



Research Highlight

Innovation Strategy and Employee Compensation

Racing to generate innovative products and services in an increasingly competitive global industry, high technology companies have recognized that their Human Resources talent is the critical driver of their sales and

profitability (see RESULTS table). According to new research by Cornell Ph.D. Candidate, Yoshio Yanadori, high-tech companies can enhance their ability to innovate and succeed long term by tailoring their compensation systems in such a way that they support a company's innovation strategy.

"It's no secret that a company's comp structure should support its business

strategy," says Yanadori. "The question is, which compensation system best supports a specific strategy?"

Using data obtained from an annual compensation survey compiled by a compensation consulting firm, Yanadori and his colleague, Janet Marler of the State University of New York at Albany, studied non-executive employee compensation data from around 100 public high-tech organizations to determine how a strategy of innovation influences compensation systems below the executive level. These positions included semiconductor engineers, CAD engineers, development engineers, business systems analysts,

database specialists and application programmers, as well as finance, legal and human resources professionals. The researchers collected firm information (e.g., size, R&D intensity) from Standard & Poors COMPUSTAT,

which they merged with their compensation data set. Their final sample consists of 980,000 non-executive employees.

Yanadori and Marler analyzed the data with a hierarchical linear model to understand how pay level, internal pay structure, and the design of each pay form are affected by a company's R&D intensity, defined as total R&D

expenditures divided by the number of employees. The researchers also examined a company's relative emphasis on long-term pay to short-term pay, to assess the time orientation of employee compensation.

Innovation, i.e. R&D intensity, affected pay level significantly in high-technology companies, according to the analysis. Says Yanadori, "Stockholders in many companies strengthen their company's future technological advantage by designing compensation systems that encourage innovation. As a result, employee pay level is tied to a firm's innovation activities, measured as R&D intensity."

"Our work also showed that the

RESULTS

- Non-executive employee pay level (both R&D and non R&D) is associated with innovation strategy (R&D intensity).
- The difference in pay level between R&D and non R&D increases as firms emphasize innovation.
- The time orientation of pay mix for non-executive employees (both R&D and non R&D) becomes longer as firms emphasize innovation.
- The vesting period lengths for non-executive employees stock options (for both R&D and non R&D) become longer as firms emphasize innovation.

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importance of R&D employees, compared with other groups, increases as the company's emphasis on innovation increases." As a result, the difference in pay level between R&D employees and other employee groups will increase as the company increases R&D investments.

Pay mix—the relative emphasis among compensation elements—is another crucial factor in organization compensation systems, according to the research. A company's innovation strategy may require maximizing long-term profitability by sacrificing short-term performance. Unless compensation time-frames recognize the strategic innovation imperative, inconsistent employee behavior and performance will result. Thus, as firms emphasize innovation, the time orientation of pay mix, measured as the ratio of long-term pay to short-term pay, becomes longer.

Board Retreat 2003



MISSION

To link present and future thought leaders to create and disseminate leading edge thinking aimed at increasing the effectiveness of organizations and HR functions.

VISION

To be recognized as the global leader in producing HR knowledge and knowledge workers that promote the strategic role of people and HR functions in increasing organizational effectiveness. The partnership among executives, faculty, and students provides the basis for generating new and innovative ideas around current real world organizational issues, and instilling strategic thinking in current and future HR leaders.



Bill Conaty, Senior Vice President of Human Resources for General Electric, hosted the Advisory Board's Strategic Planning meeting in New York City, this past September 24th. Held at GE's headquarters at Rockefeller Plaza, the CAHRS Advisory Board members spent the morning brainstorming about the future of the field of HR. Their strategy for CAHRS focused on the most important challenges their businesses and HR will face and need to change. Finally, in the afternoon the Board discussed what ways CAHRS can help your organization better address the future business of HR challenges.

The Board meeting inspired a new mission, vision, and an enhanced CAHRS logo along with several insightful objectives. Over the next few years CAHRS will devote attention to three main areas. First, **Building the Talent Pipeline and Creating Functional Excellence** will focus on building the skills and competencies of current and future HR professionals through residence and executive education. As the linking pin between senior and future HR executives, CAHRS is developing public

and customized programs to help provide current HR professionals with the skills and perspectives they need to succeed as senior HR executives. We will also continue to leverage senior HR executives as models in the ILR student and executive classes. Second, **Extending the CAHRS Brand Globally** will entail attracting more non-U.S. based sponsor companies and expanding our global presence through off-shore sponsor meetings, executive briefings, and executive education programs. We are already engaged in a number of global research projects that will provide new knowledge regarding managing HR across cultures and countries. Finally **Building the CAHRS Global Network** will consist of developing relationships deeper in sponsor HR organizations, pushing knowledge to those who need it when they need it, and providing a platform for linking HR professionals across companies and across the globe. This may entail a new set of processes and programs such as offering webinars and developing processes for linking professionals with their peers in other sponsor companies. 

