

DIVERSITY IN THE C-SUITE

A leadership and governance team that reflects the racial and ethnic composition of the community it serves and includes both men and women is now recognized as a key to reducing disparities in patient outcomes, access to health services and delivery of care.



STRATEGIES THAT WORK

By Susan Birk

A diverse leadership fosters best practices and effective strategies for meeting the needs of minority populations, and, by extension, tackling healthcare disparities head-on.

The need for C-suites and boards that closely mirror the demographics of their populations is growing quickly. According to U.S. Census Bureau data, immigration, fewer births and more deaths among white Americans, and a dramatic rise in minority births, are combining to make the United States a majority-minority country. The shift is occurring faster than anticipated, according to William H. Frey, a demographer and senior fellow in the Metropolitan Policy Program at

The Brookings Institution, Washington, D.C.

In a June 2013 video produced by The Brookings Institution and posted on its blog *Up Front*, Frey said, “What we’ve seen in these new numbers is the beginning of that tipping point, where, for the first time, ... there are more white deaths than there are births. ... We have this younger minority population that is really the bulwark of our population growth. It’s going to be the mainstay

"Our biggest strength is driving accountability for diversity and inclusion throughout our organization."

—VeLois M. Bowers, CHRISTUS Health

of the growth of our labor force, especially in the next 20 years when we have a lot of white baby boomers retiring."

That shift to a majority-minority demographic translates into a need to recruit and retain a more ethnically and racially diverse pool of healthcare leaders. However, as other data suggests, the sector has a way to go to catch up with this trend.

According to an Institute for Diversity in Health Management survey of U.S. hospitals titled "Diversity and Disparities: A Benchmark Study of U.S. Hospitals in 2013," minorities represent 31 percent of patients nationally, up from 29 percent in 2011, but only 14 percent of hospital board members, 12 percent of executive leaders and 17 percent of first- and mid-level managers. The numbers for board and executive leaders remained unchanged from 2011, while minority representation among first- and mid-level managers rose only slightly from 15 percent, according to the study, which was conducted by the Health Research & Educational Trust of the American Hospital Association.

Healthcare organizations are growing more cognizant of the ethical necessity and business wisdom of increasing diversity within the senior ranks. But overall,

equitable minority representation in the C-suite and boardroom remains a fairly slow work in progress. Minorities represent only 9 percent of CEOs, 13 percent of COOs, 6 percent of CFOs, 17 percent of CMOs and 11 percent of CNOs. These numbers have not grown significantly since the last survey in 2011.

Fortunately, innovative healthcare organizations are developing effective strategies and setting examples for the industry.

CHRISTUS Health

One approach public health experts and others say is a requirement for increasing diversity among senior leadership and governance is hardwiring goals for diversity and inclusion into the organization's formal strategic plan. That approach has enabled CHRISTUS Health, Irving, Texas, one of the 10 largest Catholic health systems in the country, to blaze trails and achieve concrete results.

Obviously, diversity goals cannot become a part of the business plan unless members of the C-suite put them there. The requisite commitment from senior leadership for doing this could not be any stronger at CHRISTUS Health, where president and CEO Ernie W. Sadau, FACHE, also serves as the organization's chief diversity and inclusion officer.

"Ernie would say the buck stops with him," says VeLois M. Bowers, vice president for diversity and inclusion and an ACHE Member, which is why Sadau's strategy for growing the organization includes a culture of diversity and inclusion as one of three key strategic objectives.

"Our biggest strength is driving accountability for diversity and inclusion throughout our organization," Bowers says. "It's at the highest level of priority, which is a very good thing for diversity. Because it's one of our three strategic objectives, it becomes a part of our everyday life. We set goals for diversity the same way we set goals for quality, safety and other important aspects of our business."

Executive compensation is tied to diversity targets specifically within the system's top 200 senior leadership positions. These executives are evaluated according to a scorecard on variables that include diversity, and their collective performance on the dimension directly impacts compensation.

The strategy appears to be working. Minority representation among these senior executives has risen from 13 percent to 21 percent over the past three years, Bowers reports.

At the same time, CHRISTUS Health's senior vice president for governance works to ensure diversity on the system's hospital boards. And the human resources department is held similarly accountable for providing a

diverse slate of candidates to managers when a position becomes available.

"The goal is to provide the most qualified pool of candidates and to ensure that the pool is also diverse; then may the best person win," Bowers says.

"We just want to open the doors, to make sure we're searching for the best talent out there. We present the best talent to our leaders, and then they make the decision."

CHRISTUS Health is headquartered in a majority-minority state, and a large and growing number of the system's hospitals and clinics are located in communities with majority-minority or sizable minority representation.

CHRISTUS St. Frances Cabrini Hospital in Alexandria, La., for example, has a minority population of 38 percent. Add to that the system's recent global expansion

through joint ventures in Chile and Mexico, and it becomes clear from a business standpoint alone that the system has a lot riding on attracting and keeping diverse leaders.

