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**Improving organizational performance by implementing customer complaint management through socio economic approach to management in a case study of SME, Vietnam**

*L'amélioration de la performance organisationnelle en combinant la gestion des réclamations clients et l'approche socio-économique : une étude de cas d'une SME, Vietnam*

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## **Index of Acronyms and Abbreviations**

AR	Action research
BCG	Boston Consulting Group
BIDV	Bank for Investment and Development of Vietnam
BOD	Board of Directors
Boeing A&T	Boeing Aircraft and Tanker
CCM	Customer complaint management
CEOs	Chief executive officers
CFA	Confirmatory factor analysis
CRM	Customer relationship management
CSFs	Critical success factors
CSR	Corporate social responsibility
EFA	Exploratory factor analysis
GDP	Gross domestic product
HCVAVC	Hourly contribution to value added on variable cost
HRM	Human resource management
IESAP	Internal external strategic action plan
ISEOR	Institut de Socio-Economie des Entreprises et des Organisations
ISO	International organization for standardization
IT	Information technology
KPI	Key performance indicator
KRA	Key result area

LTV	Lifetime value
NGOs	Non-government organizations
NRMA	National Roads and Motorists Association
OECD	Organization for Economic Co-operation and Development
PAP	Priority action plan
PDA	Principle component and data envelopment
PNAC	Periodically negotiable activity contract
ROA	Return on assets
ROE	Return on equity
ROS	Return on sales
SEAM	Socio-economic approach to management
SEM	Structural equation modeling
SME	Small-and-medium sized enterprise
SPACE	Strategic position and action evaluation matrix
VND	Viet Nam Dong
WTO	World Trade Organization

## **Introduction**

This study describes the positive relationship between customer complaint management and organizational performance at a small-and-medium sized enterprise (SME) in Vietnam. A pragmatic oriented action research methodology such as socio-economic approach to management (SEAM) is applied to enhance service quality and the company sustainable performance. The research is expected to inherit outcomes of previous researchers (i.e. Arash (2014), Hsiao et al. (2016), Faed et al. (2015), Yilmaz (2015), Cappelletti et al. (2009), Savall (2003), Haddad et al. (2017), etc.) by approaching customer complaint management at strategic level, aggregate complaint analysis and organic perspective of exit – voice theory in combination with SEAM in order to standardize customer complaint management framework to recover service failure as well as customer dissatisfaction; achieve multi-dimensions of organizational performance; and develop human capital of the SME.

Customer complaint management is considered as a system for managing complaints that are transformed into knowledge about customers. Johnston's model (2001), Boeing A&T model (Zairi, 2000), NRMA's model (1992) (Zairi, 2000), Arash's (2014) comprehensive CCM system, and Hsiao's (2016) novel framework for CCM prove complaint handling benefits in terms of financial, human, and standard process achievements. These are phase – by – phase frameworks from customer complaint data collection to implement solutions and evaluation, showing that implementation of customer complaint management has been researched from 1990s to now.

The relationship between customer complaint management and organizational performance attracts attentions of researchers as well as CEOs of enterprises in the

increasingly-dominant-service world economy. Customer complaint handling drives customer loyalty (Homburg et al., 2013) leading to the company sustainable performance.

Previous authors suggested some approaches for this relationship, for example, mechanistic and organic of exit-voice theory of Hirschman (1970), individual complain handling and aggregate complaint analysis of complaint management (Lapidus et al., 1994), integrated holistic approach of People, Process and Technology of CRM or separate approach of these three components (Bull, 2003; Chen et al., 2003; Mendoza et al., 2006; Rahimi and Gunlu, 2016), empowered approach (Johnston, 2001) for CCM strategy, process and analysis.

A research of Hsiao et al. (2016) describes an action research in customer complaint management with five phases (e.g. Define, Measure, Analyze, Improve and Control). Hsiao's framework is good at approaching service quality to solve customer complaints with facilitating tools like service management system, voice of customer analysis, servqual model, decision tree inductive learning algorithm, cause-and-effect diagrams, etc. However, this research hasn't been showed position of customer complaint management in corporate management, at strategic or functional level; it only considers problems of service process; and employees' perspectives haven't been described. Hsiao's research hasn't been approached from integrated holistic approach between People, Process and Technology.

In order to recommend a CCM framework or prove the positive impact of CCM to organizational performance, CCM system evaluation is based on both quantitative and qualitative methods. Faed et al. (2015) and Yilmaz et al. (2015), moderated effects of customer complaint management on firm performance approached from both mechanistic and organic perspectives of exit-voice theory, respectively. They use deductive reasoning with PDA analysis (Faed et al., 2015), and symmetric testing using hierarchical regression analysis of data obtained from complainants and firm managers (Yilmaz et al., 2015). So, the two previous proved that customer complaint management is very important to improve organizational performance, but organizational performance is sparely evaluated by only financial performance. Otherwise, their research findings aren't conducted in their case studies; they are just recommendations in reports. These researches are just empirical testing with quantitative methods, resulting in not increasing societal impacts of academic research.

Hsiao et al. (2016) used customer satisfaction survey and simple calculation such as number of complaints per month or percentage of working time to deal with customer complaints, that don't reflect hidden costs as well as revenues from implementing customer complaint management process. Therefore, the author recommends that research outcomes must recognize results of core business strategy that integrates internal processes and functions, with external networks, to create and deliver value to targeted customers at a profit related to People, Process and Technology measured by multi-dimensional indicators when CCM is considered as strategic organization change caused by new strategic orientation from intentional approach involving strategic management.

It's the reason why the company needs an appropriate methodology to effectively implement customer complaint management that is a socio economic intervention research, solving service failure, revealing human capital development in this process and new comprehensive evaluation of organizational performance by not only separate and simple indicators as the above previous researches but also customer complaint management profitability, hidden costs analysis models and company performances.

This study explains the relationship between customer complaint management and organizational performance approached from organic aspect of exit-voice theory (Hirschman, 1970) meaning making favorable (or supportive) internal environment by motivational processes and creating shared values and norms. This study only develops the organic approach because it is the first time for the case study of SME to conduct customer complaint handling, so it's difficult to immediately install formal organizational policies for complaint handling process in this trial period regarding to employees' responses to the strategic change as contents of mechanistic approach. In the future, after this successful action research, mechanistic approach with processes, outcomes and behavioral guidelines will be used to continue customer complaint management as suggested by Homburg et al. (2005) or ISO 10002 with the international standard on complaints-handling. Organic approach supports the company to successfully implement CCM strategy.

The author develops customer complaint management framework based on aggregate complaint aspects of customer complaint management at strategic level in which customers, top management as well as frontline employees all join the process because they provide

useful information and their participation will reduce their resistance to organizational change related customer complaint management.

Which methodology is the best to implement customer complaint management? A pragmatic oriented action research (Cappelletti et al., 2009) or socio-economic approach to management (SEAM) is the most consistent with customer complaint management framework as explained below:

Firstly, customer complaint management is developed based on designing phase-by-phase system (e.g. Arash (2014), Hsiao et al. (2016)) in action research projects. However, there is no action research describing the relationship between customer complaint management and organizational performance using qualimetric intervention research or socio-economic approach to management. Besides, forty years of developments SEAM has been spreading the four continents (Cappelletti et al., 2018). This case study of Vietnam contributes to make SEAM appear in more Asian countries.

Secondly, SEAM is a systematic approach to organizational change, appropriate to strategic level of customer complaint management. Savall (2003) concludes “bio systemic” as follows: In order to calculate hidden costs of dysfunctions, human resources and financial management are integrated to explore lack of quality management; marketing, sales and strategy – vigilance indicators at all departments in the enterprise; operations and production management with organizational development - involving the actors in determining solutions to improve process based on technologically appropriate principle. So, SEAM will be expected to accelerate holistic integration of People, Process and Technology of the organization.

Thirdly, SEAM clearly describes how to collect and analyze data from top management to frontline employees, determine dysfunctions formulated by interaction between organization structures and employee’s behaviors, so SEAM supports organic approach of exit-voice theory in customer complaint management process referring to create a supportive internal environment for the new organizational change.

Fourthly, four-stage SEAM explores problems of all People, Process and Technology and shows causes of these problems rooted in dysfunctions; and decreased by structured implementation of specific actions.

Fifthly, SEAM provides management tools such as time management, competency grid, piloting logbook, internal external strategic action plan, priority action plan and periodically negotiable activity contract that are to simultaneously support top management in strategy orientation, human potential development and achievement of all economic objectives from short term to long term ones (Cappelletti et al., 2009).

Sixthly, in socio economic evaluation, organizational performance is measured based on qualitative, quantitative and financial data, not only based on financial data or simple CCM results as presented in previous studies. SEAM's great advantages are a "renewed pedagogy of costs and a more dynamic evaluation of intangible investments and human capital" as well as converting hidden costs into visible values and tangible performances (Cappelletti et al., 2018). In this dissertation, customer complaint management profitability, economic performance, social performance and hidden costs are applied, indicating outcomes of socio economic intervention research such as reduction of dysfunctions, improvement of individual behaviors and organization structures, and decline in hidden costs.

Seventhly, SEAM helps the company to get sustainable performance by meeting needs of external stakeholders like customers, and internal actors (i.e. employees). According to Johnston (2001), if the company uses information from complaints to improve operational and organizational – wide processes, satisfies and retains employees, the company will receive financial benefits accrued from satisfying and retaining dissatisfied customers through service recovery.

Therefore, embedding pragmatic oriented action research (SEAM) project in implementing customer complaint management will make customer satisfied, develop human capital, increase the company sustainable performance as well as reinforce the relationship between the researcher and those researched. This study is conducted at a SME in passenger transport industry of Vietnam. The time is started from August of 2014 and finished on December of 2018, in which there are two action plans (2015-2016 and 2017-2018) are finished.

In conclusion, the dissertation is expected to bridge the gap between traditional action research and SEAM in CCM framework in order to reinforce the relationship between customer complaint management and organizational performance by SEAM. Proving human capital development in CCM framework combined with SEAM and indicating company sustainable performance haven't been revealed in previous studies.

The Introduction part consists of author's background in subject, introduction to SMEs in Vietnam, context and origins of research in Vietnam's transport industry, epistemology and research methods, problem statement, research objectives and research questions, hypothesis, scope and limitations, organization and structure of dissertation.

### **Author's background in subject**

The author is a Vietnamese who has studied, worked and lived in Vietnam, Malaysia and France and has a professional and academic career associated with enterprising management, marketing management and corporate finance. She got bachelor of Banking – Finance in 2008, and bachelor of Politics in 2018; master of business administration in 2010 and master of research in 2016. From 2009 until now, she's working for Thai Nguyen University as a lecturer. From 2015 to present, she is promoted as a Vice Head of Economics – Management Department of International School.

During the 2009 – 2014 period, she run three international projects including (1) Corporate training for enterprises' leaders (HEG – USA and TUEBA – VIETNAM); (2) City planning and developing (MPED-Canada, ACVN and People committee of Thai Nguyen city); (3) Improving infrastructure of Northern mountainous cities of Vietnam (funded by World Bank and People committee of Thai Nguyen city). From 2014 to now, she is working part-time as a consultant in a small-medium sized enterprise in Thai Nguyen province that is the case study of this dissertation. From 2019 to 2020, she starts to lead two research projects funded by Vietnam government for national branding of specialties (Mu Cang Chai Black-Bone Chicken and Luc Yen Pregnant Duck) in a mountainous province-Yen Bai of Vietnam.

In academics, the author successfully defended 3 researches funded by Vietnam government regarding to supply chain management of tourism companies, competitiveness of transportation companies, and corporate financial analysis of tourism companies. She well



understands businesses of transportation companies in Thai Nguyen province as well as in Vietnam. She also published 6 papers in scientific journals of Vietnam and 1 paper in an international conference. The contents of these papers focus on human resource management, customer satisfaction, financial capacity, vertical integration and linkages, and socially responsible service operations management.

The author's efforts prove that she can well utilize socio economic theory in the action research with the qualimetric methodology and hybrid data (quantitative, qualitative and financial) to implement organizational change. The most important content of this dissertation is to illustrate transformation from low-priced passenger transport service in a seriously competitive market to highly-priced qualified one for a new segment of customers as well as new customer interaction by implementing SEAM method. Objectives of this transformation are to improve not only customer complaints but also organizational performance in the period of 2015-2016 and 2017-2018 in a passenger transport SME of Vietnam.

Almost researches about the relationship between customer complaint management and organization performance don't apply action research. However, Arash (2014) and Hsiao et al (2016) also did action researches related to customer complaint management in service companies, but these researchers are weak at choosing consistent methodology, for example, how to collect and analyze context feature data, approach integrated People, Process and Technology, implement CCM at strategic level as well as assess effects of solutions to the firm performance.

So, the author chooses CCM action plans that are illustrated and implemented by socio economic approach to management in order to develop the relationship between CCM and organizational performance as well as between the researcher and those researched.

### **Introduction to SMEs in Vietnam**

According to Organization for Economic Co-operation and Development (OECD) (2019), small and medium-sized enterprises (SMEs) employ fewer than 250 people; are further subdivided into micro enterprises (fewer than 10 employees), small enterprises (10 to 49 employees), medium-sized enterprises (50 to 249 employees); large enterprises (250 or more people).

The Vietnamese government defines SMEs by Decree 39/2018/ND-CP as follows: Small and medium-sized enterprises are business establishments that have registered their business according to law and are divided into three levels: very small, small and medium according to the sizes of their total capital (equivalent to the total assets identified in an enterprise's accounting balance sheet) or the average annual number of laborers or total revenue.

Based on this Decree, the company in this case study is categorized as a small – sized enterprise from 2010 to 2016 because total revenue is less than VND 100 billion. From 2018 to now, the company is considered as a medium sized enterprise with total revenue of more than VND 100 billion. This action research supported the company to get higher ranking, from small sized to medium sized.

### ***Prominent attributes of SMEs in economic development of a country***

Pislaru et al. (2012) conclude that dynamics, flexibility and innovative power are outstanding characteristics of almost SMEs, who are significantly contributing to the economies by technological innovation, employment opportunities and export promotion. The ability of SMEs in innovation is important because it can increase the competitive edge to the companies, industry and the economy.

In addition, SMEs have been defined as a backbone of industrial development in a country. The objective of innovation at SMEs is to innovate and create value for the market integrated into society and therefore to achieve sustainable growth, high quality and productivity levels of services, quick response to changing customer needs and wants. However, in order to achieve these results, there are several barriers to innovation that have to be taken by the SMEs. Tiwari et al. (2007) listed five barriers such as (1) financial difficulties resulting in high innovation costs and high economic risks; (2) limited internal person in managing the innovation process effectively and efficiently; (3) missing market and to enter foreign markets; (4) bureaucratic issues with long administrative procedures, restrictive laws and regulations; (5) lack of intellectual property rights is a barrier to SMEs' innovation.

One of service innovation challenge is to “offer the continuously improved, if not new, services”. Service innovation means value addition which was not provided for customers

before and alters service concept as well as delivery process. Nada et al (2015) suggest that the way for dynamic and agile SMEs to innovate service is *service design* should be considered as a top priority.

What are the differences in service innovation between SMEs and large scaled companies? According to Raymond et al. (2010), SMEs pay attention to develop new products, create core values, and maintain competitive advantages by seizing new opportunities. Rothwell et al. (1994) and Hadjimanolis (2000) prove that SMEs are more quickly respond to changes in the market than large companies; owing to advantages of small companies' size SMEs also are more flexible and dynamic than the large ones. Although big companies own advantages of resources, they more slowly react to the changes of business environment than SMEs (Rothwell et al., 1994). Besides, Fuller et al. (2007) designate that SMEs are more innovative than large companies in the manufacturing context.

SMEs have been developed in recent years, accounting for 98% of total enterprises in Vietnam. Size of SMEs is intended to be smaller showing feature of Vietnam, for example, to be consistent with technology science such as 4.0 industrial revolutions.

Therefore, the author selects a SME in a developing country like Vietnam to do intervention research in service innovation. This case study is a passenger transport service provider who provides taxi, intra-city bus, and inter-city bus. The company experiences many difficulties in delivering inter-city bus service to passengers. This service is a flagship service which should be innovated to make the company survival in the market.

## **Context and origins of research in Vietnam's transport industry**

### ***Context in Vietnam***

#### ***National government in managing transport industry in Vietnam***

During more than 30 years of renovation since 1986, Vietnam has been significantly changing in many aspects of life such as politics, economy, society, etc. Since joining into the WTO in 2006, the Vietnamese economy was faced with a variety of opportunities and challenges.

An emerging market context such as Vietnam is investigated. According to Narasimhan et al. (2015), emerging market research is increasingly important to scientists as well as social

actors regarding to provide new managerial implications and expand theoretical knowledge in general and marketing in particular.

The service industries have been significantly contributing to economic and social development of the world (Daniel and Harrington, 2007). Emerging markets have also accomplished significant growth in the service sector. For instance, approximately 40% of the GDP in Vietnam was contributed by service industries in 2008 and 2009 (Vietnamese General Statistics Office, 2010). Recently, 42.7% of the GDP in Vietnam was attributed to service industries in 2018 (Vietnamese General Statistics Office, 2018), increasing 7.03% in comparison with the period of 2012-2016, 11.7%-2017. Especially, logistics, transport, hotel, banking, insurance and retailing get good growth with the total value of VND 4400 thousand billion. It is noting that service in general, transport in specific, plays important roles in Vietnam economy development.

In addition, Burgess et al. (2006) show that emerging markets can be considered as a fertile ground for marketing researchers to develop new constructs, new variables as well as new theoretical frameworks. One of the reasons is transformation in these markets that are transformed from state ownership and management to private one intended to more market – driven, more and more companies from developed countries move their business operations to developing countries to take advantages of low costs and investment attraction policies as well as board markets. For example, in passenger transport industry of Vietnam, Uber and Grab successfully penetrated Vietnam market leading to make traditional taxi companies go bankruptcy. This makes the domestic market such as Vietnam is more crowded from perspectives of supply, resulting to promote SMEs of Vietnam changing to survive. Therefore, the transformation leads to various changes of consumer and company behaviors in marketing.

#### *Features of passenger transport service in Vietnam*

Passenger transport systems operate on the inter-city, sub-urban, intra-city and international (including inter-continental) levels. Passenger traffic is described in terms of the number of passengers carried and the total volume of passenger kilometers, that is, the product of the number of passengers and distance traveled. Ordinary inter-city passenger transport

service with low fare is very popular and seriously competitive market in Vietnam. Many companies have been going bankrupt, leading to find new segments such as luxury one.

The special characteristics of services such as intangibility, inseparability, variability, perishability, and customer participation require specific form of distribution system. Direct marketing is the best way to facilitate services to the customers. The production and distribution of the corporation are bus stations, bus shelters, and bus stops.

Information which customers need to know includes details of bus routes; types of bus services – ordinary, express, luxury, hi-tech; bus timings; bus fares against type of service; bus numbers; cancellation of bus services in routes; special services arranged; reservation of seat details; reservation, postponement, and cancellation charges details; portage charges. However, this information is not publically announced in Vietnam's passenger transport enterprises.

In transport service organizations, frontline employees play vital role in producing and delivering services. They directly interact with the customers at various levels of service production process. Employee satisfaction is the key for the success of transport service organizations because it results in customer satisfaction, customer trust and relational commitment, then getting customer loyalty as well as their purchasing actions, and finally improving the organizational performance.

Almost passenger transport service companies of Vietnam are SMEs without social enterprises in this industry. They are limited in resources but run their business in seriously competitive market. 98.07 % of accidents are on the road, rooted from subjective reasons of drivers. Therefore, it is impossible for them to provide value-added services for customers and citizens.

Although the public-private partnership decree has been approved on February of 2015, it still focuses on encouraging investment in infrastructure construction, mainly green-field projects. Responsible business has just fast developed from 2000s. Since 2010 until now, an increase in service quality is contributing to consolidate the transportation company's responsible business in Vietnam. Service quality is expected to improve the relationship between an enterprise (service provider) and customers.

### ***Regulations from national and local government***

Vietnam government has issued Decree No 86/2014/NĐ-CP and Circular No. 63/2014/TT-BGTVT. Decree No 86/2014/NĐ-CP focuses regulations on transport business, transport conditions and transport business license. Circular No. 63/2014/TT-BGTVT issues regulations on organization and management of road transport companies.

Local government (Thai Nguyen province) implemented safety transport projects from 2011 until now to decrease accidents and increase traffic participants' consciousness.

### ***Problems of serious competition in passenger transport services in Thai Nguyen province***

Thai Nguyen is a mountainous province in the Northeast region of Vietnam near Hanoi Capital. Thai Nguyen is positioned as a center of education and culture of this region.

At the beginning of the action research, in the year of 2014, in Thai Nguyen province there were more than 400 passenger cars on 222 inter-provincial schedules and 3 inner-provincial schedules, 36 taxi firms with more than 2000 cars, as well as more than 13000 trucks. However, immigration rate was increasing and the number of students coming to Thai Nguyen University was decreased. Therefore, demands in passenger transport service were significantly decreased, but supplies were crowded. So, it is the reasons why service quality was worse and enterprises' profits were reduced.

In Thai Nguyen province, all passenger transport companies are private-owned SMEs. Therefore, Thai Nguyen province has many features of Vietnam transport context as well as SMEs. These are reasons for the researcher to choose Thai Nguyen as the case study of this dissertation.

### ***Organizational context of the case study***

The company was established in 2003 in Thai Nguyen province. Initially, it had 30 cars and 50 employees. In 2014, this was a SME with 250 cars, multi-business (taxi, intra-city bus, inter-city bus, fast delivery service, garage), and 338 employees. At the end of 2018, the company has 10 branches in Hanoi, Thai Nguyen, Bac Kan and Tuyen Quang. Total cars are 219 in which there are 103 buses, 67 limousine cars, 49 taxi cars. Total employee number is 520 people and male accounts for averagely 88.5%.

At the end of 2014 (before the action plans), the company is facing many problems related to organizational performance as follows:

The researcher used corporate social performance indicators written by O'Connor et al (2008) to diagnose problems such as strongly decreased profitability; low profitability of flagship service that is inter-city bus; high turnover rate, unsatisfied employees, no service innovation.

In terms of customer relationship management, customers complain a lot about the service quality of inter-city bus such as dimensions of empathy, reliability, guarantee and responsiveness. They feel unsafe and angry because of bad service operations, then leave the company and choose other providers who are the company's competitors, resulting in significantly profits during 5 years from 2010 to 2014.

In conclusion, the company should do something to improve low profitability and high turnover rate of direct employees by finding out reasons and negative outcomes. It means that SEAM will be used to prove dysfunctions as well as hidden costs which are the foundation of suggesting action plans in promoting customer complaint management that combines some sub-strategies in the period of 2015-2018 for one flagship service - inter-city bus that is in the trouble period with gradually decreased profits. The main reason is that customers are not satisfied about People, Process and Technology of customer relationship management and it needs a strategic change to be survived in the seriously competitive market.

### **Epistemology and research methods**

This research is conducted based on paradigm, epistemology and methods of marketing, relationship marketing, management science and SEAM. Firstly, in terms of marketing, idealism and subjectivist are chosen. Secondly, from perspectives of relationship marketing, system approach and relational approach are applied in the study. Thirdly, in management science manners, selected paradigms are interpretive and alternative; constructivism and applied epistemologies are utilized; abductive reasoning is the most consistent with intervention research of the case study; methods such as participatory action research and pragmatic method are used. Lastly, SEAM's ontology and epistemology including generic

constructivist, interpretivist, and abductive reasoning; cognitive interactivity, contradictory intersubjectivity, and generic contingency are used in this dissertation.

## **Problem statement, research objectives and research questions**

### ***Problem statement***

Hsiao et al. (2016) suggested a novel framework for customer complaint management by integrating a decision tree inductive learning algorithm into the Six Sigma analysis toolset, to enhance the effectiveness of managing complaints and improving service quality. There are five phases in the framework. Firstly, Define phase is started from receiving customer complaints, assessing, reviewing policies as well as processes of maintaining service quality, and identifying improvement opportunities. Secondly, in the Measure phase, the researcher identifies quality gap and improvement goal, understands customer complaints and key areas of concern, and collects context feature data of service. Thirdly, the Analyze phase is begun at inducting the inferring rules for customer complaint dimensions based on context features of service, verifying them and stopped at investigating sources and causes of customer complaints. Fourthly, Improve phase focuses on recommending and verifying solutions to improve service quality. Finally, Control phase is to determine and implement control plans.

Hsiao's framework is good at approaching service quality to solve customer complaints with facilitating tools like service management system, voice of customer analysis, servqual model, decision tree inductive learning algorithm, cause-and-effect diagrams, etc. However, it stills has some weaknesses. Firstly, in the Define phase, Hsiao didn't illustrate how to collect data and from whom. Secondly, their study determined only problems of service process. Thirdly, they simply assess effects of solutions by customer satisfaction, number of complaints per month and percentage of working to deal with customer complaints although the research is approached from project – driven quality improvement. Besides, according to Cappelletti et al. (2018), one pitfall of traditional methods of cost reduction, such as Six Sigma can lead to “shrinkage” of activity and a mutilation of human potential and staff.

Another research model of customer complaint management is called comprehensive CCM system by Arash (2014). In this system, there are seven steps in which step 1 is document voice of customer (VOC), step 2 is translating VOC into customer needs or problems, step 3



is analyzing and solving the problem, step 4 is exploiting customer needs, step 5 is updating failure modes and effects analysis, step 6 is sharing solution with affected customer and step 7 is updating system performance measurement. Arash approached empowerment in order to add value not only to the customer but also to organizational performance which is measured by customer complaint management profitability or return on complaint management. Arash' study improves weaknesses of old fashioned complaint management, for example, complaint handlers are an important part of the company, customer satisfaction is paramount, positive and proactive attitudes are encouraged, fast reply and simple solutions are appreciate, computerized system and telephone are used to personalize contacts and increase response speeds, regular feedbacks are sought from both customers and front-line employees to identify customer satisfaction and areas for improvement. However, the 7 step process is quite complicated and steps should be merged to ensure logics. Besides, customer complaint management is considered as function level, so the measurement is based on economic aspect that is customer complaint management profitability, but this indicator is not enough to prove impact of CCM on organizational performance because organizational performance must be calculated based on social performance.

To summarize, both the two models of CCM lack indicators to evaluate how organizational performance is changed; they also didn't indicate how top management, managers and frontline employees coordinate with each other to propose specific actions for problems of People, Process and Technology.

Based on weaknesses of action research methodology and measurement of CCM project results, the author propose pragmatic oriented action research combining CCM with SEAM to recover customer satisfaction and develop human capital of SME.

Firstly, in terms of the combination between CCM and SEAM, there is no research developing the relationship between customer complaint management and organizational performance applying socio economic approach to management method. SME will engage both customers and employees in implementing customer complaint management. They are critical stakeholders of the company, their participations will provide useful information for the company as well as make the company to have their consensus and unite to successfully increase organizational performance, reducing their resistance to organizational change.

Moreover, through SEAM, they are improved skills and knowledge. According to Voyant et al. (2017) through a stimulation of the human potential to release resources useful to the development of the survival-development capacity is conducted by converting the organization's hidden costs into performances. SEAM will clearly instruct how to collect and analyze top management, managers and employees' viewpoints, their approvals as well as their tasks in specific steps and in detailed actions. SEAM occurs in 4 over 5 steps of customer complaint management as presented above:

The socio – economic problem solving method comprises four stages: (1) Diagnostic of dysfunctions and evaluation of hidden costs; (2) Cooperative conception and development of innovative organizational solutions; (3) Structured implementation of improvement actions and (4) Evaluation of qualitative, quantitative and financial performances.

Stage 1 of SEAM is available in Step 2. Stage 2 of SEAM is conducted in step 3. Stage 3 of SEAM is made in step 4. Stage 4 of SEAM is occurred in step 5.

Secondly, from perspectives of measuring organizational performance, SEAM supports the company to comprehensively evaluate socio economic performances because of qualimetrics method with hybrid data. So, it's appropriate to calculate four indicators including customer complaint management profitability, economic performance, social performance and hidden costs.

In this dissertation, the organic approach of exit – voice theory is applied to suggest that customer complaint management can support the company to successfully achieve better organizational performance through favorable internal environment and socio economic approach to management. Therefore, the term “customer complaint management” is clearly defined as a five-step process at strategic level of management approached from integrated holistic combination of People, Process and Technology, aggregate customer complaint analysis and organic perspective of exit – voice theory by SEAM methodology, resulting in changing employees' customer – oriented behaviors, collective actions, service innovation and getting higher organizational performance. These outcomes mean organization caused by new strategic orientations, or intentional approach involving strategic management.

Customer complaint management framework is more developed in this study. That is a process of 5 steps. Step 1 is customers' complaints analysis to explore dimensions of service quality; Step 2 is determining causes of the problems related to People, Process and Technology by finding out dysfunctions from interaction between organization structure and employee behaviors based on socio economic approach to management; Step 3 is suggesting strategic action plans to implement customer complaint management at strategic level of management by socio economic approach to management methodology; Step 4 is implementing the strategic action plans; and Step 5 is evaluating organizational performance after implementation of the strategic action plans.

The expected contribution of this research is to confirm the role of socio-economic-approach-to-management methodology in the relationship between customer complaint management and organizational performance that hasn't been proved in previous studies. Otherwise, the research outcomes will reinforce factors affecting relationship marketing success.

### ***Research objectives***

Based on the above problems, the research will be conducted with the following objectives:

Firstly, suggest a customer complaint management framework for SMEs in developing countries through SEAM in order to increase their organizational performance.

Secondly, recommend managerial implications for a small – and – medium sized enterprise to implement customer complaint management in SME by using socio economic approach to management.

### ***Research questions***

While conducting an action research, research questions are originated from a thematic concern rather than hypotheses. According to Kemmis et al (1988), the thematic concern is occurred when the author begins the study focusing on some improvement plans, and shows that research questions are stemmed from reality. In this dissertation, the first concern was that the company was facing significant decreasing organizational performance such as economic and social performance. Secondly, customers complained a lot about dimensions of customer relationship management (People, Process and Technology) and change to use service provided by competitors. The company had to find a way to retain customers.

Taking these concerns into consideration, the author concluded that addressing customer complaints would be of great value to the organization. Therefore, the researcher took up customer complaint management as the thematic concern for her research.

From the common thematic concern, the author developed the only one research question that was how a small and medium sized enterprise in Vietnam improves organizational performance by implementing customer complaint management through socio economic approach to management. .

To answer this research question, a more refined analysis is performed by answering five sub-research questions.

Sub research question 1: What do customers complain?

Sub research question 2: Why do customers complain from employees' viewpoints?

Sub research question 3: How does a SME improve customer complaints?

Sub research question 4: How does a SME implement strategic action plans?

Sub research question 5: How does a SME evaluate its organizational performance after implementing strategic action plans?

The five sub research questions are answered, resulting in specific guidelines of 5 steps in customer complaint management framework.

### **Hypothesis**

Intervention research consists of three aspects: describe, explicate, and transform the research object in order to thoroughly understand it. The transformation of the research object is legitimate from both epistemological and social perspectives. Therefore, hypothesis of this research comprises four kinds of hypothesis such as Central, Descriptive, Explicative and Prescriptive.

**Central core hypothesis:** It's possible for a SME in passenger transport service industry to improve organizational performance by implementing customer complaint management through socio economic approach to management for inter-city bus service. To do that, SME should implement solutions to solve problems of People, Process and Technology as presented in the below table.

**Table 1: Sub-hypothesis of central hypothesis**

<b>Central hypothesis</b>	<b>Descriptive hypothesis (DH)</b>	<b>Explicative hypothesis (EH)</b>	<b>Prescriptive hypothesis (PH)</b>
<b>People</b> Customers complain about employees' bad skills and behaviors	The company is facing low stable and deficient in job participation, no incentives, no training	Strategic orientation in strategic implementation of SEAM approach will help the company to improve weaknesses of	The company should improve working environment, diffuse customer oriented corporate culture to the whole

	programs, and no clear regulations for employees.	human resource management.	employees, training them professional programs, and labor policies.
<b>Process</b> Customers complain a lot about delayed schedules and wrong time, resulting in gradually decrease in this service's profitability.	There is no innovation from 2008 to 2014, inter-city bus service cannot compete with crowded competitors; lacking functional strategy such as marketing strategy leading to bad relationship between the company and customers; and no clear strategy	Working conditions and strategic implementation dysfunctions of SEAM will support the company to improve business process	Some specific actions are suggesting socially responsible corporate strategy, organizational learning from other successful companies, selecting offensive marketing strategy, launching new limousine service, using software to manage business processes.
<b>Technology</b> Old and broken cars make customers feel worried and afraid of accidents. There is no medical equipment in the inter-city bus with long trip.	The company has no booking system, so uncertainty of profitability is very high, the company cannot predict customers' needs and well prepare to serve customers. There is no investment into vehicles from the year of 2008 to 2014	Information system and Strategic orientation in Strategic implementation of SEAM will make the company to improve technology component of customer relationship management	The company should invest into new vehicles and new information technology.

