

# The ombudsman as an ounce of prevention

By JOHN RODDY AND MARY P. ROWE

**W**hat do hundreds of institutions as diverse as General Electric, the World Bank, McDonald's hamburger chain, and the Massachusetts Institute of Technology have in common? All have created an ombudsman's office to solicit, attempt to resolve, and most important, learn from employee problems.

An ombudsman is a confidential neutral who works with employees and management to resolve problems cooperatively in the workplace. The ombudsman does not infringe on the prerogatives of management, personnel or the employee relations department. The office provides an alternative channel of complaint and communication within a company but does not make, change, or set aside policy.

The businesses that have explored the idea find that the ombudsman discovers and resolves more and different problems than are addressed by traditional avenues. Significant new, unusual, hidden, or frightening problems are the ombudsman's stock-in-trade. Often, these problems indicate larger concerns, for good or bad, which in the ombudsman's absence would not be brought to management's attention. This upward feedback function may be even more important than the ombudsman's problem-solving role, as it provides a constantly up-to-date review of the important internal tickings of the company.

These two valuable, and in the absence of an ombudsman, primarily

unavailable functions illustrate why at least 200 American corporations have instituted an ombudsman's office. The November 24, 1986 issue of Fortune magazine reported on this trend, citing the creation of ombuds offices by such traditional employers as Anheuser-Busch, AT&T's Bell Labs, General Dynamics and "many members of the Fortune 500" as evidence of the concept's validity.

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The ombudsman acts in several capacities in fulfilling the office's rather broad problem-solving focus. For most complaints and inquiries, the office acts as a resource and a clearinghouse, referring employees to counselors, social workers, service agencies, or to line management, personnel or other in-house assistance.

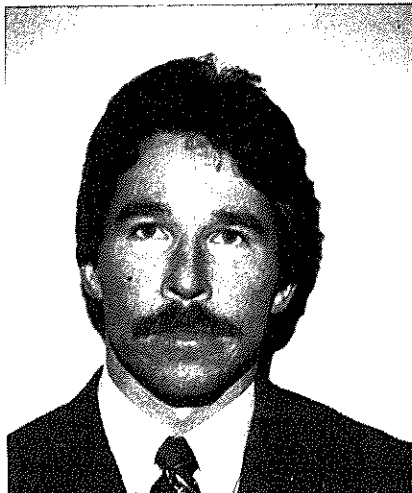
Often, the ombudsman only needs to communicate, educate, or just listen to an employee in order to satisfy the concern that prompted the visit. In other cases, the ombudsman will work with an employee in a cooperative effort to develop an integrative, non-polarized resolution to a particular problem or complaint. And finally, in a small but significant percentage of cases, the ombudsman will learn of a serious problem that would, if undiscovered or dealt with insensi-

tively or unfairly, have a substantially negative impact on the company.

These kinds of time-bombs come in many forms. For example, a work group may have falsified research data or test results, violated OSHA regulations in a way that is causally related to a worker's serious personal injury, or engaged in unsafe, unethical, or illegal practices. An individual employee may be seriously sabotaging work or product, have severe drinking, drug, or psychological problems which affect not only him but co-workers as well, or be on the verge of suing the company for real or imagined wrongs. In these instances, at least one other person is usually aware of the problem, but probably won't come forward for fear of reprisals. An employee who would otherwise feel compelled to tell someone who could appropriately intervene may fear that management or personnel may be involved in the unusual behavior, tacitly accept it, be powerless to affect it, or not trustworthy enough to keep such a report confidential.

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The ombudsman's existence tangibly represents the company's commitment to behaving fairly and  
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responsibly. Line management and personnel are practiced at dealing with the routine difficulties that normally arise when people work together. However, unless a company is unusually committed to discovering the very small percentage of unidentified problems that eventually cause serious disruptions, these latent problems will often unexpectedly surface with a damaging and irreversible momentum.

For this reason alone, an ombudsman is a well advised fail-safe in even a progressive company with a good

reputation for employee relations. The following two examples illustrate this point. These examples describe actual lawsuits by former employees which have hurt the internal and public perceptions of the companies involved, and generated the inevitable expense, distress and diminished productivity that result from court battles regardless of the victor.