Up-Close with ...

Ed Cotter of Sony Electronics, Inc.

As change accelerates in the information age and the electronic landscape, equipping employees with the talent, skills and mindset to compete has become a key priority for Ed Cotter, Senior Vice President of Human Resources at Sony Electronics, Inc.

With nearly \$12 billion in sales, and employing approximately 19,000 people, Sony Electronics, Inc., one of the principal U.S. businesses of Sony Corporation of America (SCA), is responsible for Sony's electronics business in the U.S. and Mexico. They are a leading manufacturer of audio, video, communications, and information technology products for the consumer and professional markets. SCA also includes separate operating groups in pictures/films, music, and computer entertainment. "Sony's legacy products, like Trinitron televisions and Walkman personal stereos, have earned us a strong reputation among consumers," says Cotter. "As new introductions lead us into the future, Sony is committed to maintaining a leadership position in consumer electronics, broadcast and professional systems and information technology products."

This requires a tremendous commitment to human resource planning, collaboration and execution throughout the organization, according to Cotter. Taking risks, innovating and seeking ways to exceed customers' expectations are the principles that guide Sony Electronics. The company's strategy calls for pushing the envelope by bringing to market technologies of the future, as well as forging strategic alliances and partnerships with leading global companies to address the needs of emerging markets.

"The digital revolution has lowered entry barriers in consumer electronics and encouraged price competition among traditional electronics companies, as well as non-traditional companies like Gateway, Apple, Dell and HP," says Cotter. "As a result, Sony and other




Ed Cotter

companies that have been in this business a long time have had to change their marketing models significantly, streamline their processes and rework how we get things done. We've consolidated our infrastructure and built the skills and mindset to compete."

At the same time, Sony Electronics has made important cultural changes that accelerate decision-making and drive collaboration. "We used to operate more autonomously and rarely worked with our colleagues from Sony Pictures or any of the other Sony operating companies. Today, we can't afford to be so independent," says Cotter. "To serve our customers better and enhance Sony's productivity and profitability, working collaboratively is the ideal route. It's a major cultural shift," adds Cotter.

Some of the initiatives recently launched to attain these goals have included:

- Support to the overall company transformation and cultural shift;
- The transformation of HR itself: the company has outsourced HR systems to Hewitt, which now administers all benefits and administrative processes such as staffing, compensation, training and development;
- A major investment in leadership development and talent management.

While much has been accomplished, Cotter believes that work must continue on transforming the culture—from both ends of the corporation. "Everyone—from executives on down—needs to recognize that this company is a different company than even 5 years ago. In the 1990s when the successful economy was a rising tide that lifted every organization, we didn't have to sweat the details. In today's environment, when everything's important, a strong HR program will make a significant difference." 

Sony Electronics, Inc., joined CAHRS in 1990; the 'Up-Close With ...' profiles feature interviews with leaders of CAHRS sponsors.

HR Company Profile

Bausch & Lomb Incorporated HR Crucial in Strategic Success

As Senior Vice President of Human Resources for Bausch & Lomb Incorporated (B&L), Dave Nachbar occasionally finds himself going in different directions. "As one of the largest specialty health care companies in the world, we have a 150-year history and a global brand second to none," says Nachbar. "But in some ways, we're a startup."

With 12,000 employees worldwide, B&L is dedicated to perfecting vision and enhancing life for consumers around the world. The Rochester, NY-based company manufactures and markets the world's most comprehensive line of eye care products, including contact lenses, lens care solutions and products, pharmaceuticals, surgical devices and instruments, and products used in cataract, vitreoretinal and refractive surgery. "To make this happen, B&L is organized into three regional business units, a research group, a global supply chain, as well as finance and other corporate staff groups," says Nachbar.


At the same time, the company must clean up some "loose nuts and bolts," says Nachbar. "We're still working on stream-lining a multitude of compensation, performance review and other systems that prevent us from operating seamlessly as one company."