## Scope and limitations

*Scope* of the dissertation is to focus on combining aggregate complaint analysis aspects of customer complaint management at strategic level; integrated holistic approach between People, Process and Technology; and organic approach of exit-voice theory to successfully conduct qualimetrics intervention research, specifically as below:

*Firstly*, Lapidus et al. (1994) describe two key parts of customer complaint management that are individual complaint handling and aggregate complaint analysis. A few studies approach complaint analysis at the aggregate level although previous researchers provide theoretical support for its profitability (Fornell et al, 1987; Johnston, 2001) and guidelines for its implementation (Lapidus et al, 1994). Moreover, aggregate complaint analysis is rarely used in action research as well as reviewed in literature. The author chose aggregate complaint analysis which allows a company to manage its business proactively. The aim is to identify the causes of complaints, deriving strategic changes in business practices that can be communicated across all levels of the organization to reduce complaints over time. In order to improve customer complaints, it's important to implement strategic change with priced costs for a flagship service of a SME. In this dissertation, the PhD student applies SEAM to find dysfunctions, hidden costs as well as suggest action plans and evaluation of the research project's effectiveness, that reinforces aggregate complaint analysis at strategic level and that hasn't been studied in any research before.

*Secondly*, Hsiao et al (2016) describes stages of customer complaint management in combination with service quality, but this study proves that the relationship between customer complaints management and organizational performance can be strengthened by implementing SEAM is a new contribution to relationship marketing.

*Thirdly*, organizational performance is broader measured than the one in previous researches, in which measurement includes not only economic performance, stakeholder satisfaction, but also customer complaint management profitability, social performance, and decreased hidden costs.

*Limitations* of the research are not to cover an aspect of individual complaint handling in customer complaint management. One more approach of exit-voice theory is mechanistic that based on establishing guidelines hasn't been developed in this dissertation and will be done in 2020 with quality of process, behavioral and outcome guidelines.

Moreover, although the case study is conducted in a locality of Vietnam (Thai Nguyen province) that comprehensively reflects Vietnam context in transportation service industry, it will not be assured findings and recommendations to the world.

## **Organization and structure of dissertation**

### ***Introduction***

Introduction part introduces the overview of critical contents which the audiences can understand without reading the whole dissertation. It illustrates author's background in subject, introduction to SMEs in Vietnam, context and origins of research in Vietnam's transport industry, problem statement, research objectives and research questions, hypothesis, scope and limitations, organization and structure of dissertation.

### ***Chapter 1: Literature review***

This chapter presents the relationship between customer complaint management and organizational performance through socio economic approach to management. Besides, the author also describes reality of Vietnam related to the research topic such as Vietnam's researches in customer complaints management and organizational performance, and challenges of implementing customer complaint management through SEAM in small-and-medium sized enterprises of developing country such as Vietnam.

### ***Chapter 2: Research methodology***

This chapter describes types of action research. Also, the author analyzes theoretical framework specific to customer complaint management. Besides, methodological fit in management field research is presented to prove that this research is consistent to implement intervention research or not.

More specifically, abductive method of processing qualitative data is used in this dissertation. Based on SEAM approach, the socio – economic problem solving method comprises four stages: (1) Diagnostic of dysfunctions and evaluation of hidden costs; (2) Cooperative conception and development of innovative organizational solutions; (3) Structured implementation of improvement actions and (4) Evaluation of organizational performances.

The four stages were conducted two times, step – by – step. After evaluation of the first plan in 2016, the researcher repeats the four stages of SEAM again for the second action plan during the period of 2017-2018. Firstly, in 2014, the researcher focused on People, Process and Technology problems of the case study. Secondly, in 2016, the researcher focused on



continuously improving People and Process problematic. Outcomes of SEAM are to answer 5 sub research questions equivalent to 5 steps of customer complaint management suggested after chapter 1 and 2.

### ***Chapter 3: Case study***

This chapter analyzes overview of developing countries' and Vietnam's economies, service industry in these countries, enterprise communities in Vietnam, small-and-medium sized enterprises and main features of transport industry in Vietnam. Then, Chapter 3 also indicates the case study of the company that is facing serious problems related to business effectiveness and customer dis-satisfaction.

### ***Chapter 4: First action plan (2015-2016)***

This chapter describes answers of five sub – research questions, showing SEAM methodology which the company can apply to improve customers' complaints and organizational performance at the end of 2014. The five important contents are as follows:

Step 1: Customers' complaints analysis using cause-effects diagram to problems about People, Process and Technology

Step 2: Determining causes of these problems by exploring dysfunctions and hidden costs from corporate management based on socio-economic approach to management

Step 3: Suggesting strategic action plans at strategic level of management by socio economic approach to management methodology

Step 4: Implementing the strategic action plans

Step 5: Evaluating the strategic action plans and controlling based on indicators of organizational performance

Research outcomes of chapter 4 are the action plan for the period of 2015-2016 approved by Board of directors at the end of 2014, implemented at the company in from 2015 to 2016, and evaluation of this action plan's success with measurement of organizational performance at the end of 2016.

### ***Chapter 5: Second action plan (2017-2018)***

The same five steps are repeated to find out what has been done in the first plan, what should be continuously improved in the second plan at the end of 2016 approved by Board of directors and how organizational performance is better by measuring indicators of organizational performance.

### ***Chapter 6: Discussion***

The relationship between customer complaint management, socio economic approach to management and organizational performance are discussed. Outcomes of this chapter are to explain why researchers and managers should combine the three variables with each other, and then suggest implications for researchers as well as managers. The action plans can be called strategic changes, creating the transformation in Strategy, Processes, Technologies and Organization structure.

On the other hand, this chapter also illustrates theoretical contributions, managerial contributions, implications and recommendations, methodological contributions, theoretical considerations, limits and constraints of the study and recommendations for future researches.

### **Summary**

Introduction part introduces reasons to choose the topic, the author's research capacity, theories which the researcher will contribute to, solutions for SMEs to have a better relationship with their customers, context and related researches in Vietnam. The author illustrates problem statement, research objectives, research questions and hypothesis. Scopes, limitations and the disposition of the dissertation are written. This part also reveals organization structure of the dissertation with six chapters.

## **Chapter 1 - Literature review**

Objectives of chapter 1 are to review studies related to relationship marketing, customer relationship management, and customer complaint management, the relationship between customer complaint management and organizational performance, and research models referring to customer complaint management, SEAM and organizational performance.

This chapter emphasizes research focus of the relationship between customer complaint management and organizational performance through SEAM. Next to review past, current and future of relationship marketing that is the main theory which the author expects to enrich. Then, a concept of relationship marketing is analyzed, that is customer relationship management. Besides, sub – concept of customer relationship marketing named customer complaint management is audited from previous studies. Moreover, the relationship between customer complaint management and organizational performance is checked thoroughly to find out whether customer complaint management positively affects organizational performance. Followed the literature review, the author suggests customer complaint management framework by SEAM, that is reviewed in Vietnam context coming afterwards. The researcher goes on to indicate challenges of implementing CCM through SEAM in SMEs of Vietnam. Lastly, coming up next on research model, the author finalizes research model of three variables: customer complaint management, SEAM and organizational performance.

### **1.1 Research focus: How a SME improves organizational performance by combining CCM and SEAM**

In order to indicate research outcome of the combination between CCM and SEAM, the author considers preconditions such as employees' roles in improving organizational performance, supportive internal environment in customer complaint management, approaches and methodology to combine customer complaint management and SEAM.

#### ***Employees' roles in improving organizational performance***

In previous studies, organizational performance is related to customer satisfaction and employee satisfaction. Big challenges are to retain and maintain the customers, giving the best and when customers satisfy with the quality offered by management, it will enhance the firm performance. Another one is employee loyalty that can push the company to change and

well serve customers. Some previous studies haven't embedded employee behaviors into customer complaint management, therefore employee resistance may happen. So, in order to achieve good organizational performance, not only does make customer satisfied but also does encourage employees in this process and make them satisfied. Johnston (2001) proved that information from complaints are very useful to improve operational process and organizational process, and the company satisfies as well as retains employees, leading to achieve financial benefits accrued from satisfying and retaining dissatisfied customers by recovering service.

### ***Supportive internal environment in customer complaint management***

Hsiao et al. (2016) propose a customer complaint management framework without recognizing supportive internal environment even though it is an action research at a restaurant in Taiwan, only focusing on what customers complain. This dissertation develops customer complaint management framework embedded with socio economic approach to management in order to carry the consent of all employees.

### ***Approaches and methodology to combine customer complaint management and SEAM***

This chapter describes literature review and related studies from broad to narrow gap between research constructs. The original theory of this dissertation is relationship marketing that is more developed by customer complaint management approached from some perspectives including *integrated holistic approach between People, Process, and Technology; containing aggregate complaint aspects, organic approach of exit-voice theory and socio economic approach to management*. Outcome of these combinations is to improve organizational performance of SMEs by implementing customer complaint management process through SEAM.

This study describes the relationship between constructs including customer complaint management in relation with organizational performance. Expectation of combination between customer complaint management and socio economic approach to management is to improve organizational performance of SMEs in developing countries. Previously, organizational performance is often evaluated by only economic performance without social performance as well as customer complaint management profitability. This dissertation

measures organizational performance by economic, social performances decreased hidden costs and customer complaint management profitability in order to confirm comprehensive effectiveness of customer complaint management implementation.

## **1.2 Relationship marketing**

### ***1.2.1 Paradigm in marketing***

This part summarizes approaches, paradigms and epistemology of marketing. Besides, it also describes selection of them for the research.

#### ***Approaches of Marketing***

Currently, more than seventy marketing definitions reflect various flavors based on customers, media and types of business in present changing market. According to the American Marketing Association (2013), “marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”. Kotler (2003) defines marketing as “the science and art of exploring, creating and delivering values to satisfy the needs of a target market at a profit”.

There are three main approaches of marketing consisting of systems, transactional and relational as follows:

Regardless of “marketing mix management paradigm” general theory of marketing has never been occurred (Gronroos, 1994). However, Merton (1957) confirms that general theory of marketing can be developed under middle-range theories. A system approach is more appropriate to a general theory of marketing referring to compose all relevant actors and process nature of marketing (Sheth et al., 1988).

Nature of transactional marketing is criticized regard short term (Gummesson, 1987), transactional nature of marketing mix with ignored humanism and quality of customer interactions (Gronroos, 1994), and single transaction (Christopher et al., 1991).

Relationship marketing is a paradigm shift from transactional marketing to relational marketing. Three vacancies of marketing include the mass marketing, segmented market or niche marketing, and the one-to-one marketing (Kotler, 2003).

## ***Marketing paradigms***

Achrol and Kotler (2011) summarize the evolution of the marketing paradigms: functionalist, marketing management, exchange and network. Functionalist paradigm described the institutions of marketing and their functions. The marketing management paradigm is rooted from marketing processes such as sales, advertising, product development, customer care. The exchange paradigm means that exchange of goods, services and money, exchange with customers, employees, suppliers, the public and even competitors focus on inter-firm relationships (Achrol et al. 1983; Dwyer et al. 1987) leading to new network paradigm or exchange network. Achrol et al. (2011) develop a three – tiered explanation of the emerging field of marketing that is its sub-phenomena (consumer experiences and sensory systems), its phenomena (marketing networks), and its super-phenomena (sustainability and development).

### ***Epistemology of Marketing***

Epistemology of marketing is developed from logical positivism, logical empiricism, realism, objectivism versus subjectivism, to relativism (or interpretivism) versus idealism.

#### ***Logical positivism***

Logical positivism was considered as a scientific philosophy during 1920s (Anderson, 1983) referring to the belief that universal scientific propositions are true if they have been verified by empirical tests.

#### ***Logical empiricism***

Marketing management paradigm was derived from logical empiricism (Arndt, 1985) and gave birth to some metaphors such as “instrumental man metaphor” attributed to McCarthy (1960), the organism metaphor (Alderson, 1957) and the warfare metaphor (Porter, 1980). They created a core focus area consisting of three major sub-areas of marketing: marketing management, consumer behavior, and research technology (Bartels, 1983).

#### ***Realism***

According to Lindgreen (2008), researchers should join real life because market transactions and relationships are created by human, could be involved with and cannot be separated from human actors and their experiences.

#### *Objectivism versus subjectivism*

Although concepts haven't been discovered yet, they represent an entity's all characteristics (Rand, 1990). In addition, in his theory, "the essence of a concept is objective, not intrinsic (the traditional realist view) or subjective (the nominalist view)". Essences are "determined contextually and may be altered with the growth of man's knowledge" (Rand, 1991). However, reality is based on an individual's subjective cognitive points of view and is dependence of individual's belief.

#### *Relativism versus idealism*

The ontology of relativism assumes that there is no one objective reality. It means that researchers do not directly access to reality and that knowledge of perceived reality is both relevant and meaningful. Via appropriate techniques, researchers understand individuals' knowledge, so recognize events of context. Rawwas et al. (2012) show that almost marketing researches have been focusing on relativism and idealism in order to understand ethical behaviors. However, idealism holds that reality can be known through human mind and socially constructed meanings.

#### *Selected paradigm and epistemology of marketing*

Therefore, from an ontological perspective of marketing, the author chooses idealism and subjectivist stances. In this research, reality of the social world meaning components of customer relationship management such as People, Process and Technology improved by private the small – and – medium sized enterprise's customer complaint management through SEAM methodology.

#### *1.2.2 Paradigm in relationship marketing*

Relationship marketing was suggested to improve weaknesses of transactional approach of traditional marketing mix, making a marketing paradigm shift from transactional to relational approach. From transactional approach, the company should apply marketing mix 4Ps

because customers are assumed to be passive and limited to buying or not buying the offerings. The reason is that it is a much more clinical approach, making the seller be the active part, the buyer and consumer be passive one (Gronroos, 1994). Relational approach is based on building and management of relationships, threatening domain position of marketing mix. However, development of relationship marketing does not completely reject the transactional paradigm (Gronroos, 1994). Kotler (1992) said that "companies must move from a short-term transaction-oriented goal to a long-term relationship-building goal". The relational approach is related to the systems-based approaches to marketing of the 1950s (Alderson 1957). Key elements of relationship marketing are promises and trust.

The relationship marketing concept has mainly received input from three areas of marketing such as traditional marketing management and marketing mix theory including sales management; services marketing; and network approach to industrial marketing (Gummesson, 1998).

This study will develop the framework of customer complaint management based on system and relational approaches of relationship marketing paradigm.

### ***1.2.3 History of relationship marketing***

Berry (1983) was the first researcher to suggest that relationship marketing would represent a paradigm shift in marketing.

As summarized in the Figure 1, relationship marketing is different with transaction marketing in terms of time perspective, dominating marketing function, price elasticity, dominating quality dimension, measurement of customer satisfaction, customer information system, interdependency between marketing, operations and personnel; the role of internal marketing. So, the product continuum is changed from consumer packaged goods, consumer durables, industrial goods to services.



## THE MARKETING STRATEGY CONTINUUM: SOME IMPLICATIONS



Source: Grönroos, C., The Marketing Strategy Continuum: Towards a Marketing Concept for the 1990s. *Management Decision*, Vol. 29, No. 1, 1990, p. 9.

**Figure 1: The marketing strategy continuum**

It is said that relationship marketing refers to all marketing activities directed toward establishing, developing and maintaining successful relational exchanges. With regard to any firm, there are ten forms of relationship marketing, which can be grouped into the relational exchanges involving suppliers, lateral organizations, customers, or one's own employees or business units. The key mediating variables in the process of relationship development are relationship commitment (Dwyer et al., 1987; Moorman et al., 1992; Gundlach et al, 1995; Morgan et al, 1994) and trust (Morgan et al, 1994; Anderson et al, 1990; Ganesan, 1994).

Benouakrim et al. (2013) define relationship marketing as a strategic process aimed to establish, develop, maintain and strengthen the network of relationships with various stakeholders on the basis of strong economic and social standards and the achievement of common objectives. They also summarized that factors of success of relationship marketing

include trust, commitment, satisfaction and relationship quality; and their consequences on the relational exchange, are namely performance, word-of-mouth communication, loyalty and cooperation.

#### ***1.2.4 Features of relationship marketing***

Relationship marketing development is closely aligned with the growth of the service sector characterized by long-term customer relationships, focusing on customer-firm interaction and customer participation in service outcomes (Gummerus et al, 2017). So, this research chooses a case study in service which is passenger transport.

Relationship marketing represented a transformation from transactional exchanges to relational ones (Dwyer et al., 1987; Morgan et al., 1994) and from attracting customers to satisfying and maintaining them (Berry, 1995) to maintaining relationships, such as relationship benefits (Hennig-Thurau et al., 2002), relationship value (Ravald et al., 1996), trust, and commitment (Morgan et al., 1994), and next to ending relationships (Grönroos, 1994; Halinen et al., 2002). Besides, based on network viewpoints, relationship marketing played critical roles in value creation (Morgan et al., 1994) in networked economy.

The scope of relationship marketing has been broadened and fragmented into its sub areas such as relationship communication (Balaji et al., 2016), relationship dynamics (Harmeling et al., 2015), negative aspects of close relationship (Anderson et al., 2005), service recovery (Hur et al., 2016), service interactions (Martin, 2016), and inter-dependency between actors (Gummerus et al., 2017).

#### ***Future research of relationship marketing***

In terms of methodology in relationship marketing, Gummerus et al. (2017) reviewed and proposed two paths forward for relationship marketing as follows: Firstly, researchers should pay attention to a more holistic approach to relationship marketing, establishing a grand theory of relationship marketing or inspecting it on the market or ecosystem level. Secondly, researchers should scan the relationships not only in emerging contexts such as digital relations, special and temporal objects, but also with more multifaceted research methods, for example, qualitative ones or practicing theories in reality to achieve successful relationship marketing.

Gummerus et al. (2017) find out that relationship marketing literature has predominantly focused on relationship maintenance, with less attending to initiating and ending the relationship, giving preferential treatment to new customers, or for premium customers at the best, and building exit barriers. Hence, successful relationship nurturing strategies would be needed.

Nowadays, relationship marketing is relying on not only win-win situation, but also on S-D Logic (Lusch et al, 2014), and highlighting value co-creation (Echeverri et al, 2011).

Finally, the relationship between the researcher and those researched would be interesting to learn more about (Gummerus et al., 2017) regard increasing the societal impact of academic researches. Researchers need to participate directly with actors. This engagement takes place both during the research process where new knowledge is co-created by the actors and also during the “dissemination, utilization and validation of research results” (Gummerus et al, 2017). However, Gummerus et al. (2017) also urge that at the same time, researchers need to be aware of this engagement’s ethical issues that impact research analysis as well as final results.

This study will develop relationship marketing by applying organic approach of exit-voice theory with a pragmatic-oriented action research (SEAM methodology) to develop the relationship between final consumers and service providers who are SMEs, between the employer and employees, between the researcher and organizational actors.

### ***Relationship marketing in SMEs***

According to Handriana (2016), SMEs can optimize their relationships with their customers by observing variables that influence trust and relational commitment. Trust and relational commitment of the customer are important elements in maintaining the relationship between SMEs and customers because customer loyalty is influenced by customer trust and customer relational commitment, leading to the sustainability of SMEs.

#### ***1.2.5 Expectations of contributing to relationship marketing***

This dissertation is expected to contribute the relationship marketing as follows:

Firstly, it develops customer – oriented values and norms (Levitt, 1983; Shapiro, 1991).

Secondly, it stems from internal marketing (Gummesson, 1987; Grönroos, 1990) by persuading employees to implement relationship marketing strategy such as customer complaint management.

Thirdly, technology is applied to reinforce the relationship between the company and individual customers by customer database collected through booking system software (Peterson and Wang, 1993).

Fourthly, understanding customer satisfaction by market research and continuous flow of information into the business through direct information system (Parasuraman, 1991) are promoted in the case study.

Fifthly, the steering team of research project recommends and implements new organizational structures and reward schemes (Buttle, 1996).

Sixthly, the author develops more multifaceted research methods trend in relationship marketing by implementation of pragmatic – oriented action research called SEAM, by ending the relationship with low-priced inter – city bus market segment and initiating with the high-priced limousine segment because the low-priced segment is not profitable in the case study, less attention given to initiation and ending of the relationship in relationship marketing before (Gummerus et al, 2017). Service innovation strategy initiates the relationship between the company and new customers who prefer qualified service and accept high price. In the second period (2017-2018), after acquiring new customers, the firm maintains premium customers by marketing policies and service quality commitment.

Lastly, the researcher selects SEAM as a methodology to implement customer complaint management in order to develop the relationship between the intervener – researcher and actors of the company. Five-step process proves that recommendations are taken place within this research project and the tool of relationship marketing (customer complaint management framework) is co – created with the company's actors, resulting in validating research results.

### **1.3 Customer relationship management**

This part discusses prominent attributes of CRM, CRM components, CRM implementation and measurement. After that, research methods in CRM are summarized; then approaches and critical success factors are chosen for the research topic of dissertation.

### ***1.3.1 Prominent attributes of CRM***

CRM solutions are derived from the outcomes of the evolution of Relationship marketing. CRM is considered at both strategic and functional levels.

At the strategic level, values to targeted market are created and delivered through the core business strategy integrating internal processes, functions with external networks. An integrated and holistic approach of people, business processes and technology of CRM strategy is necessary for successful CRM outcomes (Bull, 2003; Chen et al., 2003; Mendoza et al., 2006; Rahimi and Gunlu, 2016). This combination is defined as a philosophy or a corporate-level strategy illustrating “the process of acquiring, retaining and partnering” with targeted customers to create preferred values for both the company and the customers (Mendoza et al., 2006).

At functional level, CRM seems like a successful marketing strategy – function plan to improve firm performance, satisfy customers and retain customer (Abu et al., 2009; Mohammed et al., 2012). Besides, based on this level, CRM includes the operational tasks that support the relationship marketing strategy, including gathering data about the customers, which is then organized and analyzed to create target customer profiles in order to launch special offers or rewards to long-time customers for their loyalty, and further build good relationships with them (Mohammed et al., 2012).

This research will develop CRM at strategic level, more specifically, customer complaint management at strategic level with the integrated holistic combination of People, Process and Technology. The reason is that Arash (2014) concluded that most organizations that face big challenges in customer complaint handling: (1) Lack of systematic approach to complaints handling, (2) No recognition of the importance of customer complaints at strategic level, (3) Lack of systems and processes for saving and processing customer complaints, (4) Lack of measurements, for example, non – financial indicators such as customer satisfaction and

complaints. Otherwise, holistic approach of the three components of CRM is consistent with trend of relationship marketing development.

### ***1.3.2 Customer relationship management components***

As mentioned earlier, a successful CRM strategy implementation needs a combination of all three components such as people, processes and technology.

The process component of CRM means designing business process to alter organizational processes focusing on customer centered philosophy instead of product centered one for individual customers. According to Mendoza et al. (2006), the main business processes are marketing, sales and services, so, customers' needs are kept in the center of business process in which the company should attend face-to-face relationships between customers and direct employees as well as customer service's long-term quality.

The technology component of CRM means "collecting data on customers, analyzing it, interpreting customer behaviors and developing predictive models" (Mendoza et al., 2006; Rahimi et al, 2016). However, Goldenberg (2002) and Roberts et al. (2005) repeatedly warned businesses that based on this approach technology is needed but insufficiently contributes to the ultimate success of a CRM system because technology component is considered as only tools related to customer database.

In order to increase Technology's roles in ensuring timely responses, effective customized communications and customized services to individual customers (Chang et al., 2010; Chen et al., 2003; Mendoza et al., 2006), this dissertation considers Technology as technologies, information systems supporting operational management because from aggregate aspects of customer complaint at strategic level the company not only invests into data collection and analysis technology but also develops information technologies as well other ones to directly interact with customers and effectively manage information flows in SMEs' businesses.

The people component of CRM includes the organizational readiness and collaboration with staff essential for the successful CRM implementation (Chakravorti, 2006). One of the most difficult challenges in implementing CRM is aligning the people with the new strategies and processes. The values of new processes and technology of

CRM should be understood and appreciated by the entire organization, and employees must be involved with the innovation strategy and be motivated to reach the strategy's objectives (Chen et al., 2003; Mendoza et al., 2006). Considering the significance of People for successful CRM outcomes, the author suggests to apply organic approach of the exit-voice theory for creating values of appreciating employees and customer-oriented strategy; and motivational processes to motivate employees in organization change.

A very limited number of studies have tried to investigate simultaneous implementation of People, Process and Technology. The present study has attended to address this gap.

### ***1.3.3 Customer relationship management implementation and measurement***

Due to successfully implement CRM, an integrated and holistic approach of integrating People, Process and Technology is required. Each component of CRM contains critical success factors (CSFs) (Almotairi, 2010; Mendoza et al., 2006). Oakland (1995) defined CSFs as those critical areas where the organization must succeed to achieve the organization's mission. In addition, they can be viewed as the factors helping to achieve objectives of People, Process and Technology of CRM and occurring in the CRM strategy of a company to ensure successful implementation (Mendoza et al., 2006).

Different authors have proposed different models for successfully implementing CRM (Eid, 2007; Mendoza et al., 2006; Payne et al., 2004; Richard et al., 2007; Rahimi et al., 2017) by the same methodology – qualitative and single case study.

A qualitative, single case study strategy was conducted by Blery et al. (2006), with the main aim to analyze CRM implementation. They categorized the following fourteen CSFs: Vision or strategic direction for the project; Business process change; The integration of CRM systems; The selection of a suitable CRM package; Customer information quality; Organizational culture; Project management; Project time line; Budget control; Good collaboration with the consultants and between the project team; Access to best business practices; Vendors experts and The capabilities of the consultant.

Kim et al. (2006) also applied a qualitative, case study strategy to examine the implementation of CRM systems. They classified the CSFs into four main categories:

organizational commitment (i.e. management support and user participation), business process change, technology and project management (i.e. requirements management and project team skills).

Shum et al. (2008) looked at CRM from an employee's perspectives by using a qualitative, case study strategy. They indicate that there are six issues in CRM implementation: the role of employee commitment, organizational culture, technology, training, leadership and communication.

An action research was conducted by Mendoza et al. (2007). They classified emergent CSFs into three main categories: processes (customer information management and interdepartmental integration), people (senior management commitment and creation of a multidisciplinary team) and technology (information systems integration and support for operational management).

To summarize, almost researchers in CRM implementation are qualitative, case study, action research and appreciate leverages of CSFs.

Therefore, from integrated and holistic approach between People, Process and Technology, from looking at CRM implementation based on employee's perspectives developed from Shum's research, this study considers 8 critical success factors of CRM implementation at strategic level of management by SEAM methodology. More specifically, CSFs for Process of CRM includes Strategies, Processes and Control. CSFs for People of CRM compose of Organization structure, Regulation and Incentive. CSFs for Technology of CRM comprise Technologies and Information systems. Employees will be allowed to participate in diagnosing dysfunctions, proposing solutions, implementing actions and evaluating effectiveness of customer complaint management implementation.

#### **1.4 Customer complaint management**

This part focus on reviewing distinctive aspects of customer complaint, approaches of CCM from different theories, methodology to implement CCM and challenges in implementing CCM.



#### ***1.4.1 Distinctive aspects of customer complaints***

A complaint is voiced to achieve a certain goal (Kowalski, 1996). Also, Day (1977) describes that dissatisfaction resulting from disconfirmation of expectancies is generally considered as an antecedent of complaining behavior. Based on literature review from marketing (Stauss et al., 2004) and psychology (Kowalski, 1996), a complaint is defined as “an expression of dissatisfaction for the purpose of drawing attention to a perceived misconduct by an organization and for achieving personal or collective goals” against any company. Almost researches related to complaining focus on customer satisfaction as well as dissatisfaction.

Complaining can be divided into personal goals like anxiety reduction, vengeance, advice seeking, self-enhancement and collective goals like helping others and helping the organization (Stauss et al., 2004).

Complaints can harm the organization but that satisfied complainants will show their positive behaviors after complaining is objectives of complaint management to restore satisfaction (Stauss, 2002). In this study, the author suggests a service innovation strategy by improving poorly – qualified service into highly – qualified service in order to restore customer satisfaction in the first period, then recommend a responsiveness strategy on social media to meet the adequate complaint response.

#### ***1.4.2 Customer complaint management approached from different theories***

Customer complaint management is approached from cognitive dissonance (Festinger et al., 1957); exit, voice, and loyalty (Hirschman, 1970); relationship marketing; and service quality.

Firstly, according to cognitive dissonance theory (Festinger et al., 1957), dissonance or psychological discomfort is created by disconfirmed expectations, explaining “customer’s cognitive re-evaluations after their purchases” (Cohen et al., 1970). According to Oshikawa (1969) and Soutar et al. (2003), if new information is added contradictory to the consumer’s experiences or information, and the purchase decision is important; dissonance will be more enhanced and expected to assist individual consumers to purchase based on their cognitive

elements such as individuals' own knowledge, their environment knowledge, their attitudes, their opinions and past behaviors.

Secondly, Hirschman's theory of exit, voice, and loyalty (Hirschman, 1970) confirms that complaining behavior of customers is derived from the "value of voicing the complaint," the "probability that the complaint will be successful," and on "the ability and willingness to take up the voice," and that exit is often a last way (Blodgett et al., 1993). Fornell et al. (1987) indicates feedback mechanisms (exit and voice) for management to make customer satisfied after service failure. According to the exit-voice theory of Hirschman (1970), when the complainant is dissatisfied, he will pay costs to reflect his complaints to the company regard receiving responses and changes in practices or offerings from the firm. There are two approaches of solving customer complaints in this theory including organic and mechanistic.

Adopting an organic approach, firms can influence employee behaviors with respect to complaint handling by creating a supportive internal environment, mainly through motivational processes as well as by creating shared values and norms (Maxham et al., 2003).

Based on the mechanistic approach, firms can impact employee behaviors by developing and installing formal organizational policies for complaint handling processes. Homburg et al. (2005) group formal organizational policies for complaint handling processes into three categories as follows: (1) Processes for registering and processing customer complaints, (2) Remedies and compensations, and (3) Behavioral guidelines dealing with employee attitudes and behaviors toward complainants.

Yilmaz et al. (2015) shed light on the aforementioned issues by exploring the relative effects of the customer response path and the organizational learning path of complaint handling on firm performance. Following Homburg et al. (2005), Yilmaz et al. (2015) made a distinction between the organic approach to complaint handling, that is, an organizational culture supporting effective complaint handling, and the mechanistic approach to complaint handling, that is, formal guidelines regulating and facilitating complaint handling, and explore the specific effects of each approach on firm performance through both the customer response path and the learning path.

Thirdly, from relationship marketing, customer complaint management should be an integrated and holistic approach between people, business processes and technology – the three components of customer relationship management in relationship marketing. Customer complaints – focused is one of types of customer relationship management. The three components including People, Process and Technology were explained in part 1.3. In this dissertation, technology includes direct interactions with customer through social media, telephone hotlines, customers’ transaction history as well as their personal information. Sirdeshmukh et al. (2002) proposed a model in which trust is an antecedent to satisfaction, which is subordinate to loyalty. Higher satisfaction contributes to more effectively committed customers.

Fourthly, approached from service quality perspectives, customer complaints are a fact of organizational life. Service quality considerably affects firm performance and customer satisfaction. Quality of service outcome is more important than quality of service process (Wetzels et al., 1988). Customer satisfaction has become the most critical marketing priority because it determines “repeat sales, positive word of mouth and customer loyalty” (Gelbrich et al., 2015). Service quality is the gap between customer expectation and customer perception. Lapidus et al. (1994) suggested individual complaint handling and aggregate complaint analysis. Johnston (2001) explained that individual complaints should be handled immediately to make customers satisfied and decrease negative impacts of word of mouth, bringing about opportunities to have highly satisfied customers. However, Hsiao et al. (2016) criticized this approach dealing with symptoms rather than causes. By contrast, they appreciated that aggregate complaint analysis allows a company to identify the causes of complaints and strategic changes in business practices, that can be “communicated across all levels of the organization, and provide specific solutions for improving service quality” to avoid the “reoccurrence of failure” and decrease complaints over time. Almost studies focus on handling of individual complaints (Einwiller et al., 2015; Gelbrich et al., 2015), a few have approached from complaint analysis at the aggregate level, despite it is proved to be profitable for the business (Fornell et al, 1987) and it has clear guiding principles for its implementation (Lapidus et al, 1994). Moreover, empirical applications of aggregate complaint analysis are rarely reviewed in the literature.

