The Role of the Ombudsman: What HR Professionals Need to Know

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Vice President, Office of the Ombuds, Eaton
Topics

- What is an Ombudsman
  - Types of Ombuds
  - Organizational Ombuds
- Ombuds and HR
- Ombuds at Eaton
  - Eaton profile
  - Background
  - Role
- Q&A
Types of Ombudsmen

Ombuds or Ombudsman is an old Nordic word meaning “employee representative.”

1. Classical Ombudsman
2. Traditional Ombudsman
3. Organizational Ombudsman
Corporate Organizational Ombuds
University Organizational Ombuds ... 

- Michigan State
- University of Michigan
- University of NC Chappel Hill
- Stanford
- MIT
- University of Texas Austin
- University of Mass – Amherst
- University of Colorado Boulder
- Oregon State University
- Princeton University
- University of Kansas
- Boston University
- Marquette University
- Ohio University
- Clemson University
- Cornell University
- University of Wisconsin – Madison
- Gallaudet University
- University of Iowa
- University of California
- Iowa State
- Harvard University
- Columbia University
- Brown
- Auburn University
- University of Denver
- Northern Illinois University
- Georgia State University
- University of Central Florida
- University of Maryland
- Rutgers
- Washington University in St. Louis
Eaton – Company Profile

• Founded in 1911 by J.O. Eaton
• Eaton provides energy-efficient solutions that help customers effectively manage electrical, hydraulic and mechanical power more efficiently, safely and sustainably
• Chairman & CEO – Alexander M. Cutler, retiring in May, 2016
• New CEO is Craig Arnold
• Customers in more than 175 countries
• 2014 sales of $22.6 billion
• 50% of sales outside the U.S.
• Approximately 100,000 employees worldwide
• NYSE Ticker Symbol: ETN
Committed to doing business right

- Recognized as a leader among S&P 500 companies on the CDP’s Climate Disclosure Leadership Index for six years
- Ranked among world’s top sustainability performers in NASDAQ Global Sustainability 100 Index
- One of Corporate Responsibility Magazine’s 100 Best Corporate Citizens, 2007 – 2014
Organizational Ombuds is a neutral, confidential, informal and independent resource for employees.

At Eaton an Organizational Ombuds is defined as a neutral, independent person with whom any employee can speak confidentially, informally and off-the-record about workplace related concerns or questions.
International Ombudsman Association (IOA)

• The Eaton Ombuds Office is an active member of the International Ombudsman Association (IOA), whose mission is to support and advance the global Organizational Ombudsman profession and ensure that practitioners work to the highest professional standards.

• Eaton Ombuds adhere to the IOA Code of Ethics and Standards of Practice -- Confidential, Informal, Independent and Neutral

• The Ombuds Office is thus independent of any Eaton processes, but follows IOA guidelines.
# Ombuds services are unique within Eaton

<table>
<thead>
<tr>
<th>Confidential:</th>
<th>Informal:</th>
<th>Neutral:</th>
<th>Independent:</th>
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<tr>
<td><img src="image" alt="Confidential" /></td>
<td><img src="image" alt="Informal" /></td>
<td><img src="image" alt="Neutral" /></td>
<td><img src="image" alt="Independent" /></td>
</tr>
<tr>
<td>- All Communications with Ombuds are confidential (exception for imminent risk of serious harm)</td>
<td>- Off-the record conversations</td>
<td>- Mission is to help to obtain fair resolution of workplace issues</td>
<td>- Governed by professional Ombuds standards set by the International Ombudsman Association</td>
</tr>
<tr>
<td>- Who you are, where you work and what we talk about are all held strictly confidential</td>
<td>- Not considered notice to the company.</td>
<td>- Not an advocate for any party</td>
<td>- Not part of management</td>
</tr>
<tr>
<td>- Safe haven for raising issues, receiving coaching and generating options for the issue resolution</td>
<td>- Formal issue resolution is via channels such as local Line Management and HR, or corporate offices such as Ethics, Audit or Legal</td>
<td>- Does not perform another function (e.g., security, audit, human resource functions) that could compromise neutrality</td>
<td>- Outside of any formal channel</td>
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<td><img src="image" alt="Neutral" /></td>
<td>- Investigations and assessments go through formal channels (HR, Ethics)</td>
<td>- Reporting to most senior levels in the company</td>
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Ombuds and HR

