

HRPI newsletter

Human Resources Policy Institute

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HRPI Spring 2014 Meeting

The Human Resources Policy Institute (HRPI) held its spring 2014 meeting on May 12-13, 2014 at the Cleveland Clinic. The theme was Healthcare Challenges and Solutions.

The first day opened with a presentation by Dr. Delos "Toby" Cosgrove (CEO and President) on the Clinic's innovative healthcare model. He shared an overview of the organizational and operational structure and then discussed the industry's disruptors, risks and opportunities, and how the Clinic is addressing each. He closed his presentation by identifying the Clinic's three key focal points (access, quality and affordability) and how Cleveland Clinic delivers each.

Next, Brian Marcotte (President & CEO, National Business Group on Health) talked about the changing landscape of healthcare in the wake of the Affordable Care Act. He discussed employer attitudes and actions with respect to company health plans and strategies aimed at engaging employees as healthcare consumers, rather than beneficiaries. He provided a specific case example of a successful employee engagement program. After discussing industry trends of network optimization and technology, Marcotte closed with a summary of practices by best performers.

Dr. Michael Roizen (Chief Wellness Officer, Cleveland Clinic) gave a dynamic dinner talk on needed lifestyle changes in order to live a more healthy life.

The second day began with a roundtable discussion led by Professor Fred Foulkes, addressing healthcare issues raised by HRPI members. Discussion heavily centered on member companies' experiences with private health care exchanges and high deductible plans. Dick Antoine (HRPI Fellow and President, National Academy of Human Resource) introduced a project called 'The Future of HR,' and solicited thoughts from members of what CEOs will ask of CHROs five years from now.

Next, Dr. Bruce Rogen (Chief Medical Officer, Cleveland Clinic Employee Health Plan) and Dr. Paul Terpeluk (Medical Director of Employee Health Services) discussed the wellness health care initiatives. The Clinic uses a 3-pronged, integrated strategy of benefit design, population health and business intelligence to drive metrics and outcomes.

The final presentation was by Michael McMillan (Executive Director, Market and Network Services) on the Clinic's experiences with direct contracting of cardiovascular health care services with a large US employer. After sharing lessons learned from the case study, McMillan compared Cleveland Clinic's actively managed narrow network to traditional Center of Excellence health care networks. Actively managed networks have the potential to not only improve outcomes and quality of care for employees but also reduce costs for employers. ■



ABOVE : Dr. Michael Roizen, Chief Wellness Officer of Cleveland Clinic, and Ms. Lindsay Hoag.

BELOW : HRPI Fellow, Mr. Dick Antoine, introduces "The Future of HR" project. *Photos courtesy of HRPI.*



Companies Adjusting to Social Media Use

A survey by Proskauer's, a New York-based law firm, confirms that many organizations have accepted that employees are going to spend time at work using social media for personal purposes.

The firm polled over 100 multinational firms from around the world and 43 percent reported that they allow all employees to use social media for non-business activities. Twenty-six percent reported that they allow some employees to do so.

The survey also found that 71 percent of the employers surveyed have had to discipline employees for misuse of social media. This figure was 35 percent when a similar survey was conducted in 2012. The top five causes for disciplinary action were misuse of confidential information; misrepresentation of business views; inappropriate non-business use; inappropriate remarks about the business or an employee; and harassment.

Seventy-nine percent of companies surveyed reported having policies on social media use, compared with 60 percent in 2012.

"Curbing Social Media Misuse", www.hreonline.com, May 1, 2014

Telework News

A recent national survey of 550 working adults by Flex+Strategy Group/Work+Life Fit, Inc. found that 31 percent of respondents do most of their work away from their employers' office. The survey also revealed that 71 percent of teleworkers were men and there was no significant difference between the numbers of remote workers with or without children. In addition, 47 percent of remote workers reported receiving training to help manage work/life flexibility, while only 35 percent of those working in offices reported getting the same training.

