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MEDIA RELEASE

Public organisations that manage complaints well reap the rewards, new research finds

For the first time, public sector organisations can now measure the social returns on complaint handling, revealing the holistic value of effective customer care. New research, conducted for SOCAP Australia by the University of Newcastle, has found that for every dollar that a public organisation spends on effectively handling complaints, the organisation can reap up to a \$5 return on investment (ROI).

The research highlights the importance of public organisations quantifying the Social Return on Investment (SROI) of effective complaints handling. SROI considers the social benefits of effective complaint handling, such as increased customer trust in the organisation and enhanced perceptions of fairness and equity.

SOCAP Chief Executive Fiona Brown said that the key differences between private and public sector organisations highlighted the need for a framework that calculated the ROI specifically for public organisations. “There are differences in customer behaviour where public organisations are involved. Customers cannot simply exit the relationship if they do not like how their complaint has been managed,” she said.

“However, this new research has shown that when these customers have their complaints managed well they are more satisfied and can display greater compliance with government approaches and enhanced perceptions and trust in terms of government decision making and policy.”

The findings outlined in the SOCAP report “ROI of Effective Complaints Management: Public Sector Organisations”, show that public organisations sometimes have systemic issues, which lead to some complaints being incorrectly identified or not recorded as complaints. The differing definitions of what constitutes a complaint across public sector organisations can result in expressions of dissatisfaction being treated only as a client enquiry or comment, rather than being recorded as a complaint. 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. Subsequently, this can lead to an under-resourcing of complaints departments and missed opportunities in identifying complaint trends and systemic service failures.

Patron Professor Allan Fels AO

The research involved reviewing de-identified complaints data from the three public organisations, as well as focus groups and in-depth interviews with complaints staff and complainants. From this work, an algorithm was produced, which included providing monetary valuations of social benefits and costs. Hypothetical scenarios were then used to compute the ROI of effective complaint management, with the help of the data provided by the organisations and estimates derived from previous research.

This new research is an extension of research completed in 2018, which resulted in the report “Return on Investment of Effective Complaints Management”. This report provided guidance on measuring the ROI of effective complaints management for private organisations.

Head of the research, Professor Tania Sourdin from the University of Newcastle, said: “This new research is the first of its kind that includes and attempts to quantify these social benefits and costs as they pertain to complaint management.”

“Clearly, social equity and respect are integral to all services provided by public organisations,” she said. “While we’ve always known this, this research provides a clear case that providing complaint management that is timely, accessible, respectful and fair is not only essential for best practice; it is also financially beneficial.”

For more information or to organise an interview please contact **SOCAP Chief Executive Fiona Brown** at fbrown@socap.org.au and on 0419 280 234 or 02 9167 8119

View the **SOCAP ROI of Effective Complaints Management Report** at socap.org.au

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