



Texas Healthcare Trustees

# TrusteeResearch



## Who's At the Table?

**THT Trustee Demographic  
Study and Toolkit**

*An analysis of boardroom demographics  
and strategies on how to better reflect  
the communities you serve.*

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Texas Healthcare Trustees would like to thank and acknowledge the contributors that helped in the creation of the Trustee Demographic Study and Toolkit. Their knowledge, input and expertise was invaluable to the development of the research and resources. The information and tools in this paper will help hospital governance leaders effectively carry out their missions and provide better care for their community.

Texas Healthcare Trustees (THT) selected Merritt Hawkins, an AMN Healthcare company, as a partner for professional development, assisting THT with thought leader development projects that will benefit our members. Merritt Hawkins helps THT achieve its mission through various education forums and resources including the Trustee Guidebook, presentations, white papers, surveys and interactive, web-based resources.



## Merritt Hawkins

Merritt Hawkins is the premier physician search and consulting firm in the United States and is a company of AMN Healthcare (NYSE: AHS), the nation's innovator of health care staffing solutions. Merritt Hawkins partners with hospitals, medical groups and other facilities nationwide to create and carry out effective strategies for physician and advanced allied health professional recruiting. Using a consultative approach, Merritt Hawkins offers both industry leading expertise and the comprehensive range of recruiting resources necessary to be successful in today's challenging recruiting market.



## Cultural Strategies

Cultural Strategies is a marketing and communications firm that provides cultural insights, effective marketing concepts and persuasive engagement strategies that resonate with a multicultural America. With rich experience in marketing and advertising, branding, communications, community engagement and advocacy outreach, Cultural Strategies helps businesses and organizations achieve their economic, cultural, social and political goals and objectives. Special thanks to Armando Rayo, VP of Engagement and Jessika Gomez-Duarte, Research Strategist.



## The Center for Social Inquiry

Texas State University's Department of Sociology established the Center for Social Inquiry (CSI) to provide opportunities for involving students in high-quality social research with enhanced career preparation. The CSI seeks increased community involvement in the selection of policy-relevant research topics to pursue; the acquisition of material, political and moral support; and the application of findings to local problem solutions.

## THT Diversity Thought Leader Session

On July 26, 2012 the Texas Healthcare Trustees held a special, invitation only, Thought Leader Session for health care leaders around the state to discuss the changing patient demographics in Texas, trustee board composition, as well as the current and future state of health care. Special thanks to the following participants for their insights, expertise and commentary.

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Jaime Wesolowski, President/CEO, Methodist Healthcare System of San Antonio

## Introduction

Both Texas and the nation are in the midst of one of the most profound health care overhauls, and one of the most unprecedeted transitions, since 1965, when Medicare was signed into law. Health care organizations will require their leaders to provide the boardroom with new, different and innovative ideas in this transitional era of care. One way hospitals can meet this challenge is through understanding the board's demographic makeup and the impact it can have on an organization.

With an even faster news cycle, changing regulations and information saturation, diversity goals can easily be overlooked. However, diversity can have a significant impact (positive or negative) on an organization. According to a 2011 study from Witt/Kieffer, diversity in health care leadership can result in increased patient satisfaction, increased success in reaching strategic goals and successful decision-making.



It is important for board members to fully understand and represent the communities they serve while being a liaison and champion for their hospital or health care system. Over the last decade there have been substantial changes in the state's population, stemming from a larger, aging demographic and a new residential landscape of Texas where minorities and majorities are shifting. Communities are developing rapidly and not all organizations are keeping up with the change. In addition, the clinical workforce serving hospital patients – physicians, nurses and allied health care professionals – is undergoing demographic change and is increasingly more diverse today.

The definition of diversity itself is evolving. Diversity is changing as much as the population is. It is no longer held to appearances but has expanded to include many different characteristics that make individuals unique, such as gender, ethnicity, age, religious affiliations, sexual orientation, disabilities or impairments, educational, professional and socioeconomic backgrounds and even political affiliations. There are new ways to approach diversity and new factors to consider.

With this in mind, and through the support of Merritt Hawkins, Texas Healthcare Trustees developed a survey for our 3,300 members to study the current make up of Texas health care boards. Trustees were asked to fill out a demographic profile and rate the perceived diversity level of their board. THT received more than 342 responses, which provided unprecedented information regarding Texas health care trustee demographics. A key finding of the study was the disparity between the board members' characteristics in comparison to the communities they serve. Another key observation was the members' own perception of diversity within the boards; more than 80 percent of trustees agree that their board composition is reflective of their patient demographics. However, as shown in this study, perception does not match the actual demographic makeup of our Trustees' client population.

After the survey was completed, THT hosted a Thought Leader Session at the 2012 THT Annual Conference. The session consisted of CEOs and trustees from varying organizations around the state who discussed the findings and shared insights, experiences and ideas to address the issue. Session members themselves represented a diverse range of professional perspectives, experience levels and backgrounds. Members explored the question of boardroom diversity in systematic detail and many useful themes emerged from the general discussion. The information gathered from the Thought Leader Session, taken together with the findings from the survey, provided a number of ideas and solutions for particular consideration.

