January - February 2006

hrSPECTRUM

Cornell Center for Advanced Human Resource Studies

Research Highlight

Call Center Management: Choosing an HR Model

Call centers represent a new industrial service model that has diffused rapidly through technological advances and the plummeting costs of voice and data transmission. By automating services and machine-pacing operations, call centers enable many companies to reduce costs and standardize customer service.

They also are at the heart of recent outsourcing and offshoring debates, but media accounts often provide more heat than light on the subject. Now, a new study based on a national survey of call centers in the U.S. and India, provides some surprising findings. Contrary to conventional wisdom most U.S. corporations continue to keep their customer service operations in-house, rather than using U.S. or offshore subcontractors. According to the author of the report, Rosemary Batt, Professor of Human Resource Studies at ILR, "After more than two decades of outsourcing activity in the U.S., it is surprising that more than 85 percent of call centers in the U.S. continue to be managed in-house."

The widespread use of in-house call centers suggests that many companies view their customer care operations as strategically important. "Companies appear to be wary of turning control of their customer base to third party vendors", says Batt. Total call center employment is estimated at 4 million in the U.S. and about 400,000 in India.

More than 85 percent of call centers in the U.S. continue to be managed in-house.

The report found that U.S. companies tend to view subcontracting as a strategy to reduce costs, and therefore, they outsource simple tasks or transactions, such as telemarketing, credit card activation or retail sales. They are much less likely to outsource business-to-business channels or complex service and sales operations, such as those found in telecommunications or financial services markets. "Where opportunities exist for value-added sales, whether for business or mass market customers, companies appear to hold on to their call center operations," according to Batt.

"We also found big differences in human resource strategies and outcomes across U.S. in-house centers and U.S. and Indian subcontractors, but not in ways we expected," reports Batt. The in-house centers typically adopted a more professional approach to customer service, with high investments in initial training, opportunities for employee participation in decision-making and problem-solving, and higher compensation. Indian offshore centers, by contrast, had somewhat higher levels of formal education, but

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Cornell University

Up Close with …

Ian Ziskin of Northrop Grumman

Ian Ziskin's job description probably has to be printed on eleven by seventeen inch paper. Like many other HR executives these days, he has a big job for a big company. As the recently promoted Corporate Vice President, Chief Human Resources and Administrative Officer for Northrop Grumman Corporation, he is responsible not only for all facets of HR, but a host of other things. His responsibilities include health and safety, environmental, facilities, real estate and corporate travel, just to name a few.

Ian Ziskin

How does Ian prioritize in a huge job with a global company in what is obviously a high demand industry? "Well, fortunately I've been with the company two and a half years, so I already understand the business strategy and priorities. So I am spending a lot of time listening right now." Ian is focused on meetings with not only senior leaders of the company, but also with senior leaders of his own function—and with 16 functional leaders in his organization alone, that's a lot of listening.

"My biggest challenge is to strike a balance between preserving the past and identifying things that need to be changed. We don't want to damage what is working, but know there are performance gaps we need to close." The HR function at Northrop Grumman already had four priority areas that Ian will continue to focus on.

"First is quality of leadership," says Ian. "There is a particular focus on the top 1500 people in the company. We want to ensure they have a common perspective on priorities to maximize collaboration." The second big issue revolves around the capacity for change and the creation of what's called One Northrop Grumman, a collaborative culture that creates for customers an integrated face out of eight different business segments.

The third priority is operational excellence. "We are focused on actions we can take to improve operating margin and cash flow. We are doing that by managing people costs more aggressively and making sure we're in the right portfolio of businesses," says Ian. "Finally, we're looking at HR excellence—developing the functionality and competencies within HR so we can take care of others."

Those are significant challenges at the corporate level. What are Ian's personal challenges in his new role? "I've been told by others that I'm a credible and safe leader that others can confide in. But I realize that the higher you go, the harder it is to hear the truth. I hope to continue to be open and accessible so I get the benefit of input from people at all levels in the organization."

With his twenty-four years of experience, including over eighteen with TRW, and his previous leadership roles at Northrop Grumman and Qwest Communications, Ian has the background and experience to meet the challenges of his expanded role.

Northrop Grumman Corporation is a global defense company headquartered in Los Angeles. It provides a broad array of technologically advanced, innovative products, services and solutions in systems integration, defense electronics, information technology, advanced aircraft, shipbuilding, and space technology with more than 125,000 employees in 25 countries. hr

Northrop Grumman joined CAHRS in 1990 the 'UP Close with …'profiles feature interviews with leaders of CAHRS sponsors.

