



“The study demonstrates the importance of boards breaking out of their bubble”

Justine Lutterodt talks to *Governance and Compliance* about the Mindful Exclusion project, as well as discussing how boards can become more diverse in the post-pandemic world

INTERVIEW BY SONIA SHARMA, EDITOR OF *GOVERNANCE AND COMPLIANCE*

Justine Lutterodt is Managing Director of the Centre for Synchronous Leadership, a think tank, consultancy, and membership organisation designed to research, activate and support corporate changemakers. She brings to her coaching practice 20 years of experience working with senior executives and has led numerous senior teams and entire divisions through cultural transformation. Additionally, her I&D projects relating to race and ethnicity received awards in 2013, 2014 and 2018.

Outside of CSL, Justine serves as a NED for the nominations committee of the Chartered Institute of Taxation. She is also Chair of Judging for the Diversity Legal Awards and Patron of Bright Stars, a charity supporting young people with autism.

Justine was recognised in 2016 by BE Mogul as one of Britain's Most Influential Black Entrepreneurs and in 2017 by Brummell Magazine as one of the City's 30 Most Influential Female Industry Changemakers. We spoke to Justine to find out more about one of the latest projects she is working on, in addition to learning how COVID-19 has affected board diversity.

The Chartered Governance Institute UK & Ireland and the Centre for Synchronous Leadership (CSL) have been working together on a project called Mindful Exclusion which documents new findings on effective governance for a post-pandemic world. Can you tell us more about this project, and how it came to fruition?

The concept of Mindful Exclusion was born out of work that CSL was doing with employee networks, HR leaders and senior leaders in 2014. We saw employee networks struggling to gain traction in their organisations because they were perceived as ‘exclusive’. We noticed that some HR leaders assumed that being ‘inclusive’ meant lowering their standards. And we saw members of boards and senior teams excluding colleagues from their decision-making processes based on personal agendas, instead of what was best for the organisation. In each of these cases, exclusion was unavoidable. There was a reason that employee networks needed to focus on specific groups, that HR needed standards, and that leaders were selective about what information they brought to the table. The problem was not exclusion, but rather the mindless nature of how it was occurring.

In 2015 we convened 100 leaders spanning all three groups to engage in one conversation about what it meant to ‘exclude better’. In 2016, the first article on Mindful Exclusion was published in *Developing Leaders*, the World Economic Forum's leadership magazine. Following this, we began to do more in-depth research with each of these audiences, exploring the implications for both decision making and culture. We conducted a qualitative study with over 150 employee network chairs and partnered with Talent Rising to take this conversation to the London Stock Exchange and Guildhall. We launched an initiative at the House of Lords on ‘HR Leaders as Agents of Change’, under the patronage of Lord Michael Hastings. Finally, in 2019, we joined forces with The Chartered Governance Institute of UK & Ireland to explore Mindful Exclusion in relation to governance.

The Institute has been an ideal partner for the Mindful Exclusion report, given that company secretaries are often the best listeners in the

boardroom. Through our qualitative interviews, focus groups and quantitative survey we have gained a much clearer picture of how exclusion is happening in the boardroom, and the levers that can be activated to improve decision making. We have also tapped into a few additional networks to enhance this understanding – including the *Financial Times*, the Confederation of British Industry, the Middle East Institute of Directors along with our own community of business executives. The resulting collaborative journey has embodied the principles of Mindful Exclusion, leading each of us to engage in unfamiliar territory, in a way that contributes to (rather than detracts from) our larger objectives.

Can you tell us more about your background? Why did you decide to create CSL?

In the spirit of Mindful Exclusion, I'll answer this question on three levels.

In terms of lived experience – my mother is white British, my father is black Ghanaian, and I was born in America. Growing up, this meant that I needed to reconcile multiple perspectives and identities in order to make sense of my own. The skillset this forced me to develop enables me to see the commonality across seemingly disparate groups. The awareness that there are additional perspectives which I might not see also keeps me humble.

Educationally, my undergraduate degree was in mathematics and philosophy. This is relevant since the construct of synchronous leadership has been heavily influenced by ethics, and pattern recognition continues to be a signature of our work. My master's in organisational psychology and a diploma in executive coaching have also come in handy for developing our approach to systemic change. We are often helping leaders to identify what one lever of change they can focus on for maximal impact given their leadership style, organisational culture, and strategic objectives.

