

Cultural Inclusion & Diversity in Healthcare: Shaping the Future of Leadership



Acknowledgements

Professional Women in Healthcare® (PWH) appreciates the support of our corporate partners and members who allow us to continue to bring relevant and meaningful leadership tactics, learnings, and best practices to the healthcare industry. We are proud to say we are the industry's trusted women's professional healthcare leadership organization, creating leaders through education, mentoring, and other valuable programs. Part of the framework of this white paper

encompasses best practices, lessons learned, experiences, and insights from a broad range of organizations, from a variety of segments of the industry with a diverse group of employees from each contributing company. The purpose of the white paper is to weave together a shared opportunity to raise awareness, educate, collaborate, and ultimately raise the bar in quality leadership.

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Special recognition to the PWH Cultural Inclusion and Diversity committee for spearheading the white paper as a first step in becoming an inclusivity thought-leader in

the healthcare industry and building a path forward for the next generations of PWH leaders.

Introduction

Professional Women in Healthcare® (PWH)® formed the Cultural Inclusion and Diversity Committee (CID) in 2019. The PWH® Mission is empowering women to lead and succeed in Healthcare, a clear statement of Advocacy for Inclusion with an emphasis on Creating Women Leaders in Healthcare. This committee is responsible for providing education, resources, and tools to empower members and corporate partners to collectively create and sustain an industry and workplace that is diverse, equitable, and, inclusive so that it fosters belonging for everyone. The committee brainstormed ideas on how to provide tools and resources to corporate partners, including aspects of leadership. Through those sessions, the idea to launch a Diversity, Equity, Inclusion, and Belonging (DEIB) Thought Leadership White Paper emerged, the very first of its kind for PWH®.

PWH® corporate partners were asked to participate in this white paper, and

fourteen agreed. The participating partners completed surveys and engaged in one-on-one interviews.

The Culture, Inclusion & Diversity: Shaping the Future of Leadership survey and interviews ran from February 2023 to June 2023. During the interviews, they shared insights about the state of DEIB initiatives within their companies. Their responses have been aggregated and shared collectively.

Our hope is that the findings of this white paper will help our corporate partners, executives, members, and the healthcare industry fulfill the need for DEIB programs to thrive within their organizations.

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Definition of Diversity, Equity, Inclusion, and Belonging

Diversity is the full spectrum of human differences and similarities, including immutable and mutable characteristics yielding unique perspectives. Inclusion means that everyone in the diverse mix feels involved, valued, respected, treated fairly, and embedded in the culture. Empowering all employees and recognizing their special talents is part of creating an inclusive company. Diversity and inclusion are an organization's efforts, policies, and practices that ensure different groups or individuals of different backgrounds are culturally and socially accepted and integrated into the workplace. An organization that focuses on diversity and inclusion will employ a diverse team of people that reflects the society in which it operates.

Equity ensures everyone has access to the same treatment, opportunities, and advancement. Equity aims to identify and eliminate barriers that prevent the full participation of some groups. Belonging in the workplace is an employee's sense that their uniqueness is accepted and even treasured by their organization and colleagues. Belonging is an accumulation of day-to-day experiences that enables a person to feel safe and bring their full, unique self to work.



Johns Hopkins created this Diversity Wheel that represents internal dimensions that are usually most permanent or visible. The outside wheel represents dimensions that are acquired and change over the course of a lifetime.

Important Findings:

There are many ways to define diversity. A traditional definition focuses on differences in age, ethnicity, gender, and race as stated above. Race and gender are the most common metrics to be monitored as they relate to talent acquisition and internal mobility. An interviewee offered the following insight about diversity:

“My definition of diversity is about ensuring that each individual has an ideal experience, and it’s based on what that ideal experience means for them. It’s not just about advocating for one group or another, it’s about each individual”

Organizations who subscribe to this definition of diversity support people of different backgrounds through programs that include education, affinity groups, and other means of targeted engagement. This fosters a sense of belonging and ensures that employees feel respected and valued for what they can contribute to the organization.

One survey participant shared critical questions leaders should answer when defining what DEIB means and the strategy for the organization.

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What are your intentional cultural objectives? Is culture observed as a strategic business initiative that needs to be managed and continuously improved in the same way we treat our finance, sales, and business unit objectives? Do you want to create high-performing teams of diverse people that understand how to work well together, know how to have respectful interactions with one another, and are able to consistently bring their best selves to work?

Best practice organizations use a broader definition of diversity. Using a wider lens to see diversity as an opportunity to learn from and engage others, leveraging multiple approaches to problem solving, creativity, and innovation.

Even organizations that appear to be doing well under the traditional definition of a diverse workforce can find room for improvement.

One organization representative shared that they didn't start their DEIB program because they initially saw no internal issues with diversity; in their workforce, female employees outnumber male employees by a wide margin. But they came to recognize they had a different problem of underrepresentation.



We do have a lot of female sales people, but I find that people of color don't come to us, people of ethnic backgrounds don't normally come to us. You know, we have a presence in Asia, so we certainly have that representation, but I felt that we were missing something. So internally we started to have dialogue about how we can attract a more diverse type of sales force

The Need for Diversity, Equity, Inclusion, and Belonging in Leadership

Diversity, equity, inclusion, and belonging is not only the right thing to do, it is good for business. Indeed, research shows a correlation between diversity in leadership and a company's financial performance. This is the conclusion of three reports from McKinsey, Deloitte, and Catalyst.



The research concludes that on average, companies with the highest percentages of women board directors outperformed those with the least by 53 percent.

The research also found that companies with a higher percentage of women in executive positions have a 34% higher total return to shareholders than those that do not. Companies in the top quartile for racial and ethnic diversity are 35% more likely to have financial returns above their respective national industry medians. Diverse companies had 2.3 times higher cash flow per employee over a three-year period than non-diverse companies did.

There are many benefits of diversity and inclusion in the workplace that help to establish a strong business case for implementing sustainable DEIB programs and initiatives. These include:

- Stronger financial performance
- Attract and retain top talent
- Increased employee engagement and trust
- New perspectives, innovation, and creativity
- Better decision-making
- Improved employee performance and productivity



Stronger financial performance



Harvard Business Review found that more diverse companies report 19% higher revenue.

Additionally, businesses that are in the top quartile for racial, ethnic, and gender diversity have a 25% greater likelihood of being more profitable than the national median for their respective industry. This is especially true during times of crisis. [Great Place to Work¹](#) assessed hundreds of publicly traded companies before, during, and after a recession. Highly diverse, inclusive companies experienced a 14.4% gain while the S&P 500 saw a 35.5% decline in stock performance.



Attract and retain top talent

Expanding recruitment searches to more diverse candidates – including background, ethnicity, age, etc. – widens the available talent pool and increases the chance of finding the best candidate for the job. Diversity improves an organization's culture, and 67% of workers consider the diversity of a company when seeking employment.



Hiring and retaining more diverse individuals is like a snowball rolling downhill, and it is crucial in attracting more interested, qualified applicants.



