



MANAGING DIVERSITY

A Look at Where We Are

BY KAREN SANDRICK

Companies traditionally have seen diversity in the workplace as an exercise in compliance as they strove to provide equal employment opportunities and affirmative action. Over the years, though, the definition has expanded. Instead of a narrow focus on legal and regulatory requirements for hiring minorities, women and people with disabilities, diversity now encompasses any difference that can affect the fair or equitable treatment of employees, including age, culture, religion, sexual orientation.¹



According to the Society for Human Resource Management, diversity includes people with different educational backgrounds, lifestyles and geographic origins, personal and corporate backgrounds, exempt and non-exempt status, management or nonmanagement, and even tenure within an organization.²

MANAGING DIVERSITY FOR BUSINESS AND MISSION

Diversity in the workplace has evolved into a series of strategies for creating an environment that works for all employees and for capitalizing on the so-called diversity dividend, that is, the additional business benefits that fostering cross-cultural capabilities brings.

“It’s one thing to create diversity, but you need to put as much energy into managing the uniqueness of a diverse environment as you do in creating it in the first place,” Xerox Corp.’s chief diversity officer, Phil Harlow, told NPR’s Kevin Whitelaw in January.³

Workplace diversity has been directly linked with operational success; greater productivity and flexibility in rapidly changing marketplaces; attracting and retaining the best talent; reducing costs due to turnover, absenteeism and low productivity; gaining and keeping market share; and increased sales and profits.⁴

Having a diverse workforce does not, in and of itself, produce these benefits, however. As Xerox’s Harlow said, “Diversity needs to be embedded in all of our business processes.”

Diversity in the workforce also needs to encompass management.

Although the numbers of minority office and clerical workers as well as sales workers reflect the overall proportion of minorities in the U.S. workforce (around 33 percent), still only a small number of minorities occupy executive, senior or even mid-level positions. The U.S. Equal Employment Opportunity Commission in 2007 found that only 16.6 percent of executive or senior managers and 20.2 percent of middle managers in American companies were minorities.⁵

Like any corporate entity, a health care organization stands to reap operational and strategic benefits from diversity management — greater productivity, a more engaged and empowered workforce, a greater ability to attract the best and brightest and to foster new ideas and business practices. By means of diversity management, a health care organization also can enhance its ability to fulfill the mission of serving all who are ill and infirm, ensure that the faces of its workers reflect the faces of all the populations it serves and

deliver high quality, culturally sensitive, safe and efficient patient care.

MEASURING EFFECTIVENESS

How hospitals can work toward these goals is not clear. Except for a few anecdotal reports or case

HOW ARE HOSPITALS DOING?

Highlights of Findings from the *State of Healthcare Diversity and Disparities: Benchmark Study*

These and other findings from the Benchmark Study led Fred Hobby, president and chief executive of the American Hospital Administration’s Institute for Diversity in Health Management, to grade hospitals’ diversity management efforts at 4.5 on a scale of 1 to 10.

“Hospitals have acknowledged that in order to deliver patient-centered care, they have to take into consideration the unique beliefs and cultural values of the patients they care for,” he said. “We are a lot better at handling these kinds of things than we were 10 years ago. But if you look at the leadership category and the number of minorities in leadership positions or on the boards of our nation’s hospitals, we have a lot of room to grow.”

Category	182 hospitals in the study
Diversity of the hospital board	88.6 percent of board members are white
Diversity of the executive team	91.3 percent of executives are white
Diversity of full-time employees	72.3 percent white 14.5 percent African-American 7.0 percent Hispanic 5.3 percent Asian
Financial support	37 percent of facilities allocate funds for diversity and cultural competence
Average amount allocated	\$479,971 allocated to diversity and cultural competence in fiscal year 2008
Highest amount allocated	\$5 million allocated by one hospital in fiscal year 2008
Engaging the community served	65 percent of hospitals responded positively
Using national standards for Culturally and Linguistically Appropriate Services (CLAS)	71 percent of hospitals responded favorably

Source: Institute for Diversity in Health Management and HR Solutions, Inc. ARAMARK Charitable Fund and the Vanguard Charitable Endowment Program supported

studies, diversity management in health care organizations has not been well examined. Formal studies of diversity representation among the top levels of executive management have been conducted periodically since 1992 by the American College of Healthcare Executives and the National Association of Health Services Executives. However, these studies have concentrated specifically on career attainment by members of racial and ethnic groups: the racial and ethnic representation



among top health care executives and senior managers, the factors that may account for differences in career advancement and the ways hospitals can improve the diversity mix in the top levels of management.

