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Why Healthcare Leaders Need to Take a New Look at Diversity in Their Organizations

Division of Member Services, Research
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Introduction and Overview

Healthcare organizations have been addressing issues of workplace diversity for decades. Almost certainly your organization has a stated policy of nondiscrimination in the hiring and promotion of executives, and diversity programs are in place. Why revisit the issues of diversity and inclusion in your organization now?

There are reasons for healthcare leaders to take a fresh look at their approach to inclusion and cultural competence in their organizations. Fully developing staff talent, treating staff fairly and being respectful of cultural issues in interactions with staff and patients are simply the right things to do. But, in addition, the U.S. Census Bureau predicts that within the next 30 years, the United States population—and, therefore, the patient population and workforce—will be mostly non-white. Further, as healthcare organizations become increasingly complex, the demand for capable leaders is increasing. Organizations need to make sure policies are in place to attract, retain and develop the most capable staff and to deliver high-quality, culturally competent patient care to be successful in a country with rapidly changing demographics.

In the summer of 2014, ACHE conducted the fifth in a series of surveys comparing the career attainments of male and female healthcare executives by race/ethnicity. The previous surveys were conducted in 1992, 1997, 2002 and 2008. Participants in the 2014 survey were sampled from the memberships of ACHE, the National Association of Health Services Executives, the National Forum for Latino Healthcare Executives and the Asian Health Care Leaders Association. The survey also was endorsed by Institute for Diversity in Health Management. The survey results indicated that, although some strides have been made, a lack of parity still exist between white and minority executives with respect to compensation and career attainments. Disparities also existed in perceptions of racial/ethnic equity, with minority executives being much less likely than white executives to report that race relations in their organizations were good. Minority executives were also less likely than their white counterparts to report satisfaction with their career progress and more likely to report that their careers had been negatively impacted by discrimination.

This white paper summarizes key findings from the 2014 survey and presents results of an analysis that identified diversity programs associated with minority executives feeling more positively about race relations in their organizations. We also present recommendations for addressing one of the most important roadblocks to inclusion: unconscious bias.

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Findings

In the summer of 2014, ACHE sent surveys to white, black, Hispanic and Asian healthcare executives, asking them about a number of career-related topics such as their education, career progress, career experiences and attitudes about their current organizations. Useable responses were received from 1,409 executives; the overall response rate was 30 percent. We should note that because those in the study were sampled from member lists, the results are indicative but not necessarily representative of all healthcare executives. The following are some key findings from the survey. More complete results from the study can be found at www.ache.org/pubs/research/2014-Race-Ethnicity-Report.pdf.

1. Compensation

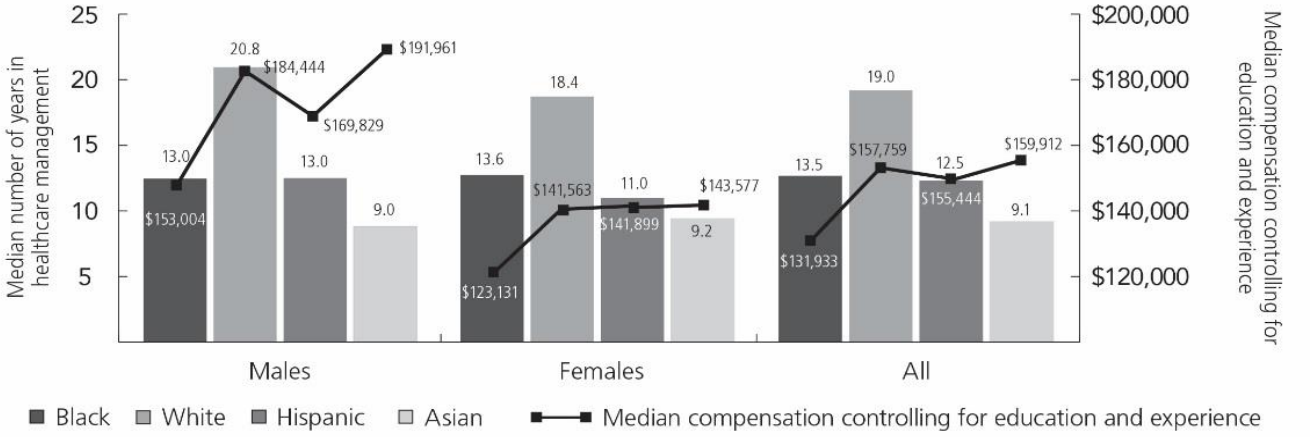
When level of education and number of years of experience are controlled, Asian and white men earned similar compensation. Black and Hispanic men earned less.

