

THE EMBEDDED MARKET · CHAPTER EIGHT

The Complaints Nobody Read

Chapter Eight of The Embedded Market

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THE LICENCE

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Chapter Eight of The Embedded Market. The whole book, with every chapter, is at business.hautelumiere.life/library/the-embedded-market (DOI https://doi.org/10.5281/zenodo.23989474).

A NOTE BEFORE YOU READ

This work is offered for education and leadership development. It is not legal, financial, accounting, investment, medical or psychological advice; take the advice of a qualified professional who knows your circumstances. Companies and events are described from the public record as the author understands it; characterisations are the author's analysis. Examples are illustrative, and no particular outcome is promised to any reader.

ABSTRACT

In the autumn of 2007 a woman named Julie Bailey sat beside her mother in a hospital in Stafford, in the English Midlands. What she saw on the ward over the following weeks, and what she saw happen to other patients around her, made her do something most relatives in that position do not have the strength for. She complained, and then she kept complaining. When the complaints went nowhere inside the hospital, she found other families who had seen the same things, and together they formed a campaign group with a plain name: Cure the NHS. This chapter is about what happened to those complaints, and to the many others that came before and after them, and about why a public institution with every formal channel for hearing them did not hear. It is the book's third case, and the one in which the cost of a failed membrane is counted not in market share or warranty claims but in the care of people who could not leave.

CHAPTER EIGHT

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A daughter at a bedside

In the autumn of 2007 a woman named Julie Bailey sat beside her mother in a hospital in Stafford, in the English Midlands. What she saw on the ward over the following weeks, and what she saw happen to other patients around her, made her do something most relatives in that position do not have the strength for. She complained, and then she kept complaining. When the complaints went nowhere inside the hospital, she found other families who had seen the same things, and together they formed a campaign group with a plain name: Cure the NHS.

This chapter is about what happened to those complaints, and to the many others that came before and after them, and about why a public institution with every formal channel for hearing them did not hear. It is the book's third case, and the one in which the cost of a failed membrane is counted not in market share or warranty claims but in the care of people who could not leave.

That last point is the reason the case belongs in a book about Polanyi and Hirschman. Albert Hirschman's railway lost its most demanding customers to the lorries. A hospital patient, in most cases, cannot take that route. Illness does not wait for a comparison of providers, and an elderly person on a ward at night is about as far from a free market participant as a human being can be. When exit is closed, voice is the only signal left. Mid Staffordshire is what happens when that last signal is also lost.

A word on method before the case. The public record on Mid Staffordshire is very large: two independent inquiries, a public inquiry, regulators' reports, parliamentary debates and a decade of commentary. This chapter draws on a small number of facts from it that are well established and widely reported, and it does not reproduce any estimate of deaths, because the figures that circulated were contested and are not needed to make the argument. Where the record cannot show something, the chapter says so.

What the inquiry found

The fullest account is the report of the public inquiry chaired by Robert Francis QC, published on 6 February 2013 and commonly called the Francis Report. It was the second inquiry Francis chaired into the trust; the first, an independent inquiry, had reported in 2010. The public inquiry's report made 290 recommendations, addressed to almost every part of the system around the hospital: the Department of Health, the trust and other providers, commissioners, regulators, professional bodies, local authority scrutiny committees, and the bodies that were meant to carry the views of patients and the public.

Among its central findings was one that could stand as the summary of this chapter. The trust, the inquiry found, had failed to listen to the complaints it received from patients, relatives and staff, and as a result serious problems were neither identified nor acted upon.

It is worth reading that sentence slowly, because each part of it matters.

Patients, relatives and staff. The information was arriving from all three directions a hospital can hear from: the people being cared for, the people who loved them, and the people doing the caring. This was not a case of an organisation with no voice channels. The voices existed, and they were using the channels.

Failed to listen. The failure was not that nobody spoke. It was that what was said did not travel to a place where it changed anything.

Neither identified nor acted upon. The consequence of the listening failure was a knowledge failure. The organisation did not know what was happening on its own wards, in a sense that matters for action, because the information that would have told it had been received and then lost.

Julie Bailey's own exchange with the inquiry carries the same point in a single moment. When Francis first visited Stafford, he recorded later, she asked him what his inquiry could bring out that she and the other members of Cure the NHS did not already know. The relatives knew. The knowledge was already in the town. What was missing was a membrane that would carry it in.

