

IRC News

November
2002

News for the faculty, staff, alumni, and friends of the Industrial Relations Center at the University of Minnesota

Letter from the Director

As we in the IRC begin the academic year, our thoughts are focused on planning for the future. Changes in our environment – new subjects of instruction and research, evolving technologies of instruction and research, a new university president, a new governor – compel us to examine our operations and plan for the future. To proactively guide the IRC, we have commenced a strategic planning process that will establish clear goals and direction for the IRC's future.

The overall objective of the strategic plan is to enable the IRC to strengthen its reputation in all areas in which it operates in furtherance of its mission. The strategic plan will provide direction and guidance for IRC decision-making for the next five years and beyond. It will cover all key areas in the IRC, including instruction, research, outreach activities, e-learning, external relations, and fund raising.

For each of these areas, the plan will address whether we should emphasize certain areas of expertise, specialization, and excellence or niches in our various activities. It will also address where we should direct resources that may become available thanks to growth and turnover.

I have charged the Strategic Planning Committee with developing this plan. The committee consists of Professor John Fossum (chair), Professor Brian McCall, Dick Lidstad of the IRC Advisory Council, Kathe Lemmerman from Employer Education Services, Randy Croce from Labor Education Service, and Professor Theresa Glomb. The committee is working with IRC members from all units, and is consulting with a variety of external constituents, including the IRC Advisory Council, IRC Alumni Association, and Carlson School deans. These constituents will generate fresh ideas and considerations for the IRC's future. The strategic plan will be completed and ratified by early April 2003.

We welcome your feedback as we begin this process and would love to hear your ideas and suggestions.



Avner Ben-Ner
Professor and Director

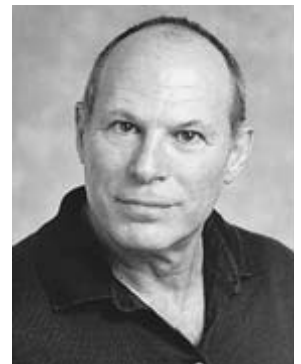
HR Tomorrow 2003: The Ethics and Values of Leadership and Leaders

The Industrial Relations Center is pleased to announce that the focus of the 2003 HR Tomorrow Conference will be "The Ethics and Values of Leadership and Leaders." The HR Tomorrow Conference, held every year, is a professional and academic conference examining pertinent issues in human resources, industrial relations, and general workplace organization and management. This year, the goal of the conference is to contribute to the growing conversation about ethics and values in organizational leadership. If you are interested in submitting a presentation proposal, see the announcement on page 4 of this newsletter.

The 2003 Conference will be held on April 25, in the Hubert H. Humphrey Center on the University of Minnesota's West Bank. Attendance at the conference will be limited to 250 attendees, but a webcast is planned for those who would like to be a part of the Conference while off-site. Registration and detailed session information will be available in early 2003, as will the conference Web site (www.hrtomorrow.com). For more information about the HR Tomorrow Conference, contact Nell Kauls, External Relations Coordinator in the Industrial Relations Center, at nkauls@csom.umn.edu.

Faculty Profile: Richard Arvey

Richard Arvey, Land Grant Chair in the Industrial Relations Center, became interested in the psychological aspects of work during his undergraduate study of psychology and economics at Occidental College. His early educational experience, along with his work as a graduate student in Industrial and Organizational Psychology in the University of Minnesota's Psychology Department, shaped his interest in the human resources field. "As part of my educational journey, I minored in HR (or in Industrial Relations as it was called at the time)," he says. He combined his interests in psychology and human resources to build a career around industrial and organizational psychology that includes research interests in organizational behavior, staffing, training, and development, as well as a love of teaching.



Richard Arvey

Arvey describes his ideal classroom experience as one where he teaches as if he is an actor on the stage, while influencing his students conceptually. Currently, he tries to cultivate this experience as he teaches Organizational Behavior classes to both HRIR students and Executive MBA students. He has also recently taught executive classes in China and Iceland, and will teach these classes to executives in Warsaw, Poland this January.

see ARVEY, page 2

Arvey uses his experiences consulting with organizations to enrich the classroom environment. These experiences allow him to provide a bridge between theory and practice. "I am able to share many of these actual cases with my students, as well as develop the complexities and realities of these situations," he notes. "Students tell me that the real-world experiences I bring to the classroom are some of the most valuable learning tools they have received."