Increased employee engagement and trust

When employees feel included, they're more engaged and dedicated to the organization, having a ripple effect on profitability, team morale, and retention. People working in an inclusive environment also tend to have better physical and mental health and take less leave for health issues.



When companies support DEIB initiatives, 83% of millennials report being more actively engaged in their work.

<https://www.greatplacetowork.com/resources/blog/how-to-prepare-your-company-for-a-recession#:~:text=During%20the%20Great%20Recession%252C%2520the,posted%2520a%2520remarkable%252014.4%2525%2520gain.>

A diverse and inclusive environment establishes a sense of belonging among employees, making them feel more connected and productive. Organizations that adopt DEIB practices see significant gains in the form of business results, innovation, and decision-making.

What's more, by building an inclusive work environment, greater trust is instilled between employees and leadership. Since only 1 in 5 HR and engagement leaders agree that their employees deeply trust their company leaders, teaching leaders to recognize and reward employees for doing their best work can alleviate this issue. To be truly inclusive, all employees must have the opportunity to be recognized for their efforts.



New perspectives and innovation



The Harvard Business Review found a statistically significant relationship between diversity and innovation outcomes.

The most diverse enterprises — in terms of migration, industry, career path, gender, education, age — were also the most innovative, as measured by their revenue mix. Diverse teams can also better identify products and services that fit the needs of emerging customer profiles.



Better decision-making

Diverse teams make better decisions. Cloverpop, an online decision-making platform, examined 600 business decisions made by 200 teams. They found that diverse teams have a 60% improvement in decision-making. In particular, gender-diverse teams outperform individual decision makers 73% of the time, and teams diverse in geography, gender, and age made better business decisions than individuals 87% of the time.

Improved employee performance and productivity

Diversity is a competitive differentiator - McKinsey found that for every 10% increase in gender diversity, earnings before interest and taxes (EBIT) **rose by 3.5 percent.**

Companies with significantly more racial and ethnic diversity are **35% more likely to outperform competitors.**

Harvard Business Review also discovered that **diverse companies are 70% more likely to capture new markets**, which, in turn, yields higher performance.

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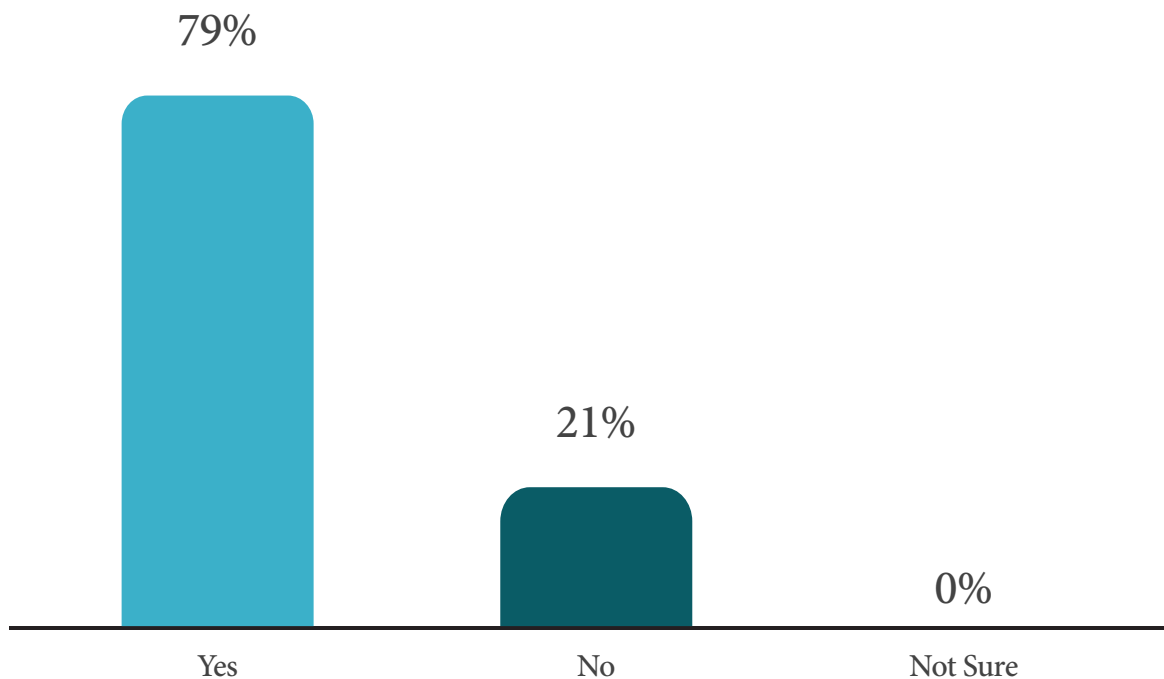
The Present State of Cultural Inclusion & Diversity in our Industry



Our survey showed that the healthcare industry is improving in the area of DEIB.

Over 79% of the organizations in our survey reported having some kind of DEIB initiative, policy, or process for hiring and promotion that aims to match the diversity of their workforce with the diverse population percentages within the United States.

Does your company have an active initiative, policy, or process to hire or promote leaders on par with the diverse population percentages within the United States?



Active DEIB programs are still a relatively new concept for most of our survey participants. Among those that have an active program, close to 43% stated they began their DEIB program within the last three years. None of the organizations had a DEIB program between 5 and 10 years old. A little over 7% of the survey participants reported having an active DEIB program that they started 10 or more years ago.

How long has your organization had an active workplace diversity, equity, and inclusion DEIB program?

28.6%

We don't currently have an active DE&I program.

