RETURN ON INVESTMENT
of Effective Complaints Management: Public Sector Organisations

June 2020

REPORT

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1. Introduction

This project, entitled *Return on Investment of Effective Complaints Management: Public Sector Organisations*, explores the application and effectiveness of complaints management in government organisations in Australia.

Private and public sector organisations have paid increasing attention to complaints handling in recent years. Research indicates that effective complaints management in the private sector can result in a number of positive outcomes including: consumers may be satisfied and therefore retained; they may provide positive recommendations to others and escalation costs may be reduced. In addition, past research has shown that organisations can reap significant benefits in terms of customer feedback in the context of business process improvements. In the public sector, the benefits of effective complaints management are somewhat different. These benefits can involve more positive attitudes towards government and government departments as well as reduced escalation costs and improvements in service delivery. Despite growing research on the effectiveness of complaints management in public sector organisations, more needs to be known on understanding a Return on Investment (ROI) framework. Specifically, what are the associated costs and benefits designed to measure them.

As limited academic research exists on the effectiveness of complaints management in public sector organisations, this project is directed at improving the understanding of complaint management processes in the context of a ROI framework within the public sector to enable informed decisions about how complaints management practices can be improved. The Society of Consumer Affairs Professionals Australia (SOCAP) has commissioned this report in association with Department of Customer Service, Commonwealth Ombudsman, NZ Ombudsman, Ombudsman Energy and Water QLD, NSW Ombudsman, SA Ombudsman, VIC Ombudsman and WA Ombudsman to assist in complaint management approaches planning into the future.
2. Project Objectives

The overarching aim of this project is to enhance an understanding of the ROI of effective complaints management by analysing three public sector organisations (hereafter ‘data partners’) involved in complaints management. To achieve this project aim, the following research questions are advanced:

**RQ1. To what extent do public sector organisation measure the effectiveness of complaint management?**

**RQ2. What data relating to complaints are currently collected by public sector organisations and how does reporting take place? Do public sector organisations collect real time data? Does reporting lead to changes in terms of how services are delivered, or other organisational changes?**

**RQ3. What are the costs and benefits of client complaints management (CCM) in public sector organisations?**

**RQ4. Is it feasible to compute a Social Return on Investment (SROI) of CCM?**

These questions were addressed by adopting a three phased mixed-method research approach: 1) a detailed literature review, 2) qualitative research involving employees and clients, and 3) quantitative analysis of complaint processes and client complaint files. Also, in order to uncover practical insights and explore the proposed ROI framework the report develops some hypothetical complaints, drawing on the information provided by the data partners. To inform the conceptualisation of the ROI framework, selected material relating to the attitudes and perspectives of some of the stakeholders, namely complainants and complaint handlers, is included in this report.
2.1 The Research Team

This project was undertaken by a research team from the University of Newcastle, Australia. The research team was led by Professor Tania Sourdin and Professor Jamie Carlson and was supported by Emeritus Professor Martin Watts. The senior researchers were Christine Armstrong, Tanya Carlyle Ford and Madeline Muddle. The CEO of SOCAP Australia, Fiona Brown, together with the SOCAP Board, supported the project. An expert advisory panel – the ‘Return on Investment of Effective Complaints Management: Public Sector Organisations Steering Group’ (hereafter steering group) was also established to offer advice and support to the research team. A list of the steering group members is below:

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<tr>
<th>Yerma Alfaro Iglesias</th>
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<td>Janise Yong</td>
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The research team wishes to acknowledge the important input of the steering group and in particular Fiona Brown, the CEO of SOCAP, and express its gratitude to those who contributed to the project. The research team would also like to thank members of the steering group who provided feedback and input for the various drafts of the report. The researchers would also like to thank the three government agencies that engaged with the project. Each agency demonstrated a willingness to review their own processes and a commitment to ensure that their complaints management processes were effective and continuously improved.
2.2 Structure of this Report

This report is divided into eight sections. The first three sections summarise the background, research objectives and research design. Section 4 includes a detailed literature review where Section 5 presents the research findings. Section 6 discusses the calculation of Social Return on Investment of complaints management for public sector organisations and also includes material relating to the application of an ROI calculation in a series of hypothetical scenarios. Section 7 then focuses on the organisational implications arising from the study findings. Finally, Section 8 explores the research limitations and future research directions.

3. Research Design

Following an extensive literature review of public sector complaint management and the discussions arising from the review with the steering group, the following qualitative and quantitative data collection techniques were agreed upon:

a) Focus groups were held with frontline complaint handlers, escalated complaint handlers, complaint managers and others associated with complaint management to uncover relevant themes through a thematic analysis.

b) Organisational estimates were received by the three data partners to assist in determining costs and benefits of complaint management for each organisation.

c) Telephone interviews were conducted with complainants, which also contributed to the identification of themes.

d) An analysis of de-identified client complaint files.

Prior to data collection taking place, research ethics clearance was provided by the Research Ethics Committee of the University of Newcastle (UON). The UON Research Ethics Committee reviewed the project aims, methodology, timelines, recruitment and confidentiality procedures, as well as all invitation letters, participant information forms, consent forms, surveys, focus group questions and any other data collection materials to be used during the project. The
research participant information forms and invitation letters required the inclusion of details about voluntary participation, confidentiality, security and disposal of collected information. In addition, the recruitment of participants needed to comply with government requirements in terms of privacy and confidentiality. This meant that recruitment letters were sent by the various government departments to complainants who could then choose whether they wished to be involved in the project.

The researchers also made considerable efforts to inform and engage relevant stakeholders in the project. Information about the project was posted on associated websites, including those of SOCAP and the University of Newcastle, which also featured a video about the project. In addition, the research team gave presentations about the project and encouraged stakeholders, researchers and any other interested parties to provide comment regarding the project.

The researchers also attended several meetings with data partners to discuss data collection and the research process. The research team consulted with the project steering committee and relevant staff from each data partner to determine which data could usefully be collected.

Some data was provided in electronic form (via an excel spreadsheet and/or PDF file format) and all information was de-identified prior to analysis in accordance with ethical and privacy principles. There were significant issues with data collection as it was apparent that although all government departments collected data relating to complaints and complaint management, there was little focus on costs and benefits and this data needed to be manually created. This was also a significant issue in the previous ROI study. (The specific data fields that were sought are noted in Appendix B.)

Following the receipt of complainant acceptance details (by letter or via a telephone list) a telephone semi-structured interview took place (See Appendix C). The questions in the telephone interview were developed with input from the project steering group. The response rates to the telephone interviews were relatively low but were sufficient to inform the research
team about the range of benefits and costs associated with effective complaints management and to enable the ROI hypothetical scenarios to be modelled. Notably, one data partner organisation, which experienced considerable staffing changes, did not engage with this part of the process. In total, 37 interviews were undertaken with individuals who had made complaints to two of the public sector organisations participating in the research project.

Focus groups were also conducted with employees of all three data partners. In total, four focus groups were held, involving 38 individuals. Each focus group combined face-to-face and video conference communication to maximise the geographic and hierarchical scope of employees’ involvement. The topics discussed in focus groups with complaints staff included:

- The complaints process and how complaints are managed at the organisation
- The organisation’s definition of a complaint
- The complaint escalation process at the organisation
- Complaint staff training (initial and ongoing training)
- Complaints staff satisfaction levels and staff attrition
- The benefits of effective complaints management for consumers and the organisation
- How benefits and costs are measured at the organisation
- Impediments to effective complaints management.

The questions explored in the focus group are noted in Appendix A. Although the questions were used as a guide, many participants provided information that was outside the ambit of the questions. The focus groups were facilitated by Professor Tania Sourdin, Professor Jamie Carlson and researchers Christine Armstrong and Tanya Carlyle Ford, and were recorded and transcribed for qualitative thematic analysis by the research team.
4. Literature Review and Conceptual Framework

4.1 Public Sector Organisations – Introduction

The literature review focused on existing research on Customer Complaint Management (CCM) within public sector organisations. While there were a number of publications on best practice with respect to CCM when the review was extended to industry publications (e.g. government-funded studies by the Commonwealth Ombudsman), there were no publications that developed a measure of the effectiveness of CCM. This was also the case when the literature review was extended to include the literature on the concept of Social Return on Investment (SROI). Thus, there is an important gap in the complaint management literature.

As noted in our earlier report on the ROI effective complaint management in the private sector, private sector organisations are exposed to competitive forces to maximise market share. For this reason, customer retention, positive word of mouth (PWOM), repurchase value, customer feedback giving rise to organisational improvements and improved brand image are key benefits of effective CCM and hence are incorporated into the ROI measurement (Blodgett & Li, 2007; Cambra-Fierro, Melero, & Sese, 2015; Johnston, 2001; Sandelands, 1994; Stauss & Schoeler, 2004).

Private companies are not usually exposed to the same level of parliamentary scrutiny and public accountability as public sector organisations and may instead experience the “weaker process of shareholder and media questioning of company executives” (Brewer, 2007, p. 255). Conversely, public sector organisations are rarely subject to competitive forces since their client base is often captive, with limited or no scope for brand switching (Brewer, 2007). This means CCM benefits such as customer retention and repurchase benefit are rarely relevant for public sector organisations when calculating the ROI of the CCM process (Johnston, 2001). Instead, public sector organisations derive other benefits from effective complaints management, such as reputational benefits, PWOM and customer feedback which can be used for organisational improvement (Johnston, 2001). Also, as clients cannot ‘switch’ relationships are necessarily
long term and also public organisations are unable to sever a relationship with a client who may behave in a difficult or inappropriate manner. Moreover, the onus is on public sector organisations to effectively deal with complaints in order to ensure equitable and fair treatment of citizens. This means that there is (or should be) a social and moral benefit attached to effective CCM in relation to public sector organisations, that may not be as relevant to private organisations (Verboon & Goslinga, 2009).

4.2 Effective CCM in Public Sector Organisations

The Commonwealth Ombudsman’s report ‘Lessons in good complaint handling’ (Commonwealth Ombudsman, 2009) articulates guidelines to enable public sector organisations to deal effectively with complaints. These can be summarised as follows:

1. Culture: a focus on valuing complaints as a means of building relationships with customers and gaining their loyalty
2. Principles: the upholding of the principles of fairness, accessibility, responsiveness, efficiency and integration
3. People: the need for complaint handling staff to be well trained, skilled and professional, as well as supported within the organisation
4. Process: seven stages of complaint handling - acknowledgment, assessment, planning, investigation, response, review, and consideration of systemic issues - are recommended for an effective complaint handling process
5. Analysis: complaints should be utilised and examined as part of a continuous process of organisational review and improvement.

Ombudsmen and other government dispute-resolution agencies have been instrumental in delivering guidelines and initiatives to assist government organisations in improving the effectiveness of their complaint management systems. For example, the NSW Ombudsman and Customer Service Commissioner developed six high level ‘Commitments to Effective Complaint
Handling’, as part of a whole-of-government complaint handling improvement program. The commitments were:

1. Respectful treatment
2. Information and accessibility
3. Good communication
4. Taking ownership
5. Timeliness
6. Transparency

The development of these commitments and the related program sought to address findings of a NSW whole-of-government Customer Satisfaction Survey which indicated that only 50% of complainants found it easy to make a complaint, and less than 50% thought that their complaint was handled well (Customer Service Commissioner, 2015).

Studies in the management literature show that private sector organisations often elicit greater customer satisfaction than public sector agencies (Johnson, Herrmann, & Gustafsson, 2002; Singh, 1991; Tronvoll, 2007). It is suggested that this difference is due to the difficulty in attaining high customer service performance in service-dominated industries (such as public sector organisations), as opposed to product-dominated private organisations, due to the required involvement of the customer in the production of services and the inconsistencies inherent in such co-production (Fornell & Johnson, 1993; Johnson et al., 2002). Paradoxically, the rate of complaints is often lower in the public sector than it is in the private sector (Tronvoll, 2007). Hirschman (1970) suggests that customers will often not voice their dissatisfaction with monopolies but instead remain passively loyal because of the perceived futility of complaining, the lack of a competitive alternative or, sometimes, in the hope that things will improve in time (Hirschmann, 1970; Singh, 1991; Tronvoll, 2007).

The literature also suggests that organisations with little competition, such as monopolies, are slow to respond to complaints. This is because these organisations have a lower customer-
orientation due to the inability of the customer to exit the relationship and the absence of market forces (in the form of lost market share) indicating to the organisation that service improvements are required (Safdar, Qamaruddin, & Ghaffar, 2011; Singh, 1991). Complaints to public sector organisations are found to occur as a result of customers experiencing dissatisfaction due to: i) inappropriate treatment (including rudeness); ii) mistakes; iii) unclear or inconsistent procedures; and iv) perceived injustices (Brewer, 2007). In this regard, complaint management aims to address these issues and support client satisfaction.