Studies have not explored the nature, scope or effectiveness of diversity management efforts in health care organizations. Hospitals therefore have not been able to gain an overall, industry-wide view of diversity management or determine how well they are dealing with diversity in relation to the rest of the health care field. Nor have they been able to learn what similar organizations are doing and what, therefore, may work for them.

“For many years, no one could answer the question, ‘How are we doing in comparison to other hospitals?’ No one could provide benchmarking experience for hospitals because no one had gathered the data,” said Fred Hobby, president and chief executive of the Institute for Diversity in Health Management, Chicago.

To fill in that gap, the institute and HR Solutions, Inc., a Chicago-based consulting and diversity specialist firm, in 2008 began collecting information that would create a snapshot of diversity management in hospitals. The objective was to “get a good starting or jumping-off point, to get a small picture of what might be happening out in the field,” said Murat Philippe, principal consultant with HR Solutions.

The purpose was not simply to collect data, however. “We wanted to use the survey as an instrument to help people learn what they could be doing. By asking some of these questions, we hopefully will shed light on some areas of diversity management hospitals could be developing, some areas they might need to improve if they want to go ahead and be sensitive culturally and linguistically and in all the ways that people differ from one another,” Philippe said.

“We wanted to know where we are today and be able to benchmark as an industry our progress as we move further into the new millennium,” Hobby concurred. The institute plans to conduct future benchmark studies; the next is tentatively planned for 2011. “The objective is to create a sort of watermark or an indication of where hospitals are in terms of diversity management. When we look at di-





SAINT JOSEPH REGIONAL MEDICAL CENTER

From the *State of Healthcare Diversity and Disparities: Benchmark Study*

Data from the State of Healthcare Diversity and Disparities: Benchmark Study identified Saint Joseph Regional Medical Center as a top-performing hospital in at least one aspect of diversity management. Health Progress asked the hospital's diversity officer, Jose A. Alvarez, to describe Saint Joseph's efforts. He organized them according to a series of seven steps that lead to long-term organizational change as outlined in

Managing Diversity in Health Care (*Jossey-Bass, 1998*) by Lee Gardenswartz and Anita Rowe.

Saint Joseph Regional Medical Center, Mishawaka, Ind., is a multi-hospital health system serving north-central Indiana and southwestern Michigan. It is part of Trinity Health, based in Novi, Mich.

1 EXECUTIVE COMMITMENT

Joseph Swedish, Trinity Health's president and chief executive, also is the chief diversity officer for the entire Trinity Health system. At the local level, the president and chief executive of Saint Joseph also is the chief diversity officer, and two vice presidents are members of the hospital's diversity and inclusion council. Although every Trinity Health ministry organization has a diversity leader, Saint Joseph is one of only a few to hire a diversity officer.

2 ASSESSMENT

Trinity Health has conducted two system-wide diversity surveys since late 2007. The first one was a stand-alone survey. The second was part of a Gallup assessment conducted in 2009. Both surveys indicated that, although there is work to be done, employees in general are satisfied with the level of diversity and inclusion in their organizations.

3 DEVELOPMENT OF A DIVERSITY COUNCIL

Saint Joseph formed its council in February 2006. It includes representatives of as many sectors of the organization as possible, including individuals from different races, genders, ethnicities; clinical and non-clinical staff; executives and employees in lower pay grades; exempt and non-exempt staff. In addition to promoting diversity and inclusion, a council goal is to provide leadership development opportunities to staff.

4 TRAINING

Since 2006, every new Saint Joseph employee receives diversity training during orientation. The training module includes the rationale for the initiative, both as a directive from Trinity Health and as a local effort. It ties diversity to the organization's guiding behaviors and includes interactive role and situational activities to emphasize the importance of cultural understanding and tolerance.