HR support and guidance is crucial in steering the human talent that drives B&L's success. "HR reports to B&L's chairman and CEO and is represented on the company's internal governing board," says Nachbar. And each HR generalist reports to business unit heads. Dedicated HR support teams located close to the businesses, provide compensation and benefits, training and education, workforce effectiveness and diversity. Each operating unit has its own HR head. "We've put key HR resources as close to businesses as possible near leaders and deep within units," says Nachbar.

B&L's HR effort is matrixed, with centralized HR professionals serving the entire company for specialized comp and benefits, B&L University, workforce effectiveness and diversity. According to Nachbar, HR generalists, who office primarily in Rochester but interact frequently with our operations, develop and launch programs that benefit the company as a whole, such as performance review or appraisal systems, training to develop employee performance following a review.

Last year, HR generalists launched B&L University, a dynamic new program that lets people prepare for future roles within B&L by imparting technical, management, organizational and executive skills. The University has courses open to anyone in the company, both online and seminar style, and B&L is delighted with the results to date.

With a mission of making B&L a great place to work, HR's workforce diversity taskforce also launched the Viewpoints Employee Feedback Process, a survey for all employees about what prevents them from contributing 110%. The survey, which posed 20 questions like, "What would make you feel accountable for your work?" generated some fascinating conclusions. Some insights: telling employees what's going on in the company in regular, face-to-face communications. Posting key performance measures so employees know how the company is faring. Upgrading equipment regularly. Hiring more people to get the job done. Trying different staffing scenarios.

Nachbar's objective for 2004 and beyond: ensure the company has a performance culture in place and fill the talent pipeline for future growth. "We need to help make B&L a great place to work, learn and grow." 

Bausch & Lomb Incorporated joined CAHRS in 2003; the 'Company Profile' series feature a Corporate HR view of new CAHRS sponsors

Catherwood Library Sponsor Research Links
ILO DEPOSITORY LIBRARY

By Wendy Weiss

Information is strategic. In the Information Age where technology is transforming the way businesses operate, CAHRS is encouraging sponsors to utilize its vast resources in order to surpass the competition. As a leading facilitator of information between industry and academia, CAHRS has incorporated easy access to the School of Industrial and Labor Relations' (ILR) Catherwood Library resources on its own Web site under 'Sponsorship Exclusives.' There, sponsors can find a link to the newly restructured Catherwood Library Web site, as well as other selected links to free electronic resources that sponsors may not even know are available to them. The links are of great relevance and interest to those in the labor relations and HR management fields. While the methods used to conduct a search may vary from person to person, one thing is for sure, there is an abundance of information there to be discovered.

The library homepage offers many search options including a keyword search, and a shortcut menu containing top ILR databases. This quick and easy research process not only caters to students and faculty, but to the busy schedules of those in the industry as well. As an alternative, the library homepage also offers visitors four categories of information including Services, Research, Catherwood, and Archives, each providing a drop-down menu with a multitude of searchable options, including everything from key workplace documents to links to labor archives. If both of these methods are not preferred, visitors can simply click on the words 'HR Practitioners,' located on the left-hand side of the page for information targeted specifically to these individuals. Once this option has been selected, practitioners are brought to a page that offers more specific services, from general information about Catherwood to 'Human Resources and the Internet Research Guide.'

Located under 'HR Practitioners,' one of the most useful search options is the freely available workplace resources. This serves as a research portal to obtain a wealth of information specifically pertaining to Industrial and Labor Relations,

With more than 20 years of experience in 'information and library science,' Stuart Basefsky is one of the many librarians who contributed to developing and growing the vast resources that the library has to offer. Basefsky is an Information Specialist and Instructor at the Catherwood Library, in addition to being the Director of the Institute for Workplace Studies' (IWS) News Bureau. Since 1993, Basefsky has specialized in workplace issues, creating and editing the IWS Documented News Service, and has recently become more involved with media relations. One of many accomplishments is his work with CAHRS to create an award winning course entitled, "e-HR: Human Resource Management and the Web in the Information Age." Basefsky has also served on the advisory board for the publication, *HR Advisor*, as well as received the H.W. Wilson Company Award from the Special Libraries Association for his article, "The Library as an Agent of Change: Pushing the Client Institution Forward." Basefsky currently serves as a consultant for the International Labour Organization (ILO) in Geneva, Switzerland, and has most recently helped develop a Memorandum of Understanding between the International Institute for Labour Studies (IILS) and the ILR School providing more research and educational opportunities to the ILR School.



