Letters

From Our 'Get a Life' Department

To the Editor:

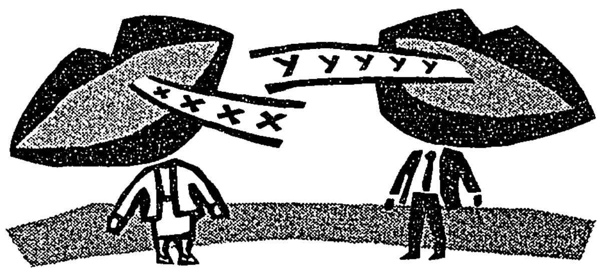
With reference to "The Good Life After Goldman" (Oct. 16), am I supposed to admire these three individuals because at long last they've discovered there's more to life than making money? Let's face it, these are mediocre people with mediocre minds, but because they've made a lot of money, they are noticed (and they get special treatment). I suggest you follow up this article with others in a similar vein, and make it a regular feature entitled "Life Styles of the Rich and Self-Indulgent." DAVID JUNKER
San Francisco, Oct. 16

Clashing Styles or Bad Manners?

To the Editor:

Barbara Presley Noble refers to some of Deborah Tannen's ideas as "nonsense on stilts" ("Sex Differences, or Something Else," At Work, Oct. 23), and I've had my suspicions about Dr. Tannen's ideas for some time. In an article written by Dr. Tannen in The New York Times Magazine, she lamented the fact that women were readily classified by their clothing, while men's clothing gave them anonymity. Excuse me? I attend many business functions with my husband and believe me it's not hard to tell the players from the drones from the wannabes-without-a-clue. Many men in academe do look interchangeable, but in the real world, you can tell the players without a scorecard, and their clothing is a major clue.

SHERYL TRIPP KHOURY
Plymouth, Mich., Oct. 23



Nancy Doniger

To the Editor:

Barbara Presley Noble's commentary on Deborah Tannen's latest book dismisses the idea that there are important differences between the way in which women and men communicate. In Ms. Noble's analysis, any gender-based differences in communication style are "trivial" and may be attributed to "bad manners." A more productive approach to analyzing Dr. Tannen's work would have included a discussion about what these differences mean for managing in today's changing and uncertain environment.

Many management experts acknowledge that surviving in today's environment requires adopting new strategies that allow organizations to adapt to change. Specifically, the control-and-command strategies typical of the traditional management models are changing to accommodate new strategies that foster collaboration, shared leadership, team-building and innovation. According to most communication scholars, organizations seeking to promote these new objectives need to institute communication practices that create supportive climates. In these climates, employees feel that their input is genuinely valued and are generally more willing to share their ideas.

The characteristically male (one-up) behaviors Dr. Tannen refers to in her book are known to contribute to negative climates. Power, control and exclusion are typical relational messages carried in many of the communication behaviors displayed by men in the workplace. These messages are indeed different than those contained in the communication behaviors of women. Research tells us, for example, that women listen longer before interrupting conversational partners, interrupt to ask clarification questions rather than impart judgment and ask tag questions that elicit participation and seek feedback. The key relational messages contained in these types of behaviors are inclusion, equality, spontaneity and empathy. These are messages that enhance supportive climates.

Contrary to what Ms. Noble stated, men and women do have different communication styles. These differences are far from trivial, especially when they are evaluated in term of their contribution to creating and maintaining climates. Organizational leaders would benefit from changing how they evaluate the communication behaviors of women and rewarding those behaviors that enhance supportive climates. Until they do, collaboration, shared leadership, team building and innovation will remain buzzwords rather than strategic accomplishments. NANCY E. MENELLY
Melbourne, Fla., Oct. 25

The writer is assistant professor of communication at Florida Institute of Technology.

An Important First Step for New Products

To the Editor:

As the director of marketing research for L'Oréal when it introduced mousse in 1983, I was particularly interested in Harry Gaines's article "Teaching Scientists to Talk Business" (Viewpoints, Oct. 2). One of the key reasons why our introduction was so successful was that the product was placed with consumers early in the process, before large-scale market research testing. By utilizing this qualitative research technique, marketing and R.& D. were able to learn about consumers' experiences with the product. An insightful facilitator was able to then provide input for the product formulation, instructions for usage and product positioning-advertising. If this small, but critical, first step had been overlooked, we might have risked consumer acceptance of mousse styling products in the United States.

