



Employee complaint management systems in the Nigerian Oil and Gas Industry: A comparison with the Commonwealth Ombudsman Standard

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Article History

Received 11 January, 2017
Received in revised form 13
March, 2017
Accepted 21 March, 2017

Keywords:

Employee complaint
Management systems,
Petroleum industry,
Commonwealth
Ombudsman Standard.

Article Type:

Full Length Research Article

ABSTRACT

This study assessed oil and gas employees' views of the employee complaint management systems in their firms vis-a-vis the Commonwealth Ombudsman Standard. Three oil and gas servicing firms in Lagos State were used for the study. Respondents were randomly selected to provide answers to the structured questionnaire. A sample size of 236 was adopted for the study while stated hypotheses were tested using paired samples *t*-test of difference. Also, variables in each element hypothesized were measured using the ordinal multiple regression analysis to ascertain contribution of each variable to the tested element. The study revealed that employees' rating of the complaint handling systems in their firms in terms of culture, principles, process, people and analysis were significantly lower when compared with international standards. It was recommended among others that oil and gas firms should adopt the new proposed model in evaluating their efforts in employee complaint handling and that complaint lodging and resolution systems should be transparent, fair and devoid of victimization as this will enhance productivity and overall organizational performance.

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INTRODUCTION

Business organizations are legally required to ensure that their working environments promote safety, teamwork, respectful treatment and equal justice. From time to time however, issues, conditions and conflicts may arise causing an employee or some employees to feel aggrieved. Legally, organizations are expected to provide complaint lodging and handling structures for such aggrieved employees to explore. Research has, however, shown that a good number of humans (Customers or employees) find it difficult to lodge complaints even when they are aggrieved or dissatisfied (Tax and Brown, 1998; Hiser, 2012; Harlos, 2001). To ensure consistent quality productivity, an aggrieved employee deserves prompt, fair and unbiased attention, and should be encouraged to

lodge a complaint without fear of victimized.

Although organizations have been introducing, adjusting and improving on their systems for employees to lodge their complaints, Harlos (2001), Fenille and Delaney (1992) observe that some of the voice systems are causing what they are intended to prevent; exacerbating employees perceptions of unfairness and discontentment. Effectively handling or resolving employee complaints can help get issues out in the open and lead to process improvements and other changes that can positively impact the workplace (Lin, 2014). Again, complaints are a fact of business life, hence companies that manage their complaints effectively not only can boost employee morale and satisfaction, also may benefit from information gained through employee feedback (Leigh, 2014). Therefore, for an organization to satisfy its customers effectively, establish trusting relationships with employees, ensure employee and

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customer loyalty as well as improved productivity, reduced staff turnover and competitive advantage, complaints from aggrieved employees and dissatisfied customers must be valued and viewed as gifts.

To ensure effective resolution of employee complaints, an effective complaint handling structure must be developed and adopted in an organization (Agu and Okpara, 2015). Just as it is more profitable to retain current customers than to attract new ones, it is also more profitable to retain current employees than to employ new ones. This is because the cost of advertising for the positions, the risk of not getting qualified and experienced hands, the cost of retraining, among others may be incurred (Johnson, 2001; Tronvoll, 2008).

A complaint, according to Agu (2015), is an expression of dissatisfaction made to an organization, about its products, employees, or the complaint handling process, whereas a response or resolution is explicitly or implicitly expected. An employee complaint is a written request for the resolution of an issue that relates to the work condition or relationships. It may include performance evaluation, harassment, compensation, safety, work condition, environmental concerns, assignments, relationship with colleagues or supervisors, policies, etc. According to the Ombudsman Western Australia (2010), effective complaint handling is fundamental to the provision of a quality service. In 2009, the Commonwealth Ombudsman published its "Better Practice Guide to Conflict Handling". In this article, the body identified five key elements of effective complaint handling in an organization. These elements are: culture, principles, people, process and analysis.

A complaint handling system that lacks any of these features is seen as ineffective. In Nigeria, the Oil and Gas sector is a big name and its employees are seen as lucky people. However, evidence has shown that most of these employees have different levels of complaints and grievances that limit the extent of job satisfaction they enjoy. Although there are complaints handling structures in the oil and gas servicing companies, the extent to which these structures conform to international and globally acceptable employee complaint handling standards is yet to be ascertained. This study was set to fill this gap by adopting the five elements of effective employee complaint handling proposed by the Commonwealth Ombudsman in 2009. This will help the oil and gas servicing companies to reassess their employee complaint handling systems and to make adjustments where possible in order to reap the benefits that follow the practice of effective complaint handling.