7.1%

We will be implementing a DE&I program within the next year

42.9%

We have had an active DE&I program for 1-3 years

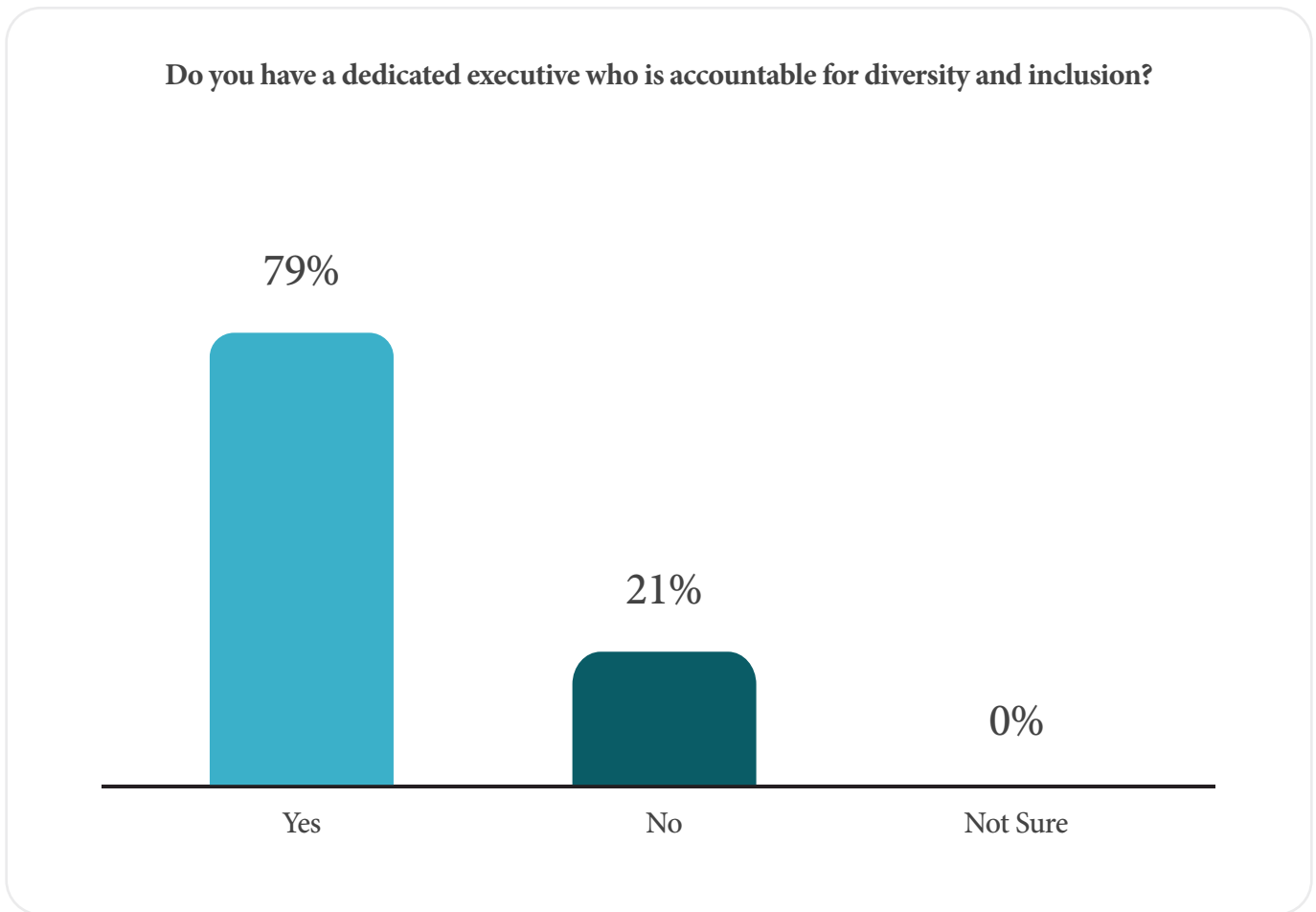
14.3%

We have had an active DE&I program for 3-5 years

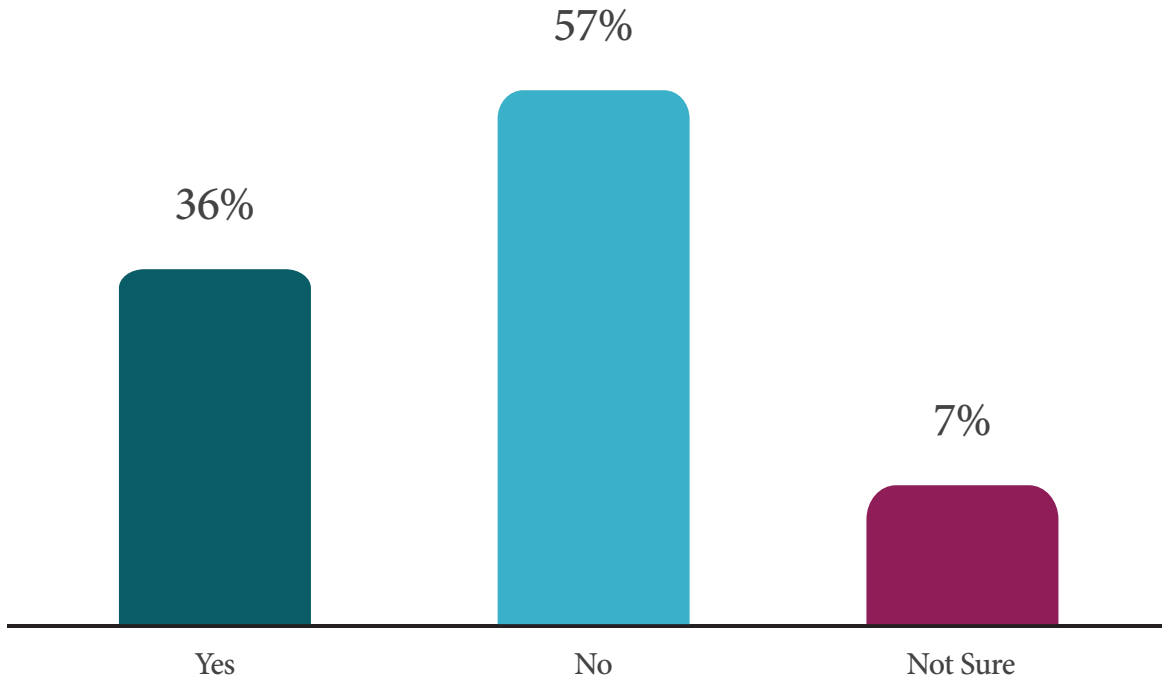
7.1%

We have had an active DE&I program for more than 10 years

In almost 79% of the organizations surveyed, there is someone in the role of Chief Diversity Officer who is responsible and accountable for diversity and inclusion. **But this executive works alone in more than half the organizations.** Only around 36% of those surveyed said they have a dedicated team of two or more employees who are accountable for DEIB and report to a manager, director, or executive.