While the concepts of repurchase benefit and customer retention do not usually pertain to a public sector organisation, there are still significant gains to be made when complaints are effectively managed. For instance, effective complaint management has been identified as a vital tool in gathering customer feedback used in improving the quality of services and ensuring the organisation maintains and develops a customer-focused orientation (Brennan & Douglas, 2002).

4.3 Perceived Justice

The literature based on CCM in both public and private sector settings indicates that complainants’ perception of justice can underpin complainant satisfaction. While complainants who contact private organisations can express their satisfaction or dissatisfaction with respect to their treatment both through decisions about future purchases, engagement with social and traditional media and may have more remedies in courts, tribunals and via dispute resolution schemes, dissatisfied complainants dealing with public sector organisations may have more limited opportunities to provide feedback about complaint processes. Thus, a complainants’ perceived sense of justice assumes particular significance in the absence of being able to impose economic sanctions against public sector organisations. Perceived justice is defined by reference to three categories:
1. Distributive justice: relating to perceptions the fairness and appropriateness of the tangible outcomes of the complaint (such as compensation) in the context of policies, law and social norms and expectations.

2. Procedural justice: in terms of the perceived fairness of the procedures and policies used to manage the complaint. This component may also relate to transparency, voice (participation), responsiveness (time taken), access and impartiality.

3. Interactional justice: arising from the perception of respect and fairness perceived by the complainant in how they were treated throughout the complaint process (Gruber, 2011; Karatepe, 2006; Tax & Brown, 1998; Tax, Brown, & Chandrashekaran, 1998).

The literature also identifies four dimensions of interactional justice related to: apology, explanation, attentiveness, and effort (Blodgett et al., 1997; Gruber, 2011; Tax et al., 1998). In empirical studies, interactional justice has been identified as having a greater positive effect on customer satisfaction than the first form and, in particular, distributive justice outcomes were found to be perceived to be of less value when delivered in a rude or disrespectful way (Blodgett, Hill, & Tax, 1997; Gruber, 2011; Karatepe, 2006). The significant impact of interactional and procedural justice highlights the importance of frontline employees in the complaint management process and the perception of service quality (Gruber, 2011).

When an organisation accepts some or all responsibility for a service failure, it may respond to a complaint with an accommodative or appropriately collaborative response, such as apology, compensation or corrective action (Johansen, Johansen, & Weckesser, 2016; van Noort & Willemsen, 2012). Empirical testing has found that such accommodative responses can be positively related to post-complaint satisfaction (Einwiller & Steilen, 2015) and can increase customer satisfaction while improving customer-organisation relationships and increasing positive WOM (Ma, Sun, & Kekre, 2015).

Evidence of delayed accommodative responses to complaints is particularly relevant given that a survey of 2000 UK and USA customers found that 100% consider an “issue to being resolved in a single interaction” as essential to online customer service (Conversocial, 2018). However,
the sincerity with which the organisation delivers the accommodative response is also significant according to research which showed that an organisation’s admission of wrongdoing and the perceived genuineness of its apology was more important than restitution alone (Tripp & Grégoire, 2011). The importance of perceived sincerity aligns with an examination of complaint behaviour through the lens of justice theory with research indicating that positive perceptions of employee receptiveness and interactional justice between employees and customers can increase the likelihood of a customer making a complaint (Voorhees & Brady, 2005).

Procedural justice theory in relationship to CCM has parallels in the service literature which explores the promptness of process. (Karatepe, 2006) finds that the absence of unreasonable delay had a greater positive impact on customer satisfaction than many other factors. In this study, perceived response times, as opposed to actual response times, were of most importance to customers. Thus, it is suggested that the public sector organisation’s adherence to a complaints policy that sets out maximum response times may not be enough to maintain customer satisfaction and justice perceptions. For this reason, Karatepe (2006) suggests that the organisation consider response times as perceived by the complainant and this will change on a case-by-case basis. For instance, while an organisation’s complaint policy may state that complaints will be addressed within 24 hours, but this wait may be unacceptable to a customer who considers that the issue that triggered the complaint can be readily resolved.

The potential disconnect between organisational policy and customer expectations and the impact this has on justice perceptions has been highlighted in the literature (Hartner, Rechberger, Kirchler, & Schabmann, 2008; Sourdin, 2015). A complaint process may be technically fair in terms of complying with an organisational complaints policy or external law and/or regulations, and working towards an outcome that is correct within these parameters, however, the process may be perceived as unfair if the complainant feels that they have incurred negative economic, social and health impacts as a result (Sourdin, 2015). This is echoed in studies on procedural justice within the legal system, which show that “frequently
the experience of procedural justice has a deeper impact on people than the outcome of a case” (van den Bos, Van der Velden, & Lind, 2014, p. 10).

Literature on procedural justice in the broader field of law, in contrast to the narrower field of CCM, merges the concepts of interactional justice and procedural justice and refers to procedural justice so that it includes not only the fairness of government procedures, but also how the organisation applies those procedures through interpersonal treatment (Hartner et al., 2008; van den Bos et al., 2014). Since “the distinction between procedural and interactional justice is an analytical distinction that does not always work in practice” and are often difficult to separate from the perspective of the customer, this literature review will adopt the broader definition of procedural justice, which encompasses what is sometimes termed “treatment fairness” or the interactional components of procedural justice (van den Bos et al., 2014, p. 6).

Perceptions of procedural justice can drive compliance behaviour and customer cooperation (Hough, 2012). This link is based on the argument that when customers are treated fairly and respectfully by a public sector organisation, they are more likely to trust the organisation, perceive it as legitimate and subsequently cooperate with the organisation and comply with its regulations (Hough, 2012).

Literature relating to the broader benefits of perceived justice in relation to taxation compliance has found that justice perceptions can enhance compliance behaviour (Hough, 2012; Verboon & Goslinga, 2009). While early research into justice perceptions in relation to tax compliance focused on distributive justice, more recent research has addressed the role of procedural justice in the tax context (Hartner, Rechberger, Kirchler, & Schabmann, 2008) with findings suggesting that perceptions of procedural justice were linked to tax compliance and tax morale (Verboon & Goslinga, 2009). Moreover, in policing research, perceptions of procedural justice have also been linked to increased compliance with the law and cooperation with the police (Hough, 2012). While repurchase benefit has limited relevance to public sector organisations, informational, attitudinal and communication benefits are relevant in both public and private sector settings.
4.4 ‘Fair Process’ Benefits

There is a body of literature on the ‘fair process effect’, which refers to the attitudinal benefits of perceived procedural justice for public sector organisation clients. Specifically, when a client perceives that a public sector organisation has treated them fairly and justly, “they are more likely to feel happier about their dealings with the official, accept the decisions, trust the government and respect its legitimacy” (van den Bos et al., 2014, p. 11). The potential disconnect between organisational policy and client expectations and the impact this has on justice perceptions has been highlighted in the literature (Hartner et al., 2008; Sourdin, 2015). A complaint process may be technically fair in terms of complying with an organisational complaints policy or external law and/or regulations, and working towards an outcome that is correct within these parameters, however, the process may be perceived as unfair if the complainant considers that they have incurred negative psychological, economic, social or other impacts as a result of the way in which the process has been managed (Sourdin, 2015). This is echoed in studies on procedural justice within the legal system, which show that “frequently the experience of procedural justice has a deeper impact on people than the outcome of a case” (van den Bos et al., 2014, p. 10).

While the literature does not address ‘the fair process effect’ in relation to CCM, it would be fair to contend that these benefits would also apply when complaints are dealt with effectively. In particular, an escalation of a complaint (and its associated costs) may be avoided when a customer perceives they have received a high level of procedural justice (van den Bos et al., 2014). Moreover, perceptions of procedural justice have been linked to increased client cooperation and compliance (Hough, 2012; Verboon & Goslinga, 2009).

The information and communication benefits of effective CCM are highlighted in the Commonwealth Ombudsman’s report ‘Better Practice Guide to Complaint Handling’, which identified the value of complaints handling to the public sector organisation (Commonwealth Ombudsman, 2009). The identified benefits of effective complaint management included:
i) benefits to reputation and administration
ii) improvements to the organisation’s transparency and accountability
iii) insights into the organisation’s weaknesses and areas to stimulate improvements
(Commonwealth Ombudsman, 2009).

The monetary return on such benefits is not examined, however, and there is an acknowledgement in a Commonwealth Ombudsman review of complaint management within public sector organisations that there is sometimes a failure to use data and feedback obtained through the CCM process for organisational improvement. In particular, the volume of complaints can themselves take the primary focus, as “[m]any agencies primarily use complaint information to report on the nature and number of complaints, rather than using complaints to find out more about its business” (Commonwealth Ombudsman, 2014, p. 62). For this reason, the Commonwealth Ombudsman advocates improving the quality and scope of the data collected (Commonwealth Ombudsman, 2014). Other costs associated with ineffective complaints management, specifically in relation to public sector organisations, are claimed to include reputational damage, loss of public confidence and trust and increased external oversight (Commonwealth Ombudsman, 2014).

4.5 ‘Fair Process’ Costs

The “fair process effect” may also affect the costs to a public sector organisation when it ineffectively deals with complaints, as a client who considers that they have been denied ‘fair process’ in their dealings with government are “far less cooperative, they are more likely to complain or to resort to legal action to try to prove their case, or to behave in an anti-social manner” (van den Bos et al., 2014, p. 8). The literature also that asserts that the ‘fair process effect’ is more enhanced and of greater importance in negative situations, as it is argued that negative situations have more of a psychological impact (van den Bos et al., 2014). This assertion is of particular relevance to CCM as complaints usually arise from negative service experiences (Istanbulluoglu, Leek, & Szmigin, 2017). Moreover, as the research literature has
shown that “procedural justice is important when outcomes are favourable and even more important when outcomes are unfavourable” (van den Bos et al., 2014, p. 11), the client’s perception of having experienced a fair process could be more relevant when the complaint outcome is not in the complainant’s favour.

The negative impact of low procedural justice perceptions can result in increased escalation costs (van den Bos et al., 2014). These quantifiable costs are incurred when a complaint is escalated to an external complaint handler (usually an ombudsman or other government agency) and are usually incurred when a complaint is not resolved internally by the organisation (Sourdin, 2016) or when a client feels that they have not been dealt with fairly (van den Bos et al., 2014), and increases costs, such as lost productivity and hiring external resources such as mediators and solicitors.

4.6 Extended Benefit and Public Sector Organisations

CCM reform, which aims to make organisational improvements that benefit the many that complain (rather than the few), is regarded within the literature as evoking citizen-centric values (Brewer, 2007). Given that the benefits of these organisational improvements are often not immediately evident nor seen as a direct benefit of CCM, this group of benefits is referred to as Extended Benefit. However, the literature attests that some public sector organisations do not harness client feedback, gathered through complaints, to produce extended benefit for the organisation. For example, within public healthcare there is a perceived need for guidance in using such feedback in a systematic way to improve processes, services and training, with the literature identifying the tendency for complaints to be used to address initial issues with clinicians and other health staff, sometimes resulting in defensive employee responses (Walton et al., 2014), rather than addressing broader cultural, systemic and procedural issues.
4.7 Motives of Public Sector Complainants

The literature highlights a potential contrast in motives between private and public sector organisation complainants, in that public sector complainants may be less motivated by compensation and may instead strive for an assurance that an issue will be addressed and thus not occur again (Friele & Sluijs, 2006). Other non-monetary outcomes sought by complainants include explanation, apology or corrective measures to address the cause of the complaint (Bismark et al., 2006). A desire for process, product or people improvements was also highlighted in Walton’s (2014) study that found some complainants to healthcare organisations and ombudsmen were dissatisfied with the outcomes in that they could not be assured that the practitioner or employee was disciplined (Walton et al., 2014). Moreover, research into healthcare complaints in the Netherlands found that the primary reason for complaining was to prevent the incident from happening again, not out of a purely altruistic intent, but in order to achieve perceived justice with the practitioner or caregiver admitting “to a mistake when it has occurred” (Friele & Sluijs, 2006, p. 109).

4.8 Characteristics of Public Sector Complainants

Limited literature exists examining the characteristics of complainants to public sector organisations (Tronvoll, 2007). This is in spite of the increased importance of complaint behaviour in regards to monopolistic government organisations, where customers are often denied the option to ‘speak with their feet’ and leave an organisation with which they are dissatisfied (Tronvoll, 2007).

According to Hirschmann (1970), a dissatisfied customer has three potential options: (a) exit, (b) voice, and (c) loyalty. When dissatisfied clients are denied the option to exit, which is often the case with public sector organisations, the likelihood of complaints is possibly increased although the belief that complaining will have little impact on the monopolistic organisation may cause the dissatisfied customer to remain passively loyal rather than complaining.
(Hirschmann, 1970; Singh, 1991; Tronvoll, 2007).¹ These clients may be “potentially explosive” to the organisation (Tronvoll, 2007, p. 44) because “in frustration they direct their anger towards the system, viewing both government and business in very negative terms” (Warland, Herrmann, & Willits, 1975, p. 161).