Statement of the problem

Best practice organizations around the world endeavour to handle employee complaints satisfactorily. They adopt

and monitor the five key elements (culture, principles, people, process and analysis) in handling complaints. The Nigerian Oil and Gas sector and the servicing companies in particular have increasingly experienced dissatisfaction notices from employees whose complaints were unsatisfactorily resolved. In some cases, court cases may be instituted by aggrieved workers to demand justice. One wonders whether the complaint resolution practices of these firms are in conformity with globally recognized and acceptable standards which encompass the five elements with their various components.

There is the fear in the minds of many oil and gas employees regarding the manner in which staff complaints are handled, especially on matters affecting the employment status and welfare of employees. To many, the systems left much to be desired in the areas of commitment to problems resolution, accountability and promptness, information, confidentiality, sound process and regular review. Again, little exists in Nigeria on studies on employee complaint handling systems in Nigeria, and much less on the Oil and Gas sector of the country. Therefore, there is a need to assess the employee complaint handling systems in these firms, comparing them with international standards so that corrections may be made where necessary.

Objective

The study was aimed at assessing oil and gas employees' perception of the employee complaint handling systems in their companies using the five elements of effective complaint handling system developed by the Commonwealth Ombudsman in 2009. In specific terms, the study ascertained employees' rating of the culture, principles, people element, process and analysis trend of employee complaint handling system in their organizations *vis-a-vis* the Commonwealth Ombudsman's standard.

Scope of the Study

The study was domiciled in the human resources management branch of organizational management. Emphasis was on the employee complaint management system of selected oil and gas companies in Nigeria. These systems were weighed *vis-à-vis* the internationally accepted Commonwealth Ombudsman's "Better Practice Guide to Complaint Handling." The geographical scope of the study was limited to Lagos State since a good number of oil serving firms operate in the city. The coverage scope was limited to three serving companies in the city (Lagos). The employees of these firms were studied. The selected firms are: Kaztee Engineering Ltd., Wirttech Ltd., and Makon Engineering and Technical

Services.

LITERATURE REVIEW

Elements of effective complaint handling

Commonwealth Ombudsman (2009; 2014) identified five elements of effective complaint handling as follows:

Culture

An agency that cares about its clients and its reputation will be committed to good complaint handling. It will have a culture that recognizes the value of complaints and that requires all staff to be committed to effective complaint resolution.

Management is therefore responsible for promoting a positive culture that values complaint handling; integrating complaint information as resource for all business analysis; following up to a satisfactory resolution; and ensuring that the complaint handling system is properly staffed and resourced.

H₀₁: Culture of employee complaint handling system in Nigerian oil and gas companies do not differ significantly from internationally accepted standards.

Principles

Whether a complaint system is centralized or decentralized, five fundamental principles must be observed: fairness, accessibility, responsiveness and efficiency integration (Ombudsman Australia, 2010).

H₀₂: The principles of employee complaint handling system in Nigerian oil and gas companies do not differ significantly from internationally accepted standards.

People

Skilled staffs are essential for effective complaint handling. Responsibility for handling complaints should be allocated to staff that is identifiable, well trained and supervised. There should be sound recruitment practices, continuing training and learning opportunities, and systematic review and feedback.

H₀₃: The people element of employee complaint handling system in Nigerian oil and gas companies do not differ significantly from internationally accepted standards.

Process

Complaint handling must have as its basis sound

processes that embody the five principles of fairness, accessibility, responsiveness, efficiency and integration. The aim is to ensure that complaints are dealt with efficiently and effectively and that employees have confidence in the complaint system.

H₀₄: The process of employee complaint handling system in Nigerian oil and gas companies do not differ significantly from internationally accepted standards.

Analysis

Employee complaints provide a rich source of information about how well an organization is performing and what improvements it might make. Best practice organizations ensure that complaint issues and trends are a central element of their business review processes.