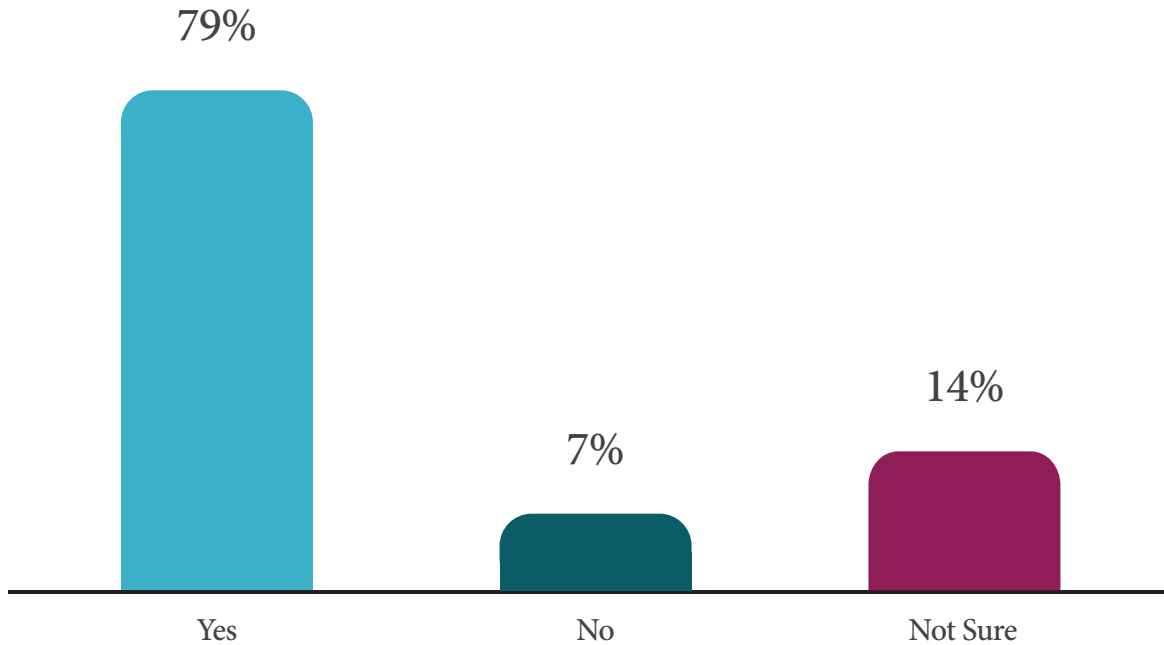


Do you have a dedicated team 2 or more individuals who are accountable for DEIB and report to a manager, director or executive?



We wanted to know from our survey participants if DEIB has been integrated into all aspects of their organization, such as hiring, performance, business development, and supply chain. Almost 67% of the respondents said that it had. Our survey also asked if diversity is a stated value area or priority in the organization's corporate social responsibility policy. Seventy-nine percent of the survey respondents stated that DEIB is included in the organization's social responsibility policy.

Is DEIB a part of corporate social responsibility policy that includes workplace diversity, equity, inclusion, and belonging?



Overall, the majority of the survey respondents felt good about their organization’s DEIB efforts and culture, stating that their organizations promote diversity and inclusion with events and activities for everyone.

More than 80% of respondents believe their organization has a positive culture of inclusivity. Nearly 100% agreed with the statement, “Your company believes in equally promoting anyone who meets the qualifications and skills required for the position.”

Employee perception of an organization’s DEIB activity is often just as important as the reality. The knowledge that the organization is making strides in promoting and supporting people from underrepresented backgrounds demonstrates the employee is valued and worth investing in, with unique identities that deserve to be respected. **Even when an organization fails to hit a benchmark in this domain, candidness around the efforts made and lessons learned bring employees along in the process and give them space to feel safe expressing their experiences.**

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Key Elements of Successful Diversity, Equity, Inclusion, and Belonging Programs

Currently, there is no industry standard regarding what to include in a DEIB program. Some organizations outsource these efforts, while others have in-house departments or a role. The findings revealed a wide variety of strategies and tools for DEIB that are being used by healthcare organizations. These include:



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These include:

- Employee resource groups (ERGs) and affinity groups
- Regularly scheduled employee surveys
- DEIB advisory councils
- Monthly communications
- Lunch and learn events
- Resources related to DEIB
- Company-wide policies
- Environmental, social, and governance (ESG) reporting
- Mentoring programs
- Inclusive leadership webinars
- Diversity training
- Cultural awareness education & celebration
- Real talk conversations on diversity & inclusion

The DEIB programs that are implemented in an organization depend on a variety of factors. The size of the organization is a major factor that impacts the type and scale of programs offered.



We learned from our survey that the foundation for developing and maintaining a successful DEIB program starts with leadership buy-in.

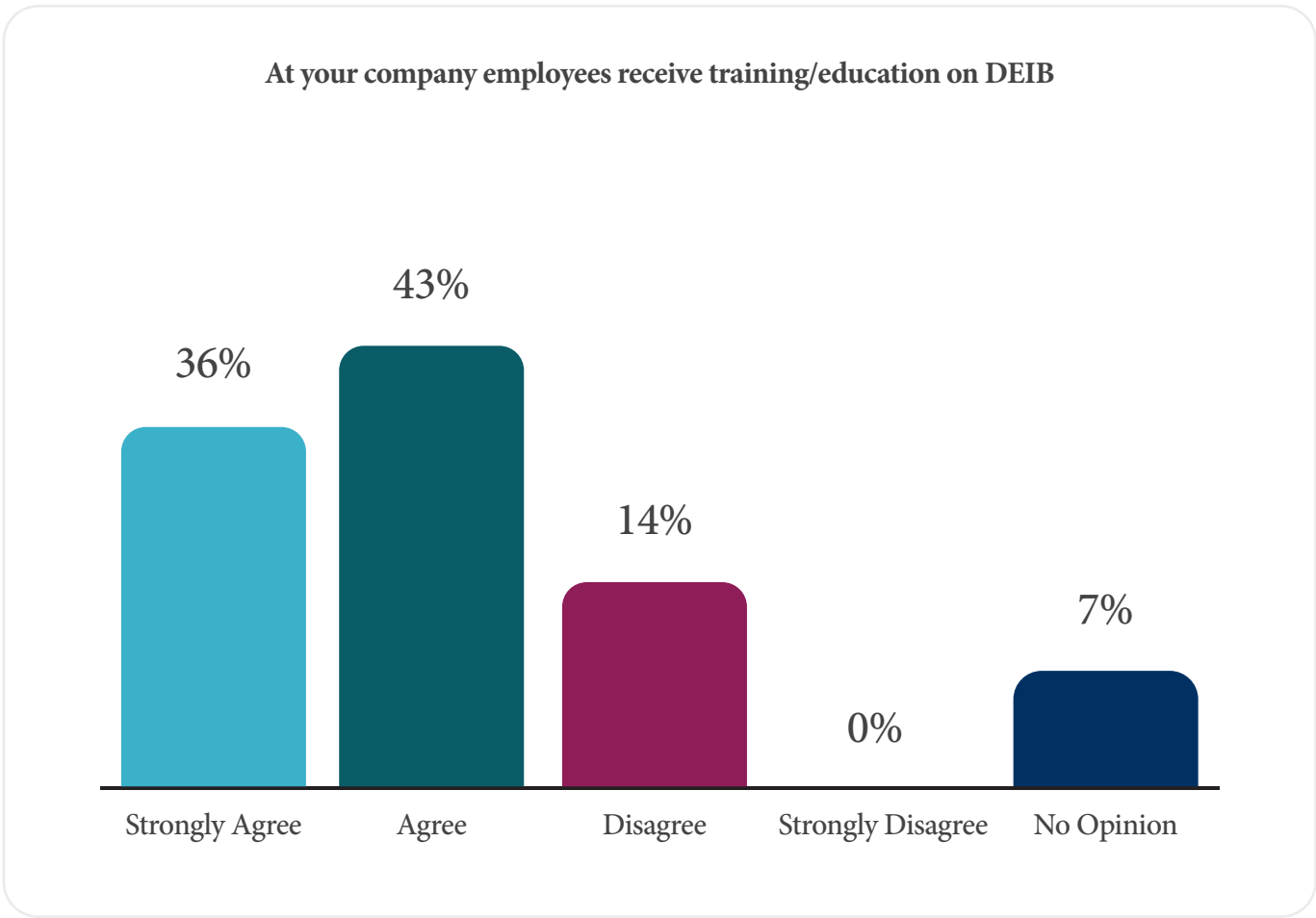
The leadership team must plan, invest in, and genuinely desire and accept DEIB. An honest conversation needs to occur in the C-suite, and all those in leadership roles must have a clear, unbiased understanding of what diversity, equity, and inclusion mean. One leader shared, “If we are not hosting honest conversations at the leadership table, especially in healthcare, we have to ask ourselves, what kind of care are we providing to our customers, patients, and communities?”