In the works for the next fiscal year is a mandatory cultural competence course that will be assigned to employees in the annual online competence curriculum. The goal is to introduce the course to clinical personnel and then extend it to the rest of the organization.

5 SYSTEM CHANGE

From Saint Joseph's perspective, diversity in the health care workplace has two very important aspects: diversity in the

workforce and delivery of culturally competent health care.

Staff in voluntary resource groups form around things they have in common such as gender, race, physical disabilities, etc. and interest in such issues as career development, ideas to improve operations and feedback to management on company practices and procedures. They meet regularly to discuss common business-related topics and foster communication, awareness, professional development and teamwork.

By creating a pool of talent from within, the organization is trying to increase minority representation in management and direct patient care positions.

Saint Joseph is in the midst of implementing the first phase of the Equity in Care initiative, a Trinity Health program designed to determine if there is disparity in the level of care afforded to patients due to race, ethnicity or any other factor, and, if so, to take steps to eliminate the disparity. Cultural competence training for clinical staff will help provide more culturally focused health care to patients and improve patient outcomes.

6 EVALUATION AND MEASUREMENT

All ministry organization diversity leaders report to the Trinity Health senior vice president of diversity and inclusion, as well as senior leadership. Diversity leaders prepare quarterly reports on diversity in the workforce, including hiring, promotions and voluntary and involuntary terminations by gender and minority status. They include minutes from quarterly in-person or conference-call meetings of all diversity heads that review performance and share best practices.

At Saint Joseph, the diversity officer reports to the vice president of support services and chief human resources officer. The president/chief executive and senior leadership also receive quarterly reports on the development of diversity in the workforce.

7 INTEGRATION INTO THE SYSTEM

This refers to how diversity management is integrated into operations, strategic planning, etc. Like other hospitals and health systems, Saint Joseph has not yet reached this level of diversity management. Improving patient satisfaction and outcomes (which will no doubt be helped by cultural competence) and achieving financial stability will be crucial.

iversity management issues in years to come, we will find out whether we have gone up in performance or gone down,” Hobby added.

A NATIONWIDE REPORT

The State of Healthcare Diversity and Disparities: Benchmark Study is the first of its kind to be conducted in U.S. hospitals, said Philippe. “I haven’t run into any other similar research which assesses not so much how people feel or captures their perceptions about diversity management issues. [The Benchmark Study] catalogues the programs that organizations have in place, the initiatives they are pursuing and the amount of funds they are allocating toward diversity management. And hopefully it is identifying best practices that the institute can share with and distribute among its membership,” he said.

The Benchmark Study is wide in scope. “This is the first study that covers the full spectrum of governance as well as purchasing involving minority businesses and the like,” said Kevin Lofton, who chairs the American Hospital Association’s special advisory group on improving hospital care for minorities. Lofton is president and chief executive of Catholic Health Initiatives, Denver.

The study gathers information about the activities and efforts hospitals have been following in four areas of diversity management:

- Expanding the diversity of an organization’s governance and leadership team
- Fostering and strengthening a diverse workforce throughout the organization
- Effectively engaging the diverse communities the organization serves
- Delivering culturally and linguistically competent patient care throughout the organization

The study is extensive, inclusive and rigorous.



“This is not a 12-question, ‘how-do-you-handle-diversity?’ type of survey,” said Hobby. An initial 120-question survey is followed by a validation or deep-dive study to identify the practices that are producing results in top-performing hospitals.

“There are some obvious easy questions: ‘Tell us the number of diverse employees who have been promoted in the last three years.’ ‘What is the population makeup of your board of executives?’” Philippe said.

However, the Benchmark Study goes beyond standard, fill-in-the-blanks reporting. “[The survey] is not something that just one individual in the organization would be able to fill out. It requires a team, in most cases, to pool resources and provide a comprehensive picture of what is happening in the organization on the diversity front. It intends to get a picture of diversity at all levels, going from line-level employ-

ees to senior management and finally the board,” Philippe said.

