

Trustee Insights

DIVERSITY



Board Diversity Lessons Learned

How three AHA member health systems achieved board diversity

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For many health care organizations, the journey to board diversity has been full of false starts and obstacles.

A governing board that is not diverse can hinder a health care provider's mission. When achieved and effective, diversity on the board gives voice to community members who are underrepresented, providing health care organizations

with insights that would be challenging, if not impossible, to attain otherwise, and enabling them to truly address pressing issues such as health inequity.

Achieving diversity may be challenging, but it can be done. At a minimum, a successful approach requires strong executive leadership, buy-in of the existing board and a commitment to genuine change. Creativity and perseverance count too.

Here are examples of three health care organizations that have achieved success in their efforts to create a more diversified board in such areas as age, gender, race, ethnicity and expertise.

Main Line Health

Bryn Mawr, Pennsylvania

SYSTEM: Four acute care hospitals, one acute rehab hospital, and alcohol and drug rehab facility

SERVICE AREA: Portions of Philadelphia and its western suburbs

DEMOGRAPHIC PROFILE OF BOARD: 22 trustees — 32% female, 19% racial/ethnic minorities

Jack Lynch joined Main Line Health as CEO in 2005. At the time, it was clear that the health system's board needed to redouble efforts to diversify and better reflect the demographic profile of not only its patient population but also its service area at large, which has a minority population that is 22% Black, 6% Asian and 6% Hispanic, according to Lynch.

"I differentiate between patient population and service area because you can have a very different patient population than what your community looks like," said Lynch, a former chair of the AHA's Institute for Diversity in Healthcare Management (now the Institute for Diversity and Health Equity.) "That might suggest there's even more reason you need to diversify your board, if there's a part of your community you're not reaching into."

Former Main Line Health board member Rosemary Turner said that diverse board members help organizations better understand

all segments of their “customer” base and “truly give them a new perspective.”

“[It’s] a perspective that says, ‘Hey, you’re missing the point here,’” said Turner, who is African American and currently serves as chair of the board for the Federal Reserve of San Francisco and also is on the board of SCAN Health Plan. “I think I’ve helped the health care organizations whose boards I’ve served on pivot closer to a customer experience.”

Main Line Health board members have been supportive of efforts to diversify and have embraced the organization’s approach of thoughtfully identifying candidates and cultivating relationships, sometimes in less formal ways, Lynch said. For example, Lynch identified one diverse candidate through a friendly exchange at a local restaurant. “The entire time I’m talking with [this new acquaintance] George, I’m thinking: ‘This guy would be a great board member,’” he recalled.

After several subsequent conversations and a meeting with the then-chair, Lynch invited George to join the Main Line Health board where he currently brings value and insight. “It takes creativity, courage and intentional actions to bring new talent onto the board. You have to be willing to look in new and unexpected places,” he explained.

Lynch’s more formal recruitment

tactics include building portfolios of professionals from specific minority groups who hold leadership roles. This might include, for example, a woman who’s led a civic organization or public initiative. The list is then winnowed to include those who live in Main Line Health’s service area, are an appropriate age and may have an affiliation with a

area chambers of commerce, also helps populate these lists. “Getting to know and meeting people of diverse backgrounds from those organizations opened up doors for me to have conversations with those individuals about people they may know,” he said. Lynch said he specifically looks for candidates who have a genuine interest in board service and are not over-committed. “It’s this whole balancing act of identifying people who have not yet been identified,” he noted.

Adjusting board service requirements also may be a necessary retention strategy. One requirement that may need to be reconsidered is philanthropic contributions. One member should not feel disenfranchised if he or she is unable or unwilling to donate at the same level of other board members, Lynch said.

Main Line Health has tiered philanthropic expectations. There is a desired gift of \$10,000. Some members give more, while others give less. “As we diversify the board, we’ve got to be sensitive to the fact that some of those diverse members may have already identified their philanthropic priorities, and you may

not be one of them early on,” he said. “You’ve got to be careful you don’t let that get in the way.”

The health care organization has benefited from the insights of a diverse board in part by better understanding the health care preferences of community members. “Why are they choosing our organization? Why not? What are their

Room for Improvement

According to the AHA’s Institute for Diversity and Health Equity 2020 report on health equity, diversity and inclusion, there is plenty of room for improvement in diversity within governance and C-suite leadership across hospitals and health systems nationally.