One of the interviewees shared their organization’s roadmap to developing a DEIB program. The crucial first step was educating and solidifying the commitment to DEIB in the C-suite. They then hired a consulting firm to conduct a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. The results of the analysis identified three long-term goals that were incorporated into a five-year strategic plan. After finishing this foundational work, the organization created a new department and recruited a Chief Diversity Officer to lead it. The Chief Diversity Officer stated:

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The C-suite, CEO, and his direct reports came together to build the strategy. What’s great about that is I didn’t have to do the work to get the buy-in or to sell the strategy to the C-suite because they had already built it and to me, it was a great situation to walk into because they have complete ownership of the strategy. It wasn’t something that I had to come in and build and then try to sell to others.

Around 80% of the survey participants reported that their employees and managers receive training and education on DEIB. The training has more value to new employees if the organization discloses its mission and investment towards DEIB during orientation. Stronger adherence and growth of DEIB programs are encouraged by establishing cultural norms and making leaders accountable for progress in DEIB. Some companies have new employees view a video that defines what diversity, equity, and inclusion mean to the company. They break down the philosophy behind this, explain the business case that more diverse companies outperform non-diverse and non-inclusive ones, and encourage employees to discover their “why.”



Our survey participants emphasize the importance of encouraging regular communication around DEIB and providing a safe space for employees to give feedback and ask questions. The purpose of these conversations is to listen to all perspectives and find out where the challenges are.



Open communication, transparency, and feedback from diverse perspectives and employees at all levels of the company brings authenticity to DEIB efforts.

Organizations using best practices for DEIB programs support activities such as sending out regular communications, providing resources, hosting monthly meetings with the DEIB team for employees, and giving quarterly updates on progress.

One leader stated, “Have real-talk conversations. ‘Real talk’ is not about just talking at people, it’s about the ability to speak and listen with dignity and respect while suspending assumptions”

One organization described their use of a specific meeting structure to get in-depth and anonymous feedback. Employees from different departments meet with a member of the executive team – not their immediate supervisor – to give feedback about what is working and what needs improvement. The meetings help leadership better understand DEIB challenges and devise plans to address them.

Another organization provided the example of how a lunch and learn session concluded with concrete action. They held a panel discussion about the use of pronouns, led by a few members of their LGBTQ+ resource group. After the presentation, employees were given the choice to add pronouns to their company email signature. In doing so, the organization aimed to normalize a demonstration of support for inclusion.

Employee resource groups and affinity groups, like the one that conducted the lunch and learn, are a natural opportunity for leadership to identify and develop diverse talent, mentor, and offer professional support.



One organization redesigned their performance review process to include a structured approach that identifies performance gaps and missing key skill sets.

With these enhanced performance reviews, they are better able to prepare employees for promotion.

Another survey participant shared that their organization also prepares diverse employees for promotions through workshops, development opportunities, and mentorship. But they emphasized the difference between mentorship – a relationship which may be orchestrated by a supervisor – and sponsorship, which is based on trust and the sincere desire to help a colleague and peer to advance their career.

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I have shed light on the fact that sponsorship is happening. It's just not happening for women and people of color. We know people are being sponsored, but people tend to sponsor people who look like them, who they're comfortable with, or who are in their networks. Sponsorship though, is someone who uses their relationship and their influence when you're not in a room to help you get ahead in your career.

During the one-on-one interviews, some survey participants discussed their DEIB initiatives related to recruitment. While some organizations are located where the local workforce is already diverse, other organizations need to expand their search both geographically and beyond their usual professional network to find a more diverse candidate pool.

One organization's recruiting strategy includes partnering with colleges and universities to reach students who are looking for entry or mid-level positions. This organization's diversity initiatives both made it more attractive to younger candidates and yielded positive results for employee retention.

“The younger generation is looking for that community belonging experience where they feel they have a voice and they can contribute to something bigger than themselves. That's really important to them”

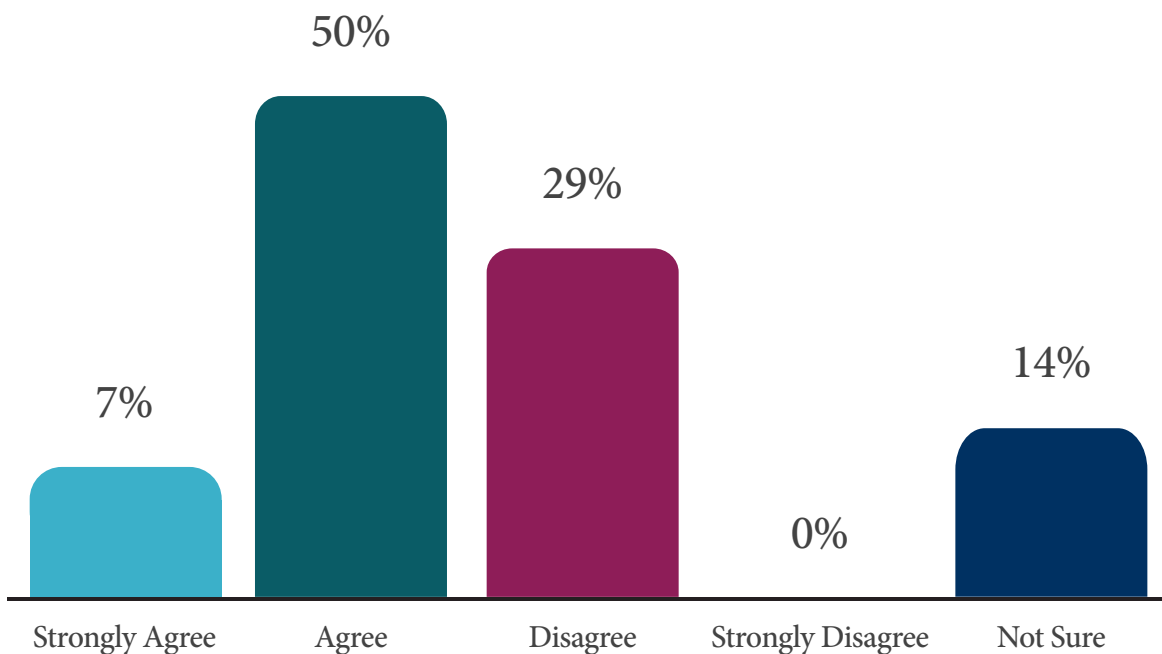
As a way of fostering the sense of community, one of the surveyed organizations created an internal social media platform similar to Facebook. Posts are made to reach out to specific interest groups or to recognize events such as Black History Month or International Women’s Day.