HR Company Profile

Wal-Mart

The smiley faces. The ubiquitous friendly greeters with shopping carts at the ready. It's the Wal-Mart way. The world's largest retailer, with $285.2 billion in sales in 2005, has changed the way we shop. The company employs 1.6 million associates worldwide in more than 3,800 facilities. More than 138 million customers per week visit Wal-Mart stores.

Most of us know about Wal-Mart the *company*, but what about *HR* at Wal-Mart? For this we turn to Sue Oliver, Senior Vice President of the Wal-Mart Stores Division, and a former HR executive at American Airlines who joined the company in 2004. Sue's division is responsible for the U.S. chain of neighborhood markets, Wal-Mart Discount Stores and Wal-Mart Super-centers—a U.S. chain of about 3,200 stores.

With Wal-Mart's growth goals, and commitment to associate community and customer satisfaction, she knew that HR needed to provide better support. Her team set out to construct an appropriately staffed organization with the appropriately defined position competencies. "This also includes, among other things, more human resources professionals supporting our folks in the field," Sue explains. The response from the company's leadership has been very supportive. "We've proven that this is what we need to do for our future." These new field level HR managers focus on all the priorities you would expect: compliance, diversity, associate engagement, people development and supporting their Market's business strategies.

It's encouraging to hear that in times of cut backs and cost savings, Wal-Mart is substantially investing in HR, and it is going about it with a competency-based approach. Candidates for these new positions are coming from incumbent associates and other internal Wal-Mart associates who are wanting to pursue career paths in HR. These candidates are being supplemented by external hires who are excited by the investment and opportunities for career growth within the company.

Along with competency based selection, HR is establishing clearer linkages to its processes at the store level. Those are based on the store's performance metrics and form the basis for performance planning, compensation and reward systems, and so forth.

Overall, Sue sees her role as helping the function gain clarity and focus on fewer things—critical things. "Those few things that are right for driving the business and holding people accountable for those business-driven metrics. How can people's *development* be something aligned with both personal and business growth?"

To support these development goals, Wal-Mart's completely reengineered its learning and development function. Wal-Mart University recently launched with an increased focus on adult learning principles. "We have a wonderful culture emanating from Sam Walton's legacy that focuses on associates realizing their full potential," says Sue. With this focus and commitment to associate development, Wal-Mart will continue to be not only a great place to shop but an increasingly great place to work as well.

Wal-Mart joined CAHRS in 2005 the 'HR Company Profile …' feature a Corporate HR view of new CAHRS sponsors.

The ILR School's HR High Flyers

ILR Alumni & CAHRS Sponsors

What do Altria, Bausch and Lomb, First Data Corporation, Gap Inc., Lucent Technologies, Starbucks, SYSCO, Terex, Texas Instruments and Danaher International have in common? They are all large multinational companies, they are all CAHRS sponsors, and their HR functions are all headed by ILR alumni. The alumni listed in the table below graduated from the ILR School with a BSILR in the 70's or early 80's and have become some of the most important Human Resource professionals in the field today. Reporting directly to the companies' CEOs, these individuals have tremendous current and future impact on the strategic importance of human capital management. While they differ in terms of family background, original career goals, work experience before and during college, types of industries and how many companies they worked for, and whether they started out as specialists or generalists, they all agree that the ILR School gave them a fantastic foundation for their rise to the top of their profession.

What is it about the ILR School that enabled these executives to achieve such career success? According to them, the rigor of their classes, the knowledge and support of their professors, the quality of their fellow students, and an alumni network that provided them with information and support throughout their careers all combined to put them on the path to their current positions.

