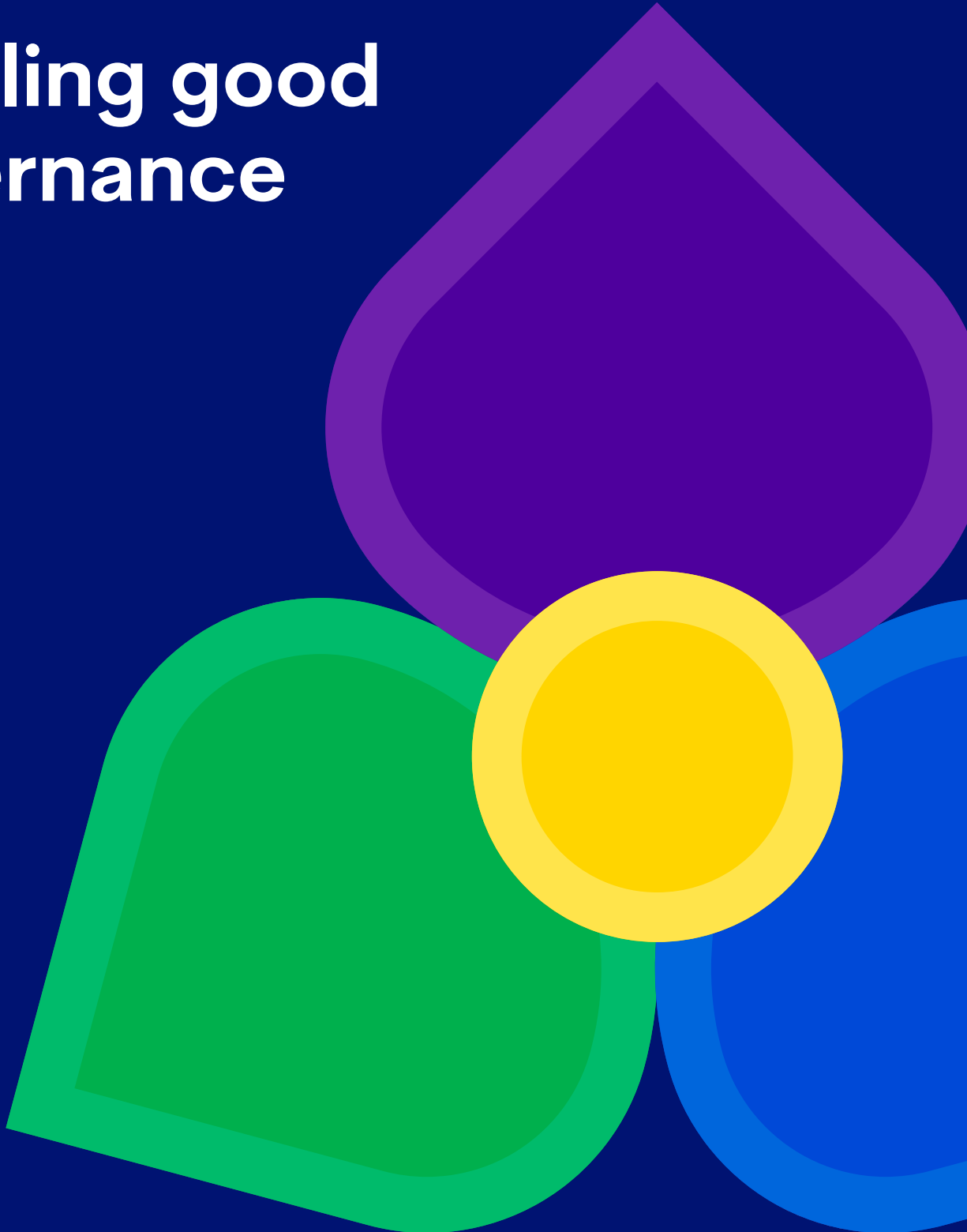


THE COMPETENCY FRAMEWORK

# Enabling good governance





# Contents

<b>The importance of governance</b>	<b>1</b>
<b>Introducing the competency framework for governance professionals</b>	<b>2</b>
<b>Lifelong development</b>	<b>2</b>
<b>Use of the competency framework</b>	<b>3</b>
<b>Purpose of the competency framework</b>	<b>3</b>
<b>The competency framework model</b>	<b>4</b>
<b>Proficiency levels and progression</b>	<b>6</b>
<b>The 'values' competencies</b>	<b>8</b>
<b>The 'knowledge' competencies</b>	<b>12</b>
<b>The 'practice' competencies</b>	<b>16</b>
<b>Learn, develop and connect</b>	<b>20</b>

**Comments, questions and observations**

If you have any feedback on this framework and its applications please contact Sheila Doyle, Policy Manager on [sdoyle@cgi.org.uk](mailto:sdoyle@cgi.org.uk).