"What Does Today's Teleworker Look Like?" www.hreonline.com, February 2, 2014

Employer Spending on Wellness-Incentives Continues to Rise

An employer survey, conducted in November/December 2013 by Fidelity Investments and the National Business Group on Health, showed that corporations plan to spend an average of \$594 on wellness-based incentives within health care programs in 2014. This is 15 percent more than was reported in 2013

and more than double what was spent five years ago. The largest spending increase was among smaller companies with fewer than 5,000 employees.

Lifestyle management programs such as physical activity and weight and stress management programs remain the most popular approach while disease management programs, health-risk management and environmental enhancements were also popular. Ninety-five percent of companies' surveyed plan to offer health-improvement programs to employees and 74 percent plan to offer incentives for participation, a significant increase from the 57 percent that were offering incentives in 2009. Many employers reported that they still offer incentives in the form of cash or gift cards, though more are offering incentives via an employer-sponsored health savings account, a flexible spending account or another care-based savings program.

"Spending on Wellness Incentives Up 15% in 2014", www.shrm.org, February 24, 2014



Benefits Satisfactory

More U.S. employees are satisfied with their company-sponsored retirement plans now than five years ago, according to The Towers Watson Global Benefits Attitudes Survey. Although this is encouraging news, the survey also notes that this satisfaction is concentrated among younger employees and those with defined benefit plans, perhaps reflecting the lower expectations of younger workers whose concept of retirement, including when they will actually retire, is different.

"Lowering the Bar on Retirement" www.hreonline.com, May 6, 2014

Back to Basics for Corporate Leaders

Corporate leaders around the world are determined to focus on business basics this year, according to the annual CEO Challenge survey by the Conference Board. The survey, which has been carried out every year since 1999, asked more than 1,000 presidents, CEOs and chairmen from around the world to rank their top five of 10 challenges. This year, the top four challenges mentioned were human capital, customer relationships, innovation, and operational excellence, suggesting that companies are trying to position themselves for growth after the long post-downturn restructuring. When asked to rank "hot button" issues that would have immediate impact, big analytics was at the top of the list. Asia-based executives chose financial instability in China and currency volatility as the most pressing concerns, while Europeans identified economic depression and energy market volatility.

"Corporate Leaders to Focus on the Basics", *The Financial Times*, January 9, 2014

Opportunities to Work Reduced Hours Decline

Apart from allowing more employees to telecommute and adopt flexible schedules, employers are cutting back on programs that would allow employees to work reduced hours in order to care for an ill parent or child, according to research by Stephen Sweet, a sociologist at the Sloan Center on Aging and Work at Boston College, who recently surveyed 545 employers for a study he coauthored.

He noted that of his survey sample, only 20 percent of companies offered a variety of flexible options to most of their employees. In addition, he noted employers have reduced the amount of leave available to new fathers and adoptive parents and have reduced compensation for new mothers on maternity leave.

Commenting on the same issue, Kenneth Matos, at the Family and Work Institute notes "Employers are more willing to let you shuffle what you do over the course of a day, but they are reluctant to grant you days when you are just not there or are working part time".

"For Workers, Less Flexible Companies", *The New York Times*, May 19, 2014 and "Inflexible on Workplace Flexibility", www.hreonline.com, May 20, 2014 ■

Gap, Inc. Announces Minimum Hourly Rate for Employees

In February 2014, Gap, Inc. announced that it would set \$9 as the minimum hourly rate for its U.S. workers and would set \$10 as the minimum for 2015. The company noted that this move would raise pay for 65,000 employees. Gap is based in San Francisco, a city that has an established minimum wage of \$10.74 and California has enacted a law that establishes a minimum wage of \$10 per hour by 2016. This move allows the company to avoid having staff earning different amounts in different states and is expected to give the company a competitive advantage when recruiting higher-skilled retail workers.

The decision has also resulted in significant favorable publicity for the company, with CEO Glenn Murphy featured in a June 2014 *Vanity Fair* article and promotion for the company on the 2014 list of "The World's Most Ethical Companies".