From the information collected, a toolkit has been developed containing useful resources and strategies for board members to implement within their own organizations. THT collaborated with Texas State's Center for Social Inquiry and Cultural Strategies to publish the findings and tools that follow. With this study and toolkit, THT hopes you will find the information and tools necessary to evaluate your board composition and become more representative of the communities that you serve.

## Diversity Defined

For the purposes of this white paper, “diversity” refers to the inclusion of various human qualities manifested in individuals and groups. Dimensions of diversity include but are not limited to age, gender, ethnicity, race, cultural background, sexual orientation, educational background and professional and industry background. In the context of the boardroom, achieving diversity means that your organization respects differences and is inclusive of individuals who personify a broad array of human experiences and qualities.

**“We naturally think of diversity as age, ethnicity and gender and it is that, but it’s also the background, the experiences that people come to the board table with... if you think about it as experiences that board members are bringing, that’s the biggest thing you can possibly do to influence the success of the board and to take in all factors that we need to address to be the best hospital or hospital system that we can possibly be for our community.” – TLS Participant**



# THT 2012 Trustee Diversity Survey



## Key Findings

Diversity is changing; it is no longer something that is based solely on appearance. Diversity has expanded to include many different characteristics that make individuals unique.

Texas Healthcare Trustees' 2012 Demographic Survey reveals several trends among hospital and health care system board members:

- The disparity between the board member's characteristics in comparison to the communities they serve.
- More than 80 percent of trustees surveyed agree their board composition is reflective of their patient demographics and perceived to have boards that are diverse.
- Males dominate Texas hospital boards comprising 75 percent of trustees.

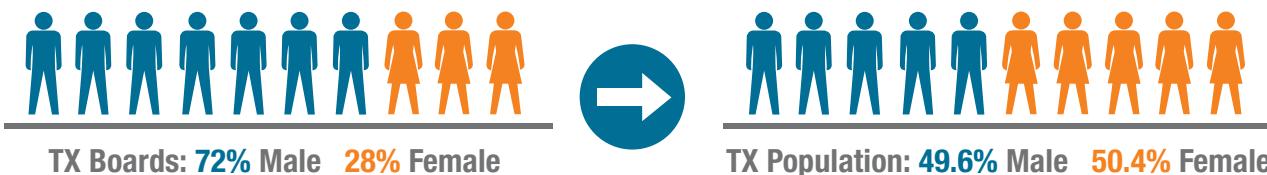
The information gathered from the Thought Leader Session, taken together with the findings from the survey, have been developed into a toolkit so board members can take action in their own organizations.

## Trustee's Demographics

The following is a list of broad demographic patterns among respondents in the 2012 Trustee Diversity Survey. Their responses are compared to available demographic data from the U.S. Census Bureau, The Pew Research Center, and Gallup to illustrate how board compositions may or may not mirror the Texas population.

### Non-Hispanic White, Older Males Over Index in Board Representation

Non-Hispanic white males, ranging in age from 61-75 years, represent the largest group in the survey, constituting 27 percent of respondents. Without considering age or ethnicity/race, male trustees represent 72 percent of those surveyed. In comparison, Texas is closely balanced with 50.4 percent females and 49.6 percent males, indicating the underrepresentation of female leaders among boards (U.S. Census Bureau 2010).



Even though Texas is a minority-majority state with minorities comprising 55 percent of its population, non-Hispanic whites represent 79 percent of board members. When it comes to race/ethnicity, the most noticeable disparity between board members and the populations they represent can be found among Hispanics: Latinos represent 38 percent of Texans, but only 10 percent of hospital trustees (U.S. Census Bureau 2010). Existing Hispanic trustees tend to be younger than non-Hispanic white and African American trustees. 56 percent of Hispanic trustees surveyed are 60 or younger, while 66 percent of African Americans and 62 percent of Non-Hispanic whites are 61 or older.

The disparity in representation of Latino board members points to a potential lack of perspectives that are sensitive to the cultural, language, and health care needs of this population.

*“When we talk about diversity, it is not just understanding the different languages but bicultural issues come into play. So some of the strategic initiatives that you develop are based on what you know of the community and how well you can relate. For example, ... you don't ask a Hispanic man “are you in pain?” You just say, “Do you feel different today than you did last week?” So you don't ask, “Do you feel pain?” because you are going to get no 99 percent of the time.” – CEO, TLS Participant*

### **Age Distribution Points to Lack of Younger Trustees**

66 percent of Texans are younger than 44 years old (U.S. Census Bureau 2010). In Texas boardrooms, this demographic represents less than 4 percent of the total population. Individuals 46 years and older represent 96 percent of board members, while for Texas as a whole, this age group is about one-third (34 percent) of the population (U.S. Census Bureau 2010).

### **Majority of Trustees Identify as Heterosexual**

While most demographic questions yielded 99 percent to 100 percent response rates, 3 percent to 4 percent skipped or selected “do not wish to reply” to the questions regarding political affiliation and sexual orientation.

Among respondents, 91 percent identified as heterosexual, 3.6 percent as bisexual, and 1.2 percent as homosexual. While there is a scarcity of data regarding Texas’s lesbian, gay, bisexual, transgender (LGBT) population, greater representation of LGBT trustees may provide a better perspective on the health risks and needs of LGBT communities that health care organizations serve.