More than half of the 600 hospitals that responded to a survey on diversity within leadership do not have a documented plan to increase diversity on their board of trustees.

Other findings:

- 81% of board positions are held by someone who is white.
- 65% of board positions are held by males.
- 16% of all C-suite positions are held by an ethnic/racial minority.
- 40% of survey respondents indicated their organization had either implemented or achieved an increase in diversity among their C-suite positions.

Source: “[Health Equity Snapshot: A Toolkit for Action](#),” Institute for Diversity and Health Equity and the American Hospital Association, December 2020.

Main Line Health hospital. Lynch said it’s then determined if someone on the Main Line Health leadership team already has a connection to the potential candidate and can reach out to ask: “Would you be interested in having a discussion?”

Lynch’s work with other nonprofits, such as the American Heart Association, United Way and

unmet needs? How can we be more responsive to those unmet needs?" are some of the questions that diverse voices can help address, Lynch explained. "It makes for a more robust discussion."

Turner noted that it also is important for historically underrepresented community members to understand they have a voice within the health care organization. "They should know that there is someone advocating for them and that someone is on the board of directors," she said.

A diverse board also makes it easier for Main Line Health to invest in diversity initiatives. Lynch said that when leadership discusses diversity, equity and inclusion initiatives, such as a one-day workshop for the system's 10,000 employees — a costly investment — "no one on the board blinks an eye."

Cedars-Sinai Medical Center

Los Angeles

SYSTEM: Acute care hospital

SERVICE AREA: Greater Los Angeles

DEMOGRAPHIC PROFILE OF BOARD:

38 trustees — 32% female, 32% ethnic/racial minorities (African American, Asian, Latino)

Diversity has always been a part of the value system at Cedars-Sinai Medical Center, said CEO Tom Priselac. But the journey became more intentional about 15 years ago.

"It began with an honest conversation among the members of the nominating and governance committee that reflected on the

history of the organization, what its founding was about, what it stands for today, and the desire to be an organization that is serving all of Los Angeles and everything that means," Priselac recalled.

The organization was founded in the early 20th century, partly in response to discriminatory treatment experienced by Jewish community members seeking medical care and Jewish physicians who sought to gain privileges to practice at hospitals in the area.

Because of that history, there is inherent cultural awareness and sensitivity, Priselac noted. "One of the things we concluded early on was that diversity improvement efforts needed to address diversity in all of its forms — racial, ethnic, gender, LGBTQ, for example," he said.

Priselac described two foundational strategies that have enabled Cedars-Sinai's diversity recruitment efforts to be effective. First, board diversity became part of the health system's overall organizational diversity strategy. Second, senior board leadership has been engaged and willing to devote its time and organizational resources to diversity efforts.

For example, Priselac explained that although all sitting board members had been "enormously helpful" in identifying diverse candidates, it became clear that traditional recruitment methods were not going to be sufficient to achieve change within a specific time frame. "That led to the identification of a search firm that we have used over the years to help us identify potential candidates," he said.

As with any new members,

minority members are made to feel welcome and their contributions valued by taking the time to understand their background and interests and how they can be useful in the governance role, Priselac said. Members are encouraged to join committees that match these interests, and they are paired with mentors who help smooth the orientation period. Mentors need not be of the same minority group as the new member. Much of that depends on the preference of the new member.

"We've tried to make efforts to create a balanced approach, pairing diverse members with both diverse and nondiverse mentors," he explained.

The insights and perspectives that diverse members have brought to the board have enabled all members to be better informed about the needs of the community and to pass along that information to leadership for making community investment decisions.

"The individuals who have been on our board have been extremely positive in a bidirectional way," he said. "What I mean by that is they have helped us understand the challenges that their communities face. That, in turn, has been helpful to inform everything from the nature and scope of our community benefit programming to how we frame initiatives, such as one of our population health research projects, which is aimed at improving population health statistics in Los Angeles."

For example, the medical center has been better able to identify health issues that may disproportionately impact the Korean community. "As our connection and rela-

tionship with the Korean community have grown over the years, so has our understanding of what their needs are," Priselac noted. "Our board members have been great ambassadors for the organization in these local communities."

