

# Second Annual Symposium on “Business & Mental Energy at Work”

## Case Study IV **JPMorgan Chase Diversity Policy in Asia Pacific Region**

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# Evolution of Diversity Management

	<b>Affirmative Action</b>	<b>Valuing Differences</b>	<b>Managing Diversity</b>
<b>Focus</b>	Women and people of color	All the ways we are different	Creating an open work environment
<b>Motivation</b>	Legal responsibility	Social and moral responsibility	Competitive pressure
<b>Change Required</b>	Individual adapts	Mutual accommodation	Culture embraces difference
<b>Result</b>	More women and people of color	Mutual respect	Competitive advantage

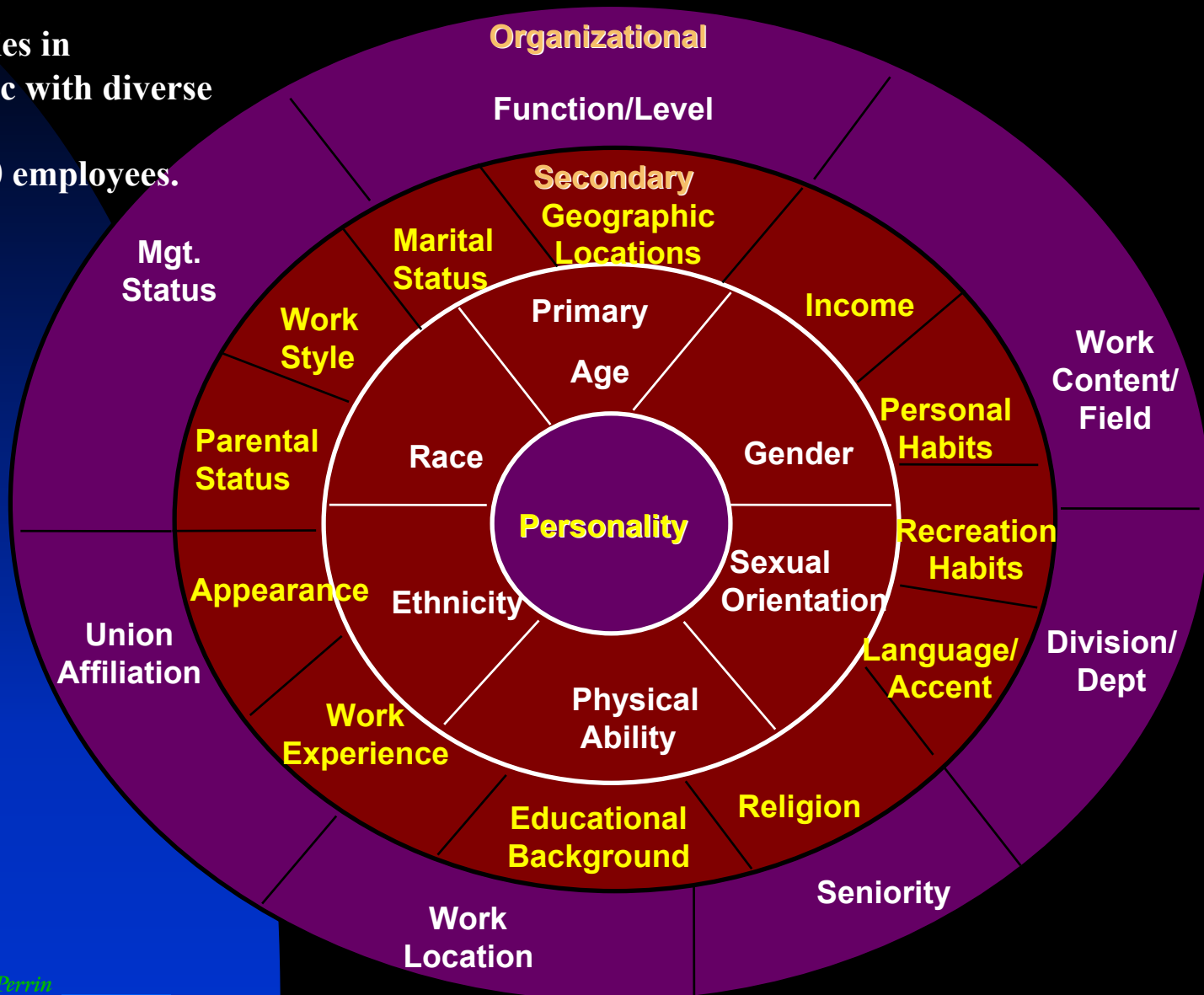
*Open Doors*

*Open Minds*

*Open Systems*

# Diversity Filters Influence the Way We Relate to Customers and Co-workers

16 Countries in  
Asia Pacific with diverse  
Cultures.  
With 8,000 employees.



# Profitability: Diversity Impacts Bottom Line

- **Managing diversity well can:**
  - ◆ **Accelerate innovation and change**
  - ◆ **Ease M&A and restructuring**
  - ◆ **Broaden customer base and improve customer intimacy**
- **All 34 publicly traded companies that received US Department of Labor's Diversity Award between 1986-92 had increase in stock value the day after announcement**
  - ★ ***Academy of Management, 1996***
- **Fortune Magazine's list of 50 Best Companies for Minorities outperformed the S&P 500 over 3 and 5-year periods**
  - ★ ***Fortune, 1999***
- **Organizations with diverse executives had better sales performance than those with only white males at the top**
  - ★ ***American Management Association, 1995***

