individuals physically going into the office where necessary; or
- Printing/scanning for those that have the facility.

Paper copies – prior to lockdown



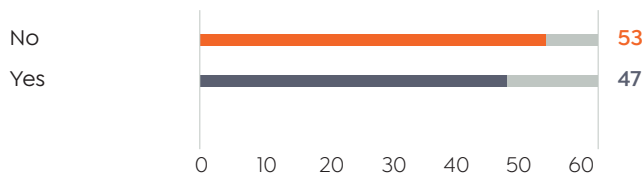
Prior to working from home, paper copies of minutes and registers were kept by 79 of our respondents.

So, how did they manage over the last 12 months? A significant number of people explained they have now switched to electronic files and signatures for minutes and registers, where possible, via the various methods discussed earlier. For instances where wet signatures and hard copy filing are still used, some are keeping printed files at home for signature/filing when able to go into the office or sending through to signatories in the post.

Training

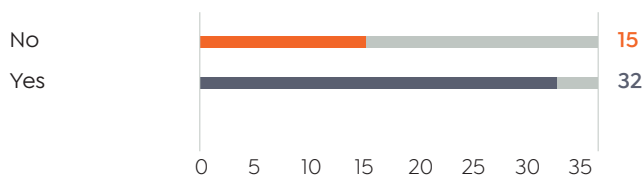
Almost half of the Company Secretaries surveyed stated they and their teams had to adopt new digital processes in the last year.

New digital processes – last twelve months



In 68% of incidences introducing new digital processes, additional training was required to enable those teams to use the new technology. This will have had an obvious budget impact in most cases.

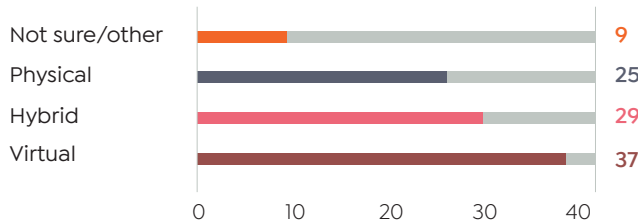
Training required on new systems



AGMs

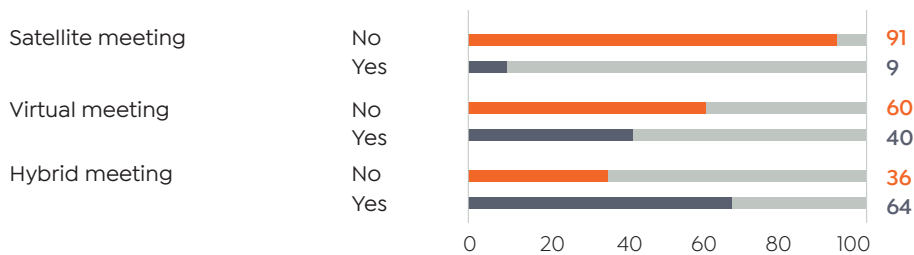
In the last 12 months the most popular format for an AGM has been virtual, with hybrids a close second but still over a quarter being physical (some of which, in our experience, are likely to have been closed meetings).

Meeting formats – past twelve months

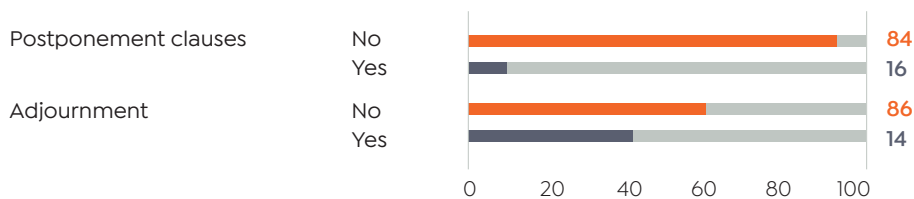


However, as businesses evolve their AGM formats and look to futureproof them, article changes, in a number of cases, are being considered. As illustrated here:

Meeting formats – next twelve months



We also asked if companies will be considering powers regarding postponement and/or adjournment:



Linklaters recently reported (in 'At a glance – Governance & Risk April 2021') that they had reviewed FTSE350 companies that had published their notice of meeting for AGMs, held from 1 April 2021 onwards, so without the temporary permissive CIGA legislation which ended on 30 March. Despite the majority proposing amendments to their articles to allow future hybrid meetings only 3% had sought approval for changes allowing for fully virtual meetings.