Underperformed expectations of customers and their treated-unfairly belief result in their dissatisfaction (Oliver, 2003), that can make complaint actions if it is beyond the zone of tolerance (Gwynne et al., 2000; Parasuraman et al., 1991; Zeithaml et al., 1993). Complaints can be happened in any business even well-run because of failed service delivery processes, unpredicted failure of products, bad employees or crashed technology.

A management standard that exists for organizational complaints handling is called ISO 10002 that has been emerged from mid-2004 and has been positioned as the international standard on complaints-handling (ISO of 2004). It provides guidelines to effectively implement an organizational complaint-handling process as well as policy with international scope and being applied in all contexts. Therefore, from service quality approaches, customer complaint management is to shorten the gap between customers' perception and expectation. Outcome of this approach is ISO 10002 to make better customer complaint management. The author uses aggregate complaint analysis, and cannot apply ISO 10002 because the case study never implements customer complaint management. Maybe, after the action research, the author will develop mechanistic approach with utilizing ISO 10002 to standardize the complaint handling process in this case study.

#### ***1.4.3 Methodology to implement customer complaint management***

Hsiao et al. (2016) present a framework integrating a decision tree approach, a common data mining tool, into Six Sigma methodology to analyze customer complaints in aggregate and improve service quality by identifying and addressing the underlying causes of failed service in their action research at a case study of a restaurant chain in Taiwan. However, a weakness of Hsiao's research is not paying attention to employee behaviors, so researchers and managers cannot understand whether employees want to do or not. It means that internal environment hasn't been studied in their framework.

This research applies Hsiao's framework in the first step to predict causes of failed service from customers' opinions, and then contrast them with employees' opinions by socio economic approach to management (SEAM). It means that a new contribution to customer complaint management is SEAM embedded into customer complaint management framework. Besides, it is proved that outcome of customer complaint management is not only

reduced customer complaints as Hsiao concluded but also better organizational performance. Otherwise, this study only develops the first approach of exit-voice theory that is organic approach because it is the first time for the case study to conduct customer complaint handling, so it's difficult to immediately install formal organizational policies for complaint handling process in this trial period regarding to employees' responses to the strategic change. In the future, after this successful action research, mechanistic approach will be used to continue customer complaint management.

#### ***1.4.4 Challenges in customer complaint handling***

When complaints provide useful knowledge about customers, they will bring about valuable capital to businesses (Arash, 2014). However, Tax et al. (1998) designate that almost companies don't pay attention to solve service failures and take advantages of customer complaint management systems. Berry (1996) describes three reasons for that: (1) visible and immediate costs of CCM system versus their long-term and indirect benefits, (2) managers' doubts for voiced complaints, (3) almost unsatisfied customers don't voice their complaints according to Stephens et al. (1998). In addition, Arash (2014) concluded that regarding to organizational culture employees always limit communicate customer complaints to their leaders because complaints are defined as failure and blame.

Therefore, it's necessary to suggest implications for enterprises to effectively manage customer complaints from employee engagement perspectives.

### **1.5 Customer complaint management and organizational performance**

This part emphasizes the relationship between customer complaint management and organizational performance in previous studies. It contains typical characteristics of organizational performance, research outcomes of the relationship between customer complaint management and organizational performance, and selection of organizational performance measurements.

#### ***1.5.1 Typical characteristics of organizational performance***

Different researchers have different thoughts about performance. Performance is mainly used to illustrate measurement of "transactional, input and output efficiency" or effectiveness

(Stannack, 1996). “Performance refers to the degree of achievement of the mission at work place that builds up an employee job” (Cascio, 2006).

Organizational performance does not only mean to determine problems but it also solutions for the problems (Heffernan et al., 2000). Daft (2000) said that organizational performance is the organization’s capability to accomplish its goals by effectively and efficiently using resources. As similar to Daft (2000), Ricardo (2001) illustrated that achieving organizational goals and objectives is known as organizational performance. He suggested that if organizations establish good employee performance management system, they will achieve high return on equity and reach business success.

Furthermore, according to Ali et al. (2013), organizational performance resulted from customer satisfaction and employee satisfaction; because Chahal et al. (2010) stated that one of the CRM’s objectives is to retain and maintain the customers, make them satisfy with the quality of management, leading to improve the organization’s performance.

### ***1.5.2 The relationship between customer complaint management and organizational performance***

Many researchers conclude that if a company implements customer complaint management, it will improve organizational performance (Arash, 2014; Faed et al., 2015; Yilmaz et al., 2015; Hsiao et al., 2016).

Arash (2014) indicates implementing his comprehensive CCM system brings about high customer complaint management profitability.

Faed et al. (2015) prove the relationship between customer complaint handling and firm performance moderated by types of business (business to business, business to consumer, manufacturing, service) with methodology of PDA (principle component and data envelopment analysis).

Yilmaz et al. (2015) explore the effects of two sets of factors relating to complaint management on firm performance, namely, (1) customer response factors and (2) organizational learning factors, thereby integrating organizational learning into the conceptualization of complaint management. Symmetric testing using hierarchical regression analysis of data obtained from complainants and firm managers revealed the joint effects of

the two main paths on firm performance, independently from one another. Learning from complaints is shown to influence both short- and long-term firm-level performance measures positively. However, contrary to expectations, complainants' and managers' perceptions of fairness in the complaint handling processes of firms are found to (1) be nonrelated to short-term firm performances and (2) influence long-term performance expectancies negatively. In the Yilmaz's research, firm performance is measured by sales growth, market share, overall customer satisfaction, Return on Sales, Return on Assets and over profitability.

Hsiao et al. (2016) summarize that customer complaints contain valuable information for service providers to improve customer relationships and operational quality, which can ultimately enhance business profitability.

### ***1.5.3 Selection of organizational performance measurement***

Denison's (2000) scale is used to measure short-term and long-term firm performances that are obtained in “the form of comparisons relative to competition”. He proposes firm performances include Sales growth, Market share, Overall customer satisfaction, Return on Sales, Return on Assets, Overall profitability.

This dissertation is an action research in one case study. Therefore, it's not good to use the only Denison's scale or non-financial measurement like stakeholder satisfaction. It's better to use hybrid data with qualitative, quantitative and financial indicators to reflect that the action plan improves them time by time.

Hsiao et al. (2016) suggest evaluation of customer complaint management is conducted by two indicators that are the number of complaints per month and the percentage of working time spent on addressing customer complaints. However, these indicators are insufficient owing to approaching of integrated holistic approach between People, Process and Technology at strategic level. Therefore, the author selects other indicators such as economic performance, social performance, customer complaint management profitability and hidden costs to comprehensively measure customer complaint management strategy.

Qualimetric intervention research (or socio economic approach to management) is the most consistent with customer complaint management framework. Firstly, SEAM is a systematic approach to organizational change, appropriate to strategic level of customer complaint

management. Secondly, SEAM is an intervention research, helping to implement recommendations (or action plans) after data analyzing, improving weaknesses of empirical researches by Faed et al (2015) and Yilmaz et al (2015). Thirdly, SEAM supports organic approach of exit-voice theory because SEAM allows employees from top management to shop-floor employees to engage in customer complaint management process. Lastly, in SEAM analysis of organization performance is based on qualitative, quantitative and financial data, not only based on financial data as traditional management, reflecting multi-dimensional aspects of empowerment of CCM such as profitability, retaining customers and employees. SEAM will be detailed presented in Chapter 2 “Research methodology”.

So, this research shorten the gap by considering organizational performance as CRM success that comprises (1) decreases in hidden costs (Savall, 2003; Lakshmi et al., 1996); (2) increases in corporate social performances including economic performance (productivity, profitability and return on complaint management) and social performance (Working conditions/health and safety, Employee opportunities and relations, Internal communications, Community relationships, turnover rate and absenteeism rate) (O’Connor et al, 2008); (3) customer complaint management profitability (Stauss et al, 2003; Gupta et al, 2005). This measurement is more comprehensive than the previous.

#### *1.5.3.1 Corporate social performance*

Corporate social performance (CSP) is a multi-dimensional concept related to how corporations meet their economic, ethical and legal responsibilities towards stakeholder groups such as employees, customers, suppliers, the natural environment, and local communities (Wood, 1991).

CSP is a core concept in the academic fields called Business Ethics or Business and Society. It has been defined by Wartick et al. (1985) as “the underlying interaction among principles of social responsibility, the process of social responsiveness and the policies developed to address social issues” and by Wood (1991) as “a business organization’s configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm’s societal relationship”.



O'Connor et al. (2008) suggested corporate social performance including economic performance and social performance. Economic performance consists of sub-indicators such as Competitiveness, Pay and benefits, Revenues and payments, Innovation investment, New product introduction vs. competition, Number of new products and services in a certain period (years), Sales percent of new products and services in total sales and Incentives for compensating initiatives and innovations. Social performance contains Working conditions/health and safety, Employee opportunities and relations, Internal communications and Community relationships. The O'Connor's indicators describe multi-dimensions of organizational performances, easier to evaluate effectiveness as well as recognize precise improvement year by year.

These are the reasons why the author chooses corporate social performance to evaluate organizational performance in terms of economic and social performances because indicators of economic, social performance of O'Connor are abundant and detailed.

### 1.5.3.2 Hidden cost calculation models

Hidden costs calculation is approached from two models that are hidden cost calculation model of SEAM and Model of complaint resolution and loss of customers by Lakshmi et al. (1996).

Firstly, table 2 clearly illustrates how to calculate indicators such as HCVAVC, costs of Late to work, Absenteeism, Employee turnover rate, Quality defects and Direct productivity gap.

**Table 2: Hidden cost calculation model of SEAM**

Name of hidden cost	Formula
HCVAVC	$HCVAVC = (Sales_t - Sales_{t-1}) / \text{Number of hours worked per year}$
Late to work	Number of employees late * hours per day * Days per year * Average salary
Absenteeism	VND 300,000 per hour * 8 hours * Absent days * 12
Employee turnover rate	Number of cars per year off * Sales per month per car
Quality defects	- Delays in service - Time allocation

	-	Decreased profitability
Direct productivity gap	-	Mistakes in bookings
	-	Loss of bookings
	-	Unsatisfied customers

Secondly, Model of complaint resolution and loss of customers by Lakshmi et al (1996) determines the number and nature of customer complaints and how they are resolved for the aims of customer satisfaction and retention. Then, the researcher and actors of the company will study the patterns of customer behaviors when there were problems and when there were no problems.

### 1.5.3.3 Calculation of customer complaint management profitability

Customer complaint management profitability is calculated based on Stauss et al. (2003) model and lifetime-value-of-customer model of Sunil Gupta et al. (2005).

**Firstly**, in Stauss model, costs and benefits are determined components and then Return on investment into customer complaint management is found out. The following formula expresses the value of total investment in Complaint Management of a company:

$$\text{Total Investment in complaint management} = \text{Total personnel costs} + \text{Total response costs} + \text{Administration costs} + \text{Communication costs}$$

From experiments and research at many companies, the researchers have identified that:

$$\text{Total personnel costs} = \text{Direct personnel cost} + \text{Indirect personnel cost}$$

$$\text{Total response costs} = \text{Cost of gifts} + \text{Cost for training staffs} + \text{Warranty costs}$$

$$\text{Total Complaint management profit} = \text{The information benefit} + \text{The attitude benefit} + \text{The repurchase benefit} + \text{Communication benefit}$$

$$\text{Return on complaint management} = \frac{\text{Complaint management profit}}{\text{Investment in complaint management}}$$

Moreover, in this dissertation customer complaint management profitability includes not only Total personnel costs, Total response costs, Administration costs, Communication costs but also initial investment costs such as buying new limousine cars, bus stations, setting up free wifi, water, shuttle taxi. These are big costs to invest into new service. It's the reason why customer complaint management should be considered at strategic level, not only at

functional level as marketing, because it changes strategically operations and brings about high profits for the whole company. To achieve break-even point after large amount of investment, it takes long time, leading to calculating customer complaint management profitability at the end of the stage meaning at the end of the year 2016 and 2018.

*Secondly*, lifetime-value-of-customer (LTV) model of Sunil Gupta and Donald R. Lehman (2005) compares LTV of customer base before and after the socio economic management project. Indicators are used such as discount rate, retention rate, customer base, multiplier, LTV of one customer, LTV of customer base, and ROI of intervention research project.

In summary, the contribution of this research to organizational performance is that organizational performance is a comprehensive group of indicators including economic, social performances, customer complaint management profitability and hidden costs of dysfunctions, which are never combined to measure organizational performance in previous researches.

## **1.6 Vietnam's researches in customer complaints management**

There are many academic papers, theses and proceedings of conference about customer relationship management in Vietnam.

Ngo et al. (2018) investigates which CRM strategies are currently being implemented in SMEs and identify factors which determine the success of CRM implementation in SMEs. Using the adoption of grounded theory research procedures, their study investigates the practices of CRM implementation in 41 SMEs in tourism industry of Vietnam. Their study provides more insights and guidelines for managers in SMEs so that they can be more informed when making decision of choosing CRM strategies for developing long-term competitive.

In Truong's (2013) thesis, after factor analysis, the results show that "Customization", "Employee-Client relationship", and "Two-way communication" have positive effects on CRM performance.

However, there are a few researches about customer complaint handling in Vietnam. Bui et al. (2015) investigated patients' complaint handling processes and the main influences on

their implementation in public hospitals in Vietnam. The study was conducted in two provinces of Vietnam. They focused specifically on the implementation of the Law on Complaints and Denunciations and the Ministry of Health regulation on resolving complaints in the health sector. The data were collected using document review and in-depth interviews with key respondents. Framework approach was used for data analysis, guided by a conceptual framework and aided by qualitative data analysis software.

Therefore, almost researches are deductive reasoning. There is no qualitative or action research in CRM in general and customer complaint management in particular. Also, SEAM hasn't been applied in any research in Vietnam.

### **1.7 Challenges of implementing customer complaint management through SEAM in small-and-medium sized enterprises of developing country (Vietnam)**

SMEs run their businesses in the seriously competitive market, but are limited in resources in financial and human resources, as well as time. Therefore, the whole action plan of this dissertation is not totally successfully implemented. Some actions are fully conducted, but a few actions are not effectively evaluated and need to be continuously implemented in later periods. Besides, integrated horizontally and vertically intervention research is conducted because it's very difficult to implement vertical project after diagnostic stage of SEAM. The reasons are that in terms of Vietnam SME's organizational culture a strategic action plan is finished by Board of directors and head of departments. Almost SMEs haven't applied management tools for departments such as Key Result Areas, Key Performance Indicators or Benchmarking, so they don't appreciate roles of frontline employees in strategy implementation. Besides, human limitation of SME is high fluctuation at low level of management as well as shop-floor employees, so they cannot effectively manage vertical intervention project.

### **1.8 Model of customer complaint management framework combined with SEAM**

#### ***1.8.1 Research questions***

Based on thematic concern and the theoretical gaps such as reinforcing the relationship between customer complaint management and organizational performance by SEAM, proving human capital development in CCM framework, and indicating company sustainable

performance that haven't been revealed in previous studies; the author propose one main research question and five sub – research questions as follows:

From the common thematic concern, the author developed the only one research question that was how a small and medium sized enterprise in Vietnam improves organizational performance by implementing customer complaint management through socio economic approach to management. .

To answer this research question, from theoretical gaps' perspectives, a more refined analysis is performed by answering five sub-research questions.

Sub research question 1: What do customers complain?

Sub research question 2: Why do customers complain from employees' viewpoints?

Sub research question 3: How does a SME improve customer complaints?

Sub research question 4: How does a SME implement strategic action plans?

Sub research question 5: How does a SME evaluate its organizational performance after implementing strategic action plans?

The five sub research questions are answered, resulting in specific guidelines of 5 steps in customer complaint management framework.

These above research questions are approached based on paradigm of relationship marketing such as system approach with all relevant actors, relational approach with building and management of long - term relationships with customers and employees, focusing quality of interactions with customers and employees, developing customer information system, and appreciating the role of internal marketing.

### ***1.8.2 Research model***

This dissertation will prove that if a small-and-medium sized enterprise conducts customer complaint management, the company will get better organizational performance and change employees' behaviors and actions. Customer complaint management is a process including steps as follows:

Step 1: Customers' complaints analysis using cause-effects diagram to determine problems about People, Process and Technology of customer relationship management;

Step 2: Determining causes of the problems by exploring dysfunctions and hidden costs from corporate management based on socio economic approach to management;

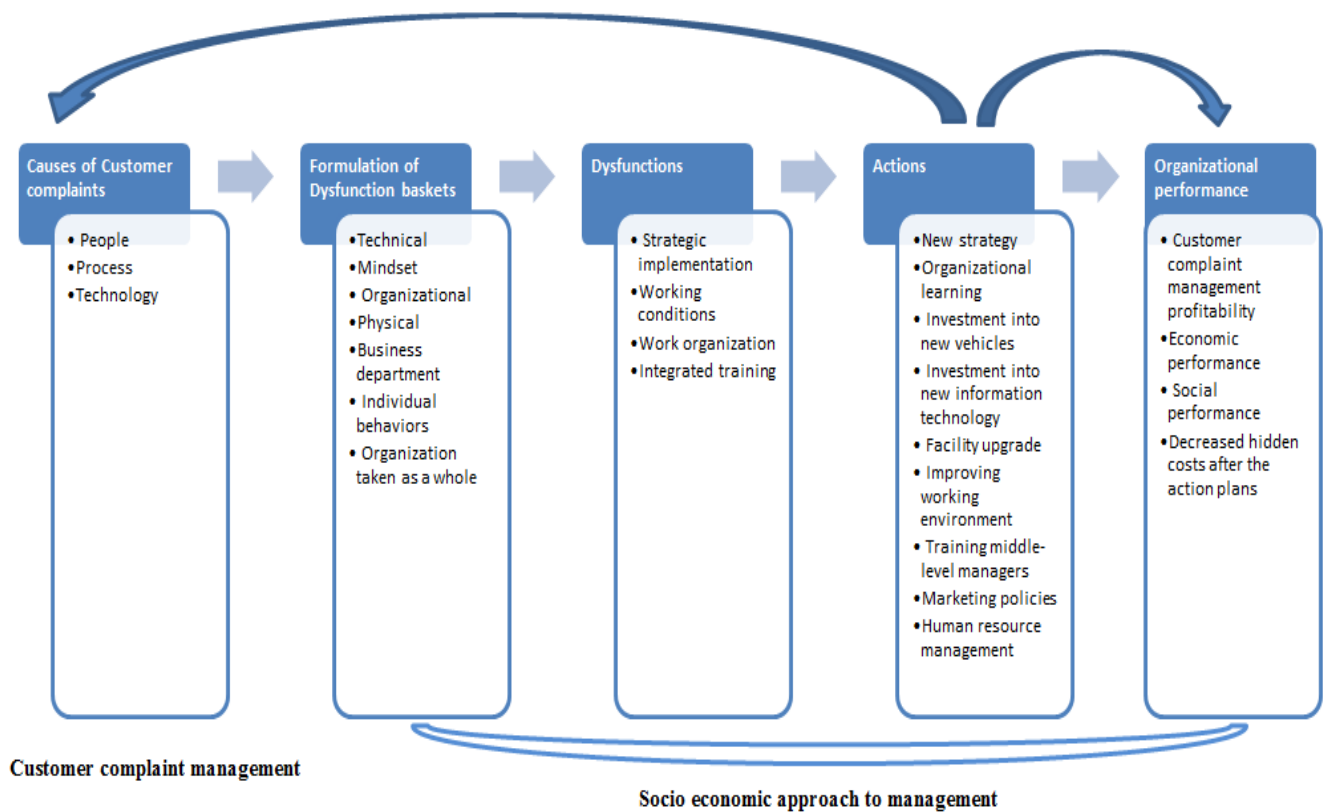
Step 3: Suggesting strategic action plans at strategic level of management by socio economic approach to management methodology;

Step 4: Implementing the strategic action plans based on socio economic approach to management guidelines;

Step 5: Evaluating the strategic action plans and controlling based on indicators of organizational performance such as customer complaint management profitability, economic performance, social performance and hidden costs.

This process is new compared with previous one of Hsiao et al. (2016), in which looking at customer complaint management from employees' perspectives, holistic approach between the three components of CRM (People, Process and Technology), organic approach of exit-voice theory and SEAM methodology are applied in the research model. SEAM aims to co-produce knowledge with the actors of the organization by interacting with them and improve big issues of traditional information systems in management that is evaluation of these tremendous hidden losses and their conversion into tangible performances.

Figure 2 describes a research model in which organizational performance is improved by implementing customer complaint management in combination with SEAM. Firstly, SME must analysis causes of customer complaints in terms of People, Process and Technology. Secondly, it's time to formulate dysfunctions baskets through structures and behaviors. Next to deciding key dysfunctions, and then the intervener – researcher and the company's actors select specific actions to implement. As a result, organizational performance is measured by customer complaint management profitability, economic and social performance, and hidden costs.



**Figure 2: The model of customer complaint management framework combined with SEAM**

### 1.9 Chapter summary

Previous authors prove positive relationship between complaint management and firm performance, or suggest complaints handling benefits. However, implementation of customer complaint management hasn't been researched deeply. Recently, the research of Hsiao et al. (2016) describes an action research in customer complaint management with five phases (Define, Measure, Analyze, Improve and Control). However, this research hasn't been showed position of customer complaint management in corporate management, at strategic or functional level; and employee commitment to customer complaints hasn't been described.

There are many studies about customer relationship management and organizational performance. Customer complaint management is a component of customer relationship management and approached from integrated holistic approach between People, Process and Technology, but there is a few ones exploring this relationship in which customer complaint management positively impact organizational performance. Faed (2015) and Yilmaz (2015) use symmetric testing to find out the relative effects of customer complaint management on

firm performance by financial data. So, the two previous proved that customer complaint management is very important to improve organizational performance, but organizational performance is sparsely evaluated by only financial one because outcomes must reflect outcomes of core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit related to People, Process and Technology.

Therefore, it's necessary to suggest an appropriate methodology to effectively implement customer complaint management that is an intervention research, reflecting employee participation in this process and comprehensive evaluation of organizational performance (not only financial outputs or stakeholder satisfaction).

Theoretically explaining, the relationship between customer complaint management and organizational performance is confirmed by mechanistic and organic approaches of exit-voice theory of Hirschman (1970) influencing employee behaviors. Mechanistic approach means installing and developing formal organizational policies for complaint handling process. Organic approach means creating favorable (supportive) internal environment by motivational processes and creating shared values and norms. This study only develops the organic approach because it is the first time for the case study to conduct customer complaint handling, so it's difficult to immediately install formal organizational policies for complaint handling process in this trial period regarding to employees' responses to the strategic change. In the future, after this successful action research, mechanistic approach with processes, outcomes and behavioral guidelines will be used to continue customer complaint management as suggested by Homburg et al (2005) or ISO 10002 with the international standard on complaints-handling. Both Hsiao's and Arash's researches didn't approach perspectives of exit-voice theory to develop CCM model.

This study develops customer complaint management framework based on aggregate complaint aspects of customer complaint management at strategic level in which customers, top management and front line employees join the process because they provide useful information and the participation will reduce their resistance to organizational change referring to customer complaint management. Besides, at strategic level, success of customer complaint management shows comprehensive organizational performance including



customer complaint management profitability, economic performance, social performance and hidden costs.

Which methodology is the best to implement customer complaint management? Qualimetric intervention research (or socio economic approach to management) is the most consistent with customer complaint management framework. Firstly, SEAM is a systematic approach to organizational change, appropriate to strategic level of customer complaint management. Secondly, SEAM is an intervention research, helping to implement recommendations (or action plans) after data analyzing, improving weaknesses of empirical researches by Faed (2015) and Yilmaz (2015). Thirdly, SEAM supports organic approach of exit-voice theory because SEAM allows employees from top management to shop-floor employees to engage in customer complaint management process. Lastly, in SEAM analysis of organization performance is based on qualitative, quantitative and financial data, not only based on financial data as traditional management.

## Chapter 2 - Research methodology

Savall et al. (1987) suggest a methodology to intervention research named socio-economic approach to management in which instructing researchers and organizations to implement a strategic change to improve firm performances, but mainly beginning at internal stakeholders' opinions such as top management and employees, not paying attention to external stakeholders like customers.

This study suggests extended SEAM with starting point at customer complaint analysis reflects customer-oriented SEAM and more appropriate with customer complaint management in an intervention research to improve organizational performance. This is a five – step customer complaint management process in which problems of People, Process and Technology are explored, their critical success factors are suggested to implement successfully strategy. Effectiveness of the intervention research is evaluated by organizational performance with four indicators that are economic performance, social performance, customer complaint management profitability and hidden costs. The research takes into considerations employee participation into action research, and accounts for multi-dimensional aspects of customer complaint management effectiveness, leading to achieve progress in methodology as well as theoretical framework about customer complaint management, enriching relationship marketing.

This chapter includes problem statement of the study, ontological and epistemological stances in management science, action research, selected research methodology for the research, ethical issues of management research and chapter summary.

### 2.1 Problem statement

The first part of the chapter 2 illustrates research objectives and research questions in order to make it foundation of literature review on methodology of management sciences, action research, next to choose the appropriate research methodology for this study.

### ***2.1.1 Research objectives***

This study has two specific research objectives as follows:

Firstly, suggest a customer complaint management framework for SMEs in developing countries through SEAM in order to increase their organizational performance.

Secondly, recommend managerial implications for small – and – medium sized enterprises to implement customer complaint management by using socio economic approach to management.

Therefore, this research is expected to contribute both theoretical perspectives that enrich relationship marketing theory from perspectives of system and relational approaches and management techniques that qualimetric intervention research is applied in developing countries such as Vietnam.

### ***2.1.2 Research questions***

The dissertation aims at examining how a small and medium sized enterprise in Vietnam implements customer complaint management through SEAM in order to achieve better organizational performance.

To answer this question, a more refined analysis is performed by answering five sub-research questions.

**Sub research question 1:** What do customers complain?

The study thus far thanks to the literature review answers this question by analyze, code customer complaints into quality dimensions of service such as tangibles, reliability, responsiveness, guarantee, and empathy.

**Sub research question 2:** Why do customers complain from employees' viewpoints?

This question seeks to understand what employees think about customer complaints and how they suggest recommendations to improve customer dissatisfaction by applying cause-

and-effects analysis to explore weaknesses in terms of People, Process and Technology of customer relationship management.

**Sub research question 3:** How does a SME improve customer complaints?

This question finds to understand the ways to propose strategic action plans that create unity, agreements and consolidations from top management to front line employees.

**Sub research question 4:** How does a SME implement strategic action plans?

The study thus far thanks to management tools of intervention research by Savall et al. (2011) answers this question by Internal-External Strategic Action Plans, The Priority Action Plan and The Competency Grid.

**Sub research question 5:** How does a SME evaluate its organizational performance after solving customer complaints?

Based on qualimetrics method, the author suggests qualitative, quantitative and financial indicators to evaluate organizational performance after implementing customer complaint management, for example, customer complaint management profitability, economic performance, social performance and hidden costs.

## **2.2 Ontological, epistemological stances and research methods in management sciences**

Recently, management sciences attract researchers as well as businessman referring to fast growth of enterprise community in national and regional economies over the world, resulting into formulating various ontological, epistemological stances, and research methods about management.

### ***2.2.1 Ontological and epistemological stances in management sciences***

This part introduces dimensions of management science, paradigm, epistemology and scientific reasoning in management science.

#### ***2.2.1.1 Introduction to management science***

Based on Savall's (1994) opinions, management science research has two types of knowledge objects: (1) the present practices of social actors within firms and (2) the concepts,

methods and tools that contribute to the transformations of those practices. Almost empirical researchers focus on management practices such as marketing, human resource, strategic management at corporate level. There is a few authors developing research methods in management, e.g. SEAM by ISEOR researchers.

Foundations of management and organization methodology are based on ontology and epistemology. According to Dzwigol et al. (2018), “the management ontology is evaluated through the prism of learning about the organization and its management process”, “involving in evaluating cognitive and pragmatic effectiveness of the management method, cognition and development of the organization, and management methodic that is a set of methods that allow to solve management problems in a proper way” (Sułkowski, 2016).

### *2.2.1.2 Paradigm in management science*

Paradigm has three philosophical dimensions: ontology, epistemology, and praxeology. Paradigm can be divided into three aspects: effectiveness, ethics and morals.

In management science, there are some opinions related to paradigms. First, based on aspects of qualitative data analysis, Mingers (1984) summarized three main paradigms: empirical-analytic (positivist, objectivist, functionalist, and hard), interpretive (subjectivist, constructivist, and soft), and critical (critical systems). Second, Sułkowski (2016) reveal two paradigms including dominant and alternative.

A dominant paradigm is an “approach of neo-positivist, functional and systemic character referring to both cognitive methods, designed to deliver objective and certain knowledge on organization and management, as well as pragmatic methods, providing with reliable results and reinforcing the improvement in effectiveness” (Dzwigol et al., 2018) in which methods are applied in economics, mathematics, statistics, social sciences, and psychology. Armstrong (1993) listed research trends based on the group of these methods such as strategic management, operational management, human resource management, financial management and information management.

An alternative paradigm, referring to “social sciences originating from humanities”, is represented by Flick (2002); Sułkowski (2016) as follows: Psychological methods of

management, psychometrics and projection methods, experiments and para-experiments, as well as the depth psychology methods.

### *2.2.1.3 Epistemology in management science*

Savall et al. (1996) reveal that scientific knowledge production, its scope, and its limits need epistemological reflections about employed methods and research processes. There are many different opinions on poles, i.e. positivism and constructivism, induction and deduction and discovery and justification.

In management science, critical questions are what the researchers' roles, positions and impacts on the observed research object are, for example, selecting positivism or constructivism, applied or empirical.

The positivist is characterized by four key ideas as follows: (1) Independent preexistence of the world and the research object, (2) Hypotheses are formed after theoretical modelization, (3) Deductive logic reasoning rejects irrational and vague research ideas, (4) Hypotheses are verified, confirmed or refused.

The constructivism is based on the work of Piaget (1981) who is a French researcher in the field of child psychology. Le Moigne (1990, 1995) summarizes five principles of constructivist epistemology as follows: First, from perspectives of representation ability, researchers' experiences affect the world and knowledge cannot indicate an "ontologically objective reality"; second, in terms of constructed universe, management science doesn't explore nature laws; third, disciplines are evaluated by action research projects and methods through the interaction between subject and object; fourth, the researcher is a "designer, observer and modeler"; last, actions or interventions result in "adequate" or "suitable" correspondences between situations and projects.

### *2.2.1.4 Scientific reasoning of management science*

Most epistemologists agree that scientific reasoning is a combination of three forms composing abduction, deduction and induction.

In the abductive manner, the research process is begun by "surprising facts" or "puzzles" that are then explained (Bryman et al., 2015). When following an abductive approach, the

researcher selects the most appropriate explanation alternatives by combining both numerical and cognitive reasoning (John, 2018).

“Inductive reasoning starts with the observations and theories proposed towards the end of the research process as a result of observations” (Goddard et al, 2004). Inductive research “involves the search for pattern from observation and the development of explanations – theories – for those patterns through series of hypotheses” (Bernard, 2011). Theories or hypotheses shouldn’t be applied in inductive studies at the beginning of the research and the researcher is free to change the directions for the study after the research process had started (John, 2018).

A deductive approach is concerned with “developing a hypothesis (or hypotheses) based on existing theory, and then designing a research strategy to test the hypothesis” (Wilson, 2010). It has been stated that “deductive means reasoning from the particular to the general” (Gulati, 2009). He also explained that “a deductive design might test to see if a relationship or link did obtain on more general circumstances and it might be proved to be true in other cases”.

### ***2.2.2 Research methods in management sciences***

Research method in management science is systematically and repeatedly used in order to study scientific problems and evaluate research outcomes (Pieter, 1975). Results of the previous research will be used to enhance empirical principles of nature of practices as well as theoretical generalizations.

In management science, there are four basic types of methods (Ostasz, 1999; Sułkowski, 2016) including pragmatic, empirical, formal, understanding methods. First, in pragmatic method improvement of effectiveness of the organization management is conducted through research objectives. Second, in empirical method an organization and management system is recognized and considered as “recognizable real beings from realistic approach”. Third, a logical or mathematical structure of methods is created by formal method. Final, management systems’ organizational component is recognized and defined as “constructivist beings approached from interpretative perspectives” through understanding method.

