

# hrSPECTRUM

Cornell Center for Advanced Human Resource Studies

## Why Good Employees Stay

**R**etention strategies for top talent is an area of ongoing interest for human resource professionals. An earlier issue of *hrSpectrum* featured a study by Cornell's John Hausknecht and colleagues into why good employees leave their organizations. In this issue, we look at the flip side of his research: why good employees stay. The differences are surprising.

Hausknecht's most recent study, published as a working paper this year entitled "Targeted Employee Retention: Performance-Based and Job-Related Differences in Reported Reasons for Staying" and forthcoming in the journal *Human Resource Management*,

used a data set ten times larger than in his earlier work—25,000 employees as opposed to 2,500—and was also conducted in the hospitality industry.

New reasons for staying emerged as more important than before: salary/wages was not as important for upper-level and high-performing employees as it was in the earlier

study. Perhaps as a sign of the economic times, pay and benefits remained among the most important reasons for staying only among hourly workers. Flexible hours were also ranked high for this group—again, not surprisingly, given the high non-work demands on workers with limited spending and transportation options, child care responsibilities, and so forth.

For those at higher levels in the organization or performing at a higher level of achievement, opportunities for career advancement were more important than monetary rewards. (By contrast, advancement

opportunities were cited least by hourly employees as a reason for staying, perhaps because of a real or perceived lack of such opportunities.) Given the disproportionate increase in executive pay relative to the average hourly worker in the U.S. in recent years, it may be that salary has "topped out" as a

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variable of importance for retention of upper management.

Most surprising, perhaps, was that for all groups, job satisfaction (enjoyment derived from the nature of the work itself, such as serving customers) ranked first as the reason employees stay. Whether this was unique to the nature of the work in the hospitality industry and the strong service orientation of the people it attracts, or could be extrapolated to other fields, remains an open question.

Another surprise was that lack of alternative employment opportunities was not cited by low achievers as a reason for staying at



Cornell University

## *HR Company Profile*

# Tyco Electronics Provides Window into Life in Global HR

There are times when being in HR is just plain fun. For Jane Leipold, Senior Vice President for Global HR at Tyco Electronics (TE), now is one of those times. Ask her about the challenges of moving into the emerging markets of Asia and Central Europe, and she'll explain that the competition there among multinational businesses for experienced, educated workers is intense and the turnover of well-qualified employees correspondingly high.

Retention is the major challenge for HR in these areas. Instead of reviewing compensation against the market annually, for example, TE reviews them more often and also provides staff with more frequent opportunities for career advancement. Ask about TE's operations in more developed countries, such as Germany or the U.S., and Leipold will point out that with employees who are more tenured, the challenge for HR is to develop a pipeline of new potential workers.

"Regardless of the situation," Leipold says, "talent acquisition is key—knowing your current workforce demographics and skills and knowing how to attract and retain new talent to further your business needs."

Tyco Electronics is a "new" company with a rich heritage, having spun off from Tyco International in June 2007. With U.S. corporate headquarters in Berwyn, PA, it also has significant operations in Pennsylvania, North Carolina, Virginia, Massachusetts, and California. But it is primarily a global company, with over 100 factories in over 25 countries and 85 percent of its workforce of 92,000 located outside the U.S.

The \$13.0 billion company conducts business through four operating segments: electronic components (connectors, relays, switches, touch screens, sensors, wire, cable); network solutions (global supplier of infrastructure components and systems for communication service providers, producing surge arrestors, heat shrink sleeves, fiber optic cabling, copper cabling, etc.); wireless systems (microwave and network technology for telecommunications); and undersea telecommunications (fiber optic undersea cable networks.)

TE's human resources function is organized to meet the business needs of TE's global structure, with approximately 500 HR personnel at various levels throughout the organization. The corporate HR office oversees compensation plans and benefits programs, learning and organizational development, security, and global staffing.

An HR business leader is positioned within each of the business units, each sitting at their management table with their own business leaders. "HR leaders need to have a solid business sense and be clear partners with the business leaders," Leipold explains. Finally, HR shared services units exist at the country level to provide transactional services.

