

Building The Business Case

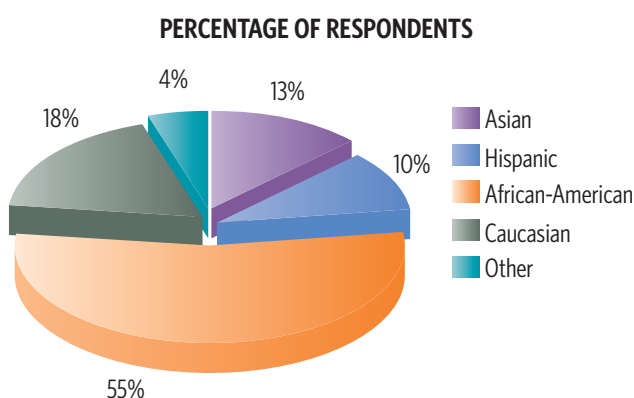
**Healthcare Diversity Leadership:
A National Survey Report**

A 2011 report from the Brookings Institute shows the U.S. has reached a demographic tipping point, with minorities accounting for 98 percent of the population growth in the nation's largest metro areas during the last decade. This demographic shift has huge implications for healthcare organizations planning new services and adopting population management techniques linked to health reform. Never before has it been more important that healthcare leaders embrace cultural competency and recruit diverse leaders to better serve their patients.

To illuminate the state of diversity leadership within today's healthcare organizations, Witt/Kieffer completed a national survey during 2011, a progressive benchmark since its last seminal survey during 2006 and its original diversity survey conducted during 1998.

Diverse voices from the healthcare community

Witt/Kieffer partnered with key institutions on the survey: Institute for Diversity in Health Management, Asian Health Care Leaders Association, National Association of Health Services Executives and the National Forum for Latino Healthcare Executives. Through their assistance, the 2011 survey attracted a particularly diverse



respondent pool: 55 percent are African American, 13 percent are Asian, 10 percent are Hispanic and 18 percent are Caucasian. The 2011 sample is much more varied than the 2006 diversity survey where most (71 percent) of the respondents were Caucasian. The 2011 survey also attracted more female respondents (41 percent) than the 2006 study (28 percent).

The 2011 study had 464 respondents, representing an 11 percent response rate. More than half (54 percent) are CEOs, C-suite executives and vice presidents. The balance (46 percent) is a combination of medical chiefs, administrators, directors and other leaders. The methodology included an online survey conducted during July 2011, and 51 supplementary telephone interviews with survey respondents who shared additional thoughts on diversity leadership.

Where appropriate, 2011 responses are compared to results gathered in the previous diversity-themed survey conducted in 2006.

Survey highlights

Respondents see diverse leadership as a valuable business builder, associating it with improved patient satisfaction, successful decision-making, reaching strategic goals, improved clinical outcomes and a stronger bottom line.

Respondents perceive more positive diversity activities within their own organizations when it comes to closing the minority leadership gap and giving equal consideration to minorities for leadership positions.

While the pool of diverse candidates for healthcare leadership has grown over the last five years, respondents do not perceive the same growth within their own organizations.

Minority representation is still weak, with only one-quarter reporting that minority executives are well-represented in their organizations' management teams and about the same percentage agreeing that the diversity of their management teams reflects patient demographics.

The top five solutions for diversity success are being sensitive to cultural differences in the workplace, establishing strategic goals and standards that emphasize cultural diversity, seeking regular employee input about the organization's diversity initiatives, promoting minorities from within and mentoring people of color.

Perceived barriers vary based on race/ethnicity.

Minority respondents zero in on a lack of commitment from top management as the #1 barrier to success. Caucasian respondents focus on a lack of diverse candidates, access to them and a lack of candidates to promote from within.

Respondents are in total agreement about best practices that will lead to the advancement of minority executives: mentoring programs, programs to expose young people to healthcare careers, sensitizing management, developing cultural sensitivity initiatives and communicating diversity initiatives to employees.

Broadening the meaning of diversity

Based on the perspectives shared by respondents, it is clear that the actual definition of diversity has enlarged and changed. The term has evolved from a focus on hiring minority candidates to a much broader look at career development. According to an African American vice president from the East Coast, “We need to focus on diversity in recruitment, retention and development. We need to answer questions from a development standpoint: Are minorities getting stuck in traditional roles? Are they moving on?”

“We think diversity has to be considered in the evaluation, making sure that leadership, employees and medical staff match our patients,” notes an African American healthcare executive.

An African American physician applauds the benefits of diverse perspectives. “I bring a world view, my circle of influence and knowledge. All things bring add to the whole. Different perspectives will make the world better.” “I bring a different perspective in terms of cultural competencies and community levels,” concurs an Asian female hospital president.

“When I first started here, the board was made of mostly majority members. Now it is more diverse. We have Latino, African American and Asian board members. You need cultural competence on your board to deal with staff,” explains a Hispanic hospital CEO from the West Coast.

The elements of diversity in healthcare

Representation — reflecting employees, patients and communities

Inclusiveness — welcoming, listening, mentoring, training and benefits

Cultural competency — respectful and responsive to cultural backgrounds and their impact on healthy outcomes

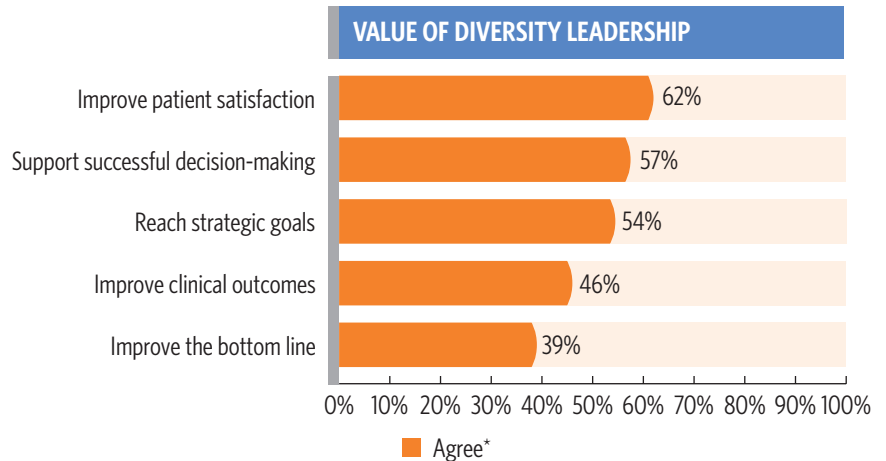
Broader definitions of diversity — thought, education, skills and gender

The business case: front and center

Survey respondents firmly believe that diverse leadership leads to measurable business benefits for their organizations.