### **Trustees Report High Educational Attainment and Incomes**

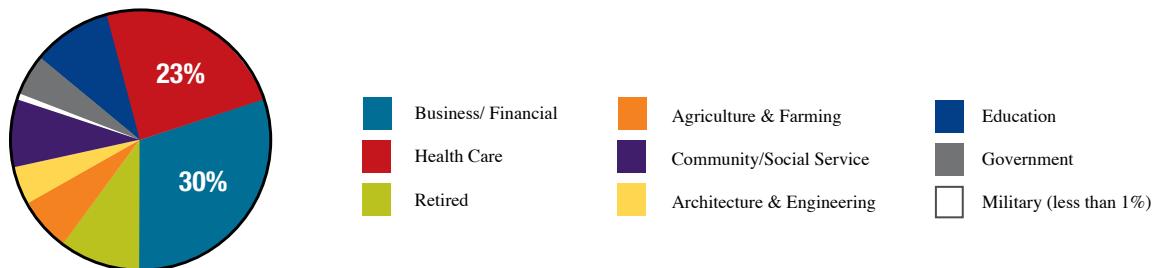
Of the Texas population 25 years and older, 26 percent have completed high school, 28 percent have some college or an associate’s degree, 17 percent have a bachelor’s degree, and just 8.5 percent have a graduate degree (U.S. Census Bureau 2011a). By comparison, 35 percent of trustees have a bachelor’s degree and 49 percent have a graduate degree.

In terms of ethnicity, 49 percent of Non-Hispanic white and 34 percent of Hispanic trustees report having completed graduate degrees. African American trustees report the highest percentage of graduate degrees among all ethnic/race groups at 76 percent. The overrepresentation of African American board members with advanced degrees compared to other groups may point to existing barriers for African Americans without advanced degrees to access trustee positions.

Overall, trustees have higher incomes than the general Texas population, with 88 percent of trustees reporting annual household incomes of \$71,000 or above and 37 percent earning more than \$218,000 per year. In comparison, 68 percent of Texans earn less than \$75,000, and the state’s median income is \$49,392 (U.S. Census Bureau 2011b).

## **Strong Industry Representation from Business and Health Care Fields**

Business/Financial (30 percent) and Health Care (23 percent) are the industries most represented among trustees. Industries with lower representation include Agriculture & Farming (5 percent), Architecture & Engineering (3 percent), Community/Social Service (7 percent), Education (8 percent), Government (4 percent) and Military (0.6 percent). 36 trustees (11 percent) responded “retired” without specifying their industry prior to retirement.



Among the youngest trustees, those aged 31-45 years, the majority comes from a business and finance background (54 percent), and only 8 percent come from the health care field. These numbers point to a significant increase in the representation of business leaders compared to older trustees, whose business leaders comprise only 30 percent.

## **Trustee's Views about Diversity**

The Trustee Diversity Survey asked THT members a number of questions designed to measure their sense of how diverse their boards are, and whether their boards and hospitals emphasize or promote diversity in a variety of ways. For instance, members were asked how much they agreed or disagreed with statements such as:

*“During the strategic planning process, diversity is an area of focus for our board,”*

*“The hospital currently has diversity programs in place for (staff/leadership/the board itself),”*

*“We have a strong pool of diverse candidates to serve on the board,”*

*“I believe the board is knowledgeable about the demographics of the community it serves,”*

*“The hospital maintains a diverse board with respect to (age/education/race/sex/industry/sexual orientation).”*

From these statements, the following themes were observed:

### **Majority of Trustees Feel They Maintain a Diverse Board**

In general, survey responses indicate that trustees see their boards and hospitals as pursuing and achieving a meaningful degree of diversity. For instance, depending on the question regarding board demographics, two-thirds to three-quarters or more agree with statements that their hospitals maintain a diverse board with respect to age, education, sex and industry. On the other hand, only about half agree that their hospital maintains a board that is diverse in terms of race/ethnicity, and only about a third agree that their hospital maintains a board diverse with respect to sexual orientation.

### **Half of Trustees Say Their Board is Focused and/or Has a Policy on Diversity**

Just over half say diversity is an area of focus for their board, while about one-sixth disagree. (Figures here may not sum to 100 percent as we are streamlining the presentation by not reporting the percentage answering “neutral” or declining to answer at all.) A similar pattern holds with questions about whether trustees’ hospitals have diversity programs in place for leadership and staff: about half agree that such programs are in place, while about one in six disagree. When it comes to diversity programs for hospital boards, about 40 percent agree that such programs are in place, and about 25 percent disagree that their hospitals have such programs.

## **Trustees Feel Their Board is Knowledgeable About the Demographics of the Community**

Similarly, when asked whether their hospital has a strong pool of diverse candidates to serve on the board, about 40 percent agree, and about 25 percent disagree. Even more trustees believe their board is knowledgeable about the demographics of the community it serves: 50 percent agree that this is the case, while 34 percent disagree.

## **Trustees Say the Board Reflects the Community the Organization Serves**

Notably, 89 percent of trustees agree with the statement “Our board composition is reflective of our patient demographics.” Only 4 percent disagree that this is the case. Based on our comparison from Trustee survey responses and the Texas demographic data shared previously in this paper, it appears respondent perception may not meet the reality of this relationship.

