

Barbara Judge accuses Institute of Directors of smearing her

Chairman faces IoD council after leak of damaging report



Lady Barbara Judge, IoD chairman, did not receive a copy of the report that was distributed to council members on Tuesday © Jonathan Brady/PA Sarah Gordon, Business Editor 36 MINUTES AGO

The Georgian splendour of 116 Pall Mall was the backdrop for hours of boardroom rancour and recriminations at the [Institute of Directors](#) on Thursday.

[Barbara Judge](#), who became the first female chair of the business group three years ago, was greeted with stony silence by the IoD's council as she accused the group of smearing her in public with highly damaging accusations.

The night before, draft findings of an investigation into Lady Judge's conduct leaked to The Times newspaper, which reported allegations of her reducing her assistant to tears and saying that black people "can get aggressive".

The investigation was commissioned by Joan Stringer, senior independent director on the IoD's council, last December after complaints to HR. It was carried out by Caroline Prosser, a lawyer at Hill Dickinson.

Stephen Martin, who took over as the IoD's director-general last year, had frequently clashed with Lady Judge. According to three people with knowledge of the situation, he secretly recorded a conversation with her that now forms part of the investigation.

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In the conversation, she is alleged to have said that "the problem is that we have one black and we have one pregnant woman [on the IoD's secretariat] and that is the worst combination we could possibly have".

The IoD's council members received the report by email on Tuesday night. As one of those who received

the worst combination we could possibly have

Words alleged to have been spoken by Barbara Judge in recorded conversation with Stephen Martin, the IoD's director-general

it pointed out, this “guaranteed” that it would be leaked. Lady Judge did not receive the report.

Ken Olisa, the IoD's deputy chair, who is the first black lord lieutenant of Greater London, was also accused in the report of failing to pursue the allegations against Lady Judge.

To discuss the report, the council began with two hours of private discussions before hearing Lady Judge and Sir Ken in “complete silence”, according to one person present.

Lady Judge said on Wednesday night that she would temporarily step down as chair to “contest these allegations”. She said in a statement to the council that she had been given scant details of the allegations against her and little opportunity to respond to them.

“I hope it will now be recognised that the manner in which the [IoD's] rules have been circumvented by the widespread circulation of Ms Prosser's report has not only removed the prospect of a fair process in which few can legitimately have faith, but it also significantly harms the public perception of the IoD and its important work,” she told the council.

Several council members said they were “furious” at the way mainly anonymous staff complaints had been handled by the IoD, one of whose stated goals is to champion corporate governance.



Sir Ken Olisa says the report is 'defamatory' and 'riddled with errors of fact

In his note to the council, seen by the Financial Times, Sir Ken said the executive summary of the report was “defamatory, riddled with errors of fact, false accusations and un-evidenced opinions”. He called for Dame Joan to step down immediately as senior independent council member.

“Unless we get a grip, I fear that this will have disastrous consequences for the IoD,” he warned. “Just at the time when the UK needs a powerful voice for its directors, we are haemorrhaging cash, losing members and making little headway in providing practical solutions (rather than mere advice) to help British directors to navigate Brexit.”

The battle over Lady Judge is even more remarkable for the fact that her term at the IoD is set to expire in

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chairman emeritus.

In 2010 she was made a CBE for “services to the nuclear and financial services industry”. Her most recent appointment was in February, when she started chairing the Astana Financial Services Authority in Kazakhstan. Her husband, Paul Judge, died last year at the age of 68.

She has a long record of championing women and the broader diversity agenda. When she took over as chair, a role that is unremunerated, just 5,000 of the IoD’s then 34,000 members were women.

“Barbara came in explicitly on the brief to make this place more female-friendly and diverse. She wanted to remove the pictures of dead generals which adorned the walls, but the staff resisted her,” said Sir Ken.

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Long-term acquaintance of Lady Judge

“Some of her methods may be viewed as anachronistic,” this person said. “But it is deeply sad for someone who really has dedicated a lot of her working life to what she believes in, to have this kind of character assassination.”

May. She is not seeking re-election.

Born in America, and originally a corporate lawyer, the 71-year-old Lady Judge became the youngest commissioner at the US Securities Exchange Commission in 1980.

Instantly recognisable from her immaculate hairstyle and “uniform” of black suits with a ruffled white shirt, she has been a director at a British merchant bank and at Rupert Murdoch’s News International. She has also chaired the Pension Protection Fund and the UK Atomic Energy Authority, of which she is still

Her critics, however, questioned the genuineness of her rhetoric about diversity.

“She always talked about these things. But she didn’t necessarily live as she spoke,” said one person who had worked with her, adding that she had an “almost regal” air that had affected her interactions with staff. He acknowledged, however, that he had not personally witnessed any incident of abuse or racism.

But another person who has known her for several decades said that it was “absurd” to accuse her of being racist or sexist, citing her work on civil rights in the US South, and her “life-long” dedication to the rights of women and minorities.

The IoD issued a short statement on Thursday morning confirming the investigation into Lady Judge but declined to comment further.

Additional reporting by Patrick Jenkins

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Barbara Judge has stepped aside as chair of the Institute of Directors after a leaked report accused her of bullying staff © Bloomberg

One way the [Institute of Directors](#) says it exerts its influence is “by taking a position in the media”. Having allegations about [the behaviour of its chair](#), Barbara Judge, appear on the front page is a perilously extreme version of what the venerable business organisation had in mind.

Lady Judge has stepped aside voluntarily after a leaked report, commissioned by an IoD

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