

# hr SPECTRUM

Cornell Center for Advanced Human Resource Studies

## Research Highlight

# Strategic HRM and Organizational Behavior: Integrating Multiple Levels of Analysis

Critical to the success of human resources is the ability to demonstrate the value our efforts add to today's business. Going back as far as 1995, researchers like Mark Huselid have published empirical studies which demonstrate a statistically significant linkage between HRM (human resources management) practices and measures of organizational performance.

Additionally, researchers and practitioners alike have tried to understand the mechanisms through which this positive relationship between HR and business performance occurs. Lately, there has also been interest in taking a multi-level approach to understanding HRM. This recent research involves exploring single or multiple practices within the HR function as well as individual versus organizational responses or behaviors as a result of HR.

The research cited here, titled Strategic HRM and Organizational

Behavior: Integrating Multiple Levels of Analysis, was undertaken by Patrick M. Wright and Lisa H. Nishii, both of the Industrial and Labor Relations School at Cornell. Their white paper examines some of the processes that occur in the HRM-

business performance relationship and tries to explain the multilevel nature of that relationship.

Think of it as analyzing any relationship for what makes it successful, and considering the emotional,

intellectual, spiritual and physical aspects of the relationship and how they are interconnected.

As an example, Wright and Nishii distinguish between the intended HR practices (i.e., the policies set out) and actual HR practices (i.e., those as they are actually differentially implemented by line managers). They note that while intended practices should be uniform, actual practices may vary quite a bit across managers

*The important issue is to link organizational and individual concepts in both directions.*

## In This Issue

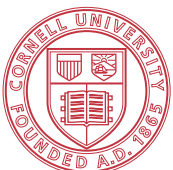
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or supervisors. In addition, the same employees with the same actual practices may differentially interpret what those practices mean, and how they react to them. This technique demonstrates the multi-level approach to research and analysis previously mentioned.

Wright and Nishii conclude their research by recommending a multi-level approach to understanding the phenomenon linking HRM to business results. Essentially, their research suggests two important directions for future SHRM research, and since more and more HR organizations are bringing that type of analysis in-house, these are important lessons.

First, they recommend the development of comprehensive theories that integrate several levels



Cornell University

*Up Close with ...*

## John Bradley of JPMorgan Chase & Co.

John Bradley was just back from a four-country tour through Asia, where he had visited some of the overseas operations of JPMorgan Chase & Co., as part of his role as Director of Human Resources of the \$1.3 trillion global financial services firm.

Directing the delivery of human resource services for 170,000 employees in more than 50 countries is a challenge Bradley has embraced with enthusiasm since assuming the top job in March of this year. It's a role that draws on the full experience of his 23-year career with the firm, including a posting in London in 2003 to run the company's European and Asian HR operations.

Bradley began with JPMorgan as an affirmative-action analyst right out of graduate school (Cornell ILR/MBA class of '82), and has been with the company ever since. "The firm has been great about giving me numerous opportunities to work in different areas and contribute in many different ways," he says. Some of those opportunities included heading up the company-wide compensation and benefits function, managing HR in the European investment banking and technology and operations divisions, and leading the HR integration effort upon the merger of JPMorgan and Chase.

Bradley is a member of the firm's Operating Committee, consisting of the heads of the major functional areas (such as legal, financial, technology) and six major business lines: investment banking, retail financial services, card services, commercial banking, treasury and securities services, and asset and wealth management. Each of those lines has its own HR operation, but report to both the business CEO and Bradley. The recent trip to Asia to evaluate the region's high growth potential is an example of how the management team coordinates plans across functional and business lines.

Bradley's key goal for HR in supporting the corporate mission involves ensuring the most effective end-to-end HR product and service delivery by understanding the needs of line managers more clearly and working to deliver on-time, on-budget solutions that increase each manager's impact. A big part of this is information management: "getting the right information to managers to make the right people decisions." Bradley elaborates, "If we focus on building the technology tools first, all we end up with is a high technology bill. We need to understand what drives decision



John Bradley


making and then identify the most effective sources of information and get it on the manager's desktop."

