



## Job Doc

### Employee would be wise to take concerns about accounting to company ombudsman

By Linda Lerner, 12/4/05

*I have some questions about how my division manager is accounting for this year's sales. He appears to be including some deals that either haven't been closed yet or ones in which the size of the sale hasn't been finalized.*

*I'm concerned that this practice may be violating a company policy or a law but I could be wrong and I don't want to get anyone in trouble. My company recently established an organizational ombudsman office to help resolve conflicts and ethics issues. I hadn't heard of this department before and I'm not sure if that's where I should go. I'm trying to figure out how to get these answers, not hurt the company, and do it without getting myself caught in the middle.*

Let me first give you some background information about ombudsmen. In the 1970s, companies began establishing organizational ombudsmen offices to give employees help with interpersonal conflict, harassment and diversity issues, communications problems, and safety concerns in a completely confidential, informal, independent setting. In current parlance they are referred to as "ombuds."

With the corporate ethics crises of the 1990s, ombuds became a place where employees also could go for answers and report possible wrongdoing. Here too, an ombuds provides unqualified confidentiality to ensure that issues and questions surface and are resolved early without fear of retaliation. The exception to this pledge of confidentiality is if a person or company asset is at risk.

With the passage of the Sarbanes-Oxley Act of 2002, many companies established ombuds offices to fulfill the requirement of a confidential venue to submit ethics concerns. Organizational Ombuds exist as

conflict and ethics resolution functions in every industry as well as in government agencies and academic institutions.

There are different types of ombudsmen, like a media ombudsman, such as the one The Boston Globe has who represents the readers, or hospital or public agency ombudsmen who help people iron out service problems.

According to DB Reiff, a Boston a conflict resolution consultant of ClearPath Resolutions, four distinctions define an organizational ombuds: confidentiality, neutrality, independence, and informality.

First, talking to an ombuds is always off the record. They have the mandate to help resolve issues confidentially so that you can go to their office without fear of reprisal.

Second, an ombuds is "designated neutral," advocating neither for the employee nor the organization, but rather for fair process.

Third, ombuds are independent. So whether they are a full-time company employee, part-time or contract employee, they are not in any department and have no conflict of interest.

Fourth, informality allows for the resolution of disputes quickly and at the lowest organizational level possible. While an ombuds does informally look into complaints to help resolve them, the office doesn't determine an outcome.

The way organizational ombuds work is to help you understand the pros and cons of available options such as talking to your boss directly, discussing the question with someone in the finance department, alerting the ethics or compliance department, or giving the ombuds permission to raise the question with one of these groups without disclosing your identity. The ombuds would help you find a comfortable way to raise this issue.

Also, because ombuds officers often hear issues no one else in the organization does, they act as an organizational radar system alerting leaders to problems at an early stage.

Writing in the Negotiation Journal, Marsha Wagner of Columbia University said, "Though the organizational ombudsman's role may sometimes be regarded as only a facilitator of individual problem solving, in fact the ombudsperson is ideally situated within the organization to make recommendations for systemic change, based on patterns of complaint brought to the office."

Reiff adds that many organizational ombuds report that just listening to employees' concerns and problems may be the most important contribution they make. Employees often glean new insights into problems and solutions when they have a skilled neutral, independent person to talk with on a confidential basis.

All that said, your instinct to act on your concern is a good one because the process of addressing your questions with the ombuds will probably lead to resolving the uncertainty you feel about the budgeting process.

In addition, your company will benefit by clarifying or confirming to its managers the correct way to account for sales in the budgeting process.