The incidence of non-complaining may be more pronounced for those clients of public sector organisations who are more vulnerable (such as those who are disabled, elderly, members of an ethnic minority or victims of abuse) (Garrett & Toumanoff, 2010). For example, perceived futility, physical weakness and a lack of knowledge regarding how to complain have been cited as reasons for dissatisfied public healthcare clients deciding against making a complaint (Walton et al., 2014). The Commonwealth Ombudsman has acknowledged these limitations and suggested that “vulnerable groups, or those with special needs, may need more support to understand and trust that they are able to complain without adverse consequences, and some may need assistance to formulate their complaint” (Commonwealth Ombudsman, 2014, p. 29).

Female healthcare clients also expressed a fear that their complaints would not be taken seriously or that their personal care may be adversely affected (Walton et al., 2014). Those clients who were less likely to complain were found to reside in socio-economically deprived areas (Bismark, Brennan, Paterson, Davis, & Studdert, 2006). Studies in the 1970s and 1980s concurred with these findings, and also concluded that complainants in competitive markets are more likely to be from higher economic groups, due in part to this group’s access to resources and “self-confidence and information in dealing with marketplace problems” (Tronvoll, 2007, p. 33).

However, not all studies have found that complainants are more likely to be from higher socio-economic groups. Tronvoll’s empirical analysis of complainant characteristics within a monopolistic market delivered contrasting results. Public sector complainants were more likely to be from lower social-economic groups. Moreover, a significant proportion of these

¹ The applicability of these options for those who complain about public sector organisations is reconsidered in Section 6.2.
complainants were members of a political group, suggesting that political involvement and social engagement support and reinforce complaint behaviour (Tronvoll, 2007).

‘Consumer sophistication’ has also been highlighted as a determinant of the propensity to complain (Singh, 1990). Attributes, such as a client’s knowledge of alternatives in the market and awareness of consumer-protection rights and complaint mechanisms, contributed to an individual’s consumer sophistication and confidence in complaining (Singh, 1990; Tronvoll, 2007). These insights are consistent with Hirschman’s earlier assertion that monopolistic service providers, such as public sector organisations, are “regulated” by complainants who are the “qualitative elite” (Hirschmann, 1970; Tronvoll, 2007).

4.9 Citizen or Consumer?

A move towards a consumerist approach to complaint management in the public sector in the early 21st century saw a shift from viewing the complainant as a citizen, to viewing people as marketplace consumers. While a focus on the rights of the client is in accordance with a social justice agenda, the service-dominant logic that the value of a service is uniquely determined by the client (Lusch & Vargo, 2006), and the philosophy that the ‘customer is always right’ (Woo & Fock, 2004), has been framed within the literature as a possible undermining force in ‘due process’ being successfully undertaken in the client management process by public sector organisations (Brewer, 2007, p. 549). While such a shift towards complainant as consumer reflects contemporary management trends, the literature asserts that it is also a consequence of the increasing role of privatisation and public-private partnerships within public sector organisations (Brewer, 2007).

The rise of market-centred governance in developed nations has increased the customer-orientation of public sector organisations. While private organisations must adopt such an approach in order to increase customer satisfaction, retain current customers and acquire new customers, and remain competitive, public sector organisations are often without competitors,
thus rendering their clients captive. On the other hand, many public sector organisations may consider that they are also captive – that is, unlike a customer business relationship, it is often not possible to sever a difficult relationship. In this regard, the difficulties in managing difficult client behaviours in complaints against government has long been acknowledged (Wheeler, 2014 and Sourdin, 2014). The cost involved in dealing with difficult and obsessive client behaviour where there is little possibility of severing the relationship may also be extensive and a factor in promoting more effective initial and continuing complaints management.

Haque (2000) argues that the market-centred, customer-orientated, public sector organisation tends to favour the economic priorities of efficiency and productivity over public priorities of equality and representation, thus shifting the public sector organisation’s paradigm of accountability. Specifically, he suggests that the new private-sector priorities of “efficiency, economy, competition, and value-for-money” have overtaken the traditional public objectives, such as “achievement of socioeconomic progress, law and order, poverty alleviation, employment generation, and public well-being” (Haque, 2000, p. 601).

This shift from citizen to client within the public sector challenges the traditional public sector paradigm of accountability to the collective public good (Haque, 2000). Likewise, Brewer (2007) agrees that this consumerist approach to governance can place a focus on customer satisfaction and individual needs, at the expense of collective community interests. This focus on responding to individual complaints rather than underlying systemic problems may be accompanied with a preoccupation with input/output KPIs which are geared to cost efficiency with respect to resources used in managing complaints through the use of metrics such as the number of complaints or the average time or cost of resolving a complaint.

Clearly the costs of complaint management in both private and public sector organisations are somewhat easier to identify, if not measure in the absence of systematic data collection. Some costs may however be elusive but may still be relevant. For example, the public costs of an escalated complaint may include the monetary costs of a public inquiry and may also include the costs of setting up additional regulatory or oversight arrangements. In general, however,
benefits for public sector organisations are harder to conceptualise and even harder to measure than benefits for private organisations, since they are both economic and social in origin. In turn, this requires that all relevant stakeholders are identified and consulted. In the case of a government agency, the stakeholders would consist of clients of the agency, all staff in the agency, including senior management, and the responsible government minister and ultimately the public.

4.10 The Concept of Return on Investment of CCM and its Measurement

Introduction
The conceptual framework for measuring the return on investment of CCM is informed by how ROI is measured in the economics and finance literature. An organisation makes physical capital or financial investment decisions and incurs costs which are largely under their control, although in the case of physical capital investment cost overruns can occur, which may be outside its control.

The returns on a physical capital investment will reflect the quality of the product or service which is being produced, including the before and after sales service. Additionally, returns will also reflect general market conditions, competition determined by the quality of similar products or services being produced by other firms, and the general level of product demand. When considering whether new capital investment is worthwhile, a private organisation will estimate a rate of return on the investment, which it will compare to the prevailing and expected future interest rates.

If the proposed investment is expected to make a return which yields a significant margin over its borrowing costs plus an allowance for risk, the investment would be worthwhile. In short, the organisation is comparing the return on investment net of borrowing costs and a margin for risk with the alternative of doing nothing. On the other hand, the overall rate of return from say
the purchase of a financial asset can be influenced by a range by factors, including its degree of risk and general financial conditions, such as future interest rate movements.

There is a limited literature which formally explores Complaint Management Profitability (CMP) and the ROI of complaint management in private sector organisations. Here we need to recognise that, in contrast to the discussion above, resources have usually already been committed to the CCM process, in terms of employment of complaints staff, their training, the development of complaint procedures and so on, so that the ROI measures the rate of return on that investment which has been undertaken. Stauss & Schoeler (2004, p. 155) note that, “The sum of the benefits less the measured costs equals the profit of complaint management.” However, the variables that comprise the benefits and costs differ between studies.

**Costs and Benefits of Customer Complaint Management**

The major tangible costs of customer complaint management, as they pertain to public and private organisations, are defined in the literature (Stauss & Schoeler, 2004) as:

- **Personnel** (staff working specifically on complaint handling)
- **Administration** (such as office space and resources)
- **Communication** (such as postage and telecommunications)
- **Response** (that arise from compensation, repairs, gestures of goodwill and paying out warranties).

Also, Stauss and Schoeler (2004) identified four types of benefits of complaint management for private sector organisations:

- **Information Benefit** (arising when information from complaints are used to improve organisational processes and products)
- **Attitude Benefit** (comprised of the customer’s positive feelings towards the organisation when the complaint is dealt with effectively)
- **Repurchase Benefit** (derived from retaining the customer)
- **Communication Benefit** (brought about by positive word-of-mouth and referrals).
The resolution of complaints being addressed in public sector organisations may entail organisational changes, such as specific improvements to service provision or the way complaints are handled which may be addressed by additional training. These changes can usually be readily implemented subject to any constraints imposed by prevailing legislation. Often such changes are process changes. This can be contrasted with the processes that may be required in the private sector where defective or harmful product that may need new investment in the production process of a private sector organisation.

In our earlier report about CCM in private sector organisations, we introduced a number of innovations in the conceptualisation and measurement of the ROI of CCM. As a post cursor to this report, the research team developed the ‘ROI Complaints App’, a user-friendly online ROI calculator, which provides an approximate ROI calculation based upon simple cost and benefit estimates entered by a complaint manager. For the purposes of the ‘ROI Complaints App’, we streamlined some of the cost categories based on the principle that labour costs are the main driver of costs incurred within private sector organisations. Further, we dropped the direct/indirect cost nomenclature.

These changes with respect to the measurement of costs of CCM for private sector organisations are further refined for the purpose of calculating the costs of CCM for public sector organisations. Likewise, the classification of benefits proposed by Stauss and Schoeler (2004) need amendment when public sector organisations are being considered, since these outcomes are less tangible because usually, they cannot be readily measured in dollar terms. In addition, the concept of repurchase is inappropriate for clients of public sector organisations. The conceptual foundations for the measurement of costs and benefits of the CCM process and the calculation of an SROI are outlined in Section 6.

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2 The ‘ROI Complaints App’ was developed with the assistance of developer Dylan Causey to enable SOCAP members to estimate an ROI of Customer Complaints Management.

3 This simplification is designed to reflect the fact that office rents are likely to be positively correlated with wages.
4.11 The Concept of SROI

The concept of the Social Return on Investment (SROI) arose in the USA in the 1970s, in respect of the development of a cost-benefit analysis for evaluating government contracts (Antonaras, Iacovidou, & Memtsa, 2011). The SROI reporting tool is still used to place economic value on the social, environmental and economic costs and benefits of a project or activities of an organisation (Antonaras et al., 2011). The increasing focus on the social impact of organisations on the communities and environments in which they operate has increased the onus on capturing a SROI in addition to or instead of the traditional economic ROI.

The Roberts Enterprise Development Fund in the USA originally developed the SROI concept (Roberts Enterprise Development Fund (REDF), 2000). As with the calculation of the ROI, the SROI is based upon accounting principles and cost-benefit analysis, but in addition to incorporating financial variables, a SROI involves assigning a monetary value to social and environmental outcomes. SROI is typically measured as a ratio of the value created to the cost of generating that value but, as with a ROI, it can be readily transformed into a rate of return. Millar and Hall (2013) argue that it is the emergence of the so-called third sector in the UK and the need to measure their performance and value (Peattie & Morley, 2008) which has led to an increased focus on the calculation of an SROI.

In spite of the benefits of measuring SROI for an organisation as few as 1% of organisations do so, largely due to the difficulty in assigning monetary proxies and financial values to ‘soft’ outcomes (Millar & Hall, 2013). Of those organisations that measure SROI, many undertake a bottom-up approach of recording client feedback, analysing user forums and developing case studies (Millar & Hall, 2013). Some organisations use customised measures, often relating to Key Performance Indicators (KPIs). For instance, the National Health Service (UK) used monthly reports on defined outputs, such as the number of reduced hospital admissions as a result of the NHS intervention (Millar & Hall, 2013). In this instance, a narrow perspective is being adopted as to the value being created in hospitals with the focus being on economic efficiency.
It is important to emphasise here that the ROI being calculated relates to the performance of a third sector or public sector organisation. In principle, performance metrics can be developed in consultation with stakeholders in advance of performance being evaluated, rather than retrospectively converting performance measures into a pecuniary quantum. This engagement between a public sector organisation and the other stakeholders is of course a useful exercise, given the opportunity for an exchange of views about what are reasonable expectations about what the quality and quantity of services that are provided, although it is challenging to assemble a representative group of clients, given their heterogeneity with respect to social and economic circumstances.

In this context, the limited comparability of SROI measures between organisations is an issue, however the SROI can be a valid tool for the same entity at various points in time (Maier, Schober, Simsa, & Millner, 2015; Social Ventures Australia Consulting, 2012).
5. Research Findings

The following research findings were developed following a review of the literature, a thematic analysis of qualitative data collected through focus groups with complaints management staff as well as interviews with complainants. The research findings were also informed through an analysis of de-identified client complaint files, supplied by the three data partners. The findings which are reported are aligned to each of the four research questions outlined in Section 2.

**RQ1. To what extent do public sector organisations measure the effectiveness of complaint management?**

There is considerable variation in terms of how public sector organisations measure the effectiveness of complaint management. Some organisations measure and report on very little in the context of complaints. Others have sophisticated systems, processes and reporting approaches. The variations arise because of differing levels of evolution on terms of complaints systems, different understandings of what a complaint is, and variations in terms of how complaints are received, managed and finalised. These factors are discussed in some detail below in the context of the research findings.