Having worked at Tyco Electronics before and after the separation from Tyco International, Leipold knows how to lead a workforce and HR team through change. "You want to get the right leadership in place and have a plan," she says. In building that leadership team, she brought in new benefits and compensation directors and positioned current staff for greater scopes of responsibility.


Her team holds regular staff meetings by teleconference and has already developed a three-year HR strategic plan focused on four key areas:

- 1) Leadership and organizational development: values; standards and expectations; organizational culture
- 2) Talent acquisition: developing talent pipelines through college recruiting and in emerging countries
- 3) Total rewards: being competitive in each local market; overseeing executive compensation
- 4) Talent management: promoting career and development opportunities.

"Focusing the organization is a huge factor in staff engagement," says Leipold.

The strategic plan, an HR newsletter and a quarterly HR-wide conference call help unify the messages coming out of HR. "Communication is critical," Leipold asserts. "Change is not always met with acceptance. Our biggest challenge is to communicate clearly to HR staff throughout the company and to provide them with an opportunity to have a voice."

Consistent messaging from all the leaders of the organization furthers that communication. Soon after TE's formation, the company held its first global leadership meeting, led by the CEO, with 200 TE leaders and the executive leadership team. The enthusiasm generated was so overwhelming that two more sessions were held, bringing the message of change and revitalization of the company to more than 500 leaders.

"These sessions give people a chance to see how the executive leadership team interacts with each other. They help drive culture down through the organization," said Leipold. "People can begin to see how our work is inter-related and how we are working together toward the same goals." 

*Tyco Electronics joined CAHRS in 2008, the 'HR Company Profile' features a Corporate HR view of new CAHRS partners.*

New CAHRS Director

## Christopher Collins


Christopher J. Collins, Associate Professor of Human Resource Management and former Director of Executive Education in the ILR School follows Patrick Wright as the new Director of CAHRS. He earned his M.B.A. at the University of Buffalo and Ph.D. in Organizational Behavior and Human Resources from the Robert H. Smith School of Business at the University of Maryland.



Chris Collins

As well as an outstanding publication record, Collins is an exceptional educator in and outside of the classroom. He currently teaches courses in Human Resource Management, Organizational Consulting, and Business Strategy to masters and undergraduate students and he coached his students to First Place at the 2002 and 2004 National HR games sponsored by SHRM. While serving as the ILR School Graduate Faculty leader the MILR program has grown in numbers and quality of students.

Dr. Collins has worked as a private HR consultant to multiple Fortune 500 organizations and several startup organizations. His consulting work has primarily focused on talent management, employee engagement, and strategic HR planning. Dr. Collins is a member of the Academy of Management, Strategic Management Society, and Society for Human Resource Management.

Patrick M. Wright, William J. Conaty GE Professor of Strategic Human Resources and former CAHRS Director, remains on the Cornell HR faculty, the CAHRS Advisory Board, and will continue many of his CAHRS working groups and executive education programs. He will serve as the Director of Executive Education before a six month sabbatical. 

**Dr. Collins' research interests** include strategic human resource management, the role of HR practices and leadership in employee engagement, firm innovation and knowledge creation, employee recruitment and employment brand equity. His research has been published in the *Academy of Management Journal*, *Journal of Applied Psychology*, *Personnel Psychology*, *Human Resource Management Review*, and *Human Performance*. In addition, Dr. Collins serves on the editorial boards of the *Academy of Management Journal*, *Journal of Applied Psychology*, and the *Journal of Management*.

*2008 – 12th Annual*

# ILR Orientation and CAHRS Executive Roundtables

August 26, the opportunity for CAHRS executives to interact with future human resource professionals beginning their graduate studies at Cornell, to shape their educational and career choices was once again a success. The past eleven ILR Graduate Orientations coordinated by CAHRS has offered our partner company representatives and select students an

opportunity to come together to exchange questions and ideas about the field of human resources. About 70 ILR students attended the roundtable session.

