Healthcare Administrators: The 2043 Business Imperative
ADVOCATING FOR HISPANIC LEADERSHIP IN HEALTHCARE AND CULTURAL COMPETENCE
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INTRODUCTION

Healthcare administrators will continue to face a variety of daunting challenges over the next two decades. The rising cost of healthcare, regulatory changes, medicinal/technological advancements and ethics are frequently cited among the top challenges facing healthcare leadership over the next several years (Teel, 2018). Conspicuously absent from that list, however, is the persistent gap in diverse healthcare leadership and organizational strategies for building the much needed cultural competencies that will address an imminent shift in patient demographics.

By 2043 the majority population in the United States will be comprised of racial and ethnic minorities, according to U.S. Census Bureau projections. Early evidence of this trend is highlighted in a 2015 benchmarking survey by the Institute for Diversity in Health Management, where the percentage of minority patients jumped from 29 percent to 31 percent between 2011 and 2013 (Henkel, 2016). During the same time period, overall representation of racial and ethnic minorities in the healthcare C-Suite and on hospital boards remained unchanged at just 14 percent.

When narrowing the lens to focus on evolving demographics for Hispanic populations, the statistics are equally, if not more, striking. U.S. Census Bureau projections indicate that the Hispanic population of the United States – currently at 17.6 percent – will continue to account for more than 50 percent of population growth in the coming years. By 2050 nearly one in three Americans will be Hispanic (King, 2014), doubling the group’s population to 128.8 million. Why are these numbers so important?

As with racial and ethnic minorities overall, the depth of Hispanic leadership in the healthcare industry and on hospital boards does not proportionately reflect the size of patient populations or communities sharing the same or similar cultural backgrounds. Closing this gap is critical for many reasons, not the least of which are greater patient satisfaction and improved health outcomes. Given these changing demographics, there appears to be a considerable business imperative as well. One national survey of healthcare executives found that more than half of respondents (54 percent) agreed that diverse recruiting better enables an organization to reach its strategic goals (Witt/Kieffer, 2011). The survey also noted that those same C-Suite, senior executives and administrators see value in advancing leadership diversity, which yields improved organizational efficiencies and an enhanced public image.

By 2043 the majority population in the United States will be comprised of racial and ethnic minorities, according to U.S. Census Bureau projections.
Research further shows that minority patients are more likely to report higher quality care when treated by a healthcare professional of the same or similar racial or ethnic background (Health Professionals for Diversity Coalition, 2012). Yet, for years racial and ethnic minorities have been underrepresented in the healthcare professions in general and healthcare leadership roles in particular. Arriving at proportionate racial and ethnic representation, most critically for Hispanic leadership, should be a key objective for any healthcare organization.

The question is... How do you get there? What are some of the most successful strategies for closing the gap in Hispanic healthcare leadership and how do administrators secure buy-in from the C-Suite? This is not a new problem. Companies continue to struggle with competing resources and priorities that often delay or derail viable leadership diversity initiatives.

This paper offers healthcare administrators a starting point. It provides actionable guidance on how to cultivate and advance Hispanic leadership within the organization; how to build a culture that prioritizes diverse leadership initiatives as a genuine business imperative. Finally, it offers solutions for overcoming cultural barriers that may impede Hispanic professional development and career advancement.

**BREAKDOWN OF U.S. POPULATION GROWTH FROM 2000-2060 (EST.)**

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2020 est.</th>
<th>2040 est.</th>
<th>2060 est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>69%</td>
<td>60%</td>
<td>51%</td>
<td>43%</td>
</tr>
<tr>
<td>African-American</td>
<td>4%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>13%</td>
<td>19%</td>
<td>25%</td>
<td>31%</td>
</tr>
<tr>
<td>Asian</td>
<td>2%</td>
<td>3%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>All Other</td>
<td>12%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
</tr>
</tbody>
</table>

100% of U.S. population growth is driven by multicultural segments.

Sources: pewresearch.org and U.S. Census
THE HURDLES FOR DIVERSE LEADERSHIP

Opportunities for creating more diverse leadership in the healthcare industry have long been challenging. One hospital CEO recalls a lack of diversity among healthcare executives being an issue when he first began his career in 1978 and recently noted that nearly forty years later, the same situation persists today (Lofton, 2016). The best path to executive leadership positions can seem even more uncharted for junior and mid-level Hispanic executives seeking to move up through the ranks within their organization.

"Securing the highest returns, bringing in the most clients, keeping one’s head down and getting the work done,” is not a winning strategy for getting to the C-Suite, as researchers noted in a recent Harvard Business Review article (Phillips, Dumas, & Rothbard, 2018). Furthermore, Hispanics are routinely underrepresented in boardrooms overall, and in 2010 only 3.1 percent of corporate directors were Latino, while at the same time they represented 16.3 percent of the population.

