

The decision to relocate a privately held domestic pet retailer from San Diego to San Antonio can be affected by distinct demographic variables and company policies.

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## Chapter 1

### *Introduction/Background to the study*

The aim of this study is to point out the specific attributes and company policies related to employees who decide to relocate during a corporate relocation that took place within Petco Animal Supplies Inc. and compare them to those related to employees who decide not to relocate. This study is very different from other studies related to corporate relocations as literature review is built around an employee's willingness to relocate and some of the demographics related to their willingness. With this approach, the data gathered to support these findings is typically found prior to an employee making a decision whether or not to relocate; very little data is gathered after the fact. The data in this study will be gathered after the employee's decision is made. Another difference is that past research tends to be more subjective in that researchers survey employees who have the opportunity to relocate or who have just finished relocating and the data is gathered based on an employee's response or reaction to the particular situation they are in. This is subjective because the responses collected are results of the employees' feelings, emotions and reactions. From there, researchers have compared the reactions and responses to demographic factors such as age, marital status, gender, etc. This particular study does not involve any surveys as the researcher is pulling data from a Human Resources system resulting in 100% objective data; bypassing emotional subjective responses.

### *Statement of the problem*

Little empirical research exists focusing on the attributes of employees who decide to relocate and comparing those to employees who decide not to relocate, identifying any

correlations that may exist. The problem at hand is “The decision to relocate a privately held domestic pet retailer from San Diego to San Antonio can be affected by distinct demographic variables and company policies.”

It has been stated by other researchers that future research should carefully consider the type of move in studies of employee relocation and job mobility in order to fully understand the complexity of job-related relocation (Eby and DeMatteo, 2000). There is a need to explore new variables such as functional areas as well as others such as employee age or gender identifying the relation between the type of job change and type of decision (Eby and DeMatteo, 2000) rather than their willingness to relocate. These are just a couple of examples of several variables that are missing in past research. Others include enrollment in company benefits (medical, dental, vision, dependents, 401K, stock options), exempt/non-exempt status, employees identified as critical by the company and employees incentivized by the company through hourly or annual pay rates.

### *Purpose of the Study*

The purpose of this study was to gather research that did not exist in order to develop new findings and provide Petco valuable results. The population included in this study was made up of two different waves scheduled to relocate and consisted of employees required to either relocate or term from the company by a specific date. Wave one was scheduled to relocate from San Diego, California to San Antonio, Texas August 2011, whereas wave two was scheduled to perform the same relocation November 2011. These are the first two waves of approximately three to five more waves over the next several years.

Having an idea of the types of employee who decide to relocate versus those who decide not to will assist Petco in methodically notifying specific groups of employees to relocate in

future waves, ultimately eliminating risk. In the event Petco chooses to relocate additional employees from San Diego to San Antonio, or other companies want to make the same relocation, this study will allow any company to better project employee decisions and identify any impact these decisions may have on the company.

A major goal of this study is to produce valuable results in order to contribute towards strong decision making as Petco identifies future waves of employees to relocate. This study will focus on the attributes of employees within Petco who decide to relocate. The intention is to provide Petco with data so that it may better select future waves avoiding groups that may consist of employees with attributes that tend to decline relocation opportunities.

This data will help Petco project the number of employees it notifies who will decide not to relocate so it can properly determine risks and costs affiliated with recruiting, on boarding & training, loss of company knowledge (specifically subject matter experts), productivity and customer service whether that be internal or external, and compare that to the costs affiliated with relocating those who decide to relocate. It will also provide Petco the opportunity to better project costs related to severance, retention bonuses & relocation costs for future waves as defined by the company's policies. It will then be able to take these costs and compare them to other costs listed above.

In addition, being familiar with the type of employees that are more likely to relocate, Petco will be able to determine the total timeline in which employees are notified they will need to relocate, the deadline in which employees have to provide a decision, and the date in which the employees impacted will either relocate or be separated. Proper planning will help eliminate the risk of quick turnover during these transitions.

### *Significance of the Study*

This study is significant in adding to the literature review of company relocations by analyzing the attributes of employees who decide to relocate against those who decide not to relocate. This will be valuable research added to the field because it will discover new findings that are not already included in past studies. Much of the previous research on job mobility has focused solely on attitudes, without any link to actual decisions to accept or reject an offer (as cited in Brett & Reilly, 1988) (Brett & Reilly, 1988). This study focuses on objective versus subjective results in that the data gathered will not be based on employees' emotions and feelings towards a company relocation but factual data pulled from Petco's Human Resources Management System (HRMS).

As a result of the 2011 economy and the intentions of more corporations throughout the United States (U.S.) to move from the west and east coasts to the central part of the nation in order to cut costs, this study will provide valuable information future corporations will be able to use as they determine which employees they want to involuntarily relocate. The employee population of this study consists on employees from Petco Animal Supplies Inc. which is a private multi-billion dollar U.S. retail corporation that started over 45 years ago in San Diego, California. Petco has over 1,200 stores in all fifty states and looks to expand internationally in the near future. As the company ventures off to expand its corporate office in San Antonio Texas, the idea of relocating corporate employees becomes something more and more U.S. corporations can relate to. As a result of this study, other corporations may be able to relate to this scenario as well as use the valuable research that comes out of Petco's experience.

### *Overview of the Methodology*

The design of this study was an experimental design that pulled employee demographic data from a controlled population of 172 employees working in departments throughout Petco. The data was pulled from the Petco's HRMS and was comprised of the first two waves chosen to involuntarily relocate from San Diego, California to San Antonio, Texas in order to maintain employment with the U.S. Corporation.

Extracting quantitative data from the company's HRMS eliminated data subjectivity that is typically gathered from a survey. After the data was extracted, tests were run to identify correlations of data between the two waves comparing the results from those who decided to relocate to the results of those who decided not to relocate to San Antonio.

### *Research framework & Hypotheses*

With the data gathered, this study will prove the following hypothesis true or false: The decision to relocate a privately held domestic pet retailer from San Diego to San Antonio can be affected by distinct demographic variables and company policies.

To fully prove the hypothesis above, 16 hypotheses were created to prove whether or not related literature review is accurate. Although these hypotheses were created based on what studies have shown in the past, they cannot be directly compared to past research as empirical research on the specific circumstances of this study does not exist today.

### *Limitations*

In performing this study, limitations were identified. This study takes place using only one private multi-billion dollar U.S. retail corporation based out of San Diego, California. Some would say using only one company presents limitations as the attributes and behaviors of employees within the company being studied could be a result of the company's industry,

location, age, specialty, culture, etc. Ideally, the employee data being pulled for such a study would come from multiple multi-billion dollar U.S. retail corporations, both private and public, spread out throughout the U.S.

As for limitations related to the data itself, the data being used is pulled from Petco's HRMS and although the quality of data is believed to be much more accurate than a survey completed by employees involved in a relocation or potential relocation, the data is only as good as the inputs going into the HRMS. Because there are multiple avenues in which data is entered into Petco's HRMS, there is a slight chance a keying error may have occurred at any point in time. Although it would be almost impossible to get 100% accurate data, it is important that this limitation is mentioned.

### *Delimitations*

The population pulled consisted of waves one and two which are the first to relocate to San Antonio. These waves are the first two of many. Because future waves are expected to take place over the next several years, and most if not all of the future waves have not yet been identified, this study only included data on waves one and two versus the entire company.

Another self imposed boundary is the selected fields extracted from Petco's HRMS. Only specific factual data was pulled from the HRMS because there are various types of exports and methods in which information is input into the system. The volume of data would not only be too much to work with, but much of the information would be irrelevant to this study. The data pulled also consisted of fields that apply to all employees within the sample population. One example of this would be the "age" field. Petco houses the age of all employees in its HRMS whereas the number of children an employee may have or information about an

employee's spouse was not included in this study since that information will only be in the HRMS if an employee has enrolled in company Benefits making one of their children or spouse a dependent on their plan. Unfortunately, this type of data is not stored in Petco's HRMS for all employees; only if the employee elects to participate in a Benefits plan and chooses to cover a child or spouse.

A third delimitation is that although literature research tends to focus on an employee's willingness to relocate based on their career opportunity as a result of relocation (specifically promotions), this component was left out of the study as it would be difficult to determine when a promotion was communicated to an employee (before or after the employee decided to relocate). It would be difficult to gather accurate information and would have to rely on the anecdotal stories of managers involved with the relocation. Because of this, this data was left out of the study.

A fourth delimitation, pertains to the community an employee is currently living in compared to the community they would move to given that they decided to relocate. Since an address, which is housed in the HRMS, cannot fully reflect the community in which an employee either currently lives in or plans to move to, these data points were also left out of the study. Although the intention at the beginning of this study was to look at the correlations amongst employees in various cities throughout San Diego County and their decision whether or not to relocate, it will not include details about specific communities and the decision to relocate as this is out of scope and cannot be pulled from the HRMS. To effectively include this information, surveys and subjectivity would have to be relied on so this was also removed from the study.

Furthermore, any qualitative factor that has been consistently found in literature review was not included in this study as qualitative factors are not housed in Petco's HRMS and would require further methods of data gathering. Some examples include employee's commitment to the corporation, an employee's willingness to relocate prior to making a decision or being required to involuntarily relocate, and spouse's support towards the relocation.

Finally, the data was extracted and the study was purposely conducted after the sample population had been identified, notified to relocate, and the employees' decisions to relocate were made and submitted. This timing was important as it eliminated the possibility of an employee making a decision and then changing it after the study had already been completed.

### *Assumptions*

Assumed is the idea that at the time a corporation makes the decision to relocate a group of people within its organization, the decision is usually made as a result of a business need, growth opportunity, or change in infrastructure. As organizations research the pros and cons of relocating, whether they relocate an entire organization or just a portion, much of their focus is on making the best business decision while looking out for the best interest of their employees.

Another assumption is that the findings from this study can be applied to comparable corporate relocations involving corporations of similar size. The data used for this study is very specific to the retail industry and the decisions made are based on the criteria that the employee will need to relocate from San Diego, California to San Antonio, Texas by a specific date and will mostly likely receive a decrease in pay; on the contrary, if the employee decides not to relocate, he/she will be unemployed. The assumption is that regardless of the specific company

or industry, the attributes and company policies that drive an employee's decision to relocate is similar across the any U.S. Corporation.

Finally, it is assumed that the findings of this study will be applicable to relocations involving cities other than San Diego and San Antonio throughout the U.S.

### *Definition of Key Terms*

Throughout this paper there is terminology used that contain definitions specific to this study. Most of the terminology used throughout this study is defined by Petco.

- Relocation is defined as voluntarily or involuntarily moving to another location to work for the same company.
- Mobility is defined as employees who are provided an option to relocate with their organization. Mobility within a firm can include both geographic movement (i.e. relocation from one geographic area to another) and hierarchical movement (i.e. promotions, later moves, demotions). (Barber & Noe, 1993).
- Employee is defined as someone who performs services for Petco; who is currently employed, who is on a Leave of Absence, or who previously worked for Petco and has been included in waves one or two.
- Commitment is an employee's dedication or loyalty to remain with Petco during a time of transition and change (i.e. relocation to another state).
- Gender is a demographic factor; male or female.
- Exempt employee is an employee who is paid forty hours for every week, regardless of the number of hours actually worked. Exempt employees are paid at an annual rate.

- Non-exempt is defined as an employee who is compensated on an hourly basis at a base hourly rate and who is subject to wage and hour laws established by the Fair Labor Standards Act (FLSA). All non-exempt employees must be paid overtime pay at the rate of one and a half times their regular rate of pay for all hours considered overtime based on their state's overtime laws.
- Willingness is defined as an employee's intention to do something given the circumstances that they have been offered or have not been offered an opportunity directly or at a specific given time.
- Full time is an exempt or non-exempt employee who works an average of 32.0 hours per week.
- Part time is an exempt or non-exempt employee who works less than an average of 32.0 hours per week.
- Marital status is defined as an employee being single or married.
- Single is defined as never being married or not currently married.
- Position is a specific title an employee holds in the company which is directly linked to a pay grade, job description and job code.
- Service date is the date an employee began their service as a regular Petco employee. The service date goes back to their most recent hire date if the employee is a rehire.
- Seniority date is the date in which the employee began employment with the company. This date does not include any temporary time or breaks in service.
- Income is either an annual or hourly rate of pay in which the employee is compensated on a bi-weekly basis.

- Department or functional area consists of a department name or number as defined by Petco that specializes in a certain area or unit of the business (i.e. Human Resources, Marketing, Finance, Accounting, etc.)
- Ethnicity is the race in which either an employee has chosen to represent them or a manager has chosen based on the look of the employee in situations where the employee refused to disclose their race.
- Retention is referred to as a lump sum bonus paid out to all employees notified to relocate from San Diego to San Antonio in the event they remain employed and are in good standing with the company at the time their specific department or functional area is scheduled to relocate to San Antonio. This only applies to employees who decide not to relocate.
- Severance is a lump sum payment paid out to all employees notified to relocate from San Diego to San Antonio who will no longer be employed with Petco on a specific date as a result of their decision to not relocate.
- Active status is all employees who are actively working and being paid for hours worked on Petco's bi-weekly pay schedule.
- Smoker represents employees who have admitted that they are a smoker when enrolling in company Benefits and pay a \$50 smoking surcharge every pay period in addition to their normal benefits deductions.
- New hires are employees who have never worked for the company and are working there for the first time.

- Rehire employees are those that have worked for the company and have had a break in service (i.e. terminated and hired again). This date will be the most recent rehire date in cases where employees have been hired and termed more than once.
- Job code is defined as a four digit number that is linked to a job title identifying an employee's position.
- Job grade is defined as a number identifying an employee's grade which outlines the minimum, midpoint, and maximum pay rate for the job code they hold at a specific point in time. This is also known as the salary range.
- Pay group is defined as the employee's type of pay (weekly, bi-weekly, hourly, salary).
- Salary administration plan is the salary plan to which a job belongs to; pay plan.
- Temporary employees are employees not eligible for benefits, paid time off, holiday pay, 401K or stock options.
- Regular employees are employees who are eligible for company benefits, paid time off, holiday pay, 401K and stock options given that they meet the minimum requirements outlined in the appropriate company policy and procedure.
- Average Hours Worked (also known as average hours paid) includes Paid Time Off, holiday pay, jury duty, & bereavement hours paid over the past 2-52 weeks depending on the length of service the employee has with Petco.
- Benefits Enrollment is defined as regular part time and full time employees who meet minimum eligibility requirements and are free to enroll in company medical, dental, vision plans. Through Benefits enrollment, eligible employees can also add dependents to whichever plan the employee enrolls in.

- Dependents are defined by Petco as being any person, in addition to the employee, who is covered under one or more of the company's benefits plans given they meet the dependent eligibility requirements. Domestic partner, daughter, son and spouse are all dependent types.
- 401K plan is a retirement plan regular employees who have worked at least 1,000 hours and 12 months with the company are eligible to contribute into. Depending on the amount the employee contributes and the number of years, Petco will match a certain percentage.
- Stock options are private stocks specific individuals are offered (typically on available for directors and above) and are issued on a case by case basis by senior management.
- City Residence is the city Petco has on file under the employee's home address.
- Work City is the city Petco has as the employee's home department in their HRMS.
- Temporary/Regular effective date is the date in which an employee moved from a temporary to a regular employee.
- Individual contributors are salaried employees who are not in a management position and do have direct reports.
- Years of Service, also known as organizational tenure is the number of years an employee has been an active regular employee. This calculation begins as of the date of the most recent hire or rehire date as a regular employee, or the effective date the employee moved from a temporary employee to a regular employee, whichever date is less.

### *Organization of the Paper*

Chapter one of this paper introduced the background to the study, the problem, the purpose of the study and the study's significance. It provided a high level review of the methodology, touched on the research and hypotheses, and reviewed both the limitations and delimitations of this study. Finally the assumptions and key terminology were presented. Chapter two contains a literature review of the research related to relocation, specifically around willingness to relocate when involved in company relocation and the factors involved. A detailed explanation of the methodology for this study is presented in chapter three and includes the research design, sample population, data collection, and data analysis procedures. Chapter four presents the results obtained from chapter three and finally chapter five will present a discussion of the findings and conclude with final comments.

## Chapter 2

This chapter will go into an in depth review of literature pertaining to past studies conducted on company relocations and the trends amongst employees involved in relocations. Company relocations consist of two parts, the company's perspective and the employee perspective.

Within the last 20 years, there has been an increase in the number of large firms geographically relocating their headquarters or major divisions of their organizations. RJR Nabisco, J.C. Penny, Sears Roebuck, Mobil Corporation, and AT&T are just some of the major U.S. firms that have undergone these corporate relocations (Bolino & Feldman, 1998). In 2009, it was noted that in the U.S., corporations spent \$25 billion annually on relocations with \$16,110,641 being the average annual amount each company spent to transfer its employees (Facts & Industry Statistics, 2011).

Facility relocations generally require that targeted employees move with the organization as cited in Daly & Geyer (1994). Those who refuse to move are often terminated when the existing facility is being vacated and no internal placements can be made locally. Employees who regard the relocation as a threat to their interest (e.g. by disrupting family life, by changing the length and or nature of their commute to work) generally have few means of resisting the proposed change that address those threats (Daly & Geyer, 1994). Out of the percentage of people who move within the United States, 16.2% are between regions and the percentage that moves between states is 2.8%. These numbers are caused by transferring corporate employees throughout U.S. Corporate headquarters which is one of the common patterns of why people move (Long, 1992).

There is also legal risk involved with corporate relocations involving the choice of whom to relocate. When average-to poor performing employees are relocated, future discharges for incompetence can be difficult to defend in wrongful-termination suits, assuming the employee's performance was not considered a problem at the time the decision was made to relocate the employee (as cited in Stroh 1999) (Stroh 1999).

As corporate relocations become more common throughout the U.S. one question many raise is where should corporations relocate to?

In the past few decades, a number of major corporations in the United States have relocated their corporate headquarters to rural and non- metropolitan communities. Firms across a broad spectrum of industries, from information technology and retail to finance and investment, have reconsidered their expenditures on lavish headquarters located in New York, Chicago or Paris, looking to places with lower real estate, labor and tax costs in otherwise sagging local economies. Many firms have relocated to suburban industrial parks, smaller cities and rural and non-metropolitan areas (Quark, 2007) and many of these moves have commonly included moves from older metropolitan areas to growing regions in the South, Southwest, and West (Long, 1992).

Regardless of where a corporation decides to go, studying the location of the corporate headquarters is critical (Quark, 2007). Not only what decisions are made, but where powerful decision-makers are located have been critical in shaping struggles among firms, employees and communities (Quark, 2007). Firms tend to choose locations based on criteria that minimize their responsibilities to employees and their communities. Through "regime shopping," firms weigh advantages along a number of axes through which they can maximize profit, offload risk, and

insulate themselves from claims made by employees and communities (as cited in Quark, 2007). Firms consider the scale and scope of state regulation, quantitative and qualitative characteristics of the labor force, and the degree of associational rights in order to minimize the relative abilities of employees, states and citizens to challenge their regime (Quark, 2007). Firms also emphasize the lower cost of living, shorter commutes, and the quality of schools, which they noted would ease their employees' ability to achieve balance in their work and personal lives (as cited in Stroh, 1999) (Stroh, 1999).

When deciding to move, corporations not only need to look at the internal impact of relocations but the external impact. Research shows that the impacts of moving do not necessarily affect the employees as much as the move may affect the local community. An example is when Lands' End moved to Dodgeville. Farm families found a new source of income to help weather the rough times in the agricultural sector and local construction companies and real estate agents prospered with the increase of newcomers into the community (Quark, 2007). This type of impact typically involves small town communities.

There is a lot of research and planning that goes into a corporate relocation. The majority of the time, the decision to relocate is driven by cost savings; however there are other reasons why corporations decide to pick up and move. Reasons may vary as some firms choose to locate outside global cities when downsizing, while others have outgrown current facilities or looking to consolidate existing facilities (Quark, 2007)(as cited in Bolino & Feldman, 1998) (Bolino & Feldman, 1998) with a goal to achieve increased performance and decreased costs as a result of a geographical move (as cited in Bolino & Feldman, 1998), look for cutting-edge research facilities (as cited in Stroh, 1999), look to gain greater proximity to their suppliers and customers (Quark, 2007), look to reduce operating costs, look to improve the quality of life for

organizational members (as cited by Daly & Geyer, 1994), lower labor costs, lower living costs (as cited in Stroh, 1999), benefit from cheaper real estate, benefits from cheaper taxes (Quark, 2007) and look to assemble highly skilled workforces in order to remain competitive (Stroh, 1999). Unfortunately any move can result in the loss of high-performing employees who do not follow their firms to the new location (Bolino & Feldman, 1998). Depending on the specific needs of the company, its customers, and its competitive market position, the only way to make a major, quick, cultural change is to pick up and drop into a new environment (as cited in Stroh, 1999) (Stroh, 1999).

Being in a different location may provide a company the opportunity to have a national labor force to draw upon which is a benefit to the company, in part because it is generally less costly to fill a position with an internal candidate than it is to recruit and train a new employee from the outside (as cited in Stroh, 1999). From an employer's perspective, filling vacant positions with internal candidates, even if it requires relocation, promotes the sharing of skills and ideas across departments while causing minimal disruption to the overall company (as cited in Stroh, 1999) (Stroh, 1999). This also allows the company to maintain internal knowledge regarding historical policies, practices and processes.

Given the numerous variables that impact one's decision to relocate, large corporations will often relocate to another state simply because they are recruited by that state. When states are recruiting businesses, one of their goals is to bring firms in that offer high paying jobs. Countries or states that are fiscally restrained, because of either budget shortfalls or excessive domestic spending, are not capable of aggressively recruiting business or investment (Tasto, 2007).

The reasons behind facility relocations enumerated by Schmenner as cited in Daly & Geyer (1994) correspond to three types of organizational transitions identified by Kimberly and Quinn (cited in Daly & Geyer, 1994). They are (a) restructuring (changes in the definition of organizational components), (b) repositioning (changes in the organizations' relationship to external markets), and (c) revitalizing (changes in the organization's style of operations). Although a firm's location may be a key element of its strategy, in many instances facility relocations can be best understood as vehicles for implementing large-scale change rather than as themselves organizational transitions (Daly & Geyer, 1994).

At the time a corporation decides to relocate its corporate headquarters, it has just started the long journey ahead as it now has to turn its focus to the employees' reactions. Headquarters relocation brings firms, city officials, and employees into more intimate, face-to-face interactions (Quark, 2007). When announcing a corporate relocation, most employees are resistant as it is related to change and people do not deal well with change. Resistant employees are very unlikely to see 'improvement' in the sense of a return to the conditions that prevailed before the move (Daly & Geyer, 1994). The amount of resistant is likely to decrease the more credibility management has with their employees. The more legitimate management is perceived to be, the more likely it is that its directives will be followed and the more likely it is that an employee will opt to stay with the organization following relocation (Daly & Geyer, 1994).

In a study conducted on seven private sectors that were relocating, 25% of respondents indicated that they had moved or planned to move their residences as a result of the facility relocation (Daly & Geyer, 1994). To increase chances of developing such loyalty, companies must develop strategies to encourage employees to stay with the company and not be lured elsewhere (as cited in Stroh, 1999) (Stroh, 1999). One strategy is to educate the employee about

the new location. The more an employee knows about the area, the easier and faster the family will adapt (Stroh, 1999). It may be as simple as providing resources to the employees that educate them on the new city's culture, housing market, cost of living, entertainment, outdoor activities and schools. Another way to educate employees on the new city is to arrange for city officials and business people to visit the current headquarters and present on the benefits of moving to the new city.