Classes and Professors

Unlike most other programs, the ILR academic program during the late 70's and early 80's emphasized the strategic importance of the human resources function. At the time these executives were attending the ILR school the profession was undergoing a transformation from paper-pushing "Personnel Administration" to strategic "Human Resource Management," and the professors at the ILR School were at the forefront of that change. The ILR School had built a reputation for developing graduates, at both the undergraduate and graduate level, who would transform the Human Resources function. For instance, Kevin Barr was hired directly from Cornell by Chase Manhattan because his new boss, a former head of Human Resources at General Electric, wanted to professionalize the HR function by putting non-bankers into HR roles. His bosses at Chase were trying to break down barriers, and Kevin was introduced as one of the future new leaders of the function. These alumni were, in a sense, pioneers. The curriculum of ILR during this time led the transformation of the HR function. The freedom to take classes outside of ILR and the general liberal arts requirements provided a broad educational experience that enabled these executives to think differently. James Williams cited the breadth and depth of his experience at ILR as a career accelerator providing him with both historical and analytical fundamentals, and a deep understanding of the field. For example, David Nachbar took a class in Islamic literature (even though he enrolled in it by mistake), and now finds that having that background is particularly helpful to him in understanding issues today. He also found that macro-economics was very useful in helping him grapple with issues such as pension reform and Medicare changes which he deals with now as a leader of policy initiative groups. Eva Sage-Gavin said that classes in liberal arts, including psychology and communication, enabled her to be prepared for the "human" side of human resources.

At the same time, these executives cite the ILR program's rigor and depth in the HR field as keys to their success. James Williams and others mentioned that by the time they graduated they had a really solid grounding in the different functional areas of HR, enabling them to focus on learning the business early in their careers. While only Pam Kimmet, James Williams, and Steve Leven went on to get MBA's, Pam felt that the ILR's undergraduate program was more rigorous and better prepared her for her role than her MBA program. Ken Carrig stated that he learned how to think and handle a huge amount of material at ILR (ILR students only half-jokingly suggest that it stands for 'I Love Reading'). The program helped him to realize he would never have all the information he would like to have, but he still needed to make decisions.

While the variety of classes broadened their thinking, these executives highly valued those classes that deepened their thinking, through teaching them how to analyze data, integrate information, and apply what they had learned. Eva Sage-Gavin remembered really enjoying Professor Lee Dyer's case class where they worked in teams to solve "unsolvable" problems. In Professor Dave Lipsky's

class David Nachbar learned the necessity of striving for win-win solutions. He recalls that during a contract negotiation simulation he and his partner, the management team, were elated that they had crushed the union, and they were convinced they would receive an A for their efforts. Professor Lipsky pointed out to them, however, that they would now have to live with the contract they had created, and unhappy union workers and poor morale did not lead to positive organizational outcomes. David vowed never to make that mistake again.

David Nachbar also praised labor law as a class where he learned how to break complicated issues into components, think critically and communicate succinctly (his original goal was to become a lawyer). Steve Leven pointed to labor history as one of the most valuable classes he took because of Professor Morris' devotion to the subject, and his insistence on excellent writing. Pam Kimmet also praised the ILR School's emphasis on written communication, a skill she believes is a key factor in distinguishing high potential talent. Other ILR professors were mentioned as particularly helpful because of their classes and/or the advice they gave outside of class such as Larry Williams, Jenny Farley, George Brooks, Cletus Daniels, Michael Gold and William Wasmuth. Most alumni agreed that it was really difficult to single out any particular professor because they were all excellent.

The Students

Certainly faculty members provided a class environment that encouraged students to strive for the highest standards, but being surrounded by extremely bright classmates provided additional impetus for these students to excel. The executives all emphasized the extremely high caliber of their fellow students in the undergraduate program which kept them challenged, motivated, and on their toes. Eva Sage-Gavin stated that "at the ILR School we had an opportunity to work with

Cornell University's ILR School HR High Flyers

Kenneth F. Murphy
Senior Vice President, HR and Administration
Altria Group

David Nachbar
Senior Vice President, HR
Baush & Lomb

James P. Williams
Corporate Vice President, HR
Danaher International

Michael D'Ambrose
Executive Vice President, HR
First Data Corporation

Eva Sage-Gavin
Executive Vice President, HR
The GAP Inc.

Pam Kimmet
Senior Vice President, HR
Lucent Technologies

Dave Pace
Executive Vice President, Partner Resources
Starbucks Coffee

Ken Carrig
Executive Vice President and CAO
SYSCO Corporation

Kevin Barr
Senior Vice President, HR
Terex Corporation

Steve H. Leven
Senior Vice President
Texas Instruments

the best and the brightest." Kevin Barr compared his experience at Cornell to a triathlon because of the competitiveness and high quality of the students and the rigor of the program. Once he succeeded at the ILR School he felt he could succeed anywhere. Steve Leven praised the very selective admissions process which included an interview with three faculty members, an experience he did not have elsewhere.