One of the positive findings from the 2014 study is that, when education level attained and years of experience are controlled, Asian and white men answering the survey earned virtually the same median salary in calendar year 2013: about $192,000 and $184,400, respectively (please see Exhibit 1). However, 2013 median salaries for Hispanic and black men, adjusting for education and experience, were 8 and 17 percent lower than that of white men, respectively.

Again, controlling for education level and years of healthcare management experience, white, Hispanic and Asian women earned similar salaries. Black women earned less.

Another positive finding from the study is that, adjusting for education level and years of experience, the median salaries for white, Hispanic and Asian women in calendar year 2013 were virtually the same: about $141,600, $141,900 and $143,600, respectively. However, the adjusted median salary of black women was 13 percent less than that of white women.

Exhibit 1. Predicted mean total compensation 2013, controlling for education and years of experience, and median years in healthcare management



Note: The actual (uncontrolled) median income for each race/ethnic and gender group is available in the full report in the Research area of **ache.org**.

2. Career Attainments

A higher proportion of white men than minority men had attained CEO positions, but black and Asian men are closing the gap.

A higher proportion of white male executives (32 percent) held a CEO position at the time of the 2014 survey than did black, Hispanic or Asian men (20 percent, 25 percent and 9 percent, respectively). (Please see Exhibit 2.) This may be due in part to the fact that minority men had attained fewer years of healthcare management experience than white men (Exhibit 1). However, the proportion of black men in CEO positions was 62 percent of that of white men, a significant improvement over 2008 when this figure was 47 percent. Similarly, the proportion of Asian men in CEO positions was 28 percent of that of white men, up from 15 percent in 2008.

A higher proportion of white women than minority women had attained CEO positions, but the gap is widening for black and Hispanic executives.

The proportion of white women executives in CEO positions in 2014 (14 percent) was almost the same as it was in 2008. However, in 2014, the proportion of black women holding CEO positions was 57 percent of that of white women; a drop from 2008 when it was 77 percent. Similarly, the proportion of Hispanic women occupying CEO positions was 78 percent of that of white women in 2014; a drop from 92 percent in 2008. The proportion of Asian women in CEO positions was roughly the same in the 2008 and 2014 studies.

3. Job Satisfaction

Men and women in all racial/ethnic groups are largely satisfied with their jobs.

Another piece of good news from the study is that, within all racial/ethnic groups, most healthcare executives are happy with their jobs. About three-quarters or more of the study respondents said they were satisfied with their position, almost all identify with their organization by saying "we" rather than "they" when speaking about their companies and more than half intend to stay in their current jobs in the coming year.

Exhibit 2. Current position by race/ethnicity (percent in each position)

	Men				Women				All			
	Black	White	Hispanic	Asian	Black	White	Hispanic	Asian	Black	White	Hispanic	Asian
CEO	20%	32%	25%	9%*	8%	14%	11%	11%*	14%	22%	20%	9%*
COO/Sr. VP	16%	19%	19%	17%	11%	18%	19%	13%	13%	18%	19%	15%
VP	23%	20%	13%	18%	20%	22%	19%	8%	21%	22%	16%	13%
Dept. Head	30%	16%	31%	36%	36%	31%	31%	38%	33%	25%	31%	37%
Manager	2%	3%	1%	5%	7%	4%	6%	7%	4%	3%	3%	6%
Dept. Staff	8%	6%	8%	12%	18%	8%	11%	18%	13%	7%	9%	15%
Consultant	◊	1%	1%	3%	0%	2%	3%	4%	◊	2%	2%	4%
Other	1%	3%	1%	1%	◊	1%	0%	2%	1%	2%	1%	1%

* Chi-square significant p < .05

◊ Less than 0.5%

Some minority executives were less satisfied with aspects of their jobs.