Not only do organizations benefit from relocations but so do individuals. Mobile managers versus those who refuse to move are valuable corporate assets. Their willingness to relocate provides the organization with flexibility in staffing and the ability to respond quickly to environmental change (as cited in Brett, et al., 1993). Their broad knowledge of the organization, gained from practical experience at a variety of facilities, is invaluable when strategic decision making is required (Brett, et al., 1993). Corporate transfers are designed to meet corporate needs and to provide employees with career development opportunities. Employees accept transfers to take advantage of opportunities or career development (Brett, 1982). The decision-making process does not occur in a single point of time. Instead, as more and more data about the firm restructuring, new location and family attitudes are gathered, the employee reconsiders his or her initial decision and updates it (Sagie et al., 2001). An individual relocation is very often a means for achieving career promotion (as cited in Sagie et al., 2001); thus the involved person (typically a manager) perceives it positively. Conversely, employees view the corporate transfer as a deep crisis in the corporate life (as cited in Sagie et al., 2001) and as a breach of the psychological contract they made with the organization (as cited in Sagie et al., 2001) (Sagie et al., 2001).

In the last two decades, corporations have become particularly concerned with the prospect of geographical mobility of employees as an instrument of flexibility and human resource management as cited in Challiol & Mignonac (2005). It seems that during this same period, employees have become increasingly reluctant to accept their career strategy, despite the numerous advantages often employed with the mobility (as cited in Challiol & Mignonac, 2005). These findings have simulated studies of the profile of the potentially mobile employee by examining a wide range of individual and situational determinants of the willingness to relocate (as cited in Challiol & Mignonac, 2005) (Challiol & Mignonac, 2005).

Employees are more often being presented with opportunities to relocate across the U.S., some being willing to relocate while others are not. As discussed above, the corporation must do its due diligence when determining where the company will relocate to and make the right decision based on the impact the relocation may have on its employees. Now the second part to this is the employee's attitude towards relocating. The next section of this literature review will discuss research on the various factors related to corporate relocations and employees' attitudes towards relocations.

There have been numerous studies that have performed research on a variety of employee attributes. These include willingness to relocate, commitment, Part time/Full time status, marital status, age, gender, position, length of service/tenure, education, income, ethnicity, departments/functional areas, current city of residence, city size, non-work life, career opportunities, family and spouse, and severance and retention policies. In addition to some of these attributes, this study will introduce new ones that have not yet been considered.

Although research on relocation is still scarce (Arthur, Landau, & Shamir, 1992) this literature review will discuss what is known today regarding corporate relocations and the variables employed with an employee's willingness to relocate. Past research tends to address employee attitudes related to relocation whereas this study will be drawing conclusions from the attributes of employees who already made a decision to accept or decline relocation with their company.

Employees' attitudes toward relocation to other geographic areas are important for at least three reasons: 1. Employers use employee transfers as a strategy for staffing organizations and developing managers (as cited in Gould & Penley, 1985); 2. Relocation may be a useful strategy for personal career enhancement (as cited in Gould & Penley, 1985); 3. There is some evidence indicating that workers are becoming less willing to geographically relocate for career reasons (as cited in Gould & Penley 1985) (Gould & Penley, 1985); however a much different approach on this subject would be to look at the attributes of employees who have already made a decision rather than survey their attitude towards the subject.

This literature review will address variables that predict an employee's willingness to relocate for work related purposes. The purpose of this review is to provide an understanding of previous research which focuses on an employee's willingness to relocate prior to the relocation occurring, their opinions captured after a relocation has already occurred, or when approached with hypothetical questions related to their feelings towards relocations. This research will then be used to prove/disprove hypotheses of specific variables related to the attributes of employees who decide whether or not to relocate which is the focus of the present study.

### **Willingness to Relocate**

Evidence suggests that employees may becoming less willing to relocate than in the past (as cited in Stroh, 1999) (Stroh, 1999) which poses the question “why?” For individuals facing corporate relocation the choice is often between moving now and having no job at all (Bolino & Feldman, 1998) which is the scenario presented in this study.

Although there has been an increase in U.S. corporate relocations, surprisingly little empirical research has been conducted on the factors that influence whether employees are willing to relocate (Bolino & Feldman, 1998) although the little research that has been conducted seems to be within this realm as it calls out a variety of employee demographics related to their attitudes and willingness to relocate.

For corporations one of the most important aspects of the qualitative analysis in deciding to relocate their corporate headquarters is trying to predict who would be impacted by the relocation. It is also important to recognize the risk affiliated with such a move, especially if the impacted employees decide not to relocate. So why are some employees more willing to relocate than others?

Research addresses various reasons as to why an employee may or may not be willing to relocate. Some state that individuals who have recent history of easily adjusting to a transfer should be more willing to move again and should again adjust with relative ease (Fisher & Shaw, 1994) where as Brett and Werbel (as cited in Brett, et al., 1993) found employees who were more satisfied with their careers were more willing to relocate than those who were not (Brett, Stroh, and Reilly, 1993). During their testing of similar communities against dissimilar communities, Noe and Barber (1993) discovered that the community someone was leaving compared to the

community they would be relocating to was a deciding factor determining their willingness to relocate (Noe and Barber, 1993).

Other factors impacting an employee's willingness to relocate to another geographical area may be related to their career stage or length in position. Gould & Penley's study (1985) found that an employee's willingness to relocate will decline in later career stages. The willingness to relocate may not be because an employee is late in their career but because the job being presented as a result of the relocation is a similar job that may or may not represent advancement or enough of a challenge to make the trauma of moving worthwhile (Fisher & Shaw, 1994).

Many companies that require employees to relocate report employee reluctance; however, both employers and employees often decide that 'the professional reasons for relocation outweigh the personal reasons for not relocating' (as cited in Fisher & Shaw, 1994). Some believe that employees who repeatedly refuse to relocate may mean career plateauing and that if you turn down a transfer it hurts your career. Given this, many career-minded employees feel that they have little choice but to accept transfers (as cited in Fisher & Shaw, 1994) (Fisher & Shaw, 1994) (Brett & Reilly, 1988), even if continued employment was not contingent on accepting the job transfer (Brett & Reilly, 1988). When dissecting the various departments within a company, employees in production were most willing to move, followed by those in sales and marketing and those in personnel (Brett & Reilly, 1988).

In addition to employees' perceptions on relocations, the propensity to move is also related to managers' perceptions of marketability, value of company benefits, importance of job security, time in first position, degree of visibility to organizational decision makers, career

impatience, satisfaction with recognition, salary, and advancement opportunities in the organization (Barber, Noe, Steffy, 1988). Even though management may have their own perceptions related to willingness to relocate, Noe and Barber's study suggest that managers should resist the temptation to label employees who refuse a particular move as "unwilling to move." Employees who are classified as unwilling to relocate under one set of circumstances may be willing to relocate under different circumstances. Therefore, managers need to be cognoscente when assessing employee's attitudes towards relocations as it is significantly related to the proposed destination (Noe and Barber, 1993).

Closely related to an employee's willingness to relocate is their commitment to their organization (Brett, et al., 1993).

### **Commitment**

Some findings show that whether or not an employee is willing to relocate often comes down to an employee's commitment to their organization. Commitment to a change can be increased by using education (i.e. explaining to employees why the change is occurring and how it will affect them) (as cited in Daly & Geyer, 1994) (Daly & Geyer, 1994).

There are different types of commitment and according to Meyer and Allen (as cited in Shore, Barksdale, Shore, 1995) commitment to an organization (for example seniority, benefits and the cost of leaving) is known as continuance commitment. A second type of commitment, affective commitment (as cited in Shore et al., 1995), suggests that employees are committed to and remain with an organization because of an emotional attachment and identification with its goals (Shore et al., 1995). According to Marshall & Wijting (1982), career commitment focuses on a person's general commitment to work throughout all stages of life (Blau, 1985).

In the study of Giannikis & Mihail, results indicate that individual characteristics (demographics and work profile) are stronger predictors of affective commitment for part time than full time sales workers. Part time salespeople appear to report higher affective commitment when they are older than 25 years old, with the burden of care for dependents (childcare, eldercare, etc), employed voluntary on a part time basis, and when they have experienced an unstable employment background (i.e. they have been unemployed, have changed many positions in the past; and currently hold more than one job). For full time retail employees, affective commitment is positively related to age and negatively related to the educational qualifications of employees. These findings suggest that full time young employees with university qualifications may feel overqualified and not part of the secondary retail labor market, which is characterized by less competitive pay, low training, low job security and low level of demarcation between jobs (Giannikis and Mihail, 2008).

Markham and Pleck (as cited in Brett, et al., 1993) report that labor force continuity is positively related to employee willingness to relocate. They suggest workers who do not move in and out of the labor force have a greater commitment to their careers. They suggest this commitment is recognized by employers, and depending on one's point of view, this may be viewed as being rewarded or being taken advantage of by the employers offering transfers (Brett, et al., 1993).

When looking at continuance commitment, demographic characteristics have been some of the most commonly tested which will be a focus in this study. Age, tenure and education are a few demographics that have been viewed as contributing to the development of continuance commitment (as cited in Shore et al., 1995) (Shore et al., 1995). The assumption has been that demographic characteristics represent constraints on future employment options because people

with certain characteristics have made nonportable investments, “side bets” in their organizations (as cited in Shore et al., 1995). For example, older workers with high tenure may feel tied to an organization by pension funds and company specific training, while those with low education levels may not have skills transferrable to other organizational settings (as cited in Shore et al., 1995) (Shore et al., 1995).

In a study conducted by Shore, Barksdale & Shore, it was proven that “side bets (age, organizational tenure, and education) significantly predicted manager-related continuance commitment” (Shore et al., 1995). It is also interesting to note that manager rated continuance commitment was negatively correlated with education and positively correlated with age, job tenure, and organizational tenure (Shore et al., 1995). Their results also showed a significant relationship between employee side bets and managerial perceptions of continuance commitment, whereas prior research on self-rated continuance commitment has shown little evidence of this link (as cited in Shore et al., 1995) (Shore et al., 1995).

Full-time compared to part-time employees expressed greater unfulfilled values with regard to having a job that provides flexible working hours (as cited in Giannikis and Mihail, 2008). Affective commitment of full-time employees was positively related to age and negatively related to the educational level (Giannikis and Mihail, 2008). Part-time and full-time retail employees, whose work experiences are consistent with their initial expectations, develop a higher affective commitment (Giannikis & Mihail, 2008).

As cited in Clay (1985), commitment related concepts such as job involvement and organizational commitment has always shown age and tenure to be positively related to job involvement and organizational commitment (Blau, 1985). Both job involvement and company

loyalty had low-powered, but significant correlations with willingness to relocate (Brett, et al., 1993).

Two individual and two situational characteristics were found to be the best predictors of career commitment. Being unmarried and having more work experience, as well as perceiving a structured work situation (low role ambiguity and high supervisor initiating structure) help lead to stronger career commitment (Blau, 1985). Two factors that affect job commitment are the employee's job alternatives, whether that is another job or unemployment, and the employee's investments in the job, that is, the resources that are put into the relationship such as specific, nonportable training, or housing situation (van Dam, 2005).

### *Attributes/Demographics*

This study will compare the attributes of those who decided to relocate from San Diego to San Antonio to the attributes of those who decide not to. After evaluating what motivates employees to relocate, and the factors employees take into consideration when choosing to move, it is interesting to focus on what research can provide in terms of the attributes and demographics of those willing to relocate.

Due to the part time population varying from one type of position to another, previous research findings suggest that demographic (gender, age, marital status, etc.) and work related characteristics of individuals (tenure, experience with unemployment, number of job held, etc.) should be considered when attempting to explain attitudes and behaviors of part-time employees (as cited in Giannikis and Mihail, 2008) although it is safe to apply this approach to both part time and full time employees.

Research shows that gender, number of children at home, and race are the only demographic variables providing a stable pattern of results (Brett, et al., 1993). Although

research suggests that demographic variables may have differing complexities and importance in the ways they affect the attitudes of many work members (Riordan & Shore, 1997), this study will focus on the following attributes of those who made a decision whether or not to relocate.

### ***Status (Part Time/Full Time)***

There are mixed findings regarding the commitment between part time and full time employees and the impact this status has on relocation decisions. Some say part time employees are more committed while others argue that there is no difference in commitment between part time and full time employees.

With part time work in 2006 representing approximately 19.1 % of the U.S. workforce, literature review reveals that the findings regarding the level of commitment of full-time versus part-time employees has been inconsistent and contradictory (as cited in Giannikis and Mihail, 2008). We learn the job attitudes of full time and part time employees has been criticized for lacking theoretical basis in design (as cited in Giannikis and Mihail, 2008). Previous studies assume that part time job positions, for example, call-center employees, nurses, teachers, salespeople, bank and insurance employees etc. consequently, based on the lack of a theoretical background and the heterogeneity of part timers, prove that it is not appropriate to compare and generalize previous findings. Different groups of part-timers may develop different job attitudes (Giannikis and Mihail, 2008). As cited in Giannikis & Mihail (2008), based on both structural and job-related characteristics, part-time employees who do not participate in internal organizational decision processes and who are assigned to less enriched jobs, are less affectively committed to the employer. In the retail sector, part-timers compared to full-time employees appear more disadvantaged with regard to the content and the quality of work (Giannikis & Mihail, 2008).

Different demographic groups might gravitate to different types of part-time employment and may be motivated differently which explains most of the variation in job attitudes of part-time and full-time employees (Giannikis & Mihail, 2008). One reason an employee may be enticed to work part time is the need of work-life balance (e.g. because of childcare, eldercare or social and recreational activities- hobbies, etc). Many employees feel that a part-time arrangement is an indication that the organization “cares” (Giannikis & Mihail, 2008).

Feldman (as cited in Giannikis and Mihail, 2008) argued that demographic differences play a major role in explaining the job attitudes of part-timers. The researcher remarked that different demographic groups might gravitate to different types of part-time employment and may have different motivation. Moreover, McGinnis and Morrow (as cited in Giannikis and Mihail, 2008) empirically found that demographic variables explained most of the variation in job attitudes of part-time and full-time employees (Giannikis and Mihail, 2008). If one were to delve into the part time population and their demographics, numerous correlations would be identified. Large numbers of part-timers are found in the retail sector (Giannikis and Mihail, 2008) and part-time men have more unfulfilled values with regard to job security than the way part-time employment particularly affects women (Giannikis and Mihail, 2008).

Comparing the above research to employee status and relocations, it has been viewed that part-time employees are more likely to relocate because the skills of those who work part-time are general and can be applied to different locations (Bielby & Bielby, 1992). In contrast, human capital theory suggests that part-time employees are less willing to move for advancement, since on average, they have less career commitment and less to gain from such a move (unless they switch to full-time employment) (Markham & Pleck, 1986).

Past research does not clearly define whether or not part time or full time status impacts an employee's willingness to relocate. Even though there is research regarding a part time employee's commitment and attitude towards their organization, this research does not provide insight as to whether or not an employee's status is directly correlation to an employee's decision to relocate.

H: Part time employees who choose to relocate will be significantly less when compared to the percentage of full time employees who choose to relocate.

### *Marital Status*

Human capital theory (as cited in Markham & Pleck, 1986) argues that married workers are less likely to move because of greater direct moving costs, the need to offset the psychic costs for both spouses, and the likelihood that a move will result in lost employment or income for the "tied mover" (Markham & Pleck, 1986). According to Bolino & Feldman (1998), married workers may also be less willing to relocate because of the disruptions moves may create for spouses' careers (as cited in Bolino & Feldman, 1998).

Although multiple studies generally support the statement that married workers are less willing to relocate over non-married workers (as cited in Markham & Pleck, 1986) others go as far to identify married women versus married men. Literature review shows that married women are much less likely than married men to report being willing to move for improved job opportunities (as cited in Stroh, 1999) (Stroh, 1999), (Markham & Pleck, 1986), (as cited in Bielby & Bielby, 1992) as single men are more likely expected to move over married men (Long, 1992). It is believed that one reason why women are less likely to relocate is due to the fact that women employees are slightly more often married and married persons are less willing to move (Bonjean, Corder, Macken, Markham, 1983).

In contrast to the studies above, other research shows that married employees may be more willing to relocate than single employees because they have a family support unit that will move along with them (Brett & Reilly, 1988) and on average husband's earnings increase after relocating (as cited in Bielby & Bielby, 1992) (Bielby & Bielby, 1992).

In conclusion, the research regarding marital status and its influence on whether or not an employee will relocate is contradictory as some have found a direct influence of marital status, specifically that married professionals are less willing to relocate (as cited in Baldrige et al., 2006) while others found no influence when attributes of a spouse were taken into consideration (as cited in Baldrige et al., 2006) (Baldrige et al., 2006), (Arthur et al., 1992).

H: Non-married employees are more likely to relocate than married employees.

### *Age*

Age is a common variable to include when looking at demographics. In fact, in a 1993 study by Brett, Stroh and Reilly, it was found that age was the only significant variable predicting willingness to relocate (Brett, et al., 1993); (Bolino & Feldman, 1998) and it is a factor that has been used in numerous studies related to relocations for several years.

The average age in the United States that changes residence in the preceding year is 17.5 years old which is 18% of the population. The average age for the preceding five years is 46.40 years old which is 46% of the U.S. population which has declined from the 1950s & 1960s. Explanations for such a drastic difference include lower mobility due to young people living longer with their parents before moving out to set up an independent household (Long, 1992).

In general, literature is not consistent in stating whether or not age is a primary factor in the decision to relocate (Stroh, 1999). Brett and Reilly (as cited in Stroh, 1999) did not find strong evidence that the willingness to relocate was related to the age of the employee (Stroh,

1999) and age was not a significant predictor in the dissimilar community model suggesting that employees of all ages may be unwilling to relocate when significant adjustments in lifestyle are required (Noe and Barber, 1993).

In the study conducted by Arthur et al. (1992), there was no correlation between age and willingness to relocate specifically for career enhancement or company needs (Arthur et al., 1992), nor was there a correlation between age and a positive relation to willingness to relocate to remain employed which is very similar to the circumstances this study presents. Finally, Brett and Reilly (1988) also support this notion. In their study, they also found that age and the variables it represented (family stage, income and company tenure) were not related to willingness to move or to the decision to accept or reject a job transfer (Brett & Reilly, 1988). This is also supported in other studies conducted by Angle and Manz (as cited in Brett, et al., 1993) and Brett and Reilly (as cited in Brett, et al., 1993) (Brett, et al., 1993).

The empirical evidence of relationships between other demographic variables and willingness to relocate is mixed. Anderson and colleagues (as cited in Brett, et al., 1993) and Viega (as cited in Brett, et al., 1993) suggest older employees are less willing to relocate (as cited in Stroh, 1999) (Stroh, 1999); (Brett & Reilly, 1988); (Bolino & Feldman, 1998); (Gould & Penley, 1985) to remain employed (Arthur et al., 1992), especially those who have been employed by the same organization all their lives (Arthur et al., 1992), with the same being true for older managers (Brett, et al., 1993). The reason behind this is caused by the fact that older employees have greater psychological investments in their communities and greater financial investments in their homes (as cited in Bolino & Feldman, 1998) (Bolino & Feldman, 1998), or they may perceive alternative career opportunities to be limited (Arthur et al., 1992). Human capital theory argues that older persons are less likely to move because they have fewer

remaining years of work to recoup the costs, greater direct costs due to home ownership and more elaborate households, and higher psychic costs for leaved familiar surroundings (as cited in Markham & Pleck, 1986) (Markham & Pleck, 1986).

Brett and Werbel (1980) found that employees who accepted a job transfer were slightly younger than those who rejected a transfer (as cited in Brett & Reilly, 1988); (as cited in Stroh, 1999), and sociological studies of mobility have shown that workers who relocate are, in general, younger than non-relocating workers (as cited in Brett & Reilly, 1988) (Brett & Reilly, 1988). Noe and Barber (as cited in Stroh, 1999) found that this correlation existed only if the community of the destination and the home community were similar (Stroh, 1999); (Noe and Barber, 1993).

Getting more specific as to a range of ages, Lansing and Mueller (1967) as cited in Markham & Pleck (1986) report that persons age 25 to 34 were most likely to be thinking about moving with declines in older groups. This specific age range is also supported by a study conducted by Daly & Geyer (1994) where 25 to 35 year olds comprised of 25% of the respondents. Furthermore, on average women are slightly younger than men (as cited in Markham & Pleck, 1986) so controlling age should slightly increase the gender difference in willingness to move (Markham & Pleck, 1986).

H: The average age of employees who decide to relocate will be younger than the average age of those who decide not to relocate.

### ***Gender***

Several studies indicate that women are less willing to accept job transfers (as cited in Stroh, 1999) (Stroh, 1999) and change organizations than men (as cited in Bolino & Feldman, 1998) (Bolino & Feldman, 1998). Studies of specific organizations and occupations (as cited in

Markham & Pleck, 1986) also show that women are less willing to move (Markham & Pleck, 1986); (as cited in Brett, et al., 1993) (Brett, et al., 1993); (Baldrige et al., 2006).

According to human capital theory, women are generally less willing to move for advancement for two reasons. First, widely accepted and enforced norms assign women primary responsibility for child care and the obligation to relocate to follow a spouse's career. Second, women are more likely to have an employed spouse who makes more than they do (Markham & Pleck, 1986). Women may also be more sensitive to the "psychic costs" of moving, such as separation from friends and familiar surroundings, disruption of child-care arrangements, contacts with strangers and loss of secure social contacts (as cited in Markham & Pleck, 1986) (Markham & Pleck, 1986). In the study conducted by Bielby & Bielby (1992), over half of the women (56%) reported a reluctance to relocate because of family considerations, compared with just 16% of the men (Bielby & Bielby, 1992). Women may also be thought to be less willing to relocate over men because gender roles and stereotypes are related to the value system that people hold and each gender's preferred mode of conduct (as cited by Baldrige et al., 2006) (Baldrige et al., 2006).

In a study conducted by Markham & Pleck (1986), they found that about half of women (52%), compared to about a third of men (35%), express complete unwillingness to move (Markham & Pleck, 1986). Gender proved to be more strongly correlated with willingness to move among married respondents than among all respondents (Markham & Pleck, 1986).

Women are less willing to relocate for career enhancement or company needs than men, and women whose spouses' careers were of equal or more importance than their own were less willing to relocate for either career enhancement or to remain employed than men whose spouses' careers were important (Arthur et al., 1992).

Contrary to the majority of studies conducted, Brett and Reilly's (as cited in Brett, et al., 1993) findings did not support the notion that women employees are less willing to relocate than men (Brett, et al., 1993). In fact, some studies show that women managers are two times as likely as male managers to relocate in order to accommodate their spouses' careers (as cited in Stroh, 1999) (Stroh, 1999).

H: Females are less likely to relocate than males.

### ***Position***

The higher the position held by managers, the more positive their attitudes were toward moving because they felt the move was a key to their success (as cited in Stroh, 1999) (Stroh, 1999). In addition, Noe *et al.* (1988) found that individuals who were more satisfied with their current job said they were less willing to accept a lateral or downward transfer (Fisher & Shaw, 1994).

In the initial career stage or known as the trail stage (age 25-30), the central concern is uncovering information about jobs and occupations. In this stage, the individual is preoccupied with learning how to work according to the organization and manager's norms and expectations. Employees in this stage may be more willing to pursue movement opportunities because they are interested in exploring different types of jobs and evaluating personal competence in different skill areas (Barber, Noe, Steffy, 1988); (as cited in Stroh, 1999). Participants in early career stage were more willing to relocate (as cited in Stroh, 1999) (Stroh 1999) and accept movement opportunities than were individuals in later career stages (Barber, Noe, Steffy, 1988) such as advancement or maintenance stages, specifically related to career advancement purposes (as cited in Arthur et al., 1992). Interestingly, those in the trail stage of their career may be less willing to relocate simply to remain employed because they may perceive that alternative job

opportunities exist elsewhere (Arthur et al., 1992), unless being compared directly to an individual in the maintenance stage in which case participants in the trial career stage are more willing to accept a lower-level position (Barber, Noe, Steffy, 1988).