While filling the class with bright students provided a climate of competition, the executives did not feel that the competition was cutthroat, or dysfunctional. For example, Mike D'Ambrose suggested that the environment was more team oriented, where friendly classmates would often work as teams. Experiencing such a team atmosphere turned out to be a precursor to the way that they would later work, and enabled them the opportunities to build their interpersonal as well as their intellectual skills.

Networking and Lifelong Learning

In addition to the great intellectual experience that ILR offered to these executives, the social network that links all ILR graduates served as an extremely important facilitator of their career success. Several of the executives relied on the ILR alumni network when they chose their first position after graduation. Eva Sage-Gavin joined Xerox's ILR rotational program because she had heard about the great success of another alumni there, Debbie Smith. David Pace chose PepsiCo, and Steve Leven chose Texas Instruments after speaking with alumni who had experience at those companies. David Nachbar attributes his accelerated career path to Peter Cusak, an ILR graduate and 1980 Judge William Groat Alumni Award winner, who gave him the opportunity to excel at the American Broadcasting Company. Although David felt he wasn't really qualified for that first position, "Peter took a chance by giving me a chance because he was personally familiar with the high caliber of students at the ILR School."

The value of this ILR network did not end early in their careers. All the executives cited the fantastic opportunities for networking and lifelong learning provided by the ILR School. They praise CAHRS, the alumni association, and the Catherwood library as being the levers they continue to use to build their knowledge as well as their professional network. Throughout their careers, the executives have relied on these resources to keep abreast of changes in the field, learn about best practices, and find new positions.

These executives have continued to maintain close contacts with other ILR alumni throughout their careers. Several of the executives have worked for the same companies and were hired by other ILR graduates. Mike D'Ambrose, Pam Kimmet and Dave Nachbar all had experience working for Citigroup, while David Pace, Ken Carrig and Eva Sage-Gavin all worked for PepsiCo. Also, although these executives didn't all know each other well as students, through their CAHRS membership, job experiences, and professional conferences they have developed their own strong professional network which they can rely on for information, advice and support. Ken Murphy and David Pace mentioned that it is lonely at the top, and therefore, very important to build your own personal Board of Directors you can turn to for advice.

All ten executives continue to be active ILR School alumni. Eva Sage-Gavin recently agreed to serve as the chair of the CAHRS Advisory Board, in addition to her role as a member of the ILR School Advisory Board. Mike D'Ambrose has served as a member of the CAHRS Advisory Board, as well as teaching in Professor Dyer's fall class. Ken Carrig is a member of the CAHRS Advisory Board and regularly guest lectures in a variety of classes. In addition, he has leveraged the Survey Research Institute in the ILR School to conduct SYSCO's company-wide climate surveys, as well as their Customer Satisfaction Surveys. Dave Pace recently joined the CAHRS Advisory Board and also regularly guest lectures in both the ILR School and the Johnson Graduate School of Management. Pam Kimmet serves on the CAHRS Advisory Board, and frequently links Lucent to the school through guest lecturing or providing Lucent guest lectures for a variety of classes.

Those who know the ILR School often refer to it as a "special place." Receiving a BSILR at the ILR School provided these alumni with a solid foundation from which to grow, an opportunity for life-long learning, and a strong connection with other top people in the field. They are now excited to continue to build on the foundation that they received, and to provide to the current ILR students the opportunities for success that they received. through their ILR experience. hr

In our next issue will be another article regarding our ILR Alumni and CAHRS Sponsors our ILR School's HR High Flyers

SAVE THE DATE

The Talent Management Challenge

May 10-11, 2006
Cornell University, Statler Hotel, Ithaca, NY

June 27-28, 2006
Renaissance Amsterdam Hotel, Netherlands

After years of cost-cutting and down-sizing, many companies now are in financially healthy positions to grow their businesses. During this growth period and emphasis on globalization, companies are facing serious talent issues. The Center for Advanced Human Resource Studies reacted to the "The Talent Management Challenge" by building a year long study to learn how HR Talent Management executives at leading companies in the world are going about making sure that they have the right people in the right place with the right competencies.

We are pleased to present the results of our study including practices and processes associated with successful talent management at two different meetings to reach both domestic and international audiences.

Both of these meetings will highlight some of the companies that have achieved excellence in identifying high potential talent and succession planning, developing leadership competence across different levels of the leadership pipeline, and creating a development culture. The meeting in Ithaca will add sessions on integrating HR information systems to help manage talent more effectively and using an employment brand to attract talent. The Amsterdam meeting will include additional issues of diversity and inclusion, the role of the top HR executive in Talent Management, building talent in the new economies and finding a pool of resources at the most efficient cost. These meetings are ideal for anyone interested or charged with talent management, leadership development, or succession planning in their firm.