# What Will Employees Want in the Future?

	From		To
<i>Job</i>	Security	→	Interesting, Fulfilling Work
<i>Authority</i>	Acceptance	→	Challenge
<i>Participation</i>	Appropriate	→	A Right
<i>Work</i>	Primary Activity	→	A Component of Life
<i>Family</i>	Second to Work	→	Equal to work
<i>Leisure</i>	Luxury	→	Entitlement

# Our Core Philosophy

- Broad diversity definition--not just race and gender
- Compelling business case
  - ◆ Inclusive environment contributes to employee satisfaction
    - ★ Correlation between employee and customer satisfaction is strong
  - ◆ Employees who feel valued and included are more productive
  - ◆ Innovation demands diverse perspectives and fully engaged teams
  - ◆ Client and new business development requires a focus on diverse markets
- Balance organizational change focus with data driven model
- Work/life included as critical component of diversity agenda and dialogue
- Diversity must be an integral component of key management practices
- Consistent platform for diversity planning
- **Together we build the company as workplace for all employees to succeed – Employer of Choice**

# Diversity at JPMorgan Chase

## A Multi-Years Change Process

### Unfreeze

- Build the case for change
  - ◆ “Snapshot” Focus Group research
  - ◆ Best practices in diversity management
- Envision the future
  - ◆ Diversity vision statement
  - ◆ Executive session with WorkScape 2010 presentation
  - ◆ Success measures and communication plan

### Mobilize

- Create Diversity Council(s)/Networks to respond to research findings
- Assign SVP of Diversity
- Implement diversity communication plan and “Diversity Showcases”
- Conduct diversity awareness training
- Select and train diversity change agents/champion
- Create measurement process throughout the business

### Realize

- Introduce 360 feedback
- Conduct diversity skills training
- Develop mentoring program
- Provide on-going coaching to diversity change agents
- Develop Diversity Scorecard

### Reinforce

- Introduce accountability for diversity efforts into the performance management/compensation program
- Include diversity in orientation and management development programs

### Sustain

- Conduct second Diversity Scan to measure improvement
- Measure success of diversity training programs
- Continue to benchmark diversity leadership companies
- Raise the bar by striving for inclusion in “Best Company” lists

# Our Diversity Planning Process

- Understanding the Issues
- Gaining Commitment and Support
- Focusing Awareness and Skills
- Linking Diversity to Management Process
- Linking Diversity to the Business

# Key Strategy – Leadership Commitment

## ■ **Visible Leadership**

- ◆ CEO chairs Corporate Diversity Council. LOB Executives head Global Business Councils
- ◆ Periodic executive communications
  - ★ executive letters
  - ★ diversity update
- ◆ CEO-sponsored large-scale events
- ◆ External recognition
  - ★ Catalyst, Fortune Magazine, Working Mother .....
  - ★ Chair, Diversity Council, Securities Industry Association
- ◆ CEO Town Hall Meetings
- ◆ LOB results shared through employee communication vehicles
- ◆ Regional chief to chair Regional Councils
- ◆ SCOs to chair Country Councils
- ◆ Regional LoB / Functional Heads to chair line / function council

## ■ **Role of HR – Internal consultant, business partner & employee advocate**

## ■ **We select council members with passion and enthusiasm as criteria**

# Key Action Steps

## ■ Employee Engagement

- ◆ Diversity Councils:  
2 Regional councils, 15 Country Councils and 5 – 10 others.
- ◆ Diversity Events Highlight:
  - ★ Employee communications campaign
  - ★ Learning events - seminars, panel discussions, workshops
  - ★ Senior Management/Diversity Councils engagement strategies:
  - ★ Diversity Breakfast series
  - ★ All-Hands meetings
  - ★ Focus groups
- ◆ Employee Assistance Scheme / Work Life Balance / Flexi Workplace

## ■ Measurement and Accountability

- ◆ Regional-wide Diversity Planning process
- ◆ Prioritize vital few focuses
- ◆ Chase Poll (diversity and work/life measures)
- ◆ Diversity Scorecard –  
consistent assessment and planning framework
- ◆ Annual meetings with CEO to discuss progress and objectives

## ■ Key Focus : Vision & Mission, Corporate culture, Hiring and Career Opportunity, Corporate Culture and Communication

***Our ultimate objective:  
To make JP Morgan Chase the best  
workplace for people to contribute  
and to succeed to their best  
potentials !!***

**Thanks !!**