Patient satisfaction: Nearly two-thirds (62 percent) believe cultural differences improve patient satisfaction and younger respondents (ages 31-40) report even higher agreement levels at 70 percent. An African American COO from the Midwest relates on a personal level: “I bring in community trust, employee trust, increased patient satisfaction and comfort.”

A Hispanic CEO from the East Coast concurs, “In our context, we are in an incredibly diverse area. Diversity needs to be taken into consideration. It plays a factor



*Respondents were asked to rate their agreement with statements based on strongly agree, agree, neutral, disagree and strongly disagree. “Agree” in this presentation always includes both “agree” and “strongly agree” responses. “Disagree” always includes both “disagree” and “strongly disagree” responses.

in patient satisfaction. As a Hispanic who grew up in a working class family, I have a connection to the community that I serve, and many of my staff are from that background as well. This gives me ‘street cred’ with my staff and patient base.”

“For marketing, I remind staff to appeal to all groups, not just middle-class white females. We educate our employees about the communities that we serve. We have 25 interpreters on staff who interpret language and culture,” explains a Hispanic CEO from the West Coast.

Successful decision-making: More than half (57 percent) believe that cultural differences support successful decision-making. This linkage is especially high among CEOs (65 percent agree) and HR executives (67 percent agree).

“The way people look at diversity and the perceived needs of people have changed. Diversity thinking is adding value to the healthcare industry...thinking that goes beyond the majority exposure opens up a world of possibilities, richer discussions and more creative results,” explains an African American COO from the East Coast.

Strategic goals: More than half of these respondents (54 percent) acknowledge that diversity recruiting enables the organization to reach its strategic goals. “Cultural competence and diversity drive quality. It is good business,” notes a CEO from a West Coast children’s hospital.

When considering strategic goals, even higher levels of agreement can be seen among CEOs (64 percent agree) and HR executives (68 percent agree).

Younger respondents (ages 31-40) deliver higher agreement levels at 66 percent, suggesting a strong acknowledgment of the link between diversity and strategic goals among the younger generation of leaders.

Clinical outcomes: Nearly half (46 percent) believe diversity improves clinical outcomes. These numbers climb even higher for COOs (53 percent agree), HR executives (59 percent agree) and respondents in their 30s (56 percent agree).

“I bring an ethnic, gender and geographic diversity to my organization. I came from the East and work in the South. I can bring a lot of different perspectives to a discussion. I use diversity as a weapon to improve services and patient services. The organization has seen a sustainable change since I have started working there,” explains an African American female senior vice president.

A Caucasian HR executive from the West Coast concurs, “In the healthcare world diversity ensures that you know the cultural differences and can more easily provide cultural and competent care to patients.”

The value of advancing leadership diversity

- Better outcomes
- Improved efficiency
- Greater satisfaction among patients and physicians
- Enhanced public image

Movement in these beliefs can be seen between the 2006 and 2011 surveys.

	2006 CAUCASIAN RESPONDENTS AGREE	2011 CAUCASIAN RESPONDENTS AGREE
Diversity recruiting enables the organization to reach its strategic goals	63%	71%
Cultural differences support successful decision-making	70%	79%
Cultural differences improve the bottom line	36%	43%

	2006 MINORITY RESPONDENTS AGREE	2011 MINORITY RESPONDENTS AGREE
Diversity recruiting enables the organization to reach its strategic goals	47%	51%
Cultural differences support successful decision-making	41%	53%
Cultural differences improve the bottom line	33%	38%

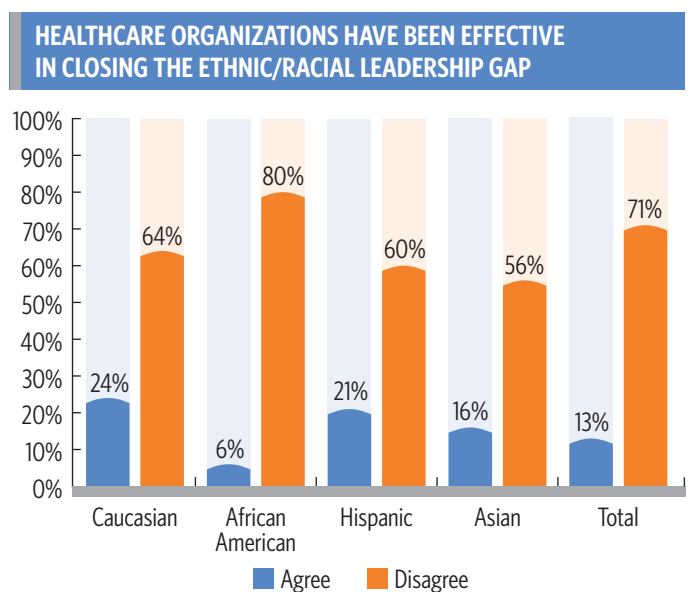
These changes point to a deeper understanding of how diversity is connected to measurable business benefits. Notes an African American CEO, "There are different perspectives that each culture has and organizations need to be exposed to all cultures; I can expose my organization to the African American culture."

"It's a quality issue. Someday we'll see regulatory issues come down from the Joint Commission about diversity. Having a diverse staff means they bring things to the table to be questioned," concludes a Hispanic CEO.

Still struggling to close minority leadership gap

While respondents believe in the business benefits of diversity leadership, they do not feel that healthcare organizations have been very effective in closing the ethnic/racial leadership gap during the last five years. Merely 13 percent agree that the gap has been effectively closed. Taking a closer look, 24 percent of Caucasian respondents agree while only 11 percent of all minority respondents agree. This split mirrors the finding from the 2006 study, showing little progress on this issue.