"Gap to Raise Minimum Hourly Pay", *The New York Times*, February 19, 2014, "Vanity Fair Nominates Glenn Murphy", *Vanity Fair*, June 2014 and "The World's Most Ethical Companies", www.forbes.com, March 20, 2014

Work-Life Balance Remains a Female Issue

Male executives still see family conflict as a problem to be handled by women, according to a recent *Harvard Business Review* article that reviewed interviews of almost 4,000 c-suite executives around the world. Fifty-six percent of those interviewed were male and all had the same job title.

Men, according to the Harvard study, continued working when faced with a family issue because they viewed themselves as the primary breadwinner. Women felt guilty when they didn't spend time resolving family conflicts or if they missed important moments in their children's lives. Male executives justified spending inadequate time with their families as the price for providing their families with exceptional opportunities. Furthermore, men admitted to turning to their spouses for practical help, while women paid others for such assistance.

The study also noted that 88 percent of the men interviewed were married, compared with 70 percent of the women. Sixty percent of the men had spouses who did not work outside the home, compared with only 10 percent of the women. Men and women also

defined personal and professional success differently. According to the researchers, twelve percent of the men linked personal success to financial success, but none of the women interviewed did so. In addition, 14 percent of men defined success as enjoying work daily, while only eight percent of women defined success in this way.

"Male Executives: Work/Life Balance is a Women's Issue", www.shrm.org, April 4, 2013

"Age Smart" Policies Recognized

Four companies, each representing different aspects of "age smart" policies and practices, were honored with the inaugural "Age Smart Employer" awards, an initiative of the New York Academy of Medicine and funded by the Alfred P. Sloan Foundation.

Montefiore Medical Center, a large health care delivery system in the Bronx was recognized for its many "age smart" policies and an exemplary management training program for the multigenerational workforce. The hospital administration partners with union leaders so that all staff receives cultural diversity training. It offers reduced schedules, assignment to special projects and various other strategies to ease the way to retirement for employees. In addition, the hospital's "School at Work" program allows support staff to learn basic health care skills that allow them to return to school and receive further training for entry into health care professions.

Global pharmaceutical firm Pfizer received an award for their "Get Old" campaign that challenges the meaning of getting old and promotes healthy aging. In the workplace, the company offers wellness programs and health management practices that recognize the challenges of ageing. The company has also instituted mentorship programs, caregiver support groups and the company's "Mentor Match" connects employees of varying ages and experience levels.

Ristorante Settpani and Settepani Bakery, a small business in Harlem and Brooklyn, was recognized for its commitment to treating employees like family and acknowledging their talents and career aspirations. All employees receive training to keep skills current and technology that can impact the bottom line is emphasized. All incoming staff are cross-trained to accommodate employee needs.

Finally, Renewal Care Partners, a long-term care provider in New York City with more than

100 employees, was recognized for recruiting, training, and using insights from older staff as caregivers. Through partnerships with community organizations, the company identifies older adults qualified to work with older clients.

"Ahead of the Curve", *AGEnda Aging and Work Blog*, February 17, 2014

Zappos Dispenses with Corporate Hierarchy

In a new approach to organizing the company, online retailer Zappos has announced that it will dispense with the typical corporate hierarchy and job titles within the company. The traditional structure is being replaced with overlapping, self-governing, circles known as a "holacracy". This new system is intended to give employees more of a say in how the company is run. Ten percent of employees had transitioned to the new system by April 2014 and the company expects to transition its entire workforce by the end of 2014.

Now, employees will have several roles with explicit expectations, instead of job titles. Employees are part of multiple circles performing tasks, instead of working on a team. Instead of managers, there are "lead links" that assign or remove employees from roles. Decisions on what each role entails and how it should be completed are made by a governing council of people from each circle. Employees are still watched and assessed, and enough structure exists so that poor performers stand out when they don't have enough "roles" to fill their time or those monitoring company culture decide that they are not a good fit.

"Zappos Says Goodbye to Bosses", *The Washington Post*, January 3, 2014

Zappos Changes Hiring Process

Not only is Zappos dispensing with job titles, the online retailer is also changing its hiring process and how it evaluates job candidates. The company is no longer posting job openings on recruiting sites, such as Monster.com or on the Zappos website. Instead, prospective employees have to join a social network called "Zappos Insiders". There they will network with current employees and show that they have the necessary skills to join the company.