Due to space limitations and the popularity of this event among our partner representatives, the number of executives involved in this event was limited. The group exchanged views on the most important issues facing individual companies, the skills needed by future human resource professionals, and what companies look for in recruiting entry-level professionals. This year's agenda also included a Chief Human Resource Officers' (CHRO) Feedback and Networking event, with seven CHROs in attendance. This year's roundtables participants were:

Laurie Siegel, *Senior Vice President, HR for Tyco International*

John Lynch, *Senior Vice President, HR for GE*

Elease Wright, *Senior Vice President, HR for Aetna*

Mike Davis, *Senior Vice President, HR for General Mills*

Kevin Barr, *Senior Vice President, HR for Terex*

Lynn Minella, *Senior Vice President, HR for Air Products*

Jane Liepold, *Senior Vice President, Global HR for Tyco Electronics*

Chris Altizer, *Vice President Human Capital Policy for Pfizer*

Gerry Kells, *Vice President, HR for Johnson & Johnson*



**Tom Fleming, IBM**

Penny Stoker, *HR Global Vice President for AstraZeneca*

Jane Clements, *Vice President, Talent & Leadership Mgmt, Verizon*

Julian Dalzell, *Vice President, HR, Shell*

Tom Fleming, *Vice President, HR Software Group and HR Bus. Dev., IBM*

Susan Monaghan, *Vice President Employee Engagement, Dev. and Inclusion, Cisco*

Kate Saracene, *Manager, Total Compensation and HR Policy, Xerox*

Susan Kelliher, *Director of Graphic Solutions WW Strategy and Marketing, Imaging and Printing Group, HP*

Executives wishing to participate in next year's roundtables should respond quickly to the invitation that comes out in the spring. 



**Gerry Kells, Johnson & Johnson**



**Penny Stoker, AstraZeneca**



**Laurie Siegel, Tyco International**



**Chris Altizer, Pfizer**

**Jane Clements, Verizon**



**Jane Leipold, Tyco Electronics**



**John Lynch, General Electric**



**Julian Dalzell, Shell**



**Elease Wright, Aetna**



**Kevin Barr, Terex**



**Kate Saracene, Xerox**



**Lynn Minella, Air Products**



**Susan Monaghan, Cisco**



**Susan Kelliher, HP**



**Mike Davis, General Mills**

**SAVE THE DATE****Working Group****Compensation Issues - Hosted by CIT****September 22, 2008 • CIT • West 42nd Street • New York City**

The format of this working group is intended to be an open-ended brainstorming discussion around certain themes. This meeting welcomes first time participants as well as those who attended our previous three meetings. We thank Jim Duffy from CIT for hosting the event. Several topics will be new and we will focus on lessons learned under new reporting guidelines.

**AGENDA****9:00am – 10:15am**

- Managing Compensation Under Changing Rules
- Details, Examples
- Executive Compensation Disasters
- The Level of Pay
- Stakeholders and the Press
- Performance Metrics and Targets
- Equity in Program Design
- How do executives value certain components?
- Severance and Change in Control
- How to choose a peer group?

**10:30am – 11:45pm**

- Governance and the Changing Landscape
- Selecting and Compensating Board Members

- How to Manage Perks
- Selecting a Consultant
- New Demands on Boards
- Board Recruitment and Retention
- Pay differentials for Heads of Committees
- Diversity

**12:30pm – 2:00pm**

- The Coming Months and Years
- Change in Control
- Say on Pay
- The President and Congress
- How can Executive Compensation be Improved

If you have ideas for topics other than those listed above or have any questions, please contact Professor Kevin Hallock at +1.607.255.3193 or email: [kfh7@cornell.edu](mailto:kfh7@cornell.edu).

This meeting is free of charge to CAHRS partner firms, but participation is limited to no more than twenty (20) attendees.

To attend, contact Donna Stone at +1 607.255.2790 or e-mail: [dms44@cornell.edu](mailto:dms44@cornell.edu).


