Women in Governance: A Savvy Strategy for Advancing Community Health

In many ways, women are on the front line in health care — as consumers, employees and family caretakers. They possess firsthand knowledge of community health issues and needs. They can bring an informed perspective to health care and other community organizations about where to focus resources to have the greatest impact. As members of all the diverse populations health care organizations serve, women also can provide insight into improving equity of care and meeting the health needs of our nation’s increasingly diverse communities.

It makes sense for hospitals and health systems to tap women for their knowledge and expertise at all levels of health care decision-making. Yet, women are absent or underrepresented where major decisions affecting the continuum of care are made — in hospital and health system C-suites and boardrooms. American Hospital Association data show that in 2014, women held about 26 percent of hospital and health system CEO positions. The AHA’s 2014 National Health Care Governance Survey found that women comprise 28 percent of health care board membership.

So, what’s the story behind the numbers? AHA’s Center for Healthcare Governance talked with hospital and health system CEOs, board members and other governance experts to learn more about why women are underrepresented in health care executive and board positions, and what boards and female candidates can do to move the ball forward.

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Lack of gender diversity in health care leadership and governance has multiple causes. Many boil down to the absence of a strategy to address it, resulting from lack of focus and leadership. Women’s goals and aspirations also may play a role.

A sector/organizational perspective: Any health care executive or board member can attest to the myriad issues commanding attention as health care transforms to new models of care delivery, payment and leadership. Some interviewees suggest that these pressing issues contribute to a short-term focus that lowers the priority for greater gender diversity. Others cite industry trends toward realignment and smaller boards, resulting in fewer boards and available board positions. Many cite the impact current cultural norms continue to have on lack of gender diversity in health care governance and leadership.

“In our system, we combined our four local boards into one unified board,” says Constance Howes, executive vice president of women’s health at Care New England Health System, Providence, R.I., and an AHA board member. “To do that, we reduced the number of directors serving on the board. The result was that the new system board had many more men than women. The nominating committee needed to go back and focus on bringing on more diverse board members. As systems move to smaller boards they need to be mindful about the process they use to create the new board.”

Joe Wilkins, board chair of St. Joseph Hoag Health, Irvine, Calif., agrees: “We tend to hire people who look and talk as we do. We limit ourselves to our circle of friends. We are not always deliberately going out to create more diversity on our boards or executive teams.”

Less obvious biases and perceptions woven into an organization’s culture also stifle gender diversity. Interviewees cite stereotypes such as “men are leaders, women are not”; failing to value women’s contributions; and criticizing women for being assertive and other behaviors for which men are praised.
“While diversifying a board by adding more women seems to me to be an obvious place to start, gender diversity is still a hard issue for many men to talk about,” says Kathryn McDonagh, a former health system CEO. “Even in organizations devoted to expanding minority participation on boards, I have seen a reluctance to include women as part of the focus.”

Barriers holding women back from serving on boards also could relate to board composition and the age distribution and attitudes of board members. “Many boards are composed of white males 65 or older who need more exposure to gender diversity to get more comfortable with it,” says Rick de Filippi, the 2015 chair of AHA’s Institute for Diversity in Health Management and past chair of the AHA board.

Interviewees also cite the lack of a clear path or deliberate process for bringing women into board service. “There isn’t a career track for women to serve on boards,” Wilkins says. “I don’t see women pre-planning or aspiring to be on boards. Perhaps they don’t see board service as a career option.”

“When I was in my 20s, being on a board was not something I thought about,” says Kimberly McNally, R.N., a trustee at UW (University of Washington) Medicine, Seattle, and an AHA board member. “We need to be talking with younger women about board service as an expectation.”

An individual perspective: Women’s own goals and aspirations also may contribute to low levels of gender diversity in board and senior executive ranks.

“Women look at being on boards the same way they look at being in senior executive positions,” says McNally. “Before they can get there, they want to cross all the t’s and dot all the i’s and make sure they have thoroughly prepared to take on the role. Men don’t think this way.”

Women play multiple roles, juggling careers and family, which for some may be limiting or unsustainably long term. “A lot of strong women leaders are in demand and need to be thoughtful about adding responsibilities,” says Kate Guelich, managing director and member of the strategic financial and capital planning and financial Advisory Practices at Kaufman, Hall & Associates LLC, a management consulting firm based in Skokie, Ill.

A December 2012 American College of Healthcare Executives study also shows that at midcareer, women’s interests tend to move in directions other than up the corporate ladder. Some leave corporate life to start their own organizations or go into consulting. Female managers with families wonder whether they should take a promotion because of family needs and because the corporate environment at the top may not be welcoming, says McDonagh.