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New Members and Representatives

Kerry Chandler is Global Head of Human Resources at Christie's. She is responsible for all HR operations including employee relations, compensation, performance management, learning and development, recruitment and budget for Christie's locations worldwide.



Previously, she was Executive Vice President of Human Resources at the National Basketball Association (NBA), where she led the league's global human resources strategy, including recruiting, employee relations, compensation, human resources information systems (HRIS), learning and development, as well as the HR generalist function. Ms. Chandler has also held senior roles at The Walt Disney Company and HR leadership roles at McDonnell Douglas Corporation, Exxon Chemical Company, Motorola, Inc., and IBM Global Services.

Ms. Chandler graduated from Lincoln University in Jefferson City, Missouri with a bachelor's degree in public administration. She later earned her master's degree in human resources management from Washington University in St. Louis, as well as a master's degree in management from McGill University in Montreal. She also participated in the International Masters in Practicing Management (IMPM) Program, where she earned a certificate from INSEAD in Fontainebleau, France.

Jeff Pon is Chief Human Resources and Strategy Officer at the Society for Human Resource Management. Dr. Pon has over 20 years of experience in leading organizations and transforming talent management in the private and public sectors. Dr. Pon has co-authored and developed National Human Resource Standards with the Corporate Leadership Council, the National Academy of Public Administration, and Booz Allen Hamilton.



Prior to joining the Society for Human Resources Management, Dr. Pon was the President and COO of Futures Inc., whose mission is to help find the right jobs for returning military, veterans, and their families. As a Principal at Booz Allen, Dr. Pon served

as a strategic human capital management consultant in support of United States Federal Government clients that included the Social Security Administration, Department of Defense (Personnel and Readiness), Internal Revenue Service, Department of Energy, General Services Administration, and the Office of Personnel Management.

Dr. Pon has also served as Chief Human Capital Officer for the U.S. Department of Energy and as the Director and Deputy Director of eGovernment at the U.S. Office of Personnel Management. He also served as an executive in several technology and manufacturing companies, including Seagate Technology, Burger King, PetCo, Hyperion Solutions, Siemens, HP, Qualcomm, Sempra Energy, William Sonoma, Taylor Made Golf, and Federal Express.

A graduate of the University of Southern California, Dr. Pon earned his Doctorate in Philosophy (Ph.D., Industrial Organizational Psychology) from the California School of Professional Psychology, where he also earned a Master of Science Degree in Industrial Organizational Psychology degree.

Susan Hunsberger is Senior Vice President at The ServiceMaster Company. She joined the company in December 2013.



Ms. Hunsberger joined ServiceMaster with broad global experience in a variety of industries, including market research, aviation, medical devices, and oil and gas. Most recently, she served as Senior Vice President, Human Resources, for the global business solutions (GBS) group of Connecticut-based Nielsen, where she developed a strong record of building high-performing teams and driving results in talent management, organization design and capability, change management and employee relations. She led the HR team for the GBS organization, which employs more than 35,000 employees worldwide, and played a key role in helping Nielsen make the transition from a private to a public company.

Prior to working at Nielsen, Ms. Hunsberger spent more than 12 years at GE Aviation. Ms. Hunsberger has also worked in HR roles at Johnson & Johnson and Marathon Oil.

A graduate of Miami (Ohio) University, Ms. Hunsberger also holds a master's degree in organizational development from Bowling Green State University.

Darren Burton is Vice President, Corporate Human Resources and Enterprise Human Resource Operations for Raytheon Company. He oversees corporate human resources, labor relations, talent acquisition, executive aircraft operations, and workforce planning. Prior to his current responsibilities, Mr. Burton served as a Raytheon Company Vice President of Human Resources and Global Security Services at Missile Systems (RMS), and was responsible for the development and execution of human resources and security strategies and initiatives.