Swedish Health Services

Seattle

SYSTEM: Five acute care hospitals

SERVICE AREA: Greater Puget Sound area

BOARD COMPOSITION: 15 members — 60% female, 33% ethnic/racial minorities (African American, Latino, Asian)

A generation ago, the board of directors for Swedish Health Services was composed mainly of men with business and finance backgrounds.

Today, the board is multigenerational, multiracial, multiethnic and includes individuals with multiple areas of expertise. Such change did not happen overnight. To start, the board completed a thorough self-assessment. "We realized we did not have a lot of diversity of demographics or skill sets," said Swedish CEO Guy Hudson, M.D.

First, the board identified desired skill sets that would align with the future needs of the organization, and also the desired demographic representation, based on the needs of the Swedish community. To help identify gaps in these areas, the board developed an attributes matrix that lists each member's skill set, experience and demographic profile — such as

gender, race and ethnicity — and crossmatches the desired attributes to the existing attributes.

As with many journeys, the beginning was challenging, Hudson said. To add the identified expertise and demographic representation, some members were asked to help recruit new members in their stead, for the good of the overall organization.

"The start is oftentimes the most difficult piece because you have to make difficult decisions. You have to start with purpose and intent and structure," Hudson explained.

Swedish Board Vice Chair R. Omar Riojas, who joined the board in 2015, has observed the board's efforts to increase diversity and has been very impressed with the approach and the results.

"What makes Swedish a real leader in this is that the board early on has been intentional about wanting to increase diversity, wanting to do the right thing when it comes to [promoting] health equity. Management has too," said Riojas, who is Latino. "Serving on the board has been a lot of fun."

A search firm was used during initial efforts to recruit for greater diversity. The firm provided both an independent and objective assessment of Swedish's process and strategy and initial resources for candidates, Hudson said. Since then, sitting board members have been able to recommend candidates.

Hudson said that having diversity on the board has benefited the board, the organization and, especially, the Swedish community. The diverse voices around the board table have enabled the health system to better identify gaps in care and how to fill those gaps. "The conversations

have changed," he said.

For example, when considering care services, Hudson said the board is asking more difficult questions that are directed toward inclusivity, not only market share. So the board asks, "Where can we expand certain specialty services?" and also "As we are going through COVID, where can we deploy our mobile vaccine clinics to make sure we serve those in need?"

"Both are important," Hudson noted. "We need to represent all aspects of health care in everything we do. So all of those needs should be equally represented. That is what diversity does."

A diverse board also is better aligned with the diversity, equity and inclusion goals of the overall organization, Hudson emphasized. The health system recently hired a chief health equity officer to better serve underrepresented communities, and a chief DEI officer to ensure a diverse workforce. The Swedish board, meanwhile, also added a health equity, justice and social responsibility (HEJSR) committee.

"The board, executive team and management throughout the rest of the organization all need to be working hand in hand," Hudson said. "To do that, you need to have a complement of diversity across all three of those areas."

"That's a really important thing," added Riojas, who also serves on the HEJSR committee. "Because when you have management, board officers and the rest of the board rowing in a boat in unison, you can do a lot of great things."

A diverse board also has set a good example for the organization's workforce. "Our caregivers and

our 12,500 employees can be very proud of a board that demonstrates the diversity that represents the communities they serve, as well as the organization in which they work," Hudson said. "That is very important to people. They want to see that and believe in the mission — that we put our values ahead of anything else."

Sticking With It

Another commonality of any journey to diversity is that it never ends.

"You can never breathe a sigh of relief," Lynch said, noting the loss of minority board members for the same reasons that any member leaves — whether that's relocation, retirement, term expiration or even death. "You've got to constantly be cultivating your networks, building your relationships. If you haven't got

a pipeline, you can find yourself back at the drawing board."

Although the Cedars-Sinai board is currently seeking greater Latino representation, the board in general seeks a meaningful representation of all minority groups. "That's a working goal," Priselac said.

At Swedish, the governance and nominating committee reviews the attributes matrix regularly to measure progress on diversity and to monitor the ever-evolving gaps in desired attributes and make sure sufficient processes are in place to fill those, Hudson explained.

Perhaps there once was a time when a health care provider was well served by a homogenous governing board. But those times have long since passed. Too many inequities have been exposed, and more is being asked of a health care

governing board to address those inequities.

"Health care is not a stagnant industry," Hudson pointed out. "It is evolving rapidly and organizations must also evolve. As organizations continue to evolve, so should the board."

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