Individuals in the advancement stage (age 31-44) are concerned with becoming established in their jobs and demonstrating competence in order to advance within the organization. In the advancement stage, promotions and lateral movement are likely perceived as indicators of success (Barber, Noe, Steffy, 1988). Participants reported a greater willingness to accept a promotion involving relocation than a lower-level position (Barber, Noe, Steffy, 1988).

Individuals in both trial and advancement career stages were more willing to accept a lateral transfer than individuals in the maintenance stage (Barber, Noe, Steffy, 1988)

The challenge of the maintenance stages (age 45-65) is to remain productive and avoid technical obsolescence. Work involvement may decrease in comparison with the advancement stage because family and other life activities receive greater attention (as cited in Barber, Noe, Steffy, 1988). Family and community involvement may inhibit the willingness of individuals in this career stage to accept movement opportunities, especially if relocation is necessary (Barber, Noe, Steffy, 1988). As individuals move into the latter career stages, they have lowered expectations for mobility opportunities and are less promotion-oriented, which results in decreased willingness to accept movement opportunities within the organization (as cited in Barber, Noe, Steffy, 1988) (Barber, Noe, Steffy, 1988); (as cited in Stroh, 1999) (Stroh (1999)).

Regardless of the career stage an employee may be in, as the skill demands of a job become more specialized, lateral job movements become less probable. In addition, employees who have devoted considerable time and effort to acquiring specialized skills may be less willing

to move laterally because of human capital concerns (Barber, Noe, Steffy, 1988). Contrary to this statement, other studies show that job specialization had little impact on willingness to accept any of the movement opportunities (Barber, Noe, Steffy, 1988).

H: If in a management position, the greater the number of employees deciding to relocate.

H: The majority of the population deciding to relocate will fall into the trial or advancement stage of their career.

### ***Length of Service/Tenure***

Literature research is inconsistent when determining if the length of an employee's service/tenure with their company has any influence on whether or not they decide to relocate. As cited in Arthur et al. (1992), Viega (1983) and Noe et al. (1988) found a negative correlation between job tenure and willingness to change jobs or relocate. This finding is consistent with that found in Stroh (1999) where Viega (1983), found a small but significant negative correlation between the length of tenure on a job and the tendency to change jobs within the same geographical area (as cited in Gould & Penley, 1985) (Gould & Penley, 1985). Viega states that an employee who was on a job for a long time would be less willing to relocate as well (Stroh, 1999). Younger workers with less tenure are more likely to relocate than their older colleagues (Bolino & Feldman, 1998). When given the opportunity to move, the longer an employee has been in his/her current job, the less willing that employee will be to accept movement opportunities within the organization (Barber, Noe, Steffy, 1988) for career enhancement or company needs, but organizational tenure is positively related to willingness to relocate to remain employed (Arthur et al., 1992).

Gould and Penley (1985) reported a positive relationship (Gould & Penley, 1985) where the longer the employee worked for the company, the more likely he/she was to relocate (Rives

& West, 1993). Numerous studies have found that employees with many years of service and higher income levels are more likely to move when their companies relocate than employees with less of an investment in their companies (as cited in Stroh, 1999) (Stroh, 1999); (Meyer & Allen, 1984 as cited in Brett & Reilly, 1988). This finding is also consistent with the human capital theory (Markham & Pleck, 1986) as well as Brett and Werbel's (1980) findings (Brett & Reilly, 1988).

Some reasons as to why an employee with longer tenure would be more likely to relocate include individuals with longer job and organizational tenure may have greater psychological commitment to their employers which motivates them to relocate along with their firms (as cited in Bolino & Feldman, 1998), employees who are heavily vested in the organization's pension plan may have more financial incentives to relocate (as cited in Bolino & Feldman, 1998) (Bolino & Feldman, 1998), and Shapiro and Sandell (1985) (as cited in Rives & West, 1993) found that older workers with longer tenure would suffer a significant earnings loss by separating from their employer (Rives & West, 1993).

H: Employees with longer organizational tenure are more likely to relocate than employees with less organizational tenure.

### ***Education***

Education predicts willingness to relocate in some studies (as cited in Brett, et al., 1993) while in others, education did not predict willingness to relocate (as cited in Brett, et al., 1993) & (Brett, et al., 1993).

When evaluating the level of an employee's education and their decision to relocate, researchers have had difficulty finding a quantifiable positive relationship between the two (as cited in Stroh, 1999) (Stroh, 1999); Brett and Werbel (1980), (as cited in Brett & Reilly (1988), (Brett & Reilly, 1988). In contrast, as cited in Stroh (1999), multiple studies have shown that both males and females who were relocated reported having more years of education and/or advanced degrees than respondents who were not relocated (Stroh, 1999). As cited in Markham & Pleck (1986), multiple researchers find that education is related to actual migration, thinking of moving and preference for living elsewhere (Markham & Pleck, 1986).

Generally speaking, working women average slightly higher education than working men (as cited in Markham & Pleck, 1986) (Markham & Pleck, 1986).

Looking at California and Texas, the states employees will be relocating from and to for this study, research shows that California (the state employees will be leaving) has more college graduates 29.6%, than Texas (the state employees will be relocating to) 22.9% (Sign on San Diego, 2011). Research does not determine whether or not these statistics have any influence on an employee's decision to relocate.

H: The more education an employee has, the more likely they are to relocate.

H: When evaluating the population sample (prior to a decision being made whether or not to relocate), more females will have education than males.

### ***Income***

There is very little consistency in the findings throughout literature review regarding income and the decision to relocate.

Some studies show that having a higher-than-average income is typical of transferees (as cited in Stroh, 1999) and is positively correlated with willingness to relocate (Stroh, 1999); (as cited in Brett & Reilly, 1988). Prior research performed by Gould & Penley (1985), as cited in Brett & Reilly, 1988, found that positive correlations exist between salary and willingness to relocate (Brett & Reilly, 1988).

Gould and Penley (1985), as cited in Stroh 1999, cite two reasons for this (1) individuals with high salaries may be in better positions to accept relocation opportunities than those with lower salaries (Stroh, 1999), as the first group as higher exposure and visibility (as cited in Gould & Penley, 1985) and (2) relocation involves some degree of financial risk (Stroh, 1999), in which case employees with higher incomes are more willing to take on this risk (Brett & Reilly, 1988).

Contrary to the above findings, income, whether measured as employee income or family income (the two were highly correlated) was the only variable that was a significant predictor of employee willingness to relocate and managers earning less were more willing to relocate than manager earning more (Brett, et al., 1993).

Different from the level of income and its influence on willingness to relocate, according to Noe et al. (1988), as cited in Stroh 1999, a negative relationship exists between compensation and willingness to accept a lateral relocation, whereas a lack of significant relationship exists regarding an employee's willingness to accept a promotion if it requires relocating (Stroh, 1999).

Employees whose salaried constitute the majority of household income should be more willing to relocate, while employees whose spouses contribute more of the household income may be less likely to relocate (Bolino & Feldman, 1998). In general, men generally consider

themselves as the primary provider, while the majority of women do not (Bonjean, Corder, Macken, Markham, 1983).

Due to the inconsistencies in research, and looking at the situational factors to this study, it is important to point out that salaries in California are higher than those in Texas with an average of \$51,566 versus \$45,692. In addition, California has an average income tax of 9.3%, whereas Texas does not have any income tax at all (Sign on San Diego, 2011). Some would say that the two even out making income by itself transparent to those deciding to relocate. It is also important to note that a majority of the employees in this study who decide to relocate will receive a 10%-12% pay decrease at the time of relocation as a result of the statistics above with the intention to cut company costs.

H: There will be no relationship between income and each of the two groups (the group who decides to relocate and the groups who decide not to relocate).

### **Ethnicity**

Surprisingly, there is very little literature review that addresses the correlation between ethnicity and the decision to relocate. The only research performed on this topic found that non-whites are less willing to relocate than white employees (as cited in Brett, et al., 1993) (Brett, et al., 1993).

H: White employees will be more likely to relocate than employees of other ethnicities.

### **Department/Functional Area**

Brett and Reilly (as cited in Brett, et al., 1993) report that employees in sales, operations and marketing are more willing to relocate than employees in other functional areas. They suggest that career paths in functional areas, such as sales, clearly involve geographic relocation

so that employees in these functional areas have realistic expectations about the relationship between career advancement and geographic mobility (Brett, et al., 1993).

Managers in sales and marketing, as predicted, were most willing to relocate where as those in engineering and computer systems were the least willing (Brett, et al., 1993).

Employees in Marketing, Sales and Operations will not be included In this study as they were not a part of the initial waves; however, employees in Ethics and Compliance, Corporate, Accounting, Human Resources, Logistics, Store Planning, Industrial Engineering, Pet Services, Finance, Treasury, Operational Effectiveness and Store Communications, Construction, eCommerce, Internal Audit and Loss Prevention are included.

H: The numbers of employees deciding to relocate versus those who decide not to will not be excessive in one wave over another given that the departments being compared are of equal size.

### **Community Current City of Residence**

Willingness to relocate is likely influenced by the number of years the employee has resided in the community (Barber, Noe, Steffy, 1988). Noe and Barber discovered that employees living in their current community for four years put their residence as most important when deciding to relocate. 98% of the 270 surveyed chose a future relocation destination that matched their current location (Noe and Barber, 1993). The longer an employee resides in a particular community, the more likely the person will become integrated throughout the community and will develop stronger interpersonal relationships (as cited in Arthur et al., 1992). As a result, employees will be less willing to accept movement opportunities the greater their community tenure. Contradicting to this is the research performed by Swanson, Luloff and Warland (1979) and Gould and Penley (1985) which shows that the length of tenure in the

community was negatively related to employee willingness to relocate (as cited in Barber, Noe, Steffy, 1988) (Barber, Noe, Steffy, 1988); (as cited in Arthur et al., 1992).

In addition to community tenure, literature review focuses on the comparison between someone's current community with that of their new community and the influence that comparison has on their decision to relocate.

The type of community lived in and the match between current and preferred type of location have been proven to be strong predictors of willingness to accept relocation to a dissimilar community. In other words, employees who were satisfied with the type of community they lived in, and who had strong preferences regarding community type were less willing to move to a different type of community. These variables did not influence willingness to relocate to a community other than the preferred type (Noe and Barber, 1993) as individuals are more reluctant to move when they are more strongly attached to the pre-move location (Fisher & Shaw, 1994).

The findings in the Fisher and Shaw study (1994) suggest that individuals may be forming attitudes and making decisions about organization relocations based on inaccurate expectations about what the situation will be like in the new location (Fisher & Shaw, 1994). Perceived quality of the new community is a significant factor in whether employees are willing to geographically transfer. In addition, similarities between the employee's current community and the new community strongly influence the decision to relocate (Bolino & Feldman, 1998); however, in the case conducted by Bolino & Feldman, attractiveness of new community was not related to willingness to relocate.

Evidence regarding employee perceptions is provided by the relatively low correlations of expected community satisfaction with actual community satisfaction (Fisher & Shaw, 1994).

Although research regarding the positive relationships between pre-and post-move community satisfaction is limited, research on the stability of job attitudes might suggest that people who were dissatisfied with one situation will most likely to be dissatisfied with the next one (as cited in Fisher & Shaw, 1994). Given this, findings state that several sociological studies of migration support the idea that community satisfaction is negatively related to willingness to relocate (as cited in Fisher & Shaw, 1994) (Fisher & Shaw, 1994).

Through Noe and Barber's findings, it is evident that future research should explore critical dimensions of community similarity/dissimilarity across diverse samples. Employee mobility should clearly specify the nature of proposed relocations; controlling the characteristics of the communities involved and the community the employees being studied prefer (Noe and Barber, 1993).

In this study, the data gathered includes employees' residential communities throughout San Diego County, some being on the outskirts of San Diego County. This study does not focus on whether or not an employee is satisfied with their current residential community. The intention was to focus on the correlations amongst those who decide to relocate and the areas in which they live in; however the decision was made to no include this specific section. Currently research does not specifically identify what areas throughout San Diego County employees decide to leave in order to relocate to San Antonio.

### **City Size**

In addition to non work life, the destination and characteristics of the location will also impact an employee's decision (Noe and Barber, 1993). Pinder (as cited in Noe and Barber, 1993) found that city size dominated all other community factors when deciding to relocate.

This may be because city size captures other important community factors such as crowding, cost of living, and availability of leisure activities (Noe and Barber, 1993). Carruthers and Pinder, 1983; Pinder, 1977; Pinder and Schroeder, as cited in Noe and Barber, 1993, discovered through their research that employees' attitudes toward transfer experiences are in large part a function of employees' reactions to the specific characteristics of their new location along with willingness (Noe and Barber, 1993).

In 2010, the population of San Antonio, Texas was 1,327,407 and San Diego, California being 1,307,402 (Wikipedia, 2011). San Antonio is slightly larger which should have minimal impact on an employee's decision to relocate. This study will not include employees' decision to relocate based on city size.

### **Non-Work Life**

Although the willingness of an employee to relocate is somewhat influenced by employee commitment, it is important to understand other factors influencing an employee's decision. First look at the impact the move may have on the non work part of their life as a geographic transfer can strongly influence non work life. It can disrupt someone's community ties and social networks as such a move requires adjustments to be made in housing, education and leisure activities so that a comfortable routine can be re-established after relocating. Furthermore, these adjustments must be made not only by the relocated employee, but also by his or her family. New friendships must be developed and new support networks will need to be identified. Because of the negative non work consequences of relocation, increasing resistance to geographic movement was noted throughout the 1970s and 1980s (e.g. Dunn, 1985; Maynard and Zawacki, 1979) (Noe and Barber, 1993).

This study will not test non-work life variables.

### **Career Opportunities**

Findings from Eby and DeMatteo's study strongly suggest that the type of move does matter. When relocations involved lateral or downward job changes, or reflected a decision that employees perceived as involuntary, their perception of organizational support weakened and their turnover intentions were stronger (Eby and DeMatteo, 2000).

Through a study performed by Eby and DeMatteo, it was proven that employees who experienced a job change that was a promotion reported significantly higher perceptions of organizational support than those who made a lateral or downward job change (Eby and DeMatteo, 2000). Factors such as an employee's opportunities or view of potential opportunities have shown to be determining factors in their decision. Employees often feel pressured to move for their organization as in the case of promotions. With promotions employees often believe that if a relocation offer is not accepted they will be dead-ended in their career (as cited in Eby and DeMatteo, 2000) (Eby and DeMatteo, 2000). When an employee is offered a promotion with their relocation, they will most likely have a more positive perception of their employer. This is because a promotion often represents strong performance and that they are valued by the organization, whereas a lateral or downward job change may be viewed as evidence that they are no longer valued by the organization or that they are headed for a career plateau (as cited in Eby and DeMatteo, 2000). Although it may have not been as high as those offered a promotion, those who moved laterally expressed significantly higher perceptions of organizational support than those who made a downward move (Eby and DeMatteo, 2000).

Furthermore, employees who described their relocation decision as voluntary expressed higher perceptions of organizational support and significantly lower turnover intentions than those who described their decision as involuntary (Eby and DeMatteo, 2000). If an employee

perceives the relocation decision as involuntary he or she may exhibit resentment toward the organization (as cited in Eby and DeMatteo, 2000) and view the organization as less caring and supportive (Eby and DeMatteo, 2000) which can often lead to turnover. Turnover is employed with dissatisfaction with advancement opportunities, job challenge, and pay (e.g. Cotton and Tuttle, 1986). When a promotion is not involved, particularly in downward moves, an employee may lose pay and status (as cited in Eby and DeMatteo, 2000), increasing the likelihood for employees in this group to go elsewhere (Eby and DeMatteo, 2000).

Those who are dissatisfied with the course their careers have taken within the organization would be less willing to relocate simply to remain employed (Arthur et al., 1992). Satisfaction with career development opportunities may enhance loyalty or commitment which is manifested in a desire to remain in the company and a willingness to relocate to remain employed (Arthur et al., 1992). Satisfaction with career development opportunities is not related to willingness to relocate for career enhancement or company need (Arthur et al., 1992). As cited in Baldrige et al. (2006), Gould and Penley (1985) found no relationship while Landau and colleagues (1992) found a negative relationship for relocation for 'career enhancement or company need' and no relationship for 'relocation to remain employed' (as cited in Baldrige et al., 2006).

Research also shows that no correlation exists between the type of job change following relocation and the type of relocation decision on perceptions of organizational support as there was no evidence (Eby and DeMatteo, 2000). Results do indicate a significant effect for the type of job change following relocation and the type of relocation decision on turnover retentions (Eby and DeMatteo, 2000).

In this study, all of the employees are involuntarily being required to relocate in order to maintain their job with Petco. If they decide not to relocate, they will be separated. This study does not indicate what position employees will go into once they relocate; however, it is fact that no one who decides to relocate will be demoted. The research related to position changes is very qualitative and this study focuses more on the quantitative data which makes it difficult to test for comparable results. What is known is that all involved in the relocation in this study will be either a promotion or a lateral move. In the event there is a promotion, the employee may or may not be told until after their decision to relocate has been made. Again, data related to actual position changes will not be included in this study; however data regarding a monetary incentive to relocate will be included. This monetary incentive is to either keep the employee at the same pay rate or given them an increase in pay if the employee decides to relocate. These incentives were not offered to all employees. Staying at the same pay rate is considered an incentive since all others who relocated would receive about a 12% decrease in pay as a result of no state income taxes and a lower cost of living in Texas.

H: Employees offered some type of monetary incentive will be more likely to relocate than employees not offered a monetary incentive.

### **Family & Spouse**

When considering relocation opportunities, managers take into account the economic impact on families' well being as a result of the relocation (Baldrige et al., 2006). The attitude of the spouse/partner is one of the few explanatory factors found to be relatively constant, both in the direction and the significance of the results, across different studies of relocation decision-making (Challiol & Mignonac, 2005). Migration behavior represents a joint family decision and that the wife's labor force attachment plays a role in such a decision (Rives & West, 1993).

In 1993, Brett, Stroh and Reilly selected 1,000 employees who had relocated between 1987-1989 by 20 Fortune 500 companies in industries such as pharmaceutical and hospital supplies, communications, consumer products (food), professional and financial services, retailing hotels, chemicals, and manufacturing (Brett, et al., 1993). Their findings show that a spouses' attitudes toward moving and spouse's willingness to relocate will be positive and independent predictors of employees' willingness to relocate which contradicts previous findings by Brett and Reilly's (as cited in Brett, et al., 1993). Brett and Reilly's (as cited in Brett, et al., 1993) research indicates that a spouse's willingness to relocate did not have an independent effect on employee willingness to relocate (Brett, et al., 1993).

In a Brett and Reilly study (as cited in Brett, et al., 1993) not the spouses' attitudes, not the spouse's sex, employment status, or even the presence of a spouse, and willingness to relocate were highly correlated with employee attitudes toward moving (Brett, et al., 1993).

In addition to the spouse's attitude is the spouse's career as this was clearly defined as being the one cause in the difference between men's and women's willingness to relocate (Arthur et al., 1992). A person with a career-oriented spouse should be less willing to relocate than a person with a non-career-oriented spouse because relocation could affect the development of both their careers, and the income earning potential of the family unit (Arthur et al., 1992). It is the spouse's work involvement and/or employment status that is an important influence on mobility attitudes (as cited in Fisher & Shaw, 1994) (Fisher & Shaw, 1994). As cited in Bielby & Bielby (1992), a spouse's income is also considered to be a strong deterrent to relocation. The higher the spouse's income, the less likely it is that the potential gain from a move for the respondent would offset the losses for the spouse (Bielby & Bielby, 1992).

Although some employees are highly influenced by their spouses, others do not let family influence their decision to relocate. Some researchers have found that a spouse's employment status had little influence on employee willingness to accept mobility opportunities, regardless of the relocation requirements (Barber, Noe, Steffy, 1988). It is evident through studies that traditional husbands rarely express any reluctance to move because of family considerations, regardless of how little or how much their spouses earn. The loss of part or all of a wife's contribution to family income is no deterrent to relocation for these husbands, even when the amount of income at risk is relatively large (Bielby & Bielby, 1992).

Compared to those with low earning, well-paid individuals are also less likely to let family considerations interfere with a potential relocation for a much better job. If we assume that those with high earnings benefit more from such a move in the long run, then this finding is consistent with a neoclassical approach toward maximizing family well-being (Bielby & Bielby, 1992).

Family considerations relevant to the willingness to relocate include not only the spouse, but also children who live in the area. A larger number of dependent children have contributed to a family's decision to relocate with a company (Rives & West, 1993). Parents with children at home may be more reluctant to relocate for career advancement or company needs (Arthur et al., 1992). When a family includes children, the implications of a move in terms of severed social networks, disrupted school activities and increased moving costs are greater (Brett & Reilly, 1988). As cited in Arthur et al., 1992, Gould and Penley (1985) did not find a relationship between the presence of children at home and willingness to relocate, but in the Brett and Reilly' study (1988) this was one of the most significant variables (Arthur et al., 1992). The more children at home, the less willing employees are to relocate (as cited in Brett, et al., 1993) (Brett,

et al., 1993), specifically preschool-aged children (Baldrige et al., 2006) because of the disruptions moves tend to create for children's education and friendships (as cited in Bolino & Feldman, 1998) (Bolino & Feldman, 1998).

In contrast, research also shows that having school-aged children has increased the likelihood of moving since those with children were less willing to accept even temporary unemployment (Rives & West, 1993).

Contrary to both points made above, further research has found a negative correlation between willingness to relocate and the number of children in the household (as cited in Stroh, 1999); (as cited in Baldrige et al., 2006) (Baldrige et al., 2006). Data shows that having school-aged children living at home does not exert a significant influence on an employee's willingness to move (as cited in Stroh, 1999) (Stroh, 1999).

This study will not cover an employee's spouse's employment status or income and will not provide an accurate number of employee's children. This study will make an assumption when determining the family's influence (which includes spouse and/or children) on the employee's decision by identifying whether or not the employee has elected company benefits with dependents.

H: Due to assumptions being made as to the influence an employee's family has on their decision to relocate, there will not be a strong positive correlation between employees with Medical/Vision and/or Dental Dependents and the decision to relocate.

### **Severance and Retention Policies**

Unfortunately research related to relocations and corporate severance and relocation policies is very minimal and was not included in this literature review.

In this study, each employee in wave one and two was provided a severance package and retention bonus. The severance package consisted of one week of pay for every year the employee was with the company without a break in service paying a minimum of two weeks and a maximum of 52 weeks depending on the position. If the employee worked one day or more past their anniversary date, but less than a whole year, the company would count add an additional year of service to the total number of severance weeks.

Retention was also paid to all employees who stayed employed through the end date communicated to them based on their wave. Retention was based the number of months between the election notice due date and last day of employment and on non-exempt/exempt status. For exempt employees, every month of service starting 30 days after the election due date through the separation date, the employee received two weeks of retention pay, up to the maximum of 12 weeks. For non-exempt employees, every month of service starting 30 days after the election due date through the separation date, the employee received one week of retention pay, up to the maximum of six weeks.

H: The more weeks of severance, the less likely the employee is to relocate.

H: The more weeks of retention, the less likely the employee is to relocate.

