



J. Mack Robinson College of Business
GEORGIA STATE UNIVERSITY



W. T. BEEBE

NEWSLETTER

JULY 2007

Welcome to the W. T. Beebe Newsletter, written by the students of the W. T. Beebe Institute of Personnel and Employment Relations in the Department of Managerial Sciences at Georgia State University. Along with providing information on Beebe events, it provides interesting reading for HR professionals and students alike.

2007 HONORS' DAY

Every year, as the spring semester winds down, the J. Mack Robinson College of Business takes time to honor the students who have demonstrated excellence over this past school year. Over 300 students were recognized in a ceremony held at the Rialto Center on April 25, 2007. Dean H. Fenwick Huss opened the ceremony and highlighted some of the achievements of the students. He also mentioned how, once again, U.S. News ranked the J. Mack Robinson College part-time MBA program one of the top ten part-time programs in the nation. After a video that recognized all of the honorees, five select students talked about their experiences and their achievements, and they expressed their gratitude towards all the people at the college who continuously support their endeavors.

The special guest speaker for the afternoon was Mr. David Boehmig who received his undergraduate

degree in Finance from Georgia State University. Mr. Boehmig was named REALTOR® of the Year in 2006 by the Atlanta Board of REALTORS®. After the program, a reception featuring hors d'oeuvres, drinks and live music was held at the lobby of the Rialto. Students and faculty alike mingled and had a chance to enjoy the afternoon socializing. The event recognized students at the college level, but the individual departments also honored their students.

The Department of Managerial Sciences recognized six students at the undergraduate, graduate and doctoral levels for their academic commitment, leadership potential and service to the university and the community.

The Beebe Institute also honored three of its students: Toccara J. Allen, Tracy M. Hall, and Bradley J. Lawhorne. Toccara Allen received the William T. Rutherford Scholarship.

This award is presented to the graduate student who best represents the high achievement and enthusiasm for learning that Professor Rutherford valued. Toccara also graduated from her M.S. program in May 2007.

Tracy Hall, former president of the Georgia State Chapter of SHRM, received the William P. Key Scholarship. This scholarship is named in honor of Mr. William P. Key, a distinguished Atlanta human resources professional and Georgia State graduate. The scholarship honors outstanding achievement in the graduate human resources management program.

Bradley Lawhorne received the Michael Jay Jedel Award in Human Resource Management, which is named in honor of a former associate dean of the Robinson College of Business and director of the Beebe Institute, Michael Jay Jedel. Given by the Robinson College of Business HR Roundtable, the award is presented to

CONGRATULATIONS TO THE MAY 2007 BEEBE GRADUATES!

M.S.

- Toccara Allen
- Mary Bell
- Patricia Bowen

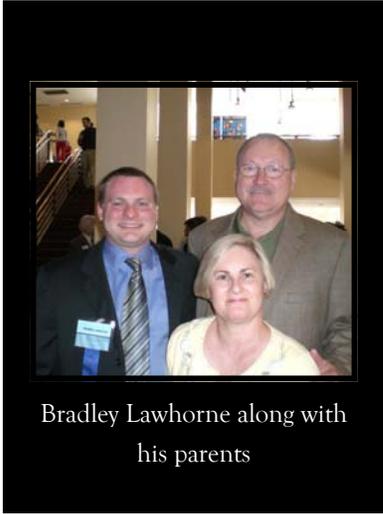
M.B.A.

- Megan Jenkins

the graduate student, either in the M.S. or the M.B.A. program, who demonstrates his or her dedication to high academic standards and strong commitment to the human resources field.

Honors' Day marks not only the end of the school year but is also a day where hard work, dedication and commitment are recognized. It was also a chance for the students to express their gratitude to their family and professors for all the support they receive throughout the year. Congratulations to all the honorees!

PICTURES FROM HONORS' DAY!



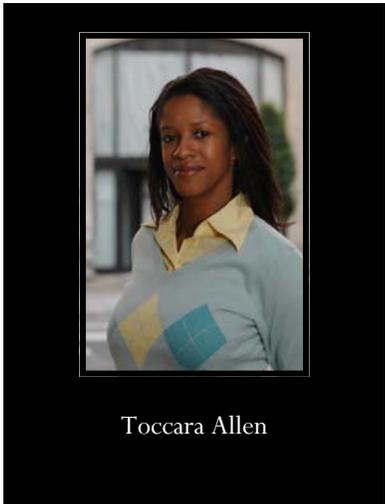
Bradley Lawhorne along with his parents



Dr. Todd Maurer, Tracy Hall and Mrs. Key



Bradley Lawhorne and Dr. Todd Maurer



Toccarra Allen



Margarita Almeda, Dr. Marta White, and Tracy Hall

AACSB ACCREDITATION

One of the common questions that students who are looking at their post-graduate options ask is whether or not accreditation matters in graduate programs. To answer our question, we asked Diane Fennig, Graduate Student Services Director, and she states:

“The J. Mack Robinson College of Business is proud to hold the Accreditation of The Association to Advance Collegiate Schools of Business (AACSB). This accreditation is held by only 543 Colleges of Businesses across the USA and the world. In Atlanta, we are very fortunate to have many AACSB Accredited Institutions in the "neighborhood". This hallmark is important when you consider where you should begin your academic studies. Our partner institutions in AACSB have continued to hold the standard of excellence, and we are proud to be in the company of such excellence with our AACSB Colleagues.”

