

# Management Ideas



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a monthly newsletter to key executive-leaders  
on practices, possibilities and ideas generally  
for stepped up performance

edited by

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on problem-solving and creative ideas

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**3634 WHEN THE PRESS CALLS:** *Business journalism has arrived in our country and in a big way. Till yesterday, only film personalities and politicians were greeted by the press. Today, corporate executives get a number of calls from the press, often at awkward moments. Robert T. Gilbert, a former journalist, gave a few valuable suggestions in a recent issue of Wall Street Journal.*

Put yourself in this situation, based entirely on fact:

A reporter from a major business publication calls to say she's doing a story about the contraction in your industry, especially as experienced by "second-tier" companies like yours. She's been told your financial results are way down. Further, she's heard from your competitors that, owing to a scandal, you've laid off a sizable group of people. She'd like to talk to your CEO today.

Welcome to the world of corporate public relations, where hardly anybody who doesn't scent blood is interested in you. PR is the contact sport of corporate communications, adversarial by the very nature of its two opposing goals: the media's relentless search for

bad news vs. companies' efforts to get out the good. In our case, the reporter had drawn the worst possible interpretation from a few hard kernels of truth. As head of PR for your company, what would you do? Decline to comment? Read her some glowing paragraphs out of the marketing literature? Threaten to sue for libel?

Actually, your only real option is to play ball. It's the only way you have to affect the story's outcome, or at least soften its premise. If the facts are on your side, you can provide counterbalancing data and opinion, as well as correct misinformation. If you are lucky enough to be dealing with an experienced reporter who's not too harassed by a deadline, you can change the tenor of the story.

Most important, you have to persuade your top executives to carry the ball, balancing between candor and prudence, because reporters never want to quote the PR guy. (My CEO said he found the whole experience "depressing.")

In dealing with reporters, it helps to understand their motivation and how they work. Reporters are remarkably similar in their desire to, as Mr. Dooley's phrase goes, comfort the afflicted and afflict the comfortable. (Hence a perennial favorite is the story about inflated CEO pay.) Of course, reporters also want to get the story first. They approach a story from a point of view based on what they know. They have an idea of how they're going to write the story, but they're going to write the story, but they're supposed to find out what's really going on. In the memorable words of Ben Bradlee, former executive editor of the Washington Post, reporters don't write "the truth," they interpret "what we know and what people tell us."

This means you have to tell them **something**. If you can show a good reporter that his facts aren't facts at all, or that the way he's interpreting them adds up to an erroneous impression, he will adjust the story. This isn't guaranteed: Bad or sloppy reporters just fill in the blanks of a preconceived story line, and editors and rewrite people can give an article a cynical edge the reporter didn't intend.

And even if you're dealing with the best reporters, you should expect to get dinged in any story about your company. One of the fundamentals of serious business reporting is to eliminate "puffery" in favour of

"balance." Balance comes from your competitors, industry analysts, stock watchers and other critics, who have an interest in being quoted--and don't usually get quoted unless the comment is both colorful and negative. In my experience, executives love "balance" in stories about their competitors but are deeply offended by it in stories about their own companies.

On the whole and over time, your company usually gets the publicity it deserves. But it can be a bumpy ride, because news is only "news" if it's different from the last story. This causes a sort of pendulum effect on coverage. For example, back in the 1980s, when Time magazine said IBM was nearly as important an organization as the Vatican, the company's PR people instantly knew that the next set of stories would have to be contrarian. This oscillation is especially noticeable in the auto industry, where coverage swings between glowing product launches and recalls or sales slumps.

For those who would hire PR people, and those who would enter the occupation, here are a few lessons:

- \* If you crave publicity for your company, remember the old saw about getting what you want. Being covered by reporters means being subjected to intensely skeptical scrutiny.
- \* Tell the truth. Journalists are going to find out anyway, and your integrity is on the line. This doesn't, however, mean volunteering information without being asked. Nor should you shy from telling a reporter something isn't any of his business, when it isn't. your point of view should be positive in all this, to apply your own "balance." If the water is at midpoint, reporters tend to write that "the glass is half empty, and draining." Your position should be that it's "half full and rising."
- \* For those who aspire to (or blunder into) PR, know that personal anonymity is the rule. Only during a pinch do powerful businessmen view PR people as trusted counselors. Nor can you count on long-lasting relationships with members of the media. Often, you're in a position of trying to pitch the kind of "good news" stories that don't win Pulitzers. (For example, I cannot for the life of me get any business reporter interested in the fact my company donated \$4.6 million of time and expenses to a major city's school system.) Your real value to the media comes from responding quickly to

requests for information, having genuine industry knowledge and, especially, getting the right executive on the line, quickly.