Black respondents reported being less satisfied with their compensation, how they are treated when they make mistakes and the respect and treatment they receive from supervisors than were members of any other racial/ethnic group in the study (please see Exhibit 3).

4. Perceptions of Racial/Ethnic Parity and Relations

There are clearly differing perceptions between white and minority respondents about the degree to which healthcare organizations have reached racial/ethnic parity in the workplace. Black respondents were about twice as likely as white respondents (81 percent versus 40 percent) to say that more effort is needed to increase the proportion of racial/ethnic minorities in senior positions in their organizations (please see Exhibit 4). Asian and Hispanic respondents fell between these two extremes, with slightly more than half agreeing that more effort is needed to increase diversity among senior executives. Black respondents were also significantly less likely to feel positively about race relations and relations between managers in their organizations when compared to white respondents or members of the other racial/ethnic minorities in the study.

5. Career Experiences

Minority respondents were less likely to report satisfaction with their career progress than white respondents, and more likely to report that discrimination had negatively impacted their careers. Over 80 percent of white respondents reported being satisfied with their career progress, as were more than 75 percent of Asian and Hispanic respondents. However, only 67 percent of black respondents were satisfied with how they were meeting their career goals. Almost half of black respondents said their careers had been negatively impacted by racial/ethnic discrimination, as compared to about one-quarter of Asian and Hispanic respondents and ten percent of white executives.

Exhibit 3. Aspects of job satisfaction by race/ethnicity (percent satisfied or very satisfied)

	Black	White	Hispanic	Asian
The amount of job security I have	74%	78%	78%	78%
The amount of pay and fringe benefits I receive for what I contribute to this organization	58%	68%	67%	64%*
The sanctions and treatment I receive when I make a mistake	64%	74%	71%	70%*
The degree of respect and fair treatment I receive from those who supervise me	76%	82%	82%	83%*
The degree of respect and fair treatment I receive from the employees I supervise	87%	92%	90%	88%
The amount of independent thought and action I can exercise in my job	81%	86%	87%	85%
Overall, how satisfied are you in your present position	78%	84%	86%	82%

* Chi-square significant $p < .05$

6. What Are Organizations Doing?

The survey results give us an idea of how prevalent different types of diversity initiatives are in healthcare organizations (please see Exhibit 5). The most common type of diversity program appears to be social gatherings for employees, which were reported by roughly three-quarters of survey respondents as being offered by their organizations. More than half of respondents reported that their organizations had affirmative action plans, and about half or a little more said their organizations offered mentoring programs, diversity training for managers or a policy of seeking diversity in candidates considered for hire. Less than half of respondents said their organizations had a diversity committee, a manager responsible for diversity, a strategic or business objective to increase diversity, affinity groups or different types of diversity incentives for managers.

Recommendations

We analyzed the relationship between the existence of diversity programs and the likelihood that minority executives would describe race relations in their organization as good (please see Exhibit 5). That, combined with other results from the survey, leads us to make the following recommendations to healthcare organizations looking to increase diversity and inclusion.

Ensure equity in pay. Salary is by no means the only—or even, sometimes, the most important—reason that people choose and remain in their jobs. It is, however, a tangible sign of the value the organizations place on individual staff members. Organizations need mechanisms to periodically review compensation and ensure that each executive's pay is based on his/her qualifications and responsibilities and in no way reflects biases relative to his/her gender or race/ethnicity.

Sponsor social gatherings for employees. The study showed that the existence of social gatherings for employees were significantly related to minority executives feeling more positive about race relations in their organizations.

Exhibit 4. Feelings about organizational race relations by race/ethnicity (percent agree or strongly agree)

	Black	White	Hispanic	Asian
Race relations in my organization are good	53%	83%	76%	76%*
Minority managers usually have to be more qualified than others to get ahead in my organization	69%	6%	22%	29%*
The quality of relationships between minority and white managers here could be improved	52%	17%	24%	28%*
The quality of relationships between minorities from different racial/ethnic groups could be improved here	52%	22%	31%	38%*
A greater effort should be made in my organization to increase the percentage of racial/ethnic minorities in senior healthcare management positions	81%	40%	53%	59%*

* Chi-square significant $p < .05$

Establish mentoring programs. About three-quarters or more of minority executives in the 2014 survey reported having a mentor at some point in their careers. When asked to name best practices to promote diversity in healthcare organizations, respondents mentioned mentoring programs. Further, the existence of mentoring programs was positively related to Hispanic and Asian respondents feeling good about race relations in their organizations. Mentors who provide advice, model positive behaviors and introduce protégés into networks of other executives are having a powerful impact on the field. Yet only about half of survey respondents reported that mentoring programs are in place where they work. Healthcare organizations need to consider instituting or expanding effective mentorship programs.