H₀₅: The analysis trend of employee complaint handling system in Nigerian oil and gas companies do not differ significantly from internationally accepted standards.

Empirical review

A few studies have been conducted by scholars on customer complaints but very little on employee related complaints. Drawing on the job demands-resources (JDR) model, Walsh et al. (2014) examined the mediating role of organizational commitment and customer orientation, and the moderating role of country on employee willingness to report complaints. Using data from German and Chinese service employees, they showed among others, that supervisor support and workload positively affect complaints, whereas employee empowerment and customer unfriendliness negatively affect it.

Tolba et al. (2011) sought to identify the factors that significantly influence customer loyalty during complaint handling process in ten Egyptian industries. They disclosed that perceived justice of the complaint handling process influence customer satisfaction and loyalty after the complaint. The primary objective of Warsame (2008) was to investigate the relationship between complainant satisfaction, loyalty, trust and positive word of mouth. A total of 198 copies of questionnaire were collected and analyzed using the SPSS program. The results revealed that attentiveness, atonement, facilitation and apology are the four organizational responses to complaints that have significant positive impact on complainant satisfaction. Attentiveness was the most influential organizational response to complaints. In addition the results also demonstrated that complainant satisfaction exerts significant positive effects on complainant loyalty, trust and positive word of mouth.

Table 1. Sample firms and their staff strength.

Name of firm	Staff strength
Kaztee Engineering	203
Weitech Limited	190
Makon Engineering & Tech Services	180
Total	573

Source: Internal records of the companies' branches.

Table 2. Reliability of the constructs.

Elements	Factor loading	No. of Items	Cronbach alpha
Culture	0.750	4	0.866
Process	1.000	5	0.982
People	0.750	3	0.700
Principle	0.750	5	0.876
Analysis	0.750	3	0.856

Agu (2015) carried out a study to unravel the nature and strength of key factors influencing complaint behavior in the service sector. The survey method was used as 348 respondents participated. The study revealed among others that the six constructs in the study (situational, demographic, psychological, service-provider, purchase service factor and industry condition) have significant impact on customer complaint behaviour. Again, Agu and Okpara (2015) in a study involving 271 customers of organized road transport firms in Nigeria compared the complaint handling process of the firms with the British Institution's ISO 2004 model of customer complaint management. They observed that the firms ranked very low compared with the international standard, noting also that the existing complaint handling structures had negative effects on customer satisfaction, loyalty and word-of-mouth.

The review shows that there are no previous empirical studies that compare organizational employee complaint handling system with the Ombudsman standard

METHODOLOGY

As a result of the nature of this study, cross-sectional research design was adopted. Data for this study were gathered from primary and secondary sources. Data required for analysis of key variables were generated through structured questionnaire designed in the likert scale five options (strongly Agree, Agree, Disagree, Strongly Disagree and Undecided). Copies of the questionnaire were administered face to face by the researchers and three trained ad-hoc field research

assistants while retrieval was made after two days to enable the respondents create quality time to address the questions. Also, the receptionists and the Human Resource units of the firms played major role in assisting to distribute and retrieve the copies.

The study population consists of the employees of oil servicing firms in Nigeria. However, the sample frame was reduced to firms operating in Lagos State, from which three firms were chosen for the study. The firms are shown on the Table 1 with their corresponding number of employees as at the time of consultation.

Using this figure (573) as the study population determined, the Taro Yamane formula (Yamane, 1967 as cited by Alugbuo, 2005 and Botes, 2009) with a confidence level of 95% was applied to arrive at a sample size of 236. Cronbach Alpha was applied in testing the reliability of the research instrument and the results are as shown on the Table 2.

Table 2 shows that all the constructs met the minimum threshold required for reliability and validity. Multiple regression analysis and paired samples t-test were used for test of hypotheses.

RESULTS AND DISCUSSION

Of the 236 copies issued, 209 (89%) copies were retrieved. 200 (96%) copies of the retrieved copies of the questionnaire were found useful for further analysis. The nine copies dropped were from nine respondents who disclosed that they had not had any unfavourable working experience in the organizations in recent times.

Table 3 shows that 58(29%), 92(46%), 34(17%), none

Table 3. Response when unfavourable working experience occurred.