While Mr. Gaines contends that scientists must learn to speak with nonscientists, I would argue that such communication must be a two-way street. In conducting intradepartmental focus groups for R.& D. and marketing departments, my company consistently finds potentially disastrous gaps in communication. Scientist often do not understand the marketing implications of the products they are developing, while marketing may try to force-fit products into established categories and descriptions without thoroughly understanding what makes the product different, better or unique.

For products to be successful in the 1990's, it will require a true triumvirate of marketing, R.& D. and the consumer. Marketing and R.& D. will need to be more tuned-in to consumers — watching, listening and responding to their needs and ideas. In doing so, not only will companies acquire a richer, more in-depth understanding of their products, but they can create "optimized" products to help insure a better chance of market success.

NANCY FORD NORTON
Allendale, N.J., Oct. 26

The writer is president of N² Qualitative Marketing Research.

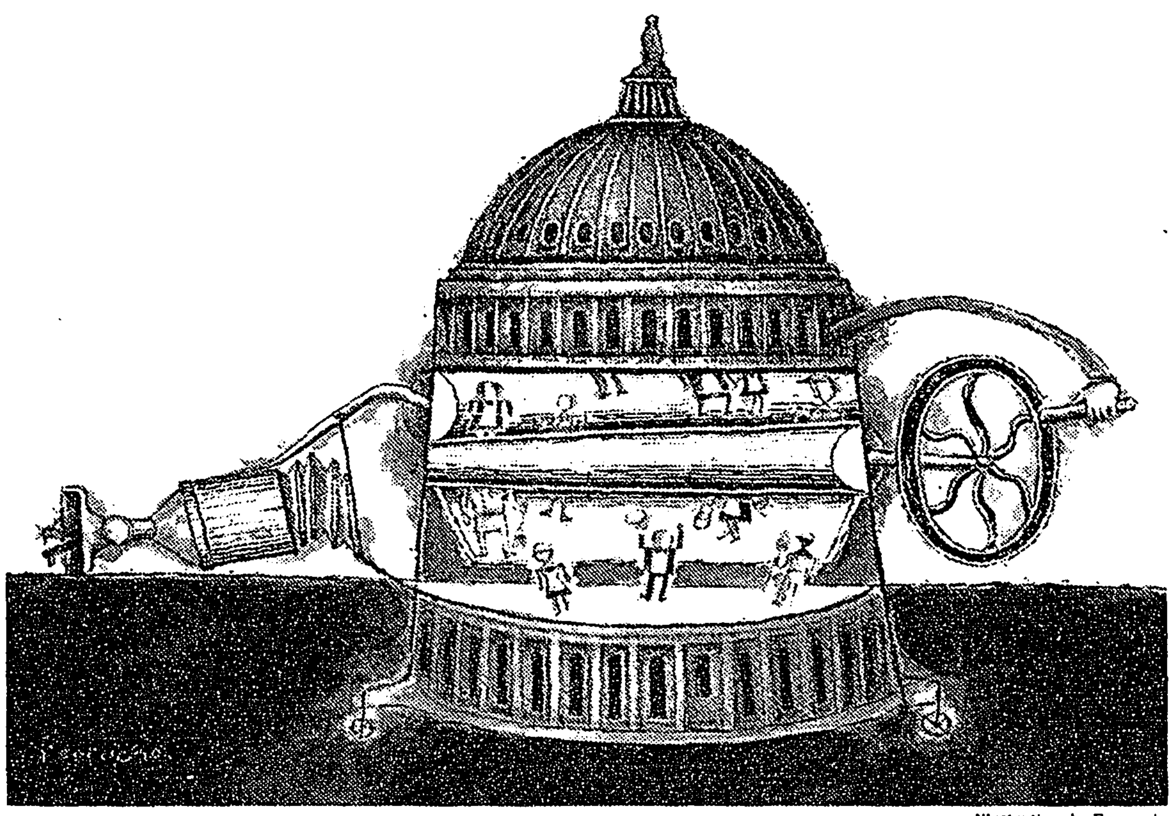
More letters, page 38.

