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USU Jon M. Huntsman School of Business

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February 2014 Issue

People Who Plan to Quit Their Job May Unintentionally Give Off Cues

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Phone: 435.797.2272

Email: huntsman@usu.edu

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Monday, February 10, 2014

Thinking of Quitting Your Job? You May be Giving off Cues that, as the Patsy Cline Song Says, You've Got "Leaving on Your Mind"

By Steve Eaton

Those who are thinking about jumping ship and leaving their job may be giving off cues that others can pick up on, even if the would-be quitters think they are keeping their plans secret.

Timothy Gardner, a Utah State University associate professor at the Jon M. Huntsman School of Business, has completed a study on voluntary turnover and submitted a paper that is now under review with a top academic publication. The findings may surprise those who think they can easily identify an employee who is about to move on to a new job – he said they surprised him.

Dr. Tim Gardner

His research showed, for example, an employee who starts taking more vacation time, punching out at 5 p.m. every day, and looking at outside openings on company time, isn't necessarily someone who is about to leave.

Dr. Gardner discovered, however, one thing most employees had in common before they left was that they began to "disengage" in the workplace. Here are a few examples of subtle but consistent behavioral changes that Dr. Gardner discovered people often make in the one to two months before they leave their job:

- They offered fewer constructive contributions in meetings.
- They were more reluctant to commit to long-term projects.
- They become more reserved and quiet.
- They didn't care anymore about being advanced in the organization.
- They were slightly less interested in pleasing their boss than before.
- They avoided social interactions with their boss and other members of management.
- They suggested fewer new ideas or innovative approaches.
- They began doing the minimum amount of work needed and no longer went beyond the call of duty.
- They were less interested in participating in training and development programs.
- Their work productivity went down.

Dr. Gardner said if employees were demonstrating at least six of these behaviors, his statistical formula could predict with 80 percent accuracy that they were about to leave the organization.

Dr. Gardner, who worked with Huntsman professor Steve Hanks and Chad H. Van Iddekinge, of Florida State University, on the study, said the list of indicators that might tip a boss that someone was thinking of leaving were not surprising. What was unexpected, however, were the behaviors that did not make the list.

"People having a lot of 'doctor's appointments,' showing up to work in a suit, or leaving a resume on the printer were the kind of signs that dropped off the list," he said. "You might think that someone who starts showing up to work late, failing to return phone calls and e-mails, and taking lots of sick days might be about to leave but those weren't unique behaviors that applied only to the quitters."

He said that in today's competitive business environment where companies invest a lot in their top performers this information might help managers find ways to keep people on board. He said that the "dark side" of his research was that some employers may opt to let people go if they thought they were going to leave anyway. Dr. Gardner said research has shown that people who are contemplating a job change are more likely to share company secrets or do things to sabotage the organization's goals.

He said the research they did went far beyond shipping out a simple survey asking employers for their best guesses on what signs might

indicate an employee is unhappy. They used a complex statistical methodology as they conducted three different studies on seven samples that included undergraduate students, graduate students, managers and other business leaders from around the world.

Initial surveys helped them compile a list of 984 cues that employees might be leaving. They collapsed that list to 116 by eliminating duplicates or indicators that were similar to each other. After they used surveys to narrow the list to 58 behaviors that managers actually observe, they got a new sample of managers and asked them if recently departed subordinates had exhibited any of 58 turnover cues in the weeks and months prior to departure, he said.

They then tapped a matched sample of managers and asked them to describe if employees who still work for them exhibited any of the 58 turnover cues in the weeks and months prior to the survey. Some of the behaviors were exhibited by both departed and remaining employees such as arriving late and taking more vacation time.

Once they demonstrated that the 18 “disengagement” behaviors could differentiate between stayers and leavers, they took one final step to ensure their findings were scientifically valid. Using a completely different sample of managers and employees, they demonstrated that these same items could distinguish between remaining and quitting employees with nearly the same level of accuracy, Dr. Gardner said.

He isn’t sharing the final list of behavioral cues, at this point while the paper is still under review, but he said he hopes the research will help leaders identify ways to keep valued employees on board. In fact, he has already begun a study that focuses on what managers do to hold on to employees who might be considering defecting to a new job.

“It appears that a person’s attitude can create behaviors that are hard to disguise,” he said. “As the grass starts to look greener on the other side of the fence to you, chances are that others will soon notice that you’ve lost your focus.”

