

# Retensa's Top 10 "Biggest Quits" of 2009

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*Annual review of the most impactful resignations in the United States.*

**New York, NY, January, 2010** - In a year characterized by a volatile job market, a lucky few had the luxury to resign. Previously justifiable reasons for resignation were overlooked in light of the "Great Recession." Executives, like the rest of the workforce, held fast as job security dwindled. CEO turnover decreased from the highs we saw in 2008. Although double digit unemployment was enough of a deterrent for most to restrain, we did find several individuals who could (and did) quit this year. Accordingly, we present the annual publication of Retensa's Top 10 "Biggest Quits" and the most influential turnover stories of 2009.

**Criteria:** Only U.S.-based departures qualify for inclusion on Retensa's official "Biggest Quits" List. To make The Top 10, Retensa applies three criteria: (1) the magnitude of impact in the individuals' industry or field, (2) the financial loss or loss of influence of the enduring organization, and (3) the degree to which the enduring organization is unprepared to respond.

## 1. Arlen Specter (Senator): Republican Party

Moderate 29-year Pennsylvania Senator Arlen Specter shocked his (former) Republican colleagues and delighted Democrats on April 28 when he announced he would switch parties. It was a quit so big that health care reform passed the Senate when Democrats leveraged the 60-vote filibuster-proof majority they now enjoy. Fellow Republican Senator Olympia Snowe of Maine warned that the GOP was in denial: "I think that we as a party and our leaders have to recognize the reality of the situation that we're facing when we've lost 13 Senate seats [and] more than 50 House seats in the last two elections," she said. Specter's switch was the subject of years of discussions between him and then Senator Joseph Biden on their regular Amtrak rides home (Specter to Philadelphia and Biden to Delaware). In his announcement, Specter noted that in 2008 "more than 200,000 Republicans in Pennsylvania changed their registration to become Democrats."<sup>1</sup> Specter's re-election is far from certain, and the Democrats will likely have motivated opposition, but the seismic impact on politics is now undeniable.

## 2. Oprah Winfrey (Host, Producer, Empire Builder): CBS Syndication and ABC Television

Oprah Winfrey knows how to quit while ahead, as she announced in November 2009 that she would pull the plug on her top-rated syndicated talk show. No one can call Winfrey a couch potato, as she will keep busy with her two magazines, (*O, The Oprah Magazine* and *O at Home*), her multimedia production company, Harpo Productions, Inc., and the launch of her new cable network, OWN (Oprah Winfrey Network). She is the richest African American of the 20th century, the greatest black philanthropist in US history, and considered by many as the most influential woman in the universe. Book publishing companies have already called her resignation a blow to the industry, as her product recommendations virtually guarantee a best-seller. However, the millions in lost revenue for them and both broadcaster ABC and syndicator CBS is only half of the story. The real impact is Winfrey's departure from network TV to cable. A trend could emerge as cable continues to expand market share. Winfrey will be a premier brand in a medium with more creative freedom that is debatably beating broadcast on content.



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Her viewing audience of 42 million people in 145 countries wonders...after 25 years, are Oprah’s talk show days really over, or will we just need to change the channel?

### 3. Andrew Kaslow (Chief Human Resources Officer): AIG

Andrew Kaslow (the *Biggest Quits List* first Chief Human Resources Officer) bailed on AIG this fall, leaving a key vacancy during a critical time for the insurance giant. Kaslow, a member of the company’s executive committee, intended to make AIG an “employer of choice worldwide” and spearheaded AIG’s quest to attract and retain top talent. However, after AIG required \$180 billion in bailout money, its executive and high-performer pay structure needed an overhaul. Although Kaslow was not the only one that could do this, his departure leaves AIG in the unenviable position of having to devise a new pay system to reward top performing employees while under the scrutiny of the federal government. At this point, AIG needs all efforts on rebuilding a previously world-class employer reputation. When HR Executives resign it sends significant shockwaves which often cause others to consider their prospects as well.<sup>2</sup>

### 4. Richard L. Bond (CEO): Tyson Foods, Inc.

Richard L. Bond, CEO of Tyson resigned in January 2009, seemingly unwilling or unable to ruffle enough feathers to change the 74 year old company. During his 2 ½ year tenure, Bond tried to beef up Tyson’s formerly chicken-centric brand.<sup>3</sup> However, disagreement among leaders in the Tyson family over how to navigate the meat industry’s worst slump in decades, pushed Bond to fly the coop. A Tyson family member took over just as books and documentaries (e.g. *Food, Inc.*) began to shed light on commercial food giants, including Tyson, production methods. Questions are being asked about their treatment of animals, and the nutrition of the food they produce. With the public’s growing focus on health, organic foods and eating local, Tyson needed to shake things up. The outlook today appears grim. How will the old guard manage consumer demands, declining profits, and regulatory pressures in a struggling industry?

