Corporate Diversity and Board Diversity Go Hand in Hand - Leadership Starts at the Top

Teneo Insights / September 10, 2020

Ursula Burns, former Chairman and CEO of Xerox and Teneo Senior Advisor, Crystal Ashby, CEO of The Executive Leadership Council (ELC), and Roy Swan, Director, Mission Investments of the Ford Foundation, join Kevin Kajiwara for an important discussion on the **Board Diversity Action Alliance (BDAA),** a business-led initiative taking action to increase the representation of racially and ethnically diverse directors on corporate boards of directors, beginning with Black directors.

Kevin Kajiwara (KK): Well, good day, everyone. Welcome and thank you for joining today's Teneo Insights webinar following our brief late summer hiatus. I hope that everyone had a chance to enjoy the Labor Day holiday. I'm Kevin Kajiwara, Co-President of Teneo Political Risk Advisory in New York.

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On Tuesday of this week, Teneo, in partnership with Ursula Burns, Gabrielle Sulzberger, the Ford Foundation and the Executive Leadership Council, announced the launch of the Board Diversity Action Alliance. This, which is initiative is business led, has an objective of increasing the representation of a racially and ethnically diverse directors on corporate boards, and the starting point is with Black directors, as well as an additional focus on disclosure.

The founding signatories of the Alliance include Dow, Macy's, MasterCard, PNC, Uber, UPS, and WW, among many others. I'm joined today by three of the founding partners to discuss this important alliance, its objectives, and how it fits into the overall, and overdue, movement to foster equity and equality of opportunity.

Crystal Ashby is the Interim President and CEO of the Executive Leadership Council, which is the preeminent membership organization for Black CEOs, board directors and senior executives. She's the council's first woman CEO and is herself someone who went through its Leadership Development Program. She's a lawyer by background and she spent 22 years with BP.

Roy Swan is the Director of Mission Investments at the Ford Foundation, managing its portfolio of mission and program-related investments. He also is a lawyer by background. Roy was Co-Head of Global Sustainable Finance at Morgan Stanley. He was the founding CIO of the Upper Manhattan Empowerment Zone, which played a really key role in the economic renaissance of Harlem. And he was the CFO at Carver Bancorp, which is the nation's largest African American managed bank.

And, back by popular demand, we've got Ursula Burns. She is a Teneo Senior Advisor. She serves on the boards of ExxonMobil, Uber and Nestle, as well as MIT, the Mayo Clinic, the New York City Ballet and the Ford Foundation. She served as the Chairman and CEO of the international communications firm VEON. And in 1980, she joined Xerox as an intern, and where, in 2009, she became the first Black woman to serve as the CEO of a Fortune 500 company.

Ursula, congratulations on the launch on Tuesday, maybe you can tell us a little bit about the genesis of the BDAA. Obviously, this is not the first or only initiative in pursuit of these goals. So why this vehicle, how did it come about, and how did you and the other partners arrive at the objective that has been laid out?

Ursula Burns (UB): So where did it start? This idea came to mind after the murder of George Floyd. Typically, companies stay away from really open and broad discussions around racial justice. They just really don't get involved. But this was a different moment where CEOs and boards were trying to figure out what they could do. They saw the nation and large parts of the world in a level of unrest. My phone was ringing nonstop with companies looking for advice, "How do I diversify my company? What is the problem? I think I get it, but can you give me more insight?"

The companies were doing the right thing and I wanted to help. I was a little frustrated because the best way to get engaged is to engage before there's a problem, but I'll accept anything that moves the ball forward. So, I touched base with some other people who were in the same situation, Darren Walker, who's the CEO of the Ford Foundation, was getting calls as well. A lot of the African American leadership were getting calls from their peers asking for help.

And I realized that this onslaught would continue, and if we didn't grab the opportunity, we would lose the opportunity. If we did not grab the chance to turn this curiosity, desire to help, into something more proactive than just, "Here's a name, here's a name. You want a board? Here's a name," and just kind of throw it over there, that we would be missing a big opportunity. And most of you know that I've long been against quotas, but I also have looked at the results of activities in California and in UK where quotas have literally helped to transform the complexion and the gender of boards.

