National Center For Healthcare Leadership

Leadership Webcast: Diversity Leadership and Cultural Competency

September 17, 2010
Agenda

Introductions – NCHL

Diversity leadership and cultural competency in healthcare – Janice L. Dreachslin, Ph.D., Professor of Health Policy and Administration Co-Professor-in-Charge, MBA Penn State Great Valley School of Graduate Professional Studies

Best Practice Case Study: Sodexo, Bill Anstee, Senior Director of Diversity, Healthcare, Sodexo

Facilitated discussions – All
Cultural Competence
Diversity and Disparities
Multiple Identities: Diversity

Race
Ethnicity
Gender Roles
Sexual Orientation
Age/Generation
Social Class

Ability/Disability
Family
Spiritual
Regional
Career
Role
Diversity and Disparities

“Diversity issues such as language differences, religious differences, cultural differences, gender, race and ethnic differences are not disparities in and of themselves. They are just differences. When they are not understood, valued and appreciated for their impact on the delivery of patient care, the healing process and communication/trust, they become contributors to disparities and unequal medical outcomes” (Hobby and Dreachslin 2007, 6).
Cultural Competence

The National Quality Forum (NQF) (2008. p3) defines cultural competency as the:

“Ongoing capacity of healthcare systems, organizations, and professionals to provide for diverse patient populations high-quality care that is safe, patient and family centered, evidence based, and equitable.”

And states that Cultural competency is achieved through:

“Policies, learning processes, and structures by which organizations and individuals develop the attitudes, behaviors, and systems that are needed for effective cross-cultural interactions”
Today’s Reality

- Racial and ethnic disparities in healthcare access, treatment, outcome, & satisfaction
- Racial, ethnic, & gender disparities in career accomplishment & satisfaction with workplace equity & opportunity
Systems Approach to Diversity Leadership and JCAHO Readiness
Joint Commission

Joint Commission: Accreditation standards for culturally competent patient-centered care

http://www.jointcommission.org/PatientSafety/HLC/HLC_Develop_Culturally_Competent_Pt_Centered_Stds.htm
National Quality Forum (NQF) Voluntary Consensus Standards

45 endorsed practices
http://www.qualityforum.org/

Leadership
Care delivery
Workforce training
Management systems
Communication
Data collection and quality improvement
  > www.hretdisparities.org.
Community engagement
NCHL Leadership Development & Transformation System

Aligning leadership development and business strategy

The key principles for managing innovation and performance improvement that are essential for systematic and sustainable change:

- Leadership development and organizational business strategy are aligned
- Board is accountable for leadership succession
- Learning is competency-based, inter-professional, and action-oriented
- Key talent management and strategic human resource processes are integrated and aligned
- Leadership development dashboard tracks key measurable outcomes
Strategic Diversity Leadership

“Diversity leadership is a differentiation strategy that is responsive to demographic shifts and changing social attitudes among both the patients and the workforce.” (Dreachslin, 1999:428)
Diversity Sensitive Orientation

What leaders believe about diversity drives the extent and nature of an organization’s diversity initiatives

DSO characterizes the extent to which leaders believe:

> That customer diversity should be an important driver of strategy

> That workforce demographics should reflect customer demographics

When coupled with an external strategic orientation, DSO is a strong predictor of the strength and range of diversity management practices
Four Cornerstones: Strategic Diversity Leadership

Strategic Plan
Strategic plan goals for diversity in two areas:
  > Recruitment and Retention of a Culturally Diverse Workforce
  > Provision of Culturally and Linguistically Appropriate Patient Care

Performance Metrics
Routine assessment of diversity goal achievement as part of strategic planning

Accountability
Dedicated person, office or committee assigned responsibility to promote the hospital’s cultural diversity goals

Community Involvement
Annually report to the community about the hospital’s performance in meeting the cultural and language needs of the service area.

Diversity Leadership-CWF Study


- Adherence to the CLAS standards resulted in significant increases in satisfaction for all patients, irrespective of race, ethnicity or primary
- Diversity leadership can result in across the board improvement in patient perceptions of high quality health care
Why Diversity Leadership Matters So Much
Kochan (2003)

Five year study of association between race and gender diversity and business performance

> Diversity won’t automatically translate into better (or worse) results
> Diversity is a labor market imperative and social expectation or value
> The business case for diversity is complex and nuanced
> Impact of demographic diversity depends on the context
> Context includes organizational culture, HR practices, and strategy

The Bottom Line

Unless explicit attention is given to managing diversity, its impact is likely to be negative
• Given the right infrastructure, employees are empowered and enabled to build personal and organizational diversity leadership skills.