Options	Frequency	Percentage
Complained to Colleagues	58	29.00
Complained to Unit Head	92	46.00
Complained to Top Management	34	17.00
Took a legal action	0	0.00
Did Nothing	16	8.00
Total	200	100.00

Table 4. Culture of employee complaint handling.

Statement	SA	A	D	SD	U	Mean	Std.	T	Sig.
My organization values and respects employee complaints	40	70	50	30	10	40.00	22.36	4.000	0.016
The company is committed to complaint resolution	32	68	52	28	20	40.00	19.60	4.56	0.010
The company encourages aggrieved employees to voice their complaints for effective resolution	20	50	80	35	15	40.00	26.22	3.41	0.027
Satisfactory resolution remains the goal of the complaint handling system in this company	35	62	56	33	14	41.20	21.11	4.36	0.012
Total	127	250	244	126	59	161.20	83.06	-4.34	0.013

R = 0.495 and P = 0.397.

and 16(8%) of the respondents disclosed that they complained to their colleagues, complained to unit heads, complained to top management, took legal actions and did nothing respectively, when they encountered their recent service unfavourable working experience. This analysis reveals that employees of the oil servicing firms exhibit the “voice complaint behaviour” with a total response of 184 (92%) as against Legal action and the “Do nothing” complaint behaviour with response rates of 16 (8%).

Again, this analysis exposes the need for the oil servicing firms to concentrate more on training and retraining the Unit Heads as employees have easy access to them for complaints. This shows that poor employee complaint handling can lead to negative word-of-mouth as 29% of the respondents may complain to colleagues.

The t-test shows that p-value is 0.012 and t-value is -4.299. From Table 4, the value of t at degree of freedom (df) 3 and 0.05 level of significance (2 tailed) is 3.183. Decision: Since t calculated (-4.299) is less than t critical (3.183) and the p-value (0.013) is less than Alpha (0.05), we therefore reject the null hypothesis and accept the alternative hypothesis that employees’ rating of the culture of employee complaint handling system in the oil and gas companies differs significantly from internationally accepted standards.

The t-test shows that p-value is 0.013 and t-value is -4.258. From Table 5, the value of t at degree of freedom (df) 4 and 0.05 level of significance (2 tailed) is 2.777.

Decision: Since t calculated (-4.258) is less than t critical (2.777) and the p-value (0.013) is less than Alpha (0.05), we therefore reject the null hypothesis and accept the alternative hypothesis that employees’ rating of the principles of employee complaint handling system in the oil and gas companies differ significantly from internationally accepted standards.

The t-test shows that p-value is 0.011 and t-value is -4.514. From Table 6, the value of t at degree of freedom (df) 2 and 0.05 level of significance (2 tailed) is 2.777.

Decision: Since t calculated (-4.514) is less than t critical (2.777) and the p-value (0.011) is less than Alpha (0.05), we therefore reject the null hypothesis and accept the alternative hypothesis that employees’ rating of the people element of employee complaint handling system in the oil and gas companies differ significantly from internationally accepted standards.

The t-test shows that p-value is 0.011 and t-value is -4.421. From Table 7, the value of t at degree of freedom (df) 4 and 0.05 level of significance (2 tailed) is 2.777.

Table 5. Principles of complaint handling.

Statement	SA	A	D	SD	U	Mean	Std.	T	Sig.
The complaint handling system in my organization is based on the principle of fairness (impartiality, confidentiality and transparency)	31	76	47	20	26	40.00	22.48	3.978	0.016
The system is based on the principle of accessibility. Staff are aware of the complaints lodging system, there are options for complaints lodging	50	78	37	15	20	40.00	25.39	3.523	0.024
The complaint handling system in my organization is responsive: Complainants can express their feelings in their own languages for clarification, vulnerable employees are given due attention, unreasonable behaviours are handled without victimization	35	60	58	33	14	40.00	19.19	4.66	0.010
The resolution process is fast	30	67	69	18	16	40.00	26.12	3.42	0.027
Complaint handling is seen as a serious and important aspect of our business	52	60	50	20	18	40.00	19.54	4.58	0.010
Total	198	341	261	106	94	200.00	104.50	4.28	0.013

R = 0.670 (0126) and P = 0.013.

Table 6. People of complaint handling.