A fifth intend to provide a hybrid AGM, nearly half will hold a physical meeting only, but with some additional electronic facilities, i.e. a pre-AGM shareholder event, live Q&A in the meeting, a live webcast or audiocast and a quarter are intend to hold a physical meeting, without additional electronic access facilities. Only one company, at the point of going to press was planning to hold a fully electronic meeting.

Other changes to working practices

As a free text question, we asked what other changes people had made to their working practices due to working from home.

Many had found their working hours to be more flexible (around other commitments) and fluid (allowing them to work when they are at their best). Not to mention the reduction in time spent commuting and being 'pulled' into unscheduled meetings. Some advise caution against blurring the lines between work and home and never being able to leave work 'in the office'.

Unsurprisingly, there has been a heavy transfer to virtual meetings, many of those being via Zoom and Teams. Check-ins and catch up meetings have increased, replacing 'corridor' conversations and the casual interactions of being in the same location. Screen fatigue is a large issue but some report that staff are more efficient with virtual meetings.

When asked about other ways of supporting virtual working and board meetings, our survey participants provided some great suggestions:

- Additional monthly Board meetings or more shorter Board meetings to reduce length of quarterly meetings and reduce Zoom fatigue
- Reinvigorated Board preparation and briefings in advance
- Adding in more breaks during meetings as maintaining concentration in a virtual board is difficult
- Meeting free Fridays or one-half day a week (this needs to be a team/firmwide approach)
- Regular catch ups and check-ins with the team – one on one, 'huddles' in groups, via virtual events and sometimes just on the phone (to help with screen fatigue)
- Encouraging staff to block out an hour for lunch in their diaries every day
- Increase in staff wellbeing sessions i.e. online meditation, yoga, mental health seminars, virtual social events
- Investment in upgraded equipment and software to make virtual meetings more effective
- Better working set up at home, especially for those who will not return to the office full time
- Flexibility in working day (e.g. a couple of hours during day replaced with a couple of hours at night on occasion)
- Encouragement to replace commutes with hobbies.

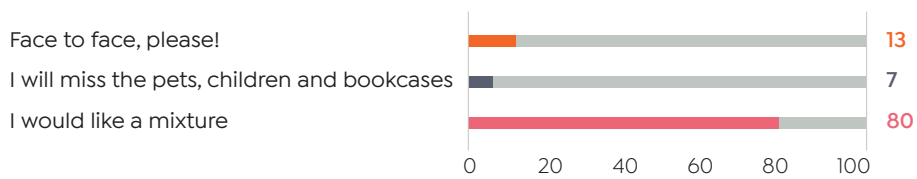
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Uninvited guests

We have all heard the horror stories of life in the virtual meeting room. From people stuck on cat filters to uninvited guests making their presence felt.

Our final questions were a bit of fun; 'Will you miss seeing colleagues pets, children and bookshelves or are you looking forward to getting back to face to face meetings when you can?'

Total



A final thought

The news is currently being flooded with surveys and announcements on the return, or not, to physical offices. Last year Gartner did a CFO survey, 74% of companies surveyed said they will, post pandemic, move 5% of staff to permanently remote positions, and nearly 25% will move 20% of their workforce to permanently remote positions.

Many companies seem to be going for a blended model due to the many benefits, not least the reduction in commercial property costs. No matter what individual companies are doing, fully or blended virtual work practices look here to stay, be it within our own companies or in our interactions with investors, clients and other stakeholders.

Has your company considered its approach? For example, will the all-inclusive nature of the digital versus the geographic challenges of the physical be a lead consideration for when planning shareholder meetings?

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