From the above literature review of paradigms in management science, the author selects (1) *interpretive* paradigm (i.e. subjectivist, constructivist, soft) (Mingers, 1984); (2) *alternative* paradigm (Sułkowski, 2016) owing to creating and combining team, researching attitudes and motivations, leadership development; (3) *constructivism* due to knowledge impacted by researcher's experiences; abductive reasoning due to starting research process with "surprising facts" devoted by explanations, then choosing the "best" explanation as well as combining both numerical and cognitive reasoning; (4) pragmatic and participatory action research methods referring to achieve research objective of improving effectiveness of the organization management; (5) *applied research* of which objective is to bring solutions to clients, in combining the explicit statement of the explicative and prescriptive models. Sometimes, the term "finalized research" is used to designate rapid, even concomitant outcomes of scientific knowledge production.

Otherwise, this research is relationship marketing at a case study of SME, resulting in choosing qualitatively-oriented research methodology. According to Miles et al (1994), there are three approaches to qualitative data analysis including Interpretivism, Social anthropology and Collaborative social research. The author selects collaborative social research because action research will be implemented as a general strategy for institutional change where the researcher joins closely with organization actors.

## **2.3 Action research**

The third part of chapter 2 emphasizes prominent characteristics of action research, pragmatic versus critical orientation of action research, modified action research process, qualimetric intervention research and socio economic approach to management.

### ***2.3.1 Prominent characteristics of action research***

Kurt Lewin (1946) is recognized as the founder of action research helping the practitioner to generate knowledge about a social system while attempting to change it (Eden et al., 1996), started positivism but was clearly referred to pragmatism. Objectives of action research are to propose practical solutions related the relationship between individuals and their communities through combining theory and practice, action and reflection.



Reason et al. (2001) defined Action Research as follows: “Action research is a participatory, democratic process concerned with developing practical knowing in the pursuit of worth-while human purposes, grounded in a participatory worldview”. Dick (2002) defined action research as “a flexible spiral process which allows action (change, improvement) and research (understanding and knowledge) to be achieved at the same time”.

Aims of action research are to change organization by considering affected people and their lives (circumstances) in suggesting the change (Burns, 2007; Somekh, 2006; Parkin, 2009).

Action research is defined as different terms (Boje, 2007) consisting of action learning, action inquiry, appreciative inquiry, participatory action research (Reason et al., 2001; Boje, 2007; Coghlan et al., 2014). Data collection and analysis is the basis of change process in action research (Eden et al., 1996), that is “the study of a social situation carried out by those involved in that situation in order to improve both their practice and the quality of their understanding” (Winter et al., 2001). Systematic action research involves external resources, cooperation with employees to explore problems and plan effective solutions for the organization (Bryman et al., 2015). From a general perspective, “there are four main themes from most of the definitions of action research namely: empowerment of participants, collaboration through participation, acquisition of knowledge, and social change” (Ferrance, 2000).

Collis et al. (2003) divide action research into three categories: (1) classical action research with focus of “testing tentative statement in a real world environment”; (2) contemporary action research attending “logical ideas of both individuals and groups when undertaking research”; and (3) critical action research adopting “a deep-rooted approach with the objective of improvement performance”.

Meyer (2000) appreciates stakeholders’ perception on the change process and its outcome, their collaboration to make the results meaningfully acted. Dominant epistemological paradigm is constructivism with an unconscious quest for positivism (Meyer, 2000).

Generally, action research includes five stages as follows:

First, diagnosing stage involves interviews, analyses of employees’ opinions.

Second, action planning includes Gathering of data, Interpretation of data and Suggestion of actions approved by top management of the organization.

Third, in action taking step, employees conduct the action plans to improve problems

Fourth, in evaluation step, initial data is used as a benchmark and evaluation is made to ascertain the success or otherwise of the change process.

Last but not least, top management control what and why hasn't been successfully implemented. Then, the action research continues because it is a never-ending process.

### ***2.3.2 Pragmatic versus critical orientation of action research***

Rolfson et al. (2007) reveal that recently in action research “a distinction between a political agenda of liberating the oppressed and improving the performance of companies operating within a capitalistic economy”. Johansson et al. (2008) explain that the pragmatic orientation focuses on “praxis and practical knowledge development, cooperation between all concerned parties, and the need for finding and constructing a common ground between parties as a platform for action, the broad participation of all concerned, an exchange of experience and ideas, and collaboration among the people involved”. The responsibility of the researcher, as well as the form of knowledge developed, differs between the two orientations (Johansson et al, 2008).

Johansson et al. (2008) differentiated the two kinds of orientation based on some issues as follows:

Firstly, in terms of purpose, pragmatic orientation means improvement in workability of human praxis, but critical – emancipation.

Secondly, from perspectives of action focus, pragmatic orientation centers experiment and cooperation, but critical – resistance and liberation.

Thirdly, in “orientation to power” manner, from pragmatic orientation's aspects, power is considered as ability to do, collaborative relation, and practice agreement is striven for. However, according to critical oriented researchers, dominant interests, coercive, conflict are acknowledged.

Fourthly, based on role of researcher, in pragmatic orientation research, the researcher is responsible for closeness and practical knowledge, while critical – distance, episteme, reflective knowledge.

Fifthly, viewed from research focus angle, pragmatic oriented researchers invest into actions and dialogues, and critical oriented ones prefer reflections.

Sixthly, by a facet of development focus, pragmatic centered studies' objectives are experiential learning, learning by doing, but critical – consciousness raising and reflexivity.

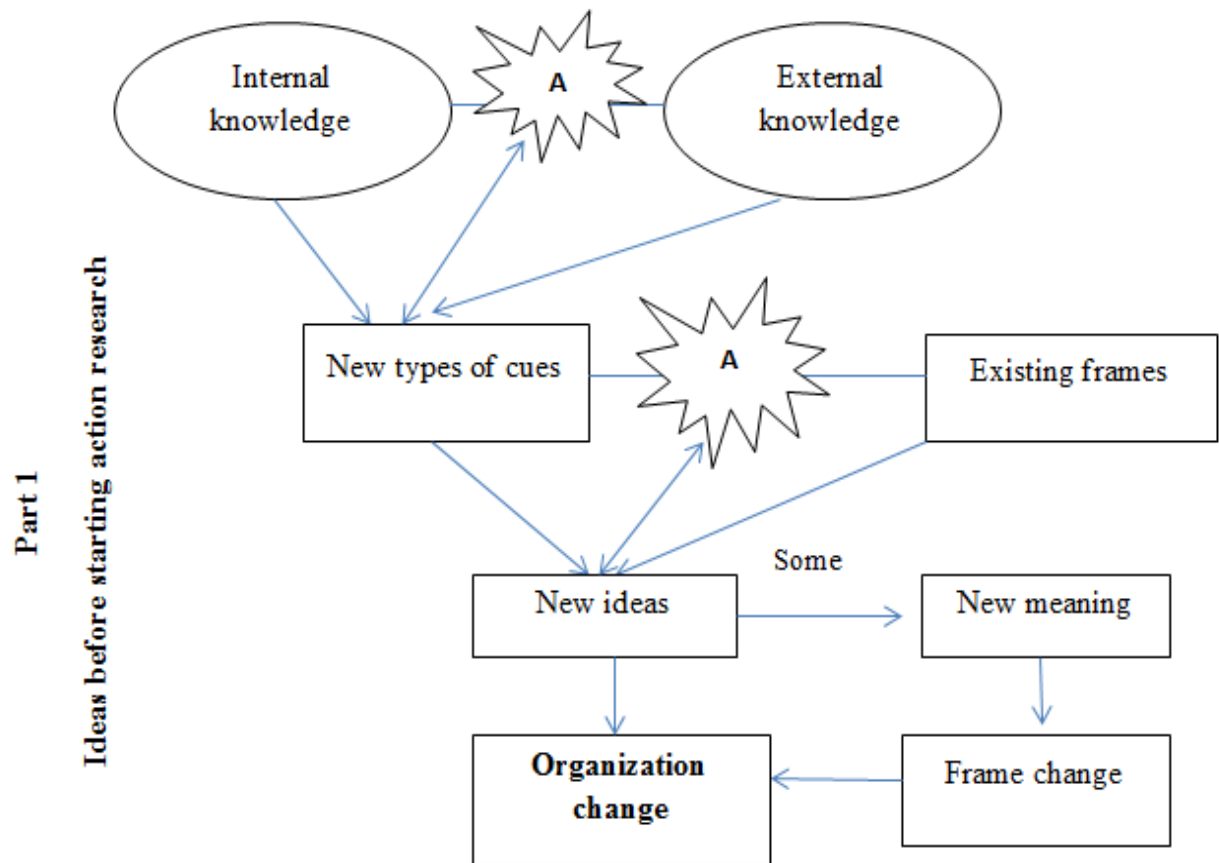
Finally, in pragmatic oriented researches, types of dialogue include cooperative, experience based, action oriented. In critical oriented ones, they are to promote openness to the other.

### ***2.3.3 Modified action research process***

Nowadays, action research is more enriched by modifying some stages in the action research cycle (Dymek, 2008) or adding more extension phases (Coghlan et al., 1997).

#### *Ideas before starting action research (Dymek, 2008)*

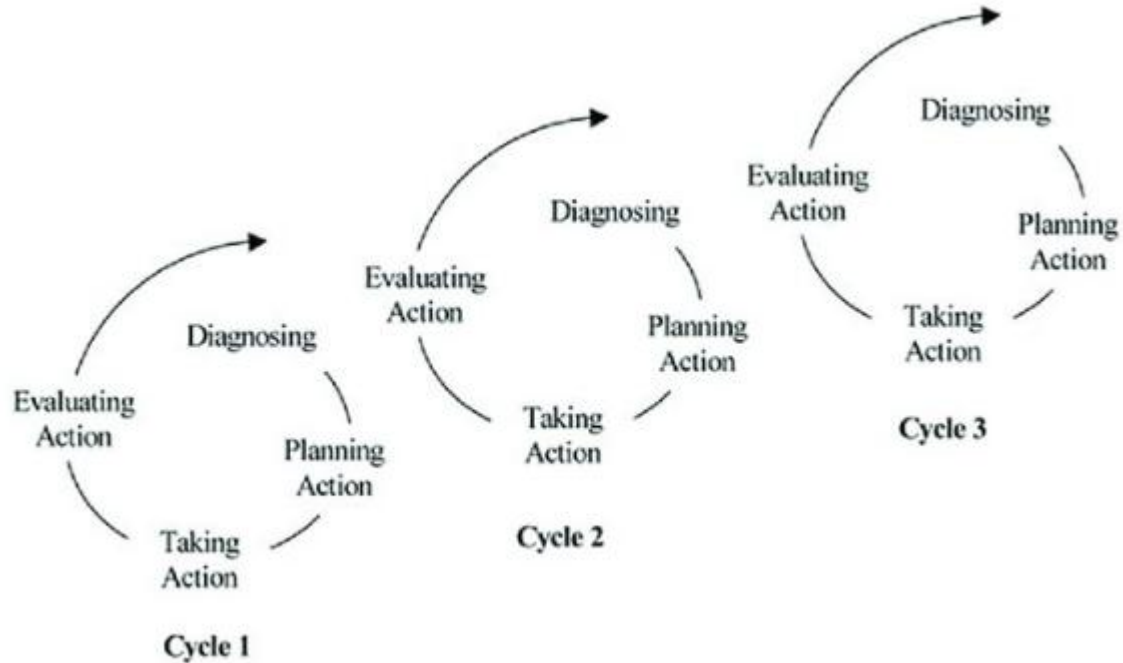
According to Dymek (2008), diagnosing step is added more information by suggesting ideas before starting action research. So, action research includes two parts. First part is Ideas before starting action research. Second part is five – cycle action research. Objectives of the first part are to find out problems in existing frames of the company and propose a frame change, resulting in an organization change as presented in Figure 3.



**Figure 3: Ideas before starting action research (Dymek, 2008)**

*Spiral four-step process (Coghlan et al., 1997)*

It's notable that researchers need research process to make their research findings and conclusions reliable and valid. Coghlan et al. (1997) recommends a four-step spiral model of action research process as follows:



**Figure 4: Four-step spiral model of Coghlan et al. (1997)**

From Figure 4, in each cycle steps include Diagnosing, Planning Action, Taking Action, and Evaluating Action. The aim is to find solutions to managerial problems but also to develop theory and proceed systematically through the spirals of diagnosing, planning, acting, observing and reflecting. The four steps can be repeated in the second cycle or third cycle. The reason is that if the company hasn't achieved their goals of strategy or leaders want to improve operations, they will continue to implement the second action plan or the third action plan.

### ***2.3.4 Qualimetric intervention research***

#### *Principles of qualimetric intervention research*

ISEOR researchers suggest three principles to develop epistemology of qualimetric intervention research as follows: First, academic research must be useful to society; second, developing theory-based knowledge should be formed by intervention research projects; third, scientific progress results from a “continuous two – way flow between the research efforts and their pragmatic as well as empirical dimensions”.

Besides, they summarized that qualimetric intervention research is built based on three beliefs in which “productivity is related to a very high degree of specialization, to a dichotomy

between design and execution, to the depersonalization of procedures and work organization”. Explanations about why organizations underperform and continuously generate dysfunctions and hidden costs haven’t been deeply studied in previous researches related to customer complaint management.

In qualimetric intervention research, there are two approaches including Evidence-Based Management (Pfeffer et al., 2006; Rousseau, 2006) that brings together field-based approaches to theorize professional practices; and transformative collaborative research approaching the Engaged Scholarship (Van de Ven et al., 2006). Evidence-Based Management means developing theoretical knowledge based on a rigorous observation of the facts, useful for improving the effectiveness and efficiency of managerial decisions (Pfeffer et al., 2006; Rousseau, 2006). According to Van de Ven et al. (2006), the concept of "Engaged Scholar" is explained as collaborative and committed researcher based on two principles: "the coproduction of knowledge" between researchers and practitioners; and "contradictory arbitration" meaning the validation of observations through non-compliant discussions between researchers and practitioners.

Qualimetric intervention research plays increasingly important role in research methodology for business and management science. It opens considerable prospects for advancing knowledge in management, economics, human and social sciences, through combination between qualitative and quantitative approaches, between micro and macro analyses, and between fundamental and applied research. Moreover, it is created to “contribute a rigorous content analysis method to flush out hidden meanings in qualitative and quantitative data, or called qualimetric content analysis method” (Savall et al., 2011).

### ***2.3.5 Socio economic approach to management***

#### **History of SEAM**

Conbere et al. (2012) recognize that Socio-Economic Approach to Management (SEAM) was founded by Savall and his colleagues in ISEOR, Lyon, France, in 1973, providing an alternative to methodology of traditional management. They illustrate that “SEAM shares many beliefs and practices of American organizational development, but also adds some premises and practices making this approach quite distinct”.

The micro and macro isomorphism paradigm in macroeconomics (Savall, 1975) are the origin of the socio-economic theory. Socio and economic (socioeconomic) contexts are designated as dynamic and changing.

SEAM is developed to shorten a gap. “SEAM stems from attempts to understand the failure of the established major theories of economics, such as Neoclassical, Marxist, and Keynesian, to fully account for the difference in the realized levels of economic growth as compared to the amounts of labor and capital input utilized” (Savall et al., 2013). They also prove that “the dominant theories of economics only explain and accounts for as little as 50% of the economic growth experienced in relationship to the amount of inputs of capital and labor”. According to Cappelletti et al. (2018), hidden costs-performances were ignored by classic literature in economics and management.

“Socio technical systems paradigm of SEAM proposes to work the middle between qualitative, quantitative and financial methods meaning a qualitative validation of quantitative (the numbers) with an exploration or tracing of the translations and exchanges that construct financial statements” (Savall, 2003).

### **Epistemology of SEAM**

According to Haddad et al. (2017), the qualimetric intervention research developed a paradigm of third person action research, focusing on the social and economic dimensions of the organization. “The third person action research is the embodiment of scientific intent, seeking the academic challenge of “scientific” controversy, and the “public” challenge of reality check, in order to confirm the authoritative quality of the research findings” (Haddad et al., 2017). Based on Yin’s (1994) opinions, scientifically-founded research is warranted by the principle of inter-subjectivity between the researcher and the actors, the data collection and analysis, bringing “scientific rigor” to investigate “the complexity of the organization” and “the dynamic dimension of the reality of the enterprise” and creating generalizable knowledge (Savall, 2003).

Researchers should use both quantitative and qualitative research for organization studies due to visible and unknown elements (Savall et al., 2008). SEAM support the researchers to prepare “baseline of knowledge on which to evaluate the novelty of new artifacts and

knowledge resulting from research” (Gregor et al., 2013), that are the pragmatic economic dimension (Cappalletti and Baker, 2009).

According to Haddad et al. (2017), there are three epistemological principles constituting the bedrock, the strategic orientation and the methodological alignment of qualimetrics, and representing the practice as well as validation references of the scientific rigor. The qualimetric epistemological ones are (1) Cognitive interactivity, (2) Contradictory Intersubjectivity, and (3) Generic Contingency. “The three epistemological tenets have enabled the building step-by-step of a generic knowledge creation now explicitly referred to as ‘socio-economic approach to management’” (Coghlan and Brydon-Miller, 2014).

### ***Cognitive Interactivity***

The cognitive interactivity principle of the qualimetric intervention research is defined as “an interactive process of knowledge production between company actors and intervener-researchers through successive feedback loops, with the steadfast goal of increasing value of significant information processed by scientific work” (Coghlan and Brydon-Miller, 2014).

Hutton et al. (2011) suggested that the active dialogue is facilitated by qualimetrics and by intervener-researcher and actors has ontological and epistemological commitments that “prevent any specific standards for critical reflection for critical reflection that are external to the linguistic conventions or negotiated agreements of a particular group or organizations”.

Besides, Coghlan and Brydon-Miller (2014) reveal that the cognitive interactivity “draws on a constructionist epistemology as it considers the complex object is difficult to grasp in its entirety. It therefore differentiates from positivist research, which needs so-called neutrality”.

To summarize, cognitive interactivity justifies the need for a partnership between the researcher and the field, referring to “the construction of collective knowledge results from a process of interaction between two or more actors, each one carrying a fragment of knowledge contributes, thanks to successive iterations, to construct a shared knowledge by the actors of a team or an organization” (Cappelletti et al., 2018).

### ***Contradictory Inter-subjectivity***

In qualimetric intervention research, regarding to significance and quality of collected, information, contradictory inter-subjectivity represents “a technique for creating consensus



based on the subjective perceptions of different actors in order to create more objective grounds for working together through numerous interactions between the actors” (Coghlan and Brydon-Miller, 2014). “The confrontation of multiple subjective information collected from various pools of respondents, results in the formation of a new collective representation and sense-making” (Coghlan and Brydon-Miller, 2014; Savall and Zardet, 2011; Savall et al., 2008; Bonnet, 2003). The cognitive interactivity consists in “confronting the points of view of all the actors, the objective being to identify specificities and convergences and to reconcile different or conflicting logics within the enterprise” (Coghlan and Brydon-Miller, 2014). The production of a collective representation of the intervention object is the result of: (1) the concurrence of the public debate between the organizational players on the meaning of their discourse and action, and (2) the concurrence between the professional-natural language and the scientific-conceptual language (Haddad et al., 2017). Therefore, Cappelletti et al. (2018) conclude that contradictory intersubjectivity is related to the interactive process allowing different subjective opinions of different actors to construct an acceptable common representation.

### ***Generic Contingency***

Coghlan and Brydon-Miller (2014) describe that the generic contingency principal as follows: “while recognizing the operational specificities of organizations, postulates the existence of invariants that constitute generic rules, embodying core knowledge that possesses a certain degree of stability”. “It is the combination of the cognitive interactivity and the contradictory subjectivity expressed in the scientific and natural languages that produces the generic contingency” (Haddad et al., 2017) described as a “comprehensive interactive approach to sense-making between the researchers and the multiple actors to produce additional knowledge” (Buono et al., 2015).

Each intervention research permits pursuing two types of knowledge feasible for intervener – researcher and actors including (1) knowledge specific to the organization and (2) generic knowledge that contributes to the increase of knowledge in the field of management (Cappelletti et al., 2009). So, generic contingency is underlying “the conditions of additivity of the terms of a sum representing homogeneous objects” (Cappelletti et al., 2018).

### **Characteristics of SEAM**

Socio economic theory is now perceived as a meta-theory based on the epistemological positions such as cognitive interactivity, contradictory inter-subjectivity and generic contingency (Haddad et al., 2017).

Cappelletti et al. (2009) prove SEAM approach is considered as a pragmatic oriented action research. They show that “based on the HORIVERT method, the SEAM approach is characterized by the involvement of participants and a desire to participate in an unfolding practice on the part of researchers”, resulting in to be qualified as a participatory and collaborative action research (Boje et al., 2003) in line with Johansson et al.’ s model.

Hidden information-qualitative, quantitative and financial in the minds of organizational actors or in documents are extracted, facilitating qualimetric modeling by SEAM (Savall et al., 2008).

Savall et al. (2011) illustrate “SEAM brings pragmatic, realistic, applicable and measurable solutions to organizational development in management practice, and develops robust - applicable in altered and different organizational settings- scientific knowledge induced by ground observations”.

According to Savall (2003), principles of the socio economic theory of organizations consist of Division of labor and the specialized skills of actors, Cooperation of a set of actors working in coordination, Dialectical movement of contradictory, and Cohesiveness (degree of cohesion and consistency).

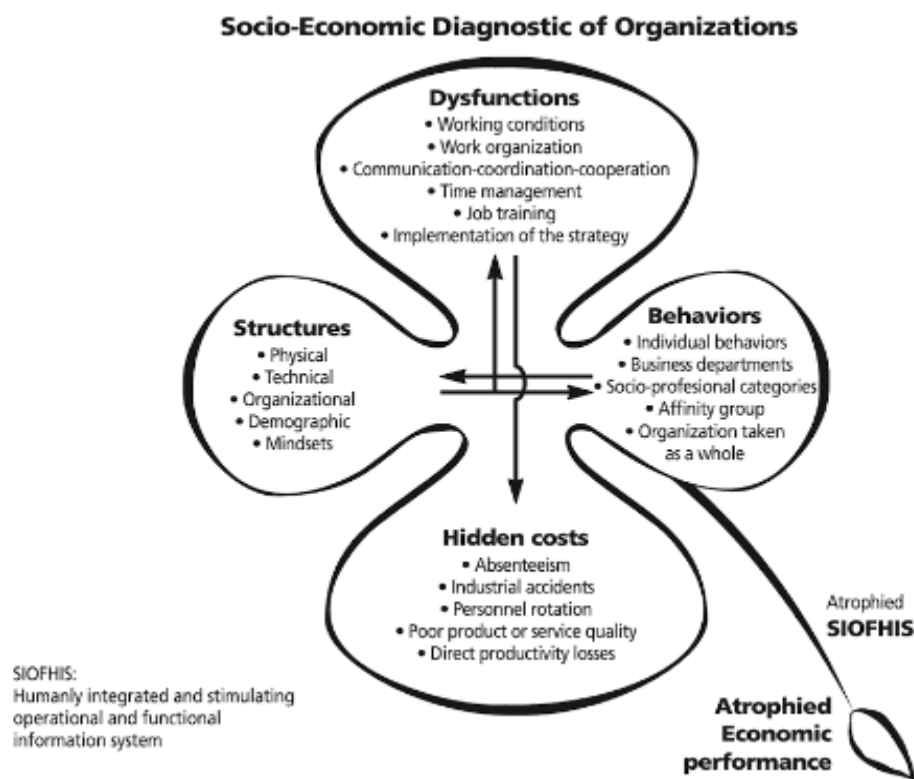
SEAM explains where hidden costs are derived from: Dysfunctions occur based on the interaction of human behaviors and structures (Savall and Zardet, 2008). Each *individual’s choice of behavior* is viewed subjective and chosen based on individuals’ perceptions in their best self – interest (Savall and Zardet, 2008). A fundamental premise of the SEAM model is that when “*employees in an organization exercise their informal power and create a level of dysfunction, their actions result in hidden costs*” (Savall and Zardet, 2008).

### **Important contents of SEAM**

Savall et al. (2007) described intervention research techniques for researchers and actors to apply as below:

#### ***Exploring dysfunctions***

An organization is made up of five types of organization structures (physical, technological, organizational, demographic and mental) that interact with five types of human behaviors (individual, trade, group, occupational group, affinity group and collective) (Savall, 2003). This interaction creates the enterprise’s functioning that is “permeated with anomalies, disturbances, and discrepancies between the desired functioning (called orthofunctioning), and the observed functioning (dysfunctions)” (Savall, 2003). These dysfunctions can be categorized into six families: working conditions, work organization, communication, communication – coordination – cooperation (3C), time management, integrated training, and strategic implementation. Please see Figure 5.



**Figure 5: Socio economic diagnostic of organizations**

Each dysfunction is called theme having sub-themes. The theme “Working conditions” includes Equipment and supplies, Layout of office and work space, Disturbances, Physical conditions of work, Security, Work hours, Work atmosphere. The theme “Work organization” contents Distribution of tasks, missions and functions, Interest of the work, Workload, Autonomy in the work, Regulations and procedures, Organizational chart, Absenteeism

regulation. The theme “Time management” are made by Respect of delivery times, poorly assumed tasked, Planning, scheduling of activities, Disturbance factors in time management. The theme “Communication – Coordination – Cooperation” includes 3C horizontal, 3C vertical, Information transmission, Relations with the surrounding service, 3C at the executive director level, 3C between main office and brand office, 3C internal to the service, 3C framework, 3C between elected officials and civil servants, 3C between network and home office. Integrated training includes Training-job appropriateness, Training frameworks, Available competencies, Training needs, Training and technical change. Strategic implementation includes Strategic orientation, Authors of the strategy, Breakdown and organization strategic implementation, Information system, Personnel management, Strategic implementation tools.

### ***Hidden costs calculation and analysis***

According to ISEOR researchers, “regulations engendered by these dysfunctions generate costs for the organization that are usually hidden costs, and which taint the relevance, effectiveness and efficiency of decisions”.

Savall (2003) that hidden costs include “five headings of socio-economic indicators” in which there are three social ones (absenteeism, work accidents, occupational sickness and personnel turnover) and two economic ones (product/service quality and direct productivity).

Savall et al. (2011) instruct that such hidden costs have six components including excess salaries, overtime, overconsumption, nonproduction, non-creation of potential and risks endured by the enterprise.

Besides, they also reveal integral quality that is the process aiming at improving the internal and external quality of organizations and the piloting of social and economic performances through two axes including a cyclical problem solving process and management tools (Savall et al., 2011). Please see Figure 6.



Model source: N99 (1)

Source: © ISEOR 1999.

**Figure 6: Integral quality**

After implementing intervention research project, hidden cost evaluation is again carried out and called economic balance that is to “compare the cost of the means to reach the objectives with the returns once the targets have been attained, in term of immediate results and creation of potential gains” (Savall et al., 2011).

#### ***Four - stage process of SEAM***

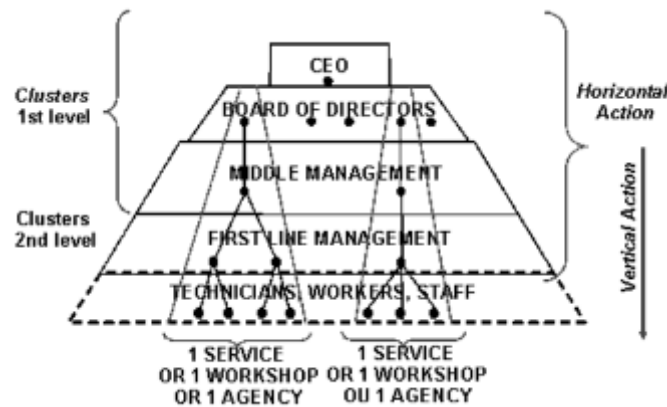
The socio – economic problem – solving method comprises four stages (Savall et al., 2003): (1) Diagnostic of dysfunctions and evaluation of hidden costs; (2) Cooperative conception and development of innovative organizational solutions; (3) Structured implementation of improvement actions and (4) Evaluation of qualitative, quantitative and financial performances.

In order to involve all company actors in the change process or metamorphosis, ISEOR researchers suggest a socio-economic intervention procedure including two “simultaneous and synchronized” actions as in the following presentation:

Horizontal action refers to organize top management and middle management into “collaborative-training” clusters each of which consist of a manager and collaborators. Based on the size of the company and the number of managers, the number of clusters will be identified, then each cluster will be trained how to employ management tools

Vertical action involves at least two departments or agencies in which their manager and frontline employees are allowed to join.

This double horizontal and vertical action is called the Horivert process that connects action research with the client’s strategy, solves dysfunctions at strategic and operational levels regarding the principle of from-strategic-to-shop floor apex, promoting collective learning, team integration, effective and efficient cohesion. Please see Figure 7.



**Figure 7: Horivert process of SEAM**

### ***Management tools of SEAM***

SEAM theory also proposes management tools by ISEOR researchers (Savall and Buono, 2007) as follows:

Internal-External Strategic Action Plans (ISEAP) is a tool that describes a 3 to 5 year strategy for the growth of the company and is updated changes of internal and external environment every year, making all organizational actors clearly understand.

Priority Action Plan (PAP) is derived from ISEAP for strategy to be implemented within a half year based on feasible and prioritized objectives in short term.

Competency Grid (CG) helps the company to review skills and expertise of clusters and then suggest “integrated training plan” consistent with all actors of the organization.

Time Management (TM) supports the company to plan specific activities and manage time to changes of the strategic plan.

Periodically Negotiable Activity Contracts (PNAC) is based on “biannual personal dialogue between superiors and their subordinates” to formalize different objectives for collective as well as individual teams, formulating rewarding system and hidden costs savings.

Piloting Indicator Logbook (PILB) includes qualitative, quantitative and financial indicators for the managers to effectively control the subordinates and their activities in their departments.

To conduct the intervention research, other analysis tools are required:

Mirror-effect is “an analysis of the interview content based on actors’ expressions, which permits presenting the latter with an image of their expressions as a means for obtaining a validation, enhancements or nuances”.

Expert opinion is a “second-degree” analysis after mirror-effect in order to interpret the collected information and then also presented to company actors owing to validating and contradictorily discuss.

All actions are expected to improve company sustainable performance composing economic performance (profitability, immediate results (short-term), potential gains (medium and long term)) and social performance (meeting needs of internal and external actors) that are couple as well as duality. Outcomes of socio economic intervention project are prevention of dysfunctions, improvement of individual behaviors, enhancement in organization structures, and lower hidden costs.

#### **2.4 Selected research methodology for this study**

This study chooses SEAM as the main methodology and customer complaint management as the theoretical framework with two action periods (2015-2016 and 2017-2018). From perspectives of customer complaint management framework, it is new in comparison with Hsiao’s novel framework owing to employee participation and suggesting the second period or maintenance phase. In terms of research methodology, SEAM is selected because SEAM is positioned in the action research literature stretching to organizational development. The second period (2017-2018) is called extension phase or maintenance service in which

additional, in-depth intervention is to audit what has been implemented and update what should be improved. Therefore, epistemology includes some dimensions of theoretical relationship between customer complaint management, organizational performance and SEAM methodology.

Purpose of the research includes descriptive and analytical research. Outcome of the research is applied.

#### ***2.4.1 Ontology, Epistemology and Logic of the research***

Research field is relationship marketing. Research object is customer complaint management, more specifically, combination of customer complaint management and socio economic approach to management in order to improve organizational performance.

Knowledge objects in management science research are the present practices of social actors (top management and employees) within the firms and the concepts, methods, and tools which contribute to the evolution of those practices (Savall, 1994).

Research subject is an organization (SME) who shape, apply and distort management practices, systems and techniques.

The author described the selection of paradigm of marketing, relationship marketing and management sciences for this study. So, in this part, she only describes why the research should be conducted based on ontology, epistemology and logic of SEAM.

This dissertation used intervention research, consistent with SEAM approach and SEAM outcomes containing indicators of organizational performance because knowledge is co-produced by the actors and the intervener – researcher, through successive and reiterative confrontations of their respective social representations (Savall and Zardet, 1996).

#### ***Ontology of SEAM***

The author chooses interpretive with generic constructivist as explained as follows:

This study applies the qualimetric approach and the socio-economic approach to management. According to Haddad et al. (2017), from perspectives of ontology, SEAM is “anchored in interpretivist ontology, with a post-positivist positioning, and resorting to an abductive reasoning in a qualitative, quantitative and financial continuum”.