• 4 key areas for executive action:
  > Policies: ‘diversity talk’
  > Procedures: ‘diversity walk’
  > Plant/Technology
  > People: cultural competence & concordance
• **Formal mentoring programs.** Such programs ensure that the human tendency toward similarity/attraction does not adversely affect the quality and diversity of the pipeline.

• **Professional development and training.** This builds human capital through enhanced technical and interpersonal skills, including cultural competence and diversity management at all levels of the organization.

• **Work–life balance and flexible benefits.** Intangible advantages like these aid in the recruitment and retention of diverse staff.

• **Employee Resource Groups.** Such groups address the social/emotional needs of diverse staff and capitalize on the power of diversity.
REINFORCE - Goals, Metrics, Continuous Improvement


- Strategic plan should include goals for diversity:
  - Workforce
  - Customers
  - Suppliers
- Routine assessment and feedback on diversity goal achievement
- Dedicated person, office or committee assigned responsibility to promote the hospital’s cultural diversity goals
- Annually report to stakeholders about the organization’s diversity performance
So Why Is DSO So Rare???

• We believe we are diversity sensitive!
• We need more frank & open feedback
  > But it’s tougher to get the higher up the scalar chain we are
• We believe diversity leadership can be approached the same way as other strategic initiatives...
• ‘We Don’t Know That We Don’t Know’
Diversity Leadership Development
Five Evidence-Based Core Competencies

The Ability to:

- Recognize and manage the impact of our formative life experiences
- Broaden our world view on key diversity dimensions
- Acknowledge and manage our own implicit bias
- Self-monitor and adapt our communication style
- Use cognitive reframing to change our behavior

In the Context of Diversity
Selected References


Who is Sodexo?

Leading provider of Food & Facilities Mgmt in North America

We offer innovative motivational and comprehensive service solutions in:
- Food Service
- Groundskeeping
- Asset & Materials Mgmt
- Diversity and Inclusion
- Housekeeping
- Plant Ops & Maintenance
- Laundry Services
- Clinical Tech Mgmt

Over 125,000 US employees; HQ in Gaithersburg, MD

We serve over 6,000 diverse clients in North America
- Corporations
- Long Term Care
- Schools
- Military
- Government Agencies
- Health Care
- Retirement Centers
- College Campuses
- Remote Sites
Sodexo on a global scale

Our Business

• 14+ billion euro in revenues
• 43% of revenues driven by North America; 34% in Continental Europe
• Over 29,000 sites in 84 countries
• Global leader in Food & Facilities Mgmt Services

Our People

• 400,000 employees representing more than 130 nationalities
• 22\textsuperscript{nd} largest employer in the world (7\textsuperscript{th} in Europe & 2\textsuperscript{nd} in France)
• 2.5 million training hours/year
• 88%+ manager retention rate
This is a journey and not a destination

Sodexo’s Diversity & Inclusion Journey

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Our story contains Ten Key Elements for creating a culture of inclusion.

1. Recognition Internal & External
2. Strong Supplier Diversity & Partnership
3. Accountability
4. Measurement System
5. Grass Roots Involvement
6. Commitment From the Top
7. Strong Business Case
8. Clearly Articulated Diversity Strategy
9. Resources & Structure
10. Diversity Integrated Into Core of Business
Our business case for diversity is anchored in 2 dimensions:
Business Excellence & Talent Excellence

Business
- Marketplace differentiator
- Important to our clients
- Changing customer base/increasing purchasing power

Talent
- Planning for tomorrow’s workforce today
  - Flexible Work Arrangements
  - Rigorous diversity branding & recruitment
  - Targeted development programs to attract & retain top-decile talent
  - Cross-cultural competencies to manage and work with global teams
Key workforce trends

- The number of women in the labor force will grow by 14.3% compared to 10% for men.
- The aging population will lead to unprecedented labor shortages.
- The wired, connected millennials are motivated differently.
- It is estimated that 10% of the workforce is gay or lesbian.
- It is estimated that 1 in 4 people has a disability.
- So-called minorities, will constitute a majority of the nation’s children under 18 by 2023 and of working-age Americans by 2039.
- By 2012, the Hispanic labor force, which is the fastest growing minority segment, is expected to reach 23.8 million. 1 in every 6 in the US population will be Hispanic.
Today 1 in 8 are over 65; by 2034 will jump to 1 in 5

People aged 55 to 64 will increase by more than 7 million

The number of those aged 35 to 44 will decrease

The increase of people aged 65 and older will be at 10 times the rate of the total labor force

Employers will need to explore alternative work arrangements to accommodate a generation that wants to keep working

Source: “Labor force,” Occupational Outlook Quarterly, Fall 2007, Bureau of Labor and Statistics © 2010 Sodexo. All rights reserved. This information is Confidential and Proprietary to Sodexo.
Increased representation of women and minorities on a Board in one year is followed by improved stock-based performance in the next year.