The final lesson of PR is that the game is mostly one-sided. Returning to the opening example, the reporter's story eventually appeared, and we got slammed as expected. Yet it could have been much worse. The most outrageous assertions didn't make it. The reference to our company was buried and mercifully brief. And the reporter gave a fair hearing to our point of view. Because we played ball, we came through with a few grass stains but no serious injuries.

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**POINT TO PONDER**

*Don't find fault.  
Find a remedy.*

*Henry Ford*

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**3635 AN OMBUDSMAN FOR OUR COMPANY?** *Governments have gone in for the system of ombudsman for some years now. Seeing the value of the system, if not the experience of governments, organisations also have gone in for it. Here is a detailed story from Kodak Co. (Source: Democrat and Chronicle). Before we have the story, a few questions and answers:*

**WHAT IS AN OMBUDSMAN?** An ombudsman is a designated neutral person that provides confidential and informal assistance to help raise and address work-related issues in an objective manner.

**WHO HAS THEM?** Some organisations that have ombudspeople: Include universities, non-profits, and such companies as:

McDonald's, Digital Equipment Corp., Polaroid, American Express, McDonnell Douglas, Sony, Bell Canada, General Electric.

**HOW IT WORKS:** **A typical scenerio:** Jane Doe complains that she's stressed out and says her workload is too heavy. She needs to keep her job, but doesn't know what to do. She bursts into tears.

The ombudsman would outline the options and ask if she's talked with her supervisor.

Doe says she hasn't talked with the supervisor because it seems pointless, since he's as busy and overworked as everyone else.

**The ombudsman could:**

- \* Suggest that Doe set up a lunch meeting with the supervisor to talk over the problem away from the office.
- \* Role-play a conversation between the employee and the supervisor about the workload problem and possible solutions to it.

- \* Encourage Doe to suggest some alternatives, such as workshops in time or stress management.

If Doe doesn't want to raise the issue to the supervisor herself, she can ask the ombudsman to pursue it.

**The ombudsman could:**

- \* Talk to the supervisor and express the concern in a generic way, offer suggestions to the supervisor. Depending on the response, the ombudsman can make suggestions, perhaps to add staff, get department-wide training in stress management or other alternatives.
- \* Later, the ombudsman follows up confidentially with Doe, and says that a meeting was held and that the supervisor is aware of the problem. Doe is encouraged to call back at several weeks later and report any progress.
- \* If nothing has happened to address the problem, Doe can meet again later with the ombudsman.

**For More Information:** The Ombudsman Association  
5521 Greenville Ave.  
Suite 104-265  
Dallas, Texas 75206

Now for the story of Kodak:

Deborah Cardillo's work is considered so confidential that Eastman Kodak Co. installed a special security system for her office.

And she reports only to Chief Executive Officer George Fisher and the board of directors. Cardillo is Kodak's "ombudsman," a neutral trouble-shooter whose job is listening to work complaints on a confidential basis and trying to find solutions for them.

For the past year, she and her associate, Marvin Neal, have worked quietly to set up a kind of safe house within Kodak, where employees, supervisors and even top-level executives can come and talk informally and confidentially about any problem related to their work. "This office is a safety net," she says. "Employees with a concern that they're uncomfortable raising elsewhere can come in here and have a very safe conversation."

Ombudsman's services, which can range from listening to allegations of sexual harassment to helping people resolve ethical dilemmas, provide hard-to-measure benefits. But Kodak and other companies believe they save huge sums in the costs of litigation.

The savings in litigation costs and in "internal disruption ultimately

make the cost of the ombudsman office well worth it," says Gary Van Graafeiland, Kodak's senior vice president and general counsel. For employers, the costs of litigation can be astronomical. "Even the most frivolous suit can cost an employer thousands," says Christian Carello, sales manager for the National Employers Council, a Syracuse-based consulting firm.