Implement a policy of seeking diversity in candidates considered for hire. Both black and Asian respondents were more likely to feel that race relations in their organizations were good if their employers had a policy of seeking diversity in candidates considered for open and new positions. To help ensure diverse slates of candidates at the senior level, organizations need to factor diversity into their recruitment for positions at all levels.

Exhibit 5. Percent agreeing with the statement: race relations in my organization are good by race/ethnicity and presence or absence of diversity initiatives

		Black		Hispanic		Asian	
	Prevalence of diversity program (all respondents)	In place	Not in place	In place	Not in place	In place	Not in place
Social gatherings for employees	75%	57%	41%*	90%	67%*	81%	65%*
Plan to increase the number of ethnically, culturally and racially diverse executives on the senior leadership team	31%	64%	49%*	73%	72%	86%	73%*
Policy of seeking diversity in candidates considered for hire	53%	61%	47%*	74%	74%	82%	69%*
Mentoring programs	54%	57%	50%	81%	69%*	83%	70%*
Strategic or business objective to increase diversity and inclusion	43%	66%	47%*	78%	72%	78%	75%
Diversity evaluations for managers	21%	62%	51%	91%	73%*	80%	75%
Affirmative action plan	65%	60%	45%*	78%	71%	78%	77%
Diversity committee	46%	61%	46%*	74%	75%	79%	73%
Affinity groups	34%	64%	49%*	79%	75%	83%	72%
A manager responsible for diversity	45%	60%	47%*	72%	77%	75%	78%
Diversity training for managers at least every 3 years	51%	60%	49%*	79%	72%	83%	73%
A portion of executive compensation tied to diversity goals	10%	57%	52%	71%	74%	84%	75%

* Chi-square significant $p < .05$

Increase the diversity of the senior leadership team. The commitment of top leaders was mentioned by a number of survey respondents as being critical to the successful creation of diverse and inclusive organizations. Further, black and Asian respondents were significantly more likely to feel positively about race relations in the workplace in organizations attempting to increase diversity in the senior leadership team. The desire to have healthcare management reflect the populations they serve should apply all the way to the top of the organization.

Offer residency and fellowship programs. Based on the 2014 survey findings, it appears that more than half of those who participated in a healthcare management residency were eventually hired by that organization. Even higher proportions of those who took fellowships were hired by the sponsoring organization. Residency and fellowship programs have benefits for the organizations that offer them; leaders get the opportunity to work with a new executive before making a permanent hiring decision about him or her. Healthcare organizations need to consider offering residency and fellowship opportunities to qualified graduates to assist their launch into careers in healthcare management.

Addressing Unconscious Bias

Most healthcare organizations are trying to do the right thing with respect to diversity and inclusion in their workforces. Overt racial/ethnic bias in hiring and promoting staff is illegal, unacceptable in our society and counter to providing quality care and maintaining a successful organization. However, unconscious biases can be having a larger impact in healthcare workplaces than might be supposed.

Human beings are innately biased. In an earlier time these biases were helpful, keeping humans safe from threats to their survival. More recently, they can keep people away from unpleasant and unproductive situations. However, biases can also be knee-jerk, overly conservative, "broad brush," unconscious reactions that are not substantiated by fact. If not examined, biases can lead us astray in the workplace.

Take, for example, the landmark study conducted in 2002 by researchers at the University of Chicago and MIT (Bertrand and Mullainathan 2002). Using identical resumes, they demonstrated that fictitious job applicants with the first names Emily and Brendan were significantly more likely to be asked for interviews than applicants with the first names Lakisha and Jamal for a variety of positons at various levels. Further, an increase in Emily's or Brendan's qualifications resulted in an increase in the frequency with which they were offered job interviews but had no effect on how often Lakisha and Jamal were invited for interviews. Results were no better in organizations advertising themselves as "Equal Opportunity Employers" or which were federal contractors.