Several of those interviewed noted that women don’t have networks and sponsors or mentors who can help them promote their skills and accomplishments. “Unlike men, women also tend not to voice their aspirations. They have to tell their bosses that they want to move up; otherwise, they may not be thought of when the next promotion or opportunity to serve on a board comes up,” McDonagh says.

“I often see women emphasize soft skills (being a good communicator, compassionate, etc.) as their strengths, whereas men lead with their business skills: the results they achieved, tough decisions they made, or the turnarounds they led,” says Carolyn Caldwell, president and CEO, Desert Regional Medical Center, Palm Springs, Calif., and an AHA board member. “While soft skills are important, women should lead with their business skills and successes, particularly if they have a background in strategy development, global experience or financial expertise.”

GAINING TRACTION
Gender diversity is an issue that seems to be getting more attention, but less traction, and the biggest hurdle for most health care organizations is lack of a gender diversity strategy, McDonagh observes.

“It really doesn’t matter what else is going on,” says de Filippi. “The key to successfully diversifying a board is to gain agreement at the top, set targets and then develop and use metrics to monitor progress.”

Health care organizations also should ensure that they are leveraging available talent, Guelich suggests. “They should consider female physicians or women executives in their service areas who could be great assets to their boards,” she says.

A failure to be intentional about enhancing gender diversity has many causes, but a lack of qualified women is not one of them. Some experts attribute lack of gender-diverse boards to the smaller pool of female CEOs and high-level executives from which board members typically are drawn. The solution, interviewees say, lies in broadening the sources for potential candidates and making diversity a board and leadership priority. Otherwise, as Lisa Perrine, a St. Joseph Hoag Health board member notes, current factors such as low attrition among board members and minimal succession planning by board leaders will continue to contribute to a lack of gender diversity in governance.

One way to get traction is to recognize that diversity is a business issue. “The organization, its leadership team and the board need to reflect the communities served,” Wilkins says.

Concrete and intangible benefits: Making a data-driven business case for gender diversity is critical to gaining top-level support for it and helping others to understand its positive impact on organizational and governance performance.

“In other industries, organizations with more gender-diverse boards are better performers, and this is likely the case in health care organizations,” McDonagh says. “However,
it’s harder to quantify this connection in hospitals or health systems, because women may not have been on the board long enough to relate their participation in governance to organizational outcomes.” Tying gender diversity to equity of care and population health — issues that a more diverse board is likely to understand and be sensitive to — will strengthen the case for it, she adds.

“I definitely believe women executives and board members have a positive impact on organizational performance,” Caldwell says. “For instance, we have a large Hispanic population, 42 percent; we need to create a more defined strategy that reaches out to this important segment of our population. We recently added a Hispanic female to our board who has provided a lot of value to both our board and executive team. She’s the one who pointed out that 42 percent of those we serve are Hispanic, and made a clear business case for why it is important that we focus more on the Hispanic community.”

Because they often make most family health care decisions, women bring an awareness of consumer decision-making to the board table. “We frequently see that the organization where a mother delivers her babies is the organization from which her family continues to seek health care,” Guelich says. Lack of women in the boardroom also can limit the value of the board’s strategic input, she says: “Boards with a female perspective are more likely to pursue decisions that reflect what’s currently happening in the environment.”

**Stronger organizations and boards:** “Lack of diversity can have a negative impact on employee engagement,” says Wilkins. “There is nothing better than having people in leadership roles who look like your employees to get them engaged.” Guelich concurs. Having women in governance and upper management roles reflects a more diverse organization and one that tends to attract a different level of talent, she says.

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**Strategies to Achieve Greater Gender Diversity at the Top**

**Ideas for Organizations and Boards**

- Commit to gender diversity at the top — the board and CEO must support it.
- Develop a gender-diversity strategy. The strategy should support the organization’s definition of diversity, express its commitment to having board membership reflect communities served, establish goals and delineate processes and participants to help reach them, and monitor progress.
- Incorporate gender diversity into board practices, such as recruitment and succession planning.
- Broaden sources for female board candidates beyond high-level corporate executives to include nonprofit and community organization CEOs, executives and board members; academic leaders; younger executives and business owners.
- Strive to have at least three women on the board to avoid tokenism and to achieve a critical mass so that gender is no longer an issue. Bring on more than one woman at a time so that female candidates are more likely to serve.
- A hospital board is not a starter board. Look for women with other board experience.
- Seeking female board candidates simply to increase gender diversity is not the best approach and sets up women without the requisite skills to fail. First, identify needed governance competencies, and then add gender to the mix.
- Seek out female candidates at executive networking events or use a search firm to help identify them.
- Offer mentoring to potential candidates.
- Adopt a board policy that requires board(s) to reflect the communities served.
- Expose the board to female community leaders through strategic planning and other activities.
- Involve the board, CEO, COO, chief diversity officer/top human resources executive. Increasing gender diversity can’t be a one-person agenda.