Statement	SA	A	D	SD	U	Mean	Std.	T	Sig.
The complaints handlers in my organization are skilled staff	35	62	56	33	14	40.00	19.30	4.63	0.010
The complaints handlers are well trained and undergo periodic training on complaints handling	52	60	50	20	18	40.00	19.54	4.58	0.010
Top management supervises the activities of the complaints handling committee for a review of decision passed	40	70	50	30	10	40.00	22.36	4.00	0.016
Total	127	192	156	83	42	120.00	59.12	4.54	0.011

R = 0.746 (0.148) and P = 0.011.

Decision: Since t calculated (-4.421) is less than t critical (2.777) and the p-value (0.012) is less than Alpha (0.05), we therefore reject the null hypothesis and accept the alternative hypothesis that employees' rating of the process of employee complaint handling system in the oil and gas companies differ significantly from internationally accepted standards.

The t-test shows that p-value is 0.007 and t-value is -5.017. From Table 8, the value of t at degree of freedom (df) 2 and 0.05 level of significance (2 tailed) is 2.777.

Decision: Since t calculated (-5.017) is less than t critical (2.777) and the p-value (0.007) is less than Alpha (0.05), we therefore reject the null hypothesis and accept the

alternative hypothesis that employees' rating of the analysis trend of employee complaint handling system in the oil and gas companies differ significantly from internationally accepted standards.

Summary of findings

The study revealed that employees of the oil servicing firms exhibit the "voice complaint behaviour" with a total response of 184 (92%) as against Legal action and the "Do nothing" complaint behaviour with response rates of 16 (8%). This is contrary to the findings of Agu (2015) who observed that road transport customers exhibit the 'do nothing' behaviour more than the voice and legal

Table 7. Process of complaint handling.

Statement	SA	A	D	SD	U	Mean	Std.	T	Sig
There is a clear process for complaints handling in your firm	35	62	56	33	14	40.00	19.30	4.63	0.010
The process acknowledges complaints when lodged	52	60	50	20	18	40.00	19.54	4.57	0.010
The process does not involve any cost to follow	40	70	50	30	10	40.00	22.36	4.00	0.016
Complainants are given opportunity to express their grievances before resolutions are passed	20	50	80	35	15	40.00	22.22	3.41	0.027
Complaints are periodically told of the stages of resolution of their complaints when in progress	35	60	58	33	14	38.40	19.03	4.75	0.009
Total	182	302	294	141	71	198.40	99.58	4.44	0.012

R = 0.608 (0.277) and P = 0.012.

Table 8. Analysis of complaint.

Statement	SA	A	D	SD	U	Mean	Std.	T	Sig
The trend of complaints in the firm is regularly analyzed to identify the core areas of employee dissatisfaction	28	62	60	33	17	40.00	18.79	4.76	0.009
The complaint system is regularly reviewed to determine its effectiveness	37	61	56	31	15	40.00	15.73	5.69	0.005
My company uses employee complaints to correct areas of management failure	46	57	49	30	18	40.00	53.11	5.05	0.007
Total	111	180	165	94	50	120.00			

R = 0.619 (0.265) and P = 0.007.

action options.

It was also discovered that the rating of the culture, principles, people element, process and the analysis trend of employee complaint handling system in the oil and gas companies in Nigeria differ significantly from internationally accepted standards with very weak correlations. This has negative effect on job satisfaction, productivity and employee commitment (Walsh et al., 2014; Tolba et al., 2011; Warsame, 2008).

CONCLUSION AND RECOMMENDATIONS

To achieve satisfactory resolution of employee complaints, an understanding of the antecedents to employee complaint behaviour is imperative. Since the rate of employee complaints in the Nigerian Oil and Gas sector has remained high, largely due to macro and micro environmental, infrastructural and personal issues, there is the need to proactively prepare for its management. Firms can approach this management from the five elements perspective: culture, people, process analysis and principles. Adoption of the internationally acceptable standard can reduce conflict situations in the oil and gas

sector. This will improve the overall corporate performance of firms and their specific marketing performance in terms of improved employee relationship, market share and competitive position, patronage and profitability, and above all enhanced employee commitment.