The study also explores programs and activities that may be at the leading edge of diversity management. “The follow-up validation study for organizations that achieve high scores in the categories we are measuring focuses on the specifics. What are these organizations doing that leads to strong scores in diversity management? Is there evidence that these policies are in fact having positive effects?” he added.

Above all, the study provides a vehicle for hospitals to match their performance on diversity management with that of their peers. “Hospitals will be able to gain online access to the data that are collected so they can compare themselves to hospitals of a similar size, type or geographic location,” said Hobby.

“Setting up a website where organizations can go to find XYZ organization that is doing well and



learn what are some of the things that organization has been able to do — that is a great way to go about informing people who are looking for some help in terms of getting started or continuing to embrace diversity and different points of view,” said Lofton.

THE STUDY POPULATION

The Benchmark Study includes information on diversity management from a small sample of the nation’s hospitals, so it does not carry statistical weight. Of the 3,500 hospitals that received the survey in 2008, 182 responded.

“We’re not going to say our sample of 182 organizations is representative of the 5,000-plus organizations in the U.S. We have too small of a sample size for that. But it does give us an idea of where we are with the organizations that decided to participate, and hopefully in the future we will get even larger numbers of hospitals to share information with us,” said Philippe.

The sample nevertheless is a microcosm of the range and size of health care organizations across the country. Hospitals from every geographical sector of the country are included. Most are from the Mid-Atlantic region (82), Midwest (16), and South (41). Eighteen hospitals are from the Southwest, 12 from the Northeast, and 13 from the West.

The vast majority of hospitals are general medical/surgical facilities (149 or 82 percent) and non-teaching institutions (67 percent). Roughly a quarter have 301-600 beds (51 or 28 percent) or 101-300 beds (46 or 25 percent). Twenty-five (14 percent) have fewer than 50 beds, 12 percent have 601-1,000 beds, and 9 percent have more than 1,000 beds.

The median workforce in the hospitals is 1,422 full-time employees. Forty-six (25 percent) of the hospitals have 1,000 or fewer employees; the smallest proportion of hospitals (10 percent) have 5,000 to 10,000 employees. Seventeen percent of hospitals have 2,500 to 5,000 employees.

HIGH MARKS FOR CATHOLIC HEALTH CARE

The Institute for Diversity in Health Management was scheduled to report detailed results from the survey at its June 2010 annual meeting. At that time, the institute expected to identify and recognize the highest-scoring hospitals; it also planned to prepare case study reports on the hospitals and their diversity management strategies sometime in the future.

Overall, the Benchmark Study showed high scores on one or more of the survey questions for a number of Catholic hospitals. Among them: St. Mary’s Medical Center, West Palm Beach, Fla., which has one of the most diverse board of directors; Saint Joseph Regional Medical Center, Mishawaka, Ind. has a high percentage of women in executive positions and Columbia St. Mary’s, Milwaukee, Wis., allocates a significant sum to diversity efforts.

Findings such as these support Lofton’s experience in the field. “Over the past decade, more minorities have been hired in leadership positions representing Catholic organizations than I think in the general cross section of the industry,” he said.

In the 1980s, he recalled, the only facilities that were offering opportunities to minorities, specifically African-Americans, were public hospitals in urban environments. “It was in the 1990s that you first started to see some diversification in hospital leadership,” he said, “and Catholic health care opened up opportunities because the focus was put there, the resources were put there, and the strategies were developed.”

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NOTES

1. Diversityworking.com, “What is diversity management?” www.diversityworking.com/employerZone/diversityManagement/?id=1.
2. Society for Human Resource Management, “Workplace Diversity Series Part I: Moving Forward with Diversity,” www.shrm.org/Research/Articles/Articles/Pages/WorkplaceDiversitySeriesPartIMovingForwardWithDiversity.aspx.
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4. Society for Human Resource Management, “Workplace Diversity Series Part I.”
5. U.S. Equal Employment Opportunity Commission, “2007 EEO-1 National Aggregate Report,” www.eeoc.gov/eeoc/statistics/employment/jobpat-eeo1/2007/us-national.html.

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