### **Other Factors**

This study will include specific attributes that have not been included in past research involving relocations. These include employees the company has identified as critical employees, employee's status (hourly or salary), whether or not the employee is enrolled in

company benefits (medical/vision and/or dental), 401K participation, employees incentivized to relocate through an hourly or annual pay rate and stock options.

In conclusion, literature review on relocations provides evidence regarding employee willingness to relocate, employee (both part time and full time) commitment to their organization, employee attributes and demographics and the variables which tend to influence an employee's decision.

What current research is lacking are specific attributes and company policies linked to the people who decide to relocate versus those who decide not to. Much of today's research is around the demographics linked to an employee's willingness to relocate, which gathered prior to the move occurring. They do not focus much on the attributes of those who have already made the decision whether or not to relocate with their company and the influence company policies have on these decisions. In addition, all of the research on corporate relocations consists of studies that are based on surveys rather than raw data from a company's HRMS which is what this specific study entails.

### Chapter 3- Methodology

This chapter highlights the research methodology, methods, and materials for this study. It will discuss the research perspective, the hypotheses created as a result of the research, the gathering of data, the sample population, the focus of the study, the variables being tested, the research instrument, data collection procedures, the statistical analysis, the environment in which the study was conducted, any bias or errors, the standards of validity, the trustworthiness and the reliability of the data.

#### *Research Perspective*

While researching past literature review, it was evident that studies previously conducted do not fully prove or disprove the following statement “The decision to relocate a privately held domestic pet retailer from San Diego to San Antonio can be affected by distinct demographic variables and company policies” nor do they test all of the same variables presented in this paper. Research includes similar topics related to this study, but does not provide findings that can be applied directly to this study as they are not tested under the same circumstances.

Since the study is aimed at the attributes of employees who decide to relocate compared to those who decide not to relocate, and looks to incorporate the influence of company policies on an employee’s decision, it was discovered that there is no research that directly support this study. Instead, research that focused on employees’ willingness to relocate and the demographic factors related to their willingness was explained in chapter two and became the basis for the hypotheses made.

#### *Research Design*

The research design involved contacting the correct management throughout Petco and informing them of the study being conducted requesting specific information and permission to use proprietary and confidential company information. After receiving approvals and agreeing

to data confidentiality policies, it was determined that the data would be collected from two sources. The first data source consisted of two Microsoft Excel documents managed by the relocation project manager. These documents were the main method used to retain all of the decisions employees made regarding the relocation, the dates the employees signed the Relocation Employment Forms, notes related to the decision process, etc. The second source was individual employee data pulled via a query from the company's Human Resources Management system, Oracle's PeopleSoft version 8.8. This query data was run and extracted into Microsoft Excel. PeopleSoft is the Petco's official system of records for all employment data. In the event that the same type of data was included in both sources, the data from the HRMS was used eliminating the chance of manual keying errors possible made by the relocation project manager.

Once all of the data was collected from both sources, it was combined into one excel document to ensure there was only one data resource. Because the data was coming from two different sources, it was necessary to sort, format, and remove any duplicate information. At one point data was missing in which case additional data had to be pulled from the HRMS using the exact same criteria and effective dates as the original data run.

#### *Data Collection Procedures and Statistical Analysis*

To answer the hypotheses created in Chapter 2, factual data was needed to determine any existing correlations between employee factors and company policies and why an employee made a particular decision. The data was different from most data used in prior research because it was not data being collected from a person taking a survey, but data extracted from a company's HRMS. When data is collected from a survey, it is only valuable data if the person providing the answers is truthful which that in itself is difficult to validate. When gathering data

from an HRMS, the risk of pulling biased or untruthful data is minimal since the majority of the data inputs are accompanied by specific documentation often provided by Federal and State government agencies, medical organizations/entities, Social Security Administration, etc. Because the hypotheses of this study are based mostly on demographical data, it is crucial that the data being used to prove the hypotheses is accurate versus subjectively dependent on the truthfulness of survey answers.

The first data source included two excel documents of employees forced to make a decision to relocate from San Diego to San Antonio as they were included wave one and two. These excel documents were provided by the project manager assigned to the relocation project. These excel documents were the main tools used to track the decisions employees made for both waves as individual employees turned in their Relocation Election Forms to their managers (refer to Appendix A). Management required each employee for both waves to complete and turn in a form stating their decision to relocate by a specific date. The manager of each team impacted by the relocation then had to turn in the forms to the project manager to be stored and tracked. There were various versions of this form depending on the wave and position of the employee. Both excel documents included a combination of various column headers (refer to Appendix B).

Out of these lists, only critical, comments, move date, salary wage offer, date signed willingness to relocate, changed to no, Dept ID and name will be used as either variables that will be tested or will be used to help calculate or define other variables that will be tested. At one point, these excel documents were handed over by the project manager to be managed by one Director to eliminate confusion and incorrect data. When the data from this spreadsheet that was manually entered by the Director existed in the HRMS system, the data pulled directly from

the HRMS was used in order to eliminate manual errors that may have occurred as someone manually created these lists.

The second source of data was pulled from the company's HRMS which is Oracle's PeopleSoft version 8.8. All data was pulled using the query function of Oracle's PeopleSoft Version 8.8., and was pulled by a Senior Human Resources Information Systems analyst. The person was chosen to pull the data as a subject matter expert and was provided specific guidelines regarding the extrapolated data per the requirements and needs of this study.

This query used was created specifically for this study and extracted the specific data fields for every employee included in wave one and wave two (refer to Appendix C).

After extrapolating the data from the HRMS, it was noticed that some of the data fields needed some further explanation as the contents in the fields consisted of numbers and codes. Good examples are department numbers, job codes, and grades. Without a detailed description of each number and code, this data was useless. The Senior Human Resources Information Systems Analyst provided additional documents titled "NSC SSC Departments," "NSC SSC Job Codes and Grade," and "Paygroups." Out of these documents, only the job grades were used for this study and the reason why will be explained later in the paper (refer to Appendix D).

In addition to the extrapolated data above, severance and retention policies applicable to the relocation were also gathered (refer to Appendix E & F). This data was used when determining the number of weeks and amounts each employee included in wave one and wave two would be eligible for based on the decision they made. This information was added to the data document after the data organization took place. Furthermore, sample copies of each Relocation Election Form for the two waves were gathered to provide the specific dates,

deadlines and communication provided to impacted employees in this study (refer to Appendix A for examples).

Once all of the data was gathered, there was a great deal of data organization and consolidation that had to take place. Because data was gathered from two different sources (one being a manual collection of data and the other being a formal extrapolation from an HRMS) and calculations for severance and retention had to be calculated prior to conducting further tests and analysis, it was critical to properly approach this step avoiding the possibility of tampering or deleting important data throughout the process.

The first step was to combine the two excel documents that the Relocation Project Manager had. The specific titles of each document were “Data for Phase 1 & 2” and “Final Counts for S.A.” Prior to combining the information, colors for each of the waves were determined. Wave one was green and wave two was orange. These colors were then applied to the individual employee rows throughout the two documents. Any questions that came up were highlighted in red for further research at a later time. At this time, white was determined to represent the data pulled from the HRMS. This will be further discussed later in this section.

Once all of the employees were highlighted throughout both documents, the columns for each document were identified and combined into a new excel document titled “Data Consolidation.” All duplicate columns were removed. Then all of the data from the two documents “Data for Phase 1 & 2” and “Final Counts for S.A.” was combined by being copied and pasted into the new document “Data Consolidation.” Next, any duplicate data from “Data for Phase 1 & 2” and “Final Counts for S.A.” was identified and deleted and saved. Throughout the deletion process, it was important to remain cautious as to what duplicates were being deleted. In fact, depending on the duplicate, if there were any doubts as to whether it was a

duplicate, it was left alone. A good example is if there were two people with the same name. Because it was difficult to distinguish whether a name was one person or two employees with the same name, these were not deleted. They would be deleted at a later time once further analysis could detect whether or not these were duplicates.

A critical piece to this process was to never modify the original documents and data received from any of the sources (manual spreadsheets or HRMS). Instead, all data organization was performed by making copies of the original data documents. Once all the data was combined and all duplicates were removed, an audit was performed to ensure no data was inadvertently deleted or compromised as a result of the data consolidation steps.

The next step was to add the extrapolated data from the company HRMS system to the “Data Consolidation” document. As mentioned before, this data is from the company’s HRMS and was not highlighted any specific color. It was copied and pasted into the document as normal, white. In doing this it was noticed that the main identification factor for all employees in the first source of data (Data for Phase 1 & 2” and “Final Counts for S.A.”) was their first and last names. This became an issue because the data extrapolated from the HRMS system was pulled by the department numbers notified to relocate which did not include names; however it did include the employees’ six digit employee identification numbers (this number is an individual identifier specific to each individual in the company, active or termed). In order to proceed, additional data from the HRMS needed to be extrapolated, specially the employees’ names. The same Senior Human Resources Information Systems Analyst was provided the same data requirements that were given with the first data request with the exception of the addition of first and last names for each employee. This second request was only used for the names and six digit identification numbers. Once the data was received, the six digit

identification numbers and names were inserted into the “Data Consolidation” document and matched with the existing data. After including the new information, an audit was performed to ensure that each employee name was assigned the correct six digit identification number. This audit was performed using the updated version of the “Data Consolidation” document and the Oracle’s PeopleSoft system. It was important that only the names and six digit identification numbers were used from this second data request rather than all of the data because the second request was pulled at a later date which was not applicable to the time frame both waves one and two were notified. Including data from the second request could have replaced the original data with more current data from the HRMS which would have negatively impacted the study by producing inaccurate results.

By adding this additional information, it was evident that some employees were on the spreadsheet twice as a result of the consolidation process. Now that there were names and six digit employee numbers, the confidence level that some were duplicates was 100%. With a higher confidence level, each line was analyzed combining all employee specific data that came from “Data for Phase 1 & 2,” “Final Counts for S.A.,” and the HRMS. It is important to note that all data from HRMS was used as the basis. Any additional information that came from “Data for Phase 1 & 2,” “Final Counts for S.A.,” was then included. At any point there was conflicting information, the data from the HRMS system was kept and the information from “Data for Phase 1 & 2” and “Final Counts for S.A.” was deleted since this was manually tracked by the Relocation Project Manager and a Director at different points in time. After this process was completed, each employee had all of their data combined to reflect one line. At this time, the data was reviewed and any employees who contained fields not highlighted were highlighted the color of their wave.

At this point in the process, each line of the “Data Consolidation” document was reviewed to ensure 100% completion in each of the applicable columns. Because data was collected from two different sources, one being collected manually, it was discovered that some information was still missing. Once the missing information was identified, partnership between the Relocation Project Manager and Senior Human Resources Information Systems Analyst took place where questions regarding the data were clarified and missing information was requested from the HRMS. When extrapolating data from the HRMS for a third time the data was for less than ten employees. Just like the second time, it was important to extrapolate data that was applicable to the time frame in which the original data from the HRMS was extrapolated. This was taken into consideration to ensure all data extrapolated from the HRMS was consistent. This additional employee data was then added into the “Data Consolidation” document. Once again, an audit was performed to ensure no data was being unintentionally compromised or deleted throughout this process.

Additional columns were identified as being necessary to include. A column titled “Wave” was added in order to remove the two colors green and orange which identified the wave each employee was included in. The department name, number of employees in each wave and department are all additional data included. In addition columns, “Weeks of Retention” and “Retention Amount” were also added.

After completing the data for all employees, certain columns had to be calculated using other data within the spreadsheet. One example is years of service. This was calculated using the move date and subtracting that from the service date. Service date was used over hire date, rehire date and seniority date because service date does not include any temporary time employees may have worked with Petco. It also represents the most recent service excluding

service that occurred prior to the most recent rehire and/or temp to regular conversion date. This is important as service date is what is used to determine Paid Time Off accruals, Benefits eligibility, and 401K eligibility. If original date or hire date was used, rehire dates would not be included which would also provide incorrect years of service. Years of service was rounded up to the next year because this is the way the company determined how many weeks an employee would be paid severance per the policy. For example, if an employee worked four and a half years, they would be paid severance based on five years of service.

Another calculation was the weeks of severance and weeks of retention. These calculations were determined by the specific requirements outlined in the severance and retention policies and were calculated using the employee's grade, grade description and severance and retention policies (Appendix E & F). After the numbers of severance and retention weeks were calculated, the severance and retention amounts were determined using pay rate, and weeks of severance and retention. It is important to note that in order to properly calculate, all salaried pay rates had to be converted to hourly. The amounts for both hourly and salary employees were calculated in total dollar amounts. When calculating retention, the amount was based on the fact that the employee stayed until the end.

Once all necessary date was calculated, columns were converted to represent a more yes/no scenario in order to be tested against the dependent variable. Some columns were even renamed to better represent the updated column. This contributed to better organization of data and preparation of testing. Unfortunately all columns could not be converted to yes/no scenarios but where possible, this method was applied. Refer to Appendix G & H for a comprehensive list of yes/no scenarios and renamed columns.

Next, all columns containing alphas had to be converted to numerics. A new tab for each column was created in the excel document beginning with the title “Legend” followed by the name of the column. Each legend identifies the alpha contents of the columns and their numeric conversions. For example, if a column consisted of yes and no, yes would be 1 and no would be 2. Where applicable, the same numbering system was used across multiple columns. For example, all “yes” were converted to 1 and all “no” were converted to 2. The numbering system and updated column names are included in Appendix I.

After completing the data for all employees, an analysis was conducted to determine how the data would be run through correlation and regression tests. It was at this point it was realized that there may be too much data, in other words, data that would not necessarily bring value to the study. During this analysis, it was also determined that because there was so much data, and the dependent variable being a yes/no question, some of the tests would be weak because the correlations would not be comparable based on the number of data points. With the dependent variable only having two data points and some other variables had 50 or more, this presented a challenge. As a result, any column that was somewhat repetitive of another column was deleted. Refer to Appendix J for a comprehensive list and reasons as to why they were deleted.

Furthermore, there were columns identified not to be included in the deletion group, but that should be removed from the tests groups. Although most of the columns were used to calculate other columns, and were critical for data organization, it did not make sense to include these columns in the final test group. Refer to Appendix K & L for a comprehensive list, reasons and individual details to the various data points removed from testing.

After all of the updates, the final data sample consisted of two groups. The first group consisted of data that past research has been conducted on. The second group represented data

included in this study yet has not been included in any past research related to corporate relocations. Refer to Appendix M & N for a list of the two test groups.

Voluntary terms that occurred after the notice but prior to the form due date were left in the sample and considered as not willing to relocate. Involuntary terms that took place after the announcement and before the form was due, were removed from the population as it is unknown whether or not these employees would want to relocate.

After gathering and organizing all of the data, the hypotheses were tested through a series of regression tests performed using excel. These tests were performed to seek out correlations, significant models and strong relationships amongst employees included in waves one and two.

#### *Research Questions and Hypothesis*

The problem presented is whether or not “The decision to relocate a privately held domestic pet retailer from San Diego to San Antonio can be affected by distinct demographic variables and company policies.” In order to solve this problem, the following hypotheses were made:

- H1: Part time employees who choose to relocate will be significantly less when compared to the percentage of full time employees who choose to relocate.
- H2: Non-married employees are more likely to relocate than married employees.
- H3: The average age of employees who decide to relocate will be younger than the average age of those who decide not to relocate.
- H4: Females are less likely to relocate than males.
- H5: If in a management position, the greater the number of employees deciding to relocate.
- H6: The majority of the population deciding to relocate will fall into the trial or advancement stage of their career.
- H7: Employees with longer organizational tenure are more likely to relocate than

employees with less organizational tenure.

H8: The more education an employee has, the more likely they are to relocate.

H9: When evaluating the population sample (prior to a decision being made whether or not to relocate), more females will have education than males.

H10: There will be no relationship between income and each of the two groups (the group who decides to relocate and the groups who decides not to relocate).

H11: White employees will be more likely to relocate than employees of other ethnicities.

H12: The numbers of employees deciding to relocate versus those who decide not to will not be excessive in one wave over another given that the departments being compared are of equal size.

H13: Employees offered some type of monetary incentive will be more likely to Relocate than employees not offered a monetary incentive.

H14: Due to assumptions being made as to the influence an employee's family has on their decision to relocate, there will not be a strong positive correlation between employees with Medical/Vision and/or Dental Dependents and the decision to relocate.

H15: The more weeks of severance, the less likely the employee is to relocate.

H16: The more weeks of retention, the less likely the employee is to relocate.

### *Subjects, Participants, Population, and Sample*

The subjects for this study were all employees actively employed with the company at the time they were chosen by Senior Management to relocate their jobs from San Diego, California to San Antonio Texas. All of the subjects consisted of employees of all levels and types, from entry level positions to senior executives. Furthermore, the subjects were first identified by department and then all employees that fell into specific departments were then grouped into two waves, wave one and wave two. Each wave was notified on a specific date, was provided a deadline to respond deciding whether or not they would relocate, and was given a window of

time in which they would need to either relocate (if they accepted) or they would be terminated from the company (if they declined). All decisions had to be submitted to management in writing by the provided deadline via a form provided by the company (refer to Appendix A). At the time of notification, every employee was also provided a relocation package for those who accepted the relocation and a severance and retention bonus for those who declined the offer (refer to Appendix E & F). Please note the relocation packages are not discussed in detail throughout this study as it was difficult to determine which package was applicable to different individuals. The different packages were based on position and for positions directors and higher, the package was based on whether or not the employee owned a home or rented a home.

Wave one was notified on 11/19/10 and given until 01/21/11 to respond with their decision. They were slotted to relocate to San Antonio by 08/01/11. Wave two was notified on 03/11/11 and given until 05/06/11 and 03/23/11 and given until 04/27/11 to respond with their decision. They were slotted to relocate to San Antonio different times throughout fall 2011 however, they were given a choice to join wave one and relocate by 08/01/11 rather than wait until the fall. This option was offered to accommodate those relocating who may have had children attending school. Research shows that organizations permit their employees an average of over 2 weeks (16 days) to accept a formal transfer offer. Once an employee accepts the transfer offer, employers are allowing the transferee an average of slightly over 3 weeks (29 days) to move and report to their new job (Facts & Industry Statistics, 2011). This timing is shorter when compared to the amount of time employees were given in this study.

The only subjects that were excluded from the study were those who were involuntarily terminated. Due to the timing of the separation, the employees were unable to complete a

Willingness to Relocate Form, accepting or declining the relocation offer. A total of 3 subjects were removed from the data.

### *Unit of Analysis*

The unit of analysis for this study represents each of the individual employees required to make a decision by a specific date as to whether or not they would like to relocate with the company from San Diego, California to San Antonio, Texas. There are a number of factors that contribute to an employee's decision creating individual reasons as to why one employee would decide to relocate over another employee. Some reasons may include personal circumstances un-related to work (these are not captured in this study), demographic factors that are not necessarily being included in the employee's decision making process yet still exist, the perceptions of the city the employee would be relocating to, and the monetary benefits the company offered which were dependent on what decision was made. Employee would receive relocation amounts if they decided to relocate and severance, retention and resume services by Lehag Harrison if they decided not to relocate.

### *Research Variables*

The dependent variable for this study was the decision of whether or not to relocate. This variable was determined when the employees completed the Relocation Election Form (i.e. employee's selection of "I elect to relocate to San Antonio, Texas" or "I elect NOT to relocate to San Antonio, Texas").

This study consists of one dependent variable, and numerous independent variables. Some independent variables employees took into consideration were the city their jobs were being relocated to (San Antonio, Texas), how that measured up to their current city of work, and what their overall opinion was of the new city and state. Another independent variable was their

individual financial situation and if it would improve by moving to a new city with lower living costs. Other independent variables included how the move would impact their personal life, whether that included family, spouses, children, school, significant others, social life, etc. Furthermore, the overall timing of the relocation was a variable. For some employees the relocation was a great opportunity based on where they were at in their career, age and life goals (i.e. purchase a house for the first time). In addition there is the employee's commitment, perception of the company, work environment, personal like for their position within the company, company culture, etc. Finally there is the variable of an employee's willingness to relocate. For some people, no matter what options are provided, they are not willing to move to another city and state for a job. Although these were all variables that may have contributed to the employee's decision, these variables were not included in the methodology data of this study. With the exception of the timing of relocation, there is a great deal of research on these independent variables; however this study simply captured the decision of whether or not to relocate. It did not gather the reasons as to why an employee made a decision.

Additional independent variables captured in this study were the relocation, severance & retention policies and the amounts employees would receive depending on the decision made. The minimal research on these variables does not directly identify how these policies impact an employee's decision. Research also fails to include these variables as part of the survey questions regarding an employee's willingness to relocate.

Specific independent variables related to attributes and company policies impacting each of the employees required to make a decision can be reviewed in Appendix M & N. These are the variables included in this study identifying correlations related to an employee's decision. The independent variables in this study are unique and differ from most included in prior

research because they cannot be changed based on what decision is being made by the employee or why the employee made the decision they did. These are objective variables in that regardless of all other variables involved, variables such as gender, date of birth, etc. will never change.

The majority of the independent variables captured throughout historical studies, led to conclusions; however these conclusions were made based on surveys taken prior to an employee being noticed to relocate or after the employee relocated allowing for uncontrollable influence by the employees' emotions and reactions to how the relocation would or did take place.

### *Research Instrument*

The research instrument used in this study is very different from those used in other related studies. Past studies have mostly conducted surveys before and after relocations took place. These studies relied on the survey subjects to answer questions related to their willingness to relocate. The flaw in using surveys is the reliance on the subject being truthful, and the timing of the survey. The way a subject answers questions about relocating prior to the relocation taking place may be very different than the way a subject would answers questions after the relocation has occurred.

In this study, specific fields of data were pulled from the company's HRMS for every subject included in the study. The data existing in this system has been entered various ways, some being manually keyed through various business processes while others were exported into the HRMS from other company systems.

### *Bias and Error*

Bias or error is not applicable to this study since the methodology does not include an interview, recording, survey etc. The study is based on a particular decision to relocate with a company, providing a yes or no answer.

*Validity and Reliability*

The validity of the data is as good as the inputs into the excel documents and the HRMS. The first data source discussed was created through manually tracking and entering inputs of information related to the relocation, specifically employees impacted by the relocation and their decision to relocate. Other than the fact that the individual managing this process was a Director in Human Resources for a multi- billion dollar corporation and is a strong performer, this individual is still human and could potentially make a keying error. To ensure this specific data is valid, where applicable, information from the HRMS was used instead. Not to mention that this individual also relied on the HRMS for specific information when updating the excel documents.

When looking at the validity of the data extrapolated from the HRMS, again it is only as good as the inputs and methods in which the data is being inputted into the system. A huge advantage the HRMS has over manual inputs is there are multiple ways data is inputted into this system. Not to mention that after it is keyed or exported, numerous audits are being performed to validate the data to ensure the company has accurate Human Resources data on file. Many of these audits involve other entities such as Federal and State agencies, Social Security Information, medical companies, other departments, etc. Furthermore much of the data in the HRMS is exported from other systems. Prior to any export taking place, the data is being validated through logic, company policies and business rules that are set up throughout all of the company systems. Invalid data will kick out on an error report and be further researched before being entered.

Finally, one method continually applied throughout this study pertaining to the validity of the data is common sense. Throughout the various data audits that took place in this study,

specific fields (i.e. position, department, pay rate, title, names, etc.) were referred to by applying the common sense test. For example, if an employee was in a non-exempt position and had a Director title and was making six figures, this would be questioned. Luckily, nothing like this came up throughout this study maintaining high confidence in the validity of the data. Overall, the validity of the data used for this study is about 99.0%.