Dr. Lucy McClurg of the Department of Managerial Sciences states that not all accreditations are equal and that students should always do some research about the programs to which they would like to apply. She adds:

“Students that I have talked to say that they are fortunate that credits they received at Georgia State University were recognized in other institutions when they had to transfer; however, I have found that not all students who want to transfer to Georgia State receive credit for their other classes because of accreditation.”

So yes, accreditation matters in graduate programs, and students should do their homework when looking at the type of accreditation the program in which they are interested holds.



Diane Fennig
Graduate Student
Services Director

POLAND TEACHING EXPERIENCE



Dr. Craig Hill

In March 2007, Dr. Craig Hill and Dr. Bruce Kaufman spent a couple of weeks teaching at Poznan University of Economics in Poland. While Dr. Hill taught Project Management, Dr. Kaufman taught Human Resource Management, and both shared how much they enjoyed interacting with the students and the faculty.

When asked about their students, they both compared them to Georgia State Students in the Executive Program or the PMBA program: they had significant working experience. Dr. Kaufman also noted that they “more fully realize how important getting extra education is to their future careers and economic success.” Dr. Hill also mentioned that they have full-time jobs and go to class during the weekend.

Talking about the different HR issues he saw, Dr. Kaufman points out how political, economic and social factors affected the practice of

HRM in Poland. He spoke briefly on lingering attitudes from the Socialist era and the resulting difficulties regarding motivating employees, especially the older ones, to do more. Also current affairs and recent trends have affected HR practitioners:

“For example, over two million Poles have recently emigrated to other countries (largely in the European Union) in search of better jobs. This has caused major employee recruitment/retention problems for Polish companies, and a number of students in the class said their companies were really struggling in this area.”

Dr. Hill and Dr. Kaufman also expressed how much they enjoyed sightseeing in Poland. They found the people very friendly and gracious and the sights full of Old World charm.



Dr. Bruce Kaufman

TEN MYTHS CONCERNING INCENTIVE PAY

COMPILED BY: DR. LUCY MCCLURG

Myth 1: Money is always the most powerful motivator.

Fact: Money may be a powerful motivator, but only in certain situations. The relationship between money and productivity (and effort) is a complex one and involves a large number of variables. Some research indicates that recognition may be as highly valued as monetary incentives (Naumann and Giel, 1995). Experiments have shown cases in which people offered monetary rewards cut their effort when recognition was not given as well (Kohn, 1998). Other studies have shown that simply setting goals and achieving them may work as well as giving tangible rewards.

Myth 2: When asked about pay, employees are likely to underestimate its importance to them.

Fact: In an effort to give more “socially acceptable” responses on attitude surveys, employees are more likely to *underestimate* the value of money to them. This finding may result in organizations being blind-sided when employee attitude surveys indicate that pay is not extremely important, yet their employees are moving to higher-paying firms (Rynes, Brown, and Colbert, 2002). Besides being concerned about their own pay and performance, employees are also concerned and watchful about how their organizations compensate poor performers.

Myth 3: Matching workers’ pay to the market pay rate is a safe and effective way to set compensation.

Fact: “Market pay” is extremely wide-ranged; perhaps the biggest danger in letting market rates drive compensation is the danger of failing to match jobs. A “sales” position in one organization may be very different from a “sales” position in another. For instance, is the sales position better described as order taking or as market making? Is the selling transactional or consultative? How much expertise is required? How competitive is the market? (Grossman and Ulrich, 2002)

Myth 4: Finding some “best practices” in use of incentives and implementing them in another organization is highly effective.

Fact: Research indicates that incentive plans must be carefully matched to the organization to be effective. What works for one firm may not work for another, and could actually cause declines in performance. Design of an incentive system should begin with a thorough analysis of the organization’s culture, markets, types of jobs and employees, strategy, and work design (Grossman and Ulrich, 2002). The employees affected by the incentive system are in a good position to provide knowledge about the appropriate performance measures to be used in goal-setting.

Myth 5: Having the marketing, HR, or finance department design and implement an incentive program is the most effective way to ensure program success.