Stuart Basefsky

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including links to article databases, international information, and public policy resources, among many others. Also of value to HR professionals are subject guides to specific issues concerning human resources provided for the purpose of enhancing communication across the industry. Some of these vast subjects include benchmarking and best practices, global HR, and knowledge management. In addition to these resources, visitors have the opportunity to acquire fee-based services concerning recent research topics if they so choose.

A fairly new resource added to the library Web site in 1999 that can be found under 'HR Practitioners' is Workplace Issues Today (WIT). WIT is published by the Catherwood Library, providing the most up-to-date news concerning workplace issues to all interested. The Catherwood Reference Student Editor selects the most relevant daily news each weekday to post on the site. For added convenience, sponsors may self-subscribe to a free e-mail service that delivers this news directly to the recipient's desktop. This is especially beneficial to those who don't have time to follow the news every day. In addition, the daily news articles are organized in an archive for future reference to evolving workplace issues. If these services are not enough, sponsors have the option of subscribing to the fee-based service, ILR: Access, which offers even more research services.

Both the CAHRS Web site and the library site also provide direct links to ILR's virtual library called WorkIndex.com which pertains to global human resource management. This index, produced by the library in conjunction with Human Resource Executive magazine, provides insight into a myriad of subject

matters, extending over everything from alternative dispute resolution to healthcare benefits. It serves as a subject-based web browser that leads only to workplace related Web sites both free and commercial.

Another valuable resource that few are aware of is the IWS Documented News Service. This is the internationally distributed e-mail news service produced by Stuart Basefsky, Director of the IWS News Bureau. The IWS News Bureau is a division of another ILR School institute known as the Institute for Workplace Studies (IWS) in New York City. According to its mission statement, "The Institute serves as a vehicle for scholars to work closely with local academic, government, business and labor communities to explore workplace practices, policies and innovations for the 21st century." On the Web site, users can find information on forums, research studies, and educational opportunities, including a Master of Professional Studies (MPS) degree in Industrial and Labor Relations.

The IWS Documented News Service provides daily postings and weekly bulletins as a free service of the IWS. Users need only subscribe to be sent links to the latest information concerning human resources, labor relations, international, organizational studies, and labor economics. These categories are further subdivided into academic research, government reports—both international and domestic, statistical reports, general reports, and idiosyncratic but relevant facts. The links, selected by Basefsky, contain the information and resources behind the news—the actual items that journalists analyze but normally do not reveal. This saves the researcher time and energy as the information

does not have to be sought out. Those interested in subscribing can e-mail Basefsky and indicate whether they wish to receive daily postings (3-10 e-mails per day with content indicators) or the weekly bulletin (1 e-mail per week, title and URL only, no content indicators).

In addition to providing a link to the Catherwood Library Web site, the CAHRS Web site also offers direct links to important web pages contained in the library site. These pages cover some of the most prominent issues of vital concern to human resource professionals according to CAHRS. For example, sponsors can find links pertaining to compensation and benefits, staffing, training and development, labor law, and much more. Some of these links, along with the links to the library Web site and its resources can be located on the following page for easy access.

In 2001, the Martin P. Catherwood Library received the honor of being named an ILO Depository Library by the International Labour Organization (ILO), a UN specialized agency. The library joined only the Library of Congress in receipt of this distinction and is now officially recognized as the leading resource center of its

kind in North America. The ILO was attracted to its close proximity to major cities in the Northeast and Canada and its Internet accessibility, as well as its abundance of information concerning workplace issues affecting employees, employers, and governments, unlike the general scope of the Library of Congress.

The library was recently renovated, creating a 60,000 square foot state-of-the-art facility. The library was founded in 1946 to help fulfill one of three goals of Cornell's School of Industrial and Labor Relations; "the provision of information" for educational and research purposes. With the growth of the electronic age, the library staff is dedicated to providing extensive access to electronic resources for global users.

The library Web site has an average of over 1,000 daily users. The staff of twenty-four, including ten professional librarians is sensitive to the changing needs of both students and specialists in the field of labor relations. They have worked hard to organize new products and services, including direct access to links that deal with workplace issues.