Equally important to the validity of the data is the reliability of the data and the sources being used. Oracle's PeopleSoft is a worldwide recognized system designed to run some of the largest corporations in the world, supporting hundreds of thousands of employees in multiple countries and states. This system has multiple components (finance, Human Resources, etc) and was built to accurately store employee information. "Oracle's PeopleSoft Enterprise human capital management (HCM) solutions enable you to: Manage HR globally on a single system of record while complying with local laws and regulations with our global core HCM system, Forecast, deploy, track and manage your labor with workforce management, Cut costs and increase productivity with workforce service delivery and Attract, retain, and motivate a superior workforce with integrated talent management." In addition to Oracle's PeopleSoft Human Capital Management, Petco uses Oracle's PeopleSoft applications. "Oracle's PeopleSoft applications are designed to address the most complex business requirements. They provide comprehensive business and industry solutions, enabling organizations to: Increase Productivity, Accelerate Business Performance and Lower Cost of Ownership" (Oracle, N.D.).

Given the reputation and credibility the Oracle PeopleSoft system has worldwide, confidence regarding the reliability of the data the system maintains is very high. Again, the accuracy of inputs and audits performed by Petco will have the largest influence of data validity

and reliability. Given the companies used for this study, Petco and Oracle's PeopleSoft, the reliability of the data is about 99.9%.

### *Summary*

A qualitative and quantitative design was used as a framework for this study discussing the methods used to design the research questions and hypotheses previously defined in chapter 2. The population used for this study was clearly identified along with circumstances each employee in the population was involved in. Although the study is based on only one dependent variable, as explained throughout this chapter, there are numerous independent variables, some of which are comparable to prior research whereas others are not and very unique to this study.

This chapter reviewed the instrument used to collect the data, the procedures in which the data was collected and the numerous steps and additional requests made in order to complete the data collection process. After collecting the data, very specific steps were taken to ensure the data coming from multiple sources was compiled into one document without compromising the validity or accuracy of the data in the process. In order to do this, the data was constantly being reviewed and audits were repeatedly performed. The data was then organized and formatted to ensure all duplicate line items were removed and the data was in a strong state to be run through a multiple series of tests.

It was discussed that due to a unique approach this study took, avoiding the use of interviews or surveys when collecting data, bias and error pertaining to the data did not apply. Finally, the last section of this chapter reassured that the validity and reliability, although involving two sources of data, is very strong with no concern that it would negatively impact the results of this study.

#### Chapter 4

Following a presentation of descriptive employee data gathered from two different sources, it was important to understand what the data was telling us and how to determine whether or not the 16 hypotheses stated in Chapter 2 were true. As previously discussed, this study included a sample of 172 positions that were being relocated from San Diego, California to San Antonio, Texas by a specific date. These positions included employees in specific departments identified in each of the two waves and included employees of all levels of the organization up through the senior executive level. Each of the employees in these positions were included in one of two waves and notified of the relocation on a specific date. On that date, each employee was given a deadline to respond via a *Willing to Relocate Form*. This form was the method used to capture all employees' decisions to relocate.

Data was pulled from two different sources for all 172 positions, one being a spreadsheet managed by the Director and Project Manager of the Relocation and the other being Oracle's PeopleSoft Version 8.8, which is the company's official Human Resources system of records. Of the 172 positions included in the two waves of relocations, 12 positions were unoccupied and would be filled in San Antonio after the relocation occurred. These 12 positions were removed from the sample leaving 160 employees to be tested. Out of the 160, three more employees were removed due to the employees being separated and not providing their decision to relocate. As a result, data for the remaining 157 employees was used throughout the testing of this study.

In order to create results using this data, multiple tests were performed on both the dependent and independent variables. This chapter will look at each of the tests, discuss the

methods/indicators used to interpret the data, review the results and apply the results to the hypotheses when applicable.

First, individual correlations were run against the dependent variable for each of the final data columns. With the dependent variable being the decision to relocate, the following independent variables were run against it: Age, Education, Ethnicity, Gender, Marital Status, Employee Type, Part Time/Full Time, Managers (Includes Supervisors), Years of Service, Wave, Critical, Weeks of Severance, Weeks of Retention, Incentivized Through Hourly/Annual Pay Rate, Enrolled in Medical/Vision and/or Dental, Medical/Vision and/or Dental Dependents, 401K, Stock Options, and Pay Rate. Following the individual correlations, additional correlations were run which consisted of only the attributes that were either significant or close to being significant.

After the correlation tests were run, three series of group regression tests were conducted. All regression testing included Group 1 and Group 2. Group 1 (Appendix M) consisted of data that was discussed in the literature review, chapter two. Group 1 was build using data points in which existing research exists. Group 2 (Appendix N) consisted of data points in which there is no research out there related to relocations. This data is new and being introduced to the research field through this study. During the multiple regressions testing, Group 3 was included. This group was based on the strong results from both Groups 1 and 2. Following the group regressions, a series of additional regression tests for Groups 1 and 2 were run removing additional attributes each test. The testing began with Group 1 and then progressed to Group 2. These tests were run to determine if any one attribute had a positive impact on the test results by being removed from the test. Each one was removed and retested one at a time. After these tests

were conducted, more tests were completed excluding multiple variables at a time starting with attributes that had the highest P-Value above .05.

When analyzing the data, only specific values were analyzed. The correlation tests were compared to a .30 significance. For the regression tests, various values were analyzed to determine the validity, significance, and the relationships that exist amongst more than one attribute.

One value analyzed was R Square which represented the percent of changes in attributes that attribute to the decision to relocate. An R Square of at least 80% was preferred to determine how good the fit was as well as the quality. The higher the R squared, the higher the correlation, so ideally anything less than 80% represented a poor correlation. Because 80% is extremely difficult to reach in any multiple regression test, 48%-49% was considered desirable for this study. Another value analyzed was the Adjusted R Square. The closer this value was to 1, the more desirable as this is the coefficient of determination. In order to determine the significance of the model, F was analyzed. When analyzing F, a value greater than 7.71 indicated that the model as a whole was significant. Next was the Significance F. A low significance level proved that a relationship existed. T Stat was also analyzed in certain cases representing the ratio of the coefficient to standard error. A t stat of equal to or great than 2.0 was considered strong. Lastly is P-Value. P-Value was used to test the individual variables for significance. The P-Value should have been less than or equal to .05 in which case the null was rejected representing that a relationship between the dependent and independent variable existed. If it was greater than .05, the null was accepted meaning there was no relationship.

Using the tests and specific values explained above, the following hypotheses were proven to be true or false.

- H1: Part time employees who choose to relocate will be significantly less when compared to the percentage of full time employees who choose to relocate.
- H2: Non-married employees are more likely to relocate than married employees.
- H3: The average age of employees who decide to relocate will be younger than the average age of those who decide not to relocate.
- H4: Females are less likely to relocate than males.
- H5: If in a management position, the greater the number of employees deciding to relocate.
- H6: The majority of the population deciding to relocate will fall into the trial or advancement stage of their career.
- H7: Employees with longer organizational tenure are more likely to relocate than employees with less organizational tenure.
- H8: The more education an employee has, the more likely they are to relocate.
- H9: When evaluating the population sample (prior to a decision being made whether or not to relocate), more females will have education than males.
- H10: There will be no relationship between income and each of the two groups (the group who decides to relocate and the groups who decides not to relocate).
- H11: White employees will be more likely to relocate than employees of other ethnicities.
- H12: The numbers of employees deciding to relocate versus those who decide not to will not be excessive in one wave over another given that the departments being compared are of equal size.
- H13: Employees offered some type of monetary incentive will be more likely to Relocate than employees not offered a monetary incentive.
- H14: Due to assumptions being made as to the influence an employee's family has on their decision to relocate, there will not be a strong positive correlation between employees with Medical/Vision and/or Dental Dependents and the decision to relocate.
- H15: The more weeks of severance, the less likely the employee is to relocate.

H16: The more weeks of retention, the less likely the employee is to relocate.

Looking at the individual correlation tests, overall the majority of the correlations were weak. Starting with those that fell into the Part Time/Full Time attribute, the correlation was -0.123981339 representing an insignificant correlation (Appendix O). This represents a very weak negative correlation meaning full time employees are more likely to relocate than part time employees which makes hypothesis one true. A factor that may have impacted a weak correlation is the fact that out of 157 employees tested only five were part time employees. Also, typically in a corporate environment, the majority of employees are full time which could have skewed the results.

The second attribute tested was Marital Status. This produced a correlation of .063069148 representing a very weak positive correlation (Appendix P). This correlation states that married employees are less likely to relocate than non-married employees which proves hypothesis two to be true. The ratio of non-married employees in this population was 87:70. Qualitatively this makes sense as married employees tend to have more ties in their current city making it difficult for them to relocate with their company. Married employees often have a spouse and the spouse's job and career, family or personal circumstances to think about prior to deciding to relocate whereas non-married employees, for the most part, only have themselves to think about in these types of decisions.

The third attribute tested was age. Something to note regarding this attribute is that the correlation will be negatively impacted due to the fact that age was not presented as a yes/no scenario much like the dependent variable. This attribute was presented as a list of each employee's age which resulted in 44 different data points compared to the two of the dependent variable. The correlation is insignificant at .000127147 which is considered a very weak positive

correlation (Appendix Q). Looking at the raw data of age and decision to relocate, the average age of those who decided to relocate and the average age of those who decided not to relocate were both 40 years old. This concludes that the older the employee, the less likely they are to relocate proving hypothesis three to be true. Qualitatively this makes sense as employees older in age, perhaps closer to retirement, are most likely well established in their current city with family and friends, not looking to move to another city; especially for a job.

The fourth tested attribute was gender. The correlation between gender and the decision to relocate was 0.119144167 which is a very weak positive correlation showing insignificance (Appendix R). This proves that females are less likely to relocate than males, which is similar to the hypothesis stated in chapter 2 proving hypothesis four to be true. It is believed that the female to male ratio of the company being tested would impact this result. At this company, out of the 157 employees included in the sample, the ratio of males to females is 53:104. Given that the majority of the sample was female, these results could have been skewed.

The fifth attribute tested was employees in a management position. This included those in supervisory positions and excluded non-exempt and individual contributors. Out of the 157 employees included in the testing, 38 were in management positions (about 24%). The correlation of management positions to the decision to relocate was .315943078 representing a strong positive correlation (Appendix S). This shows that employees in non-management positions (i.e. hourly or individual contributors) are less likely to relocate than employees in management positions proving hypothesis five to be true. It is believed that employees in management positions are more likely to move because they could have more drive to climb the corporate ladder, they could be the breadwinner for their household or have better ideas as to what they are looking for in their career path whereas non-exempt employees tend to either be

starting their careers, may not know exactly what their career path may be, or they are most likely not the breadwinner but rely on a spouse or significant other's income.

Related to the management attribute is the hypothesis regarding the trial and advancement stage of career. There were not specific data points related to this in order to test correlations; however, this hypothesis can be proven true or false by using the raw data of employees' age. Of the 157 sample population, approximately 20% (31) fall under the Trail Stage, 42% (66) fall under the Advancement Stage and 33% (52) fall under the Maintenance Stage (Appendix T). When this is compared to those who decided to relocate, 20% were in the Trail Stage, 42% were in the Advancement Stage and 32% were in the Maintenance Stage. Given these calculated results, hypothesis six is proven to be true.

The sixth attribute tested was the years of service, also known as organizational tenure. Similar to age, the correlation was most likely negatively impacted due to the fact that years of service were not presented as a yes/no scenario like the dependent variable. This attribute was presented as a list of each employees' years of service which resulted in 143 different data points compared to the two of the dependent variable. This resulted in a correlation of .180864135 which is insignificant and a very weak positive correlation (Appendix U). This represents that the more service an employee has with the company, the less likely they are to relocate proving hypothesis seven to be false.

This was an interesting test as it was surprising to see that the more service an employee had, the less likely they were to relocate. One would think that more service would translate to having more invested in the company in which case employees would decide to relocate. It is believed that this may be related to age since the older an employee was, the less likely they were to relocate. An additional correlation test was run to explore this thought. Years of service

was the dependent variable and age was the independent variable. This test produced a .470913 correlation representing significance and a strong positive correlation (Appendix V). This proves that the older an employee is, the more likely they are to have more years of service with the company which explains why someone with many years of service would decide not to relocate.

The seventh attribute tested was education. This was another example of a correlation being most likely negatively impacted due to the attribute not being presented as a yes/no scenario like the dependent variable. This included six different data points compared to the two of the dependent variable. These six included education not indicated, some college, technical school, two-year college degree, Bachelor's level degree and Master's level degree. The correlation was -0.056296017 representing a very weak negative correlation (Appendix W). This shows that the more education an employee has, the more likely they are to relocate proving hypothesis eight to be true. Qualitatively, this could mean the employee has more drive to get up and relocate and try something new, the employee could have a better idea as to what field of work they want to remain in or feel like they are qualified to move up through the company and therefore want to relocate in order to stay with the company.

Although a correlation test was not run, looking at the raw data related to gender and education, out of the 157 employees being tested, 75 did not indicate their level of education (25 Men and 50 Women). A total of 51 out of the 157 employees have earned a two year college degree or better (21 Men and 30 Women) (Appendix X). Given this data, hypothesis nine proves to be true as more women who have identified their level of education as being at least a two year college degree or more exceeds the number of men who have identified their level of education as being at least a two year college degree or more.

The eighth attribute tested was pay rate. This was yet another example of a correlation being most likely negatively impacted due to the attribute not being presented as a yes/no scenario like the dependent variable. This included 150 different data points compared to the two of the dependent variable. The correlation was significant at  $-0.466763656$  representing a strong negative correlation (Appendix Y). This shows that the higher the employee's pay rate, the more likely they are to relocate. The average pay rate of those relocating was \$90,309.82 which was higher than the average of those deciding not to relocate which was \$20,271.30. These results prove hypothesis ten to be false. With the average pay rate being \$90,309.82, this could mean that those deciding to relocate are those with stock options or will benefit more from the no income taxes provided by Texas. It could also mean that the employee is the main financial contributor for his/her family and can offer a better lifestyle for the family in a state where cost of living is cheaper, homes are cheaper and there are no state income taxes.

The ninth attribute tested was ethnicity. With there being seven different data points, the correlation was most likely negatively impacted since the attribute could not be presented as a yes/no scenario like the dependent variable. The correlation was  $-0.117346181$  representing a very weak negative correlation as it was insignificant (Appendix Z). Of the population who decided to relocate, the breakdown of ethnicity is 2% American Indian/ Alaskan Native, 8% Asian, 8% Black or African American, 12% Hispanic or Latino, 0% Native Hawaiian/Pacific Island, 2% Two or More Races, 66% White and 2% where records show ethnicity as not being indicated. This data proves hypothesis 11 to be true where white employees are more likely to relocate than other ethnicities. These results were more likely skewed with such a high number of white employees within Petco's corporate offices which is where the sample population was pulled from.

The next attribute to be tested was the departments. Although there were not specific department numbers or names used in the correlation test, the data points that fell under Wave were used since they were connected to additional data to support the breakdown of each wave, specifically the department names and the number of employees in each department. The correlation of Wave and the dependent variable is insignificant at  $-0.087647955$  (Appendix AA). This reflects a very weak negative correlation showing that employees in wave two are more likely to relocate than employees in wave one proving hypothesis 12 to be true. For a breakdown of wave one, refer to Appendix AB. The 10 departments included represent 76 of the total 157 in the population sample. Out of the 76, 21 decided to relocate which represents 28% of wave one. The number of employees who decided to relocate per department in wave one was not calculated.

Looking at the breakdown of wave two (Appendix AC) there were a total of 81 employees impacted by the relocation, 29 of which decided to relocate which represents 36% of the wave deciding to relocate. Similar to wave one, it is undetermined how many employees decided to relocate per department in wave two. The higher percentage of employees who decided to relocate in wave two versus wave one is most likely to be caused by the fact that employees are more used to the idea of relocating after hearing about the experience of wave one employees being notified. By the time wave two took place, employees had already heard about the relocation to San Antonio and some of the pros and cons of relocating there. By the time wave two was communicated, it was common discussions that took place around the company and was not such a new concept or shock like it was to those in wave one. Opening up an office in San Antonio was a huge change for Petco so the more time employees had to go experience

the change cycle and accept the change, the more likely they were to be open to the idea of relocating.

The eleventh attribute tested was an incentive through hourly/annual pay rate. The correlation to the dependent variable was 0.641337617 which represents a significant and very strong positive correlation (Appendix AD). This shows that employees not offered a pay related incentive are less likely to relocate than those offered a pay related incentive proving hypothesis 13 to be true. Qualitatively, this makes sense. Majority of the employees who decided to relocate received about a 12% decrease in pay to accommodate for the lack of state income taxes in San Antonio. Employees experiencing this pay cut could feel like there is no incentive to go to another state in which case they decide not to relocate. For an employee being offered an incentive, this is a great opportunity as they will be making more money in a state where the cost of living is lower and there is no state income tax. Remaining at the same pay rate is like an increase in pay if they were to move to Texas due to the lack of state income tax, so those offered a pay increase really benefited in this relocation.

Another attribute tested was the Medical/Visions and/or Dental Dependents. This attribute represents employees who have dependents on their Medical/Visions and/or Dental Petco insurance. The purpose of including this attribute is to determine whether or not having other individuals rely on an employee for insurance would impact their decision to relocate. The only flaw in this variable is that employees may have other individuals relying on them and their income which would impact their decision to relocate; however, this population was not captured in this study since this type of data is not housed in the company's HRMS. The correlation between this variable and the dependent variable was 0.122713639 which is a very weak positive correlation representing insignificance (Appendix AE). This means employees who do not have

dependents enrolled in Medical/Vision and/or Dental are less likely to relocate proving hypothesis 14 to be true. Hypothetically this makes sense as employees who carry family members (spouse and/or children) on their benefits plans are afraid to leave a company in fear of them and their dependents no longer having health insurance.

The thirteenth attribute tested was Weeks of Severance. With there being 21 different data points, the correlation was most likely negatively impacted since the attribute could not be presented as a yes/no scenario like the dependent variable. The correlation between the attribute and dependent variable was  $-0.206909253$  reflecting a weak negative correlation and insignificance (Appendix AF). This shows that employees with more severance are more likely to relocate proving hypothesis 15 to be false. This factor showed to be not applicable as severance only applies to employees who decide not to relocate.

The fourteenth attribute applied to a correlation test was Weeks of Retention. This was tested similar to a yes/no scenario only applied to six or 12 weeks of retention. The correlation between this attribute and the dependent variable was significant at  $-0.38722641$  reflecting a strong negative correlation (Appendix AG). This shows that employees with more retention are more likely to relocate proving hypothesis 16 to be false. It is important to note that this reflects retention paid at the designated end date, and not prior to. Like Weeks of Severance, this factor showed to be not applicable as severance only applies to employees who decide not to relocate.

The prior fourteen attributes were all directly related to a hypothesis since there is research data that already exist pertaining to those topics. The next five attributes in which correlations were tested against the dependent variable were not performed to prove a specific hypothesis true or false but were performed to add new research to the field related to corporate relocations.

The first is critical employees. At the time of notifying employees in each wave, the company identified certain employees as critical employees to better understand the risk involved if these employees were to not relocate. It is very likely that this variable is highly tied to employees offered an incentive. The correlation between this and the dependent variable was .618504673 representing significance and a very strong positive correlation (Appendix AH). This means that employees not identified as critical employees by the company are less likely to relocate than those identified as critical employees. Generally, if an employee feels valued by their company and feel like there is room for growth, they are more inclined to stay with the company for longer periods of time, even if that means relocating with the company to another city and/or state.

The second attribute tested was the employee type (hourly or salary). The correlation of this attribute and the dependent variable was significant at -0.38722641 which represents a strong negative correlation portraying that salaried employees are more likely to relocate than hourly (Appendix AI). This correlation was impacted by the ratio of hourly to salary employees included in the sample population. Out of the 157 employees tested, 91 were hourly and 66 were salary. Out of the 91 hourly, 15 (16%) decided to relocate where as 35 (53%) salaried employees decided to relocate.

The third attribute tested was employees enrolled in Medical/Vision and/or Dental benefits. The correlation of this attribute to the dependent variable was insignificant with a correlation of .289864705 reflecting a moderate positive correlation (Appendix AJ). This portrays that employees not enrolled in Benefits are less likely to relocate than those enrolled in Benefits. The reasons for these results are similar to those where employees with dependents were more likely to relocate. This could also have something to do with the employee's health.

If the employee relies on company benefits for specific medications or doctors visits, they are more likely to relocate to keep their health coverage rather than run the risk of not being able to find a job and not be covered by health insurance. Another explanation may be that the employee is very happy with the Petco's benefit plans and does not want to go anywhere else.

Next 401K was tested. The correlation of those participating in the Petco's 401K plan and those who decided to relocate was insignificant at  $-0.057879349$  (Appendix AK). This represents a very weak negative correlation stating that employees who do not participate in the 401K plan are more likely to relocate than employees who do participate in the 401K plan. People who enroll in 401K plans are typically the type of person who looks forward in the future and is concerned about the well being of their family and/or themselves. These also tend to be people who are not very risk driven which makes sense as to why they would be less likely to relocate. They want to feel secure about their future. Furthermore, although 401Ks are important, they can often be rolled over to another company in which case relocating to keep a 401K may not be as important. What would be interesting is to see how Petco's 401K match policy compares to others. If it is much better, this could have the opposite impact on an employee's decision to relocate.

Finally, the attribute Stock Options were tested. The correlation between those who have stock options with the company and the dependent variable is insignificant at  $0.290579244$  (Appendix AL). This is a moderate positive correlation meaning employees without company stock options are less likely to relocate than employees who do have company stock options. This is interesting since there is public knowledge of the company looking to go public within the next two to five years. Given that, one would think people would hang on as long as they could until the company went public and then cash out and move back to San Diego if desirable.

Overall, nineteen factors were tested producing both positive and negative correlations as well as significant and insignificant results. Out of the eighteen tests, nine were positive correlations (Age, Gender, Medical/Vision and/or Dental Dependents, Year of Service, Enrolled in Medical/Vision and/or Dental, Stock Options, Manager (Includes Supervisor), Critical and Incentivized Through Hourly/Annual Pay Rate) and nine were negative correlations (Education, 401K, Wave, Ethnicity, PT/FT, Weeks of Severance, Weeks of Retention, Employee Type, and Pay Rate). All of the correlations were placed in a chart and sorted in order of absolute value. Anything above .30 was considered a significant correlation while anything below .30 was considered insignificant. When doing this, Incentivized Through Hourly/Annual Pay Rate, Critical, Pay Rate, Employee Type, Weeks of Retention and Manager (Includes Supervisor) all produced significant results. The remaining factors were insignificant. Once labeled as significant or insignificant, it was determined if the correlation was very strong, strong, moderate, weak, or very weak. For a comprehensive summary of these results, refer to Appendix AM.

In addition to the individual correlations run against the dependent variable, other correlation tests were added to the testing for a few reasons. Although the correlations of Stock Options and Enrolled in Medical/Vision and/or Dental when individually tested with the dependent variable produced correlations that were insignificant, they were very close to the line of significance of .30. Stock Options was .290579244 and Enrolled in Medical/Vision and/or Dental was .289864705. Because these were both so close to .30, correlation tests were run against the independent variables that produced some of the strongest correlations when individually run against the dependent variable (i.e. Incentivized Through Hourly/Annual Pay Rate, Critical and Manager (Includes Supervisor)).