To register for either meeting please fill out our on-line registration form located on our website: www.ilr.cornell.edu/cahrs.

Hotel Information

To reserve a room at the Statler Hotel in Ithaca, NY, please call 1-800-541-2501.

Inquiries for Ithaca Program, please contact:
Jane Znamirowski, Executive Staff Assistant
Phone: 607-255-2790; Fax: 607-255-4953
jaz29@cornell.edu

To reserve a room at the Renaissance Amsterdam Hotel in The Netherlands, you need to contact the Hotel by April 27th via fax, using the form located on our website.

Inquiries for Amsterdam Program, please contact:
Jo Hagin Program Coordinator
Phone: 607-255-9358 Fax: 607-255-4953
Email: jap7@cornell.edu

Cutting Edge Developments in HR and Global Supply Chain Management

Global Labor Standards and Monitoring

May 31 - June 4, 2006 Cornell University Ithaca, NY

Given the enthusiastic response by corporations, critical NGOS, and financial institutions (World Bank, IFC) who attended our first seminar on labor standards monitoring in 2005, "Managing Reputational Risk," ILR has decided to make this training seminar an annual event.

In this year's seminar, we will present and discuss key developments on HR management in supply chains. Specifically we will address the latest "best practices" in international labor standards compliance, new and revolutionary proposals by a variety of actors in the supply chain game, and experiments by corporations to ensure that their supply chains comply with their corporate codes of conduct on labor standards. In addition, we will review best practices in monitoring the most difficult labor standard, i.e. freedom of association and collective bargaining. A portion of the seminar will also focus on the institutional background to freedom of association and collective bargaining in Latin America, Southeast Asia and China. Our final day will be devoted to a discussion of the designated supplier initiative, which is *the cutting edge* development in HR and supply chain management domains. This is a controversial proposal, likely to be adopted by some corporations, specifically those whose market consists of university students. It is also likely to be the best practice that *sets the standard*.

Participants praised the "safe place" provided by ILR Cornell in a university-based institutional setting, on a topic that provokes strong and often contentious passions among actors on all sides.

The seminar will be led by ILR professor Sarosh Kuruvilla and ILR senior lecturer Lance Compa.

Who Should Attend

This seminar series is particularly relevant to HR managers in global corporations who deal with supply chain issues. Corporate compliance executives, corporate social responsibility staff, corporate public relations executives, logistic and supply chain managers, and those broadly interested in international HR issues.

This seminar on freedom of association provides a focused, practice-oriented treatment of standards, monitoring systems, enforcement and remediation steps, and best practices in this field. Participation is limited to 25 persons to ensure a seminar-style learning and exchange experience. A full account of the first seminar held in May 2005 is available on the ILR International Programs website. hr

2005 Company Participants

Nautica
Social Compliance Manager

Nike
Director of
Corporate Compliance

California Safety Compliance Corporation
Director R&D

Adidas-Salomon
Head of Social
and Environmental Affairs

World Bank, International Finance Corporation
Monitoring and Evaluation
Specialist

Nordstrom
Regional Specialist

Levi Strauss & Co.
Code of Conduct
Regional Manager, Americas

Intertek
Senior Manager

Jones Apparel Group
Corporate Compliance Manager

Polo Ralph Lauren
Senior Director of
Global Compliance

To register for the 2006 training seminar,
please visit www.ilr.cornell.edu/international/events/2006FreedomOfAssociation.html
or email Carrie George via cmg65@cornell.edu

Call Center Management: Choosing an HR Model

Continued from Page One

substantially lower levels of employee discretion and problem-solving, and very high levels of electronic monitoring. U.S. outsourced centers seem to present the worst of both worlds, according to Batt: lower formal education and training compared to in-house and offshore centers, low levels of discretion and problem-solving comparable to the offshore centers, and compensation levels closer to the in-house centers than to the Indian centers.

These differences in human resource practices result in very different employee quit rates, a widespread problem in the industry. U.S. and Indian subcontractors had employee quit rates that were almost double those found in U.S. in-house centers, according to the report. High turnover is a problem for managers because just as workers become proficient in their jobs, they quit out of boredom or frustration. Total turnover ranges from 30 to 100 percent in call centers, whether in the U.S. or India.