Among those respondents who disagree that healthcare organizations have been effective in closing the gap, the group most in disagreement are African American respondents at 80 percent while 64 percent of Caucasian respondents disagree. "This issue is a shame nationally that in 2011 we still do not have more diverse leaders of healthcare organizations," comments a survey respondent.



However, respondents report a more positive perspective when considering their own organizations' performance in closing the ethnic/racial leadership gap. Nearly one-third (31 percent) believe their organizations have been effective in closing the leadership gap over the past five years. Of the minority groups who participated in the survey, the Hispanic respondents were most favorable with 40 percent in agreement.

Nearly half (46 percent) of the CEOs agree that their organizations have been effective in closing the gap. A Hispanic CEO from the South gets personally involved in encouraging candidates: "There are a number of people coming up the ranks and, if given the chance in entry-level leadership positions, they can thrive. I want to be here to mentor them."

"Our biggest challenge is recruiting physicians and executive talent at the minority level. Diverse people don't have the same support system in a rural area as an urban area. The location of the system is a big barrier, hard to make it an attractive option for minority candidates," explains a Caucasian CEO from the Midwest.

Pool of diverse candidates has improved

Well over half (57 percent) of the respondents agree that the pool of diverse candidates for healthcare leadership positions has grown over the last five years. This response inches up to past 60 percent among African American and Hispanic respondents.

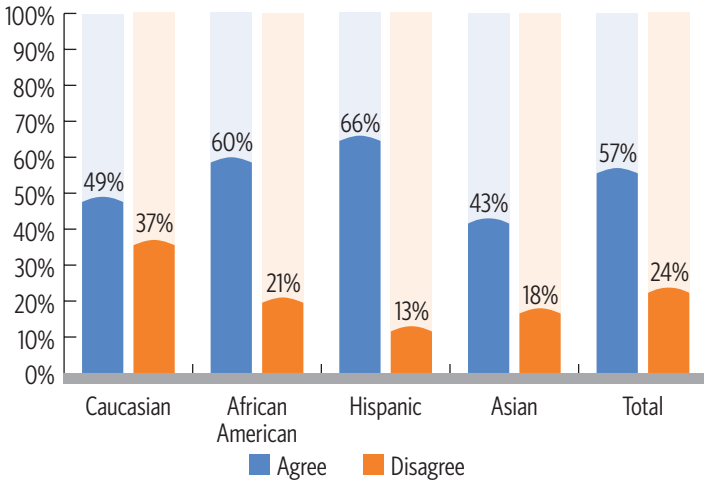
On the other hand, only 43 percent of Asian respondents agree that the pool of diverse candidates has grown. "I think a lot of problems are at the grass root level; there is not a lot of diversity talent coming into healthcare. There needs to be a critical mass coming into healthcare. People need to reach out to students at a young age to attract them to the field," explains an Asian male executive from a Midwestern academic medical center.

However, this generally positive perspective clouds over when respondents think of their own organizations. Only 38 percent believe that the pool of diverse candidates for healthcare leadership has grown in their organizations over the last five years. One Hispanic COO from the West Coast complains, "We do not do anything. There is not an awareness or commitment to developing minority candidates. I think my company tries to find a 'prototype' that just doesn't exist in the minority world."

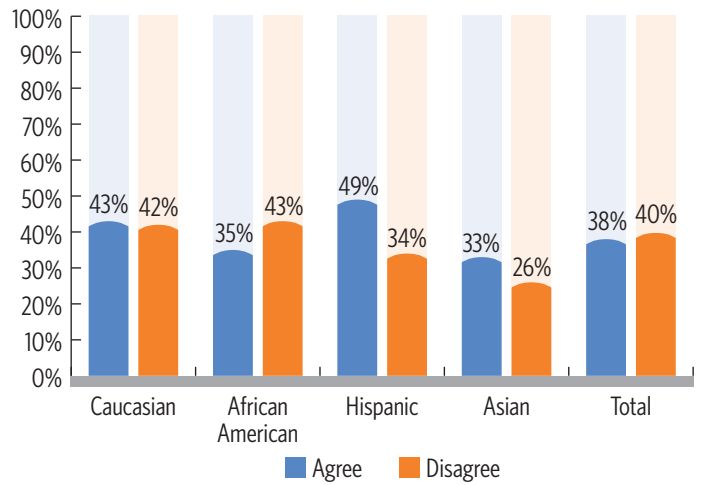


For data tables showing responses by racial/ethnic group: Neutral responses are not shown. Responses from some racial/ethnic respondent groups (e.g., Native American, Pacific Islander) are not shown due to small sample sizes.

THE POOL OF DIVERSE CANDIDATES FOR HEALTHCARE LEADERSHIP POSITIONS HAS GROWN OVER THE PAST FIVE YEARS



THE POOL OF DIVERSE CANDIDATES FOR LEADERSHIP POSITIONS IN MY ORGANIZATION HAS GROWN OVER THE PAST FIVE YEARS



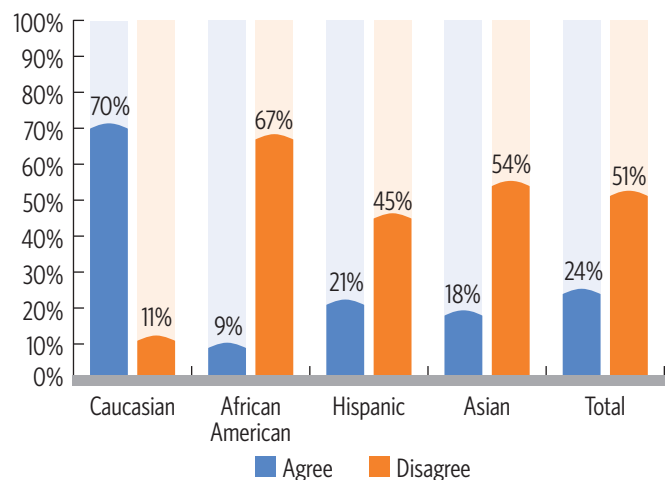
Equal consideration not so equal

About one-quarter (24 percent) of the respondents agree that healthcare organizations in general give minorities equal consideration in candidate slates for leadership positions. Less than one in ten (9 percent) of the African American respondents agree and about one in five Hispanic and Asian respondents agree. Conversely, 70 percent of Caucasian respondents agree that minorities are given equal consideration by healthcare organizations.