The survey results showed that quantifiable measures for DEIB objectives and goals are not widely captured in most organizations.

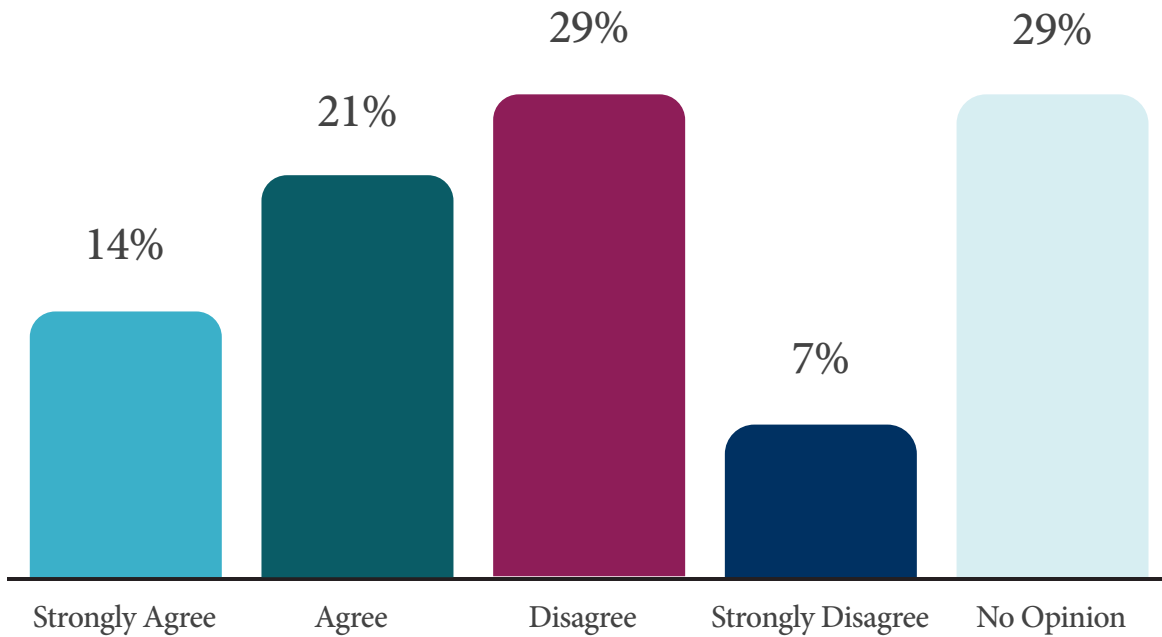
A little over 57% of the organizations surveyed reported using company data to monitor the effectiveness of DEIB investments and understand current gaps and opportunities. One organization found that sharing diversity metrics with executive leadership quarterly instead of annually led to more accurate, compelling and actionable insights.

At your company data is used to monitor the effectiveness of DEIB investments so that we can understand current gaps and opportunities for DEIB programs?



Fifty percent of the survey participants state they gather and analyze DEIB data annually, including demographic, performance, and compensation data. In close to 36% of the surveyed organizations, DEIB key performance indicators (KPIs) are measured and managers are held accountable for meeting those objectives. One survey respondent shared that they run disparate impact analyses after conducting performance evaluations to ensure fairness and equity.

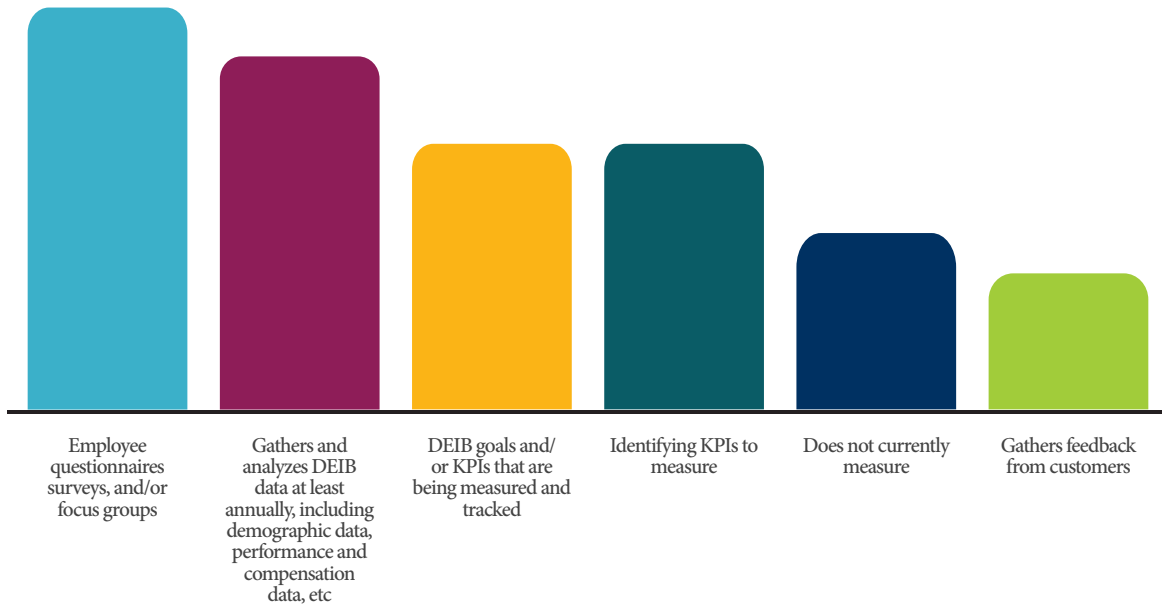
At your company meeting diversity and inclusion objectives are included in the performance metrics of senior leaders.



Another way of gathering information about DEIB is to ask employees directly. One quarter of the surveyed organizations say they use employee questionnaires, surveys, and focus groups to measure the effectiveness of their DEIB policies.

The survey showed that 8.3% of the respondents also gather feedback on their DEIB efforts from customers. One organization has created an advisory board with their distributors to go beyond their internal DEIB structure and get feedback from their business partners.

How does the company measure DEIB policy effectiveness? Select all that apply.