**© The Chartered Governance Institute 2022**

All rights reserved. No reproduction without permission of The Chartered Governance Institute.

The information given in this framework is provided in good faith with the intention of furthering the understanding of the subject matter. While we believe the information to be accurate at the time of publication, nothing in this note represents advice by the Institute or any of its members. The Institute and its staff cannot accept any responsibility or liability for any loss or damage occasioned by any person or organisation acting or refraining from action as a result of any views expressed therein. If the reader has any specific doubts or concerns about the subject matter they are advised to seek legal advice based on the circumstances of their own situation.

# The importance of governance

All organisations should aim to embed governance structures that add value.

Effective company secretaries and governance professionals enable the board to set and achieve the strategic goals of the organisation. This requires specialist knowledge combined with strong values, emotional intelligence and the ability to apply understanding in the particular context of the organisation and its wider environment.

Regulatory bodies continue to develop oversight and leadership requirements across sectors, but good governance has never been solely about following legislative, regulatory and financial requirements. Sector, global, and stakeholder trends must be understood and acted upon. Organisations must accommodate new business practices, broader board oversight and wider considerations such as environmental, social and governance (ESG) issues, sustainability, digitalisation and equality, diversity and inclusion (EDI).

**The role of the governance professional**

Accommodating these different requirements creates additional layers of expectation. Consequently, the role of the company secretary or governance professional is one of constant adaptation, often incorporating a much wider remit than the traditional concept of company secretarial and governance professional work as being purely minute taking or record keeping. It follows that those working in governance roles must continually advance and expand their skills, alongside developing the organisation and its governance model.

The role of the company secretary or governance professional has grown significantly, from technical expert to strategic enabler. Skilled professionals who can engage with stakeholders successfully and balance regulatory compliance

with their organisation's commercial interests and social purpose are in high demand.

**Chartered membership**

This demand has resulted in the creation of governance roles outside of the traditional secretariat team in some organisations. The Institute's designation of Chartered Governance Professional, alongside the time-honoured designation of Chartered Secretary, recognises and reflects this, offering a range of routes to qualification and resources to support governance careers. Those who choose to achieve Chartered status are qualified to use either designation, or both, and have the flexibility to present their understanding, practice and values according to their professional context.

Being an effective company secretary and/or governance professional means enabling the board to set and achieve the strategic goals of the organisation. This requires mastery of specialist knowledge combined with strong values, emotional intelligence and the ability to apply understanding in the particular context of the organisation and its wider environment.

**The modern governance professional**

The can-do nature of the modern governance professional means that they are often given additional responsibilities, especially within medium and smaller-sized organisations. This can include responsibility for data protection, compliance, HR or facilities functions, health and safety as well as the oversight of strategic projects.

Some company secretaries will work within in-house or professional service teams, whereas others may be the sole governance professional in their workplace and need to draw on networks and other external resources for support. The framework is sufficiently broad to apply to these different contexts, sectors and stages.



# Introducing the competency framework for governance professionals

The competency framework supports the development of company secretaries and governance professionals by identifying the behaviours they need to perform well in their roles.

Key competencies that support good governance, and the professional behaviours that exemplify them, are identified and split into three areas: knowledge, practice and values. Together, these provide a clear picture of the role and define what an effective company secretary or governance professional knows, does and believes.

The framework helps individuals review and plan their professional development, by describing how each competency can be demonstrated in practice at all career stages. It can also be used as a tool to assess the governance capability within organisations.

# Use of the competency framework

## What is a competency framework?

A competency framework is a structure that sets out and defines the knowledge and skills people need to perform effectively in their roles. They can be used to set an objective minimum acceptable benchmarks for performance.

Individuals and employers can also use competency frameworks to support professional development by identifying knowledge and skills that need to be acquired in order for someone to perform effectively.

## How does it work?

The competency framework can be used to identify the core requirements of a governance role. This is centred on the functions of the company secretary or governance professional but also incorporates aligned functions on the broader governance environment.