Reading it with Hirschman

Hirschman himself turned his framework to health services. In his 1980 reflections on *Exit, Voice, and Loyalty*, published in a health policy journal ten years after the book, he surveyed how the idea had been taken up and gave particular attention to public services, where the people most able to leave a failing provider are often the ones who would have pushed hardest for its repair.[32] His argument, paraphrased here because the passage could not be checked word for word, was that services of this kind depend unusually heavily on voice, because exit is either unavailable to many users or, where it is available, removes precisely the users whose complaints carry the most information.

Read with that in mind, the structure of the Stafford failure is clear.

Exit was closed to the people with the most at stake. A frail patient admitted through the emergency department does not choose a ward. Many of the patients whose care the inquiry examined were elderly, and many could not speak for themselves. The market signal that disciplines a shop, a customer walking out, was simply not available to them.

Voice was therefore carried by proxies. Relatives spoke for patients. Staff spoke for the standards of their profession. Both are what Hirschman would recognise as loyal voice: people staying and saying what was wrong, because leaving was not a real option for the patient and not, for many staff, a choice they wanted to make.

The voice reached the membrane and stopped. The complaints were received. They entered a process. And then, in the inquiry's finding, they were not listened to in a way that led to the problems being identified or acted on. In the language of chapter 4, the membrane registered the signal and failed to carry it inward.

Exit returned in its most expensive form. When voice fails inside an organisation that people cannot leave, the information does not vanish. It finds a worse door, as chapter 2 put it. At Stafford the doors were the press, the campaign group, the regulators and, finally, public inquiries. That is exit at the scale of a society: the public's confidence leaving the institution, and the state stepping in from outside. It is accurate, and it is very late.



How a complaint dies

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How a complaint dies

The inquiry's report runs to several volumes, and this chapter does not try to summarise its account of how the system around the hospital failed. What is useful for a leader is the general shape of how a complaint dies inside an organisation that has a complaints process. Ammanuel Santa Anna's *Organizational Soul Work* names the shape precisely in a list of the ways truth is handled when an organisation cannot bear it. One of them is this: "The truth is acknowledged in principle but deferred indefinitely — always valid, never urgent."

That sentence describes, in thirteen words, the most common fate of a complaint in a large organisation. It is not refused. It is logged, acknowledged, answered with a letter, and placed in a queue that has no end. Each complaint, taken alone, is valid. None is urgent. And because each is handled alone, the pattern that would have been visible across fifty of them is never seen by anyone.

Four mechanisms do most of the work, and every one of them can be found in organisations that have nothing to do with health.

The complaint is treated as a case, not as data. A complaints process designed to resolve individual grievances will resolve them, one at a time, and never ask what they have in common. The relative who complains about a mother left without water receives an apology. The pattern of patients left without water is never counted.

The complaint is routed away from the people who could act. In many organisations the complaints function sits beside the line of management rather than inside it. It can investigate and respond; it cannot change how a ward is staffed. The signal reaches a part of the membrane that has no connection to the muscles.

The complaint is read as a threat. An organisation under pressure to meet external targets, financial or otherwise, has every reason to read complaints as risks to be managed rather than information to be used. Chapter 3 set out what this does to the price of voice. Once complaining is treated as hostility, the people who complain are treated as hostile, and the next person thinks twice.

Staff stop speaking first. This is the quietest mechanism and the most dangerous. Relatives, for all the difficulty, are outside the organisation and cannot be disciplined by it. Staff are inside. When a nurse's concern about staffing is met with indifference or worse, she learns what this book has called the price of voice, and so do her colleagues. *Luminous Moral Development* asks the question that applies to every ward and every office in this condition: "How many people stay silent in the face of wrongdoing because the power dynamics in the room make speaking up feel dangerous?"

None of these mechanisms requires anyone to want patients to suffer. Santa Anna's phrase for this, quoted in chapter 3, is structural silencing: a silence produced by the design of the system rather than the intent of anyone in it. *Organizational Soul Work* puts the same insight in a sentence that could be carved over the

door of any complaints office: "Organizational silence is not the absence of speech." At Stafford there was a great deal of speech. What was absent was hearing.

Why the loyal voices go quiet first

There is a finer point in the case that deserves its own space, because it is the one most leaders get backwards. The people who keep speaking to a failing institution longest are, almost by definition, its most loyal members. Relatives who return to the ward every day. Nurses who have worked there for years and remember when it was better. These are Hirschman's loyalists: people who stay a little longer than the arithmetic says they should, because they believe the place can recover and that their voice may help.