Before joining Raytheon, Mr. Burton was the Senior Vice President of Human Resources for Williams Lea, a U.K. based business process outsourcing company. Before his work with Williams Lea, he was the Director of Human Resources, Commercial Engagements and Alliances worldwide for IBM, where he led a global organization of 200 human resource professionals in 50 countries.

Mr. Burton also spent several years with Campbell Soup Company, as well as several years working for E.I. DuPont de Nemours and Company.

A graduate of the State University of New York, Mr. Burton holds a master's degree in industrial and labor relations from Cornell University.

Sue Rice is Senior Vice President, Human Resources at Thermo Fisher Scientific. She joined the company in September 2006 as Vice President of Human Resources for the Analytical Technologies Group. In 2011, she was given additional responsibility for HR leadership in Asia-Pacific and Emerging Markets. In May 2013, she was named Acting Senior Vice President of Human Resources for the company, and was appointed to this position in November 2013.



Prior to joining Thermo Fisher, Ms. Rice worked for Fidelity Human Resources Services Company, Reed Elsevier, State Street Bank and PepsiCo.

Ms. Rice holds a master's degree in public health from Yale University and a bachelor's degree in biology from Bates College. ■

This change in strategy came about following the company's recruiting experiences last year, when more than 31,000 people applied for positions at the company and just 1.5 percent of them were hired. Recruiters can now pursue "Insider" candidates with online Q&A sessions, contests or events and will have more time to follow up on targeted candidates, such as employee referrals. The company plans to use talent-acquisition software to help sort the "Insiders" into appropriate pipelines, based on skill sets or interests.

"Zappos Zaps Its Job Postings", *The Wall Street Journal*, May 26, 2014

Baltimore Adopts "Ban the Box" Measures

Baltimore recently joined Hawaii, Massachusetts, Minnesota, Rhode Island and local jurisdictions such as Philadelphia, Seattle, Buffalo, San Francisco and Louisville in adopting "ban the box" measures. Baltimore's Fair Criminal-Record Screening Practices ordinance bans private employers from asking about or conducting a criminal background check on a job applicant until a conditional offer has been extended. The ordinance applies to all employers with 10 or more employees within the City of Baltimore, though facilities serving minors or vulnerable adults are exempt. Unlike some other "ban the box" laws, Baltimore's ordinance does not require employers to provide additional notices to applicants other than those required under the Fair Credit Reporting Act, nor does it limit how far back an employer can search.

Many more jurisdictions have adopted "ban the box" laws for public employment and more are currently considering similar laws for private employers. As a best practice, the EEOC recommends that all employers remove criminal history questions from applications and introduce them later in the hiring process.

"Baltimore Bans the Box For Private Employers", *www.seyfarth.com*, May 22, 2014

Amazon Adopts "Pay to Quit" Program

In January 2014, Amazon.com unveiled a "Pay to Quit" program to warehouse employees. Unlike a typical severance program, the departure bonus is not intended to shrink payroll costs. Rather, the program measures employee loyalty and has employees think about their position within the company. Once a year, employees are offered a bonus to quit. The first year amount is \$2,000, and increases by \$1,000 each year, to \$5,000.

With unemployment lasting, on average, four months for those out of work, recruitment consultants have questioned whether the amount offered is sufficient to incent disengaged employees to quit.

"Amazon Offers 'Pay to Quit' Bonuses to Disgruntled Workers", *www.shrm.org*, April 17, 2014

Career Restarters in Demand

Reach Hire, a startup based in Concord, MA, is developing a new way for professional women to return to work. The company focuses on finding and re-training women, who have taken career breaks and are interested in finding a way to return to work. The company offers women an opportunity to refresh technical skills with courses taught

by Google, Microsoft and other technology partners; career coaching is facilitated by experienced coaches; and participants complete a four to six month company placement at companies such as EMC, Panera Bread, Fidelity Investments and Boston Scientific. Approximately two dozen women, with, on average, fifteen years of work experience, have already completed retraining and eighteen of them have returned to work.