Some of the cases he uses with his students result from work with NASA, the Mayo Clinic, and the City of Minneapolis. He helped NASA develop a selection process for long duration space flight astronauts. Arvey applied his knowledge of organizational behavior to help the Mayo Clinic understand and improve team dynamics in surgical units. His expertise and interest in employee selection helped him develop physical ability tests for selecting police and firefighter recruits for the City of Minneapolis.

In his current research, Arvey has been investigating the genetic influences of work behavior, such as job satisfaction and leadership. "Because of my background in psychology and the colleagues I have maintained in the psychology department, I

was able to collaborate with folks who had access to the wonderful twin samples in Minnesota that have been so famous," he says. Arvey participated in a study using identical and fraternal male twins as subjects. The subject and his colleagues show that approximately 40% of the variance in leadership is genetically influenced while environmental factors contribute to the remaining differences. This study is currently under editorial review with the *Journal of Applied Psychology*.

Arvey has also just finished a study that examines the factors that contribute to the continuance of work among individuals who have won the lottery. One of the study's findings shows that the importance individuals put on work, when compared to the importance they put on family and recreational activities, predicts whether these individuals will continue to work even after winning the lottery. In addition, the amount won is a major predictor. "As expected, the greater the lottery winnings, the less likely that individuals will continue to work," he says.

The IRC provides Arvey with a supportive environment for his research. "I enjoy working in [the IRC] for many reasons," he notes. "Perhaps the most important is the opportunity to learn from others who have been trained in different disciplines. It has been a wonderful experience." **IRC**

IRC News Shorts

Zaidi receives Lifetime Achievement Award

On October 4, 2002, IRC professor Mahmood Zaidi received the Lifetime Achievement Award from the Graduate School of Business Administration, Zurich. The award is in recognition of his work in internationalizing academic programs and building relations between universities and organizations in Europe and across the world. Professor Zaidi will be profiled in the next issue of *IRC News*.

Ben-Ner's articles to be translated

Avner Ben-Ner's recently published articles will be translated into foreign languages. Excerpts from the article "The Shifting Boundaries of the Mixed Economy and The Future of the Nonprofit Sector," *Annals of Public and Cooperative Economics*, April 2002, will appear in French translation in *Problèmes économiques*, a well-known journal of article selections on economic matters from French and international journals and magazines.

The Chinese translation of "The Organization of Work: Changes and Their Consequences" (with F. Kong, T. Han, N. Liu, and Y. Park), *Nordic Journal of Political*

Economy, May, 2002 will appear in *Human Capital*, an HR magazine published in Beijing.

Budd quoted in Pioneer Press

John Budd, IRC Professor and Director of Graduate Studies, was quoted in the October 23 *Pioneer Press* article "Sale clouds future," about job security for employees of Rainbow Foods. The grocery chain is currently up for sale.

Executive Compensation Presentation

James Otieno, Director of Executive Compensation, Hewlett-Packard-Compaq and Gary Locke, National Practice Director of Executive Compensation for Towers-Perrin, gave a presentation on "Executive Compensation: Practices, Problems, and Prospects" on Tuesday, October 15, 2002. Mr. Otieno has been with HPQ through his entire career since receiving his MAIR in 1984. Mr. Locke received his MBA with a concentration in IR from University of Minnesota in 1993.

EES Workshop

Employer Education Services is pleased

that Robert K. Prescott, co-author of the book *The Strategic Human Resource Leader: How to Prepare Your Organization for the 6 Key Trends Shaping the Future*, will conduct a two-day workshop on Strategic HR Planning, March 13 and 14, 2003. Call 612-624-5525 to register.

Call for proposals: HRIR Field Projects

HRIR Field projects are wonderful hands-on experiences for students to work with real-world HR/business problems. They are also valuable experiences for clients. A team of four second-year MA students works on the project for over 750 hours throughout the Spring Semester.

The cost of participation is \$5000 for large and profitable companies, \$2500 for medium-sized companies, and \$500 for non-profit companies.