**Ideas for Female Candidates**

- Seek community leadership roles.
- Get on a board — any board — to gain experience.
- When on a board, articulate problems/issues and ask good questions.
- Do more public speaking and publish articles to demonstrate thought leadership.
- Identify someone who sits on the board you want to join to sponsor you as a board candidate. Ask someone who has a relationship with that board member to give you an introduction.
- Serve on a committee of the board you want to join.
- Develop a board biography — a high-level summary of your accomplishments.
- Develop a plan for getting onto a board. Consider using an executive coach to help you prepare.
- Let boards, community leaders and organizations that advise boards know you are interested in board service.

— JoAnn McNutt and Mary K. Totten
“Board diversity is about balancing the perspectives available to achieve the best outcomes,” McNally observes. Women bring a focus on mission and vision and a longer-term perspective. They also tend to take a broader view about keys to organizational success, such as the workforce of the future; succession planning; quality, safety and the patient experience; and reputational, marketing and branding issues, she says.

“Serving on more diverse boards is more interesting and may support board member retention because it positively reinforces the desire to continue serving,” McNally says.

“In a group setting, women do so much better than men. They don’t let ego get in the way,” de Filippi says. “A woman software company CEO I knew saw herself at the center of an organization of equals. Men in that role see themselves at the top.”

“When a board sets out to bring on a woman,” says Howes, “they may envision one who is compliant and won’t challenge the board. They are not prepared when the woman is the one asking the tough questions. If a board is serious about gender diversity, it needs to know it could be challenged and will be stronger because of it.”

According to de Filippi, “Half of our communities are women. When you point this out, there is typically little resistance to making the board more gender-diverse. Once goals and targets are set, resistance seems to fall away, and it’s easier to move forward.”

He also cites the critical importance of CEO buy-in. Caldwell illustrates: “As a CEO, I’ve had the opportunity to set the tone. Other than making it a priority, I talk to my board and executive team about the value of having diverse members. During my first nomination committee meeting, I stressed with the members the importance of considering more women and individuals from diverse backgrounds for board membership. By the second year, the committee was having the diversity conversation on its own. They were asking, ‘What does our community look like?’ Once you show board members the importance of diversifying the board through conversation and facts, you can bring them around.”

**MAKING IT HAPPEN**

Wide-ranging ideas for boards and organizations that want to increase gender diversity and for women who want to serve are listed in the sidebar “Strategies for Achieving Greater Gender Diversity at the Top” on Page 27. Questions to help boards get started on expanding their gender diversity appear in the sidebar at right, “How to Get Started: Questions for the Board’s Governance Committee.”

Health care boards interested in tackling gender diversity at the top also might look to their counterparts in the corporate sector, where women comprise 18.8 percent of S&P 500 board membership according to “Women in the boardroom: A global perspective.” This 2015 report from the Deloitte Global Center for Corporate Governance cites initiatives to increase the number of women on corporate boards.

According to de Filippi, similar efforts are beginning in health care. “The chair of AHA’s Equity of Care Committee saw response lagging to the health care sector’s 2011 Call to Action to address diversity and cultural competency issues, including making boards more diverse,” de Filippi says. “He called for boards to sign a pledge committing to meet long-term Call to Action goals and set near-term tactical goals to get there, and boards are beginning to engage.”

Understanding what’s impeding boards from achieving gender diversity in a market that is rapidly becoming more diverse may require bolder steps to overcome the forces of history and other pressing issues on the board’s plate. According to de Filippi, “We have to get the white males on the board to think differently and deal with subtler behavioral issues and perceptions. Health care is an essential service for all. We may need to get more aggressive and start having difficult conversations to address the issues head-on.”

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**How to Get Started: Questions for the Board’s Governance Committee**

1. **What skills, expertise, or background are we lacking when we compare our current board profile with our strategic direction and the communities we serve?**

2. **How can we consider new ways to identify potential candidates, rather than doing it the same way we’ve always done it? For example, could we set a goal to look for qualified women who are also racially or ethnically representative of the populations we serve?**

3. **When is the next opportunity for the board to bring on a female director? If it’s three to five years away, what steps can we take to make it happen sooner (e.g., creating new board seats or establishing term limits)?**

4. **What resources should we commit to find qualified female candidates for board seats, such as retaining a search firm?**

5. **What changes do we need to make in how we orient new board members to ensure successful integration into our board culture?**

— JoAnn McNutt and Mary K. Totten

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