So I reached out to the network that I had and anybody who would talk to me Gabby, Darren, Crystal from the ELC, some brothers from the Boule, it's a black fraternity, male fraternity, and of course to the place where I'm a senior advisor, Teneo (and they actually assigned some people to help us think about how we proceed). And the simple goal was to just try to increase the numbers of Black directors. That's it; if you have five, get six; if you have one, get two; if you have a zero, get one.

But that initial goal was a bit simplistic and not necessarily realistic, and it was definitely not a mature approach to the problem. So, we got some help to formulate this into a more structured approach.

Before we did that though, we tried to do some benchmarking, looking to see how companies are performing today when it comes to board diversity. And surprise, surprise, there's no place to go for this data. There's literally not a central place where you could say, 'How many African Americans directors are there on boards and who doesn't have any?' Basically, there is a dearth of reporting. And we realized it's just not about asking to increase the numbers, it's also about tracking, first starting to track, and then tracking to see how we're progressing.

So, we actually put that in the commitment as well. And then we also added a whole piece about making sure that there is some additional accountability. So seasoning people as they come on board, educating their own board about diversity and inclusion. So, it's not just about getting the numbers and then counting, but it's also about putting a process in place to ensure we do not fall behind in the future.

We're interested in all diversity and we're ultimately focused on all diversity, but we thought it was important to put our initial focus on Black directors.

And then the last thing I'll say. There are other initiatives. We talked to them. There's another one that just launched called The Board Challenge. Absolutely love it. If there could be a hundred initiatives that would drive results, fine. So, there's not a competition here. I think this is one where one plus one will make more than two. And so, we are very happy for other meaningful structured efforts in this area. The Board Challenge is a little different in that they're focused on the numbers. We are focused on the numbers plus an infrastructure behind it that allows us to keep track of how we're doing to assure that we can improve how we're working and how companies are working. And so, it's not just about getting a personal one and done, it's one or two or three, and data and assistance with progressing and maturing their boardrooms and hopefully their companies around diversity, equity and inclusion.

KK: You talk about the genesis of this being this series of calls and you received in the wake of the George Floyd murder. Tell us a little bit about the conversations that you've been having with your peers in the C-suites and boards, and what struck you about the take-up? And, what are the challenges that you're having in some of these conversations? Where are companies getting stuck when it comes to joining this, or for that matter, any of the other initiatives out there that you've just mentioned?

UB: I think the biggest (if there are three big groupings) the biggest sticking point is the fear of failing, the ramifications of failing and how the public, whatever you want to call it, will perceive that. So, if we commit and suppose we don't do this, what's the downside? What's the ramification? Is there some hammer that we're holding that would make the outcome very negative?

The second is, rightfully so, a lot of the CEOs should, do, need to get approval from their boards of directors' nominations and governance committees. That's just a time thing, right? So, if you're a public company, you have a nom and gov committee, and it's probably a really good idea that you actually get these guys in, and there are some companies in the process of doing it.

The third is that the fundamental question is, and this is going to come up a little bit later, 'Is the talent out there?' You know, 'We've been trying this for a while and we can't find anyone.' This whole idea that there is just a significant lack of talent and we can't find directors.

How have I responded to all three? First, this Alliance is not about shaming. If you don't want to be engaged, just don't be engaged. I'm not interested in chasing people who don't buy it. If they don't want to buy it, they don't have to buy it. You don't want to sign, you don't have to sign. I think it's a really good idea that you do sign, but if you don't want to sign, no problem, and I'm definitely not into shaming. I think your customers, your shareholders and your employees will do more damage to you than I can possibly do by shaming you if you don't pick up where the whole nation is heading, which is towards a diverse, inclusive, and equitable society.

So, on the third point of talent, I'm just like a broken record on this. If you define the talent requirement as you had to have been a CEO or that you currently have to be a CEO... because literally, the vast majority of people who I talk to say, "Can you find me a director, a diverse director?" And I say, "Okay, what's the spec?" They say, "Well, we need a sitting or past CEO." I say, "You don't need me to tell you the number or the names of the African American sitting and past CEOs." By the way, there are not that many of them, so you can actually call them all in probably an hour and a half and you will find that they're all taken up. They're either not interested or they have two or three boards already.