Loyalty of that kind is a reserve, and like any reserve it can be spent. Each complaint acknowledged and not acted on draws it down. The relative stops writing letters and starts writing to a newspaper. The nurse stops raising concerns and starts looking at job advertisements, or, if she cannot leave, stops caring quite so much, which is the response later researchers called neglect. By the time an institution notices that its loyal voices have gone quiet, the loyalty that produced them has usually gone too.

That is why silence from a group that used to speak is the most important signal in any review of voice. A complaints log that shows falling numbers from a captive group may describe an improving service. It may equally describe a group that has concluded speaking is useless. The only way to tell the difference is to ask, directly and in person, and to listen to the answer without defending anything. *Organizational Soul Work* calls this the hardest skill in its whole repertoire, and it is: to receive a truth that implicates you without explaining it away.

What the government changed

The response to the Francis Report is still argued over, and this chapter does not try to judge it. One element of it bears directly on the subject of this book. The government accepted the report in general terms and committed to a statutory duty of candour, together with other recommendations that required legislation.

A duty of candour is, in Hirschman's terms, an attempt to reverse the direction of voice. Most voice channels depend on the person who has been harmed noticing the harm and finding the strength to speak. A duty of candour places an obligation on the organisation to speak first: to tell the patient, or the family, when something has gone wrong in their care. It is the institutional form of the deposit described in chapter 13, information given before it is asked for.

Whether such a duty works in practice depends on everything this book has been describing: on whether staff feel safe enough to report what they have seen, on whether the organisation treats the disclosure as information or as liability, on whether the people told have anywhere to take what they hear. A law can re-

quire the first sentence of a conversation. It cannot require the listening that should follow it. That is not a criticism of the duty. It is a description of what a membrane needs in addition to rules.



What the case cannot show

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What the case cannot show

Three limits are worth stating.

First, this chapter has used a small part of a very large record. The Francis Report attributes the failures at Stafford to many causes, across many institutions, over several years, and this book's reading, that a mem-

brane received voice and did not carry it inward, is one way of seeing a story with many strands. It is a useful way, because it points to things a leader can check. It is not the whole account.

Second, the case does not show that complaints processes are worthless, or that more complaints would have prevented what happened. The relatives were complaining. The question was never the volume of voice. It was what happened to it once it was inside.

Third, the case is from a public health system in one country, and public services differ from firms in ways that matter. The patients could not leave; most customers can. But the mechanism, voice received and not carried, is the same one the book found on a Nigerian railway, in a restaurant chain and among an American carmaker's suppliers. What differs is the cost of failure, and the cost is highest where exit is least available.

The leader's version

Most readers of this book do not run hospitals. Every reader who runs anything has some version of Stafford's position: a group of people who depend on the organisation and cannot easily leave it. In a firm these are often employees with few alternatives, small suppliers who depend on a single large customer, tenants, members of a scheme, or customers locked in by contracts or by the cost of switching. For each of these groups exit is closed or expensive, and so voice is the only signal that will arrive in time.

Three practical rules follow from the case, and they apply at any scale.

Find the people who cannot leave, and put them first. Most organisations instinctively pay most attention to the customers and staff who could leave, because their departure shows up in the numbers. The Stafford case argues the reverse. The people who cannot leave are the ones whose voice carries the information that will never arrive by exit. A leader should know who they are by name or by group, and should know how their voice reaches the top.

Read complaints as a set, not a queue. At least once a quarter, someone with authority to act should read every complaint received, together, looking for what they have in common. Not a summary prepared by the complaints function; the complaints themselves, or a sample large enough to hear the words. The pattern that is invisible in a case file is often obvious in a pile.

Close the distance between the complaint and the muscle. Whoever receives a complaint should be one step, not five, from someone who can change the thing complained about. If the structure of the organisation makes that impossible, the leader should carry the complaint the remaining distance personally, at least for the ones that matter most.

Conscious Governance Models names the condition that has to hold underneath all of this. Speaking up, it says, cannot be left to policy alone: "It must be cultural — a genuine collective commitment that truth-

telling is valued even when it is uncomfortable." A complaints process is a channel. A culture is the willingness to hear what comes down it.