Another challenge in the global environment has been balancing policymaking between company-wide standards and local implementation. One area where this is most clear relates to Bradley's original passion: diversity and inclusion. "Our corporate global commitment is to have the best people in the right jobs at the right time with no barriers to entry or to retaining highly talented individuals," Bradley observes. "That said, our focus needs to be more results

oriented. Raising awareness is important, but this is only a means to an end. The focus needs to be on increased representation and retention of diverse employees in leadership roles.

"Further," Bradley adds, "diversity means different things to different people. Addressing underrepresentation has different requirements in different regions. The commitment to diversity and inclusion is global and the solutions to get there are local."

Sometimes solutions to timely issues can be drawn from academic research. Bradley knew about ILR's CAHRS as an undergraduate, so it was a natural for him to affiliate JPMorgan with the program when he became an officer there. One of the CAHRS projects for 2006-07 is studying the role of stock options in executive recruitment, a subject that has been the focus of much controversy lately. While expressing some surprise at the reported excesses in backdating options, Bradley comments: "Stock options can be very useful when applied appropriately as part of the compensation toolkit—by appropriately, I mean sparingly—to help retain key leadership, and priced at a true fair market value." Bradley supports the work CAHRS is striving to do in bringing academic research to bear on just such real-world problems.

Bradley concludes that even the short time in this role has forcefully affirmed his belief that effective HR leaders need to balance their roles as a business manager, "keeper of the corporate flame," shareholder activist, and employee advocate. "Focusing on any one area to the exclusion of others will limit what an individual can accomplish in any setting." 

*JPMorgan Chase & Co. joined CAHRS in 1992, the 'UP Close with' profiles feature interviews with leaders of CAHRS sponsors.*

## HR Company Profile

# Bear Stearns & Co., Inc.

**W**hat's the best thing about leading HR at Bear Stearns? "The tremendous range of opportunities my team and I have to add value," replies Pam Kimmet, the firm's new Senior Managing Director and Global Head of Human Resources. "Leaders across the firm want help in identifying, developing and retaining talent. They are personally engaged in these issues, and everyone here understands how important our employees are to the firm's success."

The Bear Stearns Companies, Inc., is a leading global investment banking, securities trading and brokerage firm. Since 1923, it has helped corporations, institutions, governments and individuals reach their financial objectives. As Pam explains, "Bear Stearns has an enviable track record. Since our founding we have never had an unprofitable year. And, unlike other Wall Street firms, we've remained independent and have steadily grown our business thanks to the efforts of our outstanding people."


Since joining the firm earlier this year one of Pam's top priorities has focused on enhancing the firm's recruiting capabilities and process. "We've undertaken an extensive review of the entire 'requisition to on-boarding' process and we have a pretty aggressive set of changes that we are preparing to implement," remarks Pam.

"While hiring the right people matters to every organization, it is especially critical in our industry," says Pam. "Our clients chose to work with us because of their trust in our people and their belief in our ability to innovate and execute," Pam adds. "So, making sure we are as effective as possible in bringing talent to the

firm, and doing it in a way that portrays to people what our firm stands for culturally is critical. The market for the talent we are looking for is very competitive, so every step of the process has to be done with excellence."

Scaling for growth means another of Pam's priorities is restructuring the HR team. "We are in the midst of realigning and moving to a model that will bolster our ability to provide the strategic support the leaders need, and make it easier for us to provide a focus on key areas ranging from HR systems and metrics to employee development and training.

"Like my colleagues everywhere, we have a lot to accomplish and the demand keeps growing. It's particularly tough when you are a person who wants to do it all and do it all now!" Pam explains. "Regardless, I am having so much fun and know we'll look back in a year and surprise ourselves at all we've done."

Pam has more than 25 years of experience in human resources administration. Prior to joining Bear Stearns, she served as the Senior Vice President for Human Resources at Lucent Technologies, Inc. and before that, she led the compensation and benefits team for Citigroup. Before joining Citibank in 1994, Pam spent 14 years with General Motors, holding increasingly responsible positions in various human resource roles across the corporation. Pam earned an MBA from Michigan State University through the school's Advanced Management Program and holds a B.S. in Industrial and Labor Relations from Cornell University. 