When a correlation test was performed on Stock Options and Manager (Includes Supervisor), it showed a significance of .488661 (Appendix AN). This represents a strong positive correlation meaning employees in non-management positions are more likely to not have stock options than those in management positions. Stock Options was then tested with Incentivized Through Hourly or Annual Pay Rate. This test was significant and produced .330172 which is a strong positive correlation showing that employees not incentivized through pay are more likely to not have stock options than those incentivized through pay (Appendix AN). Stock Options and Critical were tested producing a significant correlation of .353332 (Appendix AO). This shows that there is a strong positive correlation and that employees not identified as critical are more likely to not have stock options than employees identified as critical. This concludes the additional tests that resulted in correlations above .30. The remaining additional tests were all insignificant starting with Enrolled in Medical/Vision and/or Dental and Incentivized Through Hourly or Annual Pay Rate (Appendix AP). This test was .260674 providing a moderate positive correlation stating that employees not incentivized through pay are more likely to not be Enrolled in Medical/Vision and/or Dental than employees who are incentivized through pay. The next test was Enrolled in Medical/Vision and/or Dental and Critical (Appendix AP). This produced .1999748 which was a very weak positive correlation. This proves that employees not identified as critical are more likely to not be Enrolled in Medical/Vision and/or Dental than employees who are identified as critical. Lastly Enrolled in Medical/Vision and/or Dental was tested with Manager (Includes Supervisor) producing a very weak positive correlation of .135064 (Appendix AO). This means that employees in non-management positions are more likely to not be enrolled in Medical/Vision and/or Dental than

employees in management positions. For more information on these results, refer to Appendix AQ.

Overall, the additional correlation test proved that although Stock Options when tested with the dependent variable was insignificant, there was a strong positive correlation with Manager (includes Supervisor). This makes sense as the majority of employees with stock options are in a management position. It also makes sense that Stock Options are significantly correlated to critical employees and employees who were incentivized through pay since offering stock options is often a way to reward good performers or quality employees. On the contrary, all of the insignificant correlations involved Enrolled in Medical/Vision and/or Dental. Qualitatively this makes sense since the quality of an employee or level of employee is not necessarily impacted by benefits enrollment. All types of employees are eligible to enroll in benefits and may do so for various reasons which is why weak correlations throughout these additional correlation tests were discovered.

After determining the correlations between the various independent variables and the dependent variable, three series of regression tests were run starting with the first series that included three multiple regression tests. The first identified as Group 1, included the following independent variables: Part Time/Full Time, Marital Status, Ethnicity, Age, Gender, Manager (Includes Supervisor), Years of Service, Education, Pay Rate, and Medical/Vision and/or Dental Dependents (Appendix M). The second, identified as Group 2 included the following independent variables: Employee Type, Enrolled in Medical/Vision and/or Dental, 401K, Stock Options, Critical, Incentivized Through Hourly/Annual Pay Rate, Wave, Weeks of Severance and Weeks of Retention (Appendix N). As mentioned in previous chapters, these groups were created based on what topics existed in past research and which topics were being introduced to

the field through this study. Group 1 consists of all topics that have been included in past research. Group 2 consists of topics in which no research exists in relation to corporate relocations. Group 3 was created after reviewing the results from the first two tests. The factors chosen for this group represented a combination of the theoretical and periodical research performed and what was learned by testing the first two groups. These specific factors produced the strongest results in both the correlation tests and the multiple regression tests of Group 1 and Group 2. Group 3 included Gender, Marital Status, Pay rate, Employee Type, Manager (Includes Supervisor), Incentivized Through Hourly or Annual Pay rate, Critical, Stock Options and Enrolled in Medical/Vision and/or Dental. This third group represented the factors that tend to have the most impact on a decision to relocate in this specific study. The dependent variable, Decision to Relocate, was used throughout all of the regression tests and was the same dependent variable used in the individual correlation tests.

Looking at the multiple regression tests performed on Group 1, the overall fit and quality of the regression test was not very strong (Appendix AR). The R square was .29 which means 29% of the changes in independent variables attribute to the decision to relocate. Ideally, R square should be around 48% so the fact that this was only 29% represents that the overall correlation is not very good. The Adjusted R Square was .23 which should be closer to 1.0 in order to be desirable. This represents that the coefficient of determination is poor. Representing a poor correlation, it is important to look at the significance of the overall test. The F-Value, which needs to be greater than 7.71, is 4.58 which states that the model as a whole is not significant. Although the model as a whole is not significant, the Significance F is 1.57. With this being low, it does show that a relationship does exist; it is just not very strong. Lastly is the P-Value which is useful when testing the individual variables for significance. Only one variable

had a P-Value less than or equal to .05 which means the null was rejected representing a relationship: Pay Rate (.002). All other variables had a P-Value greater than .05 which means the null was accepted representing no relationship: Medical/Visions and/or Dental Dependents (.84), Education (.52), Ethnicity (.98), Gender (.06), Marital Status (.14), Part Time/Full Time (.71), Manager (Includes Supervisor) (.86), Years of Service (.34), Wave (.89), Weeks of Severance (.73) and Weeks of Retention (.28). This is in line with the results of the t- stat in this test. Typically a t-stat of 2.0 or more is considered strong. The only impressive t-stat in this test was Pay Rate which had a t-stat of -3.125606288. This strong result is consistent with Pay Rate's P-Value discussed above. All other t-stats were significantly less than 2.0 being unimpressive results.

Another observation made amongst these test results was that Manager (Includes Supervisor) and Pay Rate were highly correlated because both the t-stat and P-value showed a drastic change between the two. The t-stat of Manager (Includes Supervisor) was 0.178939192 and changed to -3.125606288 on Pay Rate which was the independent variable listed next on the test results. The P-Values also represented a large change where Manager (Includes Supervisor) had a P-Value of .858238724 and Pay Rate had one of .002149406 which was next in the list. This drop represents a high correlation between the two independent variables.

The multiple regression test performed on Group 2 produced much better results (Appendix AS). Unlike Group 1, the overall fit and quality of the test was strong. The R square was .48 which means 48% of the changes in independent variables attribute to the decision to relocate representing that the overall correlation is very good. The Adjusted R Square was .46 which shows another improvement when compared to Group 1. Although it is not close to the desirable 1.0, it represents a stronger coefficient of determination. When looking at the

significance of the overall test, the F-Value was 23.47 which states that the model as a whole is significant. Significance F was 1.95 which was higher than Group 1's. This shows that a relationship does exist but is weak. Lastly was the P-Value representing the significance of the individual variables included in the test. In Group 2, overall the P-Values were less than .05 representing a relationship. The null was rejected on the following P-Values: Incentivized Through Hourly/Annually Pay Rate (.00), 401K (.01) and Critical (.04). The strong P-Values also had strong t-stats which would be expected. Incentivized Throughout Hourly or Annual Pay Rate produced 3.109352, 401K produced -2.71651 and Critical produced 2.099458 t-stats, all representing significance. The remaining variables had P-Values greater than .05 representing no relationship and therefore accepting the null. These variables include: Enrolled in Medical/Vision and/or Dental (.07), Stock Options (.23) and Employee Type (.13).

Unlike Group 1, there were no significant changes in t-stat or P-Value from one independent variable to the other showing a lack of high correlations amongst the variables. It could mean that all of the variables in this test are closely correlated since the majority of them are within the same range.

The multiple regression test on Group 3 produced the best results out of the three groups which was expected given the strength of the independent variables included in Group 3 (Appendix AT). Group 3 produced an R Square of .507315945 which shows a correlation that is a good fit and of excellent quality. The Adjusted R Square was also an improvement from the other two tests reaching .477151615. With an F-Value of 16.81841 we know the model as a whole is significant being the most significant out of the three groups. The Significance F was higher than the other groups at 8.02E-19; however there were good results amongst the P-Values and t-stats. Overall, Pay Rate and Incentivized Through Hourly or Annual Pay Rate produced

the best P-Values of .002284 and .001094 with the rest being higher than .05 showing no relationship. The t-stats were strong amongst Pay Rate (-3.10495) and Incentivized Through Hourly or Annual Pay Rate (3.331107), which is another measure to show the strong relationship that exists. The weakest relationship was evident through Stock Options' results with a P-Value of .877687 and a t-stat of -0.15417, being far from the desirable 2.0 t-stat.

Overall, Group 2 produced much better results than the test of Group 1. The R Squared was higher than that of Group 1 reaching the desirable percentage of 48% representing an excellent fit and quality. The F-Value of Group 2 was above 7.71 showing that the model as a whole was of significance. This is contrary to the F-Value of Group 1 (4.579573356) showing no significance. F Significance for Group 2 was higher (1.94841E-19) than that of Group 1 (1.5706E-06) representing a weak relationship. Furthermore, the majority of the P-Values in Group 1 were not significance with only two out of 13 being less than .05 whereas those in Group 2 reflected more significance with three out of six having P-Values less than .05. Finally there was Group 3 representing what is considered the best of Groups 1 and 2 and expectedly producing the best results. The R Square was ideal at 0.507315945 while the F-Value was much higher than 7.71 at 16.81841. Furthermore, Pay Rate and Incentivized Throughout Hourly or Annual Pay Rate produced the best P-Values (.002284 and .001094) showing strong correlations with the dependent variable. These two independent variables were supported by t-stats greater than 2.0 with Pay Rate at -3.10495 and Incentivized Throughout Hourly or Annual Pay Rate at 3.331107.

After a multiple regression test was run on each of the Groups in the first series of tests, a second series of multiple regression tests were run for both Group 1 and Group 2, excluding one

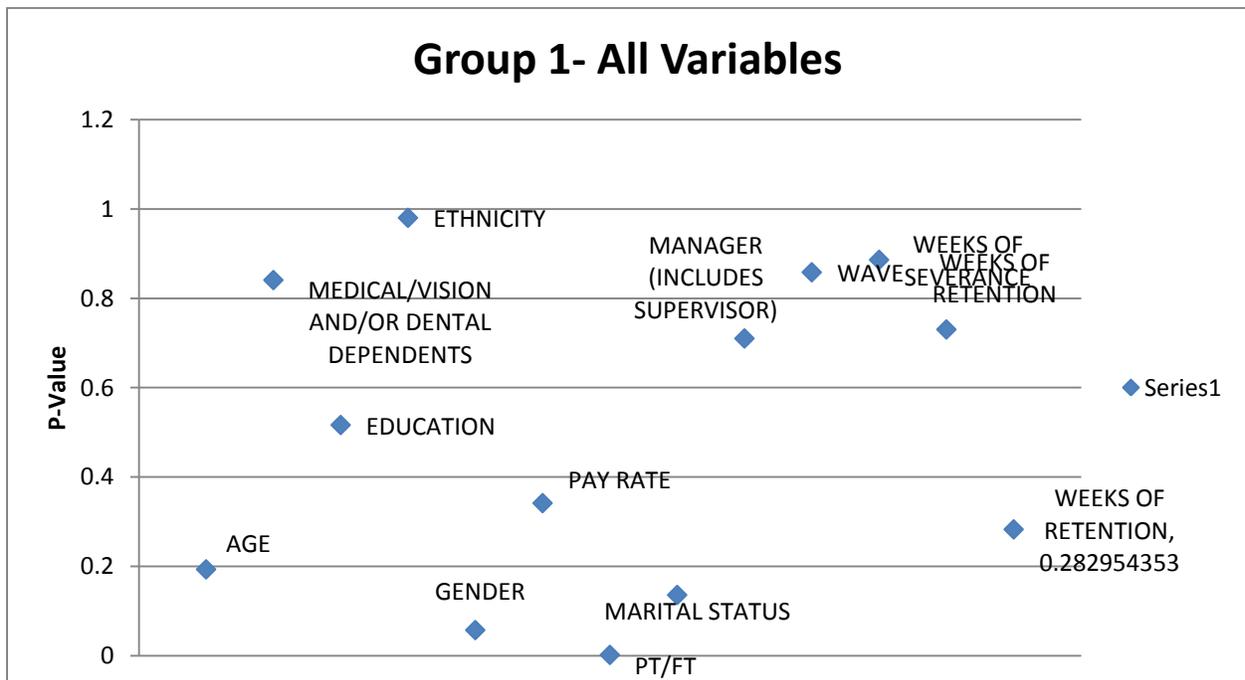
of the variables each test. For Group 1, 12 multiple regression tests were run and for Group 2, six tests were run.

The second series of tests were compared to the first series of regressions tests meaning for Group 1, the R Squared, Adjusted R Square, F-Value, Significance F and P-Values from the second series were all compared to the following in Figure 1 (results from the first series of testing which included all variables in Group 1) to determine if there were any improvements by excluding one variables at a time.

Figure 1

**Group 1**

Variables Tested	R Square	Adjusted R Square	F- Value	Significance F
All Variables	0.293947	0.229760679	4.579573	1.5706E-06



Specifically looking at all values with the exception of the P-Value, it is evident that the exclusion of no one variable severely improved or damaged the results. For details on each of

the multiple regression tests run for Group 1, refer to Appendices AU through BF. Focusing on the R Squared, excluding any one of the variables resulted in a lower R Squared which pushed the results farther from the desired 48%-49% becoming less fit. When excluding Gender, Marital Status, Age and Weeks of Retention, the Adjusted R Squared decreased whereas the exclusion of Years of Service, Education, PT/FT, Weeks of Severance, Medical/Vision and/or Dental Dependents, Manager (Includes Supervisor), Wave and Ethnicity all caused the Adjust R Squared to increase reaching the highest at .235106223 when Ethnicity was removed.

Unfortunately, these are still far from the desirable 1.0. Reviewing the results for the F-Value, there was more movement. With the exclusion of Gender, the F-Value slightly decreased to 4.571476. The exclusion of the remaining variables, Marital Status, Age, Weeks of Retention, Years of Service, Education, PT/FT, Weeks of Severance, Medical/Vision and/or Dental Dependents, Manager (Includes Supervisor), Wave and Ethnicity all produced a higher F-Value with the highest being Ethnicity at 4.995824. This was still below the desired 7.71 which represents a significance model. Then there was the Significance F which proves whether or not a relationship exists with a desire to have a low level. These results really ranged from the group result of 1.5706E-06. The exclusion of Weeks of Retention and Age both reduced the level proving a stronger relationship. The remaining variables caused the Significance F to increase reaching a high of 9.88143E-07 which was caused by excluding Years of Service. For a comprehensive review of these test results, refer to Appendix BG. A high level summary of these test results has been provided in Figure 2 and can also be referenced in Appendix BG.

Figure 2

<b>Variables Excluded</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>F- Value</b>	<b>Significance F</b>
<i>AGE</i>	0.285522	0.22598235	4.795483	1.37798E-06
<i>EDUCATION</i>	0.291859	0.232847745	4.945789	8.05085E-07
<i>ETHNICITY</i>	0.293944	0.235106223	4.995824	6.73464E-07

<i>GENDER</i>	0.275864	0.215519505	4.571476	3.07884E-06
<i>MANAGER (INCLUDES SUPERVISOR)</i>	0.293789	0.234938296	4.992093	6.82483E-07
<i>MARITAL STATUS</i>	0.282862	0.223100563	4.733182	1.72265E-06
<i>MEDICAL/VISION AND/OR DENTAL DEPENDENTS</i>	0.293747	0.234893009	4.991088	6.84935E-07
<i>PT/FT</i>	0.293263	0.234368029	4.979437	7.13995E-07
<i>WAVE</i>	0.293846	0.234999447	4.993452	6.79185E-07
<i>WEEKS OF RETENTION</i>	0.288212	0.228896446	4.858955	1.09797E-06
<i>WEEKS OF SEVERANCE</i>	0.293358	0.234471423	4.981731	7.08178E-07
<i>YEARS OF SERVICE</i>	0.289454	0.230242314	4.888432	9.88143E-07

In addition, there was the evaluation of the P-Value of each variable as individual variables were excluded from the test. The P-Value for Age increased when Education, Gender, Manager (Includes Supervisor) and PT/FT were excluded and decreased when the remaining variables were excluded reaching the lowest value at 0.102384 when Years of Service was excluded. The P-Value for Education increased when Age, Gender, Manager (Includes Supervisor), Weeks of Retention and Years of Service were excluded from the test and decreased when Ethnicity, Marital Status, Medical/Visions and/or Dental Dependents, PT/FT, Wave and Weeks of Severance were excluded reaching its lowest of 0.4674177 when Weeks of Severance was removed. The P-Value of Ethnicity improved with the removal of every variable with the exception of Manager (Includes Supervisor). Although it improved, it never reached equal or less than .05 remaining insignificant. The P-Value of Gender was split down the middle whereas half of the variables excluded caused the value to increase and the other half caused the value to decrease. Although Gender was at a P-Value of 0.05765 in the multiple regression test that included all the variables, it reached P-Values of .04724 and .054209 when Marital Status and Wave were excluded from the testing resulting in a desirable P-Value. The P-Value of Manager (Includes Supervisor) increased when Age, Education, Gender and Marital Status were excluded, with the exclusion of all other variables decreasing the P-Value. Regardless of the decreases,

this variable never reach equal to or less than .05, with the lowest P-Value being 0.69135382 when Years of Service was excluded. The P-Value of Marital Status increased when Manager (Includes Supervisor), Medical/Vision and/or Dental Dependents, and Weeks of Retention were excluded. The exclusion of all others caused decreases reaching the lowest value at 0.081236 when Age was excluded. The P-Value of Medical/Vision and/or Dental Dependents mostly increased with the exception of Age, Education, Ethnicity, Manager (Includes Supervisor) and PT/FT being excluded. The exclusion of PT/FT resulted in the lowest P-Value of 0.800661007. The P-Value of PT/FT decreased for the exclusion of the majority of variables. It was the exclusion of Age and Weeks of Severance that caused it to increase. PT/FT reached its lowest P-Value of 0.516138521 when Marital Status was excluded which is still not considered significant. The overall P-Values for Wave decreased with the exception of when Age, Medical/Vision and/or Dental Dependents and Weeks of Retention were excluded. Although there were decreases, none were desirable with the lowest only reaching 0.744396. The P-Value of Weeks of Retention increased with the exclusions of Education, Gender, Marital Status, Medical/Vision and/or Dental Dependents and Wave. The P-Value decreased when all other variables were excluded reaching the lowest of 0.1762689 when Years of Service was excluded. The P-Value of Weeks of Severance for the most part decreased as variables were excluded with the exception of Gender, Medical/Vision and/or Dental Dependents and PT/FT. The lowest P-Value was 0.426067874 which is when Weeks of Retention was excluded. The P-Value of Years of Service also decreased for the majority of the variable exclusions with the exception of Education, Gender and Medical/Vision and/or Dental Dependents. The lowest P-Value was a result of excluding Age resulting in a value of 0.170786. The last variable Pay Rate had a P-Value of less than .05 in the group and although it fluctuated as other variables were excluded, it

still remained much less than .05. Refer to Appendix BH for additional details related to Group 1 P- Values.

Looking at the t-stats, when Education was excluded, Pay Rate had the best t-stat at -3.08636823. All others were less than 2.0 not being desirable. During this analysis, it was determined that there was a correlation between Age and Ethnicity as the t-stat went from 1.288086331 to .071404384; however because neither were at 2.0 it was not very appetizing. When Ethnicity was excluded, with the exception of Pay Rate at -3.14579328, no other t-stat was relevant. Next Marital Status was excluded and the t-stats improved. Pay Rate remained strong at about -3.0 while Gender reach -2.00129063. PT/FT was excluded and other than Pay Rate, no other t-stat reached 2.0. This trend continued as Manager (Includes Supervisor), Gender, Years of Service, Wave, Weeks of Severance and Weeks of Retention were excluded. Pay Rate, however, continued to fluctuate reaching -2.90374284 when Gender was excluded. The fluctuation continued reaching -4.29054944 when Years of Service was excluded and remaining in the 3.0s as Wave, Weeks of Service and Weeks of Retention were excluded.

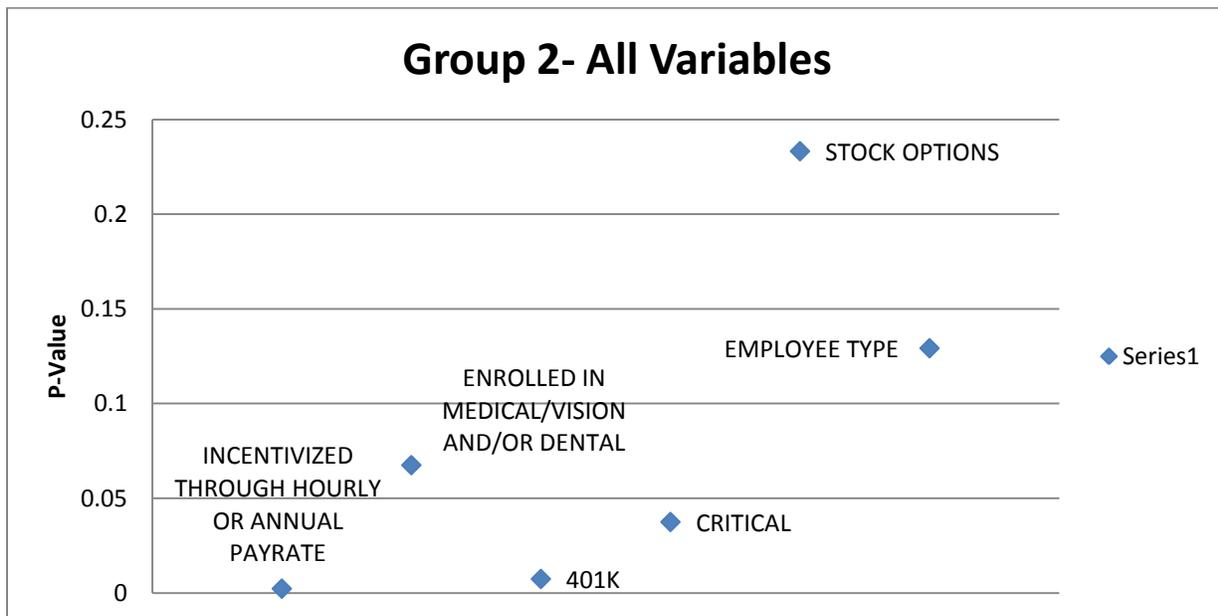
Overall, the exclusion of individual variables in the testing did not improve the specific values being evaluated in this study. By excluding each individual variable and retesting, the R Squared did not reach anything higher than about 29%. The Adjusted R Squared, although it increased, only reached a high of .235106223 when Ethnicity was excluded which is still far from the desirable 1.0. Furthermore, the majority of the F-Values increased, specifically when Ethnicity was excluded resulting in 4.995824; however, this still did not reach 7.71 to prove the model is significant. Finally, the P-Values, although they both increased and decreased, they never reached less than or equal to .05 with the exception of the Gender variable being the only one to have represented a relationship with the dependent variable.

Continuing the analysis of the second series of multiple regression tests is the analysis of Group 2’s results (refer to Appendices BI through BN). Similar to the way Group 1’s data was analyzed, the second series of tests was compared to the first round of regressions tests meaning for Group 2, the R Squared, Adjusted R Square, F-Value, Significance F and P-Values were all compared to the following (results from the first series of testing which included all variables in Group 2) in Figure 3 to determine if there were any improvements by excluding one variable as each test was performed.