# Lifelong development

Career progression and skills maintenance can be achieved through practical application and formal and informal learning and development. In combination, these support the lifelong evolution and maintenance of expertise, eventually leading to the attainment of 'expert' status, as identified in the competency framework.

By applying each value and related behaviours from the competency framework, company secretaries and governance professionals can map their career progression. In addition, they can use the framework as a tool to identify areas to refresh or deepen knowledge.

For those joining the profession from an aligned or alternative career, the competency framework can be used to map their skills, providing a clear view of any specific areas that they need to focus on supporting or enhancing their existing knowledge. For example, someone transitioning into a governance role, such as a lawyer, may seek to map their existing knowledge of governance to the competency framework to identify areas where they already possess the required competencies and those where additional learning is required or where they could seek to broaden their skillset.

# Purpose of the competency framework

The prime purpose is to identify:

- **Governance career paths:** identifying the career path for a company secretary or governance professional
- **Career transition into governance:** mapping existing and required skills and knowledge for those seeking a transition into a governance role
- **Professional advancement:** identifying a clear development and formal ongoing training pathways for professional advancement in governance for individuals and teams
- **Self-assessment:** mapping personal capabilities that can be self-assessed against an industry standard
- **Performance and professional assessments:** key areas that can be included in organisational performance reviews and professional assessments
- **Career transparency:** evidencing where an individual sits within their governance career compared with the industry
- **Recruitment:** helping to identify suitable candidates to fill vacancies, supporting hirers, applicants and recruitment consultants with the recruitment of new or replacement roles
- **Development and succession planning:** for and within governance teams, identifying in-team progression opportunities, succession needs and team development opportunities.

# The competency framework model

The competency framework comprises 12 competencies divided into three areas:



## VALUES

### What I believe

The values that underpin effective governance.



## KNOWLEDGE

### What I know

Knowledge of the essential practical and theoretical information required for good governance and how to apply it.



## PRACTICE

### What I do

The skills and expertise that company secretaries and governance professionals bring to their roles.





# Proficiency levels

The competency framework identifies four proficiency levels.

## Entry

Those at the entry level are new to the governance environment, either leaving full-time education or new to an office-based role. They seek guidance on generalised skills and those specific to their new role. While at entry level, they will work under close supervision, gradually increasing their autonomy on specific tasks as they prove their capability. They are likely to be engaged in administrative and operational tasks that support the work of the team.

Early-stage professional qualifications may be undertaken in advance of their practical application, i.e. they may be learning about things that they have yet to apply.

## Emerging

Those at the emerging level are continuing to learn to support performance in their role. They seek guidance and support on a case-by-case basis from peers and line managers. As they develop their knowledge through study and practice, they increasingly work autonomously and gain confidence in their abilities. As their knowledge increases, they may take the lead on specific initiatives and, in larger teams, may have some responsibility for the activities of others.

Practical learning is supported by professional qualifications.

## Established

Those at the professional level show mastery in their work and a breadth of understanding of the skills, practices and behaviours required of their role. They are trusted advisers to colleagues, a source of guidance for boards and others, particularly on regulatory and legislative matters and, in larger organisations, may be team leaders. They exercise good judgement across planned and unplanned situations and can react accordingly. They constantly maintain a watching brief on external influences that may affect their organisation.

Practical expertise is extended through professional training to understand the role of the board and the organisation.

## Expert

Those at the expert level play a valued part in strategic leadership and may have an external role alongside their internal leadership position. They influence the governance agenda, are frequently consulted and often lead on specific initiatives, some of which may not be governance centred. They actively support the development of other governance professionals, both within their organisation and externally. They are seen from outside their organisation as leaders in governance generally and within their sector.

With extensive practical experience and existing professional training, CPD is focused on refreshing, updating and extending existing knowledge

It is important to recognise that some individuals could be working at an emerging level in one area of competency and at an established level in another. This may reflect their role, experience and the requirements of their career to date rather than their capability.

## Proficiency level progression

Progression from one level to another can be self-monitored or form part of a managed development programme formally overseen by the organisation.

Individuals may progress in different elements of the competency framework at different stages and times in their career through personal capabilities,

exposure within the organisational environment or through expertise acquired in prior or external environments, roles and education. However, elements of fundamental knowledge, experience and application must be evidenced before an individual can be seen to fully transition to the next proficiency level.

## What I believe

The values that underpin effective governance.