"The demographic makeup of the world is changing," Bowers says. "We know that when people go to their doctor or hospital they want to see people who look like and understand

Inaugural Group of Thomas C. Dolan Scholars Share Insights From Executive Diversity Program

The Thomas C. Dolan Executive Diversity Program was established by the Foundation of ACHE's Fund for Innovation in Healthcare Leadership to honor Thomas C. Dolan, PhD, FACHE, FASAE, president and CEO of ACHE from 1991–2013, and his long-standing service to the profession of healthcare leadership and to further his strong commitment to achieving greater diversity among senior healthcare leaders.

In 2013, six scholars were selected for the inaugural Thomas C. Dolan Executive Diversity Program. The year-long program, which they embarked on in January 2014, is designed to help further prepare these mid- and senior-level careerists to advance to higher leadership roles.

These six scholars share their top takeaways from the Executive Diversity Program thus far.



Leslie Burnside

System Director, Network
Development and
Physician Relations
UNC Health Care
Chapel Hill, N.C.

The Dolan program has afforded me a unique opportunity to look in the mirror and challenge myself to develop more, learn more and simply give more to my own organization and to our field. In tandem with this dedicated time to stretch, our cohort has the benefit of being exposed to the richness and depth of the ACHE experience and its leadership. I feel particularly grateful for wisdom and guidance imparted to me by leaders within ACHE and especially by my mentor, John Hauptert. My primary takeaway: There is no substitute for being courageous and leading change!



Jaquetta B.
Clemons, DrPH,
FACHE

Vice President, Finance
Children's Medical Center
Dallas

The program has demonstrated to me the importance of "just being at the table." Having the chance to witness how my mentor, Dan Neufelder, approaches the craft of executive management is immensely valuable. Likewise, participation in the program has affirmed why I'm committed to healthcare. With all its uncertainties and inherent inequities, so many of the leaders in this industry have a palpable need to be of service in tangible and meaningful ways. Lastly, as a group, the scholars have become a true and viable support network. While we're each in different career stages, we recognize and honor the hunger in each other for more tools and deeper knowledge.

them. That just makes them feel more comfortable. Research validates that. So we know our focus on diversity is going to have a long-term impact. And if we're not in front of it we're not going to remain competitive."

Greenville Health System

Like CHRISTUS Health, Greenville (S.C.) Health System also serves a large minority community. The primary service area population, for example, consists of approximately 35 percent African-American, 10 percent Latino and a growing number of other diverse racial and ethnic groups.

Responding to a longstanding discrepancy between the homogenous makeup of the system's executive and managerial staff and the area's diverse demographics, President and CEO Michael C. Riordan has refreshed the

system's diversity strategy with a focus on talent recruitment and development that opens doors to leadership for individuals from minority backgrounds.

The system's diversity effort received a kick start in the form of new formal hiring policies and procedures that put diversity in the spotlight, according to Troy B. Chisolm, FACHE, administrator, psychiatry and behavioral health. "Without a targeted focus on leadership diversity, the natural human tendency is to select individuals with whom we are most comfortable and familiar and with whom we've already built relationships," he says. "Often, those individuals aren't as diverse as they might otherwise be."

Developed with human resources, the revamped processes ensure the system considers a larger number of qualified candidates from minority

backgrounds who are interested in roles at the director level and above.

These positions are now filled using a process that involves the formation of a multidisciplinary search and selection committee. Not necessarily led by the hiring manager, the committee consists of a cross section of stakeholders. For example, when Chisolm interviewed for the position he now holds, the committee included the psychiatry chair, a cross section of staff psychiatrists, several psychiatry and emergency department managers, a representative from social services and a member of the executive team.

With initial talent sourcing by HR, the search and selection committee interviews selected candidates and prepares a slate of finalists. That slate must include individuals from diverse backgrounds.



Heriberto
"Eddie" Cruz

Vice President, Operations
Access Community Health
Network
Chicago

There has been a great deal of takeaways thus far from the Executive Diversity Program. First, I have discovered the importance of defining value and hardwiring systems that will add value and decrease waste. Second, I've learned that conducting a reality check, periodically, to see if the organization is on the right path and working on the right things to ensure strategy execution and attainment of desired results is key. This is especially important given some of the rapid change we are seeing in healthcare. The third takeaway is the importance of committing to organizational transformation and what it takes to get there.



Gayathri S. Jith,
FACHE

Senior Vice President,
Strategy and Operations
Valley Presbyterian Hospital
Van Nuys, Calif.

I have learned a great deal so far from the program. First, I've discovered the importance of taking the time to focus on my career plan. Second, I've learned the value of establishing and maintaining a network of colleagues and mentors. And finally, the program has enabled me to focus on and create a higher awareness of diversity in healthcare organizations and within the healthcare management workforce.

"There is no mandate to hire a particular individual based on race, gender or ethnicity, but there is a mandate for the search and selection committee to produce a diverse pool of finalists from which the hiring manager can draw."