"Mothers Being Wooed to Restart Careers", *The Boston Globe*, May 9, 2014

Another Workplace Perk: Prayer Rooms

Gogo, Inc., a newly public tech firm that provides in-air Internet service included two rooms set aside for prayer and meditation, when designing the company's new Chicago headquarters. These new additions mean that religious employees will no longer have to use conference rooms or other shared spaces for daily prayers. Centro LLC, an advertising software company, is constructing a meditation room and has instituted a "pause" at 2:45 pm each day, when employees can sit quietly and meditate or just "shut down" for a few minutes.

After employees were observed using stairwells for prayer, online travel company Orbitz set aside a small room at its Chicago offices for prayer and meditation. The room, containing prayer mats and a small kneeler, is used regularly by Muslims for daily prayers, Christians who read the bible and others who meditate. Google also has meditation and mindfulness spaces at many of its offices.

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Recommended Reading

Gender Intelligence: Breakthrough Strategies for Increasing Diversity and Improving Your Bottom Line, by Barbara Annis and Keith Merron (Harper Business, 2014)

Network Advantage: How to Unlock Value from Your Alliances and Partnerships, by Henrich Greve, Tim Rowley and Andrew Shipilov (Jossey Bass 2014)

Status Update: Celebrity, Publicity and Branding in the Social Media Age, by Alice E. Marwick (Yale University Press, 2014)

Indispensable: When Leaders Really Matter, by Gautam Mukunda (Harvard Business School Press Books, 2014)

Overwhelmed: Work, Love and Play When No One Has the Time, by Brigid Schulte (Sarah Crichton Books, 2014)

The Good Jobs Strategy: How the Smartest Companies Invest in Employees to Lower Costs and Boost Profits, by Zeynep Ton (Amazon Publishing, 2014)

HRPI Fellow Appointed to Board of Alexion Pharmaceuticals



HRPI Fellow Jack Mollen has been appointed to the Board of Directors of Alexion Pharmaceuticals, a biopharmaceutical company focused on serving patients with severe and rare disorders.

Mr. Mollen was most recently special advisor to the Chairman of EMC Corporation and previously served as Executive Vice President, Human Resources at the company.

"Alexion Announces the Appointment of John T. Mollen to Its Board of Directors", <http://news.alexionpharma.com/press-release>, April 17, 2014

UNUM Employees Support Local Causes

In 2013, UNUM and its employees in the U.S., U.K. and Ireland contributed more than \$13.5 million and volunteered more than 100,000 hours to support causes, primarily in the regions where the company operates. The company focuses its charitable work on supporting public education initiatives that give children more opportunities to learn. The company also provides significant support to the United Way.

"UNUM Tops \$13.5 Million in Corporate and Employee Giving for 2013", www.unum.newshq.businesswire.com, March 25, 2014

SHRM Launches New Certification Program

The Society for Human Resource Management has announced that it will create a new, competency-based certification program for HR professionals.

Based on the SHRM Competency Model, the new certification aims to teach and test practical, real-life information that HR professionals need in order to excel in the field. The competency model has been developed over the past three years and the organization is working on creating a certification that will be valid for three years before recertification credits need to be submitted.

The organization plans to offer the first exam for the new certification in mid-2015, but will continue to support the PHR and SPHR certifications through January 2015. During 2015, SHRM will allow individuals with HR certification from other organizations to convert to their new credential for free, provided that their certification is current, they complete and additional online module on HR competencies and sign the SHRM code of ethics.

"SHRM Announces Details of New Certification" www.shrm.org, May 19, 2014 and "SHRM Rolls Out New Certification", www.hreonline.com, May 19, 2014

Diversity and Equality Initiatives on the Rise

A record number of companies, including 299 of the Fortune 500 companies are extending equality to LGBT employees, according to a ranking from the Human Rights Campaign released in January 2014. The number of top-ranking companies jumped from 189 to 304 over the past two years, as hundreds of businesses supported amicus briefs on the Defense of Marriage Act and California's Proposition 8. Companies were measured on equal employment opportunity and benefits; organizational competency and public engagement.

HRPI member companies on the list include: Levi Strauss, Bank of New York Mellon Corp, EMC Corporation, IBM and Procter & Gamble. Member companies Procter & Gamble, IBM and Colgate Palmolive were also featured on the 2014 DiversityInc. "Top 50 Companies for Diversity" list.