*Bear Stearns & Co., Inc. joined CAHRS in 2006 the 'HR Company Profile ...' feature a Corporate HR view of new CAHRS sponsors.*

## *Global HR Practices*


# Fall Sponsor Meeting 2006

The CAHRS Fall Sponsor meeting held October 23rd and 24th, was attended by more than fifty-three HR professionals from 25 sponsor companies. The topic, Global HR Practices has been one of the primary issues that HR professionals and sponsor companies have been wrestling with and will continue to face over the next decade as the pace of globalization continues to grow.

Patrick Wright, Professor of Human Resources and Director of CAHRS at Cornell, kicked off the meeting by discussing the findings of the ongoing CAHRS study conducted with partners Cambridge University, INSEAD, and Tilburg University which was sponsored by Sanyo Corporation. He described how the study melded intensive case studies of companies with a global survey of HR practices across 20 multinational companies in over 30 different countries. The data of the survey suggested that there seems to be a growing convergence of beliefs regarding best practices in HR that crosses cultural and country boundaries.

Professor Jaap Paauwe from Tilburg University, who also spent spring of 2005 as a visiting scholar within the ILR School, also presented some work from the Sanyo study on how firms are seeking to achieve HR functional excellence. Quinetta Roberson, Associate Professor of HR Studies at Cornell also presented some of her research examining the relationship between having a great workplace and firm performance among Italian firms. Finally, based on the results of the study, Scott Snell, Professor of HR Studies at Cornell discussed how HR organizations are able to innovate, integrate and institutionalize HR practices on a global basis.

In addition to the presentations of the study results, a number of senior executives participated in panel discussions describing how their firms have approached the management of global HR practices. Kevin Barr, SVP HR of Terex Corporation and Lee Patterson, VP of HR Strategy and Regional Coordination at Shell, discussed how their firms have attempted to decide which practices should be globally implemented versus which can be designed at a more local level. Also, Susan Beauregard, Manager of Global HR Shared Services at GE and Penny Stoker, VP HR for the U.S. at AstraZeneca conducted a revealing discussion on the issues with implementation of Global HR Information Systems.

Feedback from participants focused on the great mix of academic and practical information that was presented. The meeting provided them an opportunity to hear cutting edge research from some leading academics while also hearing best practices and insights from senior HR executives at leading companies. 



**Kevin Cox** American Express, **Simon King** AstraZeneca



**Stuart Basefsky** ILR Catherwood Library



**Lisa Nishii** CAHRS, **Lee Patterson** Royal Dutch Shell, and **Kevin Barr** Terex



**Peter Dowd and Bill Strusz Xerox**



**Quinetta Roberson  
CAHRS**



**Herb Harback and  
Jim Duffy CIT Group**

**CAHRS sponsors**



**Jaap Paauwe Tilburg University, The  
Netherlands**



**John Haggerty CAHRS, Susan Beauregard GE, and  
Penny Stoker AstraZenca**

# New NAHR Fellows Celebration 2006



**Ken Carrig, John Murabito, Eva Sage-Gavin, Lee Dyer, Bill Conaty, and Patrick Wright.**

On November 2, 2006, the National Academy of Human Resources inducted John Murabito and Eva Sage-Gavin as honored NAHR Fellows. John is Executive Vice President, Human Resources and Services at CIGNA Corporation. Eva is Executive Vice President of Human Resources and Corporate Communications at Gap Inc. Both are CAHRS Executive Advisory Board members. It is the NAHR tradition to hold their Annual Dinner and Installation of New Fellows Ceremony on the first Thursday of November, in New York City's Yale Club. Bill Conaty, NAHR Chair, CAHRS Executive Board Member, and Senior Vice President of Corporate HR for General Electric, gave the welcome address and general report. Other members of the CAHRS Board attended the blacktie event which also honored other Fellows. These new Fellows have been recognized by their peers for their distinguished leadership in the broad field of human resources and have meritorious national reputations for shaping human resource thinking and policy. The NAHR Fellowship is considered the most prestigious honor in the field of human resources. Fellowship in the Academy

is accorded to executives, policy-makers, and academics who have excelled in leadership, and who are recognized for their sustained achievement in and their contributions to their organizations, the Human Resource profession and society at large. Many current CAHRS sponsor companies have had their top HR executives inducted as Fellows over the years (see sidebar).