The Times welcomes letters from readers. Letters for publication should include the writer's name, address and telephone number. Letters should be addressed to The Editor, Sunday Business Section, The New York Times, 229 West 43d Street, New York, N.Y. 10036. We regret that because of the large volume of mail received, we are unable to acknowledge or to return unpublished letters.

Viewpoints

Nanny Tax Lets Poor Pay, Rich Profit

By MARC LINDER and LARRY NORTON



Illustrations by Ferruccio

AMID their partisan bickering last month, Republicans and Democrats took time out to congratulate themselves for a piece of work well done. "A pleasant effort to correct the egregious wrong" done to taxpayers, said Representative Andrew Jacobs Jr., an Indiana Democrat. A chance "to make the lives of many hard-working Americans a little bit simpler," said Representative Jim McCrery, a Louisiana Republican.

What was all this bipartisan sweetness and light? None other than the so-called Zoë Baird bill, signed by President Clinton three weeks ago and retroactive to Jan. 1. But far from achieving "justice, fairness, civility," as Mr. Jacobs said, the "nanny tax" law is a Scrooge-like act that leaves the most vulnerable Americans out in the cold.

For one, the new law works a surprising switch. Remember the outrage in 1993 at the news that Ms. Baird and other prominent politicians had not paid Social Security taxes for maids, nannies or other domestic workers? Amid reports that only 25 percent of household employers followed the tax rules, few doubted that Congress would soon stop such wholesale wrongdoing against low-paid employees.

But in fact, the new measure does not help workers. It helps their privileged employers!

Parts of the new law make sense. Employers can now pay the Social Security taxes annually, and on their own income-tax returns, instead of making special quarterly filings. And the law also excludes students under 18, thus relieving employers from its strictures for youngsters who baby-sit or mow the lawn.

But Congress also quintupled the law's wage threshold — from $50 a quarter to $1,000 a year. This is a shameful tax break for wealthy citizens, one that will reduce the Social Security benefits of those who clean their houses and care for their children. The numbers are vast. Hundreds of thousands of workers will be deprived of disability insurance and old-age pension credits, say the actuaries at the Social Security Administration.

Under the old law, both employers and household workers had to pay a tax, now set at 7.65 percent each, when workers earned $50 or more a quarter. These payments gave workers the right to Social Security benefits.

By raising excluded income to $1,000 a year, the new law deprives household workers of Social Security's protections for all lesser sums. And the $1,000 is a minimum. In the future, it will be adjusted for inflation in $100 increments.

This is bad enough. But the nature of household work worsens the effect. For while the law calculates the $1,000 separately for each employer, tens of thousands of full-time employees work only one day every two weeks, or a half-day every week, for the same family. With workers commonly earning $4.25 to $5 an hour, many will fall short of the $1,000 threshold for each of several or many employers. As far as the Social Security Administration is concerned, all that hard work and income will have disappeared.

INSTEAD of raising excluded income to $1,000, Congress should have lowered it to $1. Other workers enjoy first-dollar Social Security coverage. Why shouldn't domestic workers?

Some people may suspect that domestic workers themselves favor the new law over the old, perhaps wishing to minimize their Social Security payments. This idea is misguided. Avoiding Social Security payments is shortsighted, especially for domestic workers; the lowest-paid are most in need of Social Security.

But misguided or not, worker preferences played no role in the law. Baldly put, the new nanny tax penalizes household workers as a favor to their wealthy employers — whose annual incomes may be 10 or even 100 times as great. For Congress to know this, and then to parade this measure as a step to benefit "hard-working Americans," is scandalous.

With this statute, Congress wanted in part to avoid the embarrassment of massive violations of the tax law. But to increase compliance by kicking the neediest workers out of Social Security makes as much sense as to reduce the homicide rate by decriminalizing the killing of poor minority women. ■

Marc Linder is a professor of law at the University of Iowa. Larry Norton is a lawyer with Texas Rural Legal Aid.