5.1 Differing stages of evolution in complaints management practices

The outcomes of this research show that complaints management practices vary significantly across the public and private sector organisations. There are highly evolved systems and processes operating with sophisticated data analytics and reporting of that data informing senior leadership about potential issues in regions and with products and services. In other public organisations, complaints data may involve minimal tracking (even with respect to responsiveness) and little flow through of information to senior management.
Generally, contemporary complaints management is pro-active, and client focused so that consideration is given to the complaint resolution and also the benefits to the organisation (Evanschitzky, Brock, & Blut, 2011). These benefits can include SROI, enhanced organisational learning, client engagement, positive behaviour and other less tangible benefits. As one complaints staff member noted, the organisational learning in an evolved system can be significant: “It only takes one customer to have changes made.” – Complaints Staff.

In the public sector, there is evidence that some more sophisticated arrangements are in place and this was true of some of the data partners. However, at times standards, policies and legislative arrangements may mean that information about complaints may not be tracked if substantive issues are either not dealt with (because they fall outside the legislative ambit of operations) or because, once a complaint is escalated, there may be limited follow up. While the extent to which this occurs varies across the public sector, the type of reporting back that may occur in some parts of the private sector may be much more limited in the government sector.

Even when there are standardised systems in use, some complainants expressed concerns that some complaints at initial stages were not recorded or appropriately escalated. These issues can be related to internal departmental time constraints, individual perceptions of when an expression of dissatisfaction becomes a complaint, competing workplace demands, and a lack of understanding of the importance of complaints reporting (Luria, Gal, & Yagil, 2009).

Other government agencies may have less well-developed escalation processes, which can lead to frustration on the part of both complainant and the complaint handler. Whilst some public sector organisations have committed significant resources to develop and implement sophisticated complaint management systems, how these systems operate may be governed by legislative arrangements. Also, some complainants noted that they could be ‘stuck’ with no other options:

“You can’t take your business elsewhere. We are stuck.” – Complainant
“The problem is you are limited with where you can go. Limited options with departments in the government. There is no other place to take this.” – Complainant

“Dealing with (this government agency) is not option. If it was a private company, I would take my business elsewhere, but you don’t have that option.” – Complainant

As noted previously, this ‘stuckness’ also applies to the public sector organisations. Unlike many private sector organisations, a public sector organisation cannot usually ‘end’ a relationship with a client. Even where a client is declared vexatious (which involves a difficult process and considerable time and cost investment) the relationship with a client will continue to exist and complaints will still require some management (Morris, Canaway & Bismark, 2017).

The lack of viable perceived escalation points may also be a concern. An effective complaint system should ideally lead to a reduction in escalation rates to third-party dispute resolution agents such as ombudsman, tribunal or courts (Sourdin, 2016), which reduces costs. However, for some dissatisfied complainants in the government sector this may not appear to be an option and escalation processes are not necessarily made clear across the sector:

“We don’t get to change the level of engagement - it is forced upon us as it’s a government agency. We are forced to deal with them.” – Complainant

On the other hand, staff had a different perspective on complaints escalation services:

“Staff have full access to all procedures so they can access where they need to escalate something to, where to find help, wording if they need to draft a letter to the client.” – Complaints staff.

The relationship with a complainant is often ongoing in public sector organisations. Thus, the inadequate handling of a complaint by staff can lead to greater costs being incurred, through extra resources being required and possibly a detrimental impact on staff morale, because there must be some form of resolution of the complaint. This may entail negative forms of behaviour by the client, who has reluctantly accepted the outcome.
On the other hand, a customer of a private sector organisation may well remain dissatisfied with the complaint resolution process, which they can express by taking their business elsewhere, which is still detrimental to the organisation, and will not result in ongoing management costs.

Perceptions about the style of engagement can also be linked to telephone waiting times and other accessibility issues. In terms of the use of technology to enhance complaint handling approaches, there are also significant differences across government agencies, and complainants may have expectation (in part derived from their experiences in the private sector) that more options will be available to them in terms of how they make a complaint and how this is followed up. More vulnerable complainants such as the elderly, non-native language speakers, people with disabilities or substance abuse issues and people in remote locations (Brennan et al., 2017) may have particular issues with access to systems. As with other systemic differences, government departments may have significant variations in terms of approaches that can at times be linked to security and confidentiality concerns (see also discussion at 5.2).

### 5.2 Differing definitions of what constitutes a complaint

The Australian and New Zealand Standard Guidelines for complaint management in organisations (AS/NZS 10002:2014) defines complaints as an:

> ‘expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required’ (Standards Australia, 2014).

However, the research findings show that the data partners do not usually apply this definition, in practice. Such expressions of dissatisfaction are treated as client enquiries or comments and are usually not considered as complaints unless they cannot be resolved at the first port-of-call (e.g. the service desk or customer enquiry hotline).
For example, one frontline complaints staff member noted: “Sometimes our staff don’t know what it looks like or smells like or tastes like. They’re not sure the difference between a complaint and just business as usual. We see that a lot in our face-to-face service delivery centres. They see a complaint that they don’t look at as a complaint.” – Complaints Staff.

This lack of staff certainty about the ‘tipping point’ or defining moment that an enquiry becomes a complaint can lead to an under-reporting of complaints. This under-reporting can potentially lead to an under-resourcing of complaints departments and missed opportunities in identifying complaint trends and systemic service failures.

The uncertainty around when to record complaints was acknowledged by several complaints handling staff who noted that those clients who contact them through designated complaint channels are not necessarily recorded as making a formal complaint. For example, one employee remarked:

“If we can solve this customer’s problem before they leave - thumbs up - no complaint reported whereas we quite clearly know these are complaints because they’re coming through the 1800 complaint line.” – Complaints Staff.

Conversely, other employees remarked that some complaints were not significant enough to merit being recorded as a complaint, further emphasising that the criteria around what constitutes a complaint is often subjective and inconsistently applied.

“When we receive a call one of the first things we tried to ascertain is, is this a complaint or is it just an enquiry? It’s usually fairly black and white, but not always. But in terms of whether it’s just feedback or just a complaint it’s still recorded the same way.” – Complaints Staff.

It was also remarked that these client concerns could be more effectively dealt with by frontline staff, thereby delivering more immediate service recovery for the client. One employee remarked: “In my experience roughly estimating that maybe only one in three calls are actually complaints.” – Complaints Staff.
Another added their voice to this point: “A complaint should only be escalated when it meets a definition and has proper reasons. L1 staff do not always know this themselves.” – Complaints Staff.

The over-reliance on referring clients to complaint departments may result in an over-reporting of complaints and perhaps delays in addressing client concerns. There was some frustration that frontline staff sometimes rely on escalating complaints due to a lack of resources: “Most of the service desk staff are time-poor. It all becomes too easy to just ‘escalate it’.” – Complaints Staff.

Moreover, some employees remarked that escalated complaints were often minor and could have been resolved in the first instance. This observation indicates an uncertainty about the distinction between a low level and escalated complaint: “The escalated complaints team is spending too much time on low level issues. 60% of the time are these issues could have been managed at Level 1.” – Complaints Staff.

Complainants also expressed their frustration regarding how complaints were identified by the organisation. In particular, several complainants were aggrieved to learn that, after several points of contact, their concern had not been recorded as a complaint and was therefore ‘not in the system’. Moreover, when these complainants were referred to the complaints team, they were often satisfied with their experience but frustrated that such a referral was delayed. For instance, one complainant remarked: “Why didn’t they tell me from the outset that I should make a complaint at the beginning? The handling of my issue was incompetent until it got to the complaints department and they sorted it. My experience with the complaint department was actually positive.” – Complainant.

Clients’ lack of awareness around complaint processes and how to begin the process of making a complaint is of particular concern in the public sector, where the incidence of non-complaining may be more pronounced for those clients who are more vulnerable (such as those who are disabled, elderly, members of an ethnic minority or victims of abuse) (Garrett &
It is probable that the extent to which this is a greater issue in public sector organisations (as compared with private sector organisations) varies according to the visibility and accessibility of the complaints system (the researchers would suggest that in some public sector organisations there is less accessibility) as well as the evolution of the complaints system. Where complaints have only been a recent focus in a public sector organisation, there may be little understanding of the complaints process by staff and clients. For example, although there may be some understanding that an appeal can be made in relation to an administrative decision, there may be little understanding that a complaint can be made about staff rudeness or delay (see also discussion below).

Further, there were several complainants that commented that since making their first complaint their complaint knowledge had expedited subsequent complaints. While, this complaint knowledge may benefit those clients, such ‘complaint sophistication’ would not apply to many first-time complainants. While awareness of consumer-protection rights and complaint mechanisms, contributes to an individual’s consumer sophistication and confidence in complaining (Singh, 1990; Tronvoll, 2007), it is paramount that the organisation’s complaint process be highly visible in order to maximise equitable accessibility (Ang & Buttle, 2012). As one complainant commented: “It could have been clearer on the website how to make a complaint.” – Complainant.

Along similar lines, another stated: “Systems need to be improved. The actual mechanism for logging a case isn’t very clear. The website doesn’t make it clear how to choose to interact with them.” – Complainant.

5.3 Channels of complaints

According to the ‘Standard Guidelines for complaint management in organisations’, visibility and accessibility are two of the most important factors of a complaints management system, with a focus on equitable accessibility for all clients (Ang & Buttle, 2012). The availability of a
range of flexible and user-friendly complaints channels is key to ensuring accessibility for all potential complainants (Rosenmayer, 2018) and literature on complaint management within the public sector emphasises that an accessible and transparent complaint management system can assist in building confidence and trust in an organisation. The importance of ensuring complaints systems are “accessible to all members of the community” is an ongoing priority for government organisations and continues to be highlighted in best practice complaint management guidelines (NSW Ombudsman, 2018).

The in-depth interviews conducted with the complainants indicated that complainants chose the following channels to lodge their complaint (in descending order): call centre, website, and service centre. This combination of traditional and digital channels reflects complaint trends which show that consumers are increasingly choosing to complain online for a variety of reasons. According to prior research the availability of online complaining increases consumer perceptions of convenience and positively influences willingness to complain in more shame-prone clients (Andreassen & Streukens, 2013).

The literature indicates that the additional complaint channels provided by the internet have increased the accessibility of complaint processes to consumers, boosting the convenience and lowering some of the perceived costs of complaining (Grégoire, Salle, & Tripp, 2015; Istanbulluoglu, 2017).

However, the benefits of online complaining, which are described in the literature, were not evident in the in-depth interviews with complainants. Some indicated that when they complained via the organisation’s website the process was not clear or not followed through by the organisation. For example:

“Firstly, I made an online complaint and heard nothing. I then went into a branch to make a complaint. I was told that my complaint went nowhere because I did not use the word ‘appeal’ in my complaint.” – Complainant

“The website doesn’t make it clear how to choose to interact with them.” – Complainant
Several complainants indicated that while their first choice was to complain via the organisation’s website, this channel proved ineffective, resulting in them trying other more traditional complaint methods such as phone, face-to-face or mail. One complainant noted:

“There’s **no point sending a message on the website because you just get an automated message back.**” – Complainant

“If I write a letter you will answer it. If you send an email, you don’t. I thought they handled it well. It was good. Only a week or so before they responded to the letter.” – Complainant

In addition to some perceiving the online complaint processes as ineffective, some complainants mentioned difficulties navigating websites and understanding how to engage with the organisation online: “It could have been **clearer on the website how to make a complaint.**” – Complainant

Other complainants reported issues around the assumed technological aptitude of consumers. This is particularly problematic for complaint channels of public sector organisations which assume a level of competency with, and availability of, technology risk alienating and indirectly discriminating against some clients (Brewer, 2007). Some complainants added that rather than simplifying the process, online systems pose challenges that may be insurmountable for some clients. For example, one complainant noted:

“There are limits on the upload size of files that are required for processing. This means that sometimes I need to take some time shrinking files and re-uploading them. I’m not sure how some people would manage this, if they were **not computer literate.**” - Complainant

Complainants indicated that their primary reason for choosing a call centre was effectiveness. While several complainants complained of long waiting times to speak to a complaint handler, and frustration with automated queuing systems, most acknowledged that complaining via the call centre was the most responsive method of complaint.
For instance: “*Call centre seemed easiest; waited about an hour but still quicker than other ways.*” – Complainant

“I would recommend that people use the complaint line, gets the problems sorted and the results happen quickly.” – Complainant

“The automated phone system is so stressful. The robot can’t understand me, and that process can go on for an hour and a half.” – Complainant

Some complainants found that, through prior experience, or advice obtained via word-of-mouth or Facebook groups, the most effective way to obtain a timely resolution was to complain on social media, report the complaint to their Member of Parliament or go directly to the Ombudsman or other third-party organisation. This can prove costly for the organisation in terms of both escalation costs and reputational damage:

“My level of engagement hasn't changed toward the organisation but I’m more willing to use social media in the future to push the complaint through the process and advocate to others to do the same.” – Complainant

Also, some complainants expected the ombudsman to expedite the complaint process: “Many more of our level 2 complainants are heading to the ombudsman to get the outcome they expect. Sadly, in a lot of cases, the outcome they want is not the outcome they get. This is the case constantly, and thus we are subjected to increased customer aggression because their expectations were not managed effectively at first contact.” – Complaints staff

“If a complaint goes to our external team, their escalation processes are far superior to ours, therefore their rate of finalisation is higher.” – Complaints staff

While social media are increasingly used as an engagement tool by public sector organisations, these organisations are often reticent to encourage use of these channels for complaint
management, instead preferring to refer the complainant to other channels, such as the call centre or website. The organisation’s social media are now a common way for consumers to vent their dissatisfaction, with some research showing that clients prefer communicating with an organisation through social media rather than through a call centre (Fishburn Edges and Echo Research, 2012).