Stuart Basefsky's article on web research portals was published in the April 2003 issue of *Special Libraries Associations Information Outlook* (pages 36 to 39). He contrasts the web research portal concept with the single point of entry approach and explores the . . . essential policy concerns behind Web research portal development and a *raison d'être* for research portals . . . based on the experience at Catherwood. A very interesting essay meriting a careful read.

www.findarticles.com/cf_dls/m0FWE/4_7/100203180/p1/article.jhtml

Research Connections for CAHRS Sponsors

CAHRS offers Sponsors two complimentary literature research searches a year through the Catherwood Library Reference Service, and a ten percent discount on all subsequent searches through the library.

Contact the Catherwood Library Reference Librarians staff and let them know you are a CAHRS Sponsor.

Tel: 607-255-2184

General Reference Staff:
ilrref@cornell.edu

CAHRS RESEARCH CONNECTIONS

www.ilr.cornell.edu/Cahrs/LibraryConnections.html

CATHERWOOD LIBRARY

<http://www.ilr.cornell.edu/library>

The Guide to Free Key Resources For Research

<http://www.ilr.cornell.edu/library/research/freelyAvailableResources.html>

Workplace Issues Today (WIT)

<http://www.ilr.cornell.edu/library/wit>

Institute for Workplace Studies (IWS)

<http://www.ilr.cornell.edu/iws>

WorkIndex.com - ILR's virtual library

<http://www.workindex.com>

COMPENSATION AND BENEFITS

U.S. Department of Labor Bureau of Labor Statistics

<http://www.bls.gov>

U.S. Department of Labor Employee Benefits Security Administration (EBSA)

<http://www.dol.gov/ebsa>

Staffing, Training, and Development

American Staffing Association Staffing Today

<http://www.staffingtoday.net>

U.S. Department of Labor Employment & Training Administration

<http://www.doleta.gov>

American Society for Training and Development (ASTD)

<http://www.astd.org/>

LABOR LAW

U.S. Equal Employment Opportunity Commission (EEOC)

<http://www.eeoc.gov>

BusinessLaw.gov

<http://www.businesslaw.gov>

Natlex

http://www.ilo.org/dyn/natlex/natlex_browse.home

GLOBAL HR

European Industrial Relations Observatory: EIRO

<http://www.eiro.eurofound.ie>

OTHERS

International Public Management Association for Human Resources (PMA-HR)

<http://www.ipma-hr.org>

Society for Human Resource Management (SHRM)

<http://www.shrm.org/hrmagazine>

International Labour Organization (ILO) along with access to International Labour Documents

<http://www.ilo.org>

Statistics Portal

<http://www.ilo.org/public/english/bureau/stat/portal>

U.S. Department of State

<http://www.state.gov/business>

MILR Elective Taps Executive Talent

New HR Course by Lee Dyer

In the fall of 2003, Professor Lee Dyer taught a new elective in ILR's Masters of Industrial and Labor Relations (MILR) curriculum titled, "HR Leadership: Views From the Top." The goals of the course were to enhance the students' abilities to understand, analyze, discuss, and present strategic business/HR issues, utilizing the knowledge of Chief Human Resource Officers (CHROs) from top organizations.

The course included visits from five HR executives, all of whom are or recently have been CHRO's of their respective organizations. The executives included Michael D'Ambrose, Executive Vice President for Human Resources at First Data Corporation; Mary George Opperman, Vice President for Human Resources at Cornell University; J. Randall MacDonald, Senior Vice President for Human Resources at IBM Corporation; Ursula Fairbairn, Executive Vice President for Human Resources and Quality at American Express Company; and Howard Knicely, Executive Vice President for Human Resources & Communication at TRW (retired).

Each executive came to campus once during the semester and spent time interacting informally with the students, as well as conducting a class session on a topic he or she had previously selected. Prior to the visits, student teams researched the topics, prepared discussion papers, and conducted class sessions to familiarize everyone with them. The same teams debriefed the sessions with the class and documented their findings in white papers that were later compiled into a book (with leather-bound copies going to each of the participating executives).

Mike D'Ambrose came first. His recent move to First Data Corporation (from Toys R' Us) led him to focus on

executive immersion (the first 100 days) as his topic, and resulted in the first paper, "An Action Plan for Newly Appointed Chief Human Resource Officers." Mary Opperman's session followed. She focused on the HR challenges facing a not-for-profit that is the dominant

employer in a primarily rural area. The students built on her presentation in the second paper, "Developing a Human Resource Strategy: A Case Study of Cornell University."