Murabito joined CIGNA in 2003 to lead the people strategy for the company's essential—and now successful—turnaround. Guiding a practical and focused approach to human resources strategy, he has led the change for many of CIGNA's critical people processes including succession, talent assessment, organization and leadership development, performance management and compensation. Believing the future of the human resources function to be "very small and very good," John has outsourced nearly all of CIGNA's HR administrative areas. The HR team now concentrates only on areas where they can add real value and drive business results. As the chief people officer for a health care provider, John

*Continued on Page Seven*

## NAHR Fellows (Present CAHRS Sponsors & Cornell Faculty)

### 2006

**JOHN M. MURABITO**  
EVP, HR and Services, CIGNA, Corporation  
**EVA SAGE-GAVIN**  
EVP, and Corporate Communications, Gap Inc.

### 2005

**PATRICK M. WRIGHT**  
Director CAHRS, Cornell University  
**DAVID W. PACE**  
EVP, Partner Resources, Starbucks Coffee Company  
**WORLDATWORK**

### 2004

**KENNETH J. CARRIG**  
EVP, CAO, SYSCO Corporation

### 2003

**JOHN D. HOFMEISTER**  
President, Shell Oil Company

### 2001

**JAMES B. DAGNON**  
SVP of People, The Boeing Company  
**J. T. CHILDS, JR.**  
VP, Global Workforce Diversity, IBM

### 2000

**STEVEN R. HILL**  
SVP, HR, Weyerhaeuser Company

### 1998

**J. RANDALL MACDONALD**  
SVP, HR, IBM Corporation  
**CHARLES G. THARP**  
Former SVP, HR, Bristol-Myers Squibb Company

### 1997

**J. THOMAS BOUCHARD**  
SVP, HR, IBM  
**WILLIAM L. BUCKNALL, JR.**  
SVP, HR and Organization, United Technologies Corporation  
**STEVEN M. DARIEN**  
VP, HR, Merck & Company

### 1996

**WILLIAM J. CONATY**  
SVP, Corporate HR, General Electric Company  
**GEORGE T. MILKOVICH**  
Catherwood Professor, Emeritus, ILR, Cornell University  
**SCHOOL OF INDUSTRIAL AND LABOR RELATIONS, CORNELL UNIVERSITY**

### 1995

**WALTON E. BURDICK**  
SVP, Personnel, IBM Corporation  
**CHARLES F. NIELSON**  
Corporate VP and Manager of HR, Texas Instruments, Inc.

### 1994

**LEE DYER**  
Professor, School of Industrial and Labor Relations, Cornell University  
**DOUGLAS M. REID**  
SVP, Xerox Corporation, SVP Colgate-Palmolive Company

### 1993

**URSULA F. FAIRBAIRN**  
EVP, HR and Quality, American Express Company

### 1992

**BRUCE CARSWELL**  
Distinguished Fellow & CAHRS AB, Cornell University  
**FRANK P. DOYLE**  
EVP, General Electric Company  
**DAVID P. LIPSKY**  
Director, PERC Institute of Conflict Resolution, ILR, Cornell University

# In The News

**ILR Graduate Programs Thanks Citigroup** – Citigroup has always been a generous benefactor to the ILR School and, once again, it has demonstrated its generosity by providing scholarship support for a MILR student. The MILR Program exemplifies the ILR School's ongoing commitment to educating tomorrow's leaders, and keeping the program strong requires recruiting the best candidates. Thanks to Citigroup's generous gift, the program will be able to recruit another outstanding candidate.

## Strategic HRM and Organizational Behavior

*Continued from Page One*

of analysis as we saw in the example above. The important issue is to link organizational and individual concepts in both directions. How does the individual affect the group and how does the group affect the individual? How do HR processes that we implement impact both organizations and individuals within an organization? This is the first line of questioning that these researchers recommend.