The study findings have several policy implications. For managers, the evidence is clear that the extensive use of routinized work processes leads to high turnover, which translates into lower productivity and lower service quality. Moreover, to the extent that Indian call centers hire college-educated workers, the highly constrained and monitored work systems create an inefficient use of human capital—a particularly bad fit between selection and recruitment policies on the one hand, and work design policies on the other. The under-utilization of human capital represents a substantial loss for Indian subcontractors, as they are paying for skills that they are not using. "Indian subcontractors may have the capacity for taking on more value-added work, but the current work systems are not in any way geared towards that alternative," states Batt. "Of course, the constraints are probably not the choice of the Indian subcontractors, but rather the choice of U.S. client firms in setting strict adherence to vendor contracts that limit managerial discretion."

For U.S. subcontractors to be competitive, the study suggests a need for investment in workforce skills and employment stability.

For U.S. subcontractors to be competitive, the study suggests a need for investment in workforce skills and employment stability. "Most call center jobs are not 'low skilled' as they are typically portrayed," says Batt. "Employees require technical skills, customer service skills, and knowledge of changing products and processes." Creative approaches include partnerships with community college programs and use of employer networks to create multi-employer career ladders. *hr*

For more information regarding this research please contact Dr. Rose Batt via email: rb41@cornell.edu, or Tel: (607)254-4437. This article references research from the CAHRS Working Paper #05-12, which can be found on our web site: www.ilr.cornell.edu/cahrs/paper.html .

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Center for Advanced Human Resource Studies

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Dr. Patrick Wright, Director
Dr. Pamela Stepp, Executive Director

® GCIU 1073M

Executive Education Upcoming Programs

Managing for Impact: HR Metrics and Firm Performance

April 6 - 7, 2006

This concentrated program focuses on the critical tools middle and upper level HR professionals need to make a tangible connection between their firm's talent base and bottom line performance. Key benefits include: Linking business and HR strategy, bridging core talent areas and bottom-line results, aligning people, processes, and systems with market and financial targets; using the total HR system to drive performance; developing metrics that facilitate planning, control, and performance. Program fee includes instructional materials and some meals.

LOCATION

Cornell University ILR Office of Management Programs
16 East 34th Street, 4th Floor
New York, NY 10157-1935

2006 PROGRAM FEE

CAHRS Member	$1,650
SHRM Member	$1,750
Nonmembers	$2,000

HR Transformation: Partnering to Achieve Functional Excellence

April 30 - May 5, 2006

This one-week program is designed for middle to upper level HR executive with hands-on tools for developing a human resource function that delivers state-of-the-art systems and services to their organization. Key benefits include: Best practice for managing leadership talent, total reward systems for employees, and aligning the entire system of HR practices to implement strategy. The program provides a look at how to develop, manage, and market a human resource function that contributes to business value. Participants will also be exposed to the data that reveal how a company gets on the list of the "Best 100 Places to Work in North America."

Program fee includes private accommodations at the Statler Hotel, located on the Cornell Campus, instructional materials, and most meals.

LOCATION

Cornell University, Ithaca NY

2006 PROGRAM FEE

CAHRS Member	$5,700
SHRM Member	$5,800
Nonmember	$6,100

To register online link to: www.ilr.cornell.edu/execed/register.html

For more information contact:
Office: (607) 255-5882
Fax: (607) 255-9862
Email: sst22@cornell.edu

In The News

Business Strategy Case Competition – On November 28th, Professor Christopher Collins held the fourth annual ILR Business Strategy case competition as the capstone to his Business Strategy Class. This year, Shell sponsored the competition by providing three judges for the competition and prize money for the 1st, 2nd, and 3rd Place Teams. The winning students are Abigail Hackler, Craig Fisher, Chris Engler, Justin Klotsche and Lynne Vincent. Forty students in nine groups made 15 minute case presentations and answered questions from a panel of judges, followed by a reception in which prizes were awarded to the top teams and the students interacted with the judges from Shell. To prepare for their presentation and Q&A session, student teams wrote a ten page paper in which they analyzed the internal and external environment of the company in the case, and prepared a set of strategy recommendations for the company to follow in order to achieve long-term sustainable competitive advantage and growth. Participants from Shell: William Fitzpatrick, VP HR, Shell Trading Gas & Power; Peter Craig, Senior Geologist; Fran Tibbles, E&P-W SEPCO HR Advisor.