The problem that you have is that you're defining the specification fundamentally incorrectly. You are putting up a hurdle that will absolutely make it impossible for you, for all of the companies that we're trying to get involved, be involved. And quite honestly, your board is not made up of 100% CEOs. So why, in this search, does the criteria first start with, "I would like to have somebody who's a CEO or CFO,"? You've got to change the specification. The talent is out there. You have to make sure that you are inclusive in your specification.

This is not about lowering standards. So, the only viable African American candidates who meet the standard are CEOs or CFOs? That can't be true. So, it's really, really, really important to look at how you define what a good candidate is, and don't get yourself confused about that. And by the way, when you talk through it, people get it.

KK: So, when companies do sign up, what are they committing to specifically with BDAA?

UB: They are committing to having at least one African American director on their board, at least one. We have probably about 30% that have zero. So, they have some work to do to get from zero to one. If you have one and you have a large board, our expectation, even though this is not a commitment, is that you would actually diversify further. If you have one, get two. You have two, you can get three, but at least one, and then literally thinking about even broader, not making this a token, right? The second thing that you're committing to is working with the alliance, other partners in the alliance, other CEOs, but also with Teneo and the Ford foundation, et cetera, and all of the people who are trying to work towards tracking, collecting data.

We want to increase the disclosure of self-identified race and ethnicity of directors on corporate boards. This is not something that is systematically tracked, which is a startling thing. We track just about everything. Companies track everything. This is not something that is tracked and published publicly. And the third is that you are committing to promote accountability measures on corporate diversity, equity, and inclusion. So, what could that be? Like I said, you get a whole bunch of directors in your room, we bring in a new director and that director is an African American. This happened to me when I went on my first board. Whenever the word "diversity" or "woman" came up, they would turn to me and say, "Okay, now this is something for you to comment on, right? This is the one place that you're special and you can help us solve this problem."

And my response over time has adjusted to, "This is our problem, together. And we have to actually solve this together. And the fact that I'm on this board and you turn to me whenever this topic comes up is literally fundamental to the problem." So, these kinds of measures of… you got the C-suite, you got the board done, let's look at the C-suite. Let's start to expand our thinking and our accountability for diversifying the company that we govern and we lead.

KK: Crystal, I'd like to turn to you because, obviously, the BDAA's objectives align with the overall mission of the Executive Leadership Council. I would love for you to give us a sense of how you and the ELC came to be involved in this particular vehicle. And I also want to pick up on what Ursula was just talking about here regarding data, because it seems like, without tracking, it makes it so easy to deny that there's an issue or a problem. We don't know because we don't have the data. Right? But as you contextualize the objectives that Ursula just laid out, what are the current statistics, as you understand them, about minority representation on corporate boards and what's the quantifiable goal here?

Crystal Ashby (CB): I agree with everything that Ursula said. If you want to start to talk about the data I will share some statistics from a few studies. If you look at the black enterprise study that was done in 2019, 37% of the S&P 500 companies did not have any Black directors on their board of directors. And as Ursula shared, while we are about all diversity in the current environment in America and in the world, we are starting with Black. And if you think about that, that represents only a 2%-point improvement over what they shared in 2018. Don't know what the study this year will show and if we'll see an uptick because of all the activity.

Also, if you look at Harvard Law School's Forum on Corporate Governance, in 2019, only 10% of the Russell 3000 Index board of directors belonged to an African minority group, which was up from about 8% in 2008. So, in a 10 or 11-year span, it increased from 8% to 10%. And that's from the same Harvard study. So, the number of Black directors specifically stood about 4.1% in 2019. The issue around the data is that we know that there's more talent out there. Everyone knows that there's more talent out there. I have 840 members of the Executive Leadership Council that can attest to the fact that there's more talent out there. And it's an issue for the executive leadership council because it's a part of our mission. We have fundamentally always been about the advancement of and the development of executives into the C-suite, into the CEO seats, and onto corporate boards.

And so, for the 34 years that we've been in existence, that's been our North Star. The reason we became involved and, when Ursula called, it was not a difficult conversation, is because that's been something we've been driving to. It's been ELC's north star. And the reason it's been our north star is because we fundamentally believe that, as corporate leaders, we have actually witnessed how board diversity broadens the ability of companies to be more effective and how they meet the market, due to the expanding ability to understand the demographics that they're dealing with. And if you don't have a diverse board, companies are going to risk missing out on diverse ideas that are going to come from having that diverse leadership.