Based on the findings of this study, the following recommendations are hereby made:

- Oil servicing firms are encouraged to adopt our new model in handling employee complaints. This will ensure transparency, fairness and equity in resolutions.
- As earlier noted, best practice organizations try to encourage employees to complain whenever there is a reason to complain. To generate more complaints that will aid corporate decision-making, efforts should be made to make the complaint lodging procedure stress-free and devoid of victimization.

Contributions to knowledge

- Reviewed literature revealed that no empirical study exists in Nigeria on this area of management practice.

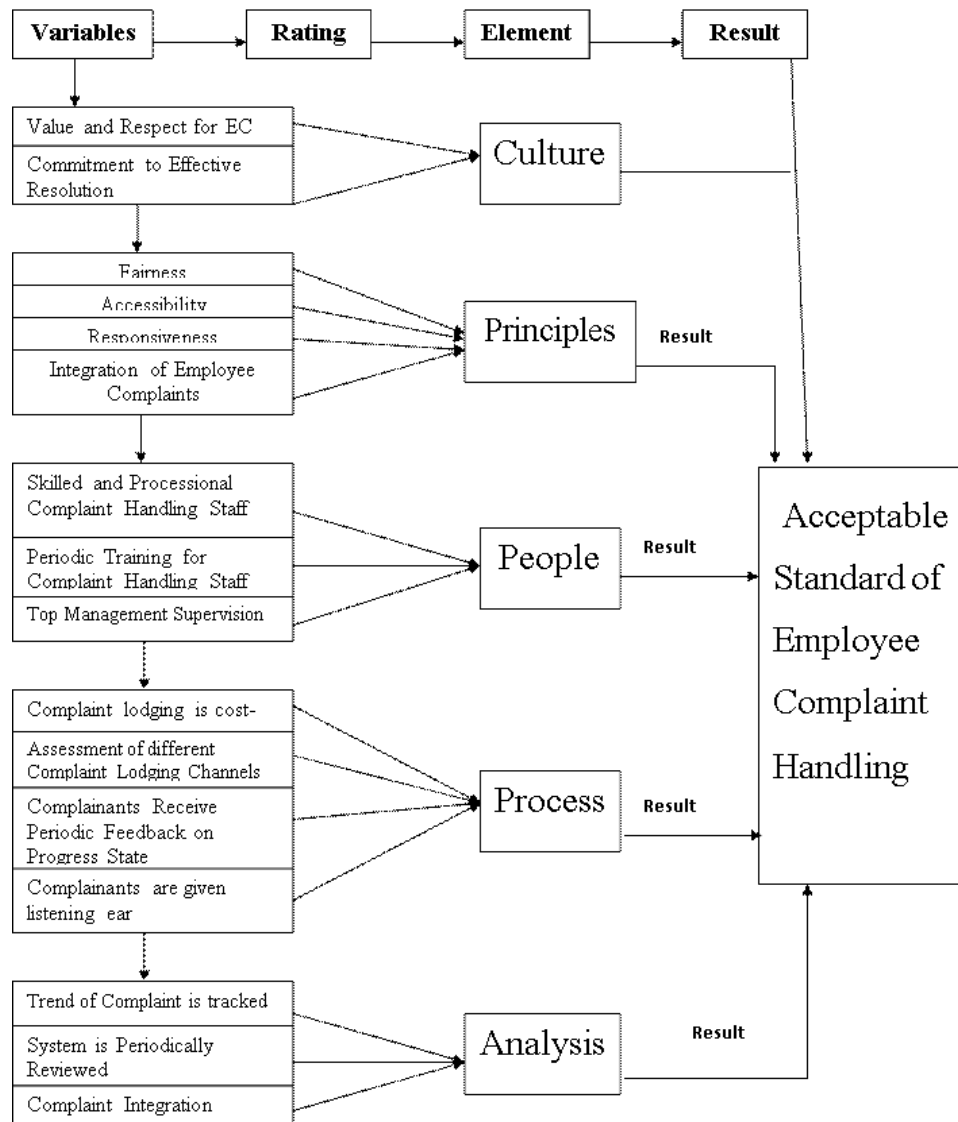


Figure 1. Proposed model of employee complaint management evaluation.

This study has bridged the gap. For firms that have existing employee complaint handling systems, this study has provided a basis for its evaluation for further adjustments. The study has developed a model of critical components for assessing employee complaint management in organizations. Our new and proposed model appears thus (Figure 1).

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