Changing healthcare policies, dramatically shifting demographics and a deficit in cultural competence throughout the industry have sparked a burning platform around which healthcare administrators must now build long-range strategic plans that will generate more diverse leadership. The numbers clearly speak to the need for this.

Despite the fact that Hispanics represent the fastest growing segment of the population in the United States, the shortage of Hispanic physicians increased from 1980 – 2010 (Henkel, 2016). Currently less than 9 percent of physicians identify themselves as either African-American, Asian, Native-American or Hispanic (Supple & Williams, 2016). In fact for Hispanics, in 1980 there were approximately 135 Latino physicians for every 100,000 Latinos in the U.S. By 2010, however, that number fell to 105 Latino physicians per 100,000 Latinos (Brown E., 2015).

With 80 percent of new private insurance enrollees being ethnic minorities and more than half (55 percent) of the 50 million insured Americans being people of color, it is critical for healthcare providers to understand and address the needs of diverse populations and their perspectives on quality care. By fostering a more inclusive culture that reflects the communities in which healthcare organizations operate, administrators will see better patient outcomes and satisfaction. But again…how do you get there?

In 1980, there were approximately 135 Latino physicians for every 100,000 Latinos in the U.S.

By 2010, that number fell to 105 Latino physicians for every 100,000 Latinos in the U.S.

“With Hispanics representing the fastest growing segment of the U.S. population, the time has come for healthcare organizations to prioritize advancing leadership in the industry such that it mirrors the communities served.”

— DEBORAH SCHLOSS
REGIONAL VICE PRESIDENT OF OPERATIONS, SODEXO

When setting out to develop a plan for increasing Hispanic healthcare leadership, organizations must first understand some of the most common drivers and barriers to engagement for Hispanics in the workplace. These factors tend to be separate and distinct from those of non-Hispanic groups. It is important to keep this in mind rather than assuming a one-size-fits-all approach, which likely will lead to ineffective engagement outcomes.

Despite the fact that Hispanics represent the fastest growing segment of the population in the United States, the shortage of Hispanic physicians increased from 1980 – 2010 (Henkel, 2016). Currently less than 9 percent of physicians identify themselves as either African-American, Asian, Native-American or Hispanic (Supple & Williams, 2016). In fact for Hispanics, in 1980 there were approximately 135 Latino physicians for every 100,000 Latinos in the U.S. By 2010, however, that number fell to 105 Latino physicians per 100,000 Latinos (Brown E., 2015).

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## Engagement Drivers vs. Engagement Barriers

### For Hispanics and the General Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Hispanic Population</th>
<th>General Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>21%</td>
<td>30%</td>
</tr>
<tr>
<td>Employees</td>
<td>31%</td>
<td>24%</td>
</tr>
<tr>
<td>Growth/Development</td>
<td>34%</td>
<td>19%</td>
</tr>
<tr>
<td>Culture</td>
<td>14%</td>
<td>27%</td>
</tr>
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### Engagement Drivers

**For Hispanics and the General Population**

- **Growth/Development:** 21%
- **Culture:** 31%
- **Employees:** 34%
- **Compensation:** 14%

### Engagement Barriers

**For Hispanics and the General Population**

- **Work/Life:** 9%
- **Leadership:** 11%
- **Culture:** 33%
- **Diversity:** 34%
- **Opportunity:** 13%

**For Hispanics and the General Population**

- **Work/Life:** 29%
- **Leadership:** 21%
- **Culture:** 26%
- **Diversity:** 5%
- **Opportunity:** 19%
THE BUSINESS CASE FOR HISPANIC HEALTHCARE LEADERSHIP

According to the most recent U.S. Census data and analysis from the Brookings Institute (Frey, 2011), 49.8 percent of infants under the age of one are members of racial or ethnic minorities. In addition, especially large gains were seen outside of geographies traditionally known for large minority populations (e.g. the New England states) where Hispanics now account for a large part of that dispersion.

Given current trends and the fact that this data is eight years old, the country is almost certainly at a “demographic tipping point” (NB: the next U.S. Census Data will be released in 2020). If healthcare providers are to deliver optimal care to patients, it will require foresight and long-range, strategic planning that takes into account today’s fastest growing population segment, Hispanics. That includes increasing the representation of Hispanics in healthcare leadership roles and implementing professional development programs that elevate cultural competencies at all staff and management levels.