When people say the talent isn't there ... the question that begs is, where are you looking? The talent does exist. And what it means is you have to broaden your base of people that you're looking at. You have to broaden the network. We were talking about this earlier. The boards have been historically white and historically male forever. To have them become diverse means you need to be more intentional about what you're doing to change that. You have to be looking at things other than, to Ursula's point earlier, a sitting CEO or a former CEO. We all know there are only currently three Black male CEOs in the Fortune 500. And to Ursula's point also, they are all over-subscribed. Once you start to look at board dates, you can only be on so many boards. So, you have to actually say, "We are going to look differently for where our talent is."

And more importantly, you also have to start to look at different skillsets. Boards needs to recognize that the criteria that you're looking for needs to be different. You need to start to consider things such as personal characteristics. You need to look at what kind of skillsets you're bringing. Is it risk analysis? Is it the general counsel's office? Is it a CHRO

view? Is it a diversity and inclusion view? All of those things are critical to the ability of your business to continue to succeed and move forward. Through the Executive Leadership Council, we know that the talent is there because we're also developing it. Through our institute, we are creating opportunities for mid-level managers to move forward and to exceed and to become the people that are going to go into the C-suite. That talent is there, the bench is much deeper, but you're not tapping into the right network.

So, the next time you're thinking about, "We want a new director," go beyond the people that are sitting on your board. Ask people, "Where is this talent that is out there?" Because it exists. The Executive Leadership Council is here to support all the organizations that are signing on to continue to help them as we do this, but if you think about it, the quality of opportunity doesn't currently exist. And if that's the case, neither does meritocracy, so…right answers. You look at the missing pieces report, when you talk about more diversity, a lot of people say, "We have diversity," because the gender component has changed, but if you think about it, that's been white women, not diverse women, not minority women. Gender is not, for this conversation, a true diversity play. So, we're talking about Black executives now.

Social norms have limited the opportunities for certain groups and the Black population has been consistently limited. The fact that boards have been predominantly white and male implies a certain type of ownership. And they don't own those seats. The seats belong to all of us and we should all have the opportunities to rise to them and to obtain them. And therefore, part of what we, at ELC, talk about is, how do you create the opportunities and prepare people to get there? How do you develop and advance the executives?

How do you create stretch assignments? How do you provide them with mentorship and sponsorship? So, once you take that investment and you bring them into your organization, you move them through the organization and you prepare them for those C-suite roles. You get them P&L opportunities. If you look at the Korn Ferry Black P&L Leadership Study, you create opportunities for them to have P&L responsibilities so that you can't say, when they're being evaluated for the C-suite and subsequently the board because everyone knows one of the questions going on a board is, "Have they had P&L responsibility?" that they haven't had that.

The talent is there. They've all been prepared for it. You just have to look for it in different places.

KK: You made this really important point about, let's call it what it is, to a certain degree, it's laziness in terms of recognizing the depth of the talent pool. But if you couple that with what both you and Ursula have been talking about regarding the dearth of data, which again, makes it easy to ignore the situation or say, "We don't have enough information about it," what really prevents this from being fairly simple to achieve? How much of this is structural versus just inertia on the part of boards and companies?

UB: If I may start ...

CA: Go ahead, Ursula.

UB: The difference between structural and inertia is, literally hair-thin. A lot of the inertia is, Crystal said it, that because of the structures that we currently have in place, we have convinced people that they own some things; that they have the right to certain things. And that's the way the structure is aligned. So, what we're trying to do is move this structure. It is the name of the game, the rules of the game, the judges of the game. That's the structure and the inertia around that is massive. We can see it in America. You don't have to go to corporations. Literally, people believe that, because they've grown up with a certain set of things, however they got it, especially in this conversation they got it unjustly, it's still theirs. They own it. They've had it, so it's theirs.

But I think what we're trying to do now is to kind of get less complex. And to your point, this shouldn't be that hard. I'm not going to go to science. It should be pretty straightforward and pretty simple. We're asking for one. You should have one. It's just realistic. It's the world. You should have one. It shouldn't be that complicated. Find a talented person that meets a gap that you have in your governance structure or in your future strategy, put them on the board. By the way, get your board up to speed in how to deal with diversity in a better way.