The bedside, again

Go back to the ward in Stafford. A daughter is sitting beside her mother, watching something she knows is wrong. She speaks to the nurse, who is overstretched and who may well know it is wrong too. She writes a letter. The letter is answered. Nothing changes.

The information that would have changed things was in the room the whole time. It was in the daughter, and in the nurse, and in the patient, who could not leave. *Organizational Soul Work* has a sentence for what an organisation becomes when that information has nowhere to go: "The truth you cannot speak becomes the architecture you inhabit." The hospital at Stafford became, for a time, the architecture of every truth its patients, families and staff had spoken and nobody had carried in.

The membrane at Stafford was not missing. It was there, with forms and processes and an address for letters. It received. It did not listen. And for people who could not leave, a membrane that receives without listening is the same as no membrane at all.

For the gift relationship that makes speaking first possible, see Ammanuel Santa Anna's sibling book in this series on gift, reciprocity and trust, gift and reciprocity, and the reading of governance and the somatic life of institutions in Ecstatic Economics, Ecstatic Economics. *For the Alpha Paper on mapping the people around an organisation, including those who cannot leave, see* Alpha Stakeholder Map. *More at hautelumiere.life.*

The Tool: The Captive Voice Review

For a leader responsible for any group of people who depend on the organisation and cannot easily leave it: patients, residents, tenants, small dependent suppliers, staff with few alternatives, members locked in by contract. Allow two hours the first time and one hour each quarter after.

1. Name the captive groups. List every group whose members would find it hard, slow or costly to leave you. For each, write one sentence on why leaving is hard: illness, age, dependence, contract, distance, money. If you list fewer than two groups, look again; almost every organisation has some.
2. Trace one voice in full. For each group, take one concern raised in the past six months. Follow it from the moment it was spoken to the moment something changed, or to where it stopped. Write down every hand it passed through and how long it stayed in each. Mark the point where it stopped moving, if it did.

3. Read the pile. Gather every complaint, concern or comment from that group in the last quarter, in the words in which it was made. Read them together in one sitting. Write down the three things that recur. Do not read a summary first; read the words, then summarise.
4. Count the staff voices. Separately, list every concern raised by staff about the care, safety or treatment of this group in the same quarter. If the number is zero, treat that as a finding, not as good news, and ask two staff members you trust why it might be zero.
5. Shorten one path. Choose the single place in step 2 where voices most often stop. Make one change that shortens the distance from that point to someone who can act: a standing meeting, a named person, a direct line to you. Tell the group what you changed and why.
6. Speak first once. Identify one thing that has gone wrong for this group in the quarter that they may not know about. Tell them, plainly, before they ask. Record what happened when you did.

Reading the review. Over a year, the measure is not fewer complaints. It is shorter paths in step 2, more recurring themes acted on in step 3, more staff voices in step 4, and at least four quarters in which the organisation spoke first. A captive group that hears from you before it has to complain has a membrane that is beginning to listen.

Your page — run the The Captive Voice Review here, dated.

A note on method

The facts of the Mid Staffordshire case used here are limited to the following, each widely reported and drawn from the public record: the public inquiry chaired by Robert Francis QC reported on 6 February 2013, following an earlier independent inquiry that reported in 2010; the public inquiry's report made 290 recommendations addressed across the health system; it found that the trust failed to listen to complaints from patients, relatives and staff, so that serious problems were neither identified nor acted upon; Julie Bailey led the campaign group Cure the NHS, and Francis recorded her question about what the inquiry could add to what the families already knew; the government accepted the report in general terms and committed to a statutory duty of candour. Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry, HC 947, The Stationery Office, 2013. No estimate of deaths is used, because the figures that circulated were contested. The chapter's description of how complaints die is the book's general reading, not a finding of the inquiry.

A NOTE FROM THE HOUSE

Every organisation holds a voice it has not yet read: the complaint, the supplier's warning, the loyal customer who has gone quiet. Heard early, it is among the cheapest gains a firm will ever find. Luminous Prosperity Inc. opens that channel inside organisations as a gainshare, paid as a share of the gain it helps find.

REQUEST A CONVERSATION

References

1. Hirschman, A. O. (1980). "Exit, voice, and loyalty": Further reflections and a survey of recent contributions. *The Milbank Memorial Fund Quarterly. Health and Society*, 58(3), 430–453. https://doi.org/10.2307/3349733. Paraphrased; no sentence of Hirschman's is quoted.

The Complaints Nobody Read

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