In addition, there were many questions on the part of middle managers about what exactly their role was in the initiative and what a “diversity champion” really did. There was a fair amount of dissonance—middle managers knew they were supposed to be doing something, but didn’t seem quite sure what it was! The firm partnered with The FutureWork Institute to develop a research process that could answer these questions. Fundamentally, the approach examined three questions relative to middle managers:

- what was working to support their efforts in managing diversity?
- what was getting in their way?
- what does a middle manager “diversity champion” do—in concrete, behavioral terms—at everyday “moments of truth” that would signal to their colleagues that they are truly diversity champions and not just “talking the talk”?

The project began with the full support and involvement of a subteam from the Corporate Diversity Council. Sheila Eggert, the Middle Management Engagement (MME) project leader, said, “From a strategy development perspective, we weren’t certain where this information would go.”

Diversity Learning Rooms were designed to be short or “chunked” presentations (to avoid information overload) and allow for an extended learning experience around diversity as opposed to a one-shot deal every 12-24 months. Diversity Learning Rooms

To achieve the firm’s diversity vision meant becoming “surgical” about removing the obstacles that were keeping middle managers from being fully engaged and effective.

Most use to gauge progress, had changed—particularly at senior levels. Diversity surveys and focus groups indicated that perceptions of disparities were alive and well. Why? Because line management wasn’t changing. In short, because theories are not compelling to business people. Facts are.

The key to success, practice, and even more frustrated. They report, “We realized we needed more data, so we gathered stronger, more explicit data from published reports that supported our claims—with dollars attached. As a result, the executives did pay greater attention. We developed and submitted plans with a vision, definition and business case—even detailed action steps and timelines. The executive team approved the plans and presented them publicly. The CEO disseminated a letter, and we presented the information in diversity training, which every manager attended. Leadership agreed to include diversity goals in our performance plans, and tie results to managers’ bonuses.”

All this effort, they say, and still one critical problem remains: “Leadership stands behind the concept (we really feel they ‘get it’) but middle management is inert. Oh, they say the right things and act in a way that placates us (Human Resources)—or whichever executive is actively supporting the effort—then simply ignore the topic, until the HR policies come to call to ‘check on the numbers.’ Then the managers say to us, ‘This is great—really, I’m all for it, but I’m crazy busy.” And invariably, ‘How can we become more diverse when you don’t give us diverse slates?”

What you’re not is what the managers are really thinking. “Your business case for diversity wounds

The FutureWork Institute has incorporated the Moments of Truth diversity champion behaviors in their existing diversity education concept of “learning rooms.” Diversity Learning Rooms are designed to be short or “chunked” diversity education experiences that focus on specific diversity issues and can be offered over time, as a curriculum, to examine diversity issues in more depth.

They were designed to respond to some of the concerns that had been generated around traditional one- and two-day training sessions (too much time committed required for managers and information overload) and allow for an extended learning experience around diversity as opposed to a one-shot deal every 12-24 months. A “Moments of Truth” learning room curriculum has been developed. Each learning room focuses on one of the diversity champion behaviors (i.e., giving feedback or building relationships). A variety of different learning techniques including interactive theater, role playing and case studies will be used throughout the curriculum to allow participants to really understand and absorb the essence of the diversity champion behaviors.

At JPMorgan Chase, the diversity initiative has long been grounded in strong, deliberate senior management commitment and involvement. Chairman & CEO Bill Harrison is a recipient of the CEO Leadership Award from the 2002 Leadership Summit & Diversity Gala.

The response to the Middle Management Engagement project has spurred JPMorgan Chase to center nearly every project on the notion of conceptually “marring” diversity with leadership. Here, an illustration of how they’ve integrated this concept into a firm-wide Diversity Communication Campaign.

4) The process itself—the simple opportunity to dialogue with peers about managing diversity—was extremely valuable to the participants. Although the sessions were designed as focus groups to gather information, the discussions about what a diversity champion “really is” were personally invaluable for middle managers. In session after session, participants suggested that “this class” be offered more broadly. As we’ve presented these findings at management team meetings, comments that rang true for many colleagues painted a vivid picture: “It’s hard to give feedback to my mother.” As a result, we’ve begun looking at our Diversity Education curriculum to make sure it is directly aligned with what we learned from our middle managers and their specific support needs.
The Middle Management Engagement Initiative at JPMorgan Chase

Question: How can a diversity initiative create a sustainable culture change without the support and full engagement of mid-level managers?

Answer: It can't!!

In 2001, JPMorgan Chase’s Corporate Diversity Council set about answering this “Middle Management Challenge.” While approaches vary, all successful diversity initiatives have several key elements in common. Chief among these: the buy-in, support and participation of senior management. Simply put, senior leaders serve as role models around inclusion. At JPMorgan Chase, the diversity initiative has long been grounded in strong, deliberate senior management commitment and involvement, and it continues today with Chairman & CEO Bill Harrison. While this commitment is critical, we’ve learned that it’s only one ingredient for sustaining meaningful culture change.