An analysis of 61 publicly traded companies that made the *Working Mother* Magazine list of "100 Best Companies for Working Mothers" suggests that those companies that made the list also provided superior shareholder returns.

While the S&P 500 had a strong 89% return over the past three years, the *Working Mother* Index showed a return of 98%. *(Merrill Lynch)*

50 years of research show that diverse teams, when well managed, produce more innovative solutions.
Over a 10-year period, the index of publicly traded companies in DiversityInc.’s Top 50 Companies for Diversity list outperformed the:

- NASDAQ by 28%
- Standard & Poor’s 500 by 25%
- Dow Jones Industrial Average by 22%

Catalyst study of 353 Fortune 500 companies between 1996 and 2000:

- Companies with the highest representation of women in top management, experienced better financial performance than companies with lower representation of women in top management.

- Return on Equity (ROE) was 4.6% higher (Top quartile: 17.7%; bottom quartile 13.1%)

- Total Return to Shareholder (TRS), had a 32.4% difference between the top and bottom quartiles (127.7% vs. 95.3%)

- Does not demonstrate causation, but showed link
Identify a clear and concise Diversity & Inclusion Strategy Roadmap

Our Core Values: Service Spirit, Team Spirit and Spirit of Progress

Communications and Metrics

Leadership
Human Capital
Competency
Communications

Sustain and enhance leadership commitment
Increase hiring, development, engagement, and retention of talent
Embed D&I into all levels and functions to foster a culture of inclusion
Make D&I a competitive advantage to grow our business

Differentiated values for clients and the “Sodexo Experience” for our customers
Be the benchmark in quality-of-life services

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Network Group Initiatives

- AALF Signature Program
- AALF Scholarship
- Launch Road Show
- Generations Online
- Disabilities Online Awareness Training
- Regional Recruitment
- Se de Saber Program
- External Relations
- Toastmasters
- Leadership Webinar Series
- Virtual Annual Meeting
- External Relations with PFLAG and Out for Work
- WiNG Signature Program
- Community Outreach – Race for the Cure
NORAM Diversity Council structure

**Diversity Leadership Council (DLC)**
CEO | CDO | Chief HR Officer | General Counsel | Market Pres.
Chief Strategy Officer | Division Pres.

CMDC is accountable to CEO

**Executive Committee/Market Presidents**

CDO chairs CMDC

**Cross Market Diversity Council (CMDC)**
MSDDs & grade 10+ leaders from
Corp Services | Education | Gov Services | Health Care | HQ

4 Committees- Human Capital; Competency; Communications; Business Partner

**Regional Councils**

- Mid Atlantic
- Midwest
- South
- Northeast
- Central
- West

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**Roles**

- Decision making body
- Establish policy/direction
- Develop corporate strategy
- Determine resources

- Executive Sponsors of CMDC- rotating role
- Role model inclusive behaviors
- Create buy-in/ adoption & provide resources as needed
- Feedback loop/cascade info

- Advisory & strategic role- operationalize strategy
- Chairs of regional council/or committee
- Ensure alignment with corporate plan
- Structured around 4 committees-develop strategy & plans for regional implementation
- Surface issues to EC & DLC through CDO chair

- Localized implementation of X-Market diversity plan
- Regional, cross market collaboration
- Structured under 4 committees with x-market representation of 20-24 managers- all levels
- National chair & regional co-chair to lead
What is the Diversity Scorecard?

- A strategic management tool that we use to measure our company’s progress in increasing diversity and inclusion within management.