Second, Wright and Nishii suggest that organizations conduct multi-level research. HR professionals within firms are becoming more and more willing to share critical data and be more analytical in their decision making. This presents a ripe field for more robust methods to study the impact of HR. The development of several new analytical techniques, no doubt understood by some of the more recent grads with industrial and organizational psychology

degrees, will also help HR practitioners design and utilize research data that is more useful for their decision making in the business.

Wright and Nishii purport that there are two relatively new research techniques that can benefit the HR practitioner seeking to quantify the value of his or her organization. *Within and Between Analysis (WABA)* and *Hierarchical Linear Modeling* research methodologies can be a boon to internal HR research. These models can provide a more in-depth analysis of the impact of HR, and the researchers' research on the methodology suggests that these techniques will help you harvest the increasingly plentiful data available to assess the effectiveness of your HRM. [hr](#)

## New NAHR Fellows Celebration 2006

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is acutely aware of the rising cost of health care an employee benefits for companies of all sizes. To reduce cost in this critical area, the company has implemented its own industry-leading health plans for all CIGNA employees. In June of 2006 the company was honored by the National Business Group on Health as one of the Best Employers for Healthy Lifestyles. John is active in both academic and professional communities. He is a board member for Cornell CAHRS, as well as the University of South Carolina's Masters in Human Resources program.

Sage-Gavin, in her role as Chief people Officer, sets the strategy for Gap Inc.'s global human resources and communications operations, including strategic change, talent management, diversity, total rewards, learning and development, and communications. She joined the

company in 2003 and has been instrumental in many key business growth initiatives. She led the company's total rewards redesign which included performance based incentives, restricted stock awards and significant benefit cost savings. Eva also introduced healthcare access to over 80,000 of the company's part time employees and achieved enrollment rates above industry levels. She and her team developed new leadership training for 11,000 company managers. Eva was the architect for Gap Inc.'s culture shift that has included a strategy now imbedded in all reward, recognition and development work globally. She is on the Board for Cornell CAHRS, and the ILR School, the University of Southern California, and the Human Resources Policy Association. [hr](#)

# CAHRS EVENTS CALENDAR

2006 - 2007

CAHRS Spring Sponsor Meeting ..... May 22 - 23, 2007 Paris, France  
Employee Engagement: What Do We Really Know?  
What Do We Need To Know?

ILR Orientation and CAHRS Executive Roundtables ..... August 21, 2007 Ithaca, NY

CAHRS Fall Sponsor Meeting ..... November 14 - 15, 2007 Ithaca, NY

*For more information, contact Jo Hagin at 607/255-9358 or email: [jap7@cornell.edu](mailto:jap7@cornell.edu), or visit our website at:  
[www.ilr.cornell.edu/cahrs/Calendar.html](http://www.ilr.cornell.edu/cahrs/Calendar.html)*

## ILR Executive Education & Events

The Vanguard Group Custom Programs ..... January 17 - 19, 2007 Malvern, PA

HR Leadership: The Next Paradigm ..... February 6 - 8, 2007 St. Petersburg, FL

Language of Business: ..... March 6 - 7, 2007 Atlanta, GA  
Finance and Competitive Analysis for Strategic HR

Shell Custom Programs ..... April 22 - 27, 2007 The Hague, The Netherlands

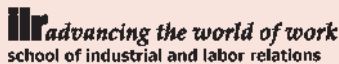
HR Transformation: Partnering to Achieve Functional Excellence..... April 30 - May 4, 2007 Ithaca, NY

HR Strategy: Creating Competitive Advantage Through People ..... September 24 - 28, 2007 Ithaca, NY

Shell Custom Programs ..... October 21 - 26, 2007 The Hague, The Netherlands

Managing for Impact: ..... November 7 - 8, 2007 Miami Beach, FL  
HR Metrics and Firm Performance

*For more information, contact ILR Executive Education at 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) to view our Brochure.*



*hrSPECTRUM* is published by the  
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