- At a major West Coast company one day, Dr. "Zimmer" found a technician unconscious from exposure to a toxic substance. Just a month or so before, fumes in a nearby lab had also made employees ill. For the second

time, Zimmer, a shy person who found confrontation very difficult, talked to her boss, the new lab director. She pressed him to report the incidents to the company health and safety director, as required by company rules. Once again, she was told it was not her concern. Dr. Zimmer was both willing to be persistent and unwilling to go over her boss's head. Knowing no alternative, she tried repeatedly to force her boss to respect safety procedures and to see the foolhardiness of withholding information from senior management and state agencies. Within six months of the second incident, he fired her unceremoniously.

Zimmer filed an unjust-discharge suit against the company. Fearing a public trial which would bring to light incidents and practices that the company regarded as "atypical" and "not representative of company philosophy," it settled the case. Both the lawsuit itself and the ultimate settlement were widely played up in the media, and the whole episode significantly damaged the company's internal and public images.

- Malcolm Taylor was a top computer company executive who wished to resign in light of a proposed reorganization he strongly felt was unwise. Taylor alleges in his Massachusetts superior court complaint that the company offered him certain preferential stock options and other inducements if he would stay on long enough to help facilitate the reorganization. Taylor sued because he claims the company then reneged on this verbal, gentleman's agreement. Unlike Zimmer, this case has not yet approached trial. However, like Zimmer, this lawsuit should never have happened.

Most disputes escalate into litigation because of the unreasonableness, or, just as importantly, perceived unreasonableness of the opposing party. An ombudsman may defuse potential litigation by providing an in-house alternative to the courts; a neutral forum in which perceived unfairness is examined and either explained and justified or, where feasible, corrected. Also, as distinct from litigation, where one side clearly wins and the other just as clearly loses, an ombudsman's solutions typically do not ascribe blame. They are often in-

directly implemented and thereby save face not only for the parties directly involved, but also those who would feel the repercussions of a public dispute.

The potential for problems like those illustrated in the *Zimmer & Taylor* cases exists in every company. In both cases, the employees felt they had no alternative but to litigate. In other instances the employee's seemingly unavoidable alternative may be to quit, to become increasingly unproductive, or to revert to theft, sabotage or other harmful options in order to "get even." In these cases the result is negative. And the important point is not whether the employee was treated unfairly, just that the company made him feel that way.

The ombudsman is insurance against this type of avoidable loss. The office provides an alternative to the last-resort solutions that develop into losses of money, goodwill, or productivity. Over time the ombudsman will avert much litigation; discover unsafe, unethical and illegal practices; learn of bizarre or psychotic behavior and appropriately intervene; keep valuable employees with the company; and, in both a preventive and an affirmative way, enhance the company's internal and marketplace images. According to Fortune magazine, if the ombudsman fulfills only a portion of that promise, the office will pay for itself.

As previously noted, because the office constantly sees the problems within a company, the ombudsman can act as the extended eyes and ears of top management. A more focused application of "management by walking around," by hearing complaints and problems on a daily basis, the ombudsman is able to inform the CEO about such things as policies or practices that are apparently unwise, unfair or unworkable; employees, managers or groups that are experiencing difficulties; or even patterns, feelings, or ideas that may be useful, harmful or just interesting.

It is a simple but true axiom that the more management understands the company and has a sense of the people who work for it both as individuals and as working groups, the better able it is to plan, set and revise policy.

The ombudsman can provide an additional source from which this sixth sense can be derived or refined, since the office's primary function is to solicit and serve as a conduit of otherwise unavailable information. This kind of upward feedback is especially valuable to management, both for its specific problem solving aspects and its enhancement of intelligent, informed planning.

Companies like McDonnell-Douglas, United Technologies, General Dynamics, and the Digital Equipment Corporation could hardly be considered radical. They are all large, suc-

cessful corporations, managed by very capable people who carefully analyze new proposals and make deliberate, informed decisions. These and hundreds of other North American companies have in the last six or seven years recognized the value of an ombudsman. The trend illustrates that a diverse array of business interests believe that an ombudsman makes good business sense.

The existence of an ombuds office also creates an image of a company with a humane and caring human resource policy. This is an innovative concept that is well worth examining.



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