**Why Good Employees Stay**

*Continued from Page One*

any greater frequency than it was cited by high achievers.

Employees were sorted into groups according to their rank in the organization (supervisory, managerial, professional, or hourly) and performance rating based on their latest performance review (on a scale of 1 to 5). Twelve retention reasons were identified based on survey responses using the employees' own words that were later analyzed and coded into the categories.

Reasons for staying on the job were most similar for workers of low rank and low achievement. Differences were most discernible between these groups and the higher rank and higher achieving employees. In addition to job satisfaction, organizational prestige (reputation) was cited as a top reason by high rank/performance employees for staying with the firm.

The practical implications from these findings is that retention strategies should target factors identified as highly valued by high achievers, or adopt policies that encourage employees to become high achievers (by showing a clear path for advancement, for example). Communicating positive messages about the reputation of the firm is important not only for recruitment but for retention. Finally, the study demonstrates that external inducements to leave—which have received the most attention in the academic research—will threaten retention only when they are compelling enough to overcome inducements to stay. 

*For more information regarding this research please contact John Hausknecht via email: [jph42@cornell.edu](mailto:jph42@cornell.edu), or Tel: +1.607.254.8805. This article references research from the CAHRS Working Paper #08-06, which can be found on our web site: [ilr.cornell.edu/cahrs/paper.html](http://ilr.cornell.edu/cahrs/paper.html)*

## Working Group


# Second HR for HR Working Group Tackles Career Development, and Future of the HR Business Partner Role

The second meeting of the Cornell CAHRS HR for HR Working Group was held August 19, 2008, in Boston, at Fidelity Investment's Technology Center. Erin O'Brien, Vice President, HR at Fidelity, welcomed most of the group at an informal dinner the evening before. Ten representatives from CAHRS partner companies attended this session, which featured presentations by Shell International B.V. (Rick Brown), IBM (Bob Calamai), and Eaton (Akil Walton). During and after each presentation, attendees had wide ranging discussions about the variety of approaches major companies are taking to develop HR professionals across the career spectrum.

Several key topics emerged from these group discussions. One centered on developing a total career development map for HR employees, while another focused on the importance of quantitative/analytical skills for HR professionals and methods for developing them. Yet another examined a new concept that of holding senior business partner generalists simultaneously accountable for one or more HR specialty areas across the enterprise. Judging by the level of engagement and tone of the discussions, these topics and the approaches taken by Eaton, IBM and Shell were of great interest to the other companies in attendance.

The second half of the meeting was dedicated to exploring the pros and cons of the HR business partner generalist role,

which has become the dominant paradigm in many firms today. The faculty leaders, CAHRS Director Chris Collins and Executive Education Managing Director John Haggerty, challenged participants to consider whether the HR function has reached the point at which the current model is providing diminished returns (and why), and whether there are other models that should be (or already are being) considered. Needless to say, this topic provoked a rousing discussion which led the group toward far more questions than answers.

The third and final HR for HR Working Group meeting of 2008 is scheduled for October 17, and will be held in London, UK and hosted by Jenni Hardy, Vice President, Global HR, at AstraZeneca. This meeting will explore the challenges and current best practices in HR development across Europe and European-based companies operating globally. Working group sessions are open to CAHRS partner companies free of charge, and are generally kept to a maximum of 20 participants to ensure adequate time for discussion and interaction. Meeting summaries are provided to attendees, as well as any relevant research that follows from work done by the group. 

## SAVE THE DATE

### Working Group

## HR for HR - Hosted by AstraZeneca

**Date to be determined • London, UK**

The third and final HR for HR Working Group meeting of 2008 will be held in London, UK and hosted by Jenni Hardy, VP, Global HR of AstraZeneca. Representatives from CAHRS partner companies based in Europe and the Middle East, or with major operations in those locations are invited to discuss best practices and current challenges in the development of HR professionals and the HR function. The session will be facilitated by CAHRS Director Christopher Collins, and John Haggerty, Managing Director of Executive Education. This working group will review and discuss the output from our two prior U.S. sessions (March and August 2008), but will focus on the unique context of their own regions. Participants will be added to our resource list of HR for HR representatives, and will receive copies of presentations and a summary of the day prepared by the faculty facilitators.