A lot of the calls I give are first-grade calls. How do I get one person? No, we're in high school now. Not only how do I get, but how do I keep, how do I nurture, how do I grow the pipeline? Companies should help do that, as well as the ELC or the BDAA. So, let's grow. It's not that complicated and it is inertia driven by a structure that is fundamentally unbalanced and unfair.

CA: I would just add to that, that it's about the accountability. Earlier, Ursula mentioned something that I said, which is, in every organization, what gets done is what gets measured. And so, if there is a decision made that we are going to change the complexion of this board, then who is accountable for making that happen? And one of the things I would say is there needs to be transparency about the fact that that's a decision that's been made and, therefore, people can begin to hold the organization, the board, the CEO, the chair of the board accountable for that because, you mentioned the word, it's just laziness. There is a level of comfort in doing what you've always done but doing what you've always done does not promote the change that's needed right now. So, you have to unearth it and you have to break the structure that is currently there.

KK: I want to bring Roy into the conversation and focus a little bit more on the second part of the mandate of the BDAA. And that is, as someone whose day job is focused on impact investing, can you talk about the importance of this second part of the initiative, the disclosure and accountability element and how important that is? And beyond that, how an initiative like the BDAA fits into the broader mission of the Ford Foundation itself?

Roy Swan (RS): Let me start with the second part of that, which is what my team's role is. My team, Mission Investments at the Ford Foundation, we're essentially the capitalist manifestation of the Ford Foundation's mission to address the root causes and consequences of inequality in all its forms. And we have a lofty goal of capitalist systems change. We want to make capitalism more inclusive. So, we use the foundation's capital to advance a more inclusive form of capitalism.

So, for example, one problem Black people have is that we're in a capitalist system with no capital. And with no capital, there's very little corporate power. And what I mean by no capital, just to take a second, Black people are essentially at a $23 trillion capital deficit. That's made up from the Black-white wealth gap, just simple math will demonstrate that that's about $14 trillion wealth differential. And then the other differential, which is something that my team focuses on is the $9 trillion deficit in assets under management by Black-owned investment firms. And that's where we focus.

So, for example, of the $71 trillion in assets under management, over $70 trillion of that is controlled by firms owned by white men, and less than $1 trillion is controlled by firms owned by women and people of color combined. And that has a devastatingly destructive impact on Black people, for a couple reasons really. Part of the power of the $71 trillion in assets under management is power at the proxy voting ballot. Capital institutional investment managers, public markets, private markets, control who's on the board because they vote. And we have capital available and what we do is, we try to provide more capital to investment management firms that are owned by women and people of color, because it's not just for show, because there are tremendous positive knock-on effects.

We know that Black investors are more likely to invest in Black founders, companies with Black management teams. Black founders and companies with Black management teams are more likely to have more Black employees, more Black directors. And that's the direct connection. And the beauty when it comes to our investment returns is, according to McKinsey research, racially diverse boards and racially diverse senior managements are more likely to be more profitable, versus peers with less diversity. And we also know that those Black folks that have a bit more wealth are more likely to share their wealth with underserved Black communities and churches and so forth.

And so, in summary, the knock-on effects of putting more capital with Black investment firms is, you're more likely to have more directors because where we play into private markets, particularly at least at the moment, power comes at the corporate governance level, which has some element of control with the Board of Directors. So that's what our group does. We have not yet entered the public markets and that's, I think, a lot of the focus of BDAA.

And with respect to how this all ties in, because we're about, again, we're about looking at the root cause and consequence of inequality in all forms. And that goes from the lowest-income person, lowest-income Black person, to the highest-income at the highest level of the social stratosphere, because bias affects all Black people, regardless of education, income, etc.

KK: You talk about this lack of proxy power. And then I want to also go back to something that Ursula said at the very beginning of the call, which was that she's not in the business here of shaming, but I think we've talked a lot about the carrots here. I mean, everything from better performance with diverse leadership and diverse boards to, it's just the right thing to do and ultimately, that's good for business. But what's the appropriate stick here? And does it come from investors? Does it come from employees? Does it come from consumers or regulators? Or is it some combination of all that? I mean, we saw in the immediate aftermath of George Floyd, that there was a lot of pressure on companies to make statements, obviously, but in terms of long-term and lasting action, where does the stick element need to come from? And I address this to all three of you.