Please submit final versions of project proposals no later than January 6, 2003 to Professor James Scoville:

Mail:
Industrial Relations Center
3-300 Carlson School of Management
321 19th Avenue South
Minneapolis, MN 55455
Fax: 612-624-8360
Email: jscoville@csom.umn.edu

IRC Advisory Council pitches in with ideas for Strategic Plan

On October 23, 2002, the IRC Advisory Council, a group of labor, management, and legislative leaders, met with IRC faculty, staff, students, and alumni to discuss the IRC strategic plan, which will provide direction and guidance for IRC decision-making for the next five years and beyond. It will cover all key areas in the IRC, including instruction, research, outreach activities in LES and EES, e-learning, external relations, and fund raising. The IRC Strategic Planning Committee charged the Council with generating fresh ideas and considerations around the strategic planning process.

To facilitate the meeting, all participants joined into small groups in which group members discussed questions assigned by the Strategic Planning Committee. Lively exchanges developed from questions like:

- What strategies would you recommend to ensure that the IRC and its external constituents are taking full advantage of each other's skills and knowledge?
- What roadblocks do you see between your organization and the IRC in developing joint research programs? How could "win-win" research relationships be developed?
- What criteria do you use to select your preferred provider of noncredit training? Is EES or LES your preferred provider?
- How would students, unions, and companies respond if EES and LES were to offer more for-credit classes? Would you be willing to pay for such offerings?
- The school is planning to double the size of the undergraduate business program. Are there sufficient opportunities for placing 100 undergraduate HRIR majors annually in the Twin Cities?

Participants provided a fresh perspective for examining the issues these questions raised. One group discussed improving offerings in leadership training that address ethics and communication skills. Another group expressed a need for faculty research that is accessible to practitioners in the workplace. They suggested that this research be "translated" for a broad audience. About Employer Education Services (EES) offerings, one group discussed possible linkages between for-credit programs and non-credit programs.

At the meeting's conclusion, a representative from each group shared ideas with the entire constituency. The committee learned a lot about the issues that the strategic plan needs to address. Additionally, feedback from meeting participants about the activity was very positive. Everyone felt the "working meeting" was a great way to involve the Advisory Council in the strategic planning process.

At the March 24, 2003 Advisory Council meeting, the Strategic Planning Committee will again engage Council members in the process. The ultimate goal is to have a completed strategic plan by April 2003. The IRC faculty and staff thank all those involved in the process! **IRC**



Above: Advisory Council members, IRC Alumni representatives, faculty, staff, and students gather in the Carlson Private Dining Room to discuss current IRC activities, including the strategic plan



Above: Avner Ben-Ner, IRC Professor and Director, opens the discussion about EES strategic planning with his group, including Brandon Lukach, Advisory Council President Bernie Brommer, IRC Professor James Scoville, Troy Lindloff, Joseph Bork, and Fosten Boyle



Above: Advisory Council President Bernie Brommer addresses the IRC constituency at the meeting's conclusion

HR Tomorrow 2003 Call for Presentations

The theme of the 2003 HR Tomorrow Conference, which will be held on Friday, April 25, is **The Ethics and Values of Leadership and Leaders**. The planning committee for the conference is currently accepting proposals for breakout presentations around this theme (sessions are one hour in length). Presentations should focus on leadership, ethics, and values for a variety of HR strategies: managing change, organizational leadership and development, HR and business strategies, performance management, work design, recruitment and selection, employee development, compensation and benefits, labor relations, global pressures, cultural issues (corporate and international), and board/institutional directors.

Your proposal should include: presentation title, applicable HR practice area, brief presentation description (up to 200 words), well-defined, realistic learning objectives that can be achieved in the time allotted, presentation delivery format, names of three places or conferences where you have previously presented to demonstrate prior speaking experience.

Please note our conference facilities have the latest technology, allowing for PowerPoint presentations, overhead projection, and video presentations. Submit proposals on the HR Tomorrow Web site (www.hrtomorrow.com) by December 13, 2002.



<http://www.irc.csom.umn.edu>
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612-624-2500

Industrial Relations Center
Avner Ben-Ner, Professor and Director

Graduate Studies in HRIR
John Budd, Director

Undergraduate Studies in HRIR
Ross Azevedo, Director

Employer Education Services (EES)
Joseph T. Bork, Director

Labor Education Service (LES)
Howard Kling, Director

IRC Reference Room
Brenda Wolfe, Director

Human Resources Research Institute
Brian McCall, Director

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IRC Alumni News

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Letter from the IRCAA President

In September 2002, I attended my first IRC Alumni Association board meeting as president. I have big footsteps to follow given the quality of previous leaders and board members. One of my responsibilities as president is writing this column for the *IRC News*. I must admit this is not the easiest of tasks for me. I want to sound scholarly, insightful, thoughtful, and contemplative. However, I'm not as good as others have been in communicating in this way. What I can do is share with those who read this column my passion for the IRC, its alumni, faculty, and students. Attending the IRC program was a life alternating experience for me and I want to facilitate a similar experience for others.

