STANTON CHASE

Your Leadership Partner

Women in Healthcare Leadership: Inclusion Starts at the Top

By Lori VanderBoegh, Olivier Van Dierdonck and David Harap

www.stantonchase.com

STANTON CHASE

Your Leadership Partner

I. Introduction

Only 8 of the top 100 hospitals in the U.S. have a woman CEO[1], according to a 2016 survey conducted by Rock Health, a venture fund dedicated to supporting "companies improving the quality, safety, and accessibility of our healthcare system"[2]. While the lack of senior female leadership is not unique to healthcare (fewer than 6% of CEOs of Fortune 500 companies are women), it is notable that the vast majority of medical and health service managers are women[3]. Nurses, who are predominantly women, make up the largest part of the workforce in hospitals; and women make most healthcare decisions — so why are women not equally represented in CEO profiles?

Diversity drives productivity, loyalty and motivation, yet many organizations fail to create corporate cultures that embrace diversity and inclusion as a priority. Recent developments indicate the growing recognition of companies who value and promote diversity. For example, in October 2015, the CEO and Chairman of DaVita Inc. (NYSE: DVA), the leading independent medical group in America and leading provider of kidney care services, expressed his intention to create a "majority diverse" board within 24 months.[4] In January 2017, a new board appointment added DaVita to a small group of Fortune 500 companies who have diverse representation of 50 percent or more within their boards of directors.

Manufacturing, another traditionally male-dominated industry, is also reporting a promising future for women in the field. According to the 2017 Deloitte survey "Women in manufacturing: Stepping up to make an impact that matters", new initiatives have been developed to attract and retain executive female talent. Research shows that these programs and approaches are already increasing interest and opportunities for females — one example is the percentage of women who would encourage their daughter or female family members to pursue a career in their industry has nearly doubled from 24 to 42% from 2015 to 2017.[5] This new strategic focus on diversity and inclusion will undoubtedly improve the bottom line for companies throughout the industry.

A national campaign entitled "20% by 2020" represents another push to get women on boards, with the goal of having women occupy 20% of board seats by the year 2020. Fortune 50 companies, including Coca Cola and AT&T, are also targeting 20% female CEOs by 2020.[6] The 30% Club started in 2010 in the UK with a goal of achieving 30% women on FTSE-100 boards and is now a global movement based on the notion "better gender balance leads to better results."[7] This is no small task, but healthcare leaders must be at the front of the line in the pursuit of more diverse and inclusive leaders.
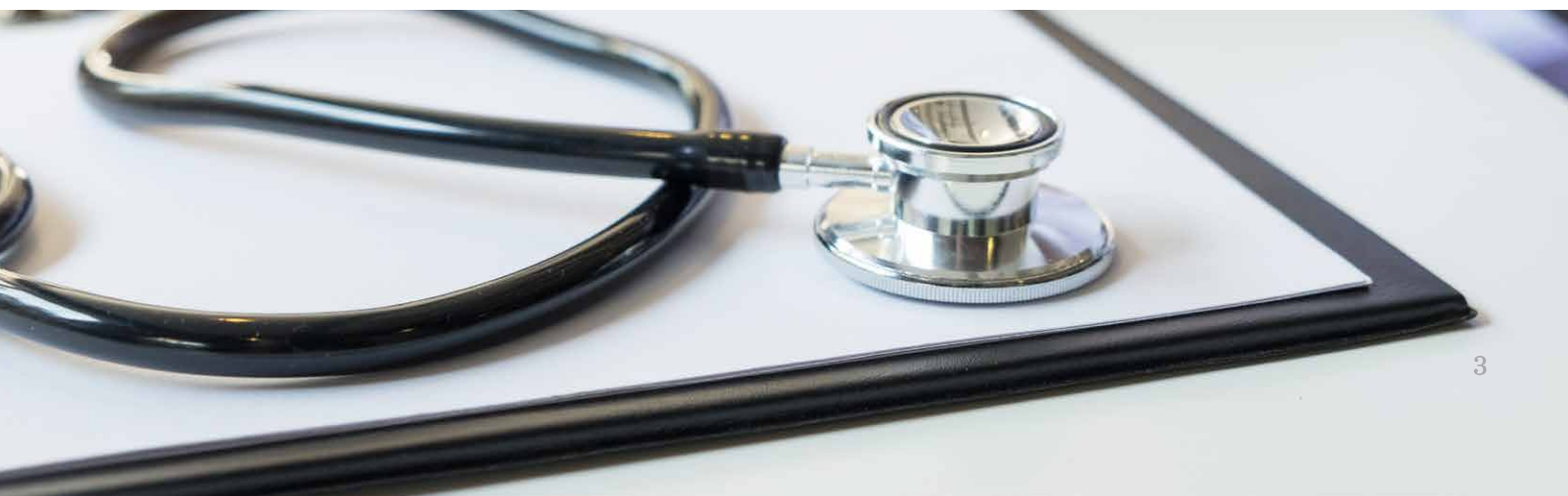
II. Gender Balance in the C-Suite