Figure 3

**Group 2**

Variables Tested	R Square	Adjusted R Square	F- Value	Significance F
All Variables	0.484117	0.463481864	23.46062	1.94841E-19



When referring to the specific values previously discussed regarding Group 1, R Squared was consistent in decreasing when an individual variable was removed resulting in a percent farther away from the minimum ideal percentage of 48%. The lowest percent was .450867

which was caused by excluding Incentivized Through Hourly or Annual Pay Rate. The Adjusted R Squared was .463481864 in the group test and also decreased as individual variables were excluded reaching a low of .432683345. This was also caused by the exclusion of Incentivized Through Hourly or Annual Pay Rate. F-Value remained significant way above the 7.71 minimum, increasing each time a different variable was excluded reaching a high of 27.78659525 when Stock Options was excluded. Then there was the Significance F which remained low being less than 1 although showing a spike when Stock Options was excluded. Series two test results for Group 2 can be referred to in detail in Appendix BO. A high level summary of these tests results has been provided in Figure 4 and can also be referenced in Appendix BO.

Figure 4

Variables Excluded	R Square	Adjusted R Square	F- Value	Significance F
<i>ENROLLED IN MEDICAL/VISION AND/OR DENTAL</i>	0.472449	0.454980007	27.04560638	1.8029E-19
STOCK OPTIONS	0.47919	0.461944612	27.78659525	6.97024E-20
EMPLOYEE TYPE	0.476112	0.458764404	27.44587587	1.07745E-19
CRITICAL	0.468958	0.451373882	26.66933042	2.93433E-19
401K	0.458738	0.440815167	25.59550476	1.19843E-18
INCENTIVIZED THROUGH HOURLY OR ANNUAL PAYRATE	0.450867	0.432683345	24.79574134	3.47581E-18

Followed by the analysis of the Significance F was the analysis of the P-Values as each variable was individually removed from testing. Looking at the Enrolled in Medical/Vision and/or Dental variable, the P-Value went from insignificant to significant when Incentivized Through Hourly or Annual Pay Rate, 401K and Stock Options were excluded reaching a low of .02118157. The P-Value for Stock Option also decreased by excluding all variables in Group 2 with the exception of 401K reaching a low of 0.089300575 by excluding Employee Type; unfortunately, this still does not present a sufficient value. The majority of the P-Values for

Employee Type decreased with the exception of 401K reaching 0.052058953 which represents a relationship with the dependent variable. The P-Value of Critical was already below .05 in the group testing and remained low as each variable was removed reaching the lowest value of 2.44204E-12 when Incentivized Through Hourly or Annual Pay Rate was excluded. The P-Value for 401K for the most part increased as individual variables were excluded but still remained less than .05. The only time it slightly decreased was when Enrolled in Medical/Vision and/or Dental was excluded. Same with Incentivized Through Hourly or Annual Pay Rate. The P-Value in the group testing was less than .05 representing a relationship with the dependent variable. As individual variables were excluded in this series of testing, it consistently decreased with the exception of a slight increase when 401K was excluded. Although a slight increase, it still remained less than .05. Refer to Appendix BH for a comprehensive view of all P-Values related to the exclusion of individual variables for Group 2.

The t-stats were analyzed, showing better results than Group 1's exclusions. When Enrolled in Medical/Vision and/or Dental was excluded, Incentivized Through Hourly or Annual Pay Rate had a t-stat of 3.109352, 401K had a t-stat of -2.71651 and Critical had a t-stat of 2.099458, all representing strong correlations. As Enrolled in Medical/Vision and/or Dental was excluded, the t-stats of Incentivized Through Hourly or Annual Pay Rate and 401K showed strong results at 3.438578 and -2.89231. Next Stock Options was excluded producing strong t-stats with Enrolled in Medical/Vision and/or Dental at 2.009857, Incentivized Through Hourly or Annual Pay Rate at 3.128844, 401K at -2.45632 and Critical at 2.205176. This specific test produced the best results out of all other exclusion tests. Following this was the exclusion of Employee Type where Incentivized Through Hourly or Annual Pay Rate (3.196359), 401K (-2.71548) and Critical (2.342475) once again produced strong t-stats. When Critical was

excluded, the t-stat of Incentivized Through Hourly or Annual Pay Rate shot up to 8.084549 showed a strong correlation between that and 401K which had a t-stat of -2.64139. As Incentivized Through Hourly or Annual Pay Rate was excluded, another strong t-stat emerged with Critical reaching 7.630979. This shows a correlation exists since Employee Type dropped to -1.67486. Enrolled in Medical/Vision and/or Dental and 401K also produced strong results at 2.32906 and 2.66687. Lastly, 401K was excluded producing a t-stat of 2.080508 for Enrolled in Medical/Vision and/or Dental and 3.067814 for Incentivized Through Hourly or Annual Pay Rate.

In conclusion, the second series of multiple regression tests for Group 2 did not improve the overall results of the values being analyzed. Overall Group 2's results were stronger than Group 1's in the first series of testing and although there were some changes, for the most part the results remained the same. Like Group 1, the exclusion of variables caused R Square to decrease ending up farther away from 48% than desired. The Adjusted R Square also decreased while the F-Value remained significantly high reaching a high of 27.78659525 by excluding Stock Options which was well above 7.71; similar to the results of the first series of regression tests. Finally there were the P-Values and although there were some that decreased, the majority did not decrease to be equal or less than .05 with the exception of one variable. The P-Value of Enrolled in Medical/Vision and/or Dental proved to have a relationship with the dependent variable when Incentivized Through Hourly or Annual Pay Rate, 401K and Stock Options were excluded. This is very similar to the conclusion seen in Group 1's results as there was only one variable that proved to have a relationship with the dependent variable as a result of excluding other variables. Furthermore, the t-stats provided some great insight as to additional correlations

that existed. Some examples included, Age and Ethnicity, Incentivized Through Hourly or Annual Pay Rate and 401K, and Critical and Employee Type.

Once the first two series of multiple regression tests were performed on Groups 1 and 2, and it was determined that the results of these tests presented insignificant results, there was a need to try to determine which independent variable, if any, were causing the insignificance. This led to a third series of multiple regressions testing for both Group 1 and Group 2. Each time a regression test was run, another independent variable was excluded decreasing the number of independent variables included in each of the multiple regression tests. These tests were performed to see how much the test results would change each time another variable was removed. This third series was different than the previous two series of tests in that the variables being excluded were only those that had a P-Value greater than .05 in the first series of group multiple regression tests. All variables with P-Values equal to or less than .05 were left with their group and included in each round of testing. The variables with a P-Value farthest from .05 were removed first. From there, the variable which had the next highest P-Value was excluded from each test after the first one. Once again, all tests were performed with the same dependent variable, Decision to Relocate. Each of the test results from series three will be compared against the groups tests performed in the first series of testing (refer to Figure 5 for a quick look at series one results for Group 1).

Figure 5

### Group 1

Variables Tested	R Square	Adjusted R Square	F- Value	Significance F
All Variables	0.293947	0.229760679	4.579573	1.5706E-06

In series three, the first two variables excluded from Group 1 were the two with the highest P-Values, Ethnicity (.980098701) and Wave (.886112167). By excluding these two variables, there was very little change in R Square, an increase in Adjusted R Square (from 0.229760679 to 0.240270617), an increase in F-Value to 5.485115735 and an increase in Significance F. None of the changes were enough to change the quality or significance of the model.

After this test, a second test was run excluding the same two variables as well as Manager (Includes Supervisor) since the P-Value of Manager (Includes Supervisor) from series one of testing was 0.858238724. Similar to the prior test, there was very little change in R Square with Adjusted R Square slightly increasing. The F-Value continued to increase to 6.070272733 with a small decrease in Significance F to 1.09268E-07.

Next, Medical/Vision and/or Dental Dependents (P-Value of 0.840819607) was added to the exclusion list. Once again, very little change in R Square and an increase in Adjusted R Square to 0.250221572. F-Value increased again reaching 6.784607497 along with an increase in Significance F to 4.06937E-08.

The next variable with the highest P-Value was Weeks of Severance (0.730298705). When this was added to the exclusion variables, similar results regarding R Square were seen. There was an increase in Adjusted R Square to 0.254188908 but still far from 1.0 which was desirable. The F-Value was 7.646031077 being just below a desired 7.71. Significance F was closer to that of the first series group test being 1.54034E-08.

PT/FT was next to be added to the exclusion list and produced an R Square of about the same, an Adjusted R Square of 0.258193711 and an F-Value of 8.756784158 which was the first

test in the third series showing that the model as a whole was significant. The Significance F increased to 5.39417E-09.

Followed by PT/FT was the exclusion of Education with a P-Value of 0.516557717. The R Square dropped to 0.28834095 becoming farther from the desired 48%. The Adjusted R Square increased to 0.259874588 and F-Value increased again to 10.12918161. Significance F also increased to 2.16104E-09.

Being more than half way done with Group 1's testing, the variables in the exclusion group included Ethnicity, Wave, Manager (Includes Supervisor), Dependents, Weeks of Severance, PT/FT and Education. Years of Service with a P-Value of 0.341735786 was then added resulting in an R Square of 0.2830865 and an Adjusted R Square of 0.259347642; still not showing significant improvements. The F-Value continued to increase which case to 11.92502624 along with the Significance F (9.79427E-10).

Weeks of Retention was then added with a P-Value of .282954353. As a result of including this variable in the exclusion group, the R Square was 0.273662652, the Adjusted R Square was 0.254548512, and the F-Value was 14.31728772, once again, the only value that showed improvement. The Significance F increased again to 6.09453E-10.

Next, Age (P-Value of 0.193553299) was included in the exclusion group. Similar to prior tests, R Square decreased to 0.254787606 and Adjusted R Square increased to 0.240175598. F-Value rose again reaching 17.43686499 along with Significance F which reached 8.64762E-10.

Finally, Marital Status was included in the exclusion group as its P-Value was 0.136238933. This resulted in a lower R Square of 0.227732429 when compared to the original

group testing in series one. The Adjusted R Square decreased to 0.21770298 and the F-Value increase again reaching 22.706375. Significance F also increased reflecting 2.28097E-09.

In conclusion, by excluding specific variables which had the highest P-Values, very little improvement was seen in these test results, specifically related to the values being analyzed in this study. The only value that produced a significant value by excluding specific variables was the F-Value reaching a high of 22.706375, representing that the model as a whole is significant.

The only variable with a P-Value less than .05 is Pay Rate (0.002149406), which was not excluded at any point throughout this series of testing. Although Gender had a P-Value of 0.057649513 which technically rounds to .06, it was also not excluded from the testing since it is so close to the desirable value. For more details regarding series three Group 1's results, refer to Appendix BP.

As these tests were run, there were changes in the P-Values of the individual variables. For a complete summary of these changes, refer to Appendix BQ. Rather than going through every P-Value, only the ones that resulted in a P-Value less than or equal to .05 will be discussed as this reflects that a relationship exists between this variable and the dependent variable. In the group tests, Age had a P-Value of 0.193553299 and reached 0.050356422 when Education, Ethnicity, Manager (Includes Supervisor), Medical/Vision and/or Dental Dependents, PT/FT, Wave, Weeks of Severance and Years of Service were excluded. Age also produced a desirable P-Value of 0.048668942 when Education, Ethnicity, Manager (Includes Supervisor), Medical/Vision and/or Dental Dependents, PT/FT, Wave, Weeks of Severance, Years of Service and Weeks of Retention were excluded.

Gender produced a P-Value of 0.057649513 in the group testing in series one which was very close to the desirable .05. Gender was included in all of the tests in the third series and

reached a desirable value six out of the ten tests run with the lowest being 0.050007202 which was the test that excluded Ethnicity, Manager (Includes Supervisor), Medical/Vision and/or Dental Dependents, PT/FT, Wave and Weeks of Severance.

Marital Status was the only other variable that resulted in a desirable P-value of 0.019697. This was produced as a result of the exclusion of Age, Education, Ethnicity, Manager (Includes Supervisor), Medical/Vision and/or Dental Dependents, PT/FT, Wave, Weeks of Severance, Years of Service and Weeks of Retention and was an improvement from its P-Value included in series one testing which was 0.136238933. This was strongly supported by Marital Status' t-stat in this test which resulted in 2.356844163.

Education, Manager (Includes Supervisor), Medical/Vision and/or Dental Dependents, PT/FT, Weeks of Retention, Weeks of Severance and Years of Service did not show enough improvement in their P-Values throughout the testing each was not excluded from.

Next are the series three results of Group 2. Again these were compared to the original Group 2 test results from series one. Figure 6 provides a quick snapshot of Goup2's results from series ones.

Figure 6

**Group 2**

Variables Tested	R Square	Adjusted R Square	F- Value	Significance F
All Variables	0.484117	0.463481864	23.46062	1.94841E-19

Overall the results of Group 2 in the group test that occurred in series 1 of testing was much better than that of Group 1, although in some areas the results were not desirable. For the most part, the P-Values of the individual variables were less than or equal to .05 which required only two tests to be ran in series three. The first test ran in series three excluded Stock Options

and Employee Type. This produced a lower R Square of .465965421 and lower Adjusted R Square of 0.451911879. The F-Value, although significant in the first series of testing, improved more in this test resulting in 33.15644094. The Significance F also increased to 7.18677E-20 although still remaining low.

The second test in this series excluded Stock Option, Employee Type and Enrolled in Medical/Vision and/or Dental Benefits. R Square and adjusted R Square decreased to 0.450181658 and 0.439400907 and F-Value increased again to 41.75790954 along with a Significance F of 41.75790954.

With the exception of an improved F-Value, these tests did not produce much better results than what the group test produced in the first series of testing. Refer to Appendix BR for results detailed test results.

Looking at the P-Values, three out of the six variables produced desirable results in the first series of testing which meant that only three needed to be analyzed in series three. Enrolled in Medical/Vision and/or Dental had a P-Value of 0.067456 in series one of testing and produced a desirable value of 0.035669158 when Stock Option and Employee Type were excluded from the testing in series three. Critical, although it had a desirable P-Value to begin with, actually improved in series three of testing. It went from 0.035669158 to 0.010789671 when Stock Option and Employee Type were excluded and to 0.01457309 when Enrolled in Medical/Vision and/or Dental, Stock Options and Employee Type were excluded. Contrary to that, 401K started with 0.007373 prior to this test series and produced worse results of 0.025640466 when Stock Option and Employee Type were excluded and 0.020116235 when Enrolled in Medical/Vision and/or Dental, Stock Options and Employee Type were excluded. Incentivized Through Hourly or Annual Pay Rate had a desirable P-Value of .002244 prior to this series and produced similar

results as individual variables were excluded. Appendix BQ provides a comprehensive review of the P-Values of Group 2's testing in series three. Throughout both of these tests in series three, each variable produced strong t-stats ranging anywhere from -2.348729863 to 3.636050796.

Similar to Group 1, although the third series of testing improved slightly in certain areas, none of the improvements were significant enough to show an improvement in the quality the model. The F-Value did improve with the exclusion of certain variables in Group 1, which states that the model as a whole was significant, but improvements in the R Square, Adjusted R Square, and Significance F were not good enough to represent desirable results. Focusing on the P-Values, there were a couple improvements in Group 1 and Group 2 showing that the relationship between the individual independent and dependent variables existed. For a review of both Group 1 and Group 2's series three test results, refer to Appendix BS.

## Chapter 5

This study was conducted to prove or disprove the following statement: The decision to relocate a privately held domestic pet retailer from San Diego to San Antonio can be affected by distinct demographic variables and company policies.

When approaching this problem, thorough research was conducted to determine what past research tells us related to the specific variables included in this study. Through this research it was evident that there were conflicting opinions towards the majority of the variables and their impact on relocations, each opinion being supported by a wide range of studies. There were very few variables that researchers actually agreed on when it came to the results related to corporate relocations. By analyzing this research, it was also determined that there were a handful of variables included in this study that had not been included in past research. After there was clarity around what the field of study already knows, a methodology was created to properly test new information with the intentions of discovering new results.

This study looked at the employees of a multi-billion dollar company headquartered in San Diego, California called Petco Animal Supplies, Inc. Petco notified 160 of their corporate employees that their jobs would be relocating to San Antonio, Texas and informed each employee that they would have the option to relocate by a specific date. Each employee was required to turn in a form stating whether or not they wanted to relocate with the company. The data from the completed forms, in addition to demographic data pulled from the company's HRMS was used to test for correlations and relationships between the decision to relocate and various employee attributes and company policies. The data first gathered was organized requiring some data points to be removed and others to be converted from alpha to numeric values. Once the data was in a state ready for testing, it was put through a series of tests. The

first set of tests involved each independent variable (i.e. Ethnicity, Wave, Manager (Includes Supervisor), Medical/Vision and/or Dental Dependents, Weeks of Severance, PT/FT, Education, Years of Service, Weeks of Retention, Age, Marital Status, Gender, Pay Rate, Employee Type, Stock Options, Enrolled in Medical/Vision and/or Dental, Incentivized Through Hourly or Annual Pay Rate, 401K, and Critical) being tested for a correlation to the dependent variable which was Decision to Relocate. Once the individual correlations were performed, a series of multiple regression tests were performed. The independent variables were divided into two groups. Group 1 included Ethnicity, Wave, Manager (Includes Supervisor), Medical/Vision and/or Dental Dependents, Weeks of Severance, PT/FT, Education, Years of Service, Weeks of Retention, Age, Marital Status, Gender and Pay Rate. Group 2 included Employee Type, Stock Options, Enrolled in Medical/Vision and/or Dental, Incentivized Through Hourly or Annual Pay Rate, 401K, and Critical. These two groups were determined based on the amount of research already performed on these variables prior to this study. There is existing research related to the variables in Group 1 whereas there is no research on the variables included in Group 2. Once the Groups were created, they were included in three series of regression tests. Each of the three series of test were performed on both Group 1 and Group 2. The first series included two multiple regression tests, one on each group. All variables of each group were included. The second series included 12 regression tests for Group 1 and six for Group 2; some variables were excluded with an attempt to discover new findings. The third series of regression tests was different than the first two series of tests in that the variables being excluded were only those that had a P-Value greater than .05. Each time a regression test was run, another independent variable was added to the exclusion group decreasing the number of independent variables

included in each multiple regression tests. These were performed to see how much the test results would change each time another variable was removed.

After testing the data, the results were analyzed. The first group of tests that was analyzed were the correlation tests. The specific values analyzed were the individual correlations of each independent variable and dependent variable categorizing each correlation as being positive, negative, very strong, strong, moderate, weak or very weak. When analyzing the three series of regression tests, value that were closely analyzed included R Square, Adjusted R Square, F-Value, Significance F, P-Values and t-stats. Each result was compared to the desirable value for that specific value. The desirable percentage for R Square was 48%-49% reflecting a strong fit. The desirable result for Adjusted R Square was 1.0 reflecting a correlation of determination. F-Value needed to be greater than 7.71 to be considered a significant model as a whole and Significance F needed to be low in order to represent that a relationship existed. Finally there was the P-Value which was used to test the individual variables for significance. This needed to be less than or equal to .05. If it was greater, the null was accepted meaning there was no relationship between an individual independent variable and the dependent variable. If it was less than .05, the null was rejected meaning a relationship between the independent and dependent variable existed.

In this chapter, a thorough review of the test results will be reviewed, followed by a discussion of the results. Strengths and weaknesses of the study will be identified followed by a summary statement. From there a discussion regarding implications for further research, implications for practice and recommendations, relationships of results to theory, and limitations to the study will take place. Finally this chapter will conclude with a summary and conclusion to the paper.

### *Summary of Results*

The present study focused on employee attributes and company policies and their impact on an employee's decision to relocate. To help come to a conclusion, 16 hypotheses were created based on past research or in some cases a lack there of. These hypotheses were proven true or false through individual correlation tests performed on each independent variable.

When testing part time and full time employees with the dependent variable (Decision to Relocate), it was concluded that there was a very weak negative correlation meaning full time employees are more likely to relocate than part time employees; proving hypotheses one to be true. When looking at marital status, the correlation was a very weak positive correlation which stated that married employees are less likely to relocate than single employees, again proving the hypothesis to be true. Age also produced a very weak positive correlation proving the hypothesis to be true; the older the employee, the less likely they are to relocate. Interestingly in this study, the average age of those who decided to relocate and those who decided not to relocate was both 40 years old. Another very weak positive correlation was Gender showing insignificance. Females are less likely to relocate than males which again proved the hypothesis to be true. Employees in a management position also showed a strong positive correlation. This proved the hypothesis to be true which stated that employees in non-management positions (i.e. hourly or individual contributors) are less likely to relocate than employees in management positions. This hypothesis is closely connected to hypothesis six which discusses the employee's career stage. The results showed that hypothesis six was true which concludes that the majority of the population deciding to relocate will fall into the trial or advancement stage of their career. An employee's organizational tenure was also a variable that surprisingly did not have a strong correlation with the decision to relocate. The correlation was insignificant and a

very weak positive correlation representing that the more service an employee has with the company the less likely they are to relocate proving hypothesis seven to be false. Because this is not the results one would expect, an additional correlation test was run between two independent variables. One was Years of Service and the other was Age. In this test, Years of Service was the dependent variables producing a strong positive correlation between the two. This proved that the older the employee is, the more likely they are to have more years of service with the company which explains why someone with many years or service would most likely decide not to relocate. It is not that they do not have a lot invested in the company, but more so they have established a life in their current city and do not want to move; especially as most of these older employees are probably approaching retirement. Education was another independent variable tested. This produced a very weak negative correlation distinguishing that the more education an employee has, the more likely they are to relocate proving hypothesis eight to be true.

Furthermore, it was confirmed that women who have identified their level of education as being at least a two year college degree or more exceeds the number of men who have identified their level of education has being at least a two year degree or more. Furthermore, hypothesis 10 was proven to be false representing a strong negative correlation showing that the higher the employee's pay rate, the more likely they are to relocate. When testing ethnicity, the correlation was a very weak negative correlation showing insignificance. The tests proved hypothesis 11 to be true where white employees are more likely to relocate than other ethnicities. Hypothesis 12 was also true as the employees in wave two were more likely to relocate than employees in wave one. This was reflected through a very weak negative correlation. A new discovery was found through a very strong positive correlation showing that employees not offered a pay incentive are less likely to relocate than those offered a pay related incentive proving hypothesis 13 to be true.

When it came to Medical/Vision and/or Dental Dependents, the correlation was proven to be true representing that a very weak positive correlation existed. This represents that employees who do not have dependents enrolled in Medical/Vision and/or Dental are less likely to relocate than those who do. Hypotheses 15 and 16 are very similar in that they were both labeled as insignificant. The correlation involving Weeks of Severance showed that employees with more severance are more likely to relocate proving hypothesis 15 to be false. Hypothesis 16 also proved to be false producing a strong negative correlation. This showed that employees with more retention are more likely to relocate. Like Weeks of Severance, this factor showed to not be applicable as both severance and retention only apply to employees who decide not to relocate. Therefore, these two variables should not have been included in this study.

The correlation tests of the independent variables identified in this study executed interesting results. In addition to the variables discussed above, other independent variables were included in the testing with the intention of discovering new research since nothing exists today. One discovery presented through a very strong positive correlation was that employees not identified as critical employees by the company are less likely to relocate than those identified as critical employees. Another discovery was that salaried employees are more likely to relocate than hourly employees. This was presented through a strong negative correlation. Furthermore, Employees not enrolled in Medical/Vision and/or Dental Benefits are less likely to relocate than those enrolled, and employees who do not participate in the company's 401K plan are more likely to relocate than employees who do participate. Finally, employees without company stock options are less likely to relocate than employees who do have company stock options.

Throughout the results of the individual correlations which included all of the independent variables in this study, existing research was confirmed and new information was discovered. Because some of these findings were telling, additional correlations were performed. These tests were not originally planned until the results of the previous correlation tests were analyzed. Through the additional tests, it was discovered that there is a strong positive correlation between employees in non-management positions and stock options. The findings show that employees in non-management positions are more likely to not have stock options than those in management positions. Stock Options and Critical were also tested producing a strong positive correlation. This showed that employees not identified as critical are more likely to not have stock options than employees who are identified as critical. An additional test which produced a strong positive correlation showed that employees not incentivized through pay are more likely to not have stock options than those incentivized through pay. All other additional correlation tests showed to be insignificant.

