Company Culture: Creating an Effective System for Complaints

By Jason Gladfelter, Vombuds – Virtual Ombudsman

Importance of Imperfection

Staff interactions are like the gears of an engine. They endure constant friction that, unmitigated, can breakdown and erode the overall function of any business, large and small. Smooth interactions keep a business running; rough interactions can cease operation (or worse). This friction can be slight, hidden, and/or can linger and build up. Engines use oil. Small businesses need a mitigating agent.

Internal complaints (from employee, management, ownership, investors) can reflect the level and severity of dynamic erosion within a company. And they will follow the path of least resistance. If there is no clear and accessible path for complaints to reach the appropriate resource, then they seek external targets (friends, family, blogs, etc.). They become misplaced and mis-interpreted, go unheard, or are stifled, amplified, or exaggerated. Addressing them becomes more complex, time consuming, and expensive. Providing a path for complaints to the appropriate resource or position within (or outside) the company allows for more effective mitigation, resolution, and adaptation.

Yet, small business owners and managers are busy. Hearing every single complaint takes time and energy they may not possess. Consequently, a common approach to Complaints, in general, is to minimize them…or minimize hearing about them, either on purpose or through "busy neglect". Yet, hearing fewer complaints does not mean they do not exist. In fact, the opposite could be true and there is something very wrong within the workspace.

It is true that some companies treat their personnel as one big family. This is great, and families have complaints, too!

Few complaints could mean:

- Distrust in company's motivation and/or ability to address complaint,
- Fear of retaliation, ridicule, ostracization, repercussions,
- Confusion as to whom to report, or how to report,
- Complainant may feel responsible for the problem, at least in part,
- Complainant feels alone, separated, or singled-out
- Uncertainty as to the nature of concern—they just need to "talk it out",
- Lack of skills to adequately communicate concern or bring up uncomfortable issues,
- Personal difficulty criticizing others,

- Issue is "none of their business",
- Personal connections among staff, management, ownership, investors, and/or
- Personal difficulty listening to criticism.

No business is perfect. No person is perfect. Yet, this is great! Imperfections bring awareness to areas where improvements are needed, or at least recommended. How these imperfections are handled affects the business. Complaints need to be managed, and that does not mean controlled. Every company should have a system to manage internal complaints and discover which areas need attention.

The purpose of a complaint system

A complaint system has several functions:
Primary:

- To encourage internal feedback,
- To provide a pathway for feedback,
- Streamline complaints in appropriate direction,
- Address complaints in-house,
- Highlight potential critical issues/areas that need attention,
- Help personnel with challenges.

Secondary:

- Can approximate the level of trust your personnel have within and toward the company,
- Categorize complaints,
- Release internal pressure and frustration,
- Improve communication and critique skills (giving and receiving),
- Help create a "safe place" for personnel, physically and personally,
- Contain complaints and friction from affecting external connections,
- Avert or reduce formal grievances*

Effective complaint systems:

- Are accessible and known,
- Protect against retaliation,
- Focus on solutions,
- Are non-partisan, neutral

- Provide timely responses,
- Give fair consideration,
- Allow others to have a voice that is heard,
- Are open to receiving complaints (accessibility, ability, willingness),
- Are familiar. Personnel know where, how, when to use it,
- Help clarify complaint issue.

So, what's the best way to address complaints?

There is no single system that fits every business. Companies are as diverse as they are dynamic, mostly due to the people who make up each one. Nevertheless, any system is better than no system.

Human Resources

A dedicated HR manager or department operates on behalf of the company. In larger companies, an HR department is tasked to handle complaints and conflicts, although most HR departments focus on larger issues like legal compliance, hiring/firing, and job descriptions. Usually, small businesses do not have an HR department or manager, so HR duties are assigned to someone who has a full plate. Juggling HR duties and a complaint system can be overwhelming.

Personal Communication

Open and honest peer-to-peer communications would be ideal—a pipeline directly between, among, and from each personnel to their supervisor and beyond if necessary. Of course, idealism is not accommodating with running a business. This option *requires* each person to possess adequate (i.e., advanced) interpersonal skills. Many do not have such skills, and that's fine. Other options are available.

Software

An online search of "complaint system" will return a long list of software programs. Some are HR focused, while many others are geared toward customer complaints. While the former may be useful, they do not seem to be budget friendly. The latter, customer complaint software, should be used as such, and not for employee complaints where confidentiality and clarity are vital. In general, software programs *may* be able to handle complaints in an open, honest manner, but I worry about confidentiality first and foremost. Software is impersonal, usually operated by supervisors or company personnel (thus, non-confidential), non-responsive, and does not allow for "voice". They do not provide much, if any, help for the actual complainant and risk treating complaints as statistics. Furthermore, the ease of use can decrease the

"triage" portion of complaint processing. That is, the complaint is registered, but not clarified or probed, and in some cases not adequately acknowledged. For larger companies, this may be a good option, at least in part, to combine with HR and PR departments.