To Fight Foreign Bribery, Try Charity

By RACHEL EHRENFELD

THE key to the growing problem of bribery in international business may be found in a surprising place: corporate philanthropy.

The problem has long been known. In 1977, worried that such practices could weaken free markets, democracy and the global economy, the United States passed the Foreign Corrupt Practices Act. It forbids American companies to commit bribery overseas and authorizes heavy fines and imprisonment for violations.

While the world looked on bemused — many nations treat foreign bribes as a standard, even tax-deductible, business practice — American companies complained that the new law would hamper their global competitiveness.

The statute has largely been skirted. Exploiting loopholes, American companies simply mask foreign bribes as expenses and other third-party payments. Government agencies have often winked at this behavior, because it leads to more American exports and more American jobs. As a result, the dangers the 1977 law addressed have continued unabated.

How can charitable donations help? By satisfying corrupt officials' need for personal inducements while still avoiding direct bribery. Just as companies make contributions for reasons of charity, marketing and public relations in the United States, they should similarly make donations to worthwhile causes in these officials' names. Rather than pay off the deputy minister for telecommunications, for instance, American companies could make contributions on his behalf to a school, bridge or hospital wing.

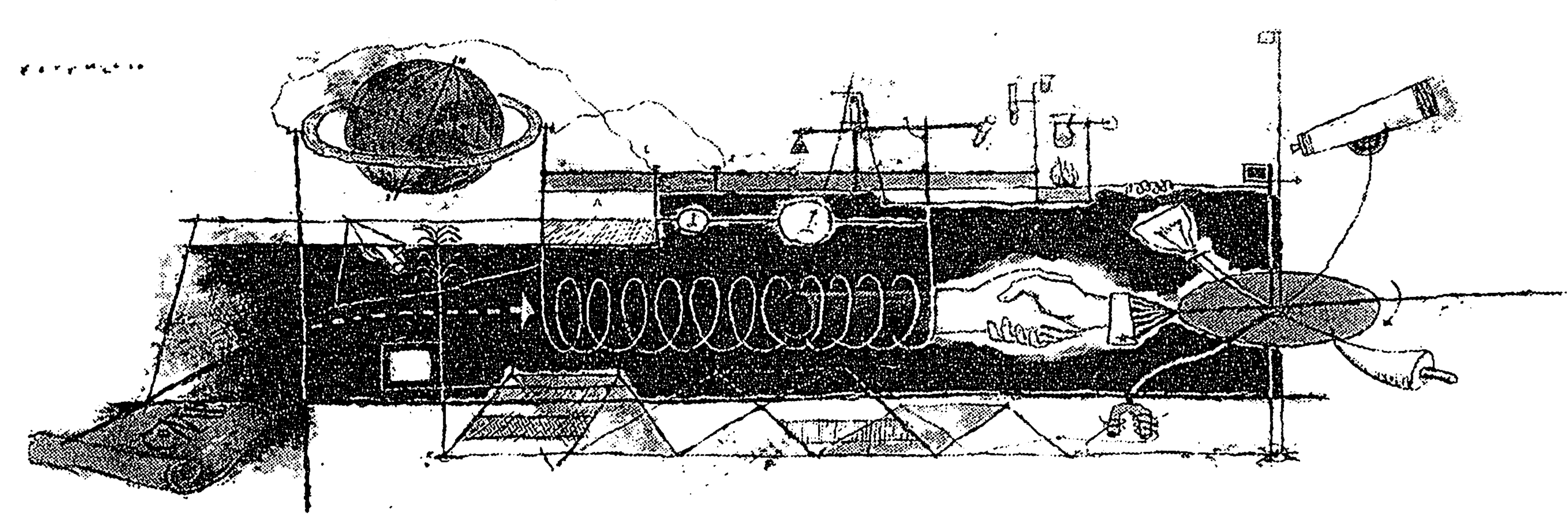
Unlike bribes, which line officials' pockets, these contributions have a major advantage: benefiting a worthy cause. But most importantly, the philanthropic approach will allow American companies to compete for foreign business in a forthright, honest way. If the corrupt-practices law is vigorously enforced as well, then the United States can help to substantially reduce bribery's grave dangers to free markets and democracy. And if other nations — which now see no alternative to business-as-usual bribery — are inspired by this new approach, the dangers can be reduced even more.