## The 'values' competencies

These competencies demonstrate the values that motivate and sustain company secretaries and governance professionals and enable them to make distinctive contributions to their organisations and boards.

Values play a big part in attracting people to the profession and helping them to succeed within it. They can be developed through observation, experience and practice, and reinforced through professional networks and peer learning.

The role of a company secretary or governance professional can be lonely at times, and a reliable network can prevent professional isolation and provide support, guidance and inspiration, especially at times of significant change or crisis.

Like the 'knowledge' competencies, what changes as people progress are the opportunities to apply values in their organisations and the wider environment, which evolve with seniority and experience. The development of professional values is not detrimental to existing personal, family, community, or national values.

### The CGIUKI Code of Professional Ethics and Conduct

Many of these competencies and the behaviours that express them are described in the Code of Professional Ethics and Conduct.

## The 'values' competencies

### Integrity

Those who act ethically will show an understanding of:

- professional ethics: standards of conduct and values in respect of the organisation, the governance profession and all related activities
- the meaning of integrity: the quality of being honest and having strong moral principles
- recognising and limiting bias: incorporating equality, diversity and inclusion
- the identification and management of conflicts of interest: both one's own and others'.

### Emotional intelligence

Those who act with emotional intelligence show an understanding of:

- the application of alternative responses to reflect environments and situations demonstrating emotional self-awareness and self-control
- their own and others' biases and pre-conceptions and how to adapt situations and environments to limit their impact
- how to show empathy, sensitivity and perceptiveness in a professional environment
- building relationships with and working alongside colleagues, especially those with differing personalities, views, backgrounds, experiences and attitudes
- the benefit of investing in their own learning to maintain and develop their contribution and effectiveness.

## The 'values' competencies

### Independence

Those who act independently will show an understanding of:

- when and how to take an independent stance in contrast with that of others
- how to communicate and when to maintain and promote alternative opinions
- when and how to challenge the status quo, including when it is not beneficial
- when and in what context and environment discretion is required.

### Open-minded

Those who are open-minded will show an understanding of:

- how the promotion of alternative views and opinions generates a diversity of thinking and discussion to the benefit of the organisation
- a learning culture for themselves and the organisation, learning from successes and mistakes, encouraging continuous sharing of knowledge alongside formal and informal training
- working flexibly within their role and in interactions with others to maintain focus on deliverables and a positive work environment
- promoting governance as an enabler and collaborating with and embedding into the values and culture of an organisation as well as the values of the role holder
- working pro-actively within teams of colleagues that benefit the organisation and deliver effective outcomes.



## What I know

Knowledge of the essential practical and theoretical information required for good governance and how to apply it.



## The 'knowledge' competencies

The core knowledge and understanding that a company secretary or governance professional needs can be acquired by:

- studying the Chartered Governance Qualifying Programme
- taking an accredited masters programme in corporate governance
- practicing a range of different disciplines. These include finance and risk
- understanding of other areas such as law, strategy, compliance, company secretarial practice and organisational psychology.

The foundation that the qualification provides is only the starting point. The technical and regulatory understanding that company secretaries and governance professionals need is maintained through continuous professional development. Lifelong learning is essential for keeping technical expertise up to date as law, regulation, technology and market practices change continuously.

Communication, judgement and interpersonal skills are needed for the effective application of knowledge. These can include analytical skills, the ability to structure a discussion, summarise an argument, propose a solution or empathise and understand the position of others. These kinds of competencies are acquired through application, observation and experience. Soft yet important skills such as self-awareness, emotional intelligence and empathy underpin the application of knowledge.

Company secretaries and governance professionals are encouraged to understand and remain cognisant of the requirements of their particular organisation, horizon scanning for potential future changes.

Company secretarial and governance roles in all sectors, including charity and not-for-profit, also require commercial acumen to make the necessary connections between the organisation's business model and the governance framework.



## The 'knowledge' competencies

### Environment and external stakeholders

Those who have the required knowledge of the environment and external stakeholders show an understanding of:

- the sector in which the organisation operates
- the external stakeholders of the organisation; how they impact and affect the organisation and how the organisation interacts with them
- the environment and community within which the organisation operates, and the impact that the organisation has on this environment and community
- the wider environmental, social and governance (ESG) issues that apply to the organisation and that the organisation can adapt to.