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Wednesday, February 5, 2014

Initiative and Opportunities

Jim Allred

By Jim Allred, finance, economics, international business, '14

The Jon M. Huntsman School of Business, despite being one of the oldest business schools west of the Mississippi, is a “start-up” compared to some nationally recognized institutions. Yes, the school has made dramatic steps toward national prominence in the seven years following Jon M. Huntsman’s generous donation in 2007, but we are still in the growth stage. As is the case with any start-up, the school provides incredible opportunities for personal growth and meaningful involvement - but it takes hard work and initiative. There will be long nights, there will be stress and you may not even succeed at first. Nevertheless, all those things will make you better. Having been at the Huntsman School of Business since the fall of 2008, I have worked through various growth opportunities.

As a senior in high school, I was introduced to the Huntsman Scholar Programand encouraged to apply before the deadline three days later. I finished the application, got an official transcript, wrote two essays, and secured three letters of recommendation in 72 hours. Now, after four years in the program, I have traveled to 10 different countries to meet with leaders of incredible organizations like the WTO, the UN, Microsoft and many others. Had I not pulled those late nights so many years ago, I would not have had these career-defining moments.

As a junior studying finance, I began pursuing a summer internship with Goldman Sachs Asset Management by leveraging contacts I had made at the Huntsman School. After securing a phone interview, I had 10 additional interviews over the course of two months before a final decision was made. While waiting, I maintained contact with key interviewers, monitored and discussed market activities, and even drove to Salt Lake City to have lunch with one particular interviewer. After securing the internship, I was told the major reason I got the position was my continued dialogue with the team. Had I not sent those simple emails or made the drive to Salt Lake, I never would have experienced Wall Street. Never underestimate how influential continual communication is in building key relationships. Never count yourself out.

Following Goldman Sachs, I took a semester off school to pursue an internship with a private equity fund in northern California. I was introduced to a partner in the fund through Chris Fawson, a professor at the Huntsman School of Business, who had brought him on campus as a guest lecturer. Following class and a group breakfast, I approached Dr. Fawson about the possibility of getting some additional time with this professional. Dr. Fawson managed to organize some time for us to speak more in depth. In the subsequent months, an internship opportunity arose which lead to a full-time job offer. Had I not asked for some additional time, I never would have developed this relationship with this key mentor of mine. Had I not taken a semester off school to intern out of state, not knowing if I would be paid or not, I never would have gotten my full-time job. The answer will always be no if you never ask.

The Huntsman School of Business is growing, and students that truly want to grow will grow with it. The education I have received at the Huntsman School of Business is as good as any institution in the nation. We as students have at our disposal everything we need for success; it just takes a little initiative and plenty of effort. While hard work opens doors, complacency leads to mediocrity. Opportunities abound for those who are observant, take initiative, and work hard.

Remember, “everything around you that you call life was made up by people that were no smarter than you ... the minute that you understand that you can poke life ... that you can change it, you can mold it ... that's maybe the most important thing." - Steve Jobs

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Wednesday, January 29, 2014

Research Finds Correlation Between Political Connections, Federal Reserve Loans

Professor Ben Blau

By Steve Eaton

Banks that have better political connections and invest money in lobbying are more likely to get emergency loans from the Federal Reserve System, according to research done by a Huntsman professor.

One might expect lobbyists and politically-connected companies to win favor in the nation's capital, but the Federal Reserve is a non-partisan entity, independent of political considerations. Ben Blau, an associate professor in the Finance and Economics Department, said he was surprised to discover the correlation when he did a study of 677 banks and their dealings with the Federal Reserve during the recent financial crisis.

"In theory there should not be any political incentive for the Federal Reserve to provide emergency relief to banks that are politically active or connected," he said.

His research found, however, that some 15 percent of the banks that got loans had politically-connected employees, compared to 1.5 percent of those who could boast no such advantage. Blau found those who borrowed from the Fed were five times as likely to spend money on lobbyists and ten times more likely to employ politically-connected individuals than banks that did not borrow from the Fed.

Blau said it's possible that if a bank is more politically-active, it is also more prone to seeking government help, and that may explain the correlation.

"I think the most compelling explanation for why this happened was politically-connected banks were buying what they perceive as synthetic insurance," he said, explaining they may have believed they would be able to fall back on emergency Federal loans in hard times.

"If political connections somehow represent perceived insurance to banks and they believe that if times get rough the government will provide them with some bailout, then they might be more open to engaging in financially risky behavior," he said. "And yet, often, it is that very mindset that leads a bank to getting in trouble and eventually seeking emergency loans."

Blau said he did a paper a few years ago with Huntsman professors Tyler Brough and Diana Thomas that established an even stronger correlation between banks that had connections and invested in lobbying efforts, and banks that got help from the Troubled Asset Relief Program or TARP. Blau said he expected, however, when it came to the Federal Reserve there would be no such correlation.

Blau's working paper is already posted on the website of the Mercatus Center at George Mason University. The research has sparked the interest of several national publications that have cited it or quoted him, including *Bloomberg, American Banker* and *Politico*.