

EQC's Management Response to the Morrison Low review

Managing Complaints about Staff Conduct

Background

In October 2015 the Earthquake Commission (EQC) commissioned an independent review of the process for dealing with complaints lodged against staff members by customers.

The review was a response to concerns expressed publicly in 2015 by a small number of customers about EQC's customer staff complaints process.

Doug Craig, Executive Manager, Government Business at the Australasian firm Morrison Low, a former Deputy Commissioner of the State Services Commission, conducted the review. Mr Craig has more than 20 years state sector experience and has led a number of public service reviews.

The review:

- assessed complaints handling procedures,
- identified what was working well and areas for improvement, and
- recommended changes to support good future practice.

EQC has considered the Morrison Low recommendations, the appropriate response actions and formulated its Management Response, which is summarised in this paper.

EQC agrees with the review that its overall process for handling customer complaints about staff needs to be made more consistent and that communication with customers who have complained about staff needs to be improved.

The work to implement the review recommendations is due to be completed by the end of May 2016.

The context: the review's observations

The review noted:

- The Canterbury earthquakes created an unprecedented challenge for EQC.
- EQC's obligations related to 460,000 claims over 750,000 exposures.
- This level of activity was unparalleled in New Zealand.

- The nature of EQC’s work meant that complaints would be inevitable regardless of the level of service EQC provided to its customers.
- Customer complaints about staff have the potential to be high profile as the heightened media and political interest in some EQC staff in 2015 showed.
- If not properly managed and resolved, complaints about staff have the potential to negatively affect EQC’s reputation and overshadow the work of its staff.
- Most customer complaints about staff were combined with complaints about other aspects of EQC’s operations including for example: decisions, delays and lack of communication.
- Often customers would describe complaints about EQC’s assessment or repair solution as a complaint about a staff member and withdraw this aspect of their complaint after a clarifying discussion with a complaints officer or manager.
- The accessibility and quality of information regarding the complaints process on EQC’s website compares favourably with the Ombudsman’s guidelines.
- EQC has made some positive changes to aspects of how complaints about staff are resolved.

EQC’s Management Response

EQC accepts the overall approach of the Morrison Low review report and the direction of the recommendations.

Detailed responses to the recommendations are included in the table below under the five broad headings used in the review report:

- First (customer) contact: (Recommendations 1 - 3)
- Investigation and oversight: (Recommendations 4 - 11)
- Communication and complaint resolution: (Recommendations 12 - 14)
- Systems: (Recommendations 15 - 17)
- Reporting and analysis: (Recommendations 18 - 19).

In its response to some of the recommendations, EQC agrees with the underlying premise but some aspects of its operational approach to addressing them will differ to that suggested. These include:

- **Oversight by an Executive Leadership Team member**

EQC agrees with the recommendation that responsibility for all conduct complaints should be overseen by a member of the Executive Leadership Team. The General Manager Shared Services role will incorporate the assurance responsibilities of the proposed Chief Integrity Officer role.

While overseeing the process, the General Manager Shared Services will not directly investigate complaints about staff. The General Manager Shared Services will meet regularly with the General Manager People and Capability to review all conduct complaints received and ensure all complaints are being resolved appropriately.

The low number of conduct complaints means that the best way to investigate them will be decided on a case-by-case basis. The General Manager People and Capability will oversee the Human Resources processes for responding to conduct complaints, where this is required. Not all complaints about staff behaviour necessarily need to be investigated by Human Resources. In some cases a manager may investigate and resolve the complaint.

- **Recording staff complaint data**

EQC has carefully considered the recommendations that its Claims Management System (CMS) or another Information Technology (IT) system is used to record and manage all staff conduct complaints. EQC's view is that the low volume of staff conduct complaints does not justify additional investment to further modify CMS, or implementing an IT system for this purpose. Instead staff conduct complaint information is being captured in a single database. This will ensure visibility of the complaints and allow for efficient management and regular reporting about the complaints, as envisaged by the recommendations.