Nearly two-thirds (62 percent) of healthcare executives surveyed believe cultural differences can impact patient satisfaction (Witt/Kieffer, 2011). More than half of the same respondents (54 percent) recognize that recruiting from a more diverse pool of candidates aids organizations in reaching their strategic goals.

In addition, nearly half (46 percent) of surveyed healthcare executives believe that diverse leadership improves clinical outcomes. That confidence climbs higher for COOs (53 percent) and HR executives (59 percent). Perhaps an even more compelling benefit of diverse leadership is its contribution to successful decision-making. More than half (57 percent) of healthcare executives attribute successful decision-making to an in-depth understanding of cultural differences among patients. This is especially true among surveyed CEOs (65 percent) and HR executives (67 percent).

When considered in the context of U.S. population growth and changing demographics, this data makes an especially strong case for advancing Hispanic leadership in healthcare.

“Organizations perform at their highest level when their culture values and promotes diversity of thought, and their teams reflect the diverse base of clients they serve. It’s simply the right thing to do for the business and for the teams.”
— CATHERINE TABAKA
CEO HEALTHCARE, SODEXO

46% of surveyed healthcare executives believe that diverse leadership improves clinical outcomes.

62% of healthcare executives surveyed believe cultural differences can impact patient satisfaction.
CULTIVATING HISPANIC LEADERSHIP FROM WITHIN:

FIVE-PART ACTION PLAN

- Actively Foster Engagement & Self-Expression
- Develop & Model Executive Presence
- Facilitate Professional Sponsorships
- Commit to Ongoing Collaboration with Human Resources & Talent Acquisition
- Institute Governance & Accountability

Underrepresentation of Hispanic leadership is not limited to the healthcare industry. It exists in American boardrooms and C-Suites across all industries. More to the point, there has been no measurable upward trend in the number of Hispanic men and women sitting at the helm of Fortune 500 companies over the past seven years (Alliance for Board Diversity, 2016). In fact, to date there are only eleven Hispanic CEOs holding positions in the Fortune 500 (Reis, 2018).

Forward-looking healthcare organizations, however, have an important opportunity and a unique obligation to right-size executive leadership such that its make-up better reflects the patient population and the communities they serve, today and well into the future. It means establishing Hispanic leadership and driving effective management practices with a firm grasp of the key engagement drivers and barriers for Hispanics in the workplace.

In addition to aggressively recruiting Hispanic leadership from more diverse external talent pools – and holding search firms accountable for submitting a more inclusive list of candidates – organizations would do well to strategically develop talent from within. Ideally, this is done such that a clear, unobstructed path to executive advancement is highly visible to all employees.

The following five-part action plan offers a great starting point for instituting diversity best practices that will help cultivate Hispanic leadership from within.
1. ACTIVELY FOSTER ENGAGEMENT & SELF-EXPRESSION

Research on innovation and diversity indicates that one key driver of innovation is a “speak up culture” where employees feel welcome and included and are valuable contributors who offer fresh ideas and insights. The majority (63 percent) of Latinos, however, do not feel invited to share their ideas, or don’t feel confident that their ideas are heard or valued (Hewlitt, Allwood, & Sherbin, 2016).

These obstacles must be eliminated in order to increase talent pipeline development and set the stage for reducing underrepresentation of Hispanic leadership. Healthcare administrators should have a central role in advancing strategies and facilitating collaboration around metrics-driven programs that will move the needle on this issue.

Advocating for the establishment and promotion of Employee Business Resource Groups, or EBRGs, is one of the most effective ways administrators can foster engagement and self-expression among Hispanic managers who aspire to executive level positions. Sometimes called affinity groups, employee resource groups or business network groups, EBRGs have traditionally focused on personality traits or characteristics for underrepresented groups (e.g. ethnicity, women, sexual orientation, gender, disability, etc.). Catalyst, known for helping companies build more inclusive environments particularly for women, describes them as “voluntary, employee-led groups that foster a diverse, inclusive workplace aligned with organizational mission, values, goals, business practices, and objectives.” Catalyst also notes that one specific benefit of EBRGs is the opportunity for the development of future leaders.

While a few organizations have recently phased out employee business resource groups, calling them passé and relics of the past (Gorey, 2017), the Society for Human Resource Management notes that approximately 90 percent of Fortune 500 companies currently have active EBRGs. Still other proponents call out the fact that “survey data indicates that employees involved in EBRGs have higher engagement scores than those who are not. In turn, research continues to demonstrate the positive correlation between employee engagement and productivity” (Brown, 2017).

90% of Fortune 500 companies currently have active EBRGs, according to the Society for Human Resource Management.