However, respondents appear to have more confidence about their own organizations giving minorities equal consideration for leadership positions. Nearly half (46 percent) agree that their organizations give minorities equal consideration. Caucasian respondents are most in agreement at 82 percent; African Americans are in least agreement, with only one-third (32 percent) agreeing. Not surprisingly, healthcare executives give their own organizations high marks when it comes to equal consideration with 75 percent of CEOs agreeing and 71 percent of chief HR officers agreeing.

This optimistic view of their own organizations seems to carry over to minority respondents' assessment of their own personal opportunities. More than four in ten (42 percent) agree that their own opportunities for leadership positions have improved over the last five years.

HEALTHCARE ORGANIZATIONS GIVE MINORITIES EQUAL CONSIDERATION IN CANDIDATE SLATES FOR LEADERSHIP POSITIONS



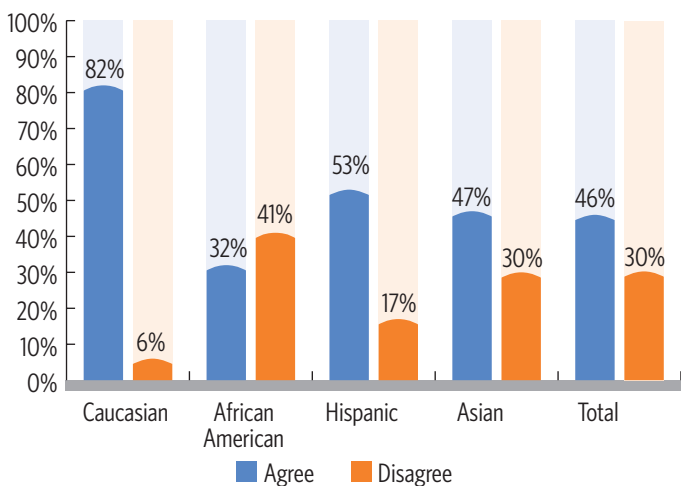
Hispanic respondents are the most positive about their personal opportunities, with 60 percent agreeing. “I am helping my organization to become more culturally sensitive. By solving the Latino agenda, I create a better situation for that population,” explains a Hispanic male executive from a West Coast medical center.

Younger respondents also appear optimistic. More than half (51 percent) of respondents in their 30s agree that their own opportunities for leadership positions have improved.

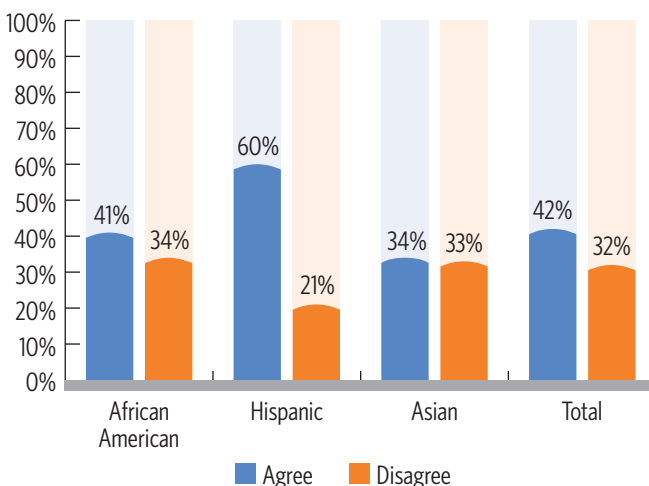
“I think credentials and experience are keys. I don’t think you should get an extra edge just because you are a minority. It is important to show that you are a minority candidate who has the necessary skill sets and can leverage that ability to help the organization thrive,” explains an African American healthcare executive from the Midwest.

Another African American executive describes how to position a candidate’s value as a minority, “You should be overt about what your ethnicity brings to the table. ‘I’m Asian and your patient population is dominated by Asians. I can help you relate to them.’ ”