I came to the IRC in 1995 from Michigan. I was at the point in my life where I wanted to get a Master's degree, and with some research and good 'ol luck, I ended up at the University of Minnesota. Since graduating in 1997 I have been blessed with wonderful work experiences, friendships that have survived over time, and a continuing relationship with the IRC. One of the resources I have used the most is the IRC Reference Room. Whenever I have needed information for my job, I call or visit the Reference Room. With the assistance of the knowledgeable librarians, I find what I'm looking for! I have also kept in touch with IRC faculty through job transitions. They have supported me in their own ways whether it was introducing me to a company or offering to pass on my name.

Now I'm back at the IRC serving on the board. I'm honored and thrilled to be in this position. The board consists of wonderful individuals passionate about their own reasons for staying connected to the IRC. The current board members are as committed as those from previous years and their passions include: providing networking opportunities for local and distant alumni, non-alumni, students, and faculty (Pat Caldie, Matt Hankes, Rob Jones, Kathy Prondzinski, Jan

Webster, and geographic liaisons); mentoring students as they explore their chosen field (Ben Crockett, Mary West); and the never changing effort to put on the "best ever" HR Tomorrow conference, previously known as the Annual Institute (Dona Brown, George Glasser, Emmina Ozturk). I believe I can speak for the whole board when I say we're excited about our goals and calendar of events this year.

The calendar of IRCAA events for 2002-2003 is as follows:

- Late Jan./Early Feb.-Networking Event with guest speaker Darcy Pollen, News Reporter WCCO News. Topic: Handicapped in the Workplace
- Jan/Feb-Mentor/Mentee Program's Job Shadow Day. More information to follow. Expect a call from board members or other alumni as we assist our mentees in learning more about the field of HR.
- March-Networking Event with guest speaker Tom Dybsky, VP HR Tennant Company. Topic: Leadership's Role in Organizational Transformation.
- April 25, 2003 - HR Tomorrow Conference: The Ethics and Values of Leadership and Leaders.

Look for the finalized schedule in the next newsletter and on the IRC Web site (www.irc.csom.umn.edu).

So as you can see, we have a lot going on this year and we are looking forward to connecting with you, hearing from you, and meeting up with you at the HR Tomorrow Conference. If you would like to participate in any function or just get reconnected with the IRC, please do not hesitate to contact me. I'll do my best to help you reach the right resource!

Heather Lintner, President
Industrial Relations Center Alumni Association

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Help publicize the Evening HRIR Program information session

An information session for the Evening HRIR Program will be held on Wednesday, February 19, 2003 at 6:00 PM (location ATBA). Please pass this announcement along to co-workers, subordinates, mentees, and/or friends who you think would benefit from learning about the part-time/evening M.A. degree program in Human Resources and Industrial Relations (HRIR) at the University of Minnesota. To get an updated location and to RSVP, please contact Susan Suchy at ssuchy@csom.umn.edu or 612-624-5810. **IRC**

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Carlson 10+ Program

Affinity has its rewards in business – likewise in the Carlson Alumni Network. During the 2002-2003 academic year, those Carlson School alumni who earned a degree prior to 1993 can complete a combination of ten volunteer activities and earn a \$1000 voucher toward one of our renowned Executive Development Center's education sessions. Earning your first point is easy – just visit our Web site at www.carlsonschool.umn.edu/carlson10+ for registration information and a list of activities that will earn you points. **IRC**

Alumni Profile: Steve Kumagai

Creating a significant difference in people's working lives

Steve Kumagai, MAIR 1974, is a Financial Advisor with American Express Financial Advisors. He has established a practice to serve about 100 clients after retiring from an 18-year career as an HR and sales management professional with the company, with 11 of those years spent as a Senior Vice President. Before that, he had an 11-year career in HR at Control Data Corporation. "I love financial planning," Kumagai says. "I like helping people solve the economic issues they face in their lives." He believes in the power of charitable giving and enjoys helping people stretch their resources so they can make gifts to the people and causes that they love.