Gender imbalance in the executive suite of the healthcare industry is not new. Recognition of gender discrepancies began in the early 1980s; a 1988 publication even offered an optimistic outlook with the title "Survey data reveal bright future for women healthcare executives".[8] Unfortunately, not much has changed in the executive ranks of the healthcare system since the publication came out 30 years ago. In fact, in 2008, an article entitled "Gender and leadership in healthcare administration: 21st century progress and challenges"[9] nearly re-states the earlier article by suggesting there are small improvements but much greater progress is needed.

Why is it so important for your leadership and board to represent your patients and customers? In simple terms, diversity is a bottom line issue. Even more specifically: for every 1% increase in gender diversity, company revenue increases by 3%. Furthermore, high levels of ethnic diversity increase revenue by a whopping 15%. What company can afford to turn away from increased profitability?

Diversity is proven to attract more competitive candidates as well as more committed, dedicated, and engaged employees — all of which lead to improvements in care quality and patient satisfaction. America's hospital and health systems are working to eliminate racial, ethnic and cultural disparities through efforts like the AHA's "#123forEquity pledge campaign", which includes commitment to increasing diversity in leadership and governance.[10] Hiring and recruiting is a two-way street: potential candidates are not just being evaluated, they are evaluating the company. A significant part of that evaluation includes observing and assessing company culture, diverse leadership and inclusion practices. Job seekers find value in an organization that demonstrably places a high importance on diversity in the workplace. Furthermore, employees in diverse workplaces tend to feel a stronger commitment, experience greater collaboration, and consequently retention is higher. These insights are echoed in the findings of a recent article by ERE Media that offers detailed statistics about how improved diversity hiring practices result in increased profitability, better candidate attraction, and more engaged employees.[11]

III. Recommendations

Given the evidence of the importance of diversity and inclusion, the healthcare sector needs to pay particularly close attention to making change in the increasingly competitive environment of talent acquisition. With this in mind, we offer the following recommendations:

3 Things Organizations Should Do

Keep in mind that there is no single approach to diversity and inclusion; it must be part of a larger strategic plan. A key element in driving change is to recognize and acknowledge unconscious bias. Everyone has these biases, but there needs to be diversity and inclusion training and a plan to overcome them. To successfully impact these strategies, executives should:

1. **Set goals and develop a plan. Have a mission statement, as well as smaller objectives set around diversity and inclusion.**

   - Ensure your company's diversity and inclusion policy/mission statement is easy for all to find.
   - Boards and search committees must represent similar diversity profiles.
   - Have measurable goals and timelines for what you want to accomplish.

2. **Implement the plan — launch your diversity and inclusion strategic plan with all-hands company meetings/town halls. Senior leadership must get behind the plan and "walk the walk".**

   - Project an image reflective of diversity and inclusion you want to represent your organization. Use diversity rich images for your website and other marketing materials.
   - Look at where you recruit. By actively sourcing minority candidates in the right places — for example, participating in professional associations and groups with desired diverse characteristics — you will have a better chance of attracting and retaining diverse talent.
   - Standardize aspects of the recruitment process to minimize the effect of bias on hiring decisions.
     - Review job descriptions for gender (and other) bias.
     - Standardize objectives related to hiring, i.e. the competencies and skills needed/desired, in advance of candidate search. Determine what competencies are needed and stick to them. This will allow hiring decisions to be unbiased, because candidates will be judged on their skills, experience and qualifications.
     - Make sure recruiters/search partners standardize all shortlist resumes to remove any possible bias triggers.

III. Recommendations

3. **Measure Results — engage employees to report on activities and periodically measure progress and share results.**

- Celebrate and highlight your organization's success — this may include sharing anecdotal stories, awards/incentives or other recognition.
- The AHA's Institute for Diversity in Health Management are paving the way with data, tools and resources including an ongoing publication of their benchmarking study of U.S. hospitals to learn more about ongoing efforts to address health care disparities and improve diversity management practices.[12]

3 Things Women Should Do

In order to elevate their leadership status, we offer these suggestions to women:

1. **Find a mentor. Having a strong leader, role model, or mentor is often cited as the primary reason women got into leadership.**

2. **Network with women healthcare leaders. Connecting with other industry leaders strengthens connections and an understanding of what it takes to become a leader.**