2. DEVELOP & MODEL EXECUTIVE PRESENCE

Having “the right stuff” for leadership is one thing, but how others might recognize or perceive it is just as important. Executive Presence (EP) represents those qualities and characteristics that signal “leadership material.” They include elements like gravitas, communication and appearance. However, the majority (53 percent) of Latina women and (43 percent) of Latino men feel that EP in the workplace means conforming to traditionally white male standards (Hewlitt, Allwood, & Sherbin, 2016). In fact, more than three out of every four Latinos expend energy repressing parts of their personas while at work. They cover up or downplay who they really are, to include modifying appearance, body language, communication style and leadership presence, in order to conform to their perceived expectations of corporate America.

Executive presence counted for 26% of what is required for promotion to leadership positions.

However, 53% of Latina women & 43% of Latino men feel that EP in the workplace means conforming to traditionally white male standards.
How important is EP? Of the dozens of qualities that could be evaluated, executive presence counted for 26 percent of what is required for promotion to leadership positions according to one study (Hewlitt, Leader-Chivee, Sherbin, Gordon, & Dieudonne, 2013). In fact, the study’s publisher, Center for Talent Innovation, remarks that its “research reveals that the top jobs often elude women and professionals of color because they lack executive presence, or underestimate its importance. And they’re simply not getting the guidance they need to acquire it.”

It is a quality that is certainly no less important for Hispanic healthcare managers seeking leadership positions. In fact, this may be one of the single most important opportunities for healthcare administrators to drive collaboration with organizational leadership, human resources, external partners and staff with the goal being to:

1. Incorporate training programs focused on EP as part of an overall long-range strategy for developing diverse Hispanic leadership.
2. Strategically model, support and endorse different styles of leadership in the organization.
3. Expose high-potential employees to leaders that embody EP in authentic, but varying ways.
4. Develop or augment mentoring programs that reinforce attention to developing EP.

A FACILITATE PROFESSIONAL SPONSORSHIPS

Research confirms that professionals who have sponsors are far more likely to be satisfied with their career progression than those without a sponsor. Latinos with sponsors, for example, are 42 percent more likely to be satisfied with how their careers unfold than fellow Latinos who go it alone (Hewlitt, Allwood, & Sherbin, 2016). The problem is that only 5 percent of full-time high-earning Latina professionals in large companies have sponsors, compared to 13 percent for their white counterparts.

Use these insights to help educate managers about the importance of sponsorship and how it can assist with career growth. Offer it as a rationale for sponsoring talent. At the same time, ensure that sponsors are made aware of what they can do to support protégés (e.g. going out on a limb to steer opportunities their way, advocating for promotions and providing air cover as they take on stretch assignments). In some instances, sponsorship of diverse professionals may also be incentivized by linking it to compensation or promotion.

Healthcare administrators should also work to ensure that emerging leaders are intentional about who they wish to connect with, such that any sponsor relationship is purposeful and of mutual value. In addition, it is critical to advise protégés that they be prepared to drive the relationship by delivering above and beyond, providing a complementary skill set or network and by being both loyal and trustworthy.

3. COMMIT TO ONGOING COLLABORATION WITH HUMAN RESOURCES & TALENT ACQUISITION

As noted earlier, Hispanics are a significant and growing part of the U.S. workforce, bringing with them a unique set of cultural values and aspirations. Reports show that 89 percent of Latinos aspire to have a family and long-term rewarding personal relationships. They want to help their children be successful and support extended family members (Allwood & Sherbin, 2016).
These all represent honorable personal values and goals. Unfortunately, those same qualities frequently come into conflict with responsibilities that managers often feel obliged to prioritize as career professionals. For this reason, it is critical to make cultural connections with upwardly mobile Hispanic healthcare managers. Neglecting to do so will erode trust and impede confidence, further challenging career progression.

Administrators need to facilitate a process that actively engages hiring managers to collaborate with HR and talent acquisition teams to better understand what motivates and what concerns Hispanic employees on a healthcare leadership track. What are their personal career goals, their values and interests? What projects and assignments best align with those aspirations? Develop signature programs and efficient processes that nourish ambition and confidence while also demonstrating how leadership roles can support personal life priorities, such as financial independence.

This is also a great opportunity for healthcare administrators to help connect the dots between human resources, diversity leadership and external partners to further identify creative means for building the kinds of flexible work models that benefit both the organization and emerging Hispanic leaders. It is a shared responsibility, which means these emerging Hispanic leaders will likewise need to develop the necessary skills for adapting to a different work model.