The good news is that when asked “What programs have you implemented that didn’t work as planned?” No one we interviewed responded with specific programs that they thought had failed. The majority felt they had implemented programs that worked and meet company goals related to DEIB. One interviewee described their DEIB program as:

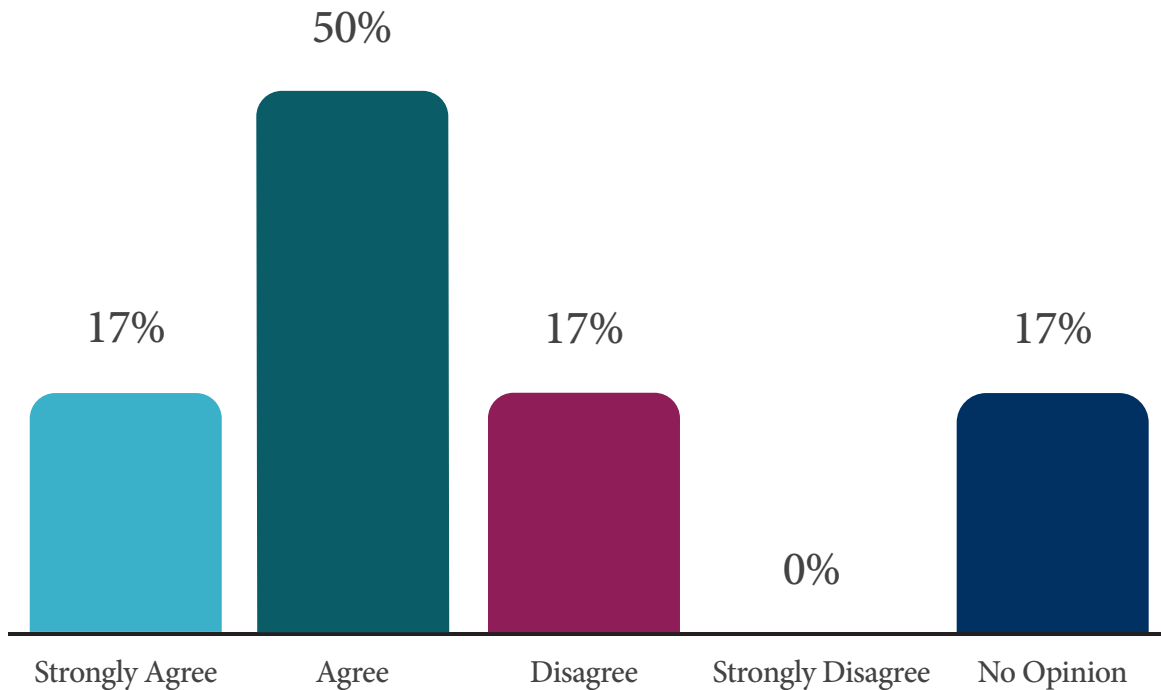
“Tangible goals, communicated to teams, complemented by specific actions.”

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The Value of Inclusive Leadership as Business Objectives

Close to 80% of organizations surveyed have an active policy, process, or initiative related to hiring and promoting a more diverse workforce. Almost 66% of the survey participants agreed or strongly agreed with the statement, “At your company, DEIB is integrated into all aspects of the organization (e.g. hiring, performance, development, and supply chain)”. One survey participant stated “A diversity strategy has to be aligned with your overall company strategy and each pillar beneath it.”

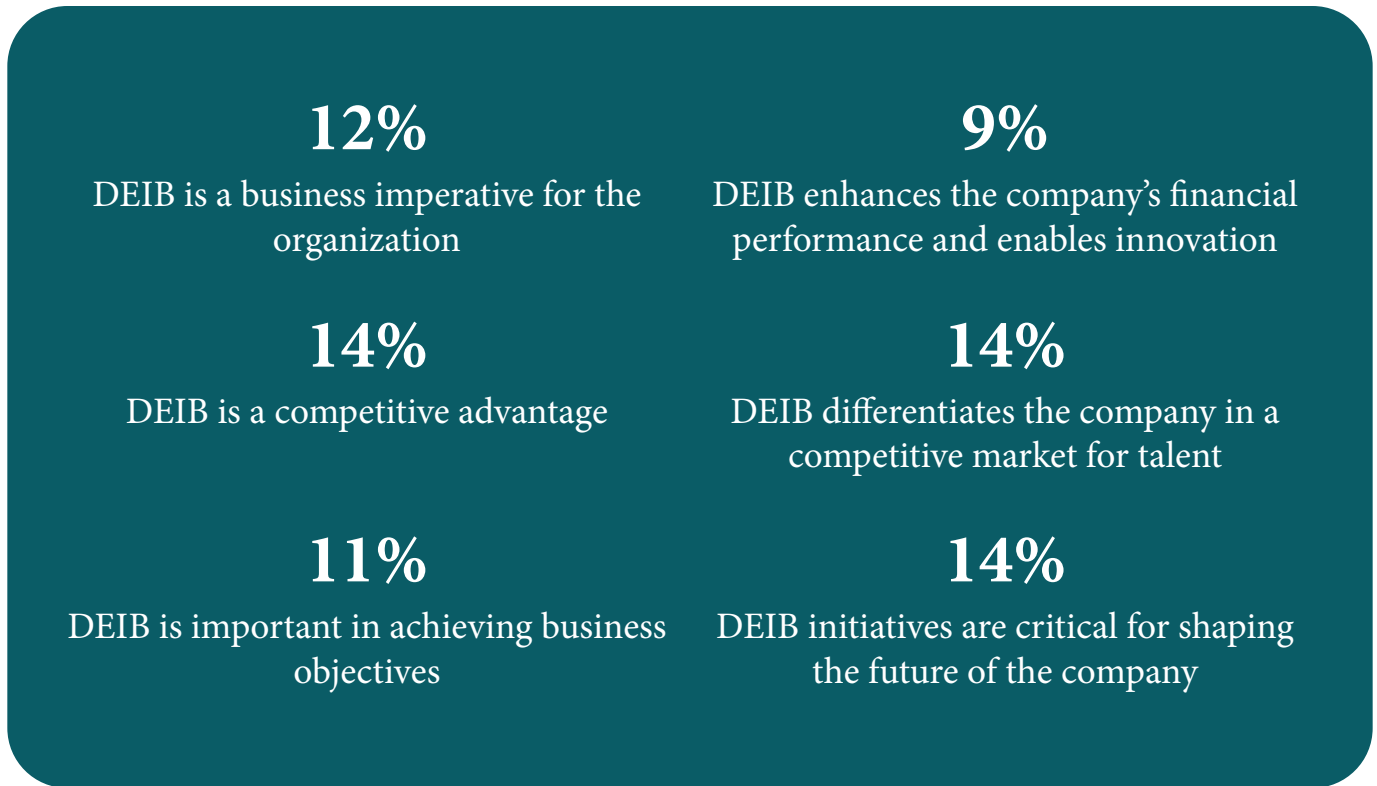
At your company, DEIB is integrated into all aspects of organization (e.g. hiring, performance & development, and supply chain).



While many of the participants to our survey state their companies are not pursuing DEIB initiatives simply because it is “the right thing to do”, over 70% of the organizations surveyed have a corporate social responsibility policy that seeks DEIB both in their workplace and among their suppliers and customers.