Randy MacDonald chose to examine the causes and consequences of offshoring in multinational firms, easily the most controversial topic of the semester. The resulting team paper was titled, "Making the Decision to Offshore: Questions and HR Implications." Next came Ursula Fairbairn, who

addressed the topic of organizational culture, as she was at the time leading an effort to "refresh" the culture at American Express. This led to the fourth paper, titled "Changing Corporate Culture."

Howard Knicely had long tenure as TRW's CHRO when he agreed to participate in the course. By the time of his visit, however, Northrop Grumman had acquired TRW and he had retired. His experiences leading up to and during the tumultuous takeover inspired the final paper, "Takeover of TRW: The Role of the CHRO When an Unwanted Suitor Comes to Call."

By all accounts, the course was a great success primarily because of the high level of interest in the topics chosen by the executives and, of course, their top-notch interactions with the students. This course will be offered again in the fall of 2004. [hr](#)

For more information, please contact Professor Dyer at 607-255-8805 or email ldd3@cornell.edu.



Lee Dyer



Michael D'Ambrose



Mary Opperman



Randall MacDonald



Ursula Fairbairn



Howard Knicely

In The News



John Boudreau

John Boudreau Accepts Position at USC and CEO - Professor John Boudreau announced his decision to accept a permanent appointment at the University of Southern California (USC). He will be a tenured Full Professor of Management and Organizations at the Marshall School of Business, and Research Director at the Center for Effective Organizations (CEO). Dr. Boudreau was a professor at Cornell for 23 years, including a 7-year term as CAHRS Director. You may contact Professor Boudreau through the CEO at 213-740-9814 or via email john.boudreau@usc.edu.



Sean Sweeney



Stuart Basefsky

Sean Sweeney and Stuart Basefsky Present at European Foundation Conference - Recently Sean Sweeney and Stuart Basefsky attended a two-day gathering of labor relation experts from the European Union, Japan and the U.S. organized in Dublin by the European Foundation for the Improvement of Living and Working Conditions. Sweeney, Director of Labor Studies for the Metropolitan District Office, was asked by the Foundation to write and present a report on recent developments in labor relations in the United

States. He was joined by Stuart Basefsky, Senior Reference Librarian and Director, IWS News Bureau from the ILR Catherwood Library, who helped compile the report and provided the gathering with an array of web-based resources for researchers interested in U.S. industrial relations. The Foundation, an EU funded body, has established the European Industrial Relations Observatory (EIRO) which has organized comparative studies on industrial relations in EU member states as well as Japan and the U.S. The two-day discussion in Dublin examined developments in collective bargaining, disputes, relevant legislation, etc., in different countries. It also considered new forms of work, (particularly telework) and the industrial relations elements of company restructuring. Sweeney's report will soon appear on the EIRO's website. The Foundation is a tripartite European Union body set up in 1975 to contribute to the planning and establishment of better living and working conditions. Its financing forms part of the general budget of the European Commission and the funds allocated to it are decided in the official budgetary process between the Commission, the Council of Ministers and the European Parliament.



Francine Blau



Ronald Ehrenberg



Lawrence Kahn

Who's Who in Economics, 4th Edition includes Three ILR Professors - Fourteen Cornell economists whose primary appointments span five Cornell colleges have been included in Mark Blaug and Howard R. Vane's recently published book *Who's Who in Economics, 4th Edition*. Inclusion is based on the number of citations that the economists received for articles

that they published during the 1990-2000 period, and the individuals chosen are among the top 5 to 6 percent of living publishing economists. The ILR economists are Francine Blau, Ronald Ehrenberg, and Lawrence Kahn.

SAVE THE DATE

CAHRS Spring Sponsor Meeting HR and Sustainability

May 24-25, 2004
Lausanne, Switzerland

In recent years, strategies for sustainable development have broadened from an exclusive focus on environmental issues to also include economic, political, and social concerns. Top organizations view these not as alternatives or tradeoffs to their economic goals, but as blended into an integrated approach for the long-term viability in the regions where they operate. HR leaders are taking up their unique roles in these areas and contributing to the thinking, planning, and implementing of sustainability strategies.