In qualimetric intervention research, *generic constructivism* is positioned between positivism and constructivism, “trying to overcome the relative superficiality of the first and the particularity of the second which was born, in cognitive psychology of research on the construction of individual knowledge” (Savall, Zardet, Bonnet, Peron, 2008). “Generic constructivism meets the needs of management science research whose main scope of knowledge development and transmission is not the individual but the team or organization” (Savall, 2003).

### ***Epistemology of SEAM***

In terms of epistemology, the qualimetric research practices as well as its tools are appropriate to the epistemological principles of cognitive interactivity, contradictory intersubjectivity and generic contingency (Haddad et al., 2017).

This study achieves methodological fit referring to internal consistency among elements of a research with its project-research question, prior work, research design, and theoretical contribution.

Hsiao et al. (2016) suggested a customer complaint management framework with customer – centered perspectives based on what customers complain. However, their study hasn’t shown that whether employees agree with the company about customer complaint handling or not. While, SEAM appreciates employees’ viewpoints and persuades them to participate in diagnosing, planning, implementing and evaluating action plans. Therefore, a combination of customer complaint management and SEAM will support the company to receive consensus of both customers and employees in order to achieve better organizational performance. Besides, through training programs of structured action plans of SEAM, employees are developed behaviors, skills and professional knowledge, leading to human capital development for the SME.

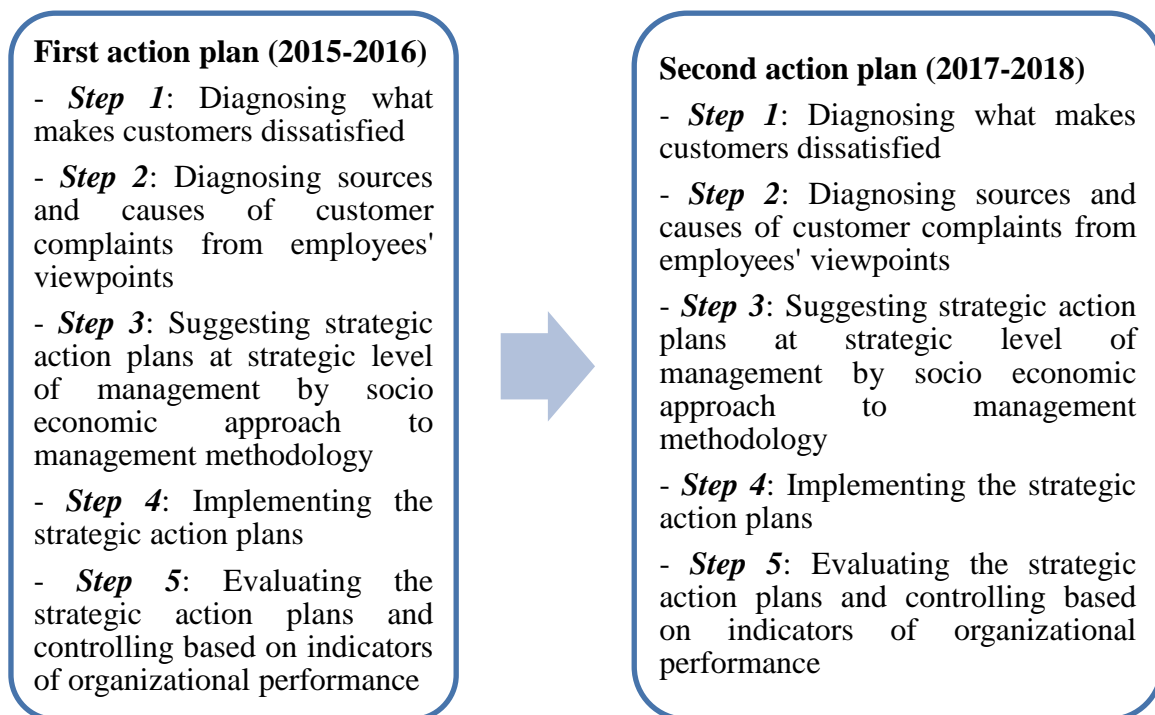
## ***2.4.2 Research design***

### ***2.4.2.1 Research Strategy***

The flexibility and adaptability of the qualimetric intervention (Savall et al., 2011) to the organizational contexts unfolds with the strategies used to reach the specific objectives included in the practical change seeking and cyclical process (Denscombe, 2007). These

strategies are context driven, semi-structured interviews, focus groups, qualitative observations, quantitative measurements and analysis of documents, engendering a lot of discussions, ideation, shared action, monitoring and evaluation. The comprehensive participation of organizational players remains above all the quintessential criterion, for a comprehensive analysis of socio economic context.

The major innovation of SEAM in the field of management is to allow at the same time the improvement of tangible performances as well as the production of scientific data to develop theories. This dissertation is both improving the passenger transport service company's organizational performance and supplementing evidences to develop relationship marketing.



**Figure 8: Two research cycles implementing qualimetrics intervention research**

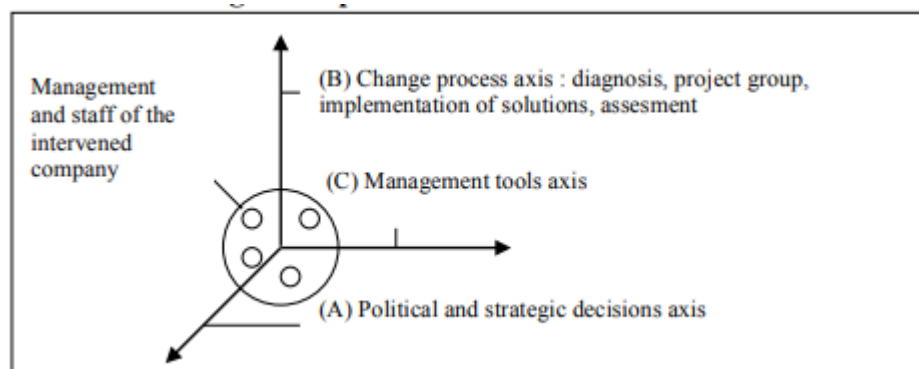
Goals of this intervention research are achieve better organizational performance. There are two cycles comprising first action plan of 2015-2016 period and second action plan of 2017-2018 period.

In each cycle (period), there are five steps in which the first step is about what customers complain, the second to fifth steps are ones of SEAM composing (1) Diagnostic of

dysfunctions and evaluation of hidden costs; (2) Cooperative conception and development of innovative organizational solutions; (3) Structured implementation of improvement actions and (4) Evaluation of organizational performances. Therefore, I suggest this intervention research cycles are considered as extended SEAM with five steps, formulating customer complaint management framework.

#### 2.4.2.2 Qualimetric intervention research

Purpose of research design of qualimetric intervention research is to make Transformative in which Describe, Explain, Create models, Participate in the evolution of field.



**Figure 9: The general pattern of SEAM**

“SEAM mobilizes a political axis (A) to encourage the commitment of the management of the company, a process axis (B) to stimulate the resolution of the problems and an instrumental axis (C) to embody the socio-economic management in tools” (Savall et al., 2008; Boje et al., 2003).

Before intervention research, From September 10<sup>th</sup> to 11<sup>th</sup> of 2014, training managers using socio – economic tools relating to time management, competencies and priority action planning is organized.

Project leader: CEO NGUYEN Manh Ha

Piloting group: Members of Board of Directors (BOD)

Focus group includes three sub-groups that are (1) Plenary group is piloting group who ensures coordination between the plenary group’s work and that of task forces, examines and approves the solutions; (2) Core group comprises members of BOD and Heads of

Departments who define major objectives/constraints that direct the quest for solutions; (3) Task group composes Heads of Departments, expert and staff members who respond their opinions about the solutions.

Clusters of 1<sup>st</sup> level are core groups. Cluster of 2<sup>nd</sup> level are task groups. In this case study, the director pays attention to clusters of 1<sup>st</sup> level. For the 2<sup>nd</sup> level, BOD gives authority to Head of departments to self-manage and BOD wants to know only managers' performance. This intervention research focuses on core groups. Dysfunctions are formed from integrated horizontal and vertical intervention researches will be implemented by core groups that are clusters of 1<sup>st</sup> level. At the end of 2014, three clusters are established, led by members of BOD (Please see Appendix 2.1, 2.2, and 2.3). At the end of 2016, two clusters are led by CEO and Vice Director (responsible for Business) (Please see Appendix 2.4 and 2.5).

Two Piloting log books of the company are suggested for the period of 2015-2016 and the period of 2017-2018. The reasons are that there are differences in dysfunction baskets, dysfunctions and action plans between the two periods. Please see Appendix 2.6 and 2.7.

Periodically Negotiable Activity Contracts (PNAC) is designed for Heads of departments based on a biannual personal dialogue between BOD and Heads of departments. Based on collective objectives and important roles of some departments in each period, BOD selects critical Heads of Departments to sign PNAC. In the period of 2015 -2016, PNAC is given to Head of Human Resource Department, Head of Accounting and Finance Department and Head of Limousine Department, referring to solving problems of People, Process and Technology (Please see Appendix 2.8, 2.9, and 2.10). In the period of 2017-2018, three Heads of Departments such as HR, Marketing and Limousine are selected to agree PNAC related to improving problems of People and Process (see Appendix 2.11 and 2.12).

#### *2.4.2.3 The first action plan of 2015-2016*

The first action plan of 2015-2016 is resulted from 5 steps as the above presentation.

#### ***Step 1: Diagnosing what makes customers dissatisfied***

One new contribution of the PhD candidate in extending SEAM is not starting horizontal diagnostics by interviewing top management of the company, but interviewing external stakeholders who are passengers using inter-city transport services of the company. The

purpose of this action is to determine problems from outside, and to confirm it, explore reasons of weaknesses which are considered as a foundation of organizational change or new strategy. It is the combination of customer complaint management and SEAM. Total interviews with customers are 30 from July to August of 2014.

First 10 passengers were interviewed openly; they are free to talk about their positive and negative opinions.

1. What make you dissatisfied when you are a passenger?
2. What do you expect on road passenger transport service? What kind of transport service do you like most?
3. Have you ever used inter-city bus service provided by our company? What do you think its weaknesses? Why don't you use our service?
4. What are barriers to obstruct highly qualified passenger transport service?
5. How does a company to be empathetic with passengers
6. How does a company provide reliable passenger transport services?
7. What does guarantee in road passenger transport services mean?
8. How does a company effectively respond with passengers?
9. What does make a highly qualified passenger transport service tangible?

After the first interview, the researcher mapped some research strands related to customer complaints. Then, the researcher conducts in-depth interviews with 20 customers.

1. Have you ever utilized inter-city bus service provided by our company? What made you satisfied and dissatisfied?
2. Is our company empathetic with passengers? What do you think about drivers' and assistant drivers' behaviors? Have you ever been angry with them? Please tell a story about it? Is there any gap between your expectation and perception? What are minimum needs for inter-city bus service of our company?
3. Is our inter-city bus a reliable passenger transport service? What makes you dissatisfied about reliability of our inter-city bus service?
4. Is our company's inter-city bus guarantee? What makes you worried or fear?

5. Do you think our company badly responds to customers? How does our company effectively respond with passengers who expect a highly qualified inter-city bus? What do you think about promotion in passenger transport service?

6. What does make inter-city bus of our company tangible? What makes you dissatisfied about vehicles, physical facilities, equipment, and appearance of personnel?

7. Can you tell me some stories about your dissatisfaction on our company's services, employees, vehicles, delays, operations?

***Step 2: Diagnosing sources and causes of customer complaints from interviewing top management and employees of the case study***

In this second step, the Horivert process is conducted with horizontal intervention research and vertical intervention research. At the end of Horivert process, integrated horizontal and vertical intervention research is done to decline overlapping between top management's and employees' opinions.

*Horizontal intervention research: horizontal diagnostic inventory of the dysfunctions identified by management*

**Table 3: Time table of horizontal intervention research**

<b>Name</b>	<b>Start</b>	<b>Finish</b>	<b>Duration</b>	<b>% Complete</b>
<b>Intervention approval by the company</b>	<b>Fri 8/29/14</b>	<b>Tue 9/02/14</b>	<b>5 days</b>	<b>100%</b>
Non-disclosure agreement	Fri 9/05/14	Fri 9/05/14	1 day	100%
Meeting with CEO and CFO	Tue 9/09/14	Tue 9/09/14	1 day	100%
<b>Horizontal intervention</b>	<b>Sat 9/13/14</b>	<b>Mon 10/13/14</b>	<b>30 days</b>	<b>100%</b>
10 interviewees - Group interview with 10 top managers	Sat 9/13/14	Wed 9/17/14	5 days	100%
05 dysfunctions	Sat 9/20/14	Mon 9/22/14	3 days	100%
Mirror effect made	Mon 10/12/14	Mon 10/13/14	2 days	100%
Expert advice	Mon 10/13/14	Mon 10/13/14	1 day	100%
Steering Committee meeting round one	Mon 10/13/14	Mon 10/13/14	1 day	100%
Identification of key dysfunctions	Mon 10/13/14	Mon 10/13/14	1 day	100%

The table 3 shows eight activities of horizontal intervention research from getting intervention approval by the company to identification of key dysfunctions.

After interviewing customers, the researcher asks top management's opinions about what customers complain for 5 days. Then, dysfunctions are determined for 3 days and mirror effects are made as well as expert advices are collected for 2 days. Next to identify prioritized key dysfunctions which the company should focus because the company is limited in human and finance resources. Outcome of horizontal intervention research is key dysfunctions.

Interviewing top management by group interview techniques

***First time interviewing top management***

Top management was interviewed openly; they are free to talk about their opinions on the company strategy, vision, mission, external environment and problems which the company has been facing with. After the first interview, the researcher mapped some research strands related to customer complaints.

1. How long have you been worked in this establishment?
2. How many years of experience do you have in the transportation sector?

3. Why do you work in the company for a long time?
4. Now the company has strong difficulties in both economic and social performances. What should we choose, economic or social?
5. How can we position our services?

After the first interviews with top management, the researcher coded some codes about corporate strategy, and then prepares in-depth interviews with them with the following questions:

1. Why profitability such as ROA, ROS is less than the average ratio of transportation service industry in Vietnam?
2. Why is inter-city bus not effective? How can we improve this problem?
3. How can the company improve our employees' appearance of personnel, behavioral tendencies towards laws and bad attitude? How can we increase employees' enthusiasm?
4. How should the company improve direct employees' skills such as adhering to a schedule, adjusting to unforeseen, communication with passengers and physical health?
5. How can the company improve service operations including procedure, corporate strategy, service quality inspection, material preprocess method, service quality?
6. How can the company improve responsiveness and marketing policies?
7. How can the company improve vehicle quality, physical facilities and equipment?
8. Is information technology important to our company? What kind of information technology should we invest into?

Among hundreds of ideas, the author selects 39 ones to suggest horizontal research plan for the company. These pivotal ideas are analyzed structures and behaviors in socio economic diagnostic of the organization, leading to forming categories and next to dysfunctions, formulating dysfunction baskets regarding to hidden costs analysis.

### ***Vertical intervention research***



The dysfunctions are not only identified during qualitative interviews with the management but also at least 30% of total 338 employees of the organization diagnosed (101 people). They are identified in six themes that are explanatory variables of functioning as well as solutions axes for the sensed dysfunctions: working conditions, work organization, communication-coordination-cooperation, time management, integrated training, and strategic implementation.

Vertical intervention research is started from interviewing 101 employees of the company for 1 month based on dysfunction baskets from the above horizontal research consistent with employees' viewpoints.

**Table 4: Time table of vertical intervention research**

<b>Name</b>	<b>Start</b>	<b>Finish</b>	<b>Duration</b>	<b>% Complete</b>
<b>Intervention approval by the company (Horizontal dysfunctions approved by top management)</b>	<b>Tue 10/14/14</b>	<b>Wed 10/15/14</b>	<b>2 days</b>	<b>100%</b>
Non-disclosure agreement	Fri 10/17/14	Fri 10/17/14	1 day	100%
Meeting with CEO and CFO	Mon 10/20/14	Mon 10/20/14	1 day	100%
<b>Vertical intervention</b>	<b>Tue 10/21/14</b>	<b>Thurs 11/13/14</b>	<b>44 days</b>	<b>100%</b>
101 interviewees	Tue 10/21/14	Fri 11/21/14	30 days	100%
03 dysfunctions	Mon 11/24/14	Sat 11/29/14	6 days	100%
Mirror effect made	Mon 12/1/14	Tue 12/2/14	2 days	100%
Expert advice	Wed 12/3/14	Wed 12/3/14	1 day	100%
Steering Committee meeting round one	Thurs 12/4/14	Thurs 12/4/14	1 day	100%
Identification of key dysfunctions	Fri 12/5/14	Fri 12/5/14	1 day	100%
Integrated summary of horizontal and vertical intervention research into 01 action plan	Mon 12/8/14	Wed 12/10/14	3 days	100%
Presentation of action plan and approval by Board of Directors	Fri 12/12/14	Fri 12/12/14	1 day	100%

The time table 4 shows the same activities in vertical intervention research as in horizontal intervention research. However, the difference between the two types of intervention research is interviewees who are staffs, drivers and assistant drivers. Total days for vertical one are 46 days from October 14<sup>th</sup> of 2014 to December 12<sup>th</sup> of 2014.

The main objective of vertical research is to involve lower – level personnel in the metamorphose process and to enhance performance. Vertical action is based in at least two departments, it entails carrying out a diagnostic, followed by a project. The underlying process involves drawing up the inventory of dysfunctions within the diagnosed sector and evaluating the resulting hidden costs. Competency grids for the entire sector are also part of the vertical diagnostic, enabling an in-depth analysis of the sector's training – employment appropriateness, a perpetual cause of a number of dysfunctions.

Savall (2011) said that the first phase of vertical diagnostic is similar to that of the horizontal diagnostic – in-depth semi-structured interviews focusing on dysfunctions are carried out with every member of the department's managerial team. However, in the company, managers are only Heads of departments, no Vice Heads. Therefore, interviewees are staffs, drivers and assistant drivers. The individual interviews are also undertaken with small group interviews (3 to 4 persons) of lower – level personnel. Overall, 30% of all front line personnel are interviewed, with special care devoted to ensuring variety in the sample (e.g., trades, status, seniority, age, gender). These qualitative interviews are processed in the same manner as the horizontal diagnostic.

The vertical diagnostic mirror – effect – comprising the qualitative diagnostic, the hidden costs evaluation and the competency grids is first presented to the department's managerial team, then to the shop floor personnel who were interviewed, in the presence of the management team. The expert opinion, which is drawn up by the intervention team following the same principles as the horizontal expert opinion, is then presented to the management team and the board of directors.

Based on results of horizontal intervention research, the consultant design questions to interview subordinates in the companies as follows:

1. How long have you been worked in this establishment?

2. How many years of experience do you have in the transportation sector?
3. Why do you leave your job from the company?
4. What makes you un-satisfied? Job or working environment?
5. Tell me some stories about your un-satisfaction on your supervisors, leaders and internal management activities of the company?
6. Why are you stressed in our company?
7. Can you suggest some solutions to retain employees?
8. Do you agree that our employees are very bad at appearance of personnel, behavioral tendencies towards laws and attitude? What are the reasons?
9. Do you think that our direct employees are very bad at skills such as Adhering to a Schedule, Adjusting to Unforeseen, and Communication with passengers and Physical health? How can we improve them?
10. Can you suggest some ways to improve our service operations including procedure, human resource and service quality? Do we need to improve physical facilities and equipment?

After interviews, pivotal ideas were collected, analyzed and coded into dysfunctions. After doing horizontal and vertical researches, the author compares and integrates them into one integrated horizontally and vertically dysfunctions summary because of limitations resources as well as time at the SME. The one integrated dysfunction summary for the period of 2015-2016 will be approved by Board of directors and planned to be developed into specific actions in next step. Each dysfunction basket will conduct dysfunctions of SEAM by specific actions which represent critical success factors of customer complaint management in Step 3.

#### ***Hidden costs calculation at the end of 2014***

In order to calculate Hidden costs at the end of 2014, after determining dysfunctions from root cause analysis of horizontal and vertical interviews, the author designs questions appropriate to problems of the company and related to costs and revenue effects of each problem. Besides, there are two types of hidden costs that are general calculation model of SEAM and hidden costs of customer dissatisfaction (marketing).

Firstly, the calculation of hidden costs follows a general calculation model of SEAM. To calculate them, new interviews, this time quantitative and financial, are conducted with the

management of the diagnosed organization. These interviews first identify the cause of dysfunctions through five indicators: absenteeism, occupational injuries (work injuries), staff turnover, non quality (quality defects) and direct productivity gaps (under direct productivity). Then the hidden costs are evaluated through the cost of the consequences of dysfunctions called "acts of regulation". The evaluation is done using six components: overconsumption that corresponds to goods or services consumed in excess to solve dysfunctions; excess salary (extra pay) that is used when an activity is carried out to solve dysfunctions by a person with a better-paid job than the one who should take it, or when wages are paid to people who are absent; excess time (overtime) that corresponds to regulatory activities that take up extra time to solve dysfunctions; non productions that occur when there is a loss of activity or production due to dysfunctions; non creation of potential and risks that correspond to future (no creation of potential) or probable (risks) regulations to solve present dysfunctions. The regulation of dysfunctions is costly and leads to losses in value added because they are of two types: human activities and overconsumption of goods, materials or services. The human time spent regulating and solving dysfunctions is valued at the hourly contribution to value added on variable cost (HCVAVC) which is equal to the ratio of the margin on variable costs (or value added on variable costs) on the number of hours of expected work. Overconsumption of goods or services is evaluated on the basis of actual costs of goods and services (purchase cost). Once completed, the diagnosis is presented to the interviewees in a session called "mirror effect" to collectively validate, by consensus, the dysfunctions and hidden costs identified (Savall et al., 2008). Once validated, the diagnosis serves as a working platform for the socio-economic project group. Its role is to invent solutions to reduce identified dysfunctions and convert related hidden costs into tangible performance. Once implemented, solutions are evaluated to measure the reduction of dysfunctions and the related hidden costs and the resulting performance and visible creation of value (Savall et al., 1987, 2008; Boje et al., 2003). Specific calculation is presented in Appendixes 4.9, 4.10, 4.11 and 4.12.

Secondly, there are some kinds of hidden costs of customer dissatisfaction in marketing perspectives, for example, churn rate (% of customers who leave due to poor service, lost revenue), Model of Estimating Acquisition and Retention Costs, Model of Complaint Resolution and Loss of Customers, Model of Estimating Customer Lifetime Value. The

model of estimating acquisition and retention costs cannot be applied for passenger transport companies because it's very difficult to calculate cost to acquire a new passenger who is the final consumer, it's consistent with clients or business customers. The company didn't implement customer complaint management before the year of 2015. Therefore, no data is collected to calculate these models. The management team just analyze decline trend of profits from the year of 2010 to 2014. However, at the end of 2016 and 2018, the actors can calculate these models because it is the outcomes of the two action plans of the company for customer complaint management. So, the Model of Complaint Resolution and Loss of Customers, Model of Estimating Customer Lifetime Value will be explained in the Step 2 of the second action plan 2017-2018.

While the models illustrated are imperfect, they provide a rough means to translate the intangible benefits of customer retention and show the potential impact that lost customers have on the bottom line. By measuring the consequences of customer dissatisfaction, these models serve as performance metrics and powerful communication tools. Misunderstanding the nature and financial impact of customer satisfaction, lacking understanding of what drives customer loyalty, and making improvements that add little or no value to the customer, lead to loss of customers and profits. Managers understand that customer dissatisfaction has a negative impact on a company, including lower profits, but they are often unaware of the measureable value of a customer.

### ***Step 3: Suggesting strategic action plans at strategic level of management by socio economic approach to management methodology***

The management tools of the tools axis (C) in Figure 9 are used by all managers in the company. There are six to instrument the six areas considered crucial for socio-economic performance and to create a minimum intra-organizational managerial coherence: time management, the competency grid, the piloting logbook, the internal and external strategic plan, the priority action plan, the periodically negotiable activity contract, (Savall et al., 2011).

In this step, Cooperative conception and development of innovative organizational solutions of SEAM will be also applied to suggest specific actions in each dysfunction baskets.

#### ***Step 4: Implementing the strategic action plans***

In the step 4, structured implementation of integrated horizontal and vertical improvement actions of SEAM is applied. Some techniques of SEAM are used, for example, Internal – external strategic action plan (IESAP) and Priority action plan (PAP).

#### ***Step 5: Evaluating the strategic action plans and controlling based on indicators of organizational performance***

Interviews are again carried out in the team of directors and in a small sample of managers and shop floor personnel, noting points of view from different categories of actors – principle of contradictory inter-subjectivity.

Some interview questions are presented as follows: (1) What do you think about our diversification corporate strategy, is it right intention?; (2) Is organizational learning helping our company to develop?; (3) Is investment into new vehicles risky?; (4) Does investment into new information technology improve our direct interaction with customers?; (5) Do reinforcing human resource solutions change employees' skills, behaviors and attitudes?

Besides, questionnaires with the contents of what is implemented are distributed to customers and employees to understand whether they are satisfied or not.

In the Step 5, organizational performance is measured by economic performance, social performance, customer complaint management profitability and hidden costs.

Firstly, economic performance composes indicators such as competitiveness, Pay and benefits, Revenues and payments, Innovation investment, new product introduction vs. competition, Sales percent of new products and services in total sales, and Incentives for compensating initiatives and innovations. Competitiveness consist of Average energy cost, Risk of failure of customers (Times of missing the bus by passengers), Risk of failure of suppliers, Risk of failure of machinery (Vehicle reparation costs), Risk of failure of labor (Self – criticism minutes by employees every year), Average wages in the transportation companies, Corporate income taxes paid and Local value added in the destination in percent of overall turnover. Pay and benefits' sub – indicators are Fringe benefits, economic and others offered to employees and Equity between employees for wages and profit shares. Revenues and payments indicator comprises Profitability (ROA, ROS, and ROE),

Productivity (ratio of workforce to yearly output tonnage), Total revenue and Total production per each flagship type of business. Innovation investment is Total investment every year. New product introduction vs. competition is evaluated by number of new products and services in certain periods (years). Sales percent of new products and services in total sales is to measure new launching to the market. Incentives for compensating initiatives and innovations are total amount of money for compensating initiatives and innovations.

Secondly, social performance is evaluated by Working conditions/health and safety, Employee opportunities and relations, Internal communications, and Community relationships. Working conditions/health and safety consist of Occupational and lifestyle health programs, Number of staffs, Number of drivers, Number of workers, Number of employees outside Thai Nguyen province, Number of female in management position, Number of training programs / hours of training, Number of employees trained, Records of accidents, Means developed within the company to prevent exclusion, Turnover rates, Absenteeism rates, Time/output lost in strikes and Difficulty to recruit adequate people (Number of recruitment times every year). Employee opportunities and relations' sub-indicators are Gender balance, Equity between employees/anti-union bias, Time/Salary, Equity of wages between firms in the same region, Cultural difference problems, Professional development and Lack of career succession planning. Internal communications include Diffusion of information for employees, Dialogue with the management, Terms of labor contract include social standards and Staff satisfaction index. Community relationships is measured by Contribution of the firm to the community, Employee involvement into the local community, Employment of local population, Communication/ dialogue with the local actors, Turnover of management, Information exchange among transportation companies, Origins of workers, Company involvement outside the region, Number of mergers/ acquisitions, Information on how a company informs its customers about packages and destinations and what it does to raise awareness for responsible travel (customer info check), Employee to passenger ratio, Response rate of customer questionnaires (customer satisfaction check), Terms of passenger transport contract that include social standards, Customer satisfaction index, Support for sustainability projects (in percent of turnover) and Voluntary commitments signed.

Economic and social performances at the end of 2016 are indicated Appendixes 4.15 and 4.16 and explained in Chapter 4.

Thirdly, customer complaint management profitability is calculated based on the two models of Stauss and Gupta.

Customer complaint management profitability model of Stauss is summarized in Table 7 of this chapter. Return on customer complaint management at the end of 2016 is 57.48% in which total investment in complaint management is VND 3,874,820,000 and total complaint management profit is VND 2,227,090,124.

Gupta model's results are presented in Figure 11 and Figure 12 of this Chapter.

Fourthly, Hidden costs calculation is conducted according the two models of SEAM and Lakshmi. Hidden costs calculation of SEAM at the end of 2016 is presented in Appendixes 5.22, 5.23, 5.24 and 5.25. Hidden costs calculation of Lakshmi is revealed in the Figure 10 of this chapter.

The fifth step reports which actions are done, which ones haven't been implemented and reasons. Also, economic performance, social performance, and hidden costs are calculated to prove whether organizational performance is improved or not. Hidden costs are compared before and after the actions. Customer complaint profitability is calculated to confirm profitability of change actions. This step is called economic balance in SEAM.

#### *2.4.3.4 The second action plan of 2017-2018*

One characteristic of intervention research is a step-by-step improvement for the company. The 2015-2016 period action plans are considered as the first step. After the first actions of 2015-2016, the consultancy and the company find out what should be improved in the second period (2017-2018). The repeated SEAM process is done to suggest the second action plan during next two years.

In SEAM, this second period is called "extension phase" or "maintenance phase" meaning that the actors continue the initial setting – up in the same geographical area during a second period of intervention. SME requests additional, in-depth intervention without territorial



extension in order to reinforce the integration of socio-economic management concepts and tools in its principal management functions and processes.

At the end of 2016, during the maintenance phase, evaluation of what is implemented in the period of 2015-2016, diagnosing what new is appeared and updating strategic action plans as well as priority action plan are called maintenance service to audit the evolution of the enterprise's qualitative, quantitative and financial performances, allowing them to periodically assess the company's social and economic outcomes, which results in sustaining the dynamics of SEAM progress.

This second cycle has the same steps as the first action plan. So, the author just describes step 1 and step 2 related to collect and analyze data.

***Step 1: Diagnosing what makes customers dissatisfied***

From the year of 2015, the company begins to use social media to directly interact with passengers. Social media provide numerous possibilities for consumers and other stakeholders to voice their complaints about organizations in public. The company asks some questions about what makes them dissatisfied, and what the company should do to improve service quality.

183 collected complaints from Facebook are coded into problems of People, Process and Technology that are strands to be appeared in interview protocol for top management and employees.

***Step 2: Diagnosing sources and causes of customer complaints from interviewing top management and employees of the case study***

Horizontal and vertical intervention researches of SEAM are applied in this step to find out dysfunction baskets of the company.

**Table 5: Time table of horizontal intervention research**

<b>Name</b>	<b>Start</b>	<b>Finish</b>	<b>Duration</b>	<b>% Complete</b>
<b>Intervention approval by the company</b>	<b>Mon 11/14/16</b>	<b>Mon 11/14/16</b>	<b>1 day</b>	<b>100%</b>
Non-disclosure agreement	Tue 11/15/16	Tue 11/15/16	1 day	100%
Meeting with CEO and CFO	Wed 11/16/16	Wed 11/16/16	1 day	100%
<b>Horizontal intervention</b>	<b>Thurs 11/17/16</b>	<b>Fri 12/02/16</b>	<b>16 days</b>	<b>100%</b>
Group interviews with top management	Thurs 11/17/16	Fri 11/25/16	9 days	100%
04 dysfunctions	Mon 11/28/16	Wed 11/30/16	3 days	100%
Mirror effect made	Fri 12/02/16	Fri 12/02/16	1 day	100%
Expert advice	Fri 12/02/16	Fri 12/02/16	1 day	100%
Steering Committee meeting round one	Fri 12/02/16	Fri 12/02/16	1 day	100%
Identification of key dysfunctions	Fri 12/02/16	Fri 12/02/16	1 day	100%

The table 5 shows that horizontal intervention will take 16 days from November 11<sup>th</sup> of 2016 to December 2<sup>nd</sup> of 2016. It started from getting approval by the company and ended at identifying key dysfunctions by contrasting customers' opinions with top management' ones.

After processing customers' complaints, the researcher in – depth interviewed top management of the company with these strands (Process and People) as following questions:

1. The company always delays at least 20 minute because of wrong procedure, 1-hour transit or driving on wrong way. What do you think? Do you agree with customers? What should our company do?
2. Customers said that our company lacks regulations, and need to standardize procedure to provide service. Do you agree to improve it?
3. The company should offer marketing tools to retain customers, they book many times but they haven't received any promotion, for example VIP card, or discounted monthly ticket. Do you think whether we should do it?
4. Customer complains that drivers are very bad at attitude, communication, driving speed, and style. Do we need more training programs for them?