Morrison Low has reviewed EQC's Management Response to their recommendations. They agree that what has been proposed provides a full and robust response to the recommendations. When fully implemented the resultant changes would position EQC well against good practice.

As well as the specific measures detailed below, a new Complaints Case Management Framework, for all types of complaints (including but not limited to complaints about staff) is being introduced. The framework will provide greater visibility and control of complaint workflows and introduce

standardised tools, management systems (including coaching) and controls within the end-to-end complaints handling process.

Summary of EQC’s response to the recommendations

Morrison Low review recommendations	Management Response
<p>FIRST CONTACT</p> <p>1. EQC should review and standardise its processes and procedures for the handling of staff conduct complaints across the organisation, to ensure that there is a clear and consistent response to complaints about staff conduct, including a set of overarching principles that underpin EQC’s approach towards conduct complaints, such as openness, transparency and fairness. (Page 9 ML Report)</p>	<p>RESPONSES</p> <p>EQC has made changes to its processes to ensure greater consistency and clearer communication between business units. The improvements standardise the approach for managing complaints across the wider business, including staff conduct complaints.</p> <p>Overarching principles that underpin how complaints are managed have been developed and will be finalised by the end of May.</p>
<p>2. Responsibility for all conduct complaints should be overseen by a member of the Executive Leadership Team who is functionally separated from the customer services complaints team and human resources functions of EQC. This will provide a single point of accountability for the design, and integrity of EQC’s system for responding to conduct complaints. We suggest that this role be designated the Chief Integrity Officer which could either be a standalone role or form part of an existing role for example, General Manager Shared Services or General Manager Governance. (Page 9 ML Report)</p>	<p>The General Manager Shared Services role will incorporate the assurance responsibilities of the proposed Chief Integrity Officer role.</p> <p>The small volume of staff conduct complaints received by EQC, and the planned reduction in the size of the organisation over the next 12-18 months, does not support the establishment of a new position to achieve this.</p> <p>The General Manager Shared Services will also, in this capacity, ensure appropriate governance reporting is in place by the end of May.</p>
<p>3. EQC should develop and implement a formal training programme for complaints investigators. Such a programme should include communication and dispute resolution. Training and specific guidance on how to handle complaints about staff conduct. (Page 9 ML Report)</p>	<p>EQC has developed training for new investigators and this is in use.</p> <p>The training includes managing difficult conversations and dispute resolution. It will be available to managers across the Customer Solutions business unit, as they will be involved in dealing with complaints.</p> <p>Complaints investigators are also being supported through writing skills workshops to improve communications with customers.</p>
<p>INVESTIGATION AND OVERSIGHT</p> <p>4. EQC does not receive large volumes of complaints about staff conduct. The response timeframes for contacting</p>	<p>RESPONSES</p> <p>A two-day timeframe for making an initial response to customers who have made a staff</p>