### **Why Diversity Matters**

If increasing diversity were simply a gesture that had no lasting effects or had negative effects, it would certainly be reasonable to question policies promoting diversity. The bulk of the research, however, suggests that increasing diversity is valuable over the long haul. Herring (2009) reviews National Organizations Survey data and finds racial and gender diversity positively associated with increased sales revenues and higher profits. Looking specifically at diversity on boards of directors, Erhardt, Werbel and Shrader (2003) find board diversity positively associated with firm performance. Gregersen (2012) reports on research showing companies in Britain, France, Germany and the United States that rank in the top quartile of executive board diversity routinely earn more than those in the bottom quartile.



One possible criticism of findings such as these is that the correlation of diversity and profits doesn't prove that the diversity caused the profits. Perhaps it is just the case that the most successful companies can afford to make the gesture of diversifying their boards. This may be true in some cases, yet additional data suggest that diversity is a best practice. In the broadest sense, diversity simply means bringing more people with different perspectives into the conversation. Diversity may embrace differences in gender, race and age, but also in previous board experience, health care experience or experience in related or unrelated fields of endeavor.

**“** *The thing I really appreciate is that when we have a hard decision to make, to sit at a table with people who bring experience and perspective that I might have never considered. And so if we get to a point where we have that good mix and a good representation of our community, then we'll be doing a good job.” – CEO, TLS Participant*

A recent survey of health care leaders (Gamble 2012) reveals that they believe diversity in leadership helps hospital business strategy. Specifically, health care leaders believe leadership diversity promotes improved patient satisfaction, more vetted decision-making, accomplishment of strategic goals, improved critical outcomes, and improved profits.

**“** *How you measure quality is not negotiable... on that level diversity is not the issue. But the strategic initiatives you develop should be culturally diverse.” – CEO, TLS Participant*

Another recent survey (Alderton 2012) finds a direct connection between employees' workplace satisfaction and their comfort expressing social identity at work in terms of race, religion, culture, or sexual orientation. It seems likely that having a board more varied in those ways would signal that workers could in fact express themselves more freely.

De Abreu Dos Reis, Castillo, Ricardo and Dobon (2007) undertake a systematic review of the last 50 years of academic research on diversity and business performance, and find that even when increasing diversity causes some short-term friction, over the long haul, people from different backgrounds commonly grow comfortable working together, and organization performance is often improved.

**“When I think of diversity I think that I would like to compare it to democracy. What's expected is not only to reflect the will of the majority, but also to preserve the rights of the minority.” – CEO, TLS Participant**

In light of such research, and the observed demographic changes in Texas, THT finds value in providing its members with the data and tools available to address diversity within boards.

Achieving diversity, however, is a commitment that takes time and effort. There are many barriers out of the board's control, from the candidate pool to different types of board structures. Achieving what your hospital or systems deems as an appropriate level of diversity does not come without challenges. Common issues among board members and CEOs brought up during the Thought Leader Session included:

“My board hasn't had an election in five years, just because they haven't been challenged locally, maybe because the line to replace them is a short one.”

“We are diversified. Our problem is that our community is very small and it is hard to get somebody to even think about running for the board or stay on it very long. I love it though, you have to be dedicated, because they can call you at any time for a meeting and you have to be there.”

“The challenge with an elected board is, and we've had these conversations of diversity in the boardroom, that even if we agreed we'd like for our board to be a better reflection of our community, which I think is everyone's goal, they fall short of the step of saying, I'll surrender my board position to someone who meets that demographic target.”

“Our boards are political appointments, I think as we are looking at our board we are trying to figure out how do we get more diversity, we need culturally diverse providers who can serve on our board, in addition to that, we need our court to ask us what we need.”

## Common Issues

## Implementing Change

There are things you can do to begin this process. There are different levels of enthusiasm for the goal of increasing diversity on boards; this may not even be within the board but outside stakeholders as well. Moreover, it may be difficult to convince some people of the value of such diversity, because any connection between board diversity and improved hospital revenue or patient care is difficult to show in a clear, simple fashion. Thought leaders observe that there are many surveys and anecdotes indicating that people believe diversity makes better hospitals, but there are less clear data to that effect. Even less clear is how to actively make changes in an organization. To aid in this development, THT offers several recommendations including strategies and worksheets to help trustees implement a diversity program in their hospitals. In order to help get the conversation started we have listed several talking points below.

### **TALKING POINTS:**

 Emphasize concrete, structural changes rather than cultural changes. In other words, rather than trying to change habits of the heart, prescribe particular behaviors that will move current boards and board members toward diversity-promoting practices. Assign mentors to potential board candidates. Find a hospital serving a similar community that has done well with diversity and explore how this success was achieved. Highlight the unambiguous demographic changes that are underway in Texas.

*"[When] you embrace diversity it's worth the challenge, because what you want is for everybody to challenge everything and to give their opinion and different backgrounds and represent every culture, etc. It's a challenge, but it's worth the time and worth the commitment...I think the answer is clearly yes, it's challenging but you have to accept it and embrace it."* - TLS Participant

 Point out that while increasing board diversity may not much change ideas on the board, it can markedly change perceptions about the hospital in the larger community. That is, more diverse boards increase the legitimacy of the hospital and its policies among those in the service area.