MY ORGANIZATION GIVES MINORITIES EQUAL CONSIDERATION IN CANDIDATE SLATES FOR LEADERSHIP POSITIONS



MY OPPORTUNITIES FOR LEADERSHIP POSITIONS HAVE IMPROVED OVER THE PAST FIVE YEARS

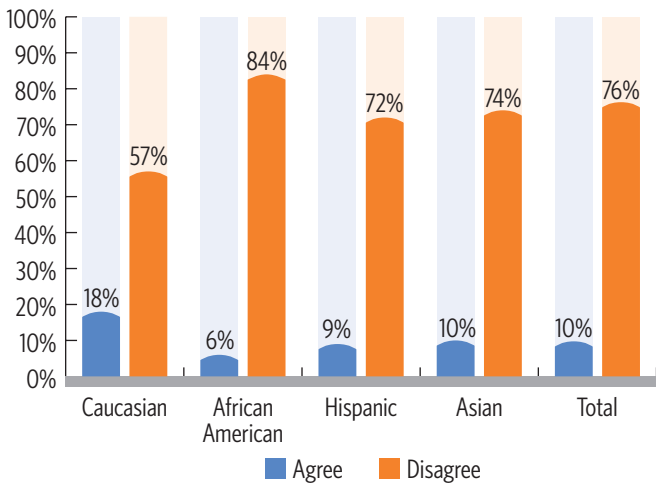


Rating their own organizations higher

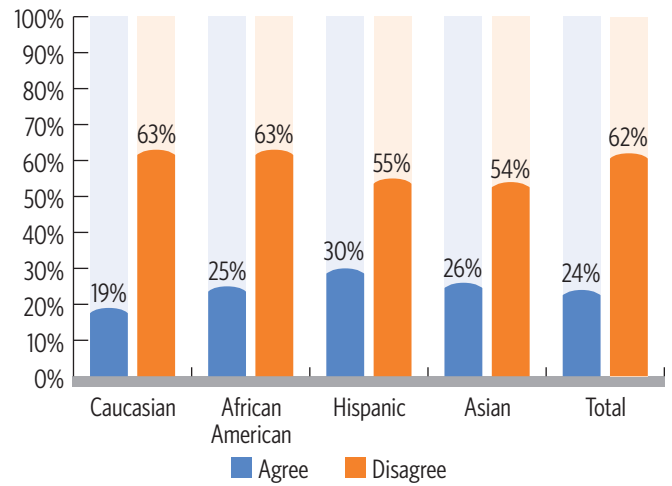
Respondents are somewhat more positive about their own organizations when it comes to how well minorities are represented in management teams. Nearly one-quarter (24 percent) report that minority executives are well-represented today in their organizations’ management teams. More CEOs (41 percent) agree with this assessment about their own organizations.

However, that number falls to just 10 percent when respondents assess minority representation within healthcare organizations in general. According to one healthcare executive, “As the financial crisis in the U.S. continues and leadership opportunities in healthcare become more scarce, opportunities for people of color are becoming non-existent.”

MINORITY EXECUTIVES ARE WELL-REPRESENTED TODAY IN HEALTHCARE MANAGEMENT TEAMS

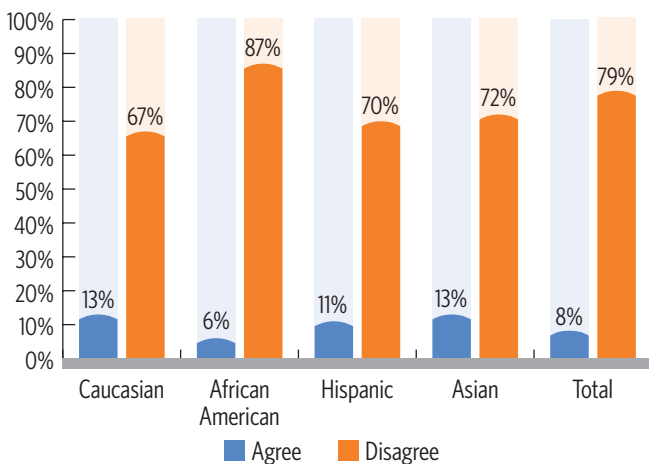


MINORITY EXECUTIVES ARE WELL-REPRESENTED IN MY ORGANIZATION'S MANAGEMENT TEAM

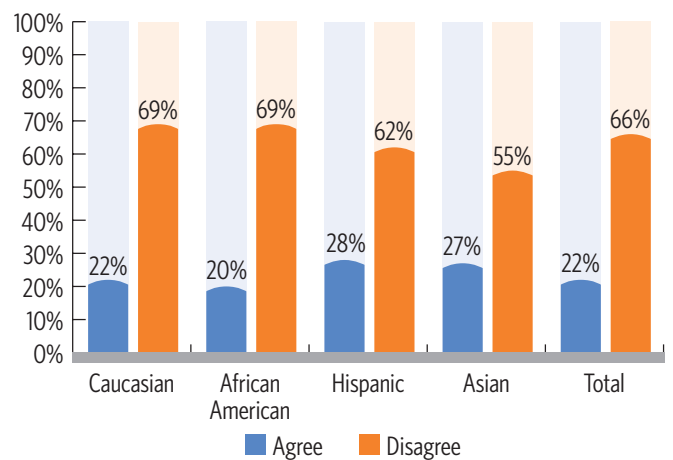


A similar dynamic emerges when respondents were asked about the diversity of management teams reflecting patient demographics. Once again more respondents (22 percent) agree that the diversity of management teams at their organizations reflects patient demographics. Agreement is even higher among CEOs at 37 percent and COOs at 35 percent. "If you look at your entire executive team, your team should reflect your community," explains an African American executive from the Midwest.

THE DIVERSITY OF MANAGEMENT TEAMS AT HEALTHCARE ORGANIZATIONS REFLECTS THEIR PATIENT DEMOGRAPHICS



THE DIVERSITY OF THE MANAGEMENT TEAM AT MY ORGANIZATION REFLECTS OUR PATIENT DEMOGRAPHICS



In their own words

Some of the minority interviewees told compelling stories about how they had succeeded or failed in searching for healthcare positions. Here are a few of their experiences.

<p><i>"I do my best to present myself as if I have assimilated. I learn what I can about members of the C-suite, their characteristics, personality, preferences, get a profile. Then I determine which part of myself I need to present."</i></p> <p>Senior Vice President</p>	<p><i>"I am trying to get past the 'bamboo ceiling.' We (Asians) get to a certain level and then stop. We are over-represented in certain levels (science, engineering), but under-represented in other areas (business, leadership boards)."</i></p> <p>Chair</p>	<p><i>"All eliminations have been environments where the organization had not had a diverse candidate in a leadership position before. One particular organization over-researched my credentials and asked a lot of irrelevant questions."</i></p> <p>Vice President Cultural Diversity</p>	<p><i>"I think there is only so much you can put on a resume. Once you get the discussion, you need to sell that you are the correct person for the job. At the same time people of color are still lacking some experiences that majority colleagues have, making it harder to get the in-person interview."</i></p> <p>Vice President and Chief Administrative Officer</p>	<p><i>"I was too 'urban' for the position. The health system was located in the middle of nowhere in the Midwest. I don't know if 'urban' means 'black' or if it meant I'm just not ready for a small town."</i></p> <p>Senior Vice President</p>
<p><i>"I rely on personal relationships and presenting business opportunities to show how I can create value for the organization."</i></p> <p>Chief Administrative Officer</p>	<p><i>"Clearly had to do with the organization wanting to move my area to the next level and they saw me as an innovator and pioneer. I showed that I could move them beyond the status quo."</i></p> <p>Vice President Cultural Diversity</p>	<p><i>"I got the offer because the hiring manager was all about diversity; she really helped me advance through the interview process."</i></p> <p>Corporate Vice President</p>	<p><i>"Networking by far is the most influential thing. That is the only way to show people who I am. In the U.S. you need to take charge and talk to the big dogs to get far."</i></p> <p>Department Chair</p>	<p><i>"To approach a traditional organization, one thing you have to do is make people comfortable. You have to make people see past cultural assumptions. There is an importance to getting your interviewers comfortable."</i></p> <p>Chief Operating Officer</p>