But there are other, more intangible benefits, employers say, because ombudsmen help prevent small disputes from mushrooming into major internal crises that can result in lost revenue, time and productivity. "There have been situations that could've been publicly embarrassing for the company but weren't because we resolved them internally," Cardillo says.

Cardillo's office in Kodak's State Street headquarters has been designed with safety and confidentiality in mind. It has partitioned waiting areas so her "visitors," as they are called, can wait in private.

Because of concerns about breaching confidentiality, Cardillo said she couldn't give the number of visitors she sees or elaborate on the types of problems that come to her office. But her cases run the gamut:

- [ ] Personality conflicts with bosses or co-workers.
- [ ] Fair treatment issues and sexual harassment complaints.
- [ ] Alleged breaches of ethics.

She sees just as white collar employees as blue collar ones. And through it all, Cardillo is bound by a strict code of ethics to protect the confidentiality of "visitors" unless they say otherwise. And she must remain neutral.

"I'm not an advocate for employees or for management," she says. "I'm an advocate for fair play and fair process." By answering only to the chief executive and the board, Cardillo maintains independence and clout. "If she's got to go butt heads with a business unit, it won't affect her career," Van Graafeiland says.

While many universities have had ombudsman programs for years, the interest in corporate programs rose in the 1980s when ethical issues

were high on many business agendas, Defense contractors, in particular, became interested in ombudsman as a way to help put an end to allegations of waste and fraud, says Tom Furtado, a consultant who was ombudsman at United Technologies in Connecticut.

Today, corporations nationwide employ an estimated 300 to 400 ombudsman and health services another 300 to 400, he says. Companies with ombudsmen include Sony, American Express, Anheuser-Bush, Polaroid, Digital Equipment Corp. and AT&T all have ombuds programs. And recently, many federal agencies, such as the Secret Service, have gotten on board as well.

Xerox Corp. had an ombudsman program for some time during the 1980s, says spokesman Carl Langsenkamp, but disbanded it in favor of an "open door policy" after employees said they preferred to work out problems within their own group since the company decentralized operations. That policy allows employees to take their concerns to higher levels on a confidential basis, he says.

And companies are finding that ombudsmen fit well into their growing interests in alternative methods of resolving disputes, such as mediation or arbitration. "People are turning to these systems because it's not easy or cost effective to resolve everything in the courts," says Ron Seeber, a professor at Cornell University's School of Industrial and Labor Relations, which is conducting a survey of alternative dispute methods.

But these approaches have their critics. Many worry that employees' confidentiality isn't truly protected and that companies have "wide discretion" in how they set up these programs, he says. The problem, says Rochester lawyer Michael Harren, is that the promise of confidentiality doesn't go far enough to protect workers. "There's nothing that says that you have job protection if you invoke this system," he says.

But ombudsmen insist that confidentiality is the cornerstone of the profession. If employees suspect they're being retaliated against for making a complaint, the ombudsman can assure the visitor that the company won't tolerate it, Cardillo says.

The confidentiality of the office is being upheld by the courts, which have protected the confidentiality of their records, ombudsman say. In the end, however, a company's culture determines the success of the ombudsman. "If the office does what it's supposed to do, it will become part of the culture. Employees will know that this is a function they can trust," says Van Graafeiland of Kodak.

The experiences of other corporate ombudsmen support that. Del Rocha, ombudsman for Polaroid Corp. in Cambridge, Mass., puts it in frank terms: "If for any reason, I divulged something, the word would get around and I wouldn't have a job," she says.

Cardillo, who has been with Kodak for 16 years, working primarily in human resources, got some experience when she worked in a pilot ombudsman program under Frank Zaffino, vice president in Kodak's Equipment Manufacturing Division at Elmgrove.

When CEO George Fisher took over in late 1993, he became interested in the concept, because "he was quickly inundated by all types of employee issues," she says. Fisher saw the value in setting up an alternative channel. Kodak later convened a committee to look at making the ombudsman office a corporate-wide program. After a lengthy interview and selection process, Cardillo was appointed in June 1995. Last October, Marvin Neal also was appointed to the office.