*"... if your board is made of a boiler plate board member ... chances are they run in the same circles and have the same friends and you've essentially forfeited your connection to a majority of the community. So an example would be if your board had a fundraising function for a foundation or something of that nature, those people are not going to be able to access the majority of your community. Whereas if you had a diverse board you would have connections throughout the community and have an economic impact there."*  
-TLS Participant

 Their efforts at promoting diversity, even when it is a real challenge, send a signal to the larger community that can have profound positive effects over time. A hospital with a more diverse board could more easily win the buy-in and support of the larger community.

*"When I was appointed to the board, they take your picture and put it on the wall in the hospital and there were countless people that I worked with out in the community that the minute that picture went up they knew that I was there. It took no time at all for them to feel very comfortable to come and tell me, this is what happened when I went there. It's very positive and it just kind of...the picture on the wall takes care of it. Then the word spreads and people feel like it's even more of their hospital."* - Trustee, TLS Participant

 Discuss and help ensure the board understands that changing the makeup of the board may in fact result in changed policy recommendations over the long haul. Far from mere "tokenism," the inclusion of even one or a few board members who do not fit directly in the trustee profile previously mentioned change the interpersonal dynamics in the room. Though THT asked very personal questions of members, it is not necessarily advised to do so for recruitment purposes. THT included questions of religion, political affiliation and sexual orientation to gain statistical data and show patterns or disparities among Texas trustees.

*"This question stimulated my thinking along the lines of perspective, ...what a board or what an organization can be subject to if it is too homogenous and that is group think and you just kind of get rubber stamping because everybody went to the same school and has the same industry (experience) and in turbulent changing times we certainly do need to welcome some wild perspectives to the room because it might save us."* - TLS Participant

## Conclusion

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As the Texas public and patient community changes, health care organizations must adapt. Hospital and health care systems are in good hands with leaders who continually look for ways to improve the health of the community. With the state of health care moving at a rapid pace boards must find a way to not let diversity initiatives fall to the wayside. This information, gathered with ideas developed during THT's Thought Leader Session, has helped to develop a trustee toolkit to address the challenges and find new opportunities in health care leadership in working toward the ultimate goal of keeping Texans healthy.



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Texas Healthcare Trustees

# Trustee Toolkit



# Health Care Board Member Diversity Toolkit

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Texas Healthcare Trustees research and thought leadership on the subject of board demographics demands the question, “What do boards need to do?” THT recommends boards use the information and activities provided here as tools and resources in assessing, planning and implementing strategies to facilitate discussion. Boards must make that decision at the hospital or system level—only you will know if your board is ready and reflects the community that it serves.

Over the last decade there have been substantial population changes in the state resulting in a larger aging demographic and a new landscape of Texas communities where minorities and majorities are shifting. Communities are developing rapidly and THT hopes the following activities and information will help all organizations understand and address some of the population changes.

Board consensus must be achieved to strategically move forward on addressing diversity in the boardroom. If you do not have full board buy-in to move forward with the research, planning and implementation of increasing board diversity, the initiative will not be successful.

To execute a successful program in your hospital, the following steps are recommended:

## { Assess → Plan → Implement → Evaluate }

### Assess

The first phase of this process may be the most important. Take time to do a thorough assessment and establish a baseline for the project. It should not be executed by simply looking around the room in your next board meeting and determining if your board reflects the community it serves. A full assessment needs to include answers to the following four questions:

# {4}

- What policies, plans or procedures are already in place?*
- Who is on your board?*
- Who is in the community you serve?*
- Who is missing in your leadership?*

The assessment may be conducted by a specially appointed task force, the governance or a leadership development committee. Once the assessment is complete the findings must be presented to the full board.

#### What is Already in Place?

The first step in assessment is finding out if there are already existing policies, plans or procedures. Does your organization have a goal or statement regarding diversity and inclusion? Has there been previous research or work on the subject? This is an important first step and one that you do not want to overlook. Finding out later that there is a policy in place or a procedure for the nominating committee could create confusion and duplicate messages to the board, staff and community.

## Board Composition Evaluation: ACTIVITY #1 (pgs 19-21)



The easiest and most effective tool to assess your board is completing a board matrix. An example is included in the toolkit for your use. If one is not in place, you will need to decide the characteristics you might want to assess. Develop and share a customized matrix for your board, or use the activity sheet attached for your board members that includes all the areas outlined in the matrix for the current board to complete with an explanation and overview. Board members may need to be reminded about the project and why the information is being requested. This tool will provide a good estimation and visualization of the general make-up of your board and show if any gaps are present.

### **Who is in the Community You Serve?**

Texas is a diverse state. Urban and rural areas are unique. Each urban area is different and so are the many communities within them. Rural areas are changing as well. Population shifts with regard to ethnicity, age, gender and sexual orientation are taking place in our state. Each hospital in Texas serves a unique population and it is vital to assess and understand the landscape of their community. The board should be informed and educated on the community it serves.