"I was well-suited for the position. I had enough time in the interviewing process to show I had the basic knowledge, and to show that the company could trust me. I was able to demonstrate my credentials and that I am a team builder."
System Director, Diversity

"I have received all of my job opportunities because I have been prepared and have been myself. I credit my success to my continuing education and reading."
Associate Hospital Administrator

"The interview team didn't know I was of color until I walked into the room. When the CEO saw I was black he didn't look pleased. The interview was very short, and I didn't get asked a lot of job-related questions. I knew I was not getting offered the position as soon as I left the room."
Chief Executive Officer

"Labor and unions got in my way for a position in the VA systems, but I am really confused about that because I am a veteran. You would think that a veteran applying for a VA job would have an easier time obtaining the position."
Clinic Operating Director

"There needs to be a good 'fit'. As a candidate you need to find parallels between yourself and the people you will be working with. You need to make executives comfortable with you while showing your competencies."
Assistant Professor

"They were looking for a minority that could be developed. I was younger, a minority and a female; I was the cookie cutter for what they wanted."
Chief Operating Officer

"Personal networking is always the best. You need to have someone you know to get a foot in the door. They can validate your credentials to the hiring manager."
Chief Executive Officer

"I showed a passionate curiosity for my work and always tried to improve things. I have experience as a change agent and I am always looking for ways to improve myself."
Chief Executive Officer

"I show that I have had a wide variety of experiences (nursing, military, schooling and health law). I can sell myself based on the fact that I can help with their 'A' game."
Clinic Operating Director

"I bring life experiences. The life experiences of minorities are different; we see the world through different eyes. We know how to be more creative in certain situations."
Chief Executive Officer

When considering all healthcare organizations, only 8 percent agree that the diversity of management teams reflects patient demographics. Younger respondents (ages 31-40) have a higher agreement level at 18 percent when assessing all organizations.

Some interview respondents focused on the importance of using diversity to improve connections with the patient populations served. Explains a CEO of a children's hospital, "For the parents of our patients, we need to understand where they are coming from culturally. You need to have cultural competence when communicating with families. Having a diverse group of executives helps drive this."

A Caucasian CEO from the Midwest agrees, "We have to serve the community that we are in. It is important for patients to feel that their hospitals are designed to fulfill their needs. Racial, religious and cultural needs must be met. Having the appropriate leadership indicates a strong attempt to connect with the community."

Time is ticking away on this critical issue, according to another respondent: "We have been discussing diversity for decades. We need to pick up the pace and truly understand that there is a major need to recruit diversity candidates as the population shifts."

Diversity recruiting: taken seriously but not always productive

Respondents give generally high marks to healthcare organizations for their approach to diversity recruiting. More than half (51 percent) agree that organizations take their diversity recruiting responsibilities seriously and nearly the same (49 percent) agree that organizations have the ability to conduct diversity recruiting successfully.

Other areas of agreement include providing career development opportunities for advancement (49 percent), devoting the necessary resources to diversity recruiting (47 percent) and consistently seeking a talent pool of minority candidates (45 percent). However, a sizable number of respondents remain neutral or disagree with these statements.

There appears to be fall-off when it comes to actual performance. Only 37 percent agree that organizations train for success in diversity recruiting efforts and even fewer (35 percent) agree that organizations consistently hire minority candidates. This decline in confidence is reflected in comments from some interview respondents. "I am presenting the same kind of CV, but when I get before the panel I think I have a disadvantage because I am black. I think people are pre-disposed to increasing diversity so it almost becomes a chore for panels to interview diverse candidates," explains an African American female executive.

Some criticized the effectiveness of the organization's formalized diversity structures. "We have a diversity division within the medical center. It is not well-funded; one position was just eliminated. There is a question as to how much diversity is supported in outreach. I have not seen an improvement in recruiting or retaining diverse candidates since the diversity division was created," explains an African American administrator from New England.

Others lament that their organizations have no organized strategies for diversity recruitment. According to an African American executive, "We use the hope method, just hoping people apply. There is no defined strategy for the recruitment of minorities, causing minority employees to suffer. I would like to see them (HR recruiters) target some search firms that deal with minorities. I think that would help. The use of social media to contact diverse candidates would also be great and greater participation in minority job fairs would help."

A Hispanic executive from the Midwest points to the need for new sources: “We don’t leverage sources very well. We use traditional channels, which have not been effective for us. What we need to be doing is purposeful recruitment for minorities, incentivize recruiters to find candidates, look at nontraditional channels and meet with schools and minority-based organizations.”

EFFECTIVENESS OF DIVERSITY RECRUITING			
	Agree	Neutral	Disagree
Take diversity recruiting responsibility seriously	51%	19%	30%
Have ability to conduct diversity recruiting successfully	49%	20%	31%
Provide career development opportunities valuable to advancement	49%	20%	31%
Devote necessary resources to diversity recruiting	47%	18%	35%
Consistently seek a talent pool of minority candidates	45%	18%	37%
Train for success in diversity recruiting efforts	37%	24%	38%
Consistently hire minority candidates	35%	23%	41%

Barriers to success shift by race/ethnicity

While respondents agree that barriers to success do indeed exist, the perceived barriers vary based on race/ethnicity. Caucasian respondents focus on a lack of candidates: lack of access to diverse candidates, lack of diverse candidates and lack of candidates to promote from within. Conversely, minority respondents focus on lack of commitment by top management and lack of serious consideration of diversity candidates as the top barriers to success. This dichotomy was echoed in the 2006 study, revealing most of the same barriers.