—Troy B. Chisolm, FACHE, Greenville Health System

"The committee serves as a source of checks and balances regarding minimum qualifications," Chisolm says. "This helps to ensure a level playing field for all candidates." Also, committee members are asked to identify potential diverse candidates from their own personal networks, which might include a broader spectrum of diversity than might otherwise be accessed.

According to Chisolm, "There is no mandate to hire a particular individual based on race, gender or ethnicity, but there is a mandate for the search and selection committee to produce a diverse pool of finalists

from which the hiring manager can draw." In addition, since 2010, the board of directors has based Riordan's performance evaluation in part on the inclusion of diverse candidates in the final round of on-site interviews for positions at the director level and above.

The system views this approach as a future investment. "It's a way of building diverse bench strength at the administrator and director levels," Chisolm says. "When a senior-level position becomes available or new opportunities arise from expansion and growth, we have an internal pool

of potential candidates who have already proven their leadership skills."

According to Chisolm, the strategy not only makes good business sense, but it also strengthens the system's responsiveness from a clinical standpoint.

The rich and multifaceted collective thinking that comes from having a racially and culturally diverse group of strategic decision makers enhances an organization's ability to address the key components of patient engagement and satisfaction and service delivery.

Without this diversity, "the vision isn't broad enough to encompass all of the important considerations," he says. "It's critical for leadership to reflect the diversity of the community and for patients to feel they're



Jan Manary, RN,
FACHE

Clinic Administrator
Grand Itasca Clinic & Hospital
Grand Rapids, Minn.
(Retired captain, U.S. Navy
Nurse Corps)

In today's environment of healthcare, the role diversity plays is paramount as we blend generations, culture and religions in the workplace. Being part of the Executive Diversity Program has added to my professional knowledge through its focus on mentoring, the networking with other health professionals and the ability to apply the knowledge in my work setting.



Patrick Ramirez

Administrative Director
UCSF Medical Center
San Francisco

The Thomas C. Dolan Executive Diversity Program provides a tremendous opportunity for me to gain new leadership skills in a structured and supportive environment. In addition, we also have the opportunity to take advantage of the wide array of resources available through ACHE and its members. The relationships we develop, both within the cohort and the countless C-suite folks we actively engage with, are sure to be long lasting and fruitful. I have no doubt that participating in this program will help take my career to the next level.

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—Nancy M. Paris, FACHE, Georgia Center for Oncology Research and Education

represented in the decisions and policies of the institutions where they receive care. If you have that, you gain the community's confidence."

Georgia Center for Oncology Research and Education

"The more we look alike and act alike and come from the same backgrounds, the more we're going to continue to behave as we have in the past," says Nancy M. Paris, FACHE, president and CEO of the Georgia Center for Oncology Research and Education (Georgia CORE), Atlanta, describing the thinking that catalyzes her organization's focus on leadership diversity.

As a public-private collaborative that develops resources for cancer prevention, treatment, research and education, Georgia CORE cannot afford homogeneity. The organization exists to reduce outcome disparities and improve access to services, clinical trials and education for the state's minority, economically disadvantaged and rural populations. To that end, Georgia CORE has invested considerable time and energy in ensuring that its leadership—its board of directors—hails from a variety of backgrounds and brings multiple perspectives to the table.

"To me, it seems obvious that we can't just have a group of white men thinking about how to care for black women," says Paris. "We need to enrich our thinking about how to be effective in a state that is heavily burdened by cancer disparities. For this reason, the organization consciously draws on the varied expertise of physicians and researchers of different races, ethnicities and genders, but deliberately invites urban and rural, large academic medical center and community hospital participation on its board as well.

"In our community, it makes a huge difference when we educate about the importance of clinical trials to show that we have a partnership with the Moorehouse School of Medicine [a traditionally African-American institution], as well as with Emory University [Atlanta]," Paris says. "Members of the community recognize what that means. Ours is one of the few organizations in the state that pulls all of those resources together.

"If our goal is to improve outcomes for all Georgians, we want to make maximum use of the resources available in the state," she adds. "We knew we had to have Moorehouse School of Medicine and Winship Cancer

Institute [of Emory University, Georgia's only National Cancer Institute-designated cancer center] as part of our organization, but it was important to learn from them to make sure we weren't duplicating resources they already had available. And within those broader parameters, we identified individuals with diverse backgrounds and a commitment to our mission."

That richness of philosophies and perspectives has translated into impressive results. Georgia CORE is increasing participation in clinical trials among hospitals, and this participation is reaching more cancer patients in underserved areas of the community. According to the Institute of Medicine, participation in clinical trials offers the most easily identifiable measure of quality cancer care. "If you go to a center where clinical trials are provided, you are going to receive better care because the physicians know how to follow protocols, and they're connected to scientists who are driving leading-edge therapy," Paris says. From 2009–2012, clinical trial availability in the state rose 80 percent, she reports.

"All of these individuals approach problems and solutions differently," Paris says. "The diversity of thought elevates the conversation for all. You can't do that if you don't have minorities in the room."

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