#### **Free resources that provide general demographic data include:**

- ★ <http://www.Communityhealthranking.org>
- ★ <http://www.USAtoday.com/news/census/index>
- ★ <http://www.texas.com/demographics.html>
- ★ <http://www.census.gov>

## Who is Missing? ACTIVITY #2 (pgs 22-23)



Now that you have assessed your board, it is time to find out who is needed. Complete the “Who is Missing?” exercise. On the left side of the table describe the qualities that each member of your board currently brings to the team. Depending on your board size this can be an individual or members grouped together that present a certain skill set, industry represented or perspective. Once completed, look to the other side and evaluate who is missing. Are there any key assets you would like to see in your board of directors?

This activity was used during the THT Thought Leadership Session with much success. Board members and CEOs found the tool very valuable and recommended its use with all boards. Not only were they able to get a better understanding of who currently sits at their board table, but by discussing the “new” definition of diversity (see page 5), they became aware of other areas of improvement for their board. This included wanting to have members from different socio-economic backgrounds, areas of expertise and generational input.

## Plan

Once a full assessment has been completed, the task force or committee assigned to board demographics should begin to develop a plan. The plan should include short-term strategies; such as involving the hospital in activities or events that target the desired demographic. The plan should also include long-term strategies. If diversity values or clear goals to ensure the hospital serves the entire community are not currently in the hospital’s strategic plan, a goal could be added to the existing plan. Once again, any goal or plan must have consensus from the full board in order to succeed. When a board fails to have a plan in writing regulating new board member recruitment, or it hasn’t clearly defined what is expected of new trustee candidates, the success of the board is at stake. The board must be more prescriptive, and in addition to having a recruitment strategy it must also have a plan for new member orientation.

## Implement

Assessing and planning are certainly key steps in the process. Both steps will ensure success for the most important step – implementation.

THT has identified four key components for implementing a board diversification plan:

-  **Train current board members and key staff**
-  **Develop a leadership pipeline**
-  **Develop connections**
-  **Recruit**

### Train Current Board Members and Key Staff

Board members and key staff are the first of your constituencies that must be knowledgeable. Training should include demographic information about your community or county, state health statistics, issues with access and disparities. The training should include information about the patient mix, both from a payer standpoint and demographic information.

### Develop a Leadership Pipeline

Serving on the board of a hospital takes a large time commitment. With today's ever-changing health care environment, board members must spend time understanding the specialized finance, workforce, physician issues, quality and patient safety, the advocacy role for a trustee and the role of the CEO and the board. Often board members say it takes the entire first term to understand all the issues needed to serve on the board. In many cases, especially in areas where it is difficult to recruit board members, current members feel they need to stay or run for election as there is "no one else."

Developing future leaders is key to a successful board succession plan and can ensure the board demographics are meeting the community needs. If a board is trying to recruit younger members, asking them to serve on a committee that meets once a month will be more appealing than a board that demands almost weekly meetings or even more for committee meetings.

Committees and task forces should include individuals that are representative of the broader community. By expanding the number of volunteers serving the hospital, more of the community is involved. It then becomes easier to reach all parts of the community the hospital serves.

### Develop Connections

First, spread the responsibility equally without making assumptions about an individual's networks. Just because a board member is African American, and you are seeking additional volunteers or board members from the African American community does not mean that individual should or will want to be responsible for that role. Also remember, seeking diversity on the board is more than simply racial/ethnic diversity, it is about ensuring different backgrounds and voices are heard in the boardroom or on committees. At the same time, it is also very important to ensure that if a potential board member fits the characteristics needed, that they are also mission-minded and their values are aligned with the organization.

**“** We have a governance committee that is a part of our board, and they've made an intentional effort to work on diversity... they do a very good job, they came up with what they wanted to see, what core competencies within our board... they go out and look for people that fit those, and do try to get a good diversity of color and gender and all of [the characteristics we are missing]. But I'd say one of the important areas that they've worked on is to make sure that all of the board members are mission-minded too... As a result of all that discussion, and with our board becoming more diversified, it has a good trickle-down effect throughout the hospital and our other committees that we do outside of our hospital.” – CEO, TLS Participant

Seek volunteers and potential board members through existing networks first. Utilize hospital community activities, staff and physicians to identify potential candidates. Be careful though to seek true diversity.

**“** Using an example: If Jeremy was on the board and if I were on the board and we are both Harvard graduates, both have come from middle-class families and both went to really great high schools and I was black and he's white, we'd probably think a lot alike. And how much diversity we bring that to the board and we contribute to the board could be questionable because we think a lot alike.” – Trustee, TLS Participant

## Support events

It is key that the hospital support events in all parts of the community. If trying to recruit a younger volunteer, perhaps the Young Business Professionals group might have an activity that the board could support. Many chambers of commerce support leadership or young professional groups and would welcome the hospital's support. Faith-based organizations and community events such as health fairs are valuable resources for developing relationships with individuals from diverse ethnic racial backgrounds.

## Recruit

The hospital's nominating committee or governance committee will be charged with recruiting new board members. Boards that utilize staff, physicians, the community and the entire board to support the nominating committee are much more successful.

### Board Profile & Conversation Activity #3 (pgs 24-25)



This activity in the toolkit could be used at a board meeting or special training. The activity is designed to allow for discussion on key issues facing diversity and inclusion on the board. Included are a few board profiles that are based on actual people. Read aloud amongst your board members, and use the discussion questions on the next page to facilitate a conversation with your board and hospital or system leadership.