Fact: Research has consistently shown that the best incentive programs (those resulting in higher sales and productivity) are designed, implemented, and operated by the employees affected by the incentive program (Lawler, 1990). Since so many variables are involved, it is critical to solicit input from those on the front lines who can help identify these variables. Making sure affected employees take ownership of the incentive plan may mean other managers and departments will give up some power.

Myth 6: All incentive systems should be structured and formalized, since they are components of employees’ pay and therefore very important.

Fact: Incentive systems that put a large proportion of their employees’ compensation at risk do need formal systems, but smaller less structured incentive programs also work well if implemented correctly. If a large-scale complex system is beyond the reach of an organization, the firm may still enjoy some of the benefits of incentives involving both tangible and intangible (recognition) rewards. The value of spot rewards should not be overlooked. These relatively small, impromptu awards work well with lower-level workers for whom incentive systems may not be appropriate. They may also work well for upper-management and marketing workers. Some companies give allowances of small amounts of money for employees to give to *other* employees who made contributions. Movie tickets, thank-you cards, or other small rewards work well in many situations.

TEN MYTHS CONCERNING INCENTIVE PAY CONTINUED

Myth 7: Goals for monetary rewards should be set low enough to allow employees to easily meet them, as this practice leads to better motivation.

Fact: While goals should be attainable, they should be sufficiently challenging to ensure that extra effort is required. Some experts suggest that at least one goal should be a stretch goal (Bartol and Locke, 2000). If rewards become easily met, over time the rewards become entitlements and lose their motivating potential as employees may start thinking of monetary rewards as part of their base pay. This unnecessarily raises compensation costs for the organization.

Myth 8: Employees are not particularly interested in the details of their pay systems, just the “bottom line” results as they affect the employee.

Fact: Communicating with employees about the nature of the pay plan or changes in the pay system has been shown to be associated with higher pay satisfaction among employees (Henemann and Judge, 2000). Communications about pay not only reinforce the motivating potential of the incentive systems, but also reinforce the values and strategies of the organization.

Myth 9: Salespeople who are on 100% commission are the only effective salespeople.

Fact: 90% of the salespeople in the world today are not on 100% commission and they perform effectively (Grossman and Ulrich, 2002).

Myth 10: Salespeople who are on 100% commission are the biggest risk takers.

Fact: When their total compensation program is at stake, these salespeople are averse to risk (Grossman and Ulrich). They are less willing to take chances that affect their compensation, as their entire income is on the line.

References



Dr. Lucy McClurg

Dr. McClurg will be teaching Strategic Compensation during the Fall 2007 semester on Thursdays at 4:30 pm.

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STUDENT AND FACULTY NEWS



Tracy Bachman

Congratulations to Tracy who was married in May 2007 in Savannah, Georgia! Tracy, whom you many know as Tracy Hall, is a Beebe student set to graduate at the end of this summer.



Steven Berman

Congratulations to Steven who recently accepted a Store Associate Trainer at The Home Depot. Steven was also honored in the 2007 Honors' Day celebration.



Renise Francis

Congratulations to Renise and Shane who were married in Positano, Italy on March 9, 2007! Renise is a Beebe graduate and was a former editor of the Beebe Newsletter. Congratulations and best wishes!

Kristine Kuebli

Kristine Kuebli is the new Human Resources Director of the City of Santa Fe, New Mexico. Kristine is a Beebe graduate who worked in the City of Santa Fe's HR department in the mid-90s as a Personnel Administrator and then a Personnel Director. Congratulations, Kristine!

Terri Trigg

Congratulations to Terri who recently accepted a Total Rewards Analyst position with Newell Rubbermaid!



Dr. Bruce Kaufman

The first half of 2007 has been very busy for Dr. Kaufman! The following are his recently published works:

What Do Unions Do?: A Twenty Year Perspective (Transaction Press, 2007, co-edited with James Bennett). This 650 pp. edited volume features 19 chapters by noted scholars that provides a state of the art review and evaluation of the economic/social effects of labor unions. It is also a 20th anniversary commemoration of the landmark book by Richard Freeman and James Medoff, *What Do Unions Do?*, published on this subject in 1984.

"The Impossibility of a Perfectly Competitive Labor Market," *Cambridge Journal of Economics* (Spring 2007).

"The Core Principal and Theoretical Foundation of Industrial Relations," *International Journal of Comparative Labor Law and Industrial Relations* (April, 2007).

We want to hear from you!

Current and previous editions of the Beebe Newsletter are available online at www.robinson.gsu.edu/beebe/newsletter. If you have any comments, suggestions, submissions, or for more information about our programs, please email the Faculty Advisor at mgtlnm@langate.gsu.edu, visit the Beebe Institute website at robinson.gsu.edu/beebe/index.html, or write to:

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