UB: So, there are three places I want to talk about. I think it starts really close to home. It starts with your employee base and management team and working with your shareholders. It starts with your communities. It starts close to home. And an organization like this can only shine the light on the facts. We can give you hints and tips about how to improve, but we don't have the desire or the power to force you to change. It is literally your shareholders, your customers, your employees, your communities, the world at large, that's going to continue.

We see it already there and continue to look for companies to contribute significantly more broadly than they have before. This idea about inclusive capitalism, it's a tidal wave coming. We can't have it anymore that three people own everything and the other 97 own nothing. So, people are looking…employees, definitely communities, more governments are looking at it, definitely shareholder groups, looking at companies and how they are going to manage their way through this phase.

CA: Kevin, I agree with Ursula, especially the groups that she mentioned. I think that you have to start with the fact that these organizations have been so transparent with their positioning. You said there was some stress in the system for them to make statements. I think there was some stress for some, maybe not for others. And so, they've made these statements and these statements are very transparent. And they've also in some respects, many of them made statements about the amount of dollars they're willing to invest and put behind the initiatives.

But fundamentally, what you have to start with is what's really happening at home. And so now what you've done by making these very public positions, taking these very public positions, is you've given your employees something to point to. So, you have to be having the what I would call difficult conversations internally about, now that you've said this, what does it really mean and how does it change the path forward for them? What does it look like for them? How are you now addressing the racism that exists in corporate America? How you're dealing with the systemic issue that exists in your organization; how are you dealing with things like microaggressions? How are you responding to the Amy Coopers that exist in your organization?

And then it's going to go to your customer base. If you're a customer-facing organization, they've also seen these very bold statements that have been made. So, you've created an expectation in them that there will be some change. So, you've now got two groups that are going to hold you accountable. You've always had an investor base that's held you accountable.

And when you look at ESG, this is a part of that from the perspective of any investment group.

RS: I was just going to expand a bit on the emergence of ESG factors as material risks. And I think the George Floyd tragedy elevated this. Overall, ESG factors have been emerging as a material risks for consideration of CEOs and boards. In fact, so much so that Marty Lipton, the Global Dean of Corporate Law, has encouraged boards of directors to form ESG committees to study the importance of ESG.

I was on an event yesterday in a panel, and part of that event, someone from Bridgewater, the hedge fund, has talked about how they will be deploying more focus on ESG as material risk. State Street recently announced its expectation that companies would have a look at their racial makeup, disclose that racial makeup as a component of their risk profile. So, investors are focusing more on ESG factors, more information is becoming available, and the S component is elevating.

It had been that when people started looking at ESG, it was mostly environmental. Well, Larry Fink recently said that certainly, 2021 will be the year of S, and so this initiative is all about the S. And take into account reducing risk that comes from the S factor, and that means increasing diversity.

KK: Yeah, you've certainly just confirmed what we've been hearing on a lot of the calls that we've done over the course of this year with corporate governance experts, both within the firm and outside, on this increasing focus on the S, of E, S and G.

We have a few minutes left and I want to open up the conversation a little bit with the three of you, because George Floyd's murder, obviously, it was a tipping point to be sure, but it was just one of so many events. And it led to the largest protest movement in this country's history. So, there's clearly momentum on a lot of fronts. But we can't ignore the political, historical, institutional, indeed, the structural impediments that have been put into all-too-stark relief, in this political season as we head into the election. And so, the BDAA is one element in all of this. Can you address though, it in the broader movement, in the context of all that needs to be addressed?

UB: I think that we're at an amazing conflagration of events in the world and in America, in the microcosm. And we have a pandemic, everybody knows about the pandemic. We're living through a fundamental cracking in some portions of our society, breaking of the social contract that individuals have with their governments, that individuals have with each other, and that individuals have with their companies. So, that is happening. We don't have a good, solid discourse around that. And our government is definitely not fielding or any kind of forum or solution path for this breakage. And it's affecting, obviously and unfortunately, the most vulnerable people, the poorest, the people who do some of the most important labor that we've done.