Unfortunately, human beings are notoriously poor at recognizing their own biases (e.g., Banaji, Bazerman and Chugh 2003, Cook Ross 2008). This has led to the development of a number of tools to assess unconscious bias, including the Implicit Association Test (IAT). This web-based self-assessment tool, developed by Mahzarin Banaji at Harvard University and Anthony Creenwald at the University of Washington, asks users to associate words with images appearing on the computer screen. Collective results from more than a million test-takers indicate, among other things, a preference for white people over black people and people who are non-Muslims to those who are Muslims (Dreaschlin 2007).

Research indicates that diversity will not occur on its own—it needs strong leadership

and purposive management to create and maintain an inclusive organization (e.g., Dreaschlin 2007). It is simply more comfortable to be around people like ourselves, and leaders need to make sure they understand their own biases as well as require the leaders and managers who report to them to do the same. Leaders also need to ensure that policies are in place not only to promote diversity but also to identify and correct unconscious bias if it occurs. The sidebar on the next page contains suggestions for combating unconscious bias in the workplace.

8 Ways to Identify and Combat Unconscious Bias

The following are suggestions compiled from several resources[1] about how you can identify and combat unconscious bias in your healthcare organization.

1. **Set a clear vision.** The success of any organizational enterprise ultimately rests with the commitment of top leaders. Leaders need to set a clear vision, making sure that expectations are understood and resources are available to see the vision through. The vision to create a diverse organization needs to include not only statements about organizational intentions with respect to fairness to all employees and potential employees, but also acknowledge the existence of unconscious bias without painting those with this normal human reaction as "bad," and makes it clear that combatting these biases is part of the organization's approach to diversity.

2. **Identify unconscious biases.** The first step is to understand your own biases. Several tools exist to do this; one that is widely used is the Implicit Association Test developed by Banaji and Creenwald at Harvard University and the University of Washington. This web-based self-assessment asks users to link words with images on the computer screen. This test can be accessed at https://implicit.harvard.edu.

   Others in your organization might be encouraged to perform their own self-assessments using this or another tool. These tests are designed for self-development, not to generate measures to be reported to others.

3. **Look at the data.** Data are an excellent source of information about whether unconscious biases are driving decisions about hiring, promotion and consideration of staff for development activities. One good source of data are diversity statistics on your workforce. To what extent does your organization, from entry level to the senior leadership team, reflect the diversity of the community it serves? Further, you might consider an audit of resumes submitted, those selected for interviews and those of staff hired to ensure that education and experience are weighted fairly. A similar audit could be done with candidates for promotion or selection into leadership training programs.

4. **Ask the hard questions.** We are all familiar with the "gut feeling" one can get after reviewing a resume. However, before deciding on which resumes will pass to the next level, consider asking some hard questions such as: *Does this person remind me of myself? Does this person remind me of someone I know, and is that positive or negative? Are there things in this resume that particularly influence my judgment and, if so, what are they and are they relevant to the job?*

5. **Examine your interviewing and promotion processes.** As you and your management team single out those for interviews, hiring, leadership development and promotion, are you compiling lists based on names or qualifications? Make sure that you begin these decisions with a full list of those with relevant qualifications.

[1] This list was compiled from the following sources: Banaji, Bazerman and Chugh 2003; Ross 2015; Ross 2008; Dreaschlin 2007

6. **Conduct employee surveys.** Conducting company-wide, anonymous employee surveys (that adhere to good survey practices such as containing unbiased questions and being collected from a representative sample of employees) can be a good mechanism for uncovering potential biases as well as employee concerns regarding organizational diversity.

7. **Have a mechanism for complaints.** In addition to creating a formal system that protects "whistle blowers" and deals fairly with both complainers and those who are the subjects of complaints, consider offering an anonymous complaint channel for those who feel they have been subject to bias or discrimination, or other unfair acts not covered by law that impede creation and maintenance of an inclusive or fair workplace (e.g., bullying).

8. **Choose words carefully.** Words are highly impactful for shaping attitudes. Rather than talking about removing discrimination or "protected classes," focus on fair treatment and respect in the workplace, which benefits all staff.

References and Additional Sources

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