The winning students are (left to right): Abigail Hackler, Craig Fisher, Chris Engler, Justin Klotsche, and Lynne Vincent.

John Haggerty

Haggerty Teams with CAHRS Sponsors for Graduate Field Study in Europe – In a first-of-its-kind course, ILR graduate students will have a chance to explore in-depth what they learn in the classroom—and their classroom is Europe. John Haggerty, formerly of General Electric (GE) and now working towards his Ph.D along with Patrick Wright, Professor of human resource studies and CAHRS Director, will offer the course Field Study in Strategic Human Resources. This unique course provides instruction on HR management in a specific region of the world, and a one to three week visit to the region to explore strategies and practices first hand. For Spring 2006 the focus will be on the European Union. Attention will be paid to the development of selected European businesses, the history, role and current efforts of the European Union in the workplace, and local cultural nuances as they affect the world of work. Students will be asked to compare and contrast significant aspects of the dominant U.S. strategic HR model with strategic HR models found in the EU. Wright has found the international experience to be far more educational than simply reading about other countries or cultures. Haggerty and Wright are using the strong support of multinational companies that make up CAHRS to make it happen. A strong network of European and American multinational companies and colleagues will be participating. While in Europe, the students will visit and talk with executives at ABN AMRO, Heineken, Shell, GE, and IBM, and will visit the European Union Parliament. They will be joined by Masters students from the University of Tilburg (led by Professor Jaap Paauwe who was a visiting professor in ILR last year) adding to their networking opportunities. Next year there are plans to take the class to China, led by ILR Professor Lisa Nishii.

Pamela Stepp

Stepp Lectures as part of JGSM Partnership with Nanjing University in China – CAHRS Executive Director Pamela Stepp was the first to teach in the program offering a leadership course to the Chinese EMBA students this past fall 05. Nanjing University, rated one of China's top five universities, has proved the partnership with Cornell's Johnson Graduate School of Management (JGSM) makes sense, not only because the demand is enormous but because there is a hunger for management and human resources education in China. Professor Shuming Zhao, Dean of the Nanjing University Business School, a widely-recognized expert on human resources in China, visited Cornell in March 2005. The partnership is a huge market of opportunity for both institutions, and mutually beneficial to faculty in terms of academic exchanges, collaborations and research. Stepp describes Nanjing's EMBA students as very bright, vibrant, and hard-working. They include several entrepreneurs, including owners of a software company, a travel agency, and a chain of coffee shops. Government agency administrators and executives from Chinese, foreign and multinational companies make up most of the rest of the students. Stepp found that many of the leadership concepts she shared with students were completely new to them. She introduced students to the Myers-Briggs Type Indicator and Thomas-Kilman Conflict Management Styles tests which they had never done before. Western-style management and HR practices are a new horizon for them.

CAHRS EVENTS CALENDAR

2005 - 2006

Talent Management Working Group ..... January 5, 2006 Bad Hamburg, Germany
Hosted by Willem Lammertink, Johns Mansville

CAHRS Advisory Board Meeting ..... April 6, 2006 NYC

CAHRS Spring Sponsor Meeting ..... May 10 - 11, 2006 Ithaca, NY
The Talent Management Challenge

CAHRS Spring International Sponsor Meeting ..... June 27 - 28, 2006 Amsterdam, The Netherlands
The Talent Management Challenge

ILR Orientation and CAHRS Executive Roundtables ..... August 22, 2006 Ithaca, NY

CAHRS Fall Sponsor Meeting ..... October 23 - 24, 2006 Ithaca, NY
(Please note new date)

ILR Executive Education & Events

American Express Custom Program:
HR & Bottom Line ..... January 19 - 20, 2006 New York, NY

HR Leadership ..... February 2 - 3, 2006 San Francisco, CA

TNT Custom Program: HR Leaders ..... March 19 - 24, 2006 Amsterdam, The Netherlands

Managing for Impact: HR Metrics and Firm Performance ..... April 6 - 7, 2006 New York, NY

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Ask the Experts – Turning HR Skeptics Into HR Believers

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By: Bruce Carswell

Q: I recently returned from our companywide management meeting which brings together corporate staff and division heads from the field. One evening a group of us had a lively but disturbing debate about HR's value to the company, particularly its value to the bottom line. One executive in particular flatly asserted that HR could disappear tomorrow without a material difference in profits and productivity. I couldn't convince him otherwise. How can I open his eyes and those of other skeptics?