### Finance, risk, regulation and compliance

Those who have the required knowledge of finance, risk, legislation, regulation and compliance show an understanding of:

- financial reporting, statements and accounts and how the board and leadership teams use these to lead the organisation
- the organisational approach to and appetite for risk; including reporting, assessment, systems and structures that support the governance of risk and how the board uses knowledge and manages risk crises
- laws, regulations and reporting requirements of the organisation; how the organisation complies with these and where their monitoring of amendments or practical application and oversight sits within the organisation
- the organisational compliance framework, noting that this may primarily be within the governance function, but other functions may have topic-specific or regulatory responsibilities, deliverables and oversight.

## The 'knowledge' competencies

### Culture, strategy and leadership

Those who have the required knowledge of culture, strategy and leadership show an understanding of:

- the organisational culture and how this is reflected in day-to-day practice, incorporating its values and vision/mission statements
- the strategy of the organisation; who sets it, how it is communicated and how it is implemented, overseen and developed
- the leadership team and other significant influencers in the organisation, their roles and responsibilities and the theoretical practice of leadership applied in the organisation.

### Purpose and governance

Those who have the required knowledge of purpose and governance show an understanding of:

- the organisation's legal structure and how it is applied
- the purpose of the organisation and the communication and application of this purpose
- the governance model, processes, procedures and practices in operation, including composition of the board and any board committees.

## What I do

The skills and expertise that company secretaries and governance professionals bring to their roles.



## The 'practice' competencies

Company secretaries and governance professionals apply and share their technical, strategic and commercial knowledge through good practice. This is done across a broad range of activities that support the board in creating systemic change, assessing shareholder and stakeholder interests, and balancing short-term performance with the long-term stability of the organisation.

Good governance involves keeping abreast of good practices, technological developments and changes in the political, social, legal, regulatory and commercial environment. One of the most important attributes for company secretaries and governance professionals in the 'practice' competencies is curiosity and the ability to keep learning. It is essential to maintain the habit of looking upwards and outwards despite the demands of a busy role.

Early-stage practical application of knowledge and values is an invaluable foundation as company secretaries, and governance professionals develop broader influence beyond playing supportive roles.

As company secretaries and governance professionals become more experienced and expert in their knowledge, their role naturally expands and their impact, influence and leadership become greater. In many organisations, their foundational knowledge supports a much broader role that, in practice, is often akin to that of board members.

## The 'practice' competencies

### Planning, organising and recording

Those who practice planning, organisation and recording show an understanding of:

- the construct of an effective board meeting, including board agenda, and the creation, maintenance and timely distribution of board packs
- How to ensure effective board minutes are taken and maintained, meeting the requirements of legislation, the organisation and the board
- the distribution of information and minutes, maintaining discretion and applying appropriate levels of confidentiality
- the maintenance of effective, organised and relevant corporate documentation and records, aligned to legislative requirements and organisational processes, procedures and needs
- Where utilised, the correct and efficient application of any electronic systems within the governance function and the organisation more widely.

### Influencing and coaching

Those who practice influencing and coaching show an understanding of:

- building appropriate and effective relationships and contacts within and outside the organisation
- identifying the needs and interests of relevant individuals
- persuading and influencing others, including those of greater, lesser or equal standing within the organisation
- coaching others to fulfil their potential within the organisation, sharing knowledge appropriately to support and develop others
- being open to receiving coaching and reverse mentoring throughout their career.

## The 'practice' competencies

### Problem-solving

Those who practice problem-solving and anticipation show an understanding of:

- anticipating needs, particularly of the board, based on previous discussions or personal experience
- working with chairs to ensure that the board agenda and pack anticipate and accommodate emerging discussions or topics
- horizon scanning for internal and external activities, initiatives and changes (including regulatory and legislative changes) that may impact the organisation and that should be addressed or disclosed to the board
- being prepared to provide solutions to issues when required or requested
- pre-empting governance queries, averting governance-related issues through identifying correct or alternative solutions and actions.

### Advising and enabling

Those who practice advising and enabling show an understanding of:

- when and how to propose alternative options or introduce alternative solutions or suggestions
- when to offer or suggest alternative advice, including from external experts
- how to enable a broad discussion, whether through personal contribution or the presentation of information and materials to support and encourage diversity of discussion
- clear and effective communication techniques and when/how to apply them.



## We support governance professionals at all levels with:

---

- A portfolio of respected professional qualifications
- Authoritative publications and technical guidance
- Breakfast briefings, training courses and national conferences
- CPD and networking events
- Research and advice
- Board evaluation services
- Employee share ownership and lobbying expertise