5. Customers are disappointed about our staffs' bad attitudes, many mistakes in booking, bad communication. Call center staffs also make passengers angry. What should we do?

6. Limousine cars are not good at shocks absorber and strut. Therefore, should our company improve them to reduce shocks, especially on the last three seats at the end of the cars? Also, cars are very dirty. Do we need to improve it?

7. Customers said that after receiving responses from customers, the company not only says sorry, but also must have plans to improve the service quality. How should we do?

8. The company should provide specific and detailed information on all service such as bus, express delivery, limousine, EMDDI. Where should we show them to the public?

Pivotal ideas are analyzed structures and behaviors in socio economic diagnostic of the organization, leading to forming categories and next to dysfunctions, formulating dysfunction baskets regarding to hidden costs analysis at the end of 2016.

*Vertical intervention research*

**Table 6: Time table of vertical intervention research**

<b>Name</b>	<b>Start</b>	<b>Finish</b>	<b>Duration</b>	<b>% Complete</b>
<b>Intervention approval by the company (04 Horizontal dysfunctions approved by the top management)</b>	<b>Mon 12/05/16</b>	<b>Mon 12/05/16</b>	<b>1 day</b>	<b>100%</b>
Non-disclosure agreement	Tue 12/06/16	Tue 12/06/16	1 day	100%
Meeting with CEO and CFO	Wed 12/07/16	Wed 12/07/16	1 day	100%
<b>Vertical intervention</b>	<b>Thurs 12/08/16</b>	<b>Fri 12/30/16</b>	<b>25 days</b>	<b>100%</b>
13 interviewees	Thurs 12/08/16	Thurs 12/22/16	15 days	100%
02 dysfunctions	Fri 12/23/16	Sun 12/25/16	3 days	100%
Mirror effect made	Mon 12/26/16	Mon 12/26/16	1 day	100%
Expert advice	Mon 12/26/16	Mon 12/26/16	1 day	100%
Steering Committee meeting round one	Mon 12/26/16	Mon 12/26/16	1 day	100%
Identification of key dysfunctions	Mon 12/26/16	Mon 12/26/16	1 day	100%
Integrated summary of horizontal and vertical intervention research into 1 action plan	Wed 12/28/16	Thurs 12/29/16	2 days	100%
Presentation of action plan	Fri 12/30/16	Fri 12/30/16	1 day	100%
Presentation of evaluating organizational performance	Wed 01/30/19	Wed 01/30/19	1 day	100%

The Table 6 describes twenty five days for vertical intervention research from interviews to presentation of integrated action plan. As a result, 13 interviewees were asked questions about what customers and top management think and their opinions about the company's problems. Because this is the maintenance or extension phase of SEAM, so the steering team decided to interview 13 employees, not 30% of 365 people.

After interviews with employees, pivotal ideas were collected, analyzed and coded into dysfunctions. After doing horizontal and vertical researches, the author compares and integrates them into one integrated horizontally and vertically dysfunctions summary because of limitations resources as well as time at the SME. The one integrated dysfunction summary will be approved by Board of directors and planned to be developed into specific actions in

next step. Each dysfunction basket will conduct dysfunctions of SEAM by specific actions which represent critical success factors of customer complaint management in Step 3.

#### *Hidden cost calculation at the end of 2016*

The study uses hidden costs calculation model of SEAM and other models of customer dissatisfaction.

Firstly, the researcher explained how to calculate hidden costs based on SEAM in the Step 2 of the first action plan, so she won't explain more. In this part, the most important is to reveal how to calculate the Model of Complaint Resolution and Loss of Customers, and the Model of Estimating Customer Lifetime Value.

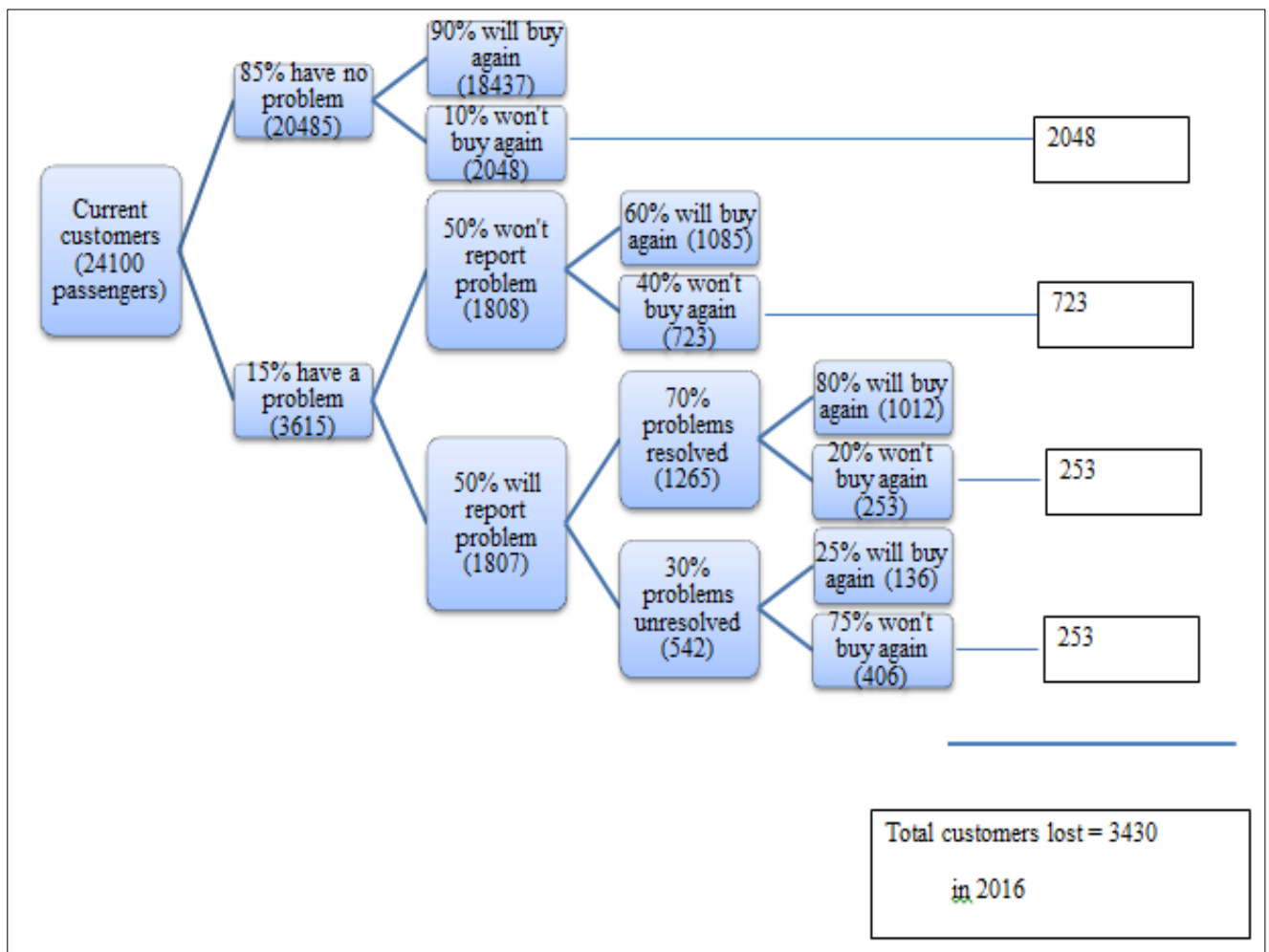
Secondly, Model of complaint resolution and loss of customers is described as follows;

The model is created by Lakshmi et al (1996). The number and nature of customer complaints and how they are resolved play a significant part in customer satisfaction and retention. The team studied the patterns of customer behaviors when there were problems and when there were no problems. It also gathered data on the percentage of customers who bought from the company again after previously having a problem. The team came up with the following estimates: 70% of customers experience no problems; 90% of those customers will buy from the company again. Of the 30% who experience problems, half will report the problems; 60% of the reported problems will be resolved satisfactorily. 80% of those who have had problems resolved and 25% of those who have not had a problem resolved satisfactorily will buy from the company again. 60% of customers who experience a problem but do not report it will buy from the company again. This model estimates the number of potential lost customers by using past experience, data gathered regarding the numbers and the corresponding probabilities of various scenarios, and tree diagrams (see Figure 10)

While 85% of the company's 24,100 customers (i.e., 20,485) do not experience a problem, 10% of that group (2,048) will not buy from the company again. The loss is much greater with those who have a problem. Among the 3,615 customers who have a problem, 50% (1808) will not report the problem. This could be because of the perception that little is gained by reporting the problem and that no one bothers to help. Forty percent of these non-reporters

(723) will not buy from the company again. Frustrated or dissatisfied, these customers just walk away without providing reasons for their defection.

As shown in Figure 10, the company could lose 3,430 customers per year, which translates into about VND 1.6464 billion (3430 customers × VND 480,000 profit per customer = VND 1,646,400,000) in lost profits. If the average length of loyalty is five years, the potential undiscounted profit lost could be almost VND 8,232,000,000 (VND 1,646,400,000 × 5 = VND 8,232,000,000), a staggering amount.



**Figure 10: Problem resolution and lost customers at the end of 2016**

Model of Estimating Customer Lifetime Value is written by Sunil Gupta and Donald R. Lehman (2005) in the book titled “Managing Customers as Investments” by Wharton School

Publishing. A customer's lifetime value (LTV) is the present value of profit streams over the life of a customer with the company. It provides a metric to track progress and assess the effectiveness of customer relations and satisfaction (CRM) programs. Sunil Gupta and Donald Lehman developed a simple method to estimate a customer's LTV that uses annual profit margin and a multiplier determined by dividing customer retention rate by 1 plus the discount rate (the company's cost of capital) minus the retention rate.

Discount rate = 10%

Retention rate = 20%

Customer base = 8549

$$\text{Multiplier} = \frac{0.2}{1+(0.1-0.2)}=0.22$$

The lifetime value of customer = VND 200,000 x 0.22 = VND 44,000/passenger

LTV of the 8549 customers = 8549 x 44,000 = VND 376,156,000

**Figure 11: Life time value of passengers at the end of 2014 (Prior to CCM project for inter-city bus limousine service)**

Discount rate = 10%

Retention rate = 80%

Customer base = 24100

$$\text{Multiplier} = \frac{0.8}{1+(0.1-0.8)} = 2.67$$

**Figure 12: Life time value of passengers at the end of 2016 (After CCM project for inter-city bus limousine service)**

The return on investment of intervention research project is an impressive 50% because:

Increase in LTV = 30,886,560,000 - 376,156,000 = VND 30,510,404,000

Return on investment = 30,510,404,000/60,487,900,000 = 50%

Step 3, Step 4, and Step 5 of the second action plan have the same contents as the ones of the first action plan above.

In Step 5 “Socio economic evaluation”, the researcher also conducts interviews with board of directors, some managers and frontline employees about the implemented actions as follows:

- (1) Does our company achieve standardized process? Is it decreasing customer complaints?
- (2) Do our marketing policies make customers satisfied?
- (3) Are you satisfied with our training programs for frontline employees? Is it useful for you?
- (4) Do you think training program for managers is necessary for you? What kind of contents makes you satisfied? Is it supporting your job?



(5) Are you satisfied with rewarding policies? Are they fair for all employees of the company?

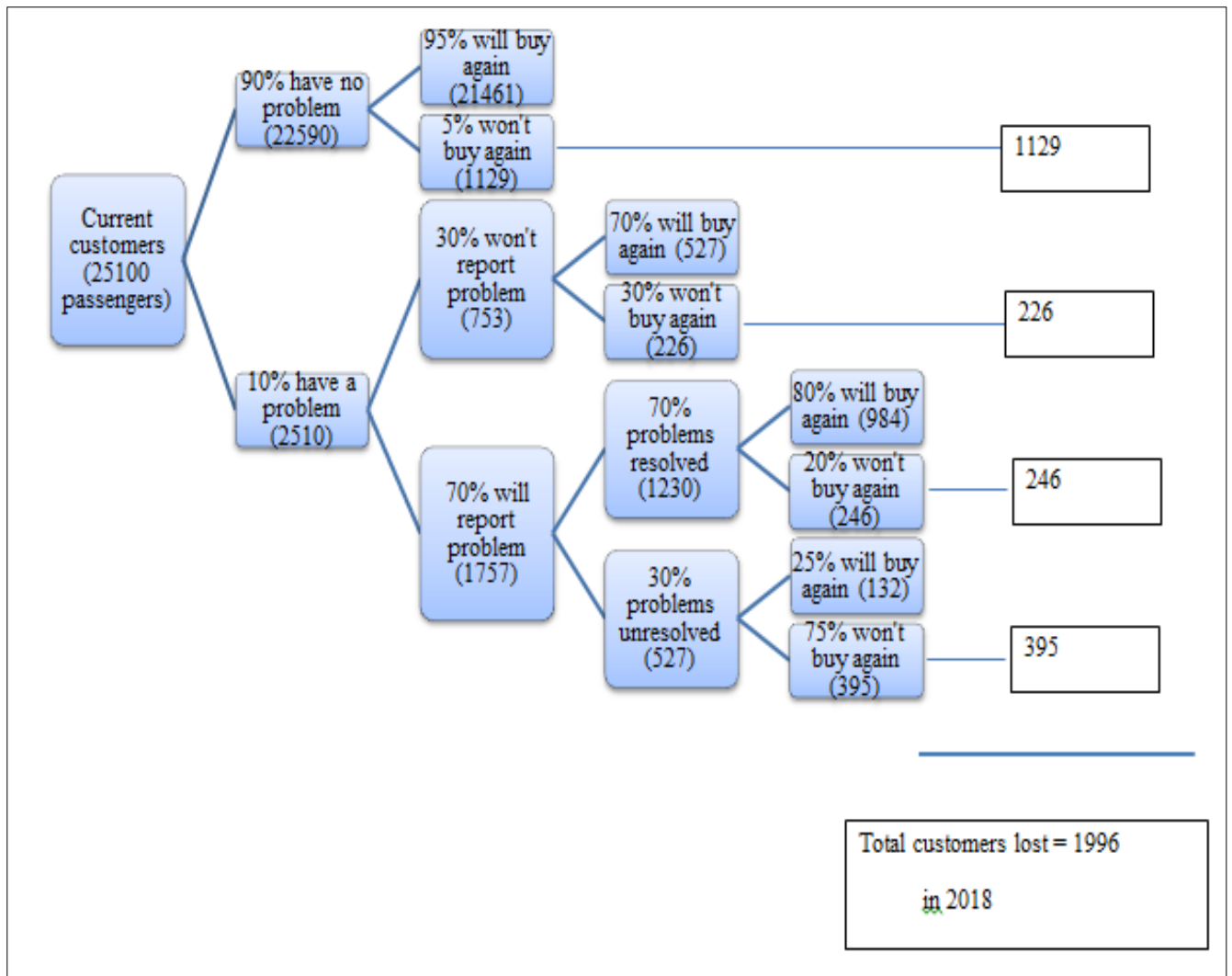
(6) What do you think about new regulations of our company? Are they good to control our employees' behaviors?

At the end of 2018, the researcher and actors of the company calculate hidden costs based on SEAM model, Model of Complaint Resolution and Loss of Customers, and the Model of Estimating Customer Lifetime Value.

Firstly, hidden cost calculation model of SEAM is presented in Appendix 5.18, 5.19, 5.20 and 5.21.

Secondly, Model of Complaint resolution and loss of customers is calculated as follows: The team came up with the following estimates: 90% of customers experience no problems; 95% of those customers will buy from the company again. Of the 10% who experience problems, 70% will report the problems; 70% of the reported problems will be resolved satisfactorily. 80% of those who have had problems resolved and 25% of those who have not had a problem resolved satisfactorily will buy from the company again. 70% of customers who experience a problem but do not report it will buy from the company again. This model estimates the number of potential lost customers by using past experience, data gathered regarding the numbers and the corresponding probabilities of various scenarios, and tree diagrams (see Figure 13).

While 90% of the company's 25,100 customers (i.e., 22,590) do not experience a problem, 5% of that group (1129) will not buy from the company again. The loss is much greater with those who have a problem. Among the 2510 customers who have a problem, 30% (753) will not report the problem. This could be because of the perception that little is gained by reporting the problem and that no one bothers to help. Thirty percent of these non-reporters (226) will not buy from the company again. As shown in Figure 13, the company could lose 1996 customers per year, which translates into about VND 958.080 million (1996 customers  $\times$  VND 480,000 profit per customer = VND 958,080,000) in lost profits. If the average length of loyalty is five years, the potential undiscounted profit lost could be almost VND 4,790,400,000 (VND 958,080,000  $\times$  5 = VND 4,790,400,000).



**Figure 13: Problem resolution and lost customers at the end of 2018**

Discount rate = 10%

Retention rate = 80%

Customer base = 24100

$$\text{Multiplier} = \frac{0.8}{1 + (0.1 - 0.8)} = 2.67$$

The lifetime value of customer = VND 480,000 x 2.67 = VND 1,281,600/passenger

LTV of the 24100 customers = 24100 x 1,281,600 = VND 30,886,560,000

**Figure 14: Life time value of passengers at the end of 2016 (Prior to second-time CCM project for inter-city bus limousine service)**

Discount rate = 10%

Retention rate = 80%

The return on investment of intervention research project is an impressive 43.03%

Increase in LTV =  $54,216,000,000 - 30,886,560,000 = \text{VND } 23,329,440,000$

Return on investment =  $30,510,404,000 / 60,487,900,000 = 43.03\%$ .

**Table 7: Customer complaint management profitability model of Stauss (Vietnam Dong)**

Year	2015	2016	2017	2018
Direct personnel cost	36,000,000	62,000,000	62,050,000	75,985,000
Indirect personnel cost	280,000,000	77,000,000	105,000,000	170,000,000
<b>Total personnel costs</b>	<b>316,000,000</b>	<b>139,000,000</b>	<b>167,050,000</b>	<b>245,985,000</b>
Compensation	22,200,000	24,000,000	25,560,000	31,120,000
Cost for training staffs	18,450,000	21,530,000	24,400,000	30,910,000
Gestures of goodwill emerges (volunteer)	0	0	0	0
Warranty costs	16,770,000	17,800,000	25,312,000	28,000,000
<b>Total response costs</b>	<b>57,420,000</b>	<b>63,330,000</b>	<b>75,272,000</b>	<b>90,030,000</b>
<b>Administration costs</b>	<b>8,000,000</b>	<b>10,000,000</b>	<b>11,000,000</b>	<b>10,000,000</b>
<b>Communication costs</b>	<b>75,600,000</b>	<b>62,490,000</b>	<b>75,060,000</b>	<b>82,900,000</b>
<b>Depreciation costs of new cars</b>	<b>3,600,000,000</b>	<b>3,600,000,000</b>	<b>10,500,000,000</b>	<b>10,500,000,000</b>
<b>Total Investment in complaint management</b>	<b>4,057,020,000</b>	<b>3,874,820,000</b>	<b>10,828,382,000</b>	<b>10,928,915,000</b>
<b>Benefits</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
The information benefit	3,703,404,000	2,227,090,124	7,563,000,000	35,446,734,083
The attitude benefit	0	0	0	0
The repurchase benefit	0	0	0	0
Communication benefit	0	0	0	0
<b>Total Complaint management profit</b>	<b>3,703,404,000</b>	<b>2,227,090,124</b>	<b>7,563,000,000</b>	<b>35,446,734,083</b>
<b>Return on complaint management (%)</b>	<b>91.28</b>	<b>57.48</b>	<b>69.84</b>	<b>324.34</b>

The Table 7 describes costs related to customer complaint management of the company including direct personnel cost, indirect personnel cost, compensation, cost for training staffs, warranty costs, administration costs, communication costs, and depreciation costs of new cars. These costs are calculated based on implementation results of the two action plans (2015-2016 and 2017-2018).

In this table, the author and actors calculate only information benefit. The reason is that in order to overlapping benefits or calculation of satisfied complainant numbers many times, for example, number of complaint customer buy again, number of new customers referred by

satisfied complainants are under attitude benefit, repurchase benefit and communication benefit, can be appeared in information benefit because information benefit representing the worth that's generated by using data from client complaints to enhance product, to boost potency and to cut back failure prices, so in this dissertation it is calculated by changes of sales of inter-city bus limousine service from the year of 2015 to 2018. These sales reflect all sales of satisfied complainants in attitude, repurchase and communication benefits.

The table proves that implementing customer complaint management brings about high profits and development future for the company.

### ***2.4.3 Hybrid data collection***

#### ***Population and clustering procedure***

The population includes all relevant actors of the organization who are people participating and influencing to formulate strategic goals, problem diagnostics, actions, operations, controlling, effectiveness and efficiency evaluation (Savall et al., 2011, 2013).

Through Horivert process, the population is selected and divided into horizontal and vertical clusters. The horizontal clusters – Cluster A – include executives and top management with functions of making strategic decisions and internal communications within the organization. Vertical clusters comprise of departmental actors with a manager who is a member of the horizontal clusters.

Illustrated in figure 6, the qualimetric horivert clustering aims “at finding levers that activate individual and collective energy in order to reduce passive and apathetic behaviors” (Cappelletti et al., 2009).

The data are structured as a fact-based database composed of: (1) permanent data (key words, themes and sub themes as well as the cause – and – effect relationships which generate dysfunctions); (2) contextual data (fieldnote quotes); (3) a hierarchical organization of data to identify concepts; and (4) a rule – base (Savall and Zardet, 2011).

To conduct qualimetrics intervention research, the author collects hybrid data that are qualitative, quantitative and financial data. Qualitative data are interviews that are transcriptions to analyze problematic of the company and the respondents are informed that

the recordings would only be used for transcription and later deleted. Quantitative data are obtained through access to the organization’s intranet, customer database of call center division and paper copies of functional departments, as well as questionnaires with 5-point scaled questionnaires about their satisfaction. Financial data are financial statements from 2009 to 2014, from 2015 to 2018.

The qualimetric interview form is semi-structured useful because of their adaptability, and making the interviewee feel free to speak out relevant issues, while maintaining the “comparability of answers” (Kumar, 2005); “prompts are slightly adjusted to the interview’s context and unfolding of information, but respecting the pre-arranged plan” (Kumar, 2005).

**Table 8: Origin of experimental materials**

<i>Department contacted</i>	<i>Themes addressed</i>	<i>Dimensions of organizational performance</i>
Transport management Department (Energy storage, scheduling routes)	Competitiveness (Long-term added value to shareholders and other stakeholders)	Economic performance
Accounting and Finance Department	Pay and benefits, financial statements	
Bus Driver Department Assistant Driver Department Garage Department	Production	Economic performance
Human resource Department Transport management Department Accounting and Finance Department Inspection Department	Working conditions/health and safety, Labor productivity Community relationships	Social performance

The table 8 shows that secondary data are collected from departments of the company.

#### **2.4.4 Classification and treatment of data**

##### *Data analysis*

The data processing of qualimetric interviews is based on “witness sentences”, and is extracted “explicit meanings as well as latent ideas, assumptions and conceptualizations from the data set” (Braun et al., 2006).

Beyond the perceptual data collection with the semi-structured interviews, the qualimetric methodology relies on the “scientific observation of the researcher intervening inside the organization and co-constructing the story of the research field with the actors” (Savall and Zardet, 2011).

Based on the research model as recommended in chapter 1, the author will describe and explain the changes in the process of customer complaint management between the first and second action plans. “The individual and group interviews were taped, transcribed and analyzed by using clustering steps of reading the texts, ordering, coding and grouping to form categories” (Chia, 1996; Silverman, 2004).

The transcription of the data was conducted using the qualitative data analysis method.

The aim of the data analysis in Horivert process of SEAM was to seek themes stemming from the interviews and identifying sub-actions to improve organizational performance (Savall and Zardet, 2011). Data analysis was conducted “using open coding, allowing for openness in the data, and ensuring that thoughts, ideas and meanings were revealed” (Silverman, 2004). The open coding is allowed for novelty amongst the sub-actions in the customer complaint management. The author also arranged the data more directly into the theoretical concepts, specifically, customer complaint management, SEAM and organizational performance. Data analysis gave the basis for the results in the findings section of the research.

### **2.4.5 Codification**

#### *2.4.5.1 The first action plan (2015-2016)*

There are two kinds of intervention researches including horizontal and vertical. In horizontal one, interviewees are top management who are board of directors and heads of departments. In vertical one, interviewees are managers and frontline employees. After coding process, the author has results as follows:

**Table 9: Coding process for formulating components of CCM and dysfunctions of SEAM based on the top management's opinions at the end of 2014**

Methodology		Socio economic approach to management
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	<b>Customer complaint management</b>	<b>Including pivotal ideas</b>	<b>Structures in socio economic diagnostic of the organization</b>	<b>Behaviors in socio economic diagnostic of the organization</b>	<b>Sub-themes of dysfunctions</b>	<b>Dysfunctions</b>
- Open interviews - Semi-structured interviews - Observations - Financial statement	- Empathy, Reliability, Guarantee - People, Process, Technology	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 39	Technical	Organization taken as a whole	Strategic orientation	Strategic implementation
	- Empathy - People, Process, Technology	6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 19, 20, 30	Technical	Organization taken as a whole	Strategic orientation	Strategic implementation
	- Reliability - Process, Technology	4, 5, 6, 7, 10, 12, 13, 15, 17, 19, 32	Technical	Business departments	Strategic orientation	Strategic implementation
		19, 20, 37	Physical	Individual behaviors of customers	Equipment and supplies	Working conditions
	- Guarantee - Technology	3, 6, 7, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 24, 30, 33, 35, 37, 36, 39	Technical	Business departments	Information system	Strategic implementation
	- Empathy - People, Process	3, 17, 18, 19, 21, 23, 25, 26, 27, 28, 29, 31, 33, 36, 38	Technical	Individual behaviors of direct employees	Strategic orientation	Strategic implementation

Table 9 shows components of customer complaint management coded by interview data with passengers as presented in Appendixes 4.4, 4.5, 4.6 and 4.7; Appendixes 4.1, 4.2 and 4.3. Besides, this table indicates pivotal ideas from interviews with top management (Please see Appendixes 4.8 and 4.13).

**Table 10: Coding process for formulating components of CCM and dysfunctions of SEAM based on the employees' opinions at the end of 2014**



Methodology	Customer complaint management	Socio economic approach to management				
		Including pivotal ideas	Structures in socio economic diagnostic of the organization	Behaviors in socio economic diagnostic of the organization	Sub-themes of dysfunctions	Dysfunctions
<ul style="list-style-type: none"> <li>- Open interviews</li> <li>- Semi-structured interviews</li> <li>- Observations</li> <li>- Financial statement</li> </ul>	<b>Guarantee:</b> <ul style="list-style-type: none"> <li>- Physical facilities</li> <li>- Equipment</li> <li>- Process</li> </ul>	2,3,4,5,1	Physical	Individual behaviors of employees	Physical conditions of work: Facility improvement	Working conditions
	<b>Empathy:</b> <ul style="list-style-type: none"> <li>- Direct employees' behaviors</li> <li>- Direct employees' skills</li> <li>- People</li> </ul>	1,8,9,14,15,18,19	Mindsets	Individual behaviors of employees	Work atmosphere	Working conditions
	<b>Reliability:</b> <ul style="list-style-type: none"> <li>- Service operations</li> <li>- Customer service</li> <li>- Process</li> </ul>	9,10,11,12,13,17,18,19	Organizational	Individual behaviors of employees	Distribution of tasks, missions and functions	Work organization

Table 10 illustrates codification between customer complaint management and SEAM based on interview results with frontline employees as presented in Appendix 4.17 and Table 4.18.

#### 2.4.5.2 The second action plan (2017-2018)

The table 11 describes results of coding customer complaints from pivotal ideas at Appendixes 5.4 and 5.5. Besides, dysfunctions based on top management' viewpoints are coded by Appendix 5.3.

**Table 11: Coding process for formulating components of CCM and dysfunctions of SEAM based on the top management's opinions at the end of 2016**

Methodology	Customer complaint management	Socio economic approach to management				
		Including pivotal ideas	Structures in socio economic diagnostic of the organization	Behaviors in socio economic diagnostic of the organization	Sub-themes of dysfunctions	Dysfunctions
- Open interviews - Semi-structured interviews - Observations - Financial statement	People	1, 7	Technical	Business department	Strategic orientation	Strategic implementation
	Process	2, 3, 8	Technical	Business department	Strategic implementation tools	Strategic implementation
	People	4, 5	Mindsets	Individual behaviors	Training-job appropriateness	Integrated training
	Process	6	Technical	Business department	Strategic orientation	Strategic implementation

**Table 12: Coding process for formulating components of CCM and dysfunctions of SEAM based on the employees' opinions at the end of 2016**

Methodology		Socio economic approach to management
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	<b>Customer complaint management</b>	<b>Including pivotal ideas</b>	<b>Structures in socio economic diagnostic of the organization</b>	<b>Behaviors in socio economic diagnostic of the organization</b>	<b>Sub-themes of dysfunctions</b>	<b>Dysfunctions</b>
- Open interviews - Semi-structured interviews - Observations - Financial statement	Process	1, 4, 11, 17, 20, 25	Organizational	Business departments	Organization chart	Work organization
	People	2, 5, 16, 17, 25	Organizational	Organization taken as a whole	Regulations and procedures	Work organization
	People	12, 13, 15	Mindsets	Individual behaviors	Training-job appropriateness	Integrated training
	People	3, 7, 8, 9, 10, 20, 23, 24, 25	Mindsets	Individual behaviors	Personnel management	Strategic implementation
	Process	10, 19	Technical	Business department	Strategic orientation	Strategic implementation

Table 12 reveals information about dysfunctions coded by employees' ideas at Appendix 5.6a, 5.6b, 5.6c.

All these above tables about stakeholders' opinions are clearly explained in Chapter 4 and Chapter 5.

## **2.5 Ethical issues of management research**

Miner (1984) indicates that credibility and effectiveness of research methods are some of the most crucial problems in the management sciences.

According to Honorowska (2007), the credibility is illustrated by measureable research method, technique or tool, measurement accuracy connected to reliability.

Effectiveness of research methods is related to pragmatic methods designating the reality and its change in the positive manner (Kotarbiński, 1972).

In management methodology cognitive and practical objectives are combined, or may be contradicted each other (Gill et al., 1997).

This study has to assure research quality of intervention research. Firstly, the researcher has to construct a research model with recourse to the field. Secondly, a theory, a group of hypothesis, followed by the collection of information in the field, recourse to sampling techniques, questionnaires, and data analysis. Thirdly, practice of abductive reasoning starts with “surprising facts” by the best explanations among alternatives through diagnostics. Lastly, practice of interaction between the researcher and her field is to produce knowledge, processing essentially hybrid data.

Moreover, a request to conduct intervention research involving customers and employees required board approval in the company by a long – term consultancy contract. Generally, it was deemed by the company’s top management that the nature of this research was necessary and useful to the company’s development future. After that, a statement about a plan to prepare an intervention research is sent and approved by CEO. The statement consisted of activities such as establishing steering team with 9 members who are heads of departments and board of directors; training SEAM plan for them, and requests to collect primary and secondary data with interviewees. Besides, consultancy is permitted to communicate with their passengers and interview them. The majority of interviewees revealed their satisfaction with the nature of the study. Their responses contribute to research and the company’s new service innovation strategy.

## **2.6 Chapter summary**

This chapter reeks of management science and qualimetric intervention research. It illustrates epistemology, ontology and typology of management science as well as socio economic approach to management. In management science, this study selects customer complaint management to develop framework in which engagement of not only customers but also employees is conducted through SEAM in which hidden costs conversion into performances needs to be viewed as an ongoing activity to build change (Cappelletti et al, 2018). Therefore, the new customer complaint management is proposed with five steps where actors consider opinions of customers and employees.

Knowledge objects are considered as (1) present practices of top management and all employees within the case study and (2) concepts such as customer complaint management,

SEAM methodology and executive tools which contribute to the evolution of customer complaint management practices.

Action research has four main themes that are empowerment of participants, collaboration through participation, acquisition of knowledge and social change. This study develops Hsiao et al.'s (2016) customer complaint management framework by improving weaknesses that are empowerment of participants (employees) and collaboration through participation (the relationship between the company and employees), so the author chooses SEAM. Otherwise, the major innovation of SEAM in the field of management is to allow at the same time the improvement of tangible performances as well as the production of scientific data to develop theories. This dissertation is both improving the passenger transport service company's organizational performance and supplementing evidences to develop relationship marketing.

## Chapter 3 - Case study analysis

Regarding to customer complaint analysis, almost previous researches select passengers of airline carriers or public transport. So, the author chooses road passenger transport service provided by a SME.