Getting Started

In order to keep our diversity efforts cutting edge, we consistently evaluate the strengths and weaknesses of our strategies to ensure that we are responding proactively to the needs of our workplace. The FutureWork Institute, a strategic alliance with Towers Perrin, is one of our key partners; it has often worked with JPMorgan Chase in designing solutions that push our initiatives to the next level. This Middle Manager project began by looking closely at some of the feedback from prior diversity education sessions, a recurring theme was the frustrations mid-level managers have around diversity and, more specifically, what was expected of them as middle managers. We knew the feedback from those sessions was valuable because the Future/Work team creates a safe place to freely dialogue and share concerns around diversity. As a result, we were able to frame the project around what was “real” for our middle managers.

Combining the feedback from these classes with employee poll data painted a clear picture: most employees believed that senior management was committed to diversity. What wasn’t as clear was whether their supervisors and managers were “on board.” Acknowledging that a powerful—possibly the most powerful—lever for creating sustainable culture change was the buy-in and engagement of mid-level managers, we began talking about ways to find out what was going on.

As with most organizations, JPMorgan Chase’s mid-level managers are its largest functional demographic group. For this project, “middle manager” was defined very broadly as anyone with supervisory responsibility below the Senior Vice President/Managing Director level—a ballpark population of 30,000 colleagues. These colleagues have the most one-on-one contact with employees—and therefore have the greatest potential impact on staff. In essence, while senior management is key to kick-starting a diversity initiative and providing the direction and resources needed, the middle managers “make it or break it” when it comes to creating sustainable culture change.

good, I see the corporate intent here, but frankly, I still don’t see how it’s going to help me do my job better. Blah. Back to my real job!

Let’s think of it this way: with a diversity initiative, what we’re essentially asking managers to do is change their behavior. If you have read “Who Moved My Cheese?” you’ll recognize that we live in the land of Hem and Haw Managers! They aren’t changing because the reports you’ve been giving them essentially say, “the cheese is going to dwindle” or “Look! The cheese is dwindling (over there)!” or “In five years there will be no cheese!” and ultimately the conclusion, “Diversity will protect our cheese!”

But Hem and Haw aren’t moved, because they are surrounded by cheese! Or at least they are so busy they don’t have time to worry about minor reductions or general trends. They’re thinking “This doesn’t hold a candle to meeting the ‘xyz’ quota that the boss checks every week.” They don’t even know anyone who has lost cheese, except the lower-middle level manager who was foolish enough to sexually harass all three women who reported to him. “You’re telling them to change, to scurry around based on what in effect appears to be baseless. Not only that, but it’s change in an area that will be especially difficult, because it involves a subject I’m really not comfortable discussing. Nah. I’ll keep my head down until it passes.”

To motivate behavior change, you need a WOW! business case: one that shows Hem and Haw that their cheese is dwindling, how it’s dwindling, at what rate, and the connection between that and diversity—that’s a real job requiring us to be an employer of choice for the new (more diverse) workforce.

By 2008 70 percent of the new entrants to the workforce will be women and people of color.

If we are not diversity friendly, employees will leave. Turnover costs can reach 1.5-2 times salary.

Ten Red Flags   The Changing Landscape

The difference between a Blah and a WOW Business Case—

WOW Business Case

Customer Service

Customers are more diverse and we need to understand their needs. In order to do so we need diverse people in our organization.

There are significant dollars to tap among diverse populations. The purchasing power of diverse groups:

- African American
- $572 Billion
- Latino/Hispanic:
- $452 Billion
- Asian American
- $235 Billion
- Gay/Lesbian
- $445 Billion

Over 17,700 dollars between diversity and the bottom line, we recommend you abandon, or at least postpone, your efforts.

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So what to do to get to a WOW Business Case? Get specific.

- Imagine applying the Sigma rigor to diversity issues. Go through every department, every functional area and drill down to the data collection and analysis, down to every managerial level. Review the results with each manager and, to every extent possible, quantify the impact of diversity on their particular area. Then show them the actions affect the numbers, and what they might do to make improvements.

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Recruiting/Retention

Client A: Women make up 50% of our annual entry level hires. Within 10 years, that number has consistently dwindled to 25 percent. The cost of this turnover, including training, recruiting, etc., is $44 million per year. We expected this to be a work/family issue, but focus groups indicate that women perceive a glass ceiling.

Individual department head: The turnover among women who meet or exceed their performance expectations in your department is 35 percent higher than the rate for comparable men. You need to find a way of saving the company approximately $281,000, the amount you are costing us in turnover of female talent.

Client B: We’ve faced significant turnover since 1995, especially among older store managers. Turnover is costly, and buyers aren’t productive until the second year of service. In one-on-one interviews, executives reveal that we have to inflate our offers (20 percent above the market) due to our “insular” reputation. Additional costs are incurred because we have inflated raises to retain diverse employees, who say they feel marginalized. The total amount we lost averages $450,000 per year.

Client C: Exit interviews indicate that a majority of regrettable losses in the Finance department indicated that their manager lacked the skills to appreciate and fully utilize their skills. Diverse employees were 40 percent more likely to state this. This last year the turnover costs for the department were $120,000.

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