"Getting Gay Friendlier", January 9, 2014, *LRP Publications* and *The 2014 Diversity Inc. Top 50 Companies for Diversity*. ■

Boston University News

Governor Patrick Honored at Boston University Commencement

Massachusetts Governor Deval Patrick received an honorary degree and delivered the 141st Commencement Address at Boston University on May 18. Other honorary degree recipients were actress, writer and neuroscientist Mayim Bialik; CEO and Co-founder of Boston's City Year, Michael Brown; actor and comedian William H. Cosby, Jr.; and Rajan A. Kilachand, philanthropist and President and Chair of the Dodsall Group. Nancy Hopkins, Amgen Inc., Professor of Biology at MIT delivered the Baccalaureate Address.

New Endowed Chairs at the School of Management

Professors Karen Golden-Biddle and Susan Fournier are the latest recipients of endowed chairs at the School of Management. The new chairs were endowed through a \$10 million gift to the School by Allen Questrom (SMG '64) and his wife Kelli. The gift also

provides initial funding for a new building to house graduate programs at the School of Management.

Professor Golden-Biddle joined SMG in 2007 and is a professor of organizational behavior and senior associate dean. Her research focuses on how organizations drive and manage change. Professor Fournier is a professor of marketing and a dean's research fellow and has been at SMG since 2005. Her research explores the creation and capture of value through branding and brand relationships. With these new appointments, the School of Management now has three female endowed chairs.

"Allen and Kelli Questrom Endow Two Professorships Through \$10 Million Gift" www.bu.edu, April 9, 2014

School of Management Welcomes First Permanently-Endowed Institute

An endowment from Indonesian businessman

Harry Susilo will allow for the creation of The Harry Susilo Institute for Ethics in a Global Economy (IEGE) at the Boston University School of Management. This is the first permanently-endowed institute at the School of Management. The Institute aims to promote dialogue and debate through work on global ethics, by teaching cross-cultural business practices, focusing on both Western and Eastern cultures, and by developing teaching cases that impart lessons from both Western and Eastern ethical frameworks. It is anticipated that professors from the School of Management will collaborate with colleagues from universities across Asia, facilitated by Mr. Susilo and his advisors.

In addition, the endowment supports a director position at IEGE, to be filled by a scholar in business ethics, as well as an annual Harry Susilo Institute Symposium for the Study of Ethics, to be held on alternating years in Boston and Asia.

"Susilo Institute for Ethics in a Global Economy: New Voice in Global Ethics" www/bu.edu/today, May 14, 2014 ■



Japan Announces Additional National Holiday

The Japanese parliament recently passed a law instituting a new

national holiday called Mountain Day. With 15 official holidays, Japan already has more than most countries—the U.S. has only 10. The new holiday is aimed, in part, at getting white-collar Japanese workers to take more time off. According to a government survey in 2013, such employees took only 8.6 days of vacation time, less than half of the allocation that most receive.

“Japan’s ‘Mountain Day’ Aims to Pry Workers Out of the Office”, *The Wall Street Journal*, May 21, 2014

Death of Female Directors at U.K. Companies

According to a study published in *Economic Journal*, large companies in the United Kingdom are likely to appoint a female director only if the post was previously held by a woman. The report reviewed board composition and performance of FTSE 350 index companies between 1996 and 2010. During this time, the percentage of female board directors at these

companies rose from about 2 percent in 1996 to 8 percent in 2010, but while there was a 20 percent chance of a woman being replaced by another woman, the likelihood fell to 10 percent when a man held first held the post.

Although various initiatives are underway to address this imbalance in the boardroom, there are only three female CEOs among FTSE 100 companies. The EU has proposed a 40% target for female representation on the boards of listed companies by 2020.

Norway set a voluntary target of 40% female to be reached by 2005,

but only reached that number by 2008 after making the ratio compulsory. France, Finland, Iceland, Italy and Spain have embarked on similar initiatives.