### 5. Lisa Leslie (Center): Los Angeles Sparks, WNBA

If you have heard of any player in the WNBA, Lisa Leslie is the one. A three-time WNBA MVP, a four-time Olympic gold medal winner and the first player to dunk in a WNBA game, Leslie is certainly one of the top female athletes in the world. In her eleven year career, Leslie was one of the pillars of the WNBA, becoming the first player to score 6,000 points in her career. Also known for her lipstick and hair ribbons on the court, Leslie is a role model to many girls all over the world. “It’s always been important to me to show the young girls that it’s O.K. to maintain their femininity and play sports,” Leslie said.<sup>4</sup> It is safe to say that the WNBA, one of the smallest ponds in professional sports, has just lost its biggest fish.

### 6. Tim Armstrong (Head of US Ad Sales): Google

While other companies struggled in the economic downturn, Tim Armstrong led Google’s US sales to 18 percent growth.<sup>5</sup> His success granted him respect and a sizable paycheck, yet there was little chance of him being promoted to the ranks of CEO. AOL deftly poached Armstrong



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for their top spot, in their attempt to be the Google of something, actually of anything. With AOL having neither the presence nor brand of Google, Yahoo or even Microsoft, there is plenty of room for improvement. Also, as Time Warner sheds AOL like wet mittens, Armstrong could reboot the firm for a buyout and hopeful net gain. Google, as a noun, a verb, and a goal, is not likely worried about their ability to rebound from Armstrong’s resignation. The quit reveals more about Google’s evolution, where they can no longer claim their top talent never leaves. Competition knows that executive turnover could be a one-two punch: 1) They lose 2) We gain. Google has to reckon with other companies’ vying for a byte of Google pie.

### 7. David H. Souter (Associate Justice): U.S. Supreme Court

No one could predict the joy of wise Latinas on May 1<sup>st</sup>, when Supreme Court Judge David H. Souter informed President Obama of his retirement after 19 years. Souter was known to have become disenchanted with Washington ways and yearned to return to the more measured pace of his New Hampshire home. “I find the workload of what I do sufficiently great that when the term of the court starts I undergo a sort of annual intellectual lobotomy,” he once said.<sup>6</sup> The court’s philosophical balance will not change, but with 3 new justices in less than 4 years the High Court loses tangible experience amidst an ever-growing case load of more influential rulings. Souter leaves with significant breadth of judicial experience, having served as state Attorney General, state Superior and Supreme Court Judge, and on the U.S. Court of Appeals. When appointed by President Bush in 1990, Souter was thought to be a reliable conservative vote on the Court. Although he considered himself neutral, Souter’s rulings often disappointed conservatives and surprised liberals. His retirement paved the way for the nation’s first female Latin American justice, Sonia Sotomayor.

### 8. Tony Dungy (Head Coach): Indianapolis Colts, National Football League

Having set new NFL head coaching records for appearing in ten consecutive playoffs, becoming the first coach to defeat all 32 NFL teams, and being the first African American head coach to lead his team to a Super Bowl trophy, Tony Dungy left an indelible mark on the NFL. Dungy’s legacy continues through the “coaching tree” he established by having developed numerous assistants who now lead NFL teams. Also a popular football commentator and bestselling author, Dungy is well known for his coaching philosophy. His simple, but often overlooked, beliefs are that the best coach puts faith and family ahead of football; treats players as students, and does not scream, shout, or throw helmets. Upon retiring, Dungy announced that he would spend more time with his family and pursue “some things that will make our country better;” perhaps he already has.<sup>7</sup>

### 9. Deirdre Connelly (President of US Operations): Eli Lilly

Climbing the ladder from sales rep, to executive director of HR, to President of US Operations, Deirdre Connelly’s career progression at Eli Lilly was a prescription for success. After 26 loyal years, with 4 years at her recent post, Connelly resigned to become President of competitor GlaxoSmithKline’s North American pharmaceuticals business. For Eli Lilly, this move is a bitter pill, as Connelly was a successful and influential executive, and a mentor and role model for



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diversity. During her tenure she oversaw 6,700 employees who accounted for more than 50 percent of Lilly’s global sales team.<sup>8</sup> Rising through the ranks gave Connelly a unique perspective and insight into running operations, even sometimes going undercover to maintain her connection with the front lines of pharma sales. GSK, the world’s second-largest drug maker by sales, acquired a savvy top executive listed in Fortune’s top 50 women in business, whose experience and expertise will be used to erode her alma mater’s market share.