TOP 5 BARRIERS TO SUCCESS	
Caucasian respondents agree	Minority respondents agree
Lack of access to diverse candidates (78%)	Lack of commitment by top management (85%)
Lack of diverse candidates (78%)	Lack of serious consideration of diverse candidates (77%)
Lack of diverse candidates to promote from within (78%)	Lack of commitment by board (74%)
Limited resources for diversity initiatives (50%)	Lack of commitment by HR department (70%)
Lack of commitment by top management (42%)	Individual resistance to placing diverse candidates (65%)

The disconnect points to two very different world views and highlights a lack of commitment from the top as perceived by minority candidates.

Many survey respondents stressed the importance of commitment from the board and C-suite. Some even suggested tying bonuses to achieving diversity and cultural competency goals as a way of enhancing accountability at the top.

Cultural sensitivity programs not effective

When evaluating the effectiveness of cultural sensitivity programs, respondents did not rate their own organizations' programs highly. Only 37 percent rate their organizations' cultural sensitivity program as effective. More Caucasian respondents see their programs as effective (69 percent) while just 33 percent of minority respondents did the same.

Minority respondents believe their own employees would rate the effectiveness even lower at 30 percent, suggesting room for improvement in these initiatives. Again, more (52 percent) Caucasian respondents believe that employees would rate their programs as effective while 40 percent of minority respondents believe employees would rate them as not effective.

EFFECTIVENESS OF CULTURAL SENSITIVITY PROGRAM			
	Effective	Neutral	Not Effective
How would you rate the effectiveness of your organization's cultural sensitivity program?	37%	32%	30%
How would your employees rate the effectiveness of your organization's cultural sensitivity program?	33%	31%	36%

Strong agreement about diversity solutions

Respondents are very clear and consistent in their ideas about what steps should be taken to be successful in diversity. The top five solutions are being sensitive to cultural differences in the workplace, establish strategic goals and standards that emphasize cultural diversity, seek regular employee input about the organization's diversity initiatives, promote minorities from within and mentor people of color.

"We have several leadership development programs. This ensures that we are developing diverse employees to go up in leadership and we always have an internal pool. We are seeing a difference since the programs started, but it isn't big enough. We also have diversity mentoring programs," notes an African American female executive.

An African American HR executive from the South concurs with the importance of internal development: "You need to understand who your players are and know how to target them like what Phil Jackson has done as a coach. He learned about all of his players and then transformed all of them into powerhouses."

A Caucasian CEO from the East Coast stresses the importance of onboarding: "Onboarding is critical. You need to look at the overall preparation of bringing on a diverse candidate in a majority-dominated community...it's about helping the candidate get welcomed into the community."

Respondents also advocated establishing ties with diversity-related organizations (81 percent agree). Clearly these respondents see value in these organizations because many of them belong to one. For example, nearly one-quarter (24 percent) belong to the Institute for Diversity in Health Management. According to an African American female physician from the Midwest, “Our best source for generating diverse candidates has been networking with various professional organizations.”

TOP 5 SOLUTIONS FOR DIVERSITY SUCCESS	
	Agree
Be sensitive to cultural differences in the workplace	95%
Establish strategic goals and standards that emphasize cultural diversity	92%
Seek regular employee input about the organization’s diversity initiatives	90%
Promote minorities from within	89%
Mentor people of color	88%

Mentoring emerges as #1 best practice

Respondents are in virtually total agreement about which best practices will lead to the advancement of minority executives: mentoring programs, programs to expose young people to healthcare careers, sensitizing management, developing cultural sensitivity initiatives and communicating diversity initiatives to employees.

One African American female hospital administrator from the West Coast lauds the importance of mentoring: “I have had great mentors who have not been afraid to let me grow and let me learn from my mistakes,” another African American female physician and CEO compliments the National Association of Health Services Executives (NAHSE) mentoring program: “The NAHSE chapter has a great diversity mentoring program. The mentoring helps prepare candidates to be in the pipeline.”

A Hispanic CEO from the West Coast adopts a hands-on approach: “I mentor kids, help them prepare for the interview process, educate them on how to interview and give them a checklist. They need to understand the expectations of what organizations are looking for in a CEO. When I interview diverse candidates, I end up training them, educating them on our organization and giving them advice on interviewing.”

Some interviewees point to the critical role that diverse executives can play in attracting other minorities to the healthcare field. “Being diverse helps me take the points of views of other people into account. At the upper management level, having that point of view helps nurture other diverse people into the healthcare field,” explains an Asian male executive.

A female African American executive from the East Coast describes the value of an internship program: “Every year my organization hosts an internship program. This is a good way to reach out to students and it is a great way to have a prolonged interview process for lower management positions...they also have a similar internship program for diverse bachelor degree seeking students.”

Diversity As A Business Builder

Crucial barriers to leadership diversity are a perceived lack of commitment by the board and top management.

“Very often, some hospitals before considering a diversity initiative want to know ‘what is the return on our investment?’ The appropriate question should be ‘what is the potential cost if we don’t have a diversity initiative?’ The cost avoidance associated with low employee morale and productivity, EEOC complaints, high turnover due to a lack of inclusive practices, errors in communication with LEP patients, re-admissions due to disparities in care, law suits due to variances in hiring and promotion practices, and the diminished public trust due to cultural insensitivity has already cost organizations millions of dollars. These are some true costs that can’t be sustained.”

Frederick D. Hobby, MA, President & CEO, Institute for Diversity in Health Management

LEADING BEST PRACTICES	
	Agree
Create mentoring programs	94%
Create programs and/or opportunities to expose young people to healthcare careers	94%
Sensitize management to diversity needs	92%
Develop cultural sensitivity initiatives and strategies	91%
Communicate diversity initiatives to all employees	91%

Other favored leading practices are seeking ways to move individuals from college and/or healthcare jobs to hospital administration (89 percent agree); obtain employee feedback on diversity initiatives (89 percent agree); develop ongoing minority leader training programs (85 percent agree); network with diversity organizations (82 percent agree); work with search firms committed to diversity recruiting (83 percent agree); and create/expand internal diversity programs (84 percent agree).