At the same time, we have mass unemployment. The ramifications of that, we all know. So therefore, a huge stress on our social system. The social systems are under stress because all of the funding for them are under stress. Then we have this unbelievable continuation of murder by police. We had another one in Rochester that just came up that happened before George Floyd and just came to bear. And therefore, how our societies are policed and how they're governed, and so on. I think that's where we're at in America, and I'm going to stay there, because here in the UK it's that way as well, but it's a lot different mix.

The US is at a point where we can make it and go forward or break it. By the way, I have never felt this clear about the choices that we're dealing with in our country. We are at a point that, if we don't change the discourse and then approach to how we integrate with each other as individuals, as companies and individuals, as companies and companies, as government, that we are going to have to lay forth a new way for keeping the peace, a new way for caring for our citizens, a new way of protecting ourselves if you are rich or have any privilege, because we have let loose, I think, a level of discomfort and unhappiness that has to be quelled somehow or the other.

I don't know how to answer it any other way, except for that I don't see this going back to let's kind of quiet this down a little bit, it'll blow over, like the other events have blown over. We're not there. We are definitely on a course for something big. And this election has a mass...think about what happens if, let's do both ifs, what happens if Donald Trump wins? Think about the city that you live in, particularly if you live in a city. What happens if Donald Trump loses? Think about the city the you live in. As businesses we have to not stick our heads in the sand and say somebody else is going to handle this for us.

We're going to have to pick a point of strength and engage for an active set of solutions in places where we probably didn't get involved before, or we didn't get really actively involved before. We're going to have to look at social structures, we're going to have to look at the not-for-profit arts-based institutions to figure out how we help them survive even more than we did before. We're going to have to look at policing in our communities and help some level of discourse around that that's useful. This idea that there's going to be this other group of people, the government people, who are going to take care of this I think is long gone. We are way down the path and I think too broken for that.

CA: There's probably not much to add to what Ursula just said, but the permission that's been given, I think we existed in a place where there was a very lightly placed veneer of political correctness and the permission for all of that to be gone and thrown out has created... and I will say because George Floyd's murder resonated beyond the US and resonated with those people that are protesting worldwide. If you think about it, protest is the voice of the unheard. If you were looking at all of this active protest, it's saying to everyone, something is very, very wrong in the way we exist, and it's bigger and broader than our day-to-day business activities. It's very much about our lives in general. The manner in which we attack this, the manner in which we go about trying to correct it, this is I think the most critical thing is that it cannot be something that is presumed to be the responsibility of one group of people or one set of people or another. We all have to work together to change where we currently are, to change the way in which policing is done, to change the way in which people are treated, to change the way in which we engage with each other, to change how corporate America has responsibility.

Everyone has an ownership here. It is not a Black problem. It is everyone's problem. If you are in the position where you think you don't have to think about it, what I'm looking for are people that are not just allies, but people that are accomplices, people that are going to step to the line and work to make this change with us. I think it's critical for everyone to understand that everyone has a role in it.

RS: Crystal, those are powerful words, and I want to go back to something that Ursula mentioned when she used the term social contract because it reminded me that we're about to celebrate the 50th anniversary of the first, what I would call, the first broken link in that whole social contract, otherwise known as Milton Friedman's Seminole opinion that he published in that article, "The Role of the Corporation," in which he said it was to maximize profits because this whole thing, this fits into the role of the corporation. That article was followed by Lewis Powell's famous memo to the US Chamber of Commerce that contained a roadmap to a corporate takeover, I guess, of universities, media lobbying, et cetera, all around this concept of a very narrow view of the role of the corporation and to shareholder primacy.

I think the way things are moving today is a recognition that, the way of looking at things, that opinion, is a bit of a failure. You have entities like B Lab, which created the B Corporation, which essentially a recognition that, rather than just having implicit power of a board of directors to consider factors outside of very narrow shareholder primacy, what are the other factors? What about your employees, for example, or the environment and so forth? I see that there's a whole movement afoot, and as Ursula said, it's a tidal wave where we're really reevaluating this narrow view of corporations with blinders on that don't think about their role in society and it's being opened up a bit. By the way, it can be profitable because, again, as McKinsey said, the more racially diverse boards and senior management, the better performance. You may not have to give up very much, other than exclusivity.

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