The preference for public sector organisations to direct complainants away from social media is usually undertaken in an effort to limit reputational and privacy concerns, since complaining via this channel allows for an increased public scrutiny of the complaint process. These concerns result in a variation in terms of how public sector organisations manage social media complaints. Notably, in the private sector the visibility of online complaining to an audience of fellow consumers has increased the potential brand damage that a complaint can inflict as complaints using traditional channels were limited in their ability to be viewed by others (Champoux, Durgee, & McGlynn, 2012). For this reason, social media channels are not usually monitored by complaints staff.

As one complaints staff member reported: “We have a media team who monitor our social media platforms, and staff who respond to issues raised.” – Complaint staff

However, there are benefits to the organisation in using social media as a formal complaint channel. For instance, the organisation’s Facebook page offers clients the ability to observe the complaints of other clients, as well as the organisational responses to those complaints. Previous research has shown empirically that managing complaints in a public forum can be beneficial for the organisation in that “transparent service recovery can transform the potential negative information of an observed service failure into a positive service quality” has been linked to building consumer trust in an organisation (Hogreve, Bilstein, & Hoerner, 2019, p. 422). Additionally, effective organisational responses to complaints on an organisation’s Facebook page can improve the customer-organisation relationship and increase positive word-of-mouth (Ma et al., 2015).
The findings indicate that the examined public sector organisations currently collect data in relation to complaints although the systems and reporting approaches adopted vary considerably. As with RQ1, such factors are linked to the stage of evolution of the complaints system, how complaints are defined as well as whether leaders within public organisations use data to assist them to manage and change operational and strategic approaches. Other relevant factors are noted below. In this regard for example, there may be little data collected about staff satisfaction and attrition (or if it is collected it may not be linked to complaints). In addition, and in common with less evolved private sector organisations there may be little focus on quantifying the benefits of effective complaints management. The matters noted below and the lack of data in each of these areas present the greatest impediment in terms of assessing a ROI in a public sector organisation.

### 5.4 Staff satisfaction and attrition

**Capable and empathetic staff** are the key components for the delivery of effective complaint management that maximises perceptions of justice by the complainant (Ang & Buttle, 2012). Given that perceptions of justice can drive customer satisfaction, compliance behaviour and customer cooperation (Hough, 2012), the retention of experienced and customer-focused complaints staff is imperative.
The complaints staff interviewed voiced their satisfaction in regard to intra-team morale and support and several credited this for their commitment to their role. For instance, one employee commented: “In my view every person that works here, bar a handful in this (public organisation), are desperate to help people. This is why they continue to work for 20 to 30 years because that’s what gives them the buzz when they come to work.” – Complaints Staff.

Several employees highlighted the attributes necessary for the often-challenging work of complaints handling, and there was obvious pride shown in the role individuals played in helping consumers. For example, one employee remarked:

“It’s not a high attrition, because it’s not the kind of people who would get through an interview for what this is. We are quite up front.” – Complaints Staff.

Another commented: “Our staff are proud of that we do.” – Complaints Staff.

The importance of the recruitment of staff with these attributes was also a focus of discussion. It was inferred that the qualities needed to be an exceptional complaints handler were inherent. For instance, one employee stated: “We recruit people who are strongly empathetic, and they take ownership of what’s going on and go the extra step when they can for the customer.” – Complaints Staff.

The most significant area of frustration discussed by employees was the lack of information that they were provided with in terms of the organisational improvements resulting from their reporting of complaints. For example, one employee stated: “I report the top complaints. This assists with moving complaints along and identifying sticking points, but how this data is treated, I don’t know.” – Complaints Staff.

Another employee concurred with this: “There’s a reticence of the leadership group to keep us all informed of how our work is positively impacting the issues facing the department as a whole.” – Complaints Staff.
Given that the informational benefit of complaints is one of the key contributions to ROI (Stauss & Schoeler, 2004), but there is sometimes a failure by public sector organisations to use feedback obtained for organisational improvement (Commonwealth Ombudsman, 2009), the increased involvement of complaint employees including being informed that their work has led in organisational improvement initiatives would be of benefit to employees and management alike.

5.5 The benefits of effective complaints management

The findings indicate that effective complaints management represents an important mechanism for capturing insights from frontline complaints staff about organisational improvement. This theme was prominent in the responses in each of the public sector organisations studied where improved service delivery processes and methods of working or procedures resulted from complaints. As one frontline staff highlighted: “I think complaints can be a terrific way of looking at insights into our business practices - so actually investigating ourselves through complaints.” – Complaints Staff.

Further, focus group participants also commented that insights from complaints, and suggestions provided from frontline complaint staff were also embraced throughout upper levels of the management hierarchy to drive change. As one interviewee suggested: “We have an active continuous improvement process, where staff suggest ideas and they get looked at from all sorts of different levels of the organisation.” – Complaints Staff.

The findings also indicate that insights generated from effective complaints management provides not only opportunities for client experience improvements but simultaneously offer frontline staff learning and development to deliver enhanced quality of service. For instance, focus group interviewees reported that the sustained capture of complaint data enabled frontline staff to better understand the causes of complaints more quickly, and how best to manage their resolution. Subsequently, this information was shared among frontline teams to
improve their responsiveness capability through enhanced scripting to support future client handling of complaints. Here, learning for frontline staff was not limited solely to obtaining feedback from clients but also led to information dissemination via discussion among colleagues, which was a useful mechanism for improving service resolution.

These sentiments were illustrated by the following frontline complaint staff: “Each business line has a responsibility in that flow on effect on improvements...that’s a key area that we are providing benefit to the client experience but also internally in providing capability to our staff.” – Complaints Staff.

“We’ve got a dedicated first contact resolution scripting and our team does a lot of work trying to make sure that it’s contemporary and relevant to the situations.” – Complaints Staff.

The results of the study also indicate that complaint management information systems with the capacity for data analytics, were useful in identifying complaint trends. According to Stauss and Seidel (2019), the use of complaint management software in private sector organisations is particularly necessary in the case of a high volume of complaints, complex processing procedures, an extensive product range, different types of problems and when there are high demands on complaint evaluation and controlling.

The study findings support these principles in respect of public sector organisations. Interviewees suggested that their complaint management databases and dashboard systems offered invaluable insights into understanding trends by enabling a more granular analysis of complaints, particularly when the volume is high. This is a critical activity as data-driven approaches offer significant potential to increase operational agility in the service of clients, improve clients’ satisfaction and reduce organisational costs.

Frontline complaint staff provided the following observations about the use and interpretation of complaint data for in-depth analysis:
“We go into those complaints daily and see what’s driving them. We check every day the complaint volume. So, if we receive 20 complaints where historically this time in point last year, we only received 10 then what’s driving that.” – Complaints Staff.

“We’ll pick up the issue in the complaints stuff before we even pick it up in operational planning. So, it is an excellent tool for us to do that with if the volume of complaints per capita is high. So that tells us that there might be a problem” – Complaints Staff.

The literature indicates that when complaints are handled properly, a good system can improve the reputation of an agency and strengthen public confidence in an agency’s administrative processes (Commonwealth Ombudsman, 2009). The results in this study indicate that reputation enhancement opportunities arose from effective complaint management where procedural and interactional justice was perceived by citizens. This is an important aspect since public sector organisations are often required to demonstrate to citizens that they are accountable to the public which should also be reflected in the conduct of people that work within it. For instance, one complainant highlighted their interactional fairness:

“The complaints staff seemed to be caring and wanted to help with problem.” – Complainant.

Whereas another complainant highlighted both the quality of the process and outcome of the complaint process:

“The complaints line staff were really good at their job. Really understanding of my frustration. They resolved my complaint and solved my issue. Full marks for what they do.” – Complainant.

Thus, effective complaint management processes, such as empathetic staff who attempt to resolve complaints, improved client attitudes toward civil servants, and positively impacts on the reputational image of the public sector organisation (Nel et al., 2000).
5.6 Impediments to effective complaints management

The focus groups revealed that complaints staff working in public sector organisation were very aware that their ability to effectively manage and resolve complaints was sometimes hindered by legislation or public policy:

“If there’s a legal aspect or a legal process, we say then law is the law and your complaint around that, we might handle the experience around it, but not the actual law component. We’ve got no room to move with that.” – Complaints Staff.

“We’re government. There are rules. There is a level of authority that we still need to have but we can present it in the nicest possible way.” – Complaints Staff.

It was evident from the interviews that complainants were also aware of this impediment: “An outcome was not possible as it required legislative changes. The complaints staff had their hands tied.” – Complainant.

When another complainant suggested a potential solution to his issue, it was dismissed due to these legislative constraints:

“What I suggested was legislatively not possible, the law had to change for it to be possible.” – Complainant.

This study found that the inability to be able to resolve some complaints impacted on the levels of client satisfaction. Academic research has shown that, unsurprisingly, resolved cases yield much higher levels of citizen satisfaction than those which remain unresolved; however, this can be mitigated through a high level of perceived procedural justice (van den Bos et al., 2014). Having to work within a strict legislative framework appears to impact more on public sector than private sector organisations in their capacity to resolve complaints.
5.7 Complaints staff training and resources

Findings from this research study showed that employees from all three public sector organisations did receive some form of training in how to effectively manage client complaints. All new complaints staff (i.e. new employees to the organisation and staff moving from another department into the complaints section) were given some form of initial complaints management training or onboarding: “When someone first comes into the complaints area, they do get training for a week or so.” – Complaints Staff.

Complaints staff who took part in the focus groups also reported ongoing training being given to complaints staff during the course of their employment. Most staff received training on a regular basis, usually annually.

Best practice literature proposes that initial training be supplemented by ongoing training as programs and services that affect the general public may change over time (Commonwealth Ombudsman, 2009). This is particularly true for public sector organisations that must deal with changing government legislation.

A mix of internal and external training was reported by complaints staff from the public sector organisations. Some staff were sent to courses and training sessions run by external organisations: “There are courses from time to time that we might go, partly to find out how other organisations or training organisations are suggesting we do things.’ – Complaints Staff.

Other organisations preferred to develop their own internal training based on identified needs or gaps in knowledge:

“We provide our own training. So, when it comes down to doing something that is commercial, our organisation will say that if there’s a demand for that, we will develop something ourselves. There is a lot of internal training.” – Complaints Staff.
The literature stresses the importance of training for complaints staff, highlighting the importance of developing high level communication and evidence-based investigation skills (Commonwealth Ombudsman, 2009).

Staff from all participating organisations reported that the support and advice of peers (other complaints staff) was invaluable in training complaints staff, through the sharing of knowledge, learnt on the job: “Our peer network, is in effect, our training.” – Complaints Staff.

“There’s always someone there to help. We have a support hub. If your colleague can’t help, there’s plenty of help there.” – Complaints Staff.

Having strong internal networks assists in ensuring that complaints staff are well supported in their roles (Commonwealth Ombudsman, 2009). Complaints staff also noted that undertaking the role in fact served as on-the-job training for many complaint handlers: “I would say that doing the job is our training.” – Complaints Staff.

The findings also revealed that staff (both frontline complaints staff and complaints managers) believed that more training was needed in effective complaints management techniques and that the training should be conducted more frequently. These sentiments were reflected across staff from all three organisations. One senior manager noted: “I think we need to do training way better than what we do in our customer training unit.” – Complaints Staff.

A lack of ongoing training opportunities did also seem to impact on staff morale, as noted by a senior complaint handler: “They do provide training sessions every so often to try and encourage self-care strategies. Sometimes it feels like too little too late.” – Complaints Staff.

Interviews with complainants also highlighted the importance of ongoing training for complaints staff: “I hope the (government agency) increases its training. Staff on the advice line should be able to answer your questions and not put you on hold for 10 minutes while they ask someone the answer to your question.” - Complainant.
Training for complaints staff was also seen by complainants as a way to increase the level and consistency of client service that they received. The lack of consistency in the advice given by complaint handlers working for the same organisation was a prominent theme expressed by complainants: “Ring one person and they say one thing and then you ring again and then they say something different. There are inconsistencies with service.” - Complainant.

