Bristol-Myers Tightens Process for Setting C.E.O. Pay

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Responding to a drumbeat for better corporate governance, Bristol-Myers Squibb said today that it had agreed to a new guideline for establishing pay for its chief executive.

Under the guideline, chief executive compensation at the company will require approval by a three-quarters vote of the independent directors, rather than just a majority.

The decision followed a proposal submitted by Lucian Bebchuk, a professor at Harvard Law School.

Professor Bebchuk said that the company initially resisted his idea, but agreed last week. Mr. Bebchuk posted a history of his proposal online. In a statement, a Bristol-Myers spokesman, Tony Plohoros, said: “Our board of directors agreed in principle with Mr. Bebchuk’s proposal. As such, our board has adopted a new corporate governance guideline that calls for 75 percent of independent directors to approve C.E.O. compensation.”

But Mr. Plohoros said the change by Bristol-Myers Squibb did not involve a bylaw change as initially requested by Professor Bebchuk, merely a change in guidelines.

He also said that chief executive compensation had historically been approved unanimously, despite the prior guidelines that it be approved by a majority.