Diversity Pays!


Racial Diversity is associated with:
- increased sales revenue
- more customers
- greater market share
- greater relative profits

Gender diversity is associated with:
- increased sales revenue
- more customers
- greater relative profits.
DiversityInc Top 50®
Outperform S&P & Dow Jones Industrial Averages

- DiversityInc Top 50 Stock Index
- S&P 500
- Dow Jones Industrial Average

<table>
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<th>Time Period</th>
<th>DiversityInc</th>
<th>S&amp;P 500</th>
<th>Dow Jones</th>
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<tbody>
<tr>
<td>1 Year</td>
<td>18%</td>
<td>14%</td>
<td>15%</td>
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<tr>
<td>3 Years</td>
<td>55%</td>
<td>43%</td>
<td>14%</td>
</tr>
<tr>
<td>5 Years</td>
<td>57%</td>
<td>27%</td>
<td>15%</td>
</tr>
</tbody>
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TOTAL RETURN (%)  

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Poll Question # 2

Why do health care leaders question the business case for strategic diversity management?

1. Lack of awareness of research & best demonstrated practice
2. Insufficient evidence base to support the business case
3. Personal beliefs, biases, & assumptions about diversity
4. Other reasons?

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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
So Why Is DSO So Rare???

• We believe we are diversity sensitive!

• We need more frank & open feedback
  - But honest feedback is 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’
Cultural Competence
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 thoughts & behavior

In the Context of Diversity
Requirements

1. Honest self-reflection
2. Willingness to accept feedback
3. Willingness to disclose truth about own values, beliefs and behaviors

Cultural competence is grounded in an attitude and state of mind

For self-development to happen, a gap must first be acknowledged
## Johari Window: Feedback & Disclosure

<table>
<thead>
<tr>
<th></th>
<th>Known to Self</th>
<th>Not Known to Self</th>
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</thead>
<tbody>
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<tr>
<td><strong>Not Known to Others</strong></td>
<td>Hidden</td>
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</tbody>
</table>

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Trends Driving Strategic Diversity Management

- The demographic imperative is well-established
- Diversity is increasingly nuanced, complex, and multifaceted
- Support for inclusion is broad-based and growing, especially among the young
- The business case for diversity continues to build
- Global interest in diversity and cultural competence is growing
Generational Shift: Experience & Attitudes

Race/Ethnicity
- About 5 ½% of children identified as bi-ethnic in the 2010 Census
- Over 20% of Americans have a relative in an interracial/interethnic marriage

Gender
- Nearly ½ of all medical students are now women
- More men than women are now reporting work-life conflict and fathers under age 29 spend more time with their children than 29-42 year old fathers
- 35% of people under 29 years old support traditional gender roles while 53% of those 63 and older do

Sexual Orientation
- 78% of 18-34 year olds support legal gay marriage while less than 50% of those 50 and older do
Percent of the population in each racial/ethnic group by age, 2010

- **Age 18 and Older**
  - White: 67%
  - Black: 12%
  - Asian: 5%
  - Other: 4%
  - Hispanic: 2%

- **Under age 18**
  - White: 54%
  - Black: 14%
  - Asian: 5%
  - Other: 4%
  - Hispanic: 14%

Organizational-Level Action Can Make a Difference

- **Representation isn’t Enough:** Diversity leadership is predicated on attitudes and skill sets that can be developed in each of us.

- **People,** regardless of their personal diversity, can best build and use their diversity leadership skills in organizations that nurture & value these skills.
Four Cornerstones-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 Customer Service

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 stakeholders about diversity leadership performance

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
Poll Question 3

Why has healthcare leadership been slow to embrace a systems approach to strategic diversity management and cultural competence?

1. Leaders believe they and their organizations are already culturally competent diversity leaders
2. Leaders believe there is no need for diversity leadership training as long as everyone is treated the same
3. Leaders are overwhelmed with other priorities
4. Other reasons?
3-Step Process
Organizational Development


1. ENABLE 2. CULTIVATE 3. REINFORCE
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/Workforce: cultural competence
CULTIVATE

- 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 diversity goals

- Annually report to stakeholders about the organization’s diversity performance
For Educators and Trainers

Teaching the Systems Approach requires integration of:

1. Strategic Diversity Management
2. Self-reflective leadership and the personal change process
3. Culturally & linguistically appropriate care
Systems Approach to Strategic Diversity Leadership

- C-Suite’s Diversity Sensitive Orientation
- Inclusion
  - Diversity Management
    - Workforce
    - Policies
    - Practices
  - Organizational Commitment
  - Enhanced Satisfaction
  - Supportive culture/climate
- Improved Organizational Performance

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Closing Questions