5. INSTITUTE GOVERNANCE & ACCOUNTABILITY

Each of the previously discussed action items are critically important to advancing Hispanic leadership in healthcare and for developing a strong pipeline to sustain it. To maintain that strategy and ensure its long-term viability takes more. It will take a strong commitment to governance and accountability that is both driven and modeled by leaders from the highest levels of the organization.

As part of securing executive buy-in for advancing Hispanic leadership in your organization, build around a governance model where D&I owns the programming, measures progress and engages key stakeholder functions like HR. It should work in concert with the CEO and senior leadership to set the tone for accountability. While many companies perform annual reviews of D&I performance, best practice CEOs study D&I every quarter (Weaver, 2009). Doing so will greatly increase the chances of success and sustained growth by working with Board leadership.

It is worth noting that for the latter point, healthcare organizations are increasing hiring and or turning to chief diversity officers to promote more inclusive work environments, as well as establish structures that bolster accountability (Castellucci, 2017). With the ultimate goal being to provide better care and outcomes for an increasingly diverse patient population, these leaders are laser-focused on recruiting and retaining talent that mirrors the community population.
“I joined SOL (Sodexo Organization of Latinos), an employee business resource group, shortly after being hired by Sodexo. Over the years, I’ve been fortunate to participate in a leadership capacity at both regional and national levels because of SOL.

My ability to contribute to the group’s mission serves as an inspiration to remain engaged and committed to my organization. It allows me to help promote an inclusive work environment, foster communication and education on diversity and inclusion with respect to Hispanic initiatives, and provide unique professional enrichment and community service. I truly believe in SOL’s mission and that the group benefits the workplace as well as our clients and customers.

Membership in SOL provides me with many different forms of professional enrichment and helps me enhance my leadership skills and abilities. I’ve had the opportunity to work alongside an awesome team and network with many senior leaders and co-workers from across the different segments of the company. Perhaps the biggest benefit of being a SOL EBRG member is the opportunity to learn, help in the development of others, live my true values and see how my contributions are important to our business.”

— DANIEL GARCIA
UNIVERSITIES HUMAN RESOURCES BUSINESS PARTNER AT SODEXO
CONCLUSION

Research indicates that Hispanics are unrepresented at leadership levels in healthcare, but it is also worth noting that in order to fill the pipeline for leadership, a spotlight must also be cast on the rate of representation of Hispanics in clinical and non-clinical roles for mid- and entry-level management positions. Does a bottleneck exist along the pipeline? If so, where? What can your organization do to alleviate or circumvent it?

It is worth repeating that the role of the healthcare administrator is already taxed with managing a range of important business priorities, from controlling costs and navigating regulatory changes to keeping pace with medicinal/technological advancements and ethics. In fact, most find it challenging to prioritize diversity and inclusion initiatives on top of everything else they are responsible for managing.

However, with the U.S. population demographics pointing to a “majority minority” population by 2043 and specifically where Hispanics and Latinos will account for one in three Americans by 2060, forward-looking healthcare organizations will quickly make the effort to shuffle priorities.

Healthcare administrators have an opportunity to guide the process by using idea starters from the five-part action plan described in this paper and by seeking out counsel and strategy around best practices for advancing Hispanic leadership in the healthcare industry.

SUPPORTING ORGANIZATIONS

Ensure that diversity and inclusion is built into all long-range planning by aligning with external healthcare partners like:

- American Hospital Association’s™ Institute for Diversity and Health Equity
- American Leadership Council for Diversity in Healthcare
- American Nurses Association
- Association of Hispanic Healthcare Executives
- GLLG
- National Association of Latino Healthcare Executives
- National Association of Health Services Executives
- National Hispanic Medical Association
Sodexo is a global, Fortune 500 company with a presence in 72 countries. Delivering more than 100 services that enhance organizational performance, contribute to local communities and improve quality of life, Sodexo is a leading provider of sustainable, integrated facilities management and food service operations.

Backed by nearly 460,000 employees around the world, Sodexo’s commitment to diversity and inclusion remains a top priority. Currently in the 16th year of metrics-driven efforts, Sodexo’s diversity journey has resulted in a systemic culture change for the company and its employees, clients and customers. Diversity and inclusion are strategically woven into the very fabric of the organization as key business drivers, increasing employee engagement and expanding business development opportunities.

Sodexo remains an established thought leader and innovator in the space of diversity and inclusion – conducting ongoing, original research on topics that include gender balance and quality of life around the world. The company has received multiple awards, from being honored by DiversityInc as an inaugural Hall of Fame recipient (marking Sodexo’s 11th consecutive year being recognized by the organization) to landing on FORTUNE magazine’s list of “World’s Most Admired Companies.”

For additional information, please contact: SodexoOfficeOfDiversity@sodexo.com
WORKS CITED