Chapter 3 analyzes overview of developing countries' and Vietnam's economies, transport industry, enterprise communities, small-and-medium sized enterprises in Vietnam. Then, it also indicates the case study of a passenger transport SME in Vietnam that is facing serious problems related to business effectiveness and customer dissatisfaction.

### **3.1 Analysis of developing countries context**

#### ***3.1.1 Developing world context***

Developing countries always attract attentions of researchers, managers and politicians. Developing countries often face with problems such as economics, social, environmental, technological, human, and etc.

According to Facundo et al. (2015), in developing countries levels of national income inequality was raised between 1980s and 1990s, and then decreased from 2000s. In addition, income poverty has been strongly declined since 1980s, and living standards have been improving (Facundo et al., 2015).

Developing countries' labor markets are influenced by many drivers such as technologies from the Fourth Industrial Revolution, urbanizing, "varied demographic transition paths", global trends (i.e. international trade, environmental change, migration, etc.) (Facundo et al., 2015).

Hence, almost developing countries strongly carry out innovation that is positively and significantly affected by innovation values, foreign direct investment, and institutional quality (Vahid et al., 2018).

### ***3.1.2 Asian developing context***

Leon-Gonzalez et al. (2015) prove that Asian developing countries' economic growth is positively impacted by investment ratio, negatively correlated with government consumption expenditure and terms of trade, negatively affected by threshold level of inflation.

#### ***3.1.2.1 Roles of service industry in developing countries' economy***

Any country's economy development is driven by growth of agriculture, industry and service. Nowadays, service has been expanding fast and contributing significantly to develop the economies of developing countries. This "soft part" represents people's knowledge, time, advice and experience to enhance the economy's productivity, performance, sustainability, leading to begin the production of goods and service to be provided to the final consumers. Besides, productivity per employed person in service sector is higher than in the rest sectors. Service provides input for the other sectors, improves investment, accounts for a proportion of GDP, and creates more jobs for labor market.

Furthermore, the service sector activities can be grouped into:

1. Trade, hotel and restaurants.
2. Transport, storage and communication. Transport includes roads, railways, airways, inland and overseas, water transport.
3. Financial institutions, insurance, real estate and business services.
4. Community, social and personal services. Community services include government establishment and its departments and personal services such as health, and education, NGOs etc.

Kaynak (2006) said that "a little attention has been paid to the service industries in developing countries though they represent a sizeable portion of the total economic activities".

### *3.1.2.2 Roles of private sector in developing countries*

Almost private enterprises are small and medium sized and they are running their businesses in mainly locality scope of developing countries. Therefore, they are the “primary source of local development” and developed localities are the critical contributors to developing nations’ economy development. They are impacted by both internal and external factors, resulting better or worse firm performance, effectiveness and efficiency.

Therefore, this study will focus on how to increase organizational performance of a small-and-medium sized enterprise.

## **3.2 Analysis of Vietnam’s economy context and transport industry context**

### *3.2.1 Vietnam economy from 1986 to now*

Vietnam economy can be divided into three stages such as before the year of 1986, from 1986 to 1990s, and from 2000s until now.

Firstly, before 1986, Vietnam economy faced many difficulties: poor growth performance, hyper-inflation, stagnant income per capital related to rapid population growth, leading to macro-economic and social instability.

Secondly, in 1986, Vietnam government started “renovation” and transited from “inward-looking, centrally-planned” to “outward-looking, market-based” economy, liberalized prices, decentralized economic decision making, devalued the exchange rate, raised interest rates higher than the rate of inflation, decontrolled the price of food and other commodities, decollectivized agriculture and encouraged investment (Tran-Nam, 1999). However, in 1990s, Vietnam was the poorest country in Asia. Almost Vietnamese was in rural sector and natural resources were destroyed by serious wars. Hence, Vietnam government developed private sector that could be equally competed with the state sector. Also, the government issued laws to encourage investment, for example, foreign direct investment, public investment, and private investment regarding to improve economic infrastructure, social sectors and economic structure of the economy. So, Vietnam attained a growth rate ranged between 9 and 10 percent per year, strongly increased exports and became more attractive to foreign investors.



Thirdly, from 2000s until now, rooted in economic reform or “renovation” from 1986, Vietnam becomes an emerging economy with more in-depth integration into international economy and a middle-income country. Vietnam government also makes efforts to adopt scientific and technological achievements into digitalized the economy, develop electronic government, and devotes attention to the service sector.

Despite of these successes, Vietnam has been facing a number of social, economic and political challenges such as productivity slowdown, widening income and wealth inequality, and diminished environmental sustainability.

### ***3.2.2 Roles of service industry in Vietnam economy***

In Vietnam, service industry has been encouraged to develop after reform year of 1986. Vietnam government issues many Decisions, Decrees and Regulations in order to push service sector developed.

Initially, in Vietnam, service was considered as only “supporting role” without contributions to the economy, hence the legal framework for it was insufficient and incomplete. After “renovation” year, Vietnam government issued a few laws for service such as “civil aviation law”, “maritime code”, “construction law, accounting law and their Decisions implementing these laws (Nguyen et al., 2005).

Before 2010, although service enterprises experienced fluctuations, for example, small scaled, service trade deficit, low FDI in service; service played important role to reduce poverty, facilitate domestic growth and create more jobs.

In 2011, Prime Minister of Vietnam issued a Decision on development strategy for the service sector of Vietnam until 2020. General objectives of this strategy include (1) developing efficient, qualified and internationally competitive service sector, (2) developing potential, competence and highly value added service fields to promote industrialized and modernized process of Vietnam and to assure sustainable growth as well as to gradually move to knowledge economy. Specific objective are divided into stages. In the 2011-2015 stage, growth rate of service sector is expected to be 7.8-8.5%/year with a scale of 41%-42% of GDP. In the 2016-2020 stage, growth rate of service sector will be 8.0-8.5%/year with a scale of 42-43% of GDP. More specifically, from 2011 to 2015, Vietnam strongly develops services

such as information technology and communication, education, logistics, finance, business support, tourism, transport, distribution, science and technology; and health care services. During the period of 2016-2020, Vietnam continues to develop information technology and communication, finance, logistics, business support, higher education, highly qualified healthcare and tourism.

As a result, recently service industry always maintains high growth. Transport, logistics, finance, banking, trade, retail, tourism and telecommunication well grow at 6.8% from 2010 to 2017 and 7.03% in 2018, accounting for 41% of GDP in 2017 and 42.7% of GDP in 2018. Especially, retailing, transport, tourism and public service play critical roles in creating new jobs. Nowadays, more than 30% of total labors are working for service industry, but lower than Thailand, Philippines and Singapore (56%, 60% and 70%, respectively). Therefore, the strategy of service sector development achieves important objectives.

Vietnam is providing good legal foundation for private sectors to develop their business career. According to Pham (2018), Vietnam government should offer policies to foster service SMEs accessing to the labor market, providing innovative services, training labors based on opinions of encouragement, fair-competition, and legality transparency.

### ***3.2.3 Prominent attributes of transport industry in Vietnam***

After more than 30 years of renovation, transport industry of Vietnam has been experiencing reform to develop.

Extraction between management and business roles of airlines is a remarkable example of this industry. Besides, multimodal intentions, linkages between different methods of transportation and efforts to upgrade transport infrastructure have been contributing to step this industry to be transport led growth of service in Vietnam. In each province, 2-3% of GDP is invested into transport industry, and private sectors are welcomed mat out for investment.

#### ***Factors affecting development of road transport industry***

Increasing demands of customers for transport services are evenly higher than economy growth because of fast urbanization. In 2030, they are predicted to double current ones.

65% of total capital is invested into infrastructure of road transport with the focus of large – scaled projects, not small-sized or maintenance ones. The reason is that large – scaled road transport projects are less risky, more feasible than rail or high-way rail projects because almost these projects must be finished before demands.

Therefore, enterprises in transport industry receive many opportunities from demands of market and road infrastructure to diversify their transport services.

### ***Current status of road transport in Vietnam***

Nowadays, road transport is the most popular and most important method in Vietnam, because it is flexible, can operate in different weathers, meet requirements of the market.

Vietnam government pays attention to it by issuing 5 laws, decrees and circulars; approves national and local strategy of road transport creating legal basis to strongly develop this industry.

Vietnam has been deeply integrating international economy, led to high demands for both good and passenger transports. Otherwise, Vietnam can learn experiences from other countries to reinforce the service industry.

However, there are some disadvantages in road transport service. Firstly, complying regulations hasn't been extensive in coordination between national and local administrative organizations. That there haven't been transport intermediaries is a barrier of the industry's development. Infrastructure is insufficient to meet requirements of transport process.

From perspectives of transport enterprises, limited service quality of road transport enterprises is proved in vehicles, human resource. Supply is higher than demand leading to unequal competitiveness. High tax, fees, depreciation expense and energy cost calculation methods make enterprises burden high input costs, resulting in high price but poor service quality.

## **3.3 Private sector in Vietnam**

### ***3.3.1 Introduction to Private sector in Vietnam***

Private sector of Vietnam experienced more than 40 years along with fluctuation of Vietnam's politics and economics. Before 1986, after a long war ended, Vietnam carried out

“a central planning economic regime” with many difficulties from the internal to the external, resulting in economic failure and hyper-inflation. Then, after economic renovation of 1986, from 1989 private sector started to fast develop because the government eliminated restriction policies on private enterprises’ activities (Tran-Nam, 1999), especially Enterprise Law came into effect from January 1<sup>st</sup> of 2000, leading to a large number of new businesses. Their rapid growth has been contributing to more than 50% of GDP and 60% of new jobs in 2013 (OECD, 2014).

However, private sector has to face some major constraints such as unequal competition with state-owned enterprises, small and medium sized with limitations of resources, vulnerable to changes of the world economy (Le, 2009).

### ***3.3.2 Some obstacles in private sector development in Vietnam***

Private sector of Vietnam is facing many difficulties from external and internal factors that are based on business environment as well as firm-specific characteristics.

From perspectives of government actions, although Vietnam makes efforts to facilitate private sector to well run businesses by improving business environment by legislative policy in supporting private enterprises (Hoang, 2016), tax corruptions still happened to negatively impact private owned enterprises. Tax corruptions impact sector private development (Nguyen et al., 2017), petty corruption influences firm innovation in Vietnam (Nguyen et al., 2016).

In the firm-specific features, internal factors such as human capital, firms’ age, size and improvements of the production process are important determinants of firms’ performance (Konings et al., 2015). However, private sector has limitations in resources such as human, finance or technology, and also almost enterprises of this sector are newly established. Therefore, internal factors are considered as big obstacles in improving organizational performance.

### ***3.3.3 Small – and – medium sized enterprises in Vietnam***

Tran et al. (2008) describe factors affecting SMEs’ development including market – oriented and business environment reforms, Vietnam’s pro-SMEs’ development institutions

(Pro-SMEs legal framework and policy, SMEs supporting organizations, SME's supporting funds and programs).

Le (1997) indicates that SMEs are “a main vehicle for poverty alleviation particularly in rural areas and narrowing development gaps among provinces, urban, and rural areas”. Moreover, they help maintain the “high flexibility of the labor market”, “contribute significantly to absorb the “shocks” of the transition from a centrally planned economy to a market – oriented one” (Le, 1997).

Referring to degree of internationalization of Vietnamese SMEs, Kokko et al. (2004) find out that “very few SMEs have been directly influenced by the country's internationalization, through import competition, direct contacts with foreign firms, or direct exports”; so they have “very unclear expectations of what further internationalization may mean and are, consequently, not preparing in any explicit manner for the opening of the Vietnamese market”.

Swierczek et al. (2003a) investigate that “SME owners in Vietnam are more motivated by challenge and achievement than the necessity for a career and economic security”, and “focus a short-term approach based on net profit rather than business growth”. Otherwise, they prove that “Thai SMEs are more innovative and proactive than their Vietnamese counterparts, while Vietnamese SMEs are inclined to be more risk-taking; Thai SMEs have higher perceived business growth, job creation and net profit than Vietnamese SMEs” (Swierczek et al., 2003b).

Son Dang – Duc (2011) reveals that “SME's compliance with accounting standards is limited”, and “this phenomenon is largely a legal issue because SMEs perceived little benefits from that, lacked accounting skills as well as infrastructure to implement accounting regulations and standards”.

### **3.4 Case study of a passenger transport SME**

#### ***3.4.1 Introduction to the case study of a passenger transport SME***

The company was established in 2003 when it had 30 cars and 50 employees. Until now, after 15 years of building and developing, the company has a 12000-m<sup>2</sup>-office assuring

organizing business, opens 10 branches in Hanoi, Thai Nguyen, Bac Kan and Tuyen Quang, has total 219 cars among which 103 buses, 67 limousine, 49 taxi cars and 520 employees (female accounts for averagely 12% of total employees).

Currently, the company is implementing related diversification strategy including limousine service (flagship service of the company), express delivery (taking advantages of hundreds of vehicles in the company), taxi, bus, petrol store, and Dinh Hoa bus station.

Firstly, limousine service is a luxury inter-city bus between Hanoi and Thai Nguyen. This service has 7 routes with different prices composing Thai Nguyen – Hanoi (VND 120 000/1 passenger/one-way), Bac Kan – Ha Noi (VND 220 000/1 passenger/one-way), Bac Kan – Song Cong (VND 200 000/1 passenger/one-way), Cho Moi – Hanoi (VND 200 000/1 passenger/one – way), Bac Kan – Thai Nguyen (VND 120 000/1 passenger/one – way), Cho Moi – Thai Nguyen (VND 100 000/1 passenger/one-way), Thai Nguyen – Noi Bai (VND 130000/ passenger/one-way). Hotline booking number is 02083.73.73.73. Free take-off and pick-up in inner cities of Thai Nguyen and Bac Kan for first 2 km by the company’s taxi.

Secondly, express delivery has 5 offices in Hanoi, 3 offices in Thai Nguyen, and 1 office in Bac Kan.

Thirdly, Taxi has two offices in Bac Kan and Thai Nguyen. Taxi hotline number in Thai Nguyen is 02083.759.759; and the one in Bac Kan is 02093.865.865.

Fourthly, Bus has two booking hotline numbers that are 02083.901.901 in Thai Nguyen, and 02073.985.985 in Bac Kan.

Fifthly, Petrol store is set up to be aligned with the strategy to be leading transport company with 5 standards including service quality, customer satisfaction, safety and convenient, using technology, strong by sized and making the best working place for employees.

Lastly, Dinh Hoa bus station is invested at total VND 7 billion with modern infrastructure and automatic management model. Its square is 3000 m<sup>2</sup>. It applies advanced automatic 4.0 management system by cards and cameras, assuring safety service for passengers and their luggage.

### ***3.4.2 Organizational performance of the company at the end of 2014***

The company is facing many problems related to organizational performance as follows:

At the end of 2014, the researcher used corporate social performance indicators written by O'Connor et al (2008) to diagnose problems such as decreased profitability, high turnover rate, and unsatisfied employees in the company.

Firstly, from perspectives of economic performance, strengths of the company from perspectives of economic performance are strong relationships with the suppliers because average energy cost is decreased, and the suppliers never breach the contract.

However, there are some weaknesses. Times of missing the bus by passengers are increased, but the reason is from employees who don't well finish their responsibilities. Self – criticism minutes of employees are not decreased every year. Also, productivity (ratio of workforce to yearly output tonnage) is strongly fluctuated and got lowest in 2014. Besides, profitability including ROA, ROS is slightly changed and less than the average ratios of transportation service industry in Vietnam as follows: ROA is approximately 7.82% and ROS is 8.05%, but ROE is a little higher than the average industry (16.6% > 12.17%). The most important is that total cost accounts for more than 90% in which costs of goods sold (COGS) make up about 82%. For these reasons, the profitability ratios of the company are very low.

Inter-city bus' total sales take up only from 4% to 8% while the investment costs into vehicles were VND 13 billion. Drivers and driving assistants are seriously stressed to increase the revenue. Therefore, it's necessary to improve the business of inter-city bus.

From perspectives of service innovation, the company didn't invest into the new ones from 2008 to 2014. The company just maintained taxi, bus, inter-city bus launched respectively in 2003, 2007, and 2008. The company has no incentives for compensating initiatives and innovations, but only for well-finished responsibilities, resulting into no encouragement for employees to give their new ideas. These are reasons for the company to innovate inter – city bus with dimensions of passenger transport service quality which were explored in the above customer's demand analysis.

Secondly, in terms of social performance, the company achieved some strength but also should solve some problems.

Strengths of social performance in the case study are a variety of labor sources, resulting to continuous recruitment with many times per year as soon as the company needs; and stable number of employees in the management position. However, it is also said that the company is facing fluctuated number of direct employees with high turnover rate every year at 20% and absenteeism rate at 10%. Only drivers and staffs are always fired or quit their jobs mainly because of their un-satisfaction on line management, job, leadership, working environment, training and development, compensation (Salary, allowance, rewards), ineffective work assignment, performance and rewards management. In terms of labor contracts, there are two documents signed by the employees and the director including Labor contract and Compensation commitment (punishment) that clearly describe responsibilities and obligations of employees, especially focus on compensation requirements (Punishment in VND) in the case of breaching contract and commitment by employees. Moreover, related to customer relationship management, the company should improve information diffusion social network such as Facebook. A summary of deep interviews with people resigned their jobs about reasons to leave off work was conducted. In terms of psychosocial risk management in the work place, there are two main reasons including psychosocial hazards and work related stress (mental stress).

In conclusion, the company should do something to improve low profitability and high turnover rate of direct employees by finding out reasons and negative outcomes. It means that SEAM will be used to prove dysfunctions as well as hidden costs which are the foundation of suggesting action plans in promoting customer complaint management that combines some sub-strategies in the period of 2015-2018 for one flagship service - inter-city bus that is in the trouble period with gradually decreased profits. The main reason is that customers are not satisfied about People, Process and Technology of customer relationship management and it needs a strategic change to be survived in the seriously competitive market.

### ***3.4.3 Customer complaint management in the case study***

Before the year of 2015, the company hasn't implemented customer complaint management. They have never collected customer data, customer responses and they don't know why customers leave them to use services provided by competitors.



#### ***3.4.4 Socio economic approach to management in the case study***

Before the year of 2015, the company has never implemented action research or any organizational change to innovate their organization. From 2008 to 2014, the company had no service innovation.

Before going on through socio economic intervention, the company is so focused on the fragmented approach to company operations in which they cannot imagine that hard customer retaining for a flagship service of the company, inter-city bus, can be dealt with through the overall socio economic management process.

In SEAM, there are separate horizontal and vertical intervention researches with 4 stages in each, but in this research, after diagnostic stage of SEAM with the output of dysfunctions, the intervener and actors must integrate dysfunction baskets from horizontal and vertical into one system of dysfunction baskets which is used to propose specific actions implemented by selected clusters. It means that the vertical intervention research won't be continued from implementation stage of SEAM. The reasons are that firstly, this activity will prevent overlapping situation between top management and frontline employees' opinions. Secondly, more than 80% of employees are drivers who have low educational qualification and bad behaviors (in Vietnam drivers are always thought to be bad). Thirdly, human resource of the company is strongly fluctuated at shop floor level of employees with 20% turnover rate but stable at management level (0% turnover rate of management) and the company has to continuously recruit both drivers and staffs. So, it's very difficult for the actors to formulate task groups under supervision of department heads in vertical intervention research. Besides, when integrated, it will save time for organization change because it takes a long time to train internal interveners from training managers to recruiting and training new frontline employees both professional skills and management tools of SEAM. Also, board of directors wants to focus on tools such as Internal External Strategic Action Plan (IESAP), Priority Action Plan (PAP), Competency Grid (CG), Piloting Indicator Logbook (PILB) and PNAC; and invest time to following critical actions.

Therefore, in order to prioritize strategic actions and their outcomes, the actors integrate dysfunctions resulted from horizontal and vertical intervention research into one dysfunctions

system of the company for each period. After that, the steering team uses IESAP, PAP, CG, PILB and PNAC to implement actions.

### **Chapter summary**

Chapter 3 describes context of developing countries, Vietnam economy, transport industry of Vietnam, private sector and the case study of a passenger transport SME in Vietnam. It's noteworthy that developing countries in general and Vietnam in specific focus on national strategy to develop services. As a result, services account for more than 40% of GDP in Vietnam. Private sectors play increasingly important in Vietnam economy in creating more jobs and contributing to raising GDP. Transport industry is invested by government and private sector to be developed and promote other industries of the economy.

Although SMEs are mostly lacking capital, human, technology, etc., they are strongly developed by themselves as well as by receiving supportive policies from the government. The passenger transport SME of this case study is facing many obstacles about customer retaining, staffing, and needs a reform to achieve sustainable development. SEAM is applied in the company with some modifications of vertical intervention research.



## **Chapter 4 - First action plan (2015-2016)**

Chapter 4 describes organizational performance improvement by focusing on customer complaint management combined with SEAM in 2015 and 2016 at the passenger transport company. More specifically, this first action plan is expected to increase economic performance and retain customers to ensure development of the company. From perspectives of SEAM implementation, owing to achieve these general objectives, specific objectives are established composing assisting the company's top management in strategic thinking on the evolution of its business activities and structure; restoring organizational performance; reinforcing managers to use socio economic management tools for steering activities and managing people to develop transversally in the organization; supporting the company in setting up qualitative, quantitative and financial indicators to develop cost control discipline; and launching new inter-city bus limousine service.

So, in order to achieve the above objectives, the company conducts five steps of customer complaint management as follows: (1) Collection and analysis of customer complaints, (2) Diagnostic of dysfunctions and socio economic evaluation at the end of 2014, (3) Cooperative conception and development of innovative organizational solutions of SEAM, (4) Implementation of strategic action plans at the company, and (5) Socio economic evaluation after implementing the first action plan.

### **4.1 Collection and analysis of customer complaints**

The first step of customer complaint handling process is to initially diagnose what makes customers dissatisfied by collecting and analyzing customer complaints. Objectives of these activities are to explore weaknesses of service operations from customer's points of views.

### ***4.1.1 Collection of customer complaints***

The author uses two types of interviews that are open and in-depth ones about service quality of inter-city bus. The reasons to choose the two kinds are that in terms of open interviews, the researcher collects customers' opinions about dimensions of service quality related to People, Process and Technology of CRM such as empathy, reliability, responsiveness, guarantee and tangibles that are good aspects of inter-city bus limousine service. Based on results of in – depth interviews, interviewees will help the researcher and actors to determine problems of service quality dimensions such as empathy, reliability and guarantee of inter-city bus service at the case study.

#### ***4.1.1.1 Open interviews***

First 10 passengers were interviewed openly; they are free to talk about their positive and negative opinions on inter-city bus service, what make them satisfied and dissatisfied. After the first interview, the researcher mapped some research strands related to components of customer relationship management including People, Process and Technology as follows:

Firstly, empathy dimension means caring and individualized attention, including assistant driver's behaviors; the gap between the expected service and the service perceived by the society becomes shorter, for example, reduce emission to the environment, protect customers' health, and commit safety for the customers; and meeting the minimum needs of citizens such as on time, value added service (like free taxi for 2 kilometers), speediness (not to be delayed), cleanness, recovery from shipment delivery.

Secondly, reliability dimension is the ability to perform the promised service dependably and accurately, comprising Convenient Pick-up and Drop-off, Labor discipline, Strong commitment and Fidelity.

Thirdly, guarantee dimension reflects customers comforting and assuring their not to be life-threatened. There are some parameters for this dimension, such as customer's health, complying with laws, to be safety, vehicle maintenance and quality.

Fourthly, responsiveness dimension indicates flexible response to customer complaints and promotion for them.

Lastly, tangibles of service quality dimension compose physical facilities, equipment, and appearance of personnel; Environment protection, Appliances (Water, tissues, Wi-Fi, plug-in) and Vehicle (Comfortable seats; or seats for the disable or area for wheelchair).

These above dimensions and items are used to analyze customer complaints owing to Empathy, Reliability, Guarantee, Responsiveness and Tangibles of passenger transport services.

#### *4.1.1.2 In – depth interviews*

Then, the researcher conducts in-depth interviews with 20 customers. After that, 71 collected complaints pertaining to empathy (31.58%), reliability (26.32%), and guarantee (21.05%) cumulatively accounted for approximately 80% of the total complaints. Therefore, these three dimensions were identified as the critical areas of concern requiring substantial improvements in customer perceived quality. Improvements were focused on the empathy, reliability and guarantee dimensions as presented in Appendix 4.4a, 4.4b, 4.4c “Conceptually clustered matrix: Service quality’s dimensions based on customers’ opinions at the end of 2014”.

#### *4.1.2 Customer complaint analysis*

Objective of customer complaint analysis is to determine weaknesses of service quality from customer complaints analysis at the end of 2014 because customers often complain about service quality dimensions including empathy, reliability and guarantee. Conceptually clustered matrix is used to support analysis (Appendix 4.4a, 4.4b, 4.4c).

Firstly, empathy is presented by direct employees’ behaviors and direct employees’ skills as follows:

Direct employees’ behaviors include appearance of personel, behavioral tendencies towards laws and bad attitude. Customers complain about appearance of personnel related to scruffy and shabby clothes, negative facial expressions and negative body language. Behavioral tendencies towards laws are reflected such as so fast driving in the crowded road, “Blow the red light”, “Driving car in the oncoming direction – wrong and dangerous” and “Road rage– violence and angry behavior by car drivers towards other car drivers”. Bad attitudes of employees are recorded by evidences, for example, “not staying on his own side

of the road or in his traffic lane”, “not moving over when another driver signals he wants to pass”, “driving more recklessly the larger his audience”, “get “upset” over trifles, or are nervous in unusual situations”, “show impatience in traffic jams and start irrational, and “call traffic officers by abusive names”.

Direct employees’ skills consist of adhering to a schedule, adjusting to unforeseen, communication with passengers and physical health. Adhering to a schedule is coded by “lose their temper and, consequently, their judgment”, “easily distracted from the main business of driving”. Adjusting to unforeseen is described by “creating near emergencies to prove that he can get out of them” and “pulling out from the curb without looking for approaching cars”. Communication with passengers is shown by employees’ loudly-talking and mobile – phone – using during the time of driving and reproving passengers after their advices. Physical health is represented by customers’ opinions “I think the driver is very sleepy and gapes”, “His lips are dark. Maybe, he is on drugs”, “After 1 hour, he stops the car. He is not good at health”.

From the above descriptions and codification of empathy dimension related to People, the company should pay attention to employee uniforms, how they look with friendly face and good body language, law-compliance behaviors, customer – respect attitude, professional skills (i.e., driving, communication) and healthy appearance.

Secondly, reliability of service is proved by service operations and customer service as illustrated below:

Service operations include procedure, CSR and service quality. Procedure means service quality commitment and service regulations announced publically; steps of the procedure such as pick-up, drop-off, driving speed controlled. CSR is revealed by good new cars for less emission to the environment, safety for customers and saving petrol. Service quality is on time, safety, responsiveness from the company representatives to complainants, service information provision, direct interaction tools, customer health, security, and controlling employees’ bad actions by internal regulations

Customer service is attributed by drivers’ responsiveness and marketing policies. However, based on customers’ point of views, the company should focus more on direct employees’ responsiveness as well as their responsibilities to sudden situations.

So, in the reliability manner, the company needs to improve service announcements to the public; procedure to provide service; invest into new cars; assure on-time, safe, fast response; directly interact with customers; and control employees' behaviors. These aspects can be grouped into Process.

Thirdly, guarantee is coded by physical facilities and equipment like appliances, modern vehicles, bus stations; rescue, support, security equipment and information technology.

## **4.2 Diagnostic of dysfunctions and socio economic evaluation at the end of 2014**

After analyzing customer complaints, the company should contrast customer opinions and employee viewpoints to diagnose dysfunctions according to SEAM method. This is the second step is customer complaint management framework, comprising Diagnostic of dysfunctions and Socio economic evaluation at the end of 2014.

### ***4.2.1 Diagnostic of dysfunctions***

In this step, the author suggests analysis of customer complaints from both top management and frontline employees including collection and analysis of top management's opinions about customer complaints and collection and analysis of employees' opinions about customer complaints.

#### ***4.2.1.1 Collection and Analysis of top management's opinions about customer complaints***

This content is horizontal diagnostic inventory of the dysfunctions identified by top management. Two group interviews with 10 top management of the company were organized from September 13<sup>th</sup> to 17<sup>th</sup> of 2014 (for 5 days), divided into two interview stages such as open, in-depth interviews with group interview techniques. Then, suggesting five dysfunction baskets from top management's opinions is done.

#### ***Openly interviewing top management (first time interview with top management)***

Top management was interviewed openly; they are free to talk about their opinions on the company strategy, vision, mission, external environment and problems which the company has been facing with. After the first interview, the researcher mapped some research strands related to customer complaints that are solutions which top management wants to develop in order to improve customer complaints, focusing on Process and Technology to increase



organizational performance. One of the main points in the first interview is a strategic change such as new service, new strategy with vision, mission, and types of corporate strategies, marketing strategies in order to adapt fluctuation of external environment (Please see Appendix 4.8).

***In-depth interviewing top management (second time interview with top management)***

Before the second time interview with top management, on the same day, the researcher presented an analysis of organizational performance for all top management to understand. After listening to what the consultancy talked, top management agreed with analysis content. Therefore, questions in the in-depth interviews focus on what and how should the company do to improve organizational performance and the components of customer relationship management such as People, Process and Technology.

The in-depth interviews are conducted in order to explore causes and reasons of the problems which customer complain as presented in the first step. Among hundreds of ideas, the author selects 39 ones to suggest horizontal research plan for the company (Please see Appendix 4.13a, 4.13b, 4.13c, 4.13d, 4.13e). These appendices finished by evaluating the company's performance at the end of 2014. It is noting that external environment negatively impacts the company's business but also brings about opportunities for the company. Therefore, to be survived and developed in the passenger transport market, the company has to innovate current service, invest into new services, diversify services, improve customer relationships, invest into human resource, change procedure to provide service, and new offensive marketing strategy. These pivotal ideas are the foundation of forming dysfunctions and dysfunction baskets at the end of 2014 in the Appendix 4.14.

The Appendix 4.14 describes coding process from dimensions of service quality and components of customer relationship management based on customer complaint analysis to pivotal ideas of top management of which 39 pivotal ideas are coded into 6 groups reflecting technical and physical structure of socio economic diagnostic of the organization; and 4 aspects of behaviors in socio economic diagnostic of the organization that are organization taken as a whole, business departments, individual behaviors of customers and individual behaviors of direct employees. Six components of technical and 4 aspects of behaviors in socio economic diagnostic of the organization are combined to be coded into 3 sub-

dysfunctions that are Strategic orientation, Equipment and supplies, and Information system, formulating 2 themes of dysfunctions that are Strategic implementation and Working conditions. The last point of this coding process is to suggest 5 dysfunction baskets that are basis to recommend specific actions for the company.

Strategic implementation and working conditions are the two pattern codes of dysfunctions in horizontal research intervention at the end of 2014. The table 4.14 shows that each dysfunction basket was born from some pivotal ideas of top management's opinions, is rooted from a combination of structures and behaviors in corporate management process, formulating sub-themes of dysfunctions and dysfunctions. Dysfunction baskets are to improve dimensions of service quality and make stakeholders (customers and employees) satisfied. This is an advantage of SEAM in which it both internal and external stakeholders of the company are paid attention to increase their satisfaction.

#### ***Suggesting five dysfunction baskets from top management's opinions***

More specifically, *dysfunction basket 1* named "Suggesting socially responsible corporate strategy: Diversification, product and market development" is formed by Technical structure and behavior "Organization taken as a whole", leading to category "Strategic orientation" as a part of dysfunction "strategic implementation" for the purpose of meeting dimensions of service quality such as Empathy, Reliability, Guarantee as well as making employees believe in the company's growth and decreasing customer complaints.

*Dysfunction basket 2* titled "Organizational learning from other successful companies" has the same structures, behaviors in socio economic diagnostic of the organization, category and dysfunction as basket 1, resulting in being empathetic service provider. Learning and growth will be very important to explore new investment. Learning new services and new customer interaction from other successful companies should be focused in the company, increasing not only customer but also employee satisfaction.

*Dysfunction basket 3* is investment into new vehicles, which reflects a technical change from agreement behaviors of business departments, creating strategic orientation of strategic implementation aiming at improving reliability of service quality which is physical aspects of

what is provided to users and increasing the ability to accurately accomplish what was promised.