An African American CEO emphasizes the importance of educating young people: “Locally, we try to go out into the community to educate youth on careers in healthcare management. We tell them what courses to take so that they can be better positioned and trained for a career in healthcare.”

Using search firms with diversity experience

Nearly half (45 percent) of the respondents agree that partnering with search firms to provide minority candidates helps healthcare organizations to be effective in minority recruitment. A resounding 83 percent believe that developing relationships with search firms committed to diversity recruiting will lead to success. “When we have a stated objective of diversity hires, search firms tend to make it happen,” explains an African American executive from the Midwest.

“The best sources for minority candidates have been search firms who mean diversity when they say diversity,” explains an African American senior vice president from a West Coast medical center. However, not all search firms are the same in their commitment to and expertise in diversity.

A Caucasian CEO from the East Coast believes in challenging search firms about their diverse talent pools: “We are looking very hard at every executive search and trying to make sure we have diverse candidates. We have engaged a search firm for a VP position and I told them not to come back to me without a stellar diverse candidate. We need to challenge search firms to broaden their candidate pools.”

“In the world of healthcare, if you use recruiters you should establish a diverse criterion. I never would have been hired if they did not have a commitment to diversity. You need a champion. You need to invest in using recruiters who are familiar with diverse and ethnic minority groups,” comments an African American female CEO.

Profile of respondents

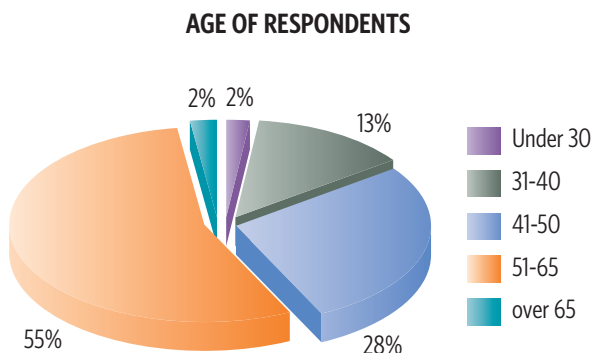
Organizations and geography

The majority of respondents (63 percent) are employed by an integrated delivery system, a multihospital system or a hospital that is part of a system; another 16 percent are employed by an academic medical center. More than six in ten (63 percent) of these organizations report annual net revenue of \$500 million or more, with 44 percent in the \$1 billion plus category.

Most (71 percent) of the respondents work in organizations located in urban areas; another 21 percent are employed by organizations located in suburban communities. Respondents heralded from 38 states across the country.

Age

Most (57 percent) are over 50 years of age, although all age groups are represented.



Experience and education

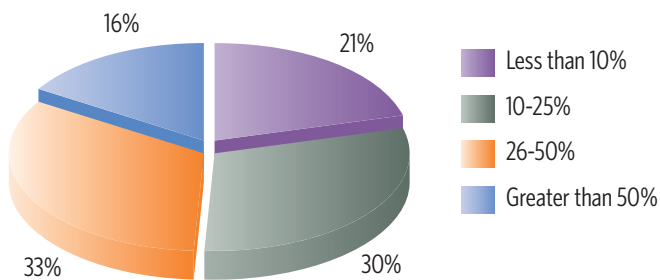
Respondents are experienced, with 75 percent having 16 or more years of experience in healthcare. They are also an educated group; 62 percent have master's degrees, 12 percent have medical degrees and 8 percent have doctorate degrees.

Individual and organizational diversity

The respondents are a diverse group: 41 percent are female and more than half (55 percent) are African American; 13 percent are Asian, 10 percent are Hispanic and 18 percent are Caucasian.

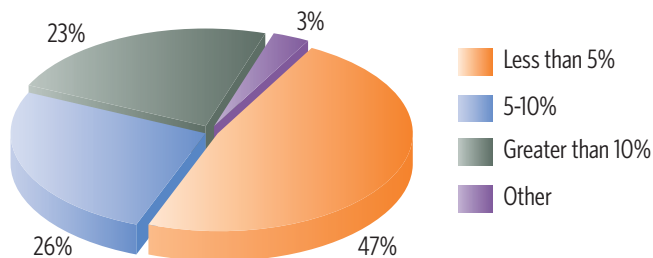
Respondents report substantial diversity within their own organizations, with only 21 percent saying that the percentage of ethnic/racial minority employees is less than 10 percent.

**PERCENTAGE OF ETHNIC/MINORITY EMPLOYEES
AT RESPONDENTS' ORGANIZATIONS**



However, diversity levels within management are much lower with nearly three-quarters (73 percent) reporting diversity at 10 percent or less.

**PERCENTAGE OF ETHNIC/MINORITY MANAGEMENT
AT RESPONDENTS' ORGANIZATIONS**



Titles and professional associations

More than one-third (36 percent) of the respondents hold C-suite titles, of those, 17 percent are CEOs. Another 17 percent are senior vice presidents/vice presidents.

Their professional associations include being members of the National Association of Health Services Executives (59 percent), Institute for Diversity in Health Management (24 percent), Asian Health Care Leaders Association (8 percent), National Forum for Latino Healthcare Executives (5 percent) and others.

About Witt/Kieffer

Witt/Kieffer is the nation's eighth largest executive search firm and the only national firm that specializes in healthcare, higher education and not-for-profit organizations. Founded in 1969, our mission is to identify outstanding leadership solutions for organizations committed to improving the quality of life. The firm's values are infused with a passion for excellence, personalized service, diversity and integrity. Clients include hospitals, health systems, academic medical centers, medical schools, physician groups, colleges, universities and community service and cultural organizations. The firm conducts 400 search assignments each year for presidents, CEOs, COOs, CFOs, CIOs, physician executives, medical school deans, clinical chairs and other senior executives. Visit www.wittkieffer.com for more information.

Locations Nationwide:

Oak Brook, IL

Emeryville, CA

Irvine, CA

Denver, CO

Atlanta, GA

Burlington, MA

Nantucket, MA

Bethesda, MD

Minneapolis, MN

St. Louis, MO

New York, NY

Toledo, OH

Philadelphia, PA

Pittsburgh, PA

Houston, TX

Seattle, WA