#### DISCUSSION QUESTIONS:

*What are your general thoughts on the profile?*

*How might these experiences impact your board and culture?*

*How would your board be able to help address the challenges expressed in the profile?*

*How do you think the individual can address the challenges he or she expressed?*

## Evaluate

As with all good programs and plans, an evaluation at set intervals helps to close the loop and also to set future goals. A good evaluation takes into consideration the goal that was set for the program and the action steps taken. The board and key staff will want to use an objective evaluation tool but will also want to factor in time for board discussion. Often the conversation will garner more key information and key learning for future diversity initiatives.

When evaluating your program there needs to be an honest and transparent discussion. Some questions to help get this discussion started could include:

## Evaluate



- Did we meet our planned objectives?*
- Did we develop new connections?*
- Did we learn more about the community we serve?*
- Have we put in place a leadership pipeline?*
- What work remains to be done?*

## Moving Forward

Our health care systems and the populations they serve are expected to continue changing. As a result, it is important that health care leaders are equipped with the tools to address these shifts. THT has observed that there is a new movement that values not just focusing on the financial bottom line of a hospital or system and its market share, but that also looks to increase its focus on the fiduciary duties to the community. By not letting diversity and demographic considerations become an afterthought, hospitals and health care systems will be better prepared to serve their community. Board members must be willing to fully understand and embrace the ways in which Texas is changing to reach the end goal of keeping Texans healthy.

**“** *I'm encouraged by [diversifying], and I think you start with talking about that, and then you do some things, but in the end when you know you have success is when you're actually living those values. You know throughout the organization, not in the boardroom, not in the executive suite, not in the housekeeping staff, but throughout. And we'll get there.” - CEO, TLS Participant*



## ACTIVITY #1: CURRENT + PROSPECTIVE BOARD COMPOSITION EVALUATIONS

**Directions:** The following activity can be completed with board members and staff to evaluate and identify which skill sets, backgrounds, and experiences are represented in your current board, as well as to identify prospective board members.

- 1 Refer to the **Current + Prospective Board Composition Evaluation** recommended categories and worksheet.
- 2 The top rows include skill sets, experiences, demographics, and other qualities of current board members. The column on the left provides space to enter their names. Fill in current board member names on the left. Mark an X next to each category that represents the characteristics of current board members. Make sure you review all categories/ characteristics and fill in as best as you can.
- 3 On the bottom row, count all the X's. That number will provide you with insights into the representation you have on your current board.
- 4 Repeat Steps 1-3 for Prospective Board Members.

### CURRENT + PROSPECTIVE BOARD COMPOSITION EVALUATION CATEGORIES

*The categories below are recommended for consideration.*

<b>SEX</b>	M   F	<b>BOARD POSITIONS HELD</b>	President Vice President General/ At-large
<b>AGE</b>	40 or under, 41-60, 61+		
<b>RACE</b>	African American Caucasian, Native American Latino/Hispanic Asian American Pacific Islander Other	<b>INCOME</b>	\$17,999 or under \$18,000 - \$70,999 \$71,000 - \$142,999 \$143,000- \$217,999 \$218,000 - \$389,999 \$389,000+
<b>SEXUAL ORIENTATION</b>	Bisexual Heterosexual Homosexual	<b>PROFESSION</b>	Agriculture & Farming Business & Financial Banking Community & Social Service Non-Profit
<b>SKILLS</b>	Community Building/ Engagement Fundraising Marketing/ Public Relations Planning Financial Human Resources Legal Program/ Product Expertise		Real Estate Education Health Care Insurance Government Legal Entrepreneur Marketing/ Public Relations
<b>EDUCATION</b>	High School Graduate Some College/ Associate's Degree Bachelor's Degree Master's Degree Doctorate		Military Retail & Sales Technology
		<b>COMMUNITY/ LEADERSHIP AFFILIATIONS</b>	Church Professional Association School Leadership Business/ Organization Government/ Elected Official

## **ACTIVITY #1: CURRENT BOARD COMPOSITION EVALUATION WORKSHEET**

## ACTIVITY #1: PROSPECTIVE BOARD COMPOSITION EVALUATION WORKSHEET

NAME	SEX	AGE	RACE	EDUCATION	PROFESSION																		
					African American	Caucasian	Native American	Asian	Hispanic American	Pacific Islander	Other	Bachelor's Degree	Master's Degree	Doctorate Degree	Business/Community/Social Service	Real Estate	Health Care	Insurance	Education	Govt.	Legal	Entrepreneur PR	Marketing/Technology
SAMPLE - David Smith	X	X	X	X											X								