Steve Kumagai

Kumagai has applied his HRIR education throughout his professional life. While at CDC and American Express, he spent much of his time working in compensation and benefits, where he could directly apply his education. When he moved into sales force management at American Express, his education helped him resolve complex issues of motivation, selection, training, management development, compensation, and employment law. In his current position as a financial advisor, his educational and work experience in HRIR has been key to his success. "My background in benefits, retirement programs, and executive compensation are extremely helpful," he says. "HRIR has been a great background."

Throughout his successful professional life, Kumagai has wanted to make a significant difference in the working lives of people in an organization. People in the IRC helped him to develop this personal mission. "Herb Henneman was an important influence in my choice [to study in HRIR]," he says. "He helped me with my grad school application and sold me on IR." George Milkovich was also a tremendous influence on his career. "He challenged me and engaged me in the course work," Kumagai notes. After working for a year at an accounting firm, he decided that he wanted to make a difference in the working lives of people in industry. With the guidance of people like Herb and George, he achieved his goal.

Today's economic climate poses challenges for Kumagai as a financial advisor. "I face clients who are scared about their economic futures," he says. "We need to help them identify their objectives and time frames and create strategies to achieve them despite their fears." Like many companies, American Express has had to scale back significantly and focus on operational efficiency.

Kumagai is extremely happy with his choices of HRIR and financial planning as careers. "There are many paths for each of us to be successful," he comments. "I probably could have chosen a number of other ways to achieve success in my career, but I really enjoyed the way I have done it. I am still challenged and have fun almost everyday I go to work." 

Consider a Gift to the IRC

By Steve Kumagai

I graduated from the University of Minnesota with a Master's Degree in Industrial Relations in 1974. My classmates may wonder why it took me so long, since my last class was in June 1972. As I struggled through material in the IR Reference Room, I can recall thinking that someday I would repay Georgie Herman for making my research easier. I contributed after graduation, but the size of my gift reflected that I was just starting my career. So, I made a larger contribution when Georgie retired. My contribution was a way to thank her for helping me to succeed.

Most of us do not adequately thank those who have helped us to succeed in life. As a way to repay the debt I owe to people like Georgie, I will write three columns for future issues of the *IRC News*: Making Your Best Intentions a Reality, Tax Effective Gifts that Help Today, Planned Gifts that Benefit the Future. In these articles, I will remind you of ways to support the IRC—a springboard for many of our successes— and create savings that will allow you to increase the size of the gift.

Your gift is an important source of IRC funding. Currently, the IRC has an operating budget of \$7 million. Approximately 25% of that budget comes from the state of Minnesota. The remainder of budget dollars comes from revenue from student tuition, sales of services via our outreach programs, returns on foundation assets, and gifts from individual and corporate donors. Chiefly, this money is spent to pursue knowledge of all aspects of the employment relationship. Your gift can help the IRC fund its endeavors.

In addition to funding this pursuit of knowledge, your gift will help the IRC thrive in a world where higher education is in deep financial trouble. Remember that the IRC is an independent business—a business that operates as a springboard for HR management careers. We need the talented HR professionals that the IRC helps to educate.

At a recent gathering of IR graduates, I was surprised and pleased to see how many grads have maintained human resource management as the focus of their career. About baseball, Roberto Clemente said, "this game has been very, very good to me (us)." I think the same is true of our chosen career path.

Actually, I am not a diehard baseball fan, but this year in Minnesota everyone has become one. So, allow me one more reference to the sport. The great shortstop Ozzie Smith (who back-flipped onto the baseball field before losing to the Minnesota Twins in the '87 World Series) was inducted into the Hall of Fame this summer. He said the best part of the game and his success was that it allowed him to give back. "Giving back is the ultimate talent in life. That is the greatest trophy on my mantel," he said. Not many trophies are awarded in IR careers. Giving a gift to the IRC is one that we can award to ourselves.

Direct questions about this article to Steve Kumagai, American Express Financial Advisor, by email: steven.x.kumagai@aexp.com. This article is for informational purposes only. The information is intended to be generic in nature and should not be applied or relied upon in any particular situation without the advice of your tax, legal, and/or financial services professional. The views and opinions expressed are not necessarily those of American Express Financial Advisors Inc. or American Express and may not be suitable for every situation.