*Dysfunction basket 4* is called investment into new information technology. This basket notes technical development as well as better behaviors of business departments related to their technology progress, reinforcing information system of the company and pushing successful strategic implementation. The action assures guarantee of service quality in which rising the ability to help users and promptly provide the service, capturing the notions of flexibility and the ability to adjust the service to the user's needs.

As proved by many previous researchers about the role of human resource in a strategic change of service companies, *dysfunction basket 5* focuses on reinforcing human resource with changes in technical structure and individual behaviors of direct employees. Therefore, the company will get better strategic orientation as well as effective strategic implementation. Good personnel management will support the company to achieve empathy dimension of service quality, leading to make customers satisfied.

#### *4.2.1.2 Collection and analysis of employees' opinions about customer complaints*

This part is called vertical intervention research of SEAM that is started from interviewing all employees of the company that can make dysfunction baskets from horizontal research consistent with employees' viewpoints.

The main objective of vertical action is to involve lower – level personnel in the metamorphose process and to enhance performance. In order to align employees to organizational change, three activities are conducted consisting of Designing interviews for employees, Analyzing results of interviews with employees and Suggesting dysfunction baskets from employees' viewpoints.

#### *Designing interviews for employees*

Savall (2012) reveals that the first phase of vertical diagnostic is similar to that of the horizontal diagnostic – in-depth semi-structured interviews focusing on dysfunctions are carried out with every member of the department's managerial team. However, in the company, managers are only Heads of departments, no Vice Heads. Therefore, interviewees are staffs, drivers and assistant drivers. The individual interviews are also undertaken with

small group interviews (3 to 4 persons) of lower – level personnel. Overall, 30 % of all front line personnel are interviewed, with special care devoted to ensuring variety in the sample (e.g., trades, status, seniority, age, gender). These qualitative interviews are processed in the same manner as the horizontal diagnostic.

Based on results of horizontal intervention research, the consultant design questions to interview subordinates in the companies as presented in Chapter 2.

### ***Analyzing results of interviews with employees***

After interviews, pivotal ideas were collected, analyzed and selected before the first year's action plan focusing on economic performance to the survival of the company. In the Appendix 4.17, the pivotal ideas of employees are summarized into some codes such as investment into new vehicles, infrastructure, regulations in human resource management, training programs for managerial and shop – floor employees, working environment and working conditions.

In the Appendix 4.18, these pivotal ideas are grouped into 3 ones with the main point of People. The group of guarantee dimension is coded into physical structure and behavior “Individual behaviors of employees” in socio economic diagnostic of the organization that are categorized into Physical conditions of work, formulating a dysfunction “working conditions”, and finally forming dysfunction basket named “Facility upgrade”. The second group is titled “Empathy”, is coded into “mindsets” structure and “individual behaviors of employees” behavior, creating “work atmosphere” sub-dysfunction”, leading to “working conditions” dysfunctions. The last group is called “Reliability”, is formulated by pivotal ideas number 9, 10, 11, 12, 13, 17, 18, and 19, then is coded into organizational structure and behavior “Individual behaviors of employees” in socio economic diagnostic of the organization that are categorized into sub-dysfunction “distribution of tasks, missions and functions” and dysfunction “Work organization”. The three groups form three dysfunction baskets which are based to suggest specific actions.

### ***Suggesting dysfunction baskets from employees' viewpoints***

Basket 6 “Facility upgrading” represents physical aspect of structures in socio economic diagnostic of the organization and impacts individual behaviors of employees, making

employees satisfied or not, formulating physical conditions of work that means facility improvement. The dysfunction for this basket is working conditions which should be upgraded to increase employee satisfaction. If this basket 6 is implemented, it will be expected to increase guarantee of service quality dimensions with physical facilities and equipment.

Basket 7 reflects bad working environment as well as stressed employees, indicating mindsets of structures and individual behaviors of employees, leading to improve work atmosphere perspective of working conditions. The basket 7 is believed to make the company being more empathetic by changing direct employees' skills and behaviors. Outcome of this basket will be recognized values of customer oriented corporate culture.

Basket 8 focuses on managerial capacity of middle-level managers, showing organizational structure of socio economic diagnostic of the organization. Bad individual behaviors of employees resulting in changing distribution of tasks, missions and functions under work organization dysfunction. Outcome of dysfunction improvement is to make employees loyal to the company through increasing managerial employees' quality by training plans for them.

At the end, strategic objectives of basket 6, 7 and 8 are to achieve better working environment for employees.

#### ***4.2.2 Socio-economic evaluation at the end of 2014***

Before starting a new action plan, the company should evaluate socio economic management in order to have bases for comparison with the ones after the action plan. Besides, this activity continues to decide which key dysfunctions should be selected. So, there are three important sub-activities such as Analysis of hidden costs, Organizational performance analysis, Mirror effects, and integrated horizontal and vertical intervention research.

##### ***4.2.2.1 Analysis of hidden costs***

Based on dysfunctions found out by top management and employees, the research team interviews leadership team and the departments' managerial staff about cost, revenue effects and "chunks" of severe types of hidden costs; and to determine the precise frequency as well as modes of the regulation of dysfunctions. The intervention team then proceeds to a monetary valuation of the hidden costs, by evaluating the costs linked to absenteeism, industrial injuries,

personnel turnover, non-quality and direct productivity gaps. Time spent in dysfunction regulation (overtime (excess time)) and nonproduction (missed production) is evaluated using the hourly contribution to value – added on variable costs (HCVAVC).

There are two models used in this research to calculate hidden costs including hidden costs calculation model of SEAM and Model of Complaint Resolution and Loss of Customers that are explained in Chapter 2 – Research Methodology. At the end of 2014, the researcher just applies hidden costs calculation model of SEAM because before this year, the company Corporation hasn't implemented customer complaint management and there is no data related to costs and benefits of investment into customer complaint management. Appendixes 4.9, 4.10, 4.11 and 4.12 describe dysfunctions, causes of dysfunctions and costs. Economic impact of employees' bad behaviors (Late to work and Absenteeism) is VND 5.298 billion. Employee turnover cost is VND 464.1 million. Economic impact of quality defects is VND 6.484 billion. Direct productivity gap cost VND 5702.1 million. Besides, churn rate is estimated. In the year of 2010, revenue of inter-city bus service was more than VND 7 billion, but in the year of 2014, it is VND 1.8 billion. Lost revenue is VND 5.2 billion.

#### *4.2.2.2 Organizational performance analysis*

At the beginning of customer complaint management project, organizational performance is a measurement of what was happened in the past, so indicators are used such as economic performance, social performance, and hidden costs calculation model of SEAM. The author cannot apply hidden cost model of Lakshmi or customer lifetime value model of Gupta because before the year of 2015, the company had never implemented customer complaint management strategy.

Organizational performance at the end of 2014 was analyzed in the above part “3.4.2 Organizational performance at the company at the end of 2014”. (Please see Appendix 4.15 and 4.16). Therefore, in order to improve organizational performance, the company should invest into one flagship service that is inter-city bus. The company should design this service; prepare consistent vehicles and others with the high-priced service.

#### 4.2.2.3 Mirror effects

Hidden costs are presented for top management. The leadership team sees data indicating the extent to which the organization is not reaching its potential. Hidden costs are described as follows: Economic impact of employees' bad behaviors (Late to work and Absenteeism) is VND 5.298 billion. Employee turnover cost is VND 464.1 million. Economic impact of quality defects is VND 6.484 billion. Direct productivity gap cost VND 5702.1 million. Besides, churn rate is estimated. In the year of 2010, revenue of inter-city bus service was more than VND 7 billion, but in the year of 2014, it is VND 1.8 billion. Lost revenue is VND 5.2 billion.

The response typically is a mix of shock and recognition. Shock happens due to the overwhelming data presented in the sheer volume of information about organizational dysfunction and hidden costs.

The table 13 describes root causes of three dysfunctions composing strategic implementation, working conditions and work organization as follows:

**Table 13: Selection of key mirror - effect points at the end of 2014**

<p><b>Strategic implementation</b></p> <p><i>Strategic orientation</i></p> <ul style="list-style-type: none"><li>- Inter – city bus profitability is significantly decreased from 2010 to 2014</li><li>- There is no new investment, no new service introduction from 2008 to now</li></ul>
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- There is no detailed corporate strategy
- Demands of passengers decreased while Competition in bus, taxi industry becomes more and more seriously
- Citizens' income is increasing and they want to buy safety, on-time passenger transport services
- The relationship between the company with the customers is not sufficiently customized
- Weak relationship between the company and customers
- There is no marketing strategy: Facebook, brand name, corporation identity program.
- Bad behaviors, skills and appearance of employees make passenger dissatisfied and leave the company
- Service quality is very bad.

***Information system***

- Equipment, software and human are insufficient and there is no personal data of customers.
- New service such as Limousine needs technology innovation
- There is no information about schedules for passengers to choose

**Working conditions**

- Old and unsafe vehicles make employees worried
- Downgraded infrastructure for employees
- Bad attitudes of employees for the company's and their assets

**Work organization**

- Stressed employees under sales pressure as well as work overloaded
- Limited managerial capacities

*4.2.2.4 Integrated horizontal and vertical intervention research*

In order to avoid overlapping dysfunctions between top management's and frontline employees' viewpoints or repeat actions, the author suggest integrated horizontal and vertical intervention research into one based on which the author will recommend specific actions. This is a new contribution to SEAM. Besides, board of directors decide not to implement



separately horizontal and vertical intervention researches because it's very difficult to maintain vertical intervention project due to fluctuated employees, continuous recruitment, low-qualified task groups, low educational qualification and bad attitudes of drivers. BOD will focus to manage the core group. The task group is independently managed by heads of departments who is responsible to finish their PNAC and report the leader of the core group.

After this integration, all 3 dysfunctions baskets from employees' opinions will be merged into basket 5 "Reinforcing human resource" because of the same characteristics of human resource management implications as presented in Appendix 4.19a, 4.19b.

Therefore, outcome of Step 2 in the first action plan (2015-2016) there are 5 dysfunction baskets as follows: Basket 1: Suggesting socially responsible corporate strategy: Diversification, product and market development; Basket 2: Organizational learning; Basket 3: Investment into new vehicles; Basket 4: Investment into new information technology; Basket 5: Reinforcing human resource.

All dysfunction baskets are intended to increase stakeholder satisfaction (customers and employees). It is a perfect combination of customer complaint management and SEAM, leading to sustainable development of SMEs.

### **4.3 Cooperative conception and development of innovative organizational solutions of SEAM**

Cooperative conception and development of innovative organizational solutions of SEAM is Step 3 of Customer complaint management framework. Objective of this stage is to suggest specific actions for five dysfunctions baskets. This part includes six contents in which the first is to match customers' and employees' opinions about internal causes of service quality dimensions, and next to five dysfunction baskets' specific actions.

#### ***4.3.1. Matching customers' and employees' opinions about internal causes of service quality dimensions***

There are two phases of matching customers' and employees' viewpoints about internal causes of service quality. In the first one, key ideas of customer complaints are selected to suggest contents of interviews with employees. In the second one, in-depth analysis of

interview results with customers and employees is conducted leading to matching more ideas between the two social actors.

That Problems of People, Process and Technology impact empathy, reliability and guarantee dimensions of inter-city-bus service quality is analyzed by two techniques including cause-and-direct diagram and conceptually clustered matrix. Firstly, cause-and-effect diagram is used as presented in Appendix 4.1, 4.2, 4.3 to match opinions of customers with viewpoints of employees in terms of Person, Method, Machine, Material, and Environment. Secondly, conceptually clustered matrix is applied to find out internal causes related to People, Process and Technology.

### *Cause – and – effect diagram analysis*

#### *Empathy*

Causes to failure of meeting empathy including Person, Method, Machine, Material and Environment are illustrated in Appendix 4.1. However, the company should pay attention to Person, Method and Machine that are internal factors significantly influencing its performance.

One external factor called Environment in which rivals are so crowded that passengers don't need to take inter-city bus in the bus stations, just on the streets. The company cannot reduce competitiveness in environment, just accept it and adapt to be survival. In the case of Material, the main reason is out of control with strong increase in petrol price, but it is out of control of the company.

From 2008 to 2014, the company's inter-city bus service cannot compete with crowded competitors, and customers complain a lot about delayed schedules and wrong time, resulting in gradually decrease in this service's profitability. It is the reason why the company must change Process.

In terms of Machine, old and broken cars make customers feel afraid of accidents. They leave to buy service of other providers with better cars, so profits of the company peaked down from approximately VND 4 billion to more than VND 1 billion at the end of 2014.

Therefore, Person, Method and Machine in Appendix 4.1 can be coded into People, Process and Technology of customer relationship management. People include solutions to improve

employee attitudes and responsibilities such as training program, regulations. Process contains service innovation, new procedure to avoid delays. Technology is a change of vehicles.

### *Reliability*

In terms of reliability dimension of service quality, Appendix 4.2 shows both external and internal causes of customer complaints. External ones grouped into Environment include opportunities from the outside, serious competition in inter-city bus and disadvantages of the company in comparison with competitors. Opportunities are that there is no limousine service in Thai Nguyen province, so there is no competitor in the high-priced segment of inter-city bus; and also value – added services such as advertising on limousine cars as well as express delivery. Disadvantages of the company are that they cannot break the transportation law like competitors, they must penetrate new markets.

Internal causes consist of Person, Method and Machine. Person recognizes that human resource of the company is low stable and deficient in job participation. Employees are not satisfied because the company has no incentives for them, so they are not encouraged to work effectively. Method concludes lacking functional strategy such as marketing strategy, leading to bad relationship between the company and customers, Bad management is described as in human resource management and marketing management. Machine summarizes vehicles' quality and information technology. Information technology means the company has no booking system, so uncertainty of profitability is very high, the company cannot predict customers' needs and well prepare to serve customers. From perspectives of Material, the company lacks car accessories, for example, wifi, GPRS, camera. All these internal reasons cannot assure reliability of service quality.

Therefore, from Appendix 4.2, People compose job participation, incentives for employees. Process includes functional strategy – human resource management and marketing management. Technology comprises of vehicle quality with equipment such as Wi-Fi, GPRS, camera, water, tissues; and information technology.

### *Guarantee*

Appendix 4.3 also emphasizes external factors such as new challenges from external environment, changed customer needs and high accident rate of the industry. New challenges from external environment are demands for higher service quality and more entering of new rivals to low-priced inter-city bus supply. Customer needs are changed from low-priced to good service and accepting higher price due to their higher income. Also, the road transport has highest number of accidents in comparison with others like rail, air, maritime; therefore, the government pays more attention to issuing national regulations about service quality of road transport. All these external factors suggest new qualified service for the company. Apart from external factors, internal causes contain Person, Method, Machine and Material. Person reflects that employees are not enthusiasm, high turnover rate and bad at communication skills. Method summarizes poor service quality inspection and incorrect materials preprocess method. Service quality inspection is just testing whether drivers and assistants collect money from customers or not. Incorrect materials preprocess method sometimes makes drivers angry with lacking petrol before the trips. Machine is described as bad brakes and dirty cars, making customers worried. Material shows that garage service to maintain vehicles is bad, focusing on making cars clean. Besides in terms of material, there is no medical equipment in the inter-city bus with long trip. Appendix 4.3 proves that if the company doesn't improve service quality, the company will not achieve better guarantee dimension of service quality.

### ***Conceptually clustered matrix***

Another analysis technique is called conceptually clustered matrix used to confirm research strands (i.e., empathy, reliability, and guarantee) related to internal causes as presented in Appendix 4.5, 4.6 and 4.7. The customer complaints were synthesized into some research strands in Appendix 4.4a, 4.4b, 4.4c. Reasons of these complaints are People (Direct employees' behaviors - Appearance of personel, Behavioral tendencies towards laws, and Bad Attitude; Direct employees' skills - Adhering to a Schedule, Adjusting to Unforeseen, Communication with passengers and Physical health), Process (Service operations – Procedure, Vehicle quality, Service quality; Customer service – Responsiveness and Marketing policies), and Technology (Physical facilities, Equipment, and Information technology).

Therefore, at the end of 2014 (before action plans), the company should do something as follows: changing service to adapt fluctuation of the external environment by implementing offensive marketing strategy to improve bad service; People of customer relationship management should be enthusiasm of employees, their communication skills with customers. Process consists of service innovation strategy and service quality inspection. Technology embraces vehicle investment as well as maintenance.

More specifically, problems of People, Process and Technology are caused as follows:

Firstly, People of CRM is illustrated that human resource of the company is low stable and deficient in job participation. Employees are not satisfied because the company has no incentives for them, so they are not encouraged to work effectively. There are no training programs and no regulations for human resources leading to employees' bad skills and behaviors. Employees are not enthusiasm, high turnover rate and bad at communication skills.

Secondly, Process of CRM is indicated that from perspectives of service operations, there is no innovation from 2008 to 2014, inter-city bus service cannot compete with crowded competitors, and customers complain a lot about delayed schedules and wrong time, resulting in gradually decrease in this service's profitability. Lacking functional strategy such as marketing strategy leads to bad relationship between the company and customers. Bad management is described as in human resource management and marketing management. Besides, poor service quality inspection and incorrect materials preprocess method are making the company out of controlling. Service quality inspection is just testing whether drivers and assistants collect money from customers or not. Incorrect materials preprocess method sometimes makes drivers angry with lacking petrol before the trips.

Thirdly, Technology in passenger transport service includes modern vehicles; booking system, and new direct customer interaction through internet. Old and broken cars make customers feel afraid of accidents. Bad brakes and dirty cars make customers worried. There is no medical equipment in the inter-city bus with long trip. They change to buy service of other providers with better cars, so profits of the company peaked down from approximately VND 4 billion to more than VND 1 billion. Information technology means the company has no booking system, so uncertainty of profitability is very high, the company cannot predict customers' needs and well prepare to serve customers.

After determining internal causes from interaction between organization structures and individual behaviors, the author chooses three dysfunctions such as strategic implementation, working conditions and work organization. The reasons for this selection are that (1) limitations of SME's resources lead to not improve all six themes of dysfunctions; (2) the dysfunction of strategic implementation includes development activities and tasks needed to achieve a holistic organizational strategy of improving People, Process and Technology; (3) the theme "working condition" is more appropriate to bad working environment of the company; (4) improving "work organization" dysfunction is expected to enhance People and Process problems.

Appendix 4.20 describes each dysfunction basket has several specific actions which are measured by critical success factors, reflecting integrated and holistic approach between people, business processes and technology – the three components of customer relationship management in relationship marketing; a supportive internal environment and customer oriented corporate culture from organic approach of exit – voice theory; and complaint analysis at aggregate level, deriving strategic changes in business practices to improve service quality.

#### ***4.3.2 Dysfunction basket 1 – Suggesting new corporate strategy***

Basket 1 is to suggest socially responsible corporate strategy including diversification, product and market development. Specific actions compose Designing vision, business philosophy, mission, goals, strategic objectives, types of corporate strategies, and selecting functional level of strategic management are due to support the above responsible business strategy - Offensive marketing strategy. This strategic change creates changes of people, processes and technology, leading to develop aggregate complaint analysis in service quality improvement and represent top management recognition and commitment to customer oriented strategy, resulting in supportive internal environment. Owing to suggest socially responsible corporate strategy, the researcher used matrix analysis to answer a question why the corporation needs a strategic change from people, business processes to technology. This part is finished by analyzing the current strategy of the case study and suggesting a new strategy for the case study.

#### *4.3.2.1 Analyzing the current strategy of the case study*

The current strategy of the company is analyzed by using techniques, for example, Space matrix, BCG matrix, Grand matrix and organizational performance.

##### *SPACE matrix*

In 2014, the company is providing passenger transport service in the highly competitive market. The company has to face many difficulties that are decreased profits in all businesses from taxi, inter-city bus and inner-city bus.

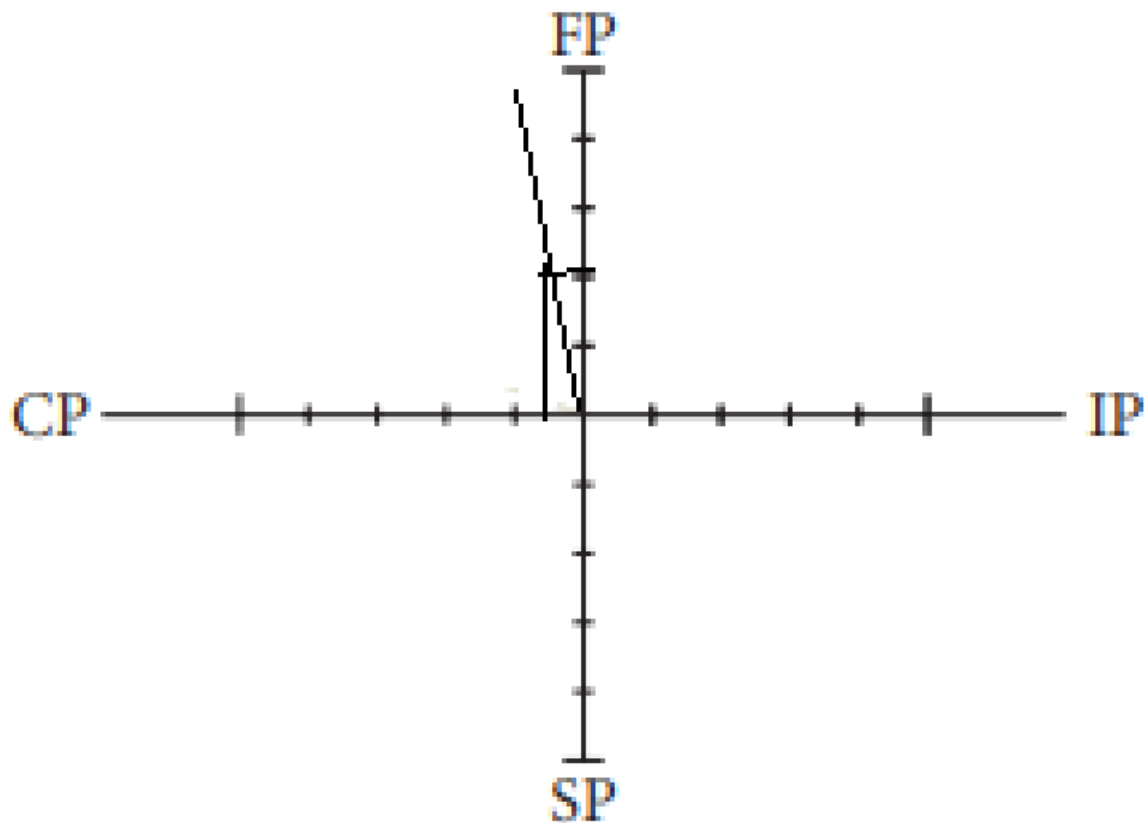
**Table 14: SPACE matrix analysis**

<b>Financial strengths (FS)</b>		<b>Environmental stability (ES)</b>	
Return on equity	6	Rate of inflation	-3
Leverage	2	Technological changes	-1
Liquidity	4	Competitive pressure	-6
Income/employee	4	Consumer income	-4
<i>Financial strengths (FS) average</i>		<i>4.0</i>	<i>Environmental stability (ES) average</i>
			<i>-2.0</i>

<b>Competitive advantage (CA)</b>		<b>Industry strength (IS)</b>	
Market share	-4	Growth potential	3
Product quality	-2	Financial stability	2
Customer loyalty	-2	Ease of entry to market	1
Technological know-how	-3	Profit potential	2
<i>Competitive advantage (CA) average</i>		<i>-2.8</i>	<i>Industry strength (IS) average</i>
			<i>2.0</i>

x-axis:  $2 + -2.8 = -0.8$

y-axis:  $4.0 + -2.0 = +2$



**Figure 16: SPACE matrix**



Figure 16 shows that a firm that suffers from major competitive disadvantages in an industry that is technologically stable but declining in sales.

Therefore, the company needs a significant change to improve the situation. The change must take advantages of current infrastructure and businesses of the company. The company should choose conservative quadrant with product development and related diversification in the below SPACE matrix.

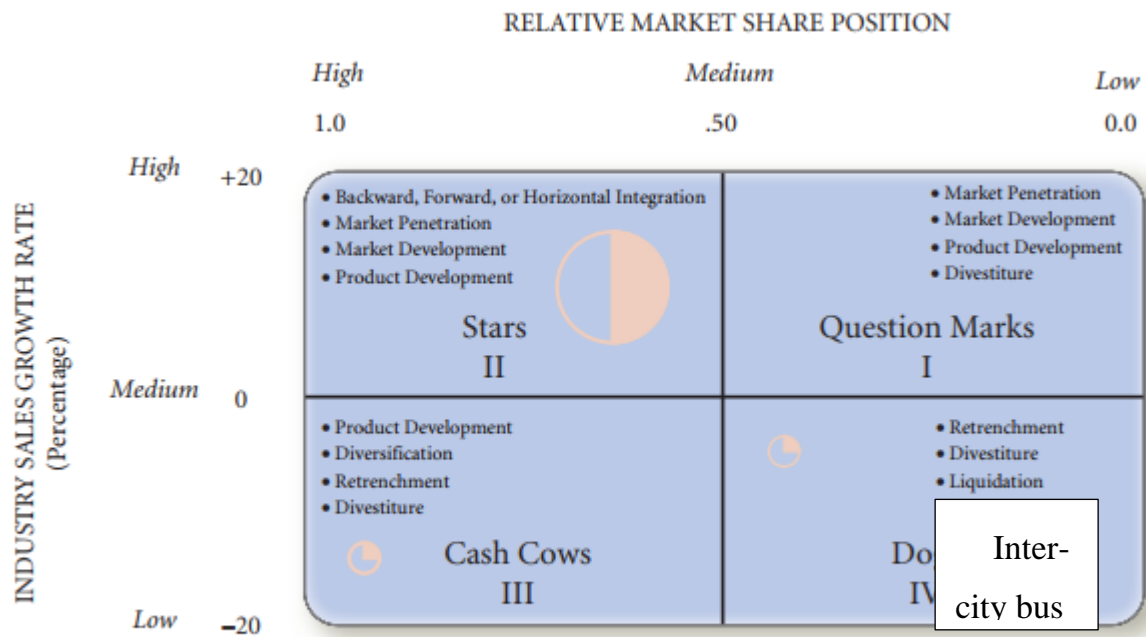
### *BCG matrix analysis*

BCG matrix is used to determine positions of taxi, inter-city bus and inner-city bus.

Firstly, in the figure 16, inter – city bus is in the DOG because **Dogs**—Quadrant IV divisions of the organization have a low relative market share position and compete in a slow- or no-market-growth industry; they are *Dogs* in the firm’s portfolio. Because of their weak internal and external position, these businesses are often liquidated. Low priced passenger transport service is liquidated and new service that is qualified and high priced (limousine) that hasn’t been provided by any companies in Thai Nguyen province.

Inner – city bus and taxi can be maintained because industry sales growth rate is quite high (12%). These services maybe support limousine service to pick up passengers from their home.

## The BCG Matrix



*Source:* Adapted from the BCG Portfolio Matrix from the Product Portfolio Matrix, © 1970, The Boston Consulting Group.

**Figure 17: BCG matrix**

Figure 17 notes that GRAND Matrix is another analysis technique to confirm that inter – city bus of the company is in weak competitive position and slow market growth in the quadrant III. Therefore, it should be replaced by limousine service and related diversification with sold-out old buses and new investments into limousine cars.

## The Grand Strategy Matrix



**Figure 18: The Grand strategy matrix**

### *Organizational performance analysis at the end of 2014*

#### *Economic performance*

At the end of 2014, the company had to face with high risk of failure of customers, and lower profitability (ROA, ROS, and ROE) than average ratios of Vietnam transport industry. Total production per each flagship type of business is continuously reduced, for example, inter-city bus peaks from VND 6.1 billion in 2010 to VND 1.84 billion. Moreover, there are no new products and services, and no encouragements for employees. Therefore, employees are worried about the future of the company.

#### *Social performance*

Before the year of 2015, the company hasn't had any training programs for employees. Customer – oriented corporate culture is so weak that employees don't understand market and always feel stressed as well as have bad behaviors/attitudes with passengers. The company has no professional development program. So, employees leave the company who must recruit continuously with many times per year.

#### *4.3.2.2 Suggesting new strategies for the case study*

Results from customer complaints management change organizational performance, leading to action plans. The company's corporate strategy is growth – concentration in focusing on inter-city bus service; forward vertical integration - attempting to gain control of output through control of the distribution channel or provide customer service activities (eliminating intermediaries) without distribution channel; and related diversification - multi-services and mixed bundling such as taxi, limousine, and express delivery. In the first dysfunction basket, the intervener – researcher and organization actors select three specific actions including Designing vision, business philosophy, mission, goals, strategic objectives, types of corporate strategies; Suggesting offensive marketing strategy; and Designing highly – qualified inter-city bus service called limousine. Outcome of these actions are new corporate strategy, new functional strategy and new service innovation strategy. Therefore, critical success factor of the first basket is strategies.

##### *Corporate strategy*

Vision of the company is to be leader of passenger transport industry in Eastern North of Vietnam and maximize values for employees and customers.

Business philosophy is pioneering to provide the best passenger transport services.

Mission of the company is to provide highly qualified services and create values to make customers satisfied. The company assures services safe, convenient, leading in technology – size – frequency, and the best working environment.

Goals are both following economic and social performances in order to bring about more values for customers and employees as well as develop sustainable business.

Strategic objectives are better quality of service than rivals in terms of safety, convenience, technology, size, frequency; broader geographically market development, improve or pioneer to launch new services, and better working environment for employees.

From 2015 to 2020, the company should pay attentions to product and market development strategy. Firstly, to diversify products or services, the company needs to seek increased sales by improving current services such as bus, taxi, and developing new services like limousine, EMDDI, petrol selling, express delivery, garage, tours that are consistent with the company's

infrastructure and strengths in order to make inventory out. Secondly, to broaden market, in 2018-2019 the company should open branches in some provinces, for example, Bac Kan, Tuyen Quang.

To make strategy successful, the company should conduct functional strategy. The below two actions are selected at functional level of strategic management.

First of all, the company should pay attention to better quality of service than rivals in terms of safety, convenience, technology, size, frequency; broader geographically market development, improving or pioneering to launch new services; diversifying services to take advantages of invested input such as inter-city bus limousine service, EMDDI service, and express delivery.

Secondly, the company should intend to implement offensive marketing strategy. Investment into marketing mix 7Ps and interpersonal relationship building efforts as follows: Product: Designing new Limousine service with five dimensions of service quality that are empathy, reliability, responsiveness, tangibles and guarantee. Price: New highly – qualified service must be higher than the bad service. Place: Directly selling tickets for passengers and set up new bus stations as well as branches. Promotion: Focus on advertising campaign by suggesting the company’s brand name through Corporation Identity program (Logo, Facebook, song, card visit, etc.). People: Training direct employees communication skills to make them enthusiastic and have good behaviors with passengers. Process: Change service delivery procedure as well as direct customer interaction by innovation in information technology. Physical evidence: Prepare modern safe cars with sufficient tools and equipment such as rescue, support and security equipment, appliances (e.g. bottles of water, free Wi-Fi, tissues on the car, clean and convenient bus stations).

Thirdly, Designing highly – qualified service means inter-city limousine bus by using taxi of the company to drop – off and pick – up at the stations as well as fast schedule by limousine cars on the new high – way roads, reducing travelling time from 3 hours to 1.5 hours.

To summarize, in Basket 1, new strategy is officially stated and diffused to the whole employees of the company. It reflects Strategy component of critical success factors, top management recognition commitment to customer. Consent from top management to shop-

floor employees will create supportive internal environment, creating shared values and norms that are foundations of strategic change success.

#### ***4.3.3 Dysfunction basket 2 – Organizational learning from other successful companies***

Basket 2 is named organizational learning other successful companies. Learning will lead to future growth as proved by previous authors. Learning what colleagues in the same industry has been doing in other provinces, for example, learning about how to select departures and destinations (stations) in the journey Thai Nguyen – Ha Noi (business process), learning about how to operate the service system with information technology (technology), learning about how to directly interact with customers (business process), and learning how to manage drivers and other direct employees (people). Aims of organizational learning are to change thinking and reasoning of managers about people, business process and technology management, contributing to develop customer relationship management in relationship marketing. To assign employees to learn business processes at a successful transportation company in Quang Ninh province leads to improve the company's processes with creativeness and customer centered, as well as change employees' knowledge about them. Outcome of this action is to change thought of board of directors and all managers about service innovation after the study tour, leading to improve service process of their company and critical success factor is processes.

#### ***4.3.4 Dysfunction basket 3 – Investment into new vehicles***

Basket 3 with investment into new vehicles is to upgrade physical aspects of what is provided to users (Business process) by buying 30 new cars