If you have ideas for topics or have any questions, please contact John Haggerty at +1.607.255.6075 or email: [jjh56@cornell.edu](mailto:jjh56@cornell.edu).

This meeting is free of charge to CAHRS partner firms, but participation is limited to no more than twenty (20) attendees.

To attend, contact Sarah Thompson at +1.607.255.5882 or e-mail [sst22@cornell.edu](mailto:ss22@cornell.edu).

**SAVE THE DATE****Working Group****HR Challenges in the Asia Pacific Region****October 22, 2008 • Singapore**

CAHRS will be sponsoring a working group meeting of senior HR executives on HR Challenges in the Asia Pacific Region. The meeting will be aimed at connecting HR executives at CAHRS companies to discuss the challenges, issues, and best practices that their companies face. It will be a great opportunity to meet, network with, and learn from other senior HR executives at other CAHRS companies.

The meeting will be led by Professor Patrick M. Wright, William J. Conaty GE Professor of Strategic HR, the outgoing CAHRS director.

If you have ideas for topics or have any questions, please contact Patrick M. Wright at +1.607.255.3429 or email: pmw6@cornell.edu.

This meeting is free of charge to CAHRS partner firms, but participation is limited to no more than twenty (20) attendees.

To attend, contact Jo Hagin at +1.607.255.9358 or email: jap7@cornell.edu.

**SAVE THE DATE****Working Group****Managing An Inclusive, Diverse Workplace Globally****November 6, 2008 • Ithaca Campus**

Lead by Dr. Pamela Stepp, Executive Director CAHRS, Lisa Nishii, Assistant Professor HR, ILR, and Melissa Thomas Hunt, Associate Professor, OB, JGSM

Global Companies continue to face the issue of whether or not it is useful or even feasible to compose and use universal principles for global management. This is true for HR, as it is for diversity/inclusion management. Issues at the forefront for global diversity/inclusion include:

- Some American scholars have developed inclusion and diversity theories with the expectations to advance diversity and inclusion worldwide. When these theories are used to form policies outside of the U.S. what are the results? What experiences does your organization have with backlash to U.S. born diversity initiatives?
- Is it possible to establish universal policies for global diversity/inclusion management and abide by them?
- Can we define universal conceptualizations of fairness? If not, how do notions of fairness vary across cultures?
- What is the optimal balance between centralization and decentralization when it comes to global diversity/inclusion management? To what extent are global policies interpreted differently in local markets, i.e., a hybrid approach?
- How do organizations develop the global competencies of its leaders and employees, and what role does this play in managing global diversity & inclusion?
- What are the advantages of linking corporate social responsibility initiatives with those of global diversity/inclusion?
- Should we stop using the word diversity?
- What are approaches, models, solutions?
- On what metrics should organizations focus when assessing success in global diversity/inclusion management? In what ways should organizations hold themselves accountable for global and local metrics?
- Where do we go from here with these issues?

This meeting is free of charge to CAHRS partner firms, but participation is limited to no more than twenty (20) attendees.

To attend, contact Jo Hagin at +1.607.255.9358 or email: jap7@cornell.edu.



**SAVE THE DATE****CAHRS Fall Partner Meeting****Managing the New Workplace****November 12 - 13, 2008 • Statler Hotel • Ithaca Campus**

Over the past few decades, HR leaders have looked to leverage technologies to restructure work and the workplace to enhance their companies' competitive position and ability to meet the challenges of the 21st century. As the workplace continues to evolve, companies strive to discover how to structure work in ways that respond to labor market challenges within a regulatory framework essentially built in the 1940's. This meeting will focus on upcoming challenges and how companies are responding through best practices in managing the New Workplace.