Leaders may resist full integration of DEIB principles until they see the business value in pursuing them. Harvard Business Review has studied the impact of DEIB initiatives from every aspect, and the results are clear – organizations that prioritize DEIB consistently perform better financially than those that do not. Causation cannot always be inferred from studies like theirs, but the distinguishing characteristics of companies and organizations that do have DEIB programs hinge on culture, and these features are highly correlated with a strong, productive, and loyal workforce.

Our survey revealed a weak level of acceptance of the business case for DEIB among the participating organizations:

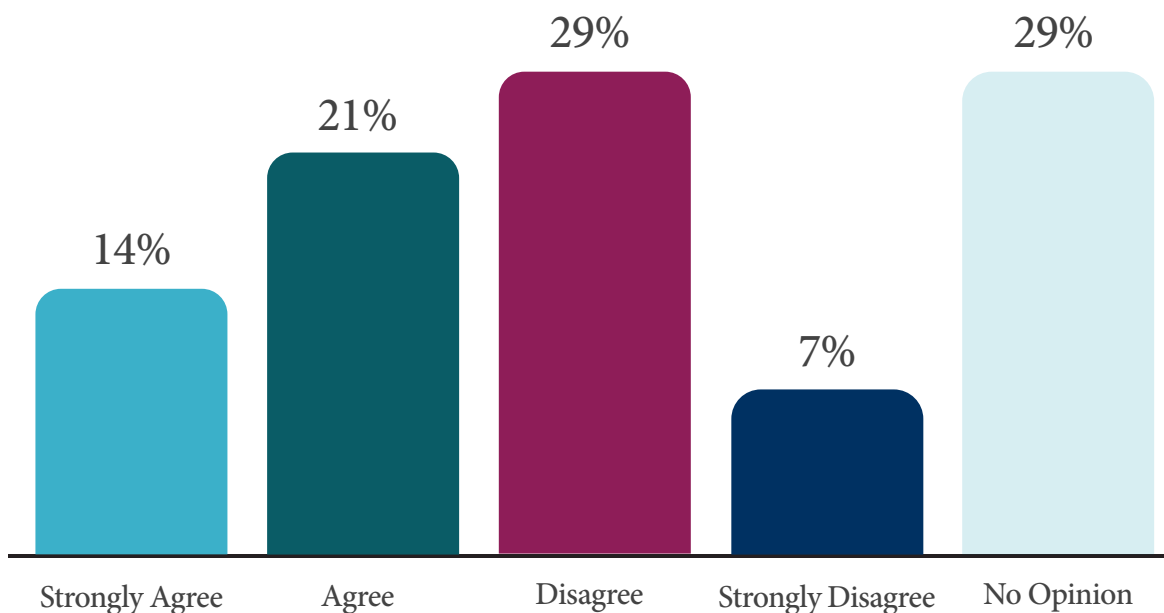




To continue to position yourself as an innovative company, to grow, and retain good talent, you have to have diversity initiatives in place. Hospitals want to know if we have programs in place, that we have a statement about how we're inclusive, and they want to know that before they meet with us

Without a specific metric to achieve goals for leadership accountability, a DEIB program will remain immature. In 36% of the organizations surveyed, diversity and inclusion objectives are included in the performance metrics for senior leaders. Several of the other organizations who do not yet have defined key performance indicators (KPIs) for their managers state they are currently developing some metric-driven assessments of DEIB progress.

At your company meeting diversity and inclusion objectives are included in the performance metrics of senior leaders.



Several of the surveyed organizations with more mature DEIB programs have active diversity advisory councils or employee resource groups. While these groups provide valuable career support to employees, only 38.5% of those surveyed said their affinity groups have a role in driving strategic business decisions. The upward trend in implementation of DEIB programs shows there is an increasing awareness of its importance.

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When we talk about return on investment, there are some companies that are so focused on ROI in the traditional way. They may not see how a diverse company really is the epitome of innovation and the return of investment will follow



06

Conclusion

Corporations still have work to do

The survey responses indicate that many of the participants feel there is still work to be done in incorporating DEIB into their organization. There are areas where organizations are very effective and they are seeing growth in their success rate. While there have been successes, organizations recognized that there are elements of DEIB where continuous improvement is needed.

Here are some of the areas for improvement our survey revealed:



Increase representation of Board-level diversity.

Diversity, equity, and inclusion programs thrive when there is support from the highest levels of executive leadership in the organization. All the organizations we surveyed stated they have diverse executive leadership teams, but only 57% reported diversity in their board of directors.



Implement and/or reevaluate best practices for recruitment, hiring, and retention.

Inclusivity creates the foundation for a diverse and inclusive workforce that also mirrors the customer base. This supports the brand of the organization as one that cares about diversity and inclusion. Providing executives and leaders tools, resources, and training on inclusive hiring practices is another important element. About 57% of the organizations surveyed indicated that DEIB is integrated into all aspects of organization (e.g. hiring, performance and development, and supply chain).



Expansion of employee resource groups.

Among the survey participants with more mature DEIB programs in place, employee resource groups and affinity groups are common initiatives. These groups provide support and platforms for proven mechanisms of career growth, like mentorship, management training, and access to leadership advocates. Creating structures that ensure equitable access to professional growth, while providing support for underrepresented employees to create community and learn from each other, will improve the employee experience at your organization.



Expansion of formal mentorship programs.

ERGs are usually a focal point for mentorship and sponsorship opportunities between leaders and underrepresented groups. Of the organizations surveyed, 50% indicated that their ERGs had a formal mentorship program.



Industry best practices for reporting DEIB performance.

In order to demonstrate the impact of a DEIB program, your organization requires a structure for tracking key metrics, like workforce diversity, leadership diversity, and employee attitudes. Share Net Promoter Score (NPI) and DEIB-specific surveys among employees, and share those results in company-wide calls. Being open enough to answer employees' questions live can make an impact, especially when KPIs are not where you would like them to be. The workforce is entitled to these frank conversations regularly, but external audiences might also be invested in an organization's DEIB performance. Annual reports or webinars, especially for publicly-traded companies, are the industry standard for DEIB corporate reporting.

Most company boards and C-suite executives genuinely care about creating a safe, supportive, and inclusive workplace culture. Organizations with ineffective, stagnant DEIB programs will have trouble attracting and retaining the next generation of ambitious, diverse talent. **Today's workforce demands more from employers – more flexibility, diversity, equity, inclusion, and belonging.**



PWH® is built upon a legacy of pioneering women leaders who recognize the importance of building systems to support the development, growth, and success of a diverse workforce.

When diversity, equity, and inclusion are systematic, documented initiatives for an organization, each team member feels respected and empowered to their full potential. As Collaboration improves, innovation and revenue growth will follow. Healthcare industry leaders could see enormous benefit from the cascading impact of organizational culture change with DEIB. We look forward to seeing this conversation continue among the leadership of the healthcare organizations and participate in efforts to promote continuing DEIB initiatives.

Thank You!