### 10. Gatorade, AT&T, and Accenture (Sponsors): Tiger Woods

In golf, some “bad lies” are worse than others. Tiger Woods, the #1 ranked male golfer in the world, has won 14 major golf championships, 71 PGA events, and is a 10-time PGA “Player of the Year.” Well, no one’s arguing that he is not a 10-time player. After several self-proclaimed “transgressions,” Woods took an indefinite leave from golf, but his many endorsements chose a more permanent route, and quit affiliating with Tiger Woods. Among the organizations that quit so far are Gatorade, AT&T, and Accenture, which had 80% of their ads highlighting the fallen philanderer. Since Tiger’s actions cost shareholders of the sponsors an estimated \$12 billion, other organizations are likely rethinking their own celebrity endorsements.<sup>9</sup> In an effort to protect the integrity of their employer brand and product reputation, and combined with other sports icon downfalls (remember Michael Phelps?) sponsors are likely to tighten the reins on these relationships. Fortunately for Woods, he may be able to retain his longtime relationship with Nike, pending a slight revision in their angle: “Just Do It - Tiger would.”

### Honorable Mention

#### Wendelin Wiedeking (CEO): Porsche (Non US-based and therefore outside of official consideration)

Wendelin Wiedeking revved Porsche's engine like no CEO since Ferdinand Porsche himself. Narrowly avoiding bankruptcy when he took over in 1993, Wiedeking paved a new road toward a strong, independent Porsche amidst industry consolidation. To do so, he applied Japanese manufacturing efficiencies and redefined expectations of what could wear the famous shield. The Boxster thrilled enthusiasts, critics and well-heeled commuters alike, and weaned Porsche from its dangerous reliance on fickle buyers of the legendary, yet mid-life-crisis-priced, 911. Wiedeking, famous for his motto of “no risk, no fun” then made his biggest “bet the company” wager yet. Launching the Cayenne horrified Porsche purists who saw only a 2-ton, 4-door behemoth. Ultimately, Wiedeking’s bet arrived at the sweet-spot of America’s love affair with large, while turning Porsche into one of the world’s most profitable automakers. Interestingly, his last “bet the company” move, an improbable attempt to buy the German behemoth Volkswagen, was too ambitious. In the end, VW took over Porsche and Wiedeking retired from the corner office. Notable for being the last great independent automaker, who dreamed big and delivered, he is likely inspiring a legion of auto start-ups in the electric and hybrid arena.<sup>10</sup>

**Conclusions:** The year 2009, and the first decade of the millennium, has been an era of juxtaposition. Extremes abound in politics, the weather, and the economy. Social media ensures that news travels faster than ever, and yet, 2009 was for most a year long phone call



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on hold. We were all ready, just waiting for the “other end” to pick up. While 10 percent of America is unemployed, another 7 percent is underemployed, having given up looking, or forced to take a part time job. And the paradox is, those with a job are as unhappy as ever, 55% in fact. If you employ staff under 25, 64% are dissatisfied.<sup>11</sup> Maybe losing all your friends at work, doing 3 employee’s job, and a salary freeze is not as fun as it used to be. And what is the impact of that? Many organizations have cut their social, professional, and financial benefits in 2009. Is it possible that the employees left are counting the days, watching the clock, and checking the job boards (while you are paying them?) They are here now, but history tells us, turnover will increase as unemployment decreases. Not having the ability to resign now, will lead to dramatic retention challenges when the job market starts getting better. Individuals will begin to see sprouts of opportunity in other places and will take action. Fortunately, approximately 94% of turnover is preventable. If employee issues exist, there are many causes. Now is a good time, while your good employees are still with you, to understand and address them. If you are the employer, when the “other end” picks up, you may no longer be on the call.

### About Retensa

Retensa addresses the social and economic impact of employee turnover for public, private, and non-profit organizations. They apply research, metrics, and technology to help companies develop, motivate, and retain their employees. Employee retention experts can be reached at 212.545.1280 or visit [www.retensa.com](http://www.retensa.com) for speakers, research, and employee retention solutions. Press and media inquiries can be directed to the number above.

<sup>1</sup> The New York Times, *The Caucus*, “Specter Switches Parties” (April 2009)

<sup>2</sup> The Economic Times, “AIG left without HR head in midst of pay crisis” (December 2009)

<sup>3</sup> The Wall Street Journal, “CEO Quits at Meat Giant Tyson” (January 2009)

<sup>4</sup> The New York Times, “Lisa Leslie, the Face of the W.N.B.A., Prepares for Life After Basketball” (August 2009)

<sup>5</sup> TechCrunch.com, “Google Ad Chief Tim Armstrong Replaces Randy Falco As Chairman And CEO Of AOL” (March 2009)

<sup>6</sup> The New York Times, *Week in Review*, “David H. Souter: Justice Unbound” (May 2009)

<sup>7</sup> ESPN.com, “Dungy retires after 7 seasons with Colts” (January 2009)

<sup>8</sup> Indianapolis Business Journal, “Influential Women: Deirdre Connelly” (November 2007)

<sup>9</sup> EOnline.com, “Tiger Woods’ Indiscretions Cost Sponsors \$12 Billion” (December 2009)

<sup>10</sup> MSNBC.com, “Porsche CEO quits, VW agrees to merger plan” (July 2009)

<sup>11</sup> The Conference Board, “U.S. Job Satisfaction at Lowest Level in Two Decades” (January 2010)