The program will open with a series of presentations examining the changes affecting the workplace, including potential labor law changes tied to the upcoming U.S. elections, current litigation regarding work classification, and challenges created by changes in the competitive landscape and technology advancements. In the second part of the program, HR practitioners from leading companies and CAHRS and ILR School faculty members will share best practices regarding how to approach these challenges, including ways to create productive flexibility through organizational structure and HR practice solutions.

**WORKING AGENDA****November 12, 2008**

- 12:00-5:00pm** CAHRS Advisory Board Meeting  
(Board Members Only)
- 6:00-7:00pm** CAHRS Fall Partner Meeting Reception  
(Everyone Invited)
- 7:00-9:00pm** CAHRS Fall Partner Meeting Dinner

**November 13, 2008**

- 7:30-8:00am** Continental Breakfast
- 8:00-8:30am** Introductions  
Chris Collins, Professor and Director, CAHRS  
Pamela Stepp, Executive Director, CAHRS
- 12:00-1:00pm** Lunch
- 5:00-5:30pm** Wrap-up  
Chris Collins, Professor and Director, CAHRS  
Pamela Stepp, Executive Director, CAHRS

**Register online for this event:**

[ilr.cornell.edu/cahrs/events/111208CAHRSFALLSPONSORMEETING.html](http://ilr.cornell.edu/cahrs/events/111208CAHRSFALLSPONSORMEETING.html)

**Hotel Information**

We have set up a block of rooms at the Statler Hotel for you to make reservations. Please call the Statler Hotel at +1.800.541.2501 and be sure to reserve a room under "Fall Sponsors Program '08". All guestrooms will be held until October 15, 2008. After this date, any unused portions of the block will be released for general sale, so please be sure to reserve your room well in advance.

To attend, contact Jo Hagin at +1.607.255.9358 or email: [jap7@cornell.edu](mailto:jap7@cornell.edu).

# CAHRS EVENTS

## 2008 - 2009

- “Compensation Issues” Partner Working Group ..... September 22, 2008 New York, NY  
Hosted by CIT
- “HR for HR” Partner Working Group ..... Fall date TBD 2008 London, UK  
Hosted by AstraZeneca
- “European Compensation Issues” Partner Working Group ..... October 21, 2008 Milan, Italy
- “HR Issues in Asia” Partner Working Group ..... October 22, 2008 Singapore
- “Managing an Inclusive, Diverse Work Place Globally” ..... November 6, 2008 New York, NY  
Partner Working Group
- Fall Partner Meeting ..... November 12 - 13, 2008 Ithaca, NY  
Managing the New Workplace
- European CHRO Partner Working Group ..... January 8, 2009 London, UK
- Spring Partner Meeting ..... April 29 - 30, 2009 New York, NY
- ILR Orientation & CAHRS Executive Roundtables ..... August 25, 2009 Ithaca, NY
- Fall Partner Meeting ..... November 11 - 12, 2009 TBD

*For more information, contact Jo Hagin at +1.607.255.9358 or email: [jap7@cornell.edu](mailto:jap7@cornell.edu),  
or visit our website at: [ilr.cornell.edu/cahrs/Events.html](http://ilr.cornell.edu/cahrs/Events.html)*

### ILR Executive Education

- HR Strategy: Creating Competitive Advantage through People ..... September 15 - 19, 2008 Ithaca, NY
- Understanding the Top Seat: *The Modern CHRO Role & Strategies for Success*
- Session One ..... November 5 - 6, 2008 New York, NY
- Session Two ..... March 3 - 5, 2009 New York, NY
- HR Strategy: Creating Competitive Advantage through People ..... March 9 - 13, 2009 Ithaca, NY  
(Company Teams)
- HR Strategy: Creating Competitive Advantage through People ..... September 21 - 25, 2009 Ithaca, NY

*For more information, contact ILR Executive Education at +1.607.255.5882 or e-mail: [ilrexec@cornell.edu](mailto:ilrexec@cornell.edu),  
or visit our website at: [ilr.cornell.edu/execed](http://ilr.cornell.edu/execed)*

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