

Compensation Research Summer Camp

There is a set of interesting
and diverse research
going on by emerging
scholars in compensation.

This summer, the Institute for Compensation Studies at Cornell's ILR School hosted its first Emerging Scholars Conference, which I affectionately call Comp Camp. Our conference, funded in part by WorldatWork, hosted a dozen junior scholars (Ph.D. earned

within the last five years), three Ph.D. students, a few senior scholars and some leaders from the practical world (including some from WorldatWork). We convened experts from fields like sociology, psychology, economics, industrial relations and business on the Cornell campus in Ithaca, N.Y., for robust discussions of several as-yet-unpublished research studies.

There is a ton of academic research being conducted out there. We selected just nine papers, employing a wide range of methodologies, to spur our one-and-a-half day discussion. It was intense and fun (it was "camp" after all), and most of all it was inspiring to be immersed in the enthusiasm of a new cohort of researchers pumped up on their craft. I breeze through the paper topics here, but encourage you to see www.ilr.cornell.edu/ics for more details.

Gender and Compensation

The conference had three interesting papers on gender, by scholars from three fields using data from three countries.

Youngjoo Cha (Indiana University) presented her work from sociology with Kim Weeden (Cornell University) on "Overwork and the Slow Convergence in the Gender Gap in Wages." This interesting research considers overwork (defined as working more than 50 hours per week) as an explanation for stalled progress in closing the national gender wage gap. The paper posits that overwork (because men do it more than women) has offset gains in education and other gender gap factors.



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Mario Macis (Johns Hopkins) presented his economics work, joint with Luca Flabbi (Georgetown University) and Fabiano Schivardi (University of Cagliari). In “Do Female Executives Make a Difference? The Impact of Female Leadership on Firm Performance and Gender Gaps in Wages and Promotions,” the authors use Italian data that matches employees with organizations to investigate whether the gender of top managers impacts performance and the mechanisms behind this. They found that a shift from male to female leadership can have a positive impact on firm productivity if a significant portion of the workforce is female.

Finally, Byron Lee (Renmin University, China) presented his work with Sanford Devoe (University of Toronto) and Jeffrey Pfeffer (Stanford University) on “Wealth, Gender and the Importance of Money: China and the Western World” using data from China, Canada, the UK and the United States. They found wealth changes differentially affect, by gender, the value people put on money. This is consistent with other research that finds differential preferences for compensation mix by gender.

Pay Dispersion and Transparency

Two conference papers discussed the effects of pay dispersion, and one the effects of transparency. Tae-Youn Park (Vanderbilt University) presented his work with Li-Kuo Sung (Vanderbilt University). “The Effect of Pay Dispersion: A Meta-Analysis” summarizes 138 published papers considering the effects of pay dispersion on issues like incentives, sorting, deprivation and inequity perceptions.

Psychologist Amy Christie (Wilfrid Laurier University) presented “Pay Dispersion and Trust in Groups: Moderating Roles of Pay Structure Unfairness and Standing in the Group” in which she recognizes that pay dispersion can increase motivation and competition, but can lead to dissatisfaction and uncooperative behavior. She aims to ask “under what conditions does pay dispersion relate to individuals’ beliefs about their group members’ trustworthiness?”

Elena Belogolovsky (Cornell University) presented her work with Peter Bamberger (Technion — Israel Institute of Technology) on “Lifting the Veil of Pay Secrecy: An Experimental Examination of the Performance-Related Consequences of Transparency in Performance-Based Pay Systems.” In this work, the authors perform a laboratory experiment to investigate pay secrecy. Among their findings is that the negative impact of pay secrecy on task performance is amplified when pay criteria are relative, but attenuated when the pay criteria are absolute.

Other Interesting Projects

The conference contained three other papers on incentives, rewards and outcomes. Alan Benson (MIT) presented his work on “Do Agents Game Their Agents’ Behavior? Evidence from Sales Managers.” In this, he uses person-transaction-level micro sales data from 244 companies to demonstrate quantitatively how by delegating “authority over salespeople to front-line sales managers ... they can decompose performance measures into ability and luck.”

Aaron Soujourner (University of Minnesota) presented his work with Gopi Shah Goda (Stanford University) and Colleen Flaherty Manchester (University of Minnesota) titled “What Will My Account Really be Worth? Experimental Evidence on How Retirement Income Projections Affect Saving.” This interesting field experiment tested how provision of retirement income projections along with enrollment details can influence individuals’ contributions to their retirement accounts.

Zafar Nazarov (IUPUI-Fort Wayne) presented work with Arun Karpur and Thomas Golden (Cornell University) on “The Effect of Duration of Vocational Services on Weekly Earnings of VR Clients at Closure.” Among their findings, increasing the duration of vocational rehabilitation services by 10 months increases weekly earnings of clients by 5 percent.

Cutting Edge Research and Practice

Our Emerging Scholars Conference is inspired by a mid-1990s series of conferences sponsored by WorldatWork, when I was still a new Ph.D. and WorldatWork was still the American Compensation Association. A new, cross-disciplinary, cross-national group of scholars is hard at work thinking about important issues in compensation and I am already looking forward to our 2015 conference — continuing to bring together interdisciplinary scholars and bridge between research and practice.

If your organization has a workplace challenge that could benefit from partnering with academics on internal data analysis for research purposes — be it to answer the big questions or improve just a slice of your practices — please don’t hesitate to contact me at ics-ilr@cornell.edu. Rest assured: there is a new crop of junior scholars eagerly studying interesting and important questions in compensation. [WFS](#)



got a
question

The Institute for Compensation Studies (ICS) at Cornell University analyzes, teaches and communicates about monetary and non-monetary rewards from work, and how rewards influence individuals, companies, industries and economies. ICS research and leading-edge insight address compensation issues challenging employers and employees in today’s dynamic global marketplace. www.ilr.cornell.edu/ics

Send topic suggestions to ics-ilr@cornell.edu.