Organizational Ombuds
Not part of mgmt, structural distance, perceived unanswered questions and inconsistencies in policy and practice

Mutual Purpose
Effectively deal with the People part of the Business

HR Role
Act as Strategic Business Partner; Day to Day Ops Part of Management, Set forth Policy, Practice

HR + Ombuds Partnership
Enormous Advantages to the Organization
## Comparison of HR and Org Ombuds

<table>
<thead>
<tr>
<th></th>
<th>Human Resources</th>
<th>Org Ombudsman</th>
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</thead>
<tbody>
<tr>
<td><strong>Role</strong></td>
<td>Manage the organization</td>
<td>Safety net for issues and concerns</td>
</tr>
<tr>
<td><strong>Set Policy, Hire, Fire</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Formally Neutral</strong></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Provide Complete Confidentiality</strong></td>
<td>No</td>
<td>Yes 1</td>
</tr>
<tr>
<td><strong>Investigations</strong></td>
<td>Formal</td>
<td>Informal</td>
</tr>
<tr>
<td><strong>Keeps Records</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Privileged</strong></td>
<td>No</td>
<td>Maybe 2</td>
</tr>
</tbody>
</table>

1 Offer complete Confidentiality except for in case of “Imminent Risk of Serious Harm”
2 Protected by Federal Rule of Evidence 501 and terms of office creation (Charter)

Source: Bensinger, Ann, Minor, Donald F. and Semple, Grace. “HR and Ombuds: Partners in pursuit of a common vision.”

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Resources- Formal and Informal

• There are a number of **formal channels** to seek assistance, guidance and dispute resolution:
  • Supervisors, Managers
  • Human Resources
  • Union, Works Council
  • Global Ethics and Compliance
  • EHS - Environmental/Health Safety/Security

• In some cases employees need an **informal channel**:
  • an **independent** and **neutral** person with whom they can discuss their concern **confidentially** and **off the record**.
  • This is why there is an Ombuds Office.

Ombuds does not replace any Formal Channels, including the Grievance/Appeal Process.
Get help with workplace concerns.

Four ways to get advice, report problems, and address work-related issues.

**Talk to Your Manager**
He or she is most familiar with you, your job responsibilities, and your day-to-day issues such as safety, performance reviews, compensation, or harassment.

**Ask Human Resources**
Contact Human Resources if your manager is not able to help you or if you have questions about things like job opportunities, promotions, benefits.

**Contact Ethics**
To report or discuss legal or ethical concerns such as bribery, theft, conflicts of interest.
800.433.2774
Ethics@eaton.com
Anonymous and confidential

**Ask Ombuds**
Talk confidentiality with a neutral Ombudsperson about how to approach a work-related issue or solve a problem.
800.256.6210
www.eaton.com/ombuds
Confidential, Neutral, Independent, Ombudsman
www.eaton.com/ombuds
Confidential, Neutral, Independent, Ombudsman

Eaton’s Ombuds program is an alternate resource and provides confidential, neutral and informal assistance in surfacing and resolving workplace issues to:

- Protect human, financial, and other assets
- Preserve Company reputation
- Comply with laws and regulations, including U.S. sentencing guidelines and Sarbanes Oxley.
- Promote and ethical, fair, and values-driven work environment consistent with ethical business conduct and Eaton’s core values
Global Ombuds Program

Provide regional Ombuds support
Separate toll free phone lines, Ombuds email box
Interpreters, as needed
All Levels Use Ombuds Program

Ombuds is used by all levels of employees, retirees, suppliers, contractors, customers, former employees, job applicants:

- Don’t know where to go or how to approach an issue.
- Seeking clarity on a policy or information such as a contact details, etc.
- Want complete confidentiality
- May not be certain of implications of a concern.
- Want a conversation with a neutral party who knows Eaton.
- Referred for guidance and counseling.
Case Categories for Ombuds Matters

- Office averages about 120-130 contacts per month globally.
- Issues brought to the Ombuds are related mainly to:
  - 23% Supervisor/Employee Issues
  - 16% Job and Career
  - 11% Compensation
  - 11% Benefits
  - 10% Performance Management
  - 8% Leadership Coaching
  - 6% Safety & Health
  - 5% External Contacts
  - 4% Control & Compliance
  - 4% Peer and Colleague Relationships
  - 2% Other
What Ombuds does with the information

• All individual case sheets are not retained.