In some circumstances, employees call the ombudsman simply because they don't know where else to turn. "A lot of people haven't thought about what they really want," Cardillo says. And in many cases, the ombudsman is free to look into an issue in general terms without compromising the employee's identity. "If someone is complaining that the company is polluting the river, for example, it's very seldom that the employee would be compromised if I looked into that," says Furtado, the Connecticut consultant.

Often, people turn to the ombudsman only to vent their feelings, but won't grant permission to take the matter further. That's where the work can be frustrating. "It's a very draining kind of job," says Van Graafeiland, "You're dealing with problem after problem after problem. It's in a sense like being a police officer--you're looking at life from the bottom, rather than the top."



Cardillo, who keeps informal notes of each conversation, destroys them once a matter is closed or resolved. But she keeps general notes on the nature of the complaint in case similar concerns arise.

In some cases, valuable employees can be retained when they realize that there are solutions to problems that have been upsetting them for a long time. "People in pivotal jobs will decide to leave and then change their minds if a dispute can be settled," says Mary Rowe, ombudsman at Massachusetts Institute of Technology.

Sometimes, however, the outcome isn't predictable or positive. Furtado recalled meeting regularly with an employee with AIDS who was being harassed at home. Furtado talked with him frequently but had been unable to arrive at a satisfactory solution. The person later became despondent and took his own life.

Though Furtado learned later about extenuating circumstances that could have contributed to the suicide, he still had to deal with it. "I wondered what I could have done differently," he says.

Despite the pressures, ombudsmen find intense satisfaction in being catalysts for solutions, Cardillo says. "Ours is the power of influence."

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**POINT TO PONDER**

*The lies most devastating to our self esteem  
are not so much the lies we tell  
as the lies we live.*

*Nathaniel Branden*

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**3636 THE CHALLENGING WORD:** *We found the following story in a recent issue of Los Angeles Times. It has lessons for all of us.*

As he prepared to settle a bet Wednesday afternoon, Duncan Murdoch, director of admissions at USC, wasn't sure which was going to be harder to pull off: executing a one-and-a-half dive off a high tower or squeezing into a Speedo bathing trunk at age 56.

Murdoch got himself in this little mess last fall when he challenged his staff to boost the enrollment of the university's first-year students to more than 2,800 and also to increase the academic level of those incoming students.

Do it, he offered, and he would perform the platform dive.

His colleagues took him up on it. Joe Allen, who is in charge of recruitment, aggressively sought out students nationally and abroad. By summer he had brought in more than 2,900 freshmen, about 100 of them national merit scholars.

Murdoch had been a springboard diver, about 35 years ago, but said he had no experience with platform diving. When he realized he would have to make good on his end of the deal, he introduced himself to USC's diving coach, Jeff Schaefer.

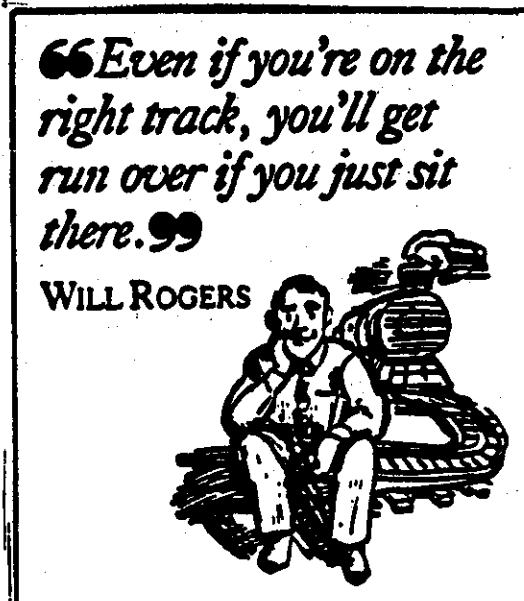
"I told him I had a problem. I need to be able to do a one-and-a-half off that tower," Murdoch said.

The coach trained Murdoch for two months, starting with dives off the side of the pool and working their way up to the tower for the dive.

Murdoch said that he plans to make the same challenge in 1997 and also to increase the number of national merit scholars to at least 130.

"If they can get 130, I'll do a two-and-a-half next year," he laughed.

3637 LAUGHING MATTER?



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