Apps

Admittedly, I am not familiar with these yet. Phone apps can vary in accessibility, user interface, and other logistical characteristics. My hesitation with using apps mirror the concerns I have with software; confidentiality, support, voice, and personal assistance. Issues with compatibility with various types of phones and operating systems can add to a complainant's frustration. How usage is tracked and where data is stored are concerns as well.

Comment Cards

This is an affordable way to allow staff to express their thoughts, but it also has limitations. Handwriting can give away identity, as can the description of the complaint. It is difficult to complain about something using language that does not identify yourself, especially when emotions are involved.

Comment cards are strong in giving a voice and weak in providing support. Dropping a card into a box is the only thing complainants are guaranteed to see regarding their complaints. And the dilemma of where to place the box comes into play as well. If it is out in the open, then people can see you complain. If hidden, it becomes less accessible. Comment cards are not horrible, just be mindful of their limitations.

External Resources

Another option is a third-party resource that is able to receive, listen to, understand, clarify, and help with complaints by providing guidance or tips. To address the issues of non-use above, this resource must maintain strict confidentiality and not be under the direction or supervision of the company. Access to this option must be voluntary, easy, and timely. Mediation, training, coaching, and other such services could be recommended and even referred by this external source, but not provided, unless otherwise agreed. The aim is to make sure complaints are clear, appropriately directed, confidential by default, and offer a chance for the complainant to manage the issue directly, with confidence, and adequately.

Internal Buddy System

A bit tricky to set up and maintain but may be a good option for some places. It works like this: each person is obligated to serve as a courier of a complaint given to them by another. When someone has a complaint, they fill out a standard form and seal it in an unmarked envelope.

The complainant hands it to someone not involved in the complaint, who then delivers it to the appropriate person (e.g., a supervisor or manager in another department). The idea is for each staff member to help others in times of need. Confidentiality is not guaranteed and trust among staff is paramount. Since each company is different, there is no standard method of buddy system.

Cost / Benefit

Having a complaint system will not eliminate complaints, because that is not its purpose. Complaints will continue, mistakes will be made, and the gears of interaction will continue to grind. A complaint system will cost money, but guess what, so does not having one. Every business pays to have disputes, some companies pay more. And since a complaint is a vocalization of some dispute, ignoring the complaint is supporting the dispute. Disputes cost in several ways. The basic calculation of what a dispute costs a business looks like this: Number of hours a disputant (staff member) works per week; times the number of hours spent focusing on, distracted by, or otherwise engaged with the dispute; times the hourly wage; times weeks per year.

> For example, 1 part timer works 24 hours/week at minimum wage (~$12.00). Dispute time is about 3.1% of weekly hours (studies vary; this is a low estimate).
> 24 x 0.031 x $12 x 51 = **$415.32** per year to support this one dispute. (52 weeks/year minus 1 week vacation/time off).

BUT, that's not all. Most disputes involve two people, so the calculation would have to include Staff #2. AND, some disputes involve a supervisor, so their time/salary must be plugged into the equation, too. Add Staff #1, Staff #2, and Supervisor equations and we get an estimate of what one single dispute costs a company:

- Staff #2 $13/hr for 16hrs/week: (16 x .031 x $13 = $6.45) x 51 = **$328.85**
- Supervisor $20/week for 40hrs/week (40 x .031 x $20 = $24.80) x 51 = **$1,264.80**
- Add Staff #1 (**$415.32**)
- **$2,008.94** just to have the dispute, which you may not know even exists.

But wait, there is more. What is not included in this equation are the EFFECTS of the dispute:

> **Turnover** Estimates of how much turnover costs your business financially range from 80%-190% of wage of the position that is being replaced. When considering all the facets of replacing someone (advertising position, hiring process, training, getting up to speed, etc.) the higher range of this estimate is likely.

Litigation When some complaints go unaddressed, formal grievances appear. Lawsuits, which in most cases are public record, are not far behind. The cost of legal representation is not low.

Public Image When the public gets a hold of a complaint, there is no telling what happens next.

Lost/Stolen Time Lost time is the time the dispute takes away from work (the 3.1%) plus any tardiness and extra sick days. Stolen time is not doing the work but still being paid. Long breaks, non-work distractions, etc. Disputes have a way of blunting incentives to work and work ethic.

Decrease Production/Sales All the above add to the decrease in production and sales. A common area of dispute is between production and sales, so the cost can escalate.

Takeaway

Having a complaint system will not eliminate complaints, nor will it automatically resolve them. It is not supposed to. Its purpose is to attract complaints, clarify complaint issues, direct those complaints appropriately, receive and understand complaints, provide assistance where needed, address issues adequately and appropriately, keep company members safe, and allow for effective communications so that your company can learn from imperfections.

* There is distinction between "complaint" and "grievance", although this distinction varies in the business and labor arena. For this article, "grievance" means a written complaint that puts the company on notice, which can be used for legal purposes, often associated with unions and violation of labor laws.

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