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Don't Forget About the Ombudsman in Diverse Organizations

Every organization pays a price for simmering conflict among employees, but few realize how much. *HR Magazine* reports that managers can spend 25 percent of their time dealing with conflict -- multiply that by the average salary and number of managers in your organization for just one of the costs of conflict. The office of an organizational ombuds exists to help people reach fair resolution to the conflicts, misunderstandings and ethical questions that naturally occur in every organization. And, the more diverse an organization's employees are, the more potential for conflict.

Leading organizations in every industry, top governmental agencies, and universities have ombuds offices to help employees and managers resolve conflict quickly and effectively, and return to collaboration.

Ombuds offer advice on how employees can solve their own problem, perform shuttle diplomacy between disputants, facilitate group problem solving, offer training and develop "conflict competency" in organizations. They also act as organizational radar, detecting and resolving problems at an early stage and alerting leadership to trends.

Another benefit of an ombuds office is to detect fraud. According to a 2003 survey by KPMG LLP, three-quarters of companies have been victims of fraud.

Readers may ask, "Why have an ombuds, when HR and ethics deal with conflict and fraud?" First, confidentiality. The American Bar Association says only an ombuds can legally guarantee confidentiality and protect the corporation from liability. And many employees will only discuss serious conflicts if confidentiality is guaranteed. Second, independence and neutrality. Ombuds aren't part of any department and employees trust that, too.

An MIT study on Bell Labs' Ombuds Office showed a 485 percent return on their investment. Adding up the time managers spend dealing with conflict, the cost of replacing employees and the financial and reputation cost of formal legal action, ombuds are a financial and organizational bargain.

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