• Monthly statistics and office activities given to Senior Leaders.

• Review sessions are conducted with senior leaders on trends in their businesses/regions.

• Appropriate conversations are conducted with HR on policy issues.
Website: www.eaton.com/ombuds
Ombuds Role is Proactive and Reactive

• Issue Identification and Resolution
  • Early warning
  • Risk avoidance
  • Neutral, independent, informal and confidential

• Issue Prevention and Change Advocacy
  • Trends and patterns communicated to management
  • Recommendations to avoid reoccurrence
  • Helping employees surface potentially unreported information
    • Reduce cost of Legal Actions
    • Reduce cost of Loss of Reputation

• Awareness and Accessibility
  • Education and training – help employees help themselves
  • Easy to access, safe and credible
Final Thoughts

- The Office of the Ombuds is a safety net for callers to speak up on everything from personal to work subjects, from the simple to the complex.
- The focus of the Ombuds is always on closest level resolution, and the Office has become increasingly popular as a non-threatening cooperative way to resolve issues.
Resources

- Eaton Ombuds Websites (12 languages) www.eaton.com/ombuds
- The International Ombudsman Association www.ombudsassociation.org
- The Ombuds Blog http://ombuds-blog.blogspot.com
- Mary Rowe, An Organizational Ombuds Office In a System for Dealing with Conflict and Learning from Conflict, or “Conflict Management System”, Harvard Negotiation Law Journal (2008)
- Bensinger, Ann, Minor, Donald F. and Semple, Grace. "HR and Ombuds: Partners in pursuit of a common vision."
- Society for Women Engineers, Meredith Holmes, swe-magazine-winter-2012-the-organizational-ombudsman.pdf, “A Fresh Look at the Organizational Ombudsman”
- "The Organizational Ombudsman: Building a Culture of Trust from the Ground Up" - by Jon McBride and Jim Hostetler in NACD Directorship magazine, July/August, 2012.
- "Is an Ombudsman Right for your Company?" - Article including quotes from Jon McBride that appeared on the Corporate Secretary Magazine website, May 31, 2012.
- "Whistleblower Rules - Time for an Ombudsman?" - Webinar of The Mutual Fund Directors Forum (MFDF), moderated by Susan Ferris Wyderko, Executive Director of MFDF, and featuring Marco Adelfio, a Partner at Goodwin Proctor LLP, and Jon McBride, that was broadcast on March 9, 2012.
- "Time for an Ombudsman" - Article by Jon McBride and Steve Norman, former Corporate Secretary and Corporate Governance Officer at American Express Company, that appeared in Corporate Secretary Magazine, February, 2011.
Q&A DISCUSSION
Contact Information

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Ilene Butensky has led the global expansion of the Eaton Ombuds Office since 2007, when she was named the Vice President Office of the Ombuds. Ilene has been with Eaton for over 35 years and prior to Ombuds was in various roles of increasing responsibility including HR generalist positions, Benefits, Global and Executive Compensation and Benefits and Acquisitions and Mergers. Ilene earned a Master’s degree from University of Illinois School of Labor and Employment Relations, a Law Degree from Cleveland State University and a Bachelor’s degree in Economics from University at Albany, SUNY. Ilene has taken executive education courses at Harvard and Cornell Universities and is a Certified Organizational Ombudsman Practitioner® (CO-OP®.)

Ilene has held various board positions including College Now Greater Cleveland, Midwest Pension and Benefits Conference and Health and Caring for All Investment Committee of the United Way of Greater Cleveland. Ilene joined the International Ombudsman Association (IOA) Board in 2011 and is in her second term. She was the IOA Treasurer from 2013-2015 and is currently the IOA Secretary and a member of the CO-OP Board. Prior IOA Board, volunteer activities included Certification Task Force member, Chair CO-OP Nominating Committee, and member of the IOA Management Company Search Task Force. Ilene is a member of the American Bar Association Ombuds section, Corporate Organizational Ombuds Roundtable (COOR) and is a frequent speaker at IOA and other conferences.