# Trustee Toolkit: Worksheets



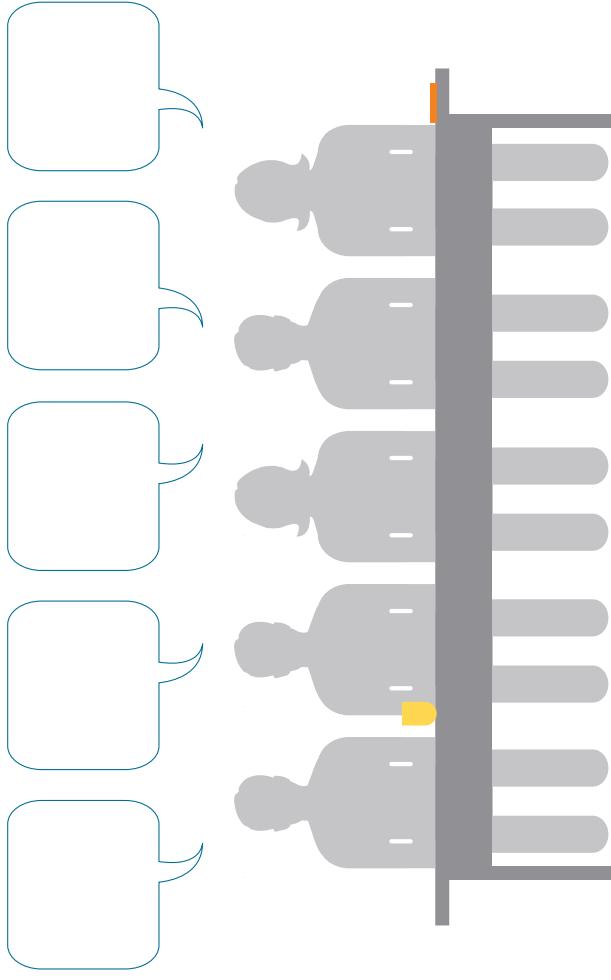
## ACTIVITY #2: WHO IS MISSING? (see attached image on pg 23)

**Directions:** The following activity can be completed with board members as an exercise to evaluate which skill sets, backgrounds, and experiences are shaping your board culture, as well as to identify which ones are missing.

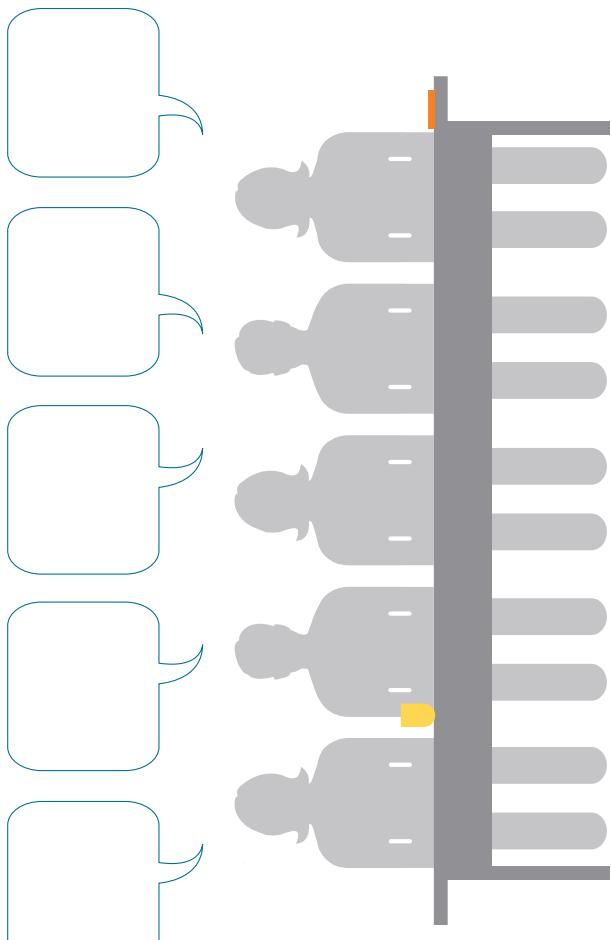
- 1 Refer to the drawing in front of you.
- 2 On the left side of the table, describe the top qualities that each member of your board community currently brings to the group.
  - Consider the diversity indicators addressed in this paper, as well as any additional traits you find valuable.
- 3 On the right side of the table, describe what qualities are lacking among your board members.
- 4 After each board member has completed the exercise, share your answers with the group and decide on a plan to start identifying members who bring qualities that are missing.

## ACTIVITY #2: WHO IS MISSING?

**Who is at the table?**



**Who is missing?**



# Trustee Toolkit: Worksheets



## ACTIVITY #3: BOARD MEMBER PROFILES

**Directions:** The following activity serves as a reflection exercise. Among your board members, read these profiles out loud and provide a space for discussing how these profiles may come to life in your own board.

- 1 Has anyone in the board experienced any of these directly or indirectly?
- 2 How do these experiences affect board dynamics?
- 3 What do you think a board can do to help address the challenges each of these board members have faced in the past?

### ***The Token Minority***

*"I believe I was recruited to serve on the board because of my ethnic background and my ties to the Hispanic community. I decided to join because it's a great leadership opportunity and I really do believe in the mission, but I'm feeling awkward and a little uncomfortable speaking up because I'm the only person of color/Latino on the board."*

### ***Representation***

*"As the only African-American on the board I feel a lot of pressure representing all aspects of the African-American experience. I can only represent my experiences and I really do not have a connection to low-income families or younger African-Americans."*

# Trustee Toolkit: Worksheets



## ACTIVITY #3: BOARD MEMBER PROFILES (cont-d)

### **All Talk, No Action**

*"I serve on the governance and recruitment committee and I want to see our board reflect our community, but I feel like reaching out to new board members from diverse communities is not a priority."*

### **Change**

*"As a longtime board member, I'm having a hard time relating to the new board members. I don't know what to say or how to act. I don't want to offend anyone."*



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