“One person I talked to was quite informed and trained, but others were not. There is not the same level of training and competence among staff. More training is needed.” - Complainant.

Another member of the public commented: “You get a different answer every time you speak to someone. The staff need more training.” - Complainant.

Complainants also outlined the negative consequences of inconsistent advice being offered by complaints staff: “They also give me wrong advice quite frequently which embarrasses me with my clients.” - Complainant.

The inconsistency in advice provided by complaints staff also created a flow-on effect in creating long delays for clients: “My issue would have been solved if I had gotten onto the right people earlier and had people earlier who knew what to do.” – Complainant.

“They need to get back to you in a timely manner. You should be contacted with feedback and updates. It’s just common decency.” – Complainant.

Complainants were however generally sympathetic to the plight of the complaints staff working at public sector organisations. Complainants held the view that complaints staff were overworked and under-resourced: “More resources are needed. There was a new person every time I contacted them and no one knew about the prior conversations.” - Complainant.

Another member of public commented: “Staff are overworked, it’s too much for them to deal with.” - Complainant.
5.8 Measurement of costs and benefits of complaints management

Our earlier work revealed that many private sector organisations fail to systematically collect either cost or benefit data associated with complaints management. Then it is impossible to calculate an ROI of CCM. Our research findings would suggest that the same issues are present in the three public sector organisations that feature in this project. This means that claims about the effectiveness or otherwise of the CCM process are often not supported by clear evidence. In particular, it is difficult to establish whether a complaints management system is adequately resourced although given the qualitative material noted above, it seems reasonable to assume that higher levels of investment are more likely to result in more effective complaint systems.

“There are massive returns on investment both for our staff and our customers to actually demonstrate what the dollar value is and the time value to some of the changes that we make. As a public sector organisation we don’t necessarily really look at that. I think it’s a gap for us.”  
– Complaints Staff.

Notably, the development of a comprehensive database of cost and benefit data associated with the CCM process would lead to a more systematic approach to instigating and appraising any resulting changes in organisational arrangements:

“I report the top complaints. This assists with moving complaints along and identifying sticking points, but how this data is treated, I don’t know.”  
– Complaints Staff.

In Section 6, it is noted that while the calculation of costs of CCM can be streamlined and hence simplified, the challenge is the computation of the benefits, particularly with respect to public sector organisations.
6. Calculation of a ROI for Public Sector Organisations

The response to RQ3 required an analysis of costs and benefits that are often not captured by public sector organisations (see above). This section explores in greater detail how such a calculation could occur and what variables require consideration in the application of an ROI calculation. In this regard, key themes from Section 5 above are factors that will drive an ROI calculation. Importantly, this section also reviews the issues relating to the calculation of a SROI in the public sector (RQ4).

6.1 The Costs of CCM in Public Sector Organisations

A measure of the rate of return for an organisation’s CCM process based on the complaints received over say a year would provide an indication of its overall effectiveness, and therefore could be useful in arguing for sufficient resources for CCM. Aggregate cost data, such as the annual total costs associated with the employment of complaints staff can be readily obtained, but it is more difficult to identify and measure the annual benefits associated with the resolution of a wide variety of complaints. Where possible, it is suggested that a ROI be calculated for separate categories of complaints, which then enables the organisation to focus on the pattern and number of subsequent complaints and hence the effectiveness of the earlier organisational response. A clear understanding of the costs and benefits of CCM in public sector organisations is required to enable the computation of a ROI. In the extant literature about both private and public sector organisations, there is some confusion about how some ‘costs’ are classified. This is unimportant in the calculation of benefits minus costs, but is significant in the calculation of SROI, since the latter is calculated as:

\[
SROI = \frac{100 \times (\text{Benefits} - \text{Costs})}{\text{Costs}}
\]

so that the magnitude of the return on investment is dependent on the classification of costs.
As noted above, Stauss and Seidel (2004) define the costs of investment in the CCM process incurred by an organisation as: Personnel, Administration, Communication and Response. We consolidate the first three categories of cost into Personnel Costs per hour by marking up the respective hourly wages plus on-costs of frontline and senior complaints staff and possibly in-house lawyers by a common factor to represent the cost of office space and equipment and communication. The hours of work for each category of employee will also include work undertaken if the complaint is escalated, such as the development of extensive documentation of the prior CCM process.

We add Staff Recruitment and Training Costs where the latter refer to training costs associated with handling complaints, as opposed to orientation. Normally, there is some turnover of staff each year which imposes costs of advertising positions, screening applicants and providing complaints training to new employees. Total annual Staff Recruitment and Training Costs (SRTC) should be averaged over the total number of complaints per year, which yields a measure of SRTC per complaint.

Response costs, which Stauss and Seidel (2004, p.2) define as any costs incurred in the resolution of the complaint, are sub-divided into Escalation, Settlement and Other Costs.

Escalation Costs refer to a membership of an external dispute resolution body; filing or other fees paid to a court or tribunal; and any payment for external advice (such as a police or fire report). We treat the financial outlays made by the organisation when a complaint is escalated to an external dispute resolution body, tribunal or through court as a cost.\(^4\)

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\(^4\) This simplification is designed to reflect the fact that office rents are likely to be positively correlated with wages.

\(^5\) By using the concepts of costs and benefits, we are differentiating between the deliberate investment decisions of the public sector organisation in the CCM process and the reputational outcomes which then result. We consider that the offer of a financial settlement by the organisation to be a cost because it has made a deliberate decision which it hopes will influence the outcome of the CCM process. Likewise, if the organisation can seek resolution of a complaint by referring it to some form of Tribunal, the associated charges, as well as possibly a payment to the complainant, can be viewed as costs. On the other hand, the complainant can also typically refer the issue to the Tribunal or instigate legal action. The ensuing outcomes, both financial and reputational, could be viewed as ‘benefits’, (which may be negative) since they were not the direct consequence of decisions made by the organisation. However, this would introduce an inconsistency in the treatment of the financial costs associated with the referral of a complaint to a third party, depending on whether or not the organisation instigated the
Settlement Costs are money or in-kind payments made to a complainant as part of the resolution process. Other Costs are those costs incurred in remedying the issues identified by the complainant. For example, documentation associated with eligibility for a particular benefit payment may need to be made clearer and then made available to current and potential clients. Alternatively, additional training for complaints staff, either in-house or from an external provider, may be required, say following complaints by clients about rude treatment. These extra training costs are directly associated with addressing particular complaints and are in addition to the normal Staff Recruitment and Training Costs outlined above.6,7

An effective CCM system should lead to a reduction in escalation rates to third-party dispute resolution agents (Sourdin, 2016), which reduces costs. In addition, a more effective CCM may reduce settlement costs as complainants who settle earlier may be less oppositional and may be more inclined to accept an ‘in kind’ settlement. As we noted in the Literature Review, the shift from citizen to client within the public sector can challenge the traditional public sector paradigm of accountability with respect to the public interest, as opposed to the satisfaction of the complainant (Haque, 2000). While private sector organisations can exercise some discretion as to how they respond to individual complainants, any inconsistencies of treatment can potentially be exposed via social media.8 Well-run Australian government agencies would be expected to apply principles of administrative fairness, such as consistency, proportionality and non-discrimination, to its CCM processes. We now turn to the benefits associated with the resolution of a complaint.

6 Poor training for complaints staff can lead to hostile responses from complainants, which can also cause a higher turnover of staff, which could be symptomatic of poor staff morale in general. This would lead to higher costs of advertising positions, screening applicants and training new employees.

7 The CCM function is often viewed as a ‘cost centre’ (Sandelands, 1994) rather than delivering insights which may lead to organisational improvements and potential savings. The effectiveness of the CCM process reflects, inter alia, the skills of staff, their timeliness in responding to complaints, the quality of the procedures to resolve complaints and how the organisation responds to the issues raised by the complaints.

8 By way of example, insurance companies tend to reward customers with numerous policies by reductions in premiums, based on specific rules, as opposed to more favourable treatment when claims are made. This avoids any accusations of inconsistent treatment across customers.
6.2 The Benefits of CCM in Public Sector Organisations

There should be a clear conceptual distinction between investment in the complaints management process, which is largely under the control of the public sector organisation, and the outcomes (benefits) which then accrue to the organisation.

Hirschmann (1970) argues that a customer of a private sector organisation, has three potential options: (a) exit, (b) voice, and (c) loyalty. He recognised that voice does not preclude subsequent exit, whereas exit does prevent a complaint being made, although expressions of dissatisfaction may be expressed following exit, either privately or nowadays via social media.

Clearly, the options that are available to clients of public sector organisations where there is an ongoing relationship are different. These can be classified as (a) voice followed by loyalty or disloyalty; (b) no-complaint followed by loyalty or disloyalty.

This re-specification maintains the focus on the complainant who imposes direct costs on the public sector organisation, which must respond to the complaint. The outcome of the complaint may influence the complainant’s attitude to government agencies in general. Also, a non-complainant may exercise passive disloyalty due to lacking trust in the government agency, which may also have wider repercussions in terms of attitudes towards other government agencies, and in turn the possibility of complaints against them. Further, active or passive disloyalty towards a particular government agency, due to dissatisfaction with a new initiative, may translate into an unwillingness to support other Government initiatives, which may also be expressed privately or publicly.

The key question is whether complaints staff of a public sector organisation can adequately identify and measure the sentiments of complainants at the end of the CCM process, since, unlike complainants about private organisations, they cannot alter their future pattern of purchases of goods and services.
Also, if the ‘model’ of the calculation of an SROI for third sector organisations is to be applied to the CCM process of public sector organisations are all stakeholders to be included, rather than just complainants? Complaints staff and senior management can also be considered stakeholders, so that, for example, staff morale should be taken into account.\(^9\)

As noted above, Stauss and Seidel (2004) identify four categories of benefit to private organisations, namely Information, Repurchase, Attitude and Communication. Below we reframe these types of benefits in terms of the services provided by public sector organisations. We suggest that the claim about Information benefits represents a conceptual confusion and is captured by Attitude. Repurchase is not applicable to public sector organisations. Extended Benefits are also reflected in Attitude and cannot be identified as a separate category of benefit.

Information benefits are obtained by the public sector organisation by drawing on insights from addressing client complaints which could take the form of innovation with respect to the type of services which are provided to clients.\(^10\) We argue that the inclusion of Information as part of the benefits of investing in the CCM process confuses means with ends. The initiatives described above, which are not costless, are the means by which the organisation hopes to achieve the ends of a cohort of satisfied clients, whose incidence of complaints is low.\(^11\) In other words, the benefit of these initiatives lies in their impact on the Attitude of clients and not in the investment by the organisation, per se, which is measured as part of Other Costs.\(^12\)

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9 If complaints staff are considered to be stakeholders included in the SROI calculation for public sector organisations, should an SROI be calculated for private sector organisations too?

10 In reference to private organisations, Stauss and Schoeler (2004, p. 148) state that ‘The Information benefit is the value that is generated by using information from customer complaints to improve products, to enhance efficiency and to reduce failure costs.’

11 This goal is unlikely to be achieved on a continuous basis because i) new services are introduced; ii) innovation is ongoing in the design of existing services, and iii) the availability and quality of assistance provided by employees of the public sector organisation and clients’ expectations are subject to change.

12 It is noteworthy that, in reference to private sector organisations, Stauss and Schoeler (2004) acknowledge that Information benefits are qualitatively different from the other categories of benefit.
a) **Attitude** refers to the impact of the CCM process on the attitudes of clients towards and compliance with the government agency. This results from the complainants’ views about the degree of perceived justice, which is associated with the complaints process and its outcomes which was described earlier. Thus, the CCM process may impose positive or negative benefits on the organisation. **Other Costs** in the form of additional training for complaints staff may be subsequently incurred.

If complaints staff and senior management are to be considered stakeholders then the effect of CCM on staff morale would need to be captured in the SROI calculation, as a separate component of **Attitude**. The majority of complaints staff would be likely to value being well trained and able to work in a friendly and supportive environment, which would promote staff morale.

On the other hand, desirable outcomes for senior management are likely to be aligned with the Government imposed KPIs, which may include targets such as the number of complaints, staffing levels and possibly the three components of perceived justice. The first two targets are based on the aggregate number of complaints and are not applicable when a particular category of complaints is under consideration.

b) **Communication** refers to the positive or negative effect associated with the resolution of complaints being communicated by complainants to others by word of mouth (WOM) which in recent years, has been identified with social media. Thus, **Attitudes** and **Communication** (WOM), both of which could be positive or negative, can be conflated. Negative WOM should be considered as a negative benefit rather than a cost, since, like PWOM, it is an outcome of the complaints process, not a planned outlay.

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13 The KPIs of senior management may also include reference to the public perceptions of the agency, as evidenced by social media sentiment which is measured as Communication benefit.

