

# **Diversity: A must for organizational DNA**

iversity isn't simply a "best practice" in leadership. It's a fundamental, essential practice that enables an organization to function at its peak capacity and innovate in unforeseen ways.

Both ethnic and gender diversity cut to the core of our shared experience and the new business model that strategist and author Bryan Kramer calls "Human to Human" – H2H has replaced B2B and B2C as the standard for how we interact.

It's imperative that healthcare be a leader in these areas. To provide the very best care, leaders must reflect the communities they serve. Internally, diversity in leadership also provides the entire staff with leaders that all team members can identify with, providing paths to retention and reducing the costly chore of replacing talent.

## A better business model

Patients are at the center of our worldview in healthcare. The Joint Commission and the Commonwealth Fund, among others, have noted that patient-centered care requires cultural competence and linguistically appropriate services for effective communication. These aims cannot be accomplished without a commitment to diversity.

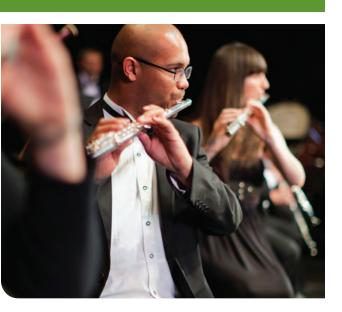
It is true that our healthcare institutions must be able to financially survive as businesses to achieve these objectives. Diversity can help ensure those goals are met as well. Recent studies by Sodexo and McKinsey have reinforced the fact that ethnic and gender diversity help businesses operate optimally and succeed financially.

Through education, advocacy and

2%: Diverse Senior Executives in Healthcare
16%: Furst Group's Placement of Diverse Senior Executives in Healthcare
48%: Furst Group Finalist Slates Which Include Diverse Candidates

A leadership team, like an orchestra, needs a diversity of instruments to perform at its best.

**Furst**Group



continued involvement with key minorityfocused healthcare associations, Furst Group is determined to address the disparity that ethnic minorities represent less than 2 percent of senior management positions in the healthcare industry. By comparison, in the past year, 16 percent of the executives placed by Furst Group are ethnically or racially diverse.

The situation is serious for women leaders as well. A 2015 report by CNN-Money found women hold only 14.2 percent of the top five leadership roles at companies listed in the S&P 500. "Corporate America," CNN concluded, "has few female CEOs, and the pipeline of future women leaders is alarmingly thin."

Thus, a strategic focus for us at Furst Group is recruiting, developing and retaining leadership teams to address the changing workforce that a global economy demands. Our placement record demonstrates that commitment. We also seek to promote diversity through our longtime sponsorship of the Top 25 Minority Executives in Healthcare and the Top 25 Women in Healthcare awards for *Modern Healthcare*.

### What the leaders say

In our conversations with these leaders, who have overcome many barriers themselves, it's evident how lack of diversity even affects patient care.

As a board member of the American Hospital Association and chair of its Equity of Care Committee, Eugene Woods has an opportunity to see up close how health disparities affect far too many people in the U.S. "We know beyond a shadow of a doubt that significant inequities exist," the Christus president and COO says, noting a recent study by the Institute for Diversity in Management that indicated only 22 percent of hospitals have utilized data to identify disparities in treatment and/or outcomes between racial or ethnic groups by analyzing one or more of the following: clinical quality indicators, readmissions or CMS core measures.

The changing population of the U.S. also requires organizations to adjust, adds Dignity CEO Lloyd Dean. "The demographics of this country are changing," he said. "There are more minorities, and we need to ensure we have leadership that is representative of the nation and of our communities."

## Helping organizations progress

Many organizations desire to develop or maintain a diverse work force, but few fully understand that it requires a multi-faceted strategy focused on recruitment, retention, leadership de-

#### What diverse executives are looking for:

- Equal consideration, treatment, and ethics
- Is leadership adopting and communicating diversity and inclusion messaging throughout the organization?
- Do the organization's marketing materials reflect a culture of diversity and inclusion?
- Retention rate for officer-level ethnically diverse talent
- Is there a diversity and inclusion statement that is also a part of organization's core guiding principles and values?
- Is there a performance metric tied to annual performance to ensure senior leaders are demonstrating skills in recruiting, hiring, promoting and retaining ethnically diverse talent?

velopment, promotional advancement, and mentoring to make it a reality.

Leaders and boards must be willing to look beyond a candidate's ability to merely line up with a job description and also strategically assess candidates based upon professional competence and future potential.

Secondly, for a diversity strategy to be successful, it must have metrics that are linked to leadership's performance incentives.

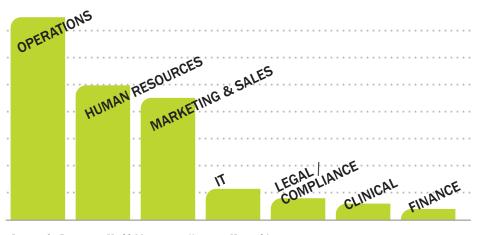
Our experience with and sensitivity to these issues help our clients make strategic and sensible hiring decisions. We are actively involved with the

National Association of Health Service Executives (NAHSE), a non-profit association of African-American healthcare executives, as well as other key minorityfocused healthcare organizations that all serve to complement our scope. We sponsor the Modern Healthcare awards honoring the Top 25 minority and women leaders to raise awareness, champion role-model organizations, and to serve as advocates for the richness that diversity brings to healthcare governance. The networking, mentoring and counsel that our leadership team provides to executives of all backgrounds in the industry ensure that our clients have access to a deep and diverse pool of talent.

The executives we discover and nurture on behalf of our clients make decisions that affect the lives of thousands of families and communities across the country and throughout the world. That is a responsibility we take seriously. We are committed to diversity and the mission of healthcare, and assist our client partners in becoming exemplary global leaders of these principles and practices. **F**G



## **Diversity by Functional Areas in Healthcare**



Institute for Diversity in Health Management/American Hospital Association