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<p>customers regarding their complaints should be reduced to two working days. This should be reflected in information provided on the external website. Where a complaint alleges serious misconduct by an employee, the complaint should be responded to as soon as practically possible and the response communicated to the customer. (Page 12 ML Report)</p>	<p>conduct complaint is in place.</p> <p>Where a complainant alleges serious misconduct, EQC will respond sooner if practicable.</p> <p>Customers will receive a final response once the conduct complaint has been resolved.</p> <p>EQC will balance how it responds to customers with its need to meet its obligations as a good employer to its staff.</p>
<p>5. All complaints, including anonymous complaints, alleging staff misconduct should be recorded in the Claims Management System irrespective of their seriousness, or how quickly they have been resolved. All complaints should be reported to the person with overall responsibility for ethics and integrity within EQC, though not all complaints will require formal investigation. (Page 12 ML Report)</p>	<p>The central repository for capturing customer complaints about staff will not sit within the Claims Management System (CMS). Even when it is upgraded, CMS will not support this type of reporting.</p> <p>The low volume of customer complaints about staff does not justify spending more on modifying CMS further.</p> <p>Instead all staff conduct complaints will be recorded in a centralised database.</p> <p>The General Manager Shared Services will receive reports about all staff conduct complaints.</p>
<p>6. Conduct complaints should be forwarded to the responsible individual (e.g. the Chief Integrity Officer) immediately for visibility and information. (Page 12 ML Report)</p>	<p>The General Manager Shared Services will receive reports about all staff conduct complaints.</p>
<p>7. A conduct complaint should remain open until all necessary actions have taken place (including an investigation if appropriate). EQC should investigate complaints of substance irrespective of a customer withdrawing their complaint, or an employee resigning.</p> <p>In some circumstances it may not be practical to contact staff who have left to investigate a complaint. However, this should not preclude EQC undertaking a review of the complaint, talking to the complainant, other EQC staff, and witnesses as appropriate. (Page 12 ML Report)</p>	<p>Complaints management processes guidelines will clarify:</p> <ul style="list-style-type: none"> • the end-to-end process staff should follow to ensure there is a complete view of a complaint's progress (from receipt through to resolution), • that staff who are the subject of a staff conduct complaint are kept informed, • timeframes around conducting investigations are adhered to, • information sharing processes are followed, and • at what stage a complaint can be closed. <p>All conduct complaints will remain open until all necessary actions have taken place, irrespective</p>

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	of a customer withdrawing their complaint, or an employee resigning.
<p>8. Complaints that cannot be resolved by the Complaints Team Manager should be with the individual appointed to have overall responsibility for ethics and integrity within EQC. We have recommended that a Chief Integrity Officer is appointed to fill this role. (Page 12 ML Report)</p>	<p>EQC agrees that an escalation point for staff conduct complaints that cannot be resolved by the Complaints Team is appropriate.</p> <p>This will be addressed by the actions outlined in the response to recommendation 2.</p>
<p>9. Investigations should be overseen by the Chief Integrity Officer (or other such designated person) in order to provide centralised oversight. Human Resources role in staff conduct complaints should be to provide advice to the investigator, and support for the staff member and the staff member’s manager. (Page 12 ML Report)</p>	<p>EQC agrees with the principle of having centralised oversight of investigations. The General Manager Shared Services role will incorporate assurance responsibilities of the Chief Integrity Officer role.</p> <p>While overseeing the process, the General Manager Shared Services will not directly investigate complaints about staff.</p> <p>The General Manager Shared Services will meet regularly with the General Manager People and Capability to review all conduct complaints received and ensure all complaints are being resolved appropriately.</p> <p>The low number of conduct complaints means that the best way to investigate them will be decided on a case-by-case basis.</p> <p>The General Manager People and Capability will oversee the Human Resources processes for responding to conduct complaints, where this is required. Not all complaints about staff behaviour necessarily need to be investigated by Human Resources. In some cases a manager may investigate and resolve the complaint.</p>
<p>10. EQC should encourage customers to put conduct complaints in writing but should respond to all conduct complaints regardless. EQC records calls so this is available as a record of the complaint. Other alternatives to making the person put their complaint in writing would be to interview them by follow up phone call or in person. (Page 12 ML Report)</p>	<p>EQC will respond to all staff conduct complaints, regardless of how they are received.</p> <p>To ensure EQC has an accurate record of a customer’s concerns, it encourages customers to put their complaints in writing, though this will not be mandatory. All staff conduct complaints will be followed up regardless of how they are received.</p> <p>This approach will be incorporated into the current revision of the complaints management processes guidelines.</p>