14 Sourdin (2016) notes that both Negative Word of Mouth (NWOM) and Escalation costs are considered to be costs in the literature about private sector organisations (Blodgett & Li, 2007; Homburg & Furst, 2005; Luo, 2007).
The impact of social media sentiment has a *qualitative* dimension in terms of the way the complaint is presented (i.e. vitriol that is directed towards the organisation, as opposed to a mild rebuke) and a *quantitative* dimension, that is the number of responses attracted by the complaint which has been posted on social media.

Recently, there has been a focus on the benefit of greater client engagement, which may arise from an effective CCM process. The customer management literature highlights that effective complaint management processes also increase the likelihood of customer participation in various non-transactional engagement behaviours that provides value to private organisations.\(^\text{15}\) There may be potential for public sector organisations to achieve benefits by promoting more client engagement too.

None of the outcomes (benefits) of the CCM process can be readily quantified, which points to the need to adopt an SROI calculation.

**RQ4. Is it feasible to compute a Social Return on Investment (SROI) of CCM?**

### 6.3 The SROI of CCM in Public Sector Organisations

As noted in Section 4, the typical application of a SROI calculation is in the measurement of the overall performance of a third sector organisation. All stakeholders should be involved in both identifying outcomes contributing to overall performance and also assigning pecuniary measures associated with these outcomes, where necessary. This consultation process can take place retrospectively or in advance. The SROI computation can only be undertaken after the

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\(^\text{15}\) For instance, empirical research has shown that if customers are satisfied with the complaint handling process, they will be more likely to participate in a set of engagement behaviours including recommending others and participating in co-creation behaviours, such as providing feedback and product improvement ideas, and resolving doubts about the firm with other customers (Cambra-Fierro et al., 2016).
chosen category of complaints to be analysed have been resolved. First, all complainants about the specific issue could be invited to reflect on their experiences of the CCM process, and specifically the degree of procedural and interactional justice, as well as the outcome(s) of the complaints process, namely distributive justice.  

The attitudes of complainants need to be assessed and measured relative to those of other stakeholders, in particular the complaints staff and senior management in the public sector organisation, if they are included, but also relative to the costs of the CCM process documented in Section 6.1. This valuation and scaling exercise is likely to be undertaken by the public sector organisation which is inconsistent with the stakeholders of a third sector organisation meeting and collectively deciding on weightings to be applied to outcomes of the CCM process. Certainly, those stakeholders attached to the public sector organisation are likely to have a consistent set of preferences concerning outcomes of the CCM process irrespective of the group of complaints under consideration, although escalated complaints may add to the work stress experienced by complaints staff.

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16 The temptation to rely on social media sentiment should be resisted because the sample is likely to be unrepresentative, given that young and more affluent clients are more likely to engage with this medium.
6.4 Hypothetical Scenarios

In the three scenarios, an estimate of both the ROI and the SROI of new investment in the CCM process is generated, as opposed to calculating an overall rate of return associated with the existing investment in CCM, which is represented in the framework developed by Stauss and Schoeler (2004). The scenarios all assume an annual investment and returns over the following year, whereas typically a capital investment is long-lived and yields a stream of returns over many years.

Scenario 1:

A government agency that refunds money to citizens was experiencing a high number of complaints about the timeliness of refunds being processed. Some complaints were occurring due to a difference in expectation as to how long it should take to process these refunds. The government agency implemented a new strategy of sending a text message via clients’ mobile phones, to inform them of the timeframe in which they could expect to see their refunds in their bank accounts. Due to this new service being provided to all those citizens entitled to refunds, there was a 40% reduction in complaints received about the timeliness of refunds.

One source of benefits to the government agency associated with the complaint management process is the reduction in the labour and associated costs. Then, assume that prior to the text message strategy, C denotes the total annual cost of the CCM process associated with responding to queries and complaints about the timing of refunds and T denotes the annual cost of the automated SMS scheme. Assume that there are 8 million recipients of refunds, then at say 2c per SMS call, the annual investment cost is $160,000.

If there were 15,000 complaints/enquiries per year about when refunds will be paid or their timeliness, prior to the introduction of the SMS scheme, then a 40% reduction represents 6,000 enquiries. Assume each complaint/enquiry costs the government agency $15. Then the ROI for the government agency with respect to its investment in the SMS scheme, which is based solely on pecuniary costs, which are incurred, and pecuniary benefits, which are received, would be:
ROI = 100*(Benefits – Costs)/Costs = 100*(0.4C - T)/T = 6,000*15-160,000)/1,600% = -43.75%

In short, the agency makes an annual investment of $160,000, which generates cost savings of $90,000 each year and yields a pecuniary ROI of -43.75%. Thus, in this instance, if the government agency made its decisions purely on the basis of annual pecuniary costs and benefits, the investment of $160,000 cannot be justified since this outlay exceeds the gross benefits of $90,000.

The less tangible benefits to the recipients of refunds in terms of ‘peace of mind’ associated with knowing when their accounts will be credited have been ignored. Let B be the imputed dollar value of the benefits to all 8 million refund recipients associated with receipt of the SMSs, which, of course will include non-complainants. In addition, complaints staff will be subject to reduced stress, since fewer complaints mean less engagement with concerned clients and reduced time pressures in meeting KPIs since, on average, the other complaints can be resolved more quickly. Thus, staff morale would improve. Let D represent a measure of the average social cost per complaint to staff of managing this type of enquiry.

Then the Social Return on the new Investment (SROI) would be:

SROI= 100* (0.4C + B + 6,000D -T)/T = (-43.75 + B/1,600 + 15D/4) %.

A social benefit of 1c per refund recipient would add 50 percentage points to the ROI of -43.75%. A social benefit of $2 per complaint to staff would add a further 7.5 percentage points to the SROI yielding a total SROI of 13.75%. This means that for each $1 invested, the gross social return is $1.14. In this example, the stakeholders are the complaints staff of the government agency and its clients. Thus, when the annual social returns of the investment can be valued, an initiative which yields a large negative ROI may yield a positive SROI.
Scenario 2:

Due to a change in government legislation, staff at a public sector organisation were unable to immediately issue concession arrangements to members of the public who satisfied various criteria. The objective was to reduce misuse of the scheme by further eligibility checks being made by staff. However, this meant that members of the public who qualified for concessional arrangements had to wait to receive their notices via the post. This delay, which ranged from six to 10 days, resulted in a number of complaints from unhappy clients. While unable to change the legislation based on the requirement to double-check eligibility, staff at the agency sought a way to reduce the delay.

The solution that staff found was using express post to send the concession certification to citizens, which was generally only a three to five day wait following the application being submitted. While increasing the costs of postage for the agency, staff viewed this as the best solution to meet clients’ needs. Staff also reported a dramatic reduction in client complaints about these delays. The stakeholders in this example are the eligible concession recipients and the complaints staff of the government agency.

“We didn’t have the opportunity to change legislation, it was outside of our scope, so we focused on what can we do. So, we looked at improving the way, the timeframe of how we are processing it and how we were sending it to the customer. So, the actual cards were getting sent via a fast service there. So, improving that turn-around time to a two-day period. So, whilst still not being able to address the actual suggestion there at the time, we have looked at what is within our control.” – Complaints Staff

In the calculation below, we first consider the circumstances before express mailing is introduced, so that the certificates will be delivered between day six and day ten. Assuming that on day 0, R individuals who are entitled to this concession\(^{17}\) make their applications. On day four, 5\% of these individuals would complain if they had not received their certificates and

\[^{17}\text{For simplicity we ignore the small number of applicants who are not entitled to the concession who succeed in passing the first check of their eligibility.}\]
another 5% would complain on day five (and each day until day nine), but on day six 20% of all applicants will receive the concession certificate, and a further 20% each day until day 10. It can be shown that because there is a steady stream of certificates being received from day six, on average just 20% of the R applicants would complain.¹⁸

This underlying pattern of complaining behaviour continues (i.e. 5% of applicants complain each day from day four until day nine if they have not received the certificate) when express mail is introduced. However, 33% of the certificates are received on day three and all are delivered by day five. Applicants only start complaining on day four, after the mail has arrived, so on average just 1.67% of applicants complain because 66.6% of certificates have been received by day four. There are no complaints on day five.

Assume that each complaint imposes a cost of c on the public sector organisation, and t is the extra mail cost per certificate. Then tR is the cost of the investment to reduce the delay for clients who receive the concession certification. The directly measurable pecuniary benefits are represented by the reduction in the number of complaints from 20% of applicants to 1.66%.

Then the narrowly defined percentage ROI can be written as:

\[
\text{ROI} = 100 \times \frac{(0.200 - 0.0167)cR - tR}{tR} = \frac{(18.33c - 100t)}{t}\%
\]

Then if each complaint costs $15 to process and the extra cost of express mailing each certificate is $2.50.

\[
\text{ROI} = 10\%
\]

This means that for each $1 invested, the gross return is $1.10.

¹⁸ If all certificates arrived on day 10, then 30% of applicants would complain (5% each day from day 4 to day 9, with individuals patiently waiting for the mail each day before complaining).
The Social Return on Investment (SROI) would be:

\[
\text{SROI} = \frac{18.33(c + d) + 100b - 100t}{t}
\]

where \(b(>0)\) measures the average reduction in inconvenience per client who on average receives the concession certificate four days earlier than under the old arrangement; and \(d\) represents the reduced social cost per complaint to complaints staff, as described in Scenario 1.

An average social benefit to clients of $10 would add 400 percentage points to the return on investment and a reduction in the average social cost of $2 per complaint for staff of the government agency would add a further 14.67 percentage points to the SROI.

In this Scenario, the total SROI would be 424.67%, which again highlights the significance for the computation of the return on investment, when social benefits (and/or reduced social costs) are taken into account. This means that for each $1 invested the gross social return is $5.25.

Scenarios 1 and 2 are both based on finding ways of addressing the complaint which has the benefit of reducing the number of complaints. Both examples represent improved complaint management, but do not relate to more effective complaint management in terms of the nature of the relationship between complaints staff and the complainant(s).

**Scenario 3:**

A careful analysis of its recent social media sentiment by a government agency revealed that complainants were unhappy about their treatment by complaints staff, who were alleged to behave in a disrespectful manner and lack empathy.

The agency organised an internal two hour seminar for its 10 complaints staff on a weekend to discuss how the staff could balance the stresses of being expected to manage a large number of complaints each day with the need to be patient, and not abrupt, when listening to complaints.
The complaints staff and the complaints manager who ran the session were paid time and a half to attend the seminar.

The outcomes were i) the social media sentiment improved; and ii) complaints were resolved more quickly, because complainants both felt that the staff showed empathy and were more cooperative in supplying additional documentation when it was required. Assume that complaints staff are paid $40 per hour and the manager is paid $60 per hour.

The costs of the 3-hour seminar to the agency were:

\[
C = 10 \times 40 \times 3 \times 1.5 + 60 \times 3 \times 1.5 = 1,800 + 270 = 2,070
\]

The benefits were a 10% decline on average in the time spent per complaint, which, because staffing levels and hours were unaffected lead to no direct pecuniary benefit to the agency.

However, complainants perceived that they were being respected and this translated into better cooperation with government agencies in general and reduced frustration about the time taken to resolve complaints.

Staff are expected on average to take 30 minutes to resolve a Level 1 complaint, (i.e. one which is not escalated to the manager) which may be associated with more than one call from the complainant. On average 60 complaints should be resolved per week by each staff member and total of 28,800 complaints over the year by the 10 complaints staff. We assume that there are in the order of 20,000 complainants since some make more than one complaint.

This Scenario relates to the interaction between the complainants and the complaints staff, as opposed to Scenarios 1 and 2, which led to fewer complaints, and shorter complaint resolution times. Thus, of relevance to both the client and the staff member is the benefit gained from the improved quality of the interaction between them.
Then if the average social benefit to each complainant can be valued as 10c, then the investment in further training leads close to a breakeven in terms of the monetary measure of the social benefits to complainants ($2,000) nearly matching the investment, namely the cost of running the seminar. On the other hand, if the average benefit to each complainant can be valued as 20c, the SROI is approximately 100%.

Also, the complaints staff experience a more positive interaction with complainants and complaints are being resolved more quickly, which reduces their stress in trying to meet their KPIs. A social benefit to staff of just 50c per complaint would yield the following SROI:

\[ \text{SROI} = 100 \times \frac{4000 + 0.20 \times 28800 - 2070}{2070} = 371.5\% \]

so that a $1 investment is yielding a gross social return of $4.72. A small percentage of the nearly 30,000 complaints per year would typically be escalated. The improved interaction between complainants and staff would be likely to reduce the number of escalated complaints and reduce the annual costs of CCM, which would further increase the SROI.

