



Workforce Equity: An Investment with Big Returns

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As organizations strive to achieve meaningful impact in diversity, equity, and inclusion (DE&I), it's important to understand the benefits, opportunities, and challenges of meeting the needs of customers.

Chances are that customers, prospective employees, and other constituents care about your company's vision and commitment around diversity more than ever before. They expect to see themselves represented in a workforce that serves them and understands their needs and perspectives.

A series of McKinsey & Company reports from 2015 to 2020 illustrated the connection between business performance and DE&I. In the latest report, [Diversity Wins](#), the data supports a strong business case for DE&I among leadership teams: Companies in the top quartile for DE&I surpassed those at the bottom by 36 percent in profitability.¹ The report also notes that performance and productivity improve with access to a broader talent pool and a more inclusive employee experience.

Competitive Advantage and Moral Imperative

In healthcare, having a workforce that can effectively respond to the needs of patients and families from diverse backgrounds can be a matter of life and death. Ensuring that healthcare professionals and teams reflect diverse experiences, expertise, and backgrounds supports equitable health outcomes. That's why at Nemours Children's Health, we see workforce equity as foundational to achieving health equity for patients, families, and communities. We are committed to creating a diverse, inclusive work environment where all associates can thrive.

Simply put, health equity is achieved when each person or community has what they need to achieve optimal health. It's not "one size fits all." Child health equity

¹ McKinsey & Company, [Diversity Wins: How Inclusion Matters](#), May 2020.

requires a strong foundation where children's essential needs are met. These needs include access to adequate nutrition, developmentally appropriate and nurturing environments, safe communities, high-quality educational opportunities, and stable housing.

Achieving equity is more than a moral imperative in healthcare. It's about quality. By definition, quality healthcare is safe, effective, efficient, timely, patient-centered, and **equitable**.² DE&I initiatives underscore our role as an employer committed to creating the conditions for all associates to thrive professionally and deliver the best health outcomes for all patients. In children's health, the emphasis on workforce equity is foundational to our brand commitment of going well beyond medicine to create the healthiest generations of children.

Data Drives Transformation

To achieve lasting transformation in workforce equity, organizations must examine existing strategies and desired impact. Nemours is focused on engaging associates, building data capacity, embracing transparency, and articulating a bold vision for DE&I transformation and impact. Data transparency is a tool for our executive leaders to inform the course we chart as an enterprise. This transparency and infrastructure investment supports our ability to provide the tools necessary to set bold goals for DE&I across hiring, pay, and career progression.

Looking at pay equity as an example, Nemours engaged Willis Towers Watson to evaluate impacts of gender and race/ethnicity on compensation and benefits. The results found that 95 percent of associates fell within the range of competitive compensation. The outlying five percent were evenly distributed across demographic groups with three percent falling above and two percent below. No evidence was found that compensation for this group was based on race/ethnicity/gender or other protected characteristics, and associate salaries in the below-range were adjusted. Being able to share this with our workforce has had an impact on our current associates as well as prospective associates we are recruiting.

Similarly, our goal to improve hiring and retention of diverse associates is supported by a dashboard measuring monthly turnover results by ethnicity and gender. Over the last 15 months, turnover for diverse associates is down from 23.7 to 18 percent.

2 Institute of Medicine (U.S.) Committee on Quality of Health Care in America, *Crossing the Quality Chasm: A New Health System for the 21st Century*, Washington, D.C.: National Academies Press, 2001.

→ Key Board Takeaways: DE&I Areas of Focus to Advance Workforce Equity

An active role of governance in DE&I and workforce equity is essential for quality healthcare. Boards can maximize the impact by:

- Advancing organizational culture by incentivizing transparency, inclusive behavior, and accountability from the boardroom to the executive suite to the front lines.
- Focusing on DE&I beyond workforce composition to support an inclusive culture and equity in benefits, pay, and career progression.
- Institutionalizing development plans for underrepresented groups, training, and leadership programs while focusing on workplace fairness.
- Improving the onboarding experience, engagement, and retention of diverse associates.

Measuring what matters for associates and leaders, as well as for our patients, families, and communities, helps build a culture of trust and engagement. The transparency and tools created also support leadership and governance tracking of progress towards goals, aligning workforce equity and health equity as we deliver on our vision to create the healthiest generations of children.

Partnerships are critical to this work. As part of our commitment to the Health Evolution Health Equity Pledge, we are rolling out standard ways of grouping patients into sociodemographic categories.³ This helps us identify disparities in care across key performance indicators and address them. Similarly, we are creating baseline dashboards looking at the sociodemographic makeup of our workforce by race, ethnicity, gender, and geographic location.

Our mindset at Nemours Children's is focused on aligning our clinical and business operations with our commitment to be a positive force in our communities. Our brand promise, "Well Beyond Medicine," illustrates how we look at every possible lever to impact children's health—as an employer, partner, investor, and through our own governance and accountability practices. Ensuring the needed expertise in the boardroom involves intentional approaches to board composition, accessing expanded networks, and effectively leveraging diverse talent.

3 ["Nemours Children's Health Signs Health Equity Pledge to Leverage Data in Addressing Disparities"](#) (press release), October 26, 2021.

No Quick Fixes

Healthcare's path to organizational transformation in workforce and health equity requires perseverance, patience, and commitment. There are no quick fixes or silver bullets. It isn't enough to set a vision for workforce diversity. A vision must be fortified with the tools and resources needed to recruit, hire, and develop our associates. Nemours created a new workforce planning program manager position to elevate expansion of our diverse candidate pipeline program to address this challenge.

Finding ways to diversify senior leadership and managers across the organization is critically important. Sharing baseline data on workforce and accountability metrics, expanding networks, and creating seats at the table for new perspectives and expertise allows for feedback and open dialogue. Focused DE&I work needs executive leadership engagement, the right expertise, and board alignment to achieve sustainable transformation.

The board's role is essential. Board members can support and champion the work of the executive team. They can clarify goals and methods through critical dialogue. They can align accountability and incentives, set expectations for succession planning, and expand the perspective needed to achieve success.

The Governance Institute thanks R. Lawrence Moss, M.D., President and CEO, and Kara Odom Walker, M.D., Executive Vice President and Chief Population Health Officer, Nemours Children's Health, for contributing this article. They can be reached at larry.moss@nemours.org and kara.walker@nemours.org.