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<p>11. EQC should reflect the requirement to respond professionally to customer feedback, including complaints in all EQC job descriptions. (Page 12 ML Report)</p>	<p>EQC's agrees with the importance of responding professionally to customer complaints. This may need to be reinforced through induction and ongoing training, but it is not viewed as necessary to explicitly include this in all EQC job descriptions. Responding professionally is already covered by the EQC values component that is included in updated position descriptions and in staff performance appraisals. EQC's standards of Integrity and Conduct also include the requirement to "Be professional and responsive".</p>
<p>COMMUNICATION AND COMPLAINTS RESOLUTION</p> <p>12. EQC should review all standard documentation for communication to customers to ensure that it meets good practice. The response to staff conduct complaints should be specific to the complaint but guided by the generic principles underpinning the overall complaints system. (Page 14 ML Report)</p>	<p>RESPONSES</p> <p>EQC has replaced a number of templated response letters with a single customised response to each individual complainant. A peer review process to check all complaints letters has been introduced.</p>
<p>13. Communication with customers should include specific reference to the specifics of their complaint, and details about the steps that EQC has taken to resolve the issue. Where these details cannot be provided due to privacy issues or other reasons, this should be explained to the customer. (Page 14 ML Report)</p>	<p>This is in line with EQC's current operating practice and will be reflected in the complaints management processes and guidelines.</p>
<p>14. EQC should implement a customer feedback programme to understand how customers regarded EQC's performance in resolving their complaints, including conduct complaints. (Page 14 ML Report)</p>	<p>EQC will be looking to implement a customer satisfaction survey specifically for those customers who have lodged a complaint. The purpose of the survey is to understand how customers regard EQC's performance in resolving their complaints, including staff professionalism.</p>
<p>SYSTEMS</p> <p>15. EQC should implement an appropriate IT solution to support its management of staff conduct complaints. Such a system would include features that allow complaints to be logged, tracked and monitored throughout the entire processing. The system should support staff and privacy and the</p>	<p>RESPONSES</p> <p>EQC will implement regular tracking and reporting on complaint types, including greater detail about the types of complaints being raised. This will ensure EQC's internal processes are robust, there is visibility of staff conduct complaints across business units, and clear</p>

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<p>confidential nature of investigations into complaints staff.</p> <p>There should be a system of automatic escalation of complaints where these have not been managed in accordance with agreed timeframes. (Page 15 ML Report)</p>	<p>communication channels so that complaints are managed within defined timeframes.</p> <p>The low volume of customer complaints about staff does not justify investing in an IT solution.</p> <p>Conduct complaints will be recorded in a centralised database.</p> <p>There are appropriate processes to ensure staff privacy and confidentiality are maintained. EQC has already introduced weekly performance reporting around the management of current conduct complaints.</p>
<p>16. EQC should review the issue codes that are associated with conduct complaints, with a view to rationalising and simplify the practical range of codes that are available. Conduct complaints should be a standalone code to allow easy tracking and reporting. (Page 15 ML Report)</p>	<p>EQC has commenced work to refine the number of codes used to record complaints. These have been simplified (to five main codes) and include a standalone code for staff conduct complaints. This will improve existing operational reporting and allow greater analysis of specific complaints.</p>
<p>17. EQC should evaluate whether the optional complaints module for the upgraded Claims Management System (CMS) will meet its interim/medium/long term needs. (Page 15 ML Report)</p>	<p>Complaints data is currently held in multiple systems, across multiple teams and locations. EQC is moving to recording all staff conduct complaints in a single database.</p> <p>The low volume of customer complaints about staff does not justify spending more on modifying CMS further.</p>
<p>REPORTING AND ANALYSIS</p> <p>18. EQC should report on staff conduct complaints to include qualitative information such as the specific type of conduct being raised. (Page 16 ML Report)</p>	<p>RESPONSES</p> <p>EQC will implement regular tracking and reporting on staff conduct complaint types, including greater detail about the types of complaints being raised.</p> <p>EQC has already introduced weekly performance reporting around the management of current conduct complaints.</p>
<p>19. Conduct complaints should be analysed and any resulting trends or issues used to inform staff training and customer service design. (Page 16 ML Report)</p>	<p>Analysis of conduct complaints does occur. Due to the small volume, however, trend analysis does not produce useful insights. Instead, lessons learned are used to inform staff training and customer service design.</p>

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