“‘One In, One Out’, for Female Directors at Top UK Companies”, *www.theobserver.com*, February 15, 2014

New Chinese Labor Laws to Impact Employers

In 2013 and 2014, China enacted several new laws and rules that significantly impact employers there. Most significant are the changes to the control of labor dispatch agreements, which were originally designed as a supplement to direct hiring to fill an employer’s temporary or short term hiring needs. However, the system was abused by many firms who used the agreements to reduce employment costs; dispatched workers are typically paid less than regular employees and are easier to terminate.

To protect these employees, China has changed labor-dispatch arrangements in a number of ways. First, the labor-dispatch business is now subject to government licensing and obtaining a license requires higher capitalization. Furthermore, dispatch is now only allowed for temporary (up to six months) and substitute (filling in while an employee is away for travel or study) positions and the ratio of dispatch workers to regular employees is restricted. Finally, dispatch workers are entitled to the same pay as those directly hired and all non-conforming contracts must be amended or both the labor dispatch agency and company will be subject to significant fines.

In addition, a new Exit-Entry law has been in effect since July 2013. There are new parameters for China-based companies employing expatriates and more responsibility on employers to report on the hiring of expatriates or foreign students. In addition, harsher penalties, including fines, detentions, and forced departures, are now in force for violating visa laws.

Post-termination non-compete agreements have also changed, with companies now required to pay non-compete compensation to the higher of either 30 percent of one’s average monthly salary for each month of the non-compete agreement or the local minimum wage. If an employer fails to abide by this provision, the employee is released from the obligations of the non-compete agreement.

“Major Changes in China’s Employment Rules”, *www.reedsmith.com*, February 28, 2014

Lloyds Reviews Recruitment Policies

Lloyds Banking Group, will ensure that 40 percent of its 5,000 senior-level workforce is comprised of women within the next six years. Currently, women make up approximately 28 percent of senior staff. To reach its goal, the bank, which is one-third owned by British taxpayers, plans to review recruitment policies.

The British government wants a quarter of all directorships in FTSE 100 companies to be held by women by 2015 and is threatening to introduce quotas if this target isn’t reached.

“Lloyds Bank Group Pledges to Employ More Women”, *BBC Business*, February 2, 2014

U.K. Mothers Return to Work Early

Almost half of mothers in the U.K. return to work sooner than they would like after having a baby, according to research by the National Childbirth Trust (NCT). Forty-three percent of mothers surveyed indicated that they resumed work earlier than they would have preferred. Of these, 47 percent said the decision was due to job security concerns.

Women are entitled to 52 weeks of maternity leave in the U.K., with maternity pay for up to 39 weeks. However, the survey found some women returning to work much earlier, with four percent stating that they took less than two weeks of leave.

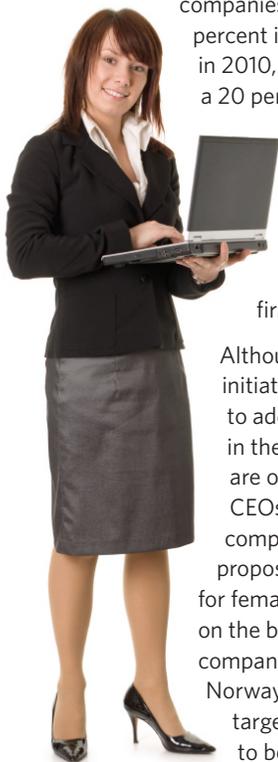
The research also inquired about flexible work arrangements and reported that only 59 percent of women surveyed were aware that such an arrangement was possible and that three in ten women said they would be worried about job security if they worked a flexible schedule.

“Half of All Mothers Will Not Take Full Maternity Leave-Because They Are Scared of Losing Their Jobs”, *The Independent*, June 2, 2014 ■

HR News | Continued from page 5

The simplest prayer and meditation spaces look like conference rooms with softer lighting, while others have running water to facilitate foot washing and orient the rooms toward Mecca.

“The Next Thing in Tech” *Crain’s Chicago Business*, May 17, 2014 ■





Human Resources Policy Institute

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595 Commonwealth Avenue

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