The importance and scope of these issues give CAHRS a unique opportunity for our meeting in Lausanne, Switzerland on May 24-25, 2004. This meeting will highlight the role HR plays in bringing the intent of sustainability to the real operating world of employees. We will discuss issues related to the principles underlying sustainability, how these are manifested in organizational and regional policies, how HR processes and programs can be adapted for such requirements, and the like. These are big questions going through rapid evolution.

While Europe has been working on this for some time, and the U.S. is coming up to speed rapidly, we still have much to learn from one another. Fortunately, Lausanne offers a special setting for this kind of exchange given its beauty and proximity to Geneva. This area is the seat of major NGOs as well as the Center for Social Responsibility/SustainableDevelopment. It is also the headquarters for a number of leading global firms.

**An agenda, hotel logistics and an on-line registration form
is available on the CAHRS web site
www.ilr.cornell.edu/cahrs**

followed by an

Executive Development Program

HR Leadership: The Next Paradigm

May 26-27, 2004
Lausanne, Switzerland

For the past two years, senior faculty members at Cornell's Center for Advanced Human Resource Studies (CAHRS)—recognized as the premier university-based program in strategic human resource management—have been working with corporate partners to identify the key drivers of the next paradigm in strategic HR. This concentrated program offers HR executives an opportunity to focus on the critical tools they need to impact the strategic direction of their firms. The goal of the program is to help HR professionals go beyond a focus on only business partnership to cultivate their skills as business leaders.

The program is lead by internationally recognized Cornell faculty and begins with a set of practical experiences designed to help participants map their business models and understand their underlying value propositions that drive profitability. It takes them beyond concept to reinforce the real connections between a firm's core skills, organizational agility, HR systems, and bottom-line performance excellence. In addition to faculty interactions, participants will engage senior HR executives from firms where these ideas and practices are put to use.

The program is designed to meet the development needs of: experienced HR executives and managers who already hold, or who aspire to, leadership positions in their firms and have a desire to enhance their effectiveness in, or qualifications for, these roles; experienced line executives or managers who have recently moved, or are anticipating moving into business leader roles in HR organizations; and experienced line managers who regularly partner with HR executives or managers and who wish to learn to do this more effectively.

Especially good results accrue when line and HR business partners attend together.

**For more information or to register call Mary Adie at (607) 255-6075,
or via email ilrexec@cornell.edu, or visit www.ilr.cornell.edu/execed**

CAHRS EVENTS CALENDAR 2004

- CAHRS and ILR Executive Education February 19-20, 2004 Boca Raton, FL
HR Leadership: The Next Paradigm
CAHRS Spring International Sponsor Meeting 2004 May 24-25, 2004 Lausanne, Switzerland
HR and Sustainability
CAHRS and ILR Executive Education May 26-27, 2004 Lausanne, Switzerland
HR Leadership: The Next Paradigm
CAHRS and ILR Executive Education June 13-16, 2004 New York, NY
Global Human Resource Executive Development Program
ILR Orientation and CAHRS Executive Roundtables August 24, 2004 Ithaca, NY
CAHRS Executive Briefing October 7, 2004 Seattle, WA
Profiling Starbucks Coffee
CAHRS Fall Sponsor Meeting November 10-11, 2004 Ithaca, NY

Other ILR Events

- ILR Executive Education April 15-16, 2004 New York, NY
Managing for Impact: HR Metrics and Firm Performance
ILR Executive Education May 2-7, 2004 Ithaca, NY
HR Execution: Delivering World Class HR Solutions
ILR Executive Education Sept. 26-October 1, 2004 Ithaca, NY
HR Strategy: Creating Competitive Advantage through People

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



Innovation Strategy Continued from Page One

Vesting period was another key factor in distinguishing innovative companies. The study showed that companies with strong innovation strategies tend to feature stock option programs longer than the typical four-year average to shift the attention of employees to firm performance beyond the vesting period.

Finally, the research indicated that compensation systems (i.e., pay level, pay structure, pay mix, and vesting period lengths) tend to be similar among firms in the same subindustry. Nevertheless, they still show considerable differences in their compensation strategies within subindustries. "While organizations consider their competitors' behavior in shaping their major elements of their compensation structure, their own business strategy still drives their specific pay elements, mix factors and details," says Yanadori.

For more information regarding this research please contact Yoshio Yanadori via email: yy40@cornell.edu, or Tel: (607) 255-7622. This article references research from the CAHRS Working Paper #03-03, which can be found on our web site: http://www.ilr.cornell.edu/cahrs/WPapers.html .



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