The idea has limits. While many foreign officials will welcome the enhanced public standing resulting from a gift to a worthy cause in their names, many others will insist on cash in hand for favorable treatment. Subterfuge would still be possible under the new law, too. And the philanthropic strategy may fail in the former Soviet Union and other places where civil society has been essentially eradicated and not yet rebuilt.

But, now, we have only two choices. American companies can secure business — but pay corrupting, dangerous bribes. Or they can spurn bribery — and lose out in global competition. Philanthropy, as an alternative to bribes, may seem naïve. But it is better than shrugging our shoulders. ■

Rachel Ehrenfeld is the author of two books about illegal drugs, "Narcoterrorism" and "Evil Money." She is now writing a book about how corruption undermines political and economic institutions.

U.S. Labs: Big Welcome for Business



By HAZEL R. O'LEARY

WHEN I came to the Energy Department nearly two years ago, one of my major tasks was to reorient its laboratory system to contribute more directly to industrial competitiveness and job creation. While some work remains on that score, I want companies to know that much progress has been made — and that I invite them, in this globalizing marketplace, to team up with this unique and powerful national resource.

The department's labs are vast — as Congress well knew in 1980, when it required them under the Stevenson-Wydler Act to collaborate with the private sector. The system includes 10 major, well-known, award-winning laboratories, including Los Alamos, Oak Ridge, Lawrence Livermore and Brookhaven. More than 30,000 scientists and engineers work within this system, studying high-performance computing, advanced materials, environmental technologies and manufacturing processes. While these activities are required by the department's public missions, they also strongly match industry's needs.

A recent trend heightens the system's potential: declining research and development by American industry. Downsizing and other cost-cutting activities have taken a large toll on corporate R.& D. budgets — particularly for the long-term research in which the department's labs specialize.

The system's value has not been lost on industry. More than 700 companies, in fields ranging from textiles to cars to semiconductors, now have more than 1,000 cooperative R.& D. agreements with the labs. These agreements, which have grown more than 70 percent since 1992, have a value of $2 billion, more than half of which is contributed by industry. When licensing agreements and other technology-transfer arrangements are counted, more than 4,000 companies — from giants like I.B.M. to small manufacturers — now collaborate with department labs.

But there have been rough spots. The culture of the labs, which historically have centered on national security and energy, had to be altered to focus on something new: customers. And there have been other frustrations for companies working with these Federal institutions.

Indeed, during my first weeks in office, I wondered if the labs could deal with companies without tying them up in knots of red tape. In late 1992, for instance, executives from Motorola told a Congressional committee that after 20 months of effort, it had still not signed a joint research agreement with one of the department's labs.

I knew we could do better. And today we are. In the past year, we have halved the average processing time for R.& D. agreements, from 32 weeks to 16 weeks. As a result, many companies that had been ready to abandon the labs have now formed productive research projects with them.

And Motorola? The $13 billion electronics company recently concluded an agreement with one of our labs not in 20 months but in 2 — a dramatic demonstration of the improvements.

More needs to be done, of course. For example, the department must set better priorities among competing options for teaming our laboratories with the private sector. Which of the many collaborative opportunities, we are now asking, will best help the economy by creating the most jobs and making industry competitive?

At the same time, these Federal labs must take care not to become job shops for industry, nor to perform the private sector's work. The department's fundamental purposes are public — stewardship of the nation's nuclear weapons stockpile, development of clean-energy sources and environmental technologies and basic research.

But as it advances these national missions, the department can and should help bring taxpayer-financed research into the marketplace. The department is doing this, and doing it better than ever. For companies that need a research partner, we invite you to take a look. ■

Hazel R. O'Leary is the Secretary of Energy.