3. **Ask for leadership roles. Potential leaders may be overlooked because the current leaders were unaware of their goals. Speak up and voice interest in leadership roles.**

IV. Conclusion

> Have a plan. Set goals. Measure your progress.
>
> Ultimately, developing a comprehensive diversity and inclusion program is an ongoing journey, not a destination. Nonetheless, it is time for more rapid action in the healthcare industry. Executives and Boards must set clear goals and act on inclusive strategies, so that progress can at last be made. Rather than revisiting this topic in future publications, we hope to read about the innovative leaders and strategies that have propelled their organizations into the modern era with resoundingly successful diversity policies and practices that are reflected in the C-suite. With greater focus, we should strive to get to a point where diversity and inclusion are so much a part of an organization's culture so that you no longer need strategic goals on diversity and inclusion. As Helena Morrissey, CEO of Newton Investment Management and 30% Club Founder said, "as more women join boards and demonstrate the value they add, the system will become self-perpetuating."[13] Organizations and executive leaders must make diversity and inclusion an expectation and assumption rather than a strategy, and reap the rewards together.

White Paper Sources | Cited Materials

1   https://rockhealth.com/the-state-of-healthcare-gender-diversity-2016/
2   https://rockhealth.com/about/
3   https://www.bls.gov/opub/ted/2016/39-percent-of-managers-in-2015-were-women.htm
4   http://pressreleases.davita.com/2017-01-05-DaVita-Appoints-Pascal-Desroches-to-Board-of-Directors
5   https://www2.deloitte.com/content/dam/Deloitte/us/Documents/manufacturing/us-manu-women-in-manufacturing.pdf
6   https://www.2020wob.com/
7   https://30percentclub.org/
8   https://www.ncbi.nlm.nih.gov/pubmed/10287855
9   https://www.ncbi.nlm.nih.gov/pubmed/18856135
10 http://www.equityofcare.org/
11 https://www.eremedia.com/sourcecon/5-techniques-to-improve-diversity-hiring-practices-in-your-company-right-now-by-sioffy/
12 http://www.diversityconnection.org/diversityconnection/leadership-conferences/Benchmarking-Survey.jsp?fll=S1
13 https://30percentclub.org/

Contacts

David Harap
Global Practice Leader,
Life Sciences and Healthcare
Managing Director
d.harap@stantonchase.com

David Harap is the Global Practice Leader for Life Sciences and Healthcare and a Managing Director in the Austin office. David has over 14 years of experience serving a broad client base as a senior level executive search consultant.

Lori VanderBoegh
Director
l.vanderboegh@stantonchase.com

Lori VanderBoegh is a Director in the Nashville office. With over 20 years of experience in executive search and human capital consulting, Lori utilizes her expertise by serving as a trusted advisor and partner to her clients across diverse industries.
As a strategic partner to a premier national healthcare system, Lori has secured top talent for senior leadership roles including C-Suite, SVPs, General Counsels and more.

Olivier Van Dierdonck
Director
o.vandierdonck@stantonchase.com

Olivier Van Dierdonck is a Director in the Nashville office. Olivier is a seasoned executive who brings more than 25 years of experience in healthcare expertise, specializing in board, physician leadership, senior management and functional leadership for both hospitals and physician groups.
Olivier has also held operational positions with rural and urban hospital systems and national physician practice management organizations.

STANTON CHASE

Your Leadership Partner

Asia/Pacific • Auckland • Bangalore • Beijing • Chennai • Guangzhou • Hong Kong
Kolkata • Mumbai • New Delhi • Seoul • Shanghai • Singapore • Sydney • Tokyo
Europe, Middle East, Africa • Amsterdam • Athens • Belgrade • Brussels • Bucharest
Budapest • Copenhagen • Dubai • Düsseldorf • Frankfurt • Hamburg • Helsinki • Istanbul
Johannesburg • Lagos • Lisbon • Ljubljana • London • Lyon • Madrid • Milan • Moscow
Oslo • Paris • Porto • Prague • Saint-Petersburg • Sofia • Stockholm • Stuttgart • Vienna
Warsaw • Zurich • **Latin America** • Bogota • Buenos Aires • Caracas • Lima • Mexico City
Montevideo • Panama City • Santiago • Sao Paulo • **North America** • Atlanta • Austin
Baltimore • Birmingham • Boston • Calgary • Chicago • Dallas • Detroit • Little Rock
Los Angeles • Memphis • Miami • Milwaukee • Montréal • Nashville • New York
San Francisco • Silicon Valley • Toronto

Find your nearest Stanton Chase partner office at
www.stantonchase.com/locations