After the individual correlations tests were performed, three series of multiple regression tests were run. Overall, the results were not very telling as more was discovered throughout the individual correlation tests.

As Group 1 was tested in series one, the results showed the coefficient of determination to be poor with the overall fit and quality of the test not being very strong. The model as a whole was not significant; however it did show that a relationship existed, it was just weak. The only independent variable representing a strong relationship with the Decision to Relocate was Pay Rate. Two variables that seemed to be highly correlated were Pay Rate and Manager (Includes Supervisor).

Group 2's multiple regression test in series one produced better results showing the overall fit and quality of the test as strong, proving the model as a whole to be significant. The overall correlation was very good and there was a stronger coefficient of determination unlike Group 1. Like Group 1, a relationship did exist however it was weak. Variables Through Hourly/Annually Pay Rate, 401K, and Critical all showed to have strong correlations with the Decision to Relocate. Although relationships existed between certain variables and the Decision to Relocate, there were no strong correlations between any of the independent variables. This could mean that all of the variables in this group were closely correlated since the majority of them were all within the same range.

The last multiple regression test performed in series one was Group 3. Again, this group was comprised of the best results of the first two groups and was expected to produce strong results. These results showed that the correlation was a good fit and of excellent quality. The model as a whole was significant being the most significant out of the three groups tested in this series. Pay Rate and Incentivized Through Hourly or Annual Pay Rate both showed strong relationships with the Decision to Relocate. The weakest relationship with Decision to Relocate was Stock Options.

In the second series of multiple regression tests, the findings did not show that any one independent variable drastically improved or damaged the results after being removed from the group. As Group 1 was analyzed, it was determined that the overall fit and quality of the tests as independent variables excluded were not quality fits and each of the models showed insignificance; however, when Age, Marital Status, and Weeks of Retention were excluded in series two, it was evident that a relationship did exist. Overall, Pay Rate showed a relationship with Decision to Relocate. It maintained these results consistently as each independent variable

was excluded with the exception of when Years of Service was excluded which represented no relationship with Decision to Relocate. The only other independent variable that showed a relationship with Decision to Relocate was Gender. This was evident when Wave and Marital Status were excluded. The strongest relationship was between Pay Rate and Decision to Relocate which appeared when Education was excluded. Group 2's analysis determined similar results to Group 1's which showed that there were not much improvements in the results as individual independent variables were excluded from the various multiple regression tests. The model as a whole showed high significance becoming stronger as Enrolled in Medical/Vision and/or Dental, Stock Options, Employee Type, Critical, 401K, and Incentivized Through Hourly or Annual Pay Rate were excluded. The model represented the highest significance when Stock Options was excluded. Other findings as Group 2 was tested included Incentivized Through Hourly or Annual Pay Rate went from insignificance to significant when 401K and Stock Options were excluded and an overall relationship existed with the Decision to Relocate when 401K was excluded. As individual variables were excluded from the tests, more correlations with the Decision to Relocate existed. Those found to be correlated with the Decision to Relocate included Enrolled in Medical/Vision and/or Dental when 401K, Stock Options and Incentivized Through Hourly or Annual Pay Rate were excluded, Employee Type when Stock Options was excluded, Critical when Enrolled in Medical/Vision and/or Dental, Stock Options, Employee Type and 401K were excluded, 401K when Enrolled in Medical/Vision and/or Dental, Stock Options, Employee Type, 401K and Incentivized Through Hourly or Annual Pay Rate were excluded, and Incentivized Through Hourly or Annual Pay Rate when Stock Options, Employee Type, Critical and 401K were excluded. Overall, when Stock Options was excluded the best results were produced over all other exclusion tests, specifically with relationships

between the Decision to Relocate and Enrolled in Medical/Vision and/or Dental, Incentivized Through Hourly or Annual Pay Rate, 401K, and Critical.

Lastly was the third series of regression tests. Looking at the stronger results from this series of tests, findings showed that there was very little improvement in the results. The only result that became significant through these tests was the fact that the model as a whole showed significance. This occurred when Ethnicity, Wave, Manager (Includes Supervisor), Dependents, Weeks of Severance, PT/FT, Education, Years of Service, Retention, Age & Marital Status were all excluded. Age showed a correlation with Decision to Relocate when Education, Ethnicity, Manager (Includes Supervisor), Medical/Vision and/or Dental Dependents, PT/FT, Wave, Weeks of Severance and Years of Service were all excluded and when Education, Ethnicity, Manager (Includes Supervisor), Medical/Vision and/or Dental Dependents, PT/FT, Wave, Weeks of Severance, Years of Service and Weeks of Retention were excluded at the same time. Like other tests, Pay Rate continued to show a strong correlation with Decision to Relocate. Gender was the one variable that was included in all of the Group 1 tests in this series and six out of ten tests consistently proved that there was a correlation with Decision to Relocate. Marital Status was the only other variable that showed a correlation with the Decision to Relocate and that was when Age, Education, Ethnicity, Manager (Includes Supervisor), Medical/Vision and/or Dental Dependents, PT/FT, Wave, Weeks of Severance, Years of Service and Weeks of Retention were excluded. Looking at Group 2 in the third series, both when Stock Options and Employee Type was excluded in one test and when Stock Options, Employee Type and Enrolled in Medical/Vision and/or Dental Benefits on a another test, both produced results that were close to high quality fits and both produced significant models. All variables included in the testing in Group 2 (Enrolled in Medical/Vision and/or Dental, Critical, 401K and Incentivized Through

Hourly or Annual Pay Rate) showed correlations to the Decision to Relocate. With the exception of the improvement of the overall model showing significance, no other values produced huge improvements when compared to other series of tests.

As the various tests were performed throughout this study, some produced very interesting findings were others did not produce much excitement. There were however a few findings that stood out. One lesson learned was that Manager (Includes Supervisor) was highly correlated to Pay Rate. Another lesson learned was that removing Stock Options from multiple regression tests resulted in positive results, specifically related to the significance of the tests/models and the correlations between individual variables and the Decision to Relocate. It was also learned that there was a correlation between Age and Ethnicity, Incentivized Through Hourly or Annual Pay Rate and 401K, and Critical and Employee Type.

#### *Discussion of Results*

As the results of this study have been presented, various conclusions have been made. First there were findings that conflicted with past research. In this study, employees with more tenure were less likely to relocate. Although the findings from this study conflicts with the majority of past research related to tenure, this is not the first time results have conflicted with existing research. Other variables such as number of moves, company tenure and level, were not significantly related to willingness to relocate (Brett, et al., 1993). One would think this would be opposite which is what past research shows; however the rationale for these results is that employees tend to move from company to company more often these days when compared to twenty plus years ago. The current generation of employees, on average, tends to move from a company once they reach about five to seven years whereas older generations had a tendency to stay with the same company for twenty and thirty years at a time. As employees move around

from company to company, they also become more open to moving from city to city and state to state. We have a more mobile employee population today than we did twenty plus years ago. Another rationale for this result has to do with the employees' age which is why an additional correlation was performed. In this study, those with more tenure happened to be older employees which tells us that as employees build more tenure with an organization, they also become older in age. This was consistent with what prior research has discovered. The organizational tenure variable is highly correlated with age which is also negatively related to willingness to relocate for career enhancement or company needs (Arthur et al., 1992). As people get older, they are less willing to relocate due to various reasons (i.e. retirement, family, grandchildren, health, etc.).

Another finding from this study that conflicts with prior research is the fact that this study found a correlation between income and employees who decide to relocate. The rationale for this finding is that the company in this study is a retail company which means the average hourly or annual pay when compared to other industries such as technical, medical, biotechnical, etc. is rather low. This means there is probably a high correlation between position level and pay rate. Lower paying employees, specifically in this company, are less likely to move because it may not make sense financially. On the flip side, this correlation could have existed specifically in this study because of the two cities involved. Moving from California, which is a very expensive state to live in, to Texas which presents a much lower cost of living and no income taxes, was probably a strong contributor to these results. If it were the other way around (employees were moving from Texas to California), the results of this same test would most likely be different.

Two variables in this study that were questionable were Weeks of Severance and Weeks of Retention. These two variables have not been included in most research; however they were

included in this study with the pre notion that they would produce contributable results. It wasn't until the testing was well underway that it was realized these two variables should not have been included. Severance was strongly affiliated with Years of Service as this is what drove the number of weeks of severance an employee would be eligible to receive, and the timing of when the employee was notified and when the move was scheduled to occur determined the number of weeks of retention an employee would be eligible to receive. Furthermore, retention and severance were only applicable if an employee decided not to relocate, otherwise these were not applicable.

In addition to the findings that conflicted with similar past research were the new findings this study contributes to the research field. Salaried employees, employees enrolled in Benefits, employees with company stock options, and employees identified as critical to the company are all more likely to relocate than those who these variables do not apply to. Most are familiar with the idea that the better a company treats its employees, the better results it will see. This concept helps validate these results. Referring back to the statement made earlier about Petco being retail and not paying as much as other industries. This also contributes to the explanation as to why salaried employees are more likely to relocate than hourly. Salaried employees typically make more money and are eligible for more benefits versus an hourly employee which explains why an employee would want to stay with the company; even if that meant they had to relocate to another state. Employees enrolled in some type of health benefits and employees with company stock options are also more likely to relocate. Similar to the rationale provided for salaried employees, this is based on the same idea. Again, employees have more invested in the company and are overall more dependent on the company in which case it is more difficult to leave. They have more strings attached. Finally there are those identified as critical employees

by the company. The one question that should be asked is do the critical employees know they are identified as critical? Based on the results of this study showing that they are more likely to relocate, one would say yes. These employees may have not been told specifically that they are “critical” but the rationale for the results is that the value they bring to the company has been communicated to them in some way and when someone feels like they are appreciated and valued, it is more difficult for them to get up and walk away as they probably feel like one day they will be rewarded; that is if they have not already been rewarded.

Another variable this study added to the research field was 401K. Surprisingly, the results of 401K were not what one would expect. This study found that employees who do not participate in the company’s 401K are more likely to relocate than employees who do participate in 401K. It was difficult to project the results of 401K since there was no prior research but just applying practical sense, one would think employees invested in the 401K plan would want to remain employed with the company. The rationale for these results is that participation in a 401K plan is not as critical as most employees are able to roll over their 401K accounts from one company to another. 401K is not something that is truly specific to one company unless you look at the percentage the company matches through their 401K plan. The percentage of 401K contributions this Petco matches was not included in this study but based on the results, one would think it is no better than other comparable companies of the same size with similar plans in San Diego. If the match was better, one would think employees would relocate so they could continue to participate and receive the benefits of Petco’s 401K plan. Another explanation for these results goes back to the demographic of this specific company. Typically, hourly employees do not participate in 401K and if hourly employees are less likely to relocate than this is in line with the 401K results. Also, the upcoming generation does not have a tendency to look

far into the future like past generations. The upcoming workforce is not great with financial planning and gets caught up with always wanting to purchase the newest technology and trends. As we live in a very materialistic society, what someone has today is more important than what they may save for in the future.

Throughout this study, additional tests were run to help explain various results of the planned tests. One was the strong correlation found between Stock Options and Manager (Includes Supervisor). This can be explained by the fact that Petco generally only offers stock options to director and above positions. Stock Options also produced a strong correlation with Critical. Looking at the two, it is believed that one way critical employees may be rewarded and recognized may be through company stock options, or employees with stock options were offered stock options because they were being hired or moved into Critical roles. Stock Options was also strongly correlated to Incentivized Through Hourly or Annual Pay Rate. Similar to the point made regarding Stock Options and Critical, this is another way employees are being recognized as either being critical or performing well which makes them more likely to stay with the company, regardless of where it moves to.

The results from the correlation tests were more telling than the three series of regression tests; however there were some findings that ought to be discussed. In the first series of regression tests, neither group produced very strong results together but did show individual significance with the Decision to Relocate. It wasn't until a third group was created and tested that test results became telling. With this group including Gender, Marital Status, Pay Rate, Employee Type, Manager (Includes Supervisor), Incentivized Through Hourly or Annual Pay Rate, Critical, Stock Options and Enrolled in Medical/Vision and/or Dental ,the overall fit and quality of the test was strong. This group was found to be significant because it was a

combination of both theoretical and periodically research performed on these specific variables. Out of all the variables included in this study, these seemed to produce the strongest results in all of the testing contributing new findings related to corporate relocations. The results of this group's multiple regression test state that in this company, non-married males with high pay rates who are salaried in management positions, who are also incentivized, identified as critical employees and participate in stock options and benefits are the ones who decide to relocate. This is a practical assumption since this tends to be the demographic of a lot of management in large corporations.

Another telling result from the multiple regression tests came from the third series of testing where the majority of the Group 1 variables were excluded with the exception of Marital Status, Age, Gender, and Pay Rate. These also produced strong results in the individual correlations tests meaning young non-married males with higher pay rates are more likely to relocate. Applying practical knowledge, men have a tendency to pick up everything and move much easier than women. Just look at the past fifty to one hundred years where men were the ones to leave the family and go off to work, war, fish, etc. Of course our society has evolved from this type of lifestyle in which women have become much more successful in the business world making more money, holding management positions, etc. Although there have been great improvements in this regards, it is evident that when it comes to relocating for business, women's role has not evolved as much as in some other areas.

Overall the results from this study brought value to the field of research. It confirmed some predefined hypotheses and it discovered new variables and company policies that impact one's decision to relocate with their company. Although the study contributed in these ways, very few of the results presented astonishing findings. Specifically with the multiple regression

tests, there were some strong results here and there but nothing was earth shattering. Even if one looks at the past research related to relocations, one will notice that it is all over the place.

So why do researchers continue to work towards proving that employee attributes and company policies drive an employee's decision to relocate whether the employee is aware of these drivers or not? One reason is because there continues to be new findings. Every time a researcher performs a study regarding company relocations, there are some findings that are similar to past research, some that conflict with past research and others that become new discoveries. This field of research is not close to finding the ultimate answer and quite frankly, it may never get to that point. As there are many researchers that are individually convinced that employee attributes and/or company policies impact an employee's decision to relocate, the fact that specific variables have not yet been determined at this time indicate that the true variables impacting someone's decision to relocate may not be quantitative but qualitative reasons that have not yet been studied.

Researchers are stuck on trying to prove demographic or company policies to be the influencers of someone's decision but clearly there are other reasons out there. For this specific study, although some of the variables may have explained the reasons as to why an employee decided to relocate, it is believed that other factors were the reason for the majority of the employees' decisions. One may be the current lifestyle in San Diego and how that would compare to San Antonio. Would it be better or worse? Would the individual be able to complete the same activities in San Antonio as they do today in San Diego? Other factors that most likely impacted decisions are personal situations such as whether or not the employee is in school working on their Undergraduate or Graduate degree. The employee may have a significant other or a family member living with them in which case they are not able to relocate. Another

qualitative factor may simply be the two cities involved in the relocation. San Diego and San Antonio are very different in culture, climate, etc. It would be interesting to see the results of this study if the two cities involved were not in California and Texas but in Ohio and Texas or Utah and Texas. Given this, it is important to not only look at other qualitative factors that may be the main influencers of the decisions made, but to realize that the results of this study only represents those relocating from San Diego, California to San Antonio, Texas. If the same tests were run on the same population relocating to and from different cities, the results would most likely be very different.

So if qualitative factors may influence the decision to relocate more than quantitative factors, why do researchers continue to conduct studies on the quantitative factors? Much like this study, new information continues to be discovered through each study. Although some may contradict other studies, the findings are still beneficial not only to the field of research but to the company involved. This study alone provides many findings for Petco which will not only benefit it as it looks to relocate employees in the future, but provides data regarding employee policies and benefits and how those may or may not impact other company events as large as a relocation.

#### *Summary Statement*

The overall results of this study were telling. After all of the test were run, it is evident that the majority of correlations were weak, with the exception of two (Incentivized Through Hourly/Annual Pay Rate and Critical) which qualitatively are believed to be linked although this was not covered in the study. It only makes sense that those identified as critical employees are most likely those that are offered incentives to relocate. The overall results from the three series of regression tests showed that regardless of how the variables were grouped, or what variables

were removed from the testing, the fit and quality of the test was not exceptionally strong with Groups 2 and 3 reaching percentages equal to or slightly higher than the desirable percentage of 48%-49%. This tells us that 48% and 51% of the changes in attributes can be attributed to the decision to relocate which is sufficient but not excellent. The series of tests also told us that regardless of how the variables were grouped, or what variables were removed from the testing, the coefficient of determination was weak never reaching the desirable 1.0 always remaining less than .40. On a more positive note, many of the tests proved to be true. As independent variables were excluded from various tests, the model as a whole proved to be more significant in some cases and that a relationship did exist between the independent variables and the dependent variable included in the test. When looking at each independent variable individually, excluding specific variables did have both positive and negative impacts on the significance of the individual variables and the dependent variable.

Throughout the analysis of the test results, it was evident that this study had strengths making this study unique. What made this study unique is that it gathered attributes and company policies related to a corporate relocation through a method other than a survey. This was a win because the data was more reliable. Pulling data from a company's HRMS is factual and not at all subjective like a survey. The problem with gathering data from surveys is that the timing of the survey is critical in determining the results. Depending on where the person taking the survey is in the relocation process will most likely push the results one way. Surveys in prior research are typically issued when someone is not forced to make a decision but more so as a hypothetical question. Or in other cases, the survey is issued after the relocation takes place which means certain answers become a reflection of the emotional experience the person went through during the relocation. Finally, the information from a survey is only as accurate as the

person taking the survey is truthful. Taking information from an HRMS is more accurate because federal and state documents as well as credible institutions are often used to validate most of the data inputs. The data also goes through auditing processes as well as checks and balances to ensure accurate data is being entered.

The fact that this study took place at the same time as the relocation also represents another strength. The information and data related to the relocation was current. In addition, numerous details regarding the relocation were included in this paper as a result of the access to information due to the timing.

Another strength to this study was that it introduced new independent variables to the field of research. These variables include employees Petco identified as critical employees, employee status (hourly or salary), whether or not the employee was enrolled in company benefits (medical/vision and/or dental), 401K participation and stock options. Interestingly, these new variables produced most of the stronger results throughout the regression tests confirming that these are strong additions to the field of research.

#### *Implications for Further Research*

Throughout this study, there were numerous implications identified for further research. One would be a further dive into the company's stock options. This study simply gathered information related to whether or not an employee had stock options. It was a simple yes/no statement and nothing more. It would be interesting to look at employees with company stock options, the amount of stock they have, their pay rate, their level of position, and whether or not the company is private or public. If the company is private it would be interesting to know if the company is looking to go public in the near future. This could really change the results related to Stock Options as people may have stock but because it is minimal they decide not to relocate.

Contrary to that, if someone has a lot of stock and knows the company is looking to go public, they may relocate temporarily just to stay with the company and make money.

Another opportunity for further research would be to identify additional variables that could be included in this type of testing, much like this study included. Most studies include the common demographics of age, position, gender, etc. but there are always other attributes and company policies that could be included and could change the dynamics of the results.

Because there is a lack of consistency related to demographics tested by various researchers, there may be an opportunity to include other qualitative factors in future studies. Some that come to mind that have not been included in prior research are the conditions of the employee's parents, identifying if the employee has anyone else living in the house that depends on them other than their spouse and children (i.e. an elderly parent), does the employee financially support anyone other than those living in their home, look at the stability of the employee's marriage as a relocation may cause more damage, look at the behaviors of the employee's children (are they involved in sports or other extracurricular activities), and finally look at the health of those deciding to relocate (i.e. employee, employee's spouse, children, etc.).

Furthermore, it may be valuable to gather certain data immediately after a relocation such the one involved in this study to gather specific reasons as to why employees chose not to relocate. Understanding these reasons could add value to a study like this and could identify areas for future research related to corporate relocations.

Something else to look at is the non-married population of employees and determine whether or not those not married are in a serious relationships, divorced, etc. This could help better define the non-married population.

This study had very few part time employees included in the sample population so conducting a study on a more balanced sample population will most likely produce different results and would be recommended for future studies.

Finally, it would be suggested to look into the company being tested and its 401K plan. Although 401K participation was included in this study, it was a simple yes/no statement. Gathering more data related to the employee's 401K contributions as well as the amount/percentage the company matches related to contributions could impact the decision to relocate and may provide more telling results. Most 401Ks can be rolled over to another company so whether or not someone participates in 401K may have less of an impact on their decision to relocate versus the amount of contributions or matching involved which is more company specific.

#### *Implications for Practice and Recommendations*

The results of this study could be put into practice for a variety of reasons. The company included in this study can use these results as it creates additional waves in the future to relocate from San Diego to San Antonio. Knowing which employees are more likely to relocate could be beneficial to this company specifically when it needs a certain number of employees to relocate in a wave. This information could assist it in defining waves to increase the chances of a certain percent deciding to relocate.

This company can also refer to the attributes and policies pulled for this study and utilize those to improve in certain areas. Some examples include enhancing the development of critical employees since this tends to have a positive impact on the decision to relocate as well as incentivize employees they may want to relocate in the future. Finally, these results may

contribute some value to the compensation department regarding the behavior related to those who decide to relocate and their individual pay rates, employee type, etc.

The results of this study can also be used by other companies who are looking to relocate to San Antonio or have no experience related to relocations at all. Companies who may simply want to learn more about the attributes of people who choose to move could also refer to the results of this study. It would be most beneficial if other companies referencing this data were comparable to the same size, industry, or had similar demographics as the company used for this study. If companies referring to this study are extremely different, it could still reference these results but would just need to have a full understanding of the cultural differences.

### *Limitations*

A limitation to this study is that the data is specific to Petco. This is important to identify so that conclusions made from this study are clear in that the results pertain to the relocation of Petco's corporate employees from San Diego to San Antonio. These results are not necessarily applicable to all relocations. One example is Ethnicity. Petco's corporate employees are predominantly white employees so the chance that the majority of the employees who decide to relocate are white is high. This should not be misconstrued to state that whites are more willing to relocate than other races.

Another limitation is the fact that this study represents relocation from San Diego to San Antonio. Because specific cities are involved, it would be inaccurate to try to apply these results to all relocations because the results will most likely be different for relocations involving other cities and even other states.

The fact that much of the data collected had to be translated from alphas to numeric in order to perform the regression tests was also a limitation. This conversion was very time

consuming and multiple audits had to be performed to ensure the accuracy of data was not compromised in the process. Another data limitation was that the data was gathered from two resources and once the organization process began, it was determined that additional data was missing. Combining the two sources of data to reflect one, and collecting additional missing data after the fact was also challenging related to the accuracy of data.

Furthermore, many of the variables did not have yes/no scenarios, which was the format the dependent variable was in. This is believed to have caused weak results in some areas, specifically those related to individual correlations. Even though variables were converted to yes/no scenarios where possible, there were still a handful that could not be converted (i.e. Weeks of Severance, Weeks of Retention, Age, Ethnicity, etc.).

### *Conclusion*

Overall this study provided a valuable contribution to the field of research. It expanded on the attributes where research and controversy exists, and introduced attributes and company policies that no other researcher has included in prior research. The approach to this study was much different than most as the use of surveys was not included and factual data was pulled resulting in more reliable and truthful data.

Although some of the results may have been less desirable than anticipated, this study proves that as much focus as we may put on demographics related to why someone may or may not relocate, much of the drive behind the decision is comprised of more qualitative factors that have not yet been clearly identified.

## Appendix A

## Appendix B

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