Bruce Carswell: I'm appalled that we still have this debate with anyone, but particularly with line managers. I'm not entirely surprised, though. This past summer the deputy editor of Fast Company wrote a scathing article insisting that HR is ineffective in recruiting top talent. He characterized HR practitioners as weak in business fundamentals, saying their contribution to the bottom line consists mostly of slashing compensation and benefits to please their CFOs. He regarded as anomalies several case studies that showed HR programs having measurable positive effects on profits, productivity, recruitment and retention. I've never read a more hostile, cynical attack on HR. Perhaps your colleague read it, too.

HR has undergone a major transition in the last decade or so with the recognition that human capital is a major factor, if not the factor, in ensuring business competitiveness. I have few thoughts on how you can educate your colleague about the contributions now being made by the updated HR function in successful companies.

My continuing interaction with many other HR executives involved with the Cornell University Center for Advanced Human Resource Studies and the Human Resources Policy Association (formerly the Labor Relations Policy Association), plus my periodic interaction with other Fellows of the National Academy of Human Resources, have convinced me that the most successful organizations have in their top tier of executives HR professionals who are experts in business management and work extremely closely with CEOs and corporate boards. They are not corporate wannabes trying to get influence they'll never have. They've already earned it and they're wielding it.

My own experience as an HR executive is instructive. Mine was an exciting and diverse portfolio, one I managed with the support of an HR team of excellence. At GTE, I reported to three successive chairmen-CEOs, served on a five-member executive committee and for a time, on the board. I chaired a joint venture for GTE and served on the boards of several others. The chairman also assigned me to meet with three key customers twice yearly, which gave me the pulse of our most important customer base. I was active in broad-ranging business initiatives as well as in traditional HR functions, a combination we are seeing much more of in organizations today, as CEOs recognize and utilize the considerable talents of their HR executives to further grow their businesses. With this so-called “seat at the management table,” I never forgot my responsibilities as the employee advocate and in fact, it made me a more effective voice. At

companies such as GE, IBM, Home Depot, Shell and American Express, and many others, the HR function is having the type of influence and impact I'm describing.

A significant change of which your skeptical colleague might not be aware is that today, more people choosing HR as a career path are being educated for it, rather than being shifted into it from some other field, as often happened in the past. At schools such as Cornell , Michigan , Rutgers and USC, cutting-edge research is being conducted on HR practices of excellence managing human capital to master how to align talent with business goals. They're also interacting regularly with experienced HR executives to accelerate their understanding of how HR concepts can be applied in the work place. They are the embodiment of the modern HR professional – smart, prepared, thoughtful, energetic. I usually meet with students every other month and they've taught me a lot.

Measurement systems for HR's effectiveness and its ability to support the business have become increasingly sophisticated. At the Cabot Advisory Group, we work with HR Departments to help them develop strategies and measurement systems that will allow them to show how HR delivers tangible and *measurable* bottom-line results. I wish I'd had access during my corporate career to the kind of results-measurement techniques now available. Make sure you utilize these metrics in your own organization so that you can be ready to illustrate the performance of your programs.

Interpersonal skills and business acumen remain the cornerstones of everyday HR practice. I know of hundreds of interventions by HR managers that have made all the difference in business successes and failures. I myself felt a personal obligation to counsel very senior executives hired by the company to help them attain early acceptance by the organization, and that often included counseling those who might resist the incoming executive's arrival. Someone needs to have the guts to advise employees who might get in the way of a newcomer and eventually, of themselves – and it usually is the HR professional who practices this key kind of shuttle diplomacy. Much of this work goes unacknowledged and unappreciated, but that doesn't make it any less critical to the organization.

My experience is not dissimilar from the experience of HR leaders at the companies mentioned above, and at many others. In fact, the HR executives of these organizations are having even more impact than I had in my corporate HR career. The field continues to evolve in positive and powerful ways. Yes, there are skeptics, and until they personally experience how HR has been transformed over the last decade, they'll be slow to abandon their dismissive notions about HR.

Of course, that's where you, and those now being trained in HR's best practices, will make the difference.

Bruce Carswell is a principal of the Cabot Advisory Group (www.cabotgrp.com), which provides strategic advisory services to CEOs, HR executives, directors and other senior managers. Cabot principals have headed the HR function in large, highly regarded global organizations. Carswell was formerly senior vice president, human resources, at GTE.

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