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DATE: OCTOBER 11, 1988

TO: CORPORATE OMBUDSMAN ASSOCIATION BOARD OF DIRECTORS

FROM: CAROLE TROCCHIO - MEMBERSHIP COMMITTEE

RE: MEMBERSHIP IN THE CORPORATE OMBUDSMAN ASSOCIATION

Members of the Membership Committee: Jim Hendry, Gregg Raudabaugh, Ann Bennsinger and Carole Trocchio have held several discussions concerning membership in the Corporate Ombudsman Association and the establishment of some criteria for membership. At this point in time we have not reached any firm agreement and feel that such an important issue should be discussed with the Board Members at length, prior to the establishment of any criteria.

In an effort to use the Board's time as efficiently as possible I would ask you to consider the following areas concerning membership in the Corporate Ombudsman Association.

1. Other than an individual's interest in Ombudsmandry, should there be some criteria that an individual should meet in order to become a full member.? (Remember, we currently only have one level of membership).

2. Some suggested criteria...and food for thought:

a. <u>Premise:</u> An individual must be a practicing ombudsman; ie., an individual who deals with reported complaints in an effort to achieve equitable solutions.

b. What if an individual is a practicing ombudsman part of the time? What is an acceptable % for membership...10%, 25%, 50%, 90% ?

c. What if an individual is a practicing ombudsman, by our definition, but is not a designated neutral, as in a Human Resource Manager, who occasionally deals with complaints?

d. What if an individual is a practicing ombudsman, by our definition, but serves as an advocate for one party or the other?

ombudsman\ombodz-men\One skilled in dealing with reported complaints to help achieve equitable settlements Page 2

e. What if an individual is interested in becoming an ombudsman? Can they be a full member?

f. What if an individual is not a practicing ombudsman, but manages an individual who is? Can they become a member.?

g. What about an individual who wants to set up an ombudsman office, but has not as yet taken steps to do so? Should they be a full member?

<u>Premise:</u> Our Code of Ethics provides that ombudsman must maintain confidentiality except in cases of physical harm or misappropriation of Company Funds.

a. What if an individual offers <u>no</u> confidentiality? What if they develop a candid report and share it with all of management? Can they be a member of the Association?

Recommendations:

Criteria be developed for full membership that would enable Jim Hendry to accept applications for membership without too many grey areas.

Any individual who falls outside the criteria be allowed to join the association as an Associate Member.

- Associate members would pay the <u>same</u> membership as a full member as they receive all the material benefits. However, associate members would not have voting power on any issues that required a vote by the association membership.

Remember, we dropped the associate member status because we could not justify why an associate member would pay less than a full member, but still receive all the materials, attend the conference, etc. This suggestion (credit to Ann Bennsinger) to re-instate the associate membership status but with the same membership fee would address those people who are interested, but do not quite meet the definition of a participating ombudsman.

Please give some consideration to the above, and note any other suggestions you may have so that we can discuss this at the Board Meeting in December.

Sincerely,

Carole

OMBUDSMAN SALARIES, 1989

Mary Rowe (MIT) and James Ziegenfuss (Pennsylvania State University)

The Corporate Ombudsman Association Research Committee did a salary survey of about fifty ombudsmen in the spring of 1989, and included questions on salary, scope of work, years of experience, etc. Various other ombuds associations have done similar surveys.

Corporate ombudsmen primarily serve employees and managers, although some serve government contractors, franchisers, and others. University ombudsmen serve faculty, staff, students. Classic ombudsmen serve citizens and newspaper ombudsmen serve readers. Patient ombudsmen and nursing home ombudsmen typically serve only patients although some also serve employees. The employers range from high tech through defense contracting, health care, manufacturing, government, research, food distribution, insurance, educational institutions, newspapers, transportation, financial and other enterprises. Some practitioners work part-time; more work full-time in the function. They serve a wide variety of private and public enterprises, ranging in size from about 1000 people to over 150,000. The ombudsman profession is well integrated by gender, and there is an increasing number of minority practitioners. Ombudsmanry is also extremely well integrated by profession and previous education of practitioner; ombudsmen come from a very wide range of backgrounds. There are thousands of ombudsmen of all kinds in North America.

Salaries ranged widely in the group of fifty corporate ombudsmen studied. A quarter earned under \$45, 000; thirty-seven percent earned over \$75,000; a fifth earned over \$100,000; there is no distinctive mode. Full-time university and college ombudsmen are paid in a similar, slightly lower range; about a tenth in a recent survey earned over \$70,000. Newspaper ombudsmen are in the range of university and college practitioners. Available data indicate that the range of salaries for patient representatives (patient ombudsmen) is about 50% lower than the range for corporate ombudsmen. Nursing home ombudsmen are also paid less; of more importance, a great many are part-time or volunteer.

The chief predictor of the salary of a corporate ombudsman appears to be the previous salary of the given practitioner; although we did not collect data exactly on this point, the inference is clear. Salaries in our group vary directly and strongly by years of service with the given company. Only about ten per cent of the practitioners in this group have been with their employer fewer than five years. Three-quarters had been with their employers for ten or more years, forty per cent for over twenty years. Clearly employers are most likely to choose trusted, long term employees as ombudsmen and then pay in direct relation to years of service.

We believe these data may be useful to ombudsmen, to know how their salaries compare with others. We hope these data may also assist employers who are analyzing equity within their own salary structures, and to employers setting up new programs, as they seek to define the costs of the ombudsman function. The reader may also be interested in early cost-effectiveness analysis of ombudsman offices now underway by the Corporate Ombudsman Association Research Committee and colleagues. These beginning studies suggest that ombudsman offices of various types recover their costs (salaries plus other expenses), at least one-fold and in some cases by a factor of three or four or more.



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