

# Diversifying Diversity

Boards must keep changing as the concept of inclusiveness continues to evolve

By Jena Abernathy

It is generally accepted that board diversity is good for governance. Especially in health care, a board needs to be a mirror of the diverse people and communities it serves. And it needs to have different voices and viewpoints to challenge itself and come up with new ideas — for the people it serves today and in the future.

While progress has been made on board diversity in health care, there is still work to be done. In its *2014 National Health Care Governance Survey Report*, the American Hospital Association's Center for Healthcare Governance saw a "lack of progress in board diversity of race or ethnicity, gender, age and clinical profession."

Fortunately, there are an increasing number of resources about how health care boards can improve their diversity efforts — for example, "Governing for Diverse Communities," a *Trustee Workbook* in *Trustee's* July/August 2015 issue. Just as important, boards' understanding of *what diversity is* needs to change.

What I hope to contribute to the conversation around board diversity has to do with two ideas:

**The definition of diversity is shifting and expanding.** Diversity as a concept evolves. It is certainly not just about women and racial and

ethnic minorities any more and goes well beyond age, gender identity and other demographic categories. Board diversity is about members with differing viewpoints, perspectives, backgrounds, specializations and competencies, all of which deserve consideration.

**There is no end to the pursuit of diversity.** As diversity's definition shifts, so will a board's challenges and goals.

Change does not occur without a thoughtful and deliberate approach. Having a holistic plan of action focused on board members' experience, competencies and demographics should encourage nominating committees to "go broad" and "dig deeper" to mine for new members and achieve diverse representation. When boards increase the diversity of their membership, they pave the way for better diversity efforts and serve as a model for the overall organization.

## A new mindset

In addition to having a strong plan for diversity, boards need to be in the right frame of mind to facilitate change. Allow me to suggest several ideas that health care boards can keep in mind as they pursue their diversity goals.

**1 Expand your definition of diversity.** At a minimum, every board should consider:

**Generational perspectives:** It is common to look around boardrooms during meetings and find that the CEO is the youngest person in attendance. Diversity should include generational balance. Young executives and professionals see the world in a dramatically different light than their older counterparts do. In particular, millennials' understanding of technology, new media and the pace of social change is important in bringing forth new ideas, especially as boards think about the future generations their organizations will serve.

**Regional perspectives:** Boards of trustees often can be insular and only locally focused. Yet, as organizations continue to grow market share and service lines and compete more broadly, there is a need to recruit members outside their region or state.

**Industries:** Simply, health care boards need representatives from other industries and sectors — insurance, technology, the life sciences and, now especially, retail industries such as consumer products and services.

**Competencies:** Health care is more data- and consumer-oriented than it has ever been. Boards need trustees

with expertise in cybersecurity, digital marketing, branding, mergers and acquisitions, private equity and more.

**2 Acknowledge diverse frames of reference.** Different people see through different lenses.

According to a survey of health care leaders conducted recently by my firm, Witt/Kieffer (“Closing the Gap in Healthcare Leadership Diversity”), women are much less inclined than men (32 percent versus 48 percent) to say that true progress has been made in achieving greater leadership diversity in our field. A greater disparity is seen in the viewpoints of racial and ethnic minorities compared with those of Caucasians. In the survey, only 26 percent of minority respondents believe that health care organizations have been “effective in closing the leadership diversity gap”; 57 percent of Caucasian respondents do. Understand that greater diversity on boards naturally means more lenses.

**3 Encourage constructive dialogue.** On the other hand, more perspectives can result in more friction. I think this is OK. Boards can become *too* collegial and comfortable at times and can use a little tension or dissent to avoid groupthink. Debate is healthy, and having multiple perspectives allows collective wisdom and experience to foster better ideas, solutions and buy-in.

A key to ensuring diverse viewpoints is to have scheduled member turnover. Many good articles have been written about setting trustee

term limits and planning for succession.

**4 Focus on inclusion.** In professional circles, the term *inclusion* has gained a rightful place beside *diversity* for the specific reason that new and diverse individuals need to feel welcome and on equal footing as peers. This applies to boards as well — all trustees must feel embraced and respected. They should not be expected to defer or wait their turn to exercise clout and influence.

Ways that new members can get up and running quickly include being mentored by senior members, being named to key committees and having designated time on meeting agendas to speak on their area(s) of expertise. Although it’s a controversial topic in not-for-profit health care, paying members (even modestly) provides a different model in the trustee relationship for expectations, accountability and economic diversity.

**5 Establish personas for recruiting.** Executive recruiters often work with search committees to establish *personas* of attractive candidates. These are general yet forward-looking, creative descriptions of what an impact-making candidate might look like. Boards can use them, too. Developing personas allows boards to focus on the *type* of person who would make strong contributions, even before candidate names are introduced. This encourages a nominating committee to take

a “what do we need?” rather than a “whom do we know?” approach.

**6 Recruit for tomorrow.** When establishing personas and looking for new members, address current needs, but, more important, think five or 10 years down the road. As an example: Do you want to recruit someone who understands social media, or someone who has a comprehensive understanding of the digital landscape and where technology and communications are headed? It’s more likely the latter. Think ahead in recruiting. What types of people fit into the picture of where your organization is heading and the role governance will play?

### Continuing challenge

Diversity weaves a stronger board tapestry. Study after study has shown that diversity and inclusion foster healthy dialogue, encourage the sharing of multiple perspectives and enhance decision-making. Diversity makes us smarter.

Achieving greater diversity should be a perpetual goal for health care boards, with the chair taking the lead. There is no finish line and no ideal ratio or mix. Here’s what I would say to boards that have successfully recruited women and minorities: “Well done! What’s next?” **T**

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