Professionally, I grew up at Monitor Group, a management consultancy co-founded by Michael Porter which is now part of Deloitte. I had the privilege of being exposed to a broad range of methodologies, sectors, organisations, and management styles at a young age. This was great

learning experience and made me curious about the role of leadership in improving the business sector. I then took a role as Marketing Director at QTS, where I was able to apply what I had learned about business strategy in a more entrepreneurial context.

I launched CSL in 2010, following my master's. The vision was always to support the evolution of the business sector, such that it was more 'in sync' with what would enable individuals, teams, organisations, and society to flourish. I believed that a new type of thinking was required to achieve this – one that integrated an understanding of organisational strategy with an appreciation of human psychology in an ethically coherent framework.

Over ten years later, we are still going as a think tank, consultancy, and membership organisation. I specialise in coaching leaders at the top who identify as changemakers, and we are best known for our Walk the Tightrope leadership programme and our A Step Ahead seminar series. Our membership community is also quite unique as it enables us to connect, learn from, and support leaders at all levels of the corporate hierarchy as well as our Fellows, who are social entrepreneurs.

How has COVID-19 impacted diversity on boards?

COVID-19 has disrupted organisational norms and created greater awareness of blind spots. Many boards that were not prepared for the pandemic have fundamentally changed the way that they prioritise more holistic issues such as organisational culture, impact on wider society and even climate change. The conversation about diversity and inclusion has also been impacted. We can see from our survey results that the proportion of boards with diversity and inclusion on their agenda has gone up from half to two thirds.

The murder of George Floyd and the global outcry for racial justice that followed has significantly contributed to this shift. Around half of boards now have racial diversity on their radar and there is a new appreciation for diversity of lived experience. Meanwhile, the focus on gender diversity has not wavered, with three quarters of boards treating it as a priority.

The focus on gender diversity continues to yield results, with women comprising more than half of FTSE 350 director appointments over the last year. However, less than 20% of new directors were ethnic minorities and only 3% were black.

The third Mindful Exclusion report, Part III: Composition, delves deeper into this topic, exploring the underlying factors and key levers for change.

What are some of the next steps that boards and organisations need to take to improve diversity in the post-pandemic world?

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interrogating their processes for recruitment and promotion, and cultivating a pipeline of diverse candidates at every level of the hierarchy. These are important steps that, if executed with skill, can be transformative. However, here are two additions that I believe represent the next frontier.

The first is to make Allyship a core leadership competency. It is human nature for us to stick with what is familiar, stay in our comfort zone, and rely on a singular narrative of who is 'impressive' – ideally one that affirms our own status.

However, in an increasingly uncertain and polarised world, where the path forward requires an ongoing stream of innovation, these insular instincts become a business liability. We must both cultivate and screen leaders based on their ability to engage with the unfamiliar, embrace discomfort, and redefine 'impressive' depending on the context. How leaders treat diverse colleagues is one of the best litmus tests for this.

The second is to evolve the norms of the board to accommodate all members. This involves a conscious investment in team alignment (and re-alignment). Too often, we expect the person who is new or different on a board to do all of the learning and adjusting. This limits the psychological safety of the group and the extent to which that person's sources of difference can be valued. Having a more dynamic approach is also helpful for adapting to changing circumstances in the external environment.

Going back to the Mindful Exclusion project, what are some of the key takeaways for governance professionals in Part I: The Agenda?

Part I shows how, prior to the pandemic, many boards and executive committees were struggling to put holistic and forward-looking issues on the agenda. However, those that bridged psychological distance – by looking ahead, looking beyond and preparing to pivot – prioritised very differently. Not only does this group now report being more confident with their prioritisation behaviour, but they are also less likely to feel overwhelmed or caught up in a cycle of focussing on operational and urgent matters. This same group was also more likely to bridge social distance, connecting to stakeholders with diverse lived experience.

The findings from Part I demonstrate the importance of boards breaking out of their bubble and proactively engaging with unfamiliar issues in order to stay on the front foot. On a practical level, it makes the case for why diversity of lived experience matters. n