The Scorecard is a flexible management tool which:

- Allows us to direct attention to key focus areas
- Allows us to focus on targeted outcomes while tracking the underlying processes that drive those outcomes
- Indexes increases in workforce diversity to internal and external labor force availability
- Measures diversity progress quarter-by-quarter as well as year-over-year
- Allows for differing views, re: total company vs. division
Sodexo Ranks #1 on DiversityInc 2010
Top 50 Companies for Diversity

#1 Sodexo
#2 Johnson & Johnson
#3 AT&T
#4 Kaiser Permanente
#5 Ernst & Young
#6 PricewaterhouseCoopers
#7 Marriott International
#8 IBM Corp
#9 Bank of America
#10 Abbott
Discussion/Questions
Next Leadership Webcast

Leading Practices in Mentoring

Date: Friday, October 15

Time: 1:00-2:00 pm ET, 12:00-1:00 pm CT, 10:00-11:00 am PT

Have specific questions for our presenter to address?
Submit them to Catherine Maji at cmaji@nchl.org
Save the Date – November 16, Chicago

AM  LENS CEO Advisory Council Meeting

AM  LENS Learning Lab

PM  NCHL Invitational Symposium: Aligning Leadership and Culture in an Era of Transformation

PM  Gail L. Warden Leadership Excellence Award of the National Center for Healthcare Leadership
Please complete the webcast evaluation.

Thank you!

LENS Contact
Catherine Maji
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Dr. Janice L. Dreachslin is Professor of Health Policy and Administration in the Management Division at the Penn State Great Valley School of Graduate Professional Studies in Malvern, Pennsylvania and Co-Professor-in-Charge of the MBA program. Her Ph.D. was awarded by Wayne State University in Detroit, Michigan. She also holds a B.A. in Sociology from Wayne State University and is a member of the Phi Beta Kappa and Beta Gamma Sigma honorary societies. Dr. Dreachslin teaches graduate courses in diversity leadership, behavioral sciences in business, and health policy and organization. She is the recipient of the 1994 Penn State Great Valley Graduate Center award for teaching excellence, the 1999 award for service excellence, and the 2003 award for excellence in research and scholarship. Dr. Dreachslin has worked in the fields of health and human service administration for over thirty years. She has consulted in the United States, Canada, Great Britain, and Australia and is the author of numerous publications and presentations in health industry and general management. She has published articles in Health Policy, Medical Care, the Journal of Healthcare Management, and Social Science and Medicine, among others. Dr. Dreachslin has extensive professional as well as academic experience. She served as Director of Consulting Services at the private not-for profit Commission on Professional and Hospital Activities (CPHA) and maintains an active consulting practice in diversity leadership. She is a member of the American Public Health Association, the Academy of Management, the Association of University Programs in Health Administration, and the American College of Healthcare Executives. Dr. Dreachslin is author of the first academic book on strategic diversity management in healthcare, Diversity Leadership, published in June 1996 by the American College of Healthcare Executive’s Health Administration Press. Dr. Dreachslin and her collaborators received the 1999 ACHE Health Management Research Award for their Survey of Diversity Practices in Pennsylvania Hospitals. As chair of the Association of University Programs in Health Administration’s (AUPHA) Diversity Forum (2000-2004), Dr. Dreachslin led an initiative to define domains and core competencies for diversity leadership in health services management nationwide. She served as lead investigator for a recent study of factors that affect career advancement for women and people of color in health services management, commissioned by the National Center for Healthcare Leadership (NCHL). Dr. Dreachslin is currently principal investigator for a Sodexo-funded NCHL diversity demonstration project. The project is the first to employ pre-post intervention assessment of system-wide diversity change initiatives and will involve four major hospital systems across the country. She is an invited member of the Institute for Diversity in Health Care Management’s benchmarking project advisory council.
Bill Anstee, Senior Director of Diversity for the Healthcare Market Segment has been with Sodexo and its affiliates for over 20 years. Bill’s career has spanned all of the company’s divisions and includes operations, human resources, recruiting, and diversity work. As Senior Director of Diversity, he is responsible for creating and implementing various diversity related strategies and ensuring the Healthcare diversity strategy coincides with the overall corporate program. Bill reports directly to the President of the Healthcare Market and is a member of the executive team. He also is a member of the company’s Diversity Leadership Team.

Bill has been instrumental in supporting many Human Resources and Diversity initiatives including launching the company’s first Diversity Council as well as co-chairing the company’s Disability Task Force. He is a member of The Pennsylvania State University's College of Human Development Diversity Board and is active in the National Society of Minorities in Hospitality recruiting programs for the company. Bill also is an inaugural board member of the Asian Health Care Leaders Association. Bill has also served on The Tressler Lutheran Services Board, Widner University Advisory Board, Delaware State University Hospitality Board, and has been active with the HBCU Consortium and The United Way’s Loaned Executive program.

Bill holds a BS degree from The Pennsylvania State University in Hotel, Restaurant, and Institutional Management and a minor in Individual Family Studies and Counseling. Bill resides in Delaware where he participates in community activities supporting the Stop Hunger Foundation and Community Kitchens programs throughout the US.