These scenarios highlight the fact that there can be significant benefits associated with enlightened investment strategies in terms of improved service delivery, a reduction in the number of complaints and escalated complaints, and more effective complaint management.
7. Organisational Implications

While this report has highlighted the challenges of calculating a credible SROI, it has demonstrated that a focus on both the economic and the social and environmental costs and benefits of CCM is essential, given the citizen-centric orientation of the public sector, as opposed to the traditional consumer-centric orientation of the private sector. During the qualitative research stage, themes of social equity and respect were central in discussions with complaints staff and complainants alike. In particular, the interviews with the complainants highlighted the onus placed on perceived fairness and respect in the complainant’s evaluation of post-complaint satisfaction. With these client priorities in mind, it is essential the organisations continue to improve the interactional and justice elements of their CCM. In particular, recommendations include:

- Establishing a corporate culture, which values complaints as a tool to build trust with clients.
- Improving the accessibility of complaints management to increase equity and perceived justice. This relates to ensuring the stages and access points of complaints processes are easily understood and the route to escalating complaints to clear to all, not just those complainants who are experienced or well-informed.
- Ensuring that the CCM process is concluded for each complainant or, in the event that the complaint cannot be resolved, there is clear communication as to how the complainant can proceed with their complaint elsewhere (e.g. Ombudsman). Thus, an ‘exit conversation’ is essential to ensure that complainants are not required, or do not feel compelled, to lodge the same complaint several times (which is an issue which arose several times in complainant interviews).
- Measuring post-complaint satisfaction (with survey dimensions which include perceived respect, fairness, level of perceived complaint resolution, attitude toward the organisation, organisational trust) which can be used in a formal SROI calculation and to provide guidance about refining CCM practices.
• In the event that the complaint relates to a larger organisation problem, communicating with the complainant how the issue was resolved and any corrective action that has been taken to help ensure that this issue will not negatively affect them or other clients in the future.

Themes of equity and fairness were also pertinent in the employee focus groups, demonstrating employee pride and satisfaction in being able to deliver effective service recovery. The satisfaction of assisting vulnerable clients and the rapport between complaint handlers was particularly evident and was highlighted by some employees as reasons for their employment longevity and job satisfaction. When employees felt that they were supported by the organisation to deliver perceived ‘social good’ their attitude towards complainants and the organisation itself was markedly more positive.

The following recommendations may further enhance the management of complaints through a social, as well as an organisational focus:

• Communicating with complaints staff that complaints are used as part of a continuous process of organisational review and improvement. Just as several complainants emphasised that they complain not for themselves but so ‘that others do not experience the same problem’, employees voiced their desire to know that their work and the feedback they provide management would be used for strategic purposes and would ultimately benefit more clients.

• Recording of more specific information relating to time and resources used in the complaint process. Savings in these areas were anecdotally identified by employees in the event that they were able to resolve a complaint effectively and in a timely manner. Employees also highlighted their desire to be better informed of the reporting of this data. To underpin the effectiveness of such data capturing initiatives is the importance of complaint management functionalities in CRM systems to enable the complete, structured and efficient recording of
complaint information, complaint outcomes (beyond immediate impacts) and complaint handler information.

- The use of the organisation’s social media, such as the organisation’s Facebook page, as complaint channels, in order to increase the accessibility, and boost the convenience, of complaining. Such facilitation of complaints is positive for the organisation, as receiving an observable complaint is an opportunity for the organisation to increase service recovery transparency and build consumer trust (Hogreve et al., 2019) and stem negative word-of-mouth (Andreassen & Streukens, 2013). Complaint management via social media also provides an economically feasible option, as it often considered to be more effective and efficient than complaint management delivered through traditional channels (Andreassen & Streukens, 2013). It is imperative that social media complaints channels are integrated with existing formal complaint channels and managed via a single customer management system, in order to achieve efficiencies and client satisfaction outcomes.

8. Limitations and Scope for Future Research

While there is an academic literature which outlines how public sector organisations have met the challenge of developing a Social Return on Investment (SROI) to measure their organisational performance (which is designed to reflect the interests of all stakeholders), the development of an SROI specifically for the complaint management processes for such organisations is challenging.

Complainants and other affected clients are unable to impose direct economic costs or benefits on public sector organisations as they are ordinarily unable to choose a different provider, however their trust in government and their preparedness to be compliant may be affected. Consequently, measuring the positive (or negative) benefits of a public sector organisation’s CCM process is challenging and like most SROI calculations is organisation specific.
There are particular challenges associated with the measurement of an SROI:

a) Is the choice of complaint category to be analysed representative of all complaints or have examples only been chosen from selected categories?

b) Are the complainants who undertake the survey representative of all complainants associated with this complaint category? This is important, given their economic and social heterogeneity, which will influence the type of service that they are receiving from the public sector organisation and the types of complaints that they make.

c) Should non-complainants, who by definition do not exercise voice, be surveyed too, as their attitudes towards government agencies would also be affected?

d) The weightings used in the calculation of social benefits for complainants and staff of the Government agency must be considered fair.

Government organisations often face restructures and other organisational realignments, which see employees shift in roles and responsibilities. For this reason, there were some delays with the obtaining of data for this study and some repetition in research stages as new contact individuals were identified and briefed of the project. Of particular note was that, due to the departure of a key employee contact, one data partner organisation did not proceed with the recruitment of complainants for the in-depth interviews.

The complaint data obtained was also incomplete in terms of several key fields, which made the computation of the ROI calculation challenging. While this was due in part to the organisations not recording some of the data fields, there was a need for greater bespoke data calculation by the data partners, however, the researchers note that in all circumstances a more bespoke data collection process would involve staff costs, as systems uniformly did not automatically collect such data.

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Appendix A

Focus Group Questions

1. How does your organisation (and industry) define a ‘complaint’, and what are the levels of escalation in your industry context?
2. Are your processes standardised or organic, and how is feedback integrated within the organisation?
3. What data does your organisation collect (and its time of collection in relation to the service process)?
4. Are costs and benefits of complaints measured (what is measured, by whom, for whom)?
5. What is the role of customers in the complaint management process (to what extent do you know what customers ‘feel’ and/or why they defect)?
6. How is complaints data used (to change processes/systems, services/products; train or manage employees; calculate ROI of complaints management)?
7. If you were to demonstrate ROI of complaints, from your perspective, what data is (or would be) most useful and why?
8. How do complaints affect staff in terms of staff attrition, absenteeism and transfer requests? Is this measured?
9. What training of complaints handling staff is undertaken? How often is training undertaken?
10. Are the costs of escalation quantified? How are any costs quantified (for example, are internal executive costs counted?) What about costs in relation to requests regarding Freedom of Information, anti-discrimination, NCAT and privacy.
11. Are any complaints dealt with offshore? What is the data collected by these centres and how is it used?
12. If measured, what percentage of complaints come through private channels (website, call centre, shopfront, third party) versus public channels (social media, blogs, online communities, broadcast and print media)?
13. Are you certified with SOCAP?
Additional Direct Questions (if not already covered)

COSTS OF COMPLAINTS AND EFFECTIVE COMPLAINTS MANAGEMENT

Are the following costs measured? How?

- personnel costs (Are these measurements restricted to complaints staff? If so, do you apportion personnel costs to each complaint, or merely treat these personnel costs in toto as one component of the cost of responding to complaints in aggregate?)
- administrative costs (such as office space and resources)
- compensation costs (repairs, refunds, gift vouchers, gestures of goodwill)
- escalation costs
- EDR costs (ombudsmen fees, cost of mediators and solicitors)
- negative social media costs
- costs of recording complaints
- lower stock market value
- customer attrition/customer churn

BENEFITS OF COMPLAINTS AND EFFECTIVE COMPLAINTS MANAGEMENT

Are the following benefits measured? How?

- positive sentiment on social media
- benefit of opinion leadership
- higher stock market value
- higher customer retention
- higher lifetime customer value
- higher customer satisfaction
- organisational learning, such as improved systems and product improvements
- greater customer engagement /customer feedback
Appendix B

Individual Complaint File Data Fields

Complaint Details

- Type of complaint (e.g. business area, nature of complaint)
- Date complaint arose (When did the events leading to the complaint occur?)
- Date complaint first made
- Date file opened
- Date of finalisation
- Age of complaint at finalisation (business days)
- Channel (email, phone, etc.)

Client Details

- Type of complainant (business, consumer, etc)
- Number of years as a client
- Age
- Regional area code

Complaint Handling

- Complaint Level (e.g. whether classified 1, 2, 3 based on seriousness/complexity)
- Number of staff involved
- Staff levels (e.g. APS levels)
- Est. time spent handling before transfer to formal channel
- Est. time spent handling after transfer to formal channel (if possible, please break down according to time spent by staff at each APS level; may be an est. based on average time for this level of complaint)
- Escalation required? (Y/N)
- Escalated to (e.g. line manager, division manager) (Please document all levels of escalation where possible)
- Est. escalation cost (e.g. additional time spent, may be an average)
• Internal Legal (Y/N) (e.g. where advice needed)
• External Legal (Y/N) (e.g. where external legal advice/advocacy required)
• Expert (Y/N) (please indicate whether an external expert, e.g. a private mediator with special expertise etc., was used)
• NCAT/AAT (Y/N) (where customer has taken the matter to NSW Civil & Admin. Tribunal/Admin. Appeal Tribunal for review)
• Ombudsman (Y/N) (where customer has taken the matter to an Ombudsman for review)
• FOI/privacy costs (e.g. administrative costs and staff time involved in dealing with FOI requests on records associated with the complaint)
• Compensation (e.g. refunds, fee waiver, interest, compensation for loss due to administrative failure)

Post- Complaint Outcomes (any information that has been recorded, case studies)
• Post-complaint satisfaction (e.g. was the customer surveyed (perhaps using Likert scales, open text comments, etc)? Were any comments made by the customer recorded in the file?)
• PWOM/advocacy (e.g. customer surveys, case studies or examples, including were positive sentiment on social media or in other contexts is monitored and recorded)
• Organisational improvements (case studies, examples of where a complaint has led to organisational/process change)
Appendix C

Complainant Interview Questions

Hello, my name is _____________ and I’m part of a research team from the University of Newcastle, which is conducting a research project into effective complaint management. I was hoping that you have time now to undertake a short survey with me that would take approximately 15 minutes of your time. We are looking to gain insights from people, like yourself, that have recently made a complaint. We are wanting to talk to you today about your experience before, during and after your recent complaint experience. Is that okay with you?

Can I please confirm that you have given written consent to participate in this research project? Just before we start, I just wanted to give you some information about the project. This project is being undertaken in collaboration with the Society of Consumer Affairs Professional Australia. This research project aims to identify the costs and benefits of current complaints handling processes and calculate the total Return of Investment of effectively managing complaints. We are hoping to uncover insights in effective complaint management practices that should assist in improving the experience of customers who make complaints in the future.

Participation in this research is entirely voluntary. You may withdraw your participation at any time prior to the submission of data for publication. I also wanted to let you know that the interviews will be recorded for accuracy of notetaking. All participants taking part in this research will be de-identified in that names, addresses and other identifying and contact information will be removed from the data. You will not be individually identified in any reports or publications.

Today you will be asked some questions in relation to your experience in making a complaint. This may give rise to some unavoidable emotions. If this occurs, we have provided contact details for support and counselling on the written consent form. Please don’t hesitate to contact this service if you need support. Do you have any questions or concerns that you would like to raise before we start the interview?
THANK YOU: Thank you so much for your time today. We really appreciate it. Upon completion of the project, a report of the research findings will be released. A summary of the research results will be made available to participants at the conclusion of the project, which is expected to early next year. Thank you again for your time today.

Questions

1. Through what channel did you make your complaint through (website, call Centre, shopfront, third party, social media)? Why did you choose this channel?

2. What type of outcome (compensation, corrective action, improvement in future services, fairer outcomes in the future etc) were you hoping for?

3. How satisfied were you with the result of your complaint?

4. How did you consider the quality of the complaint process regarding:
   a) Fairness
   b) Respect
   c) Timeliness
   d) Outcome

5. Were you pleased with the processing time of your complaint?

6. How could the handling of your complaint have been improved?

7. What was your attitude toward the organisation:
   a) prior to the complaint
   b) during the complaint
   c) after the complaint?

8. What was your level of satisfaction regarding the organisation:
   a) prior to the complaint
   b) during the complaint
   c) after the complaint?
9. What was your level of trust regarding the organisation:
   a) prior to the complaint
   b) during the complaint
   c) after the complaint?

10. How would you feel about making a complaint to this organisation in the future? Why?

11. Would you recommend that others make a complaint to this organisation if they had a similar problem? Why?

12. To what degree did you share your thoughts about the complaint process with others (via social media, word-of-mouth, blog etc.)?

13. How have you changed how you interact with this organisation based on your complaint experience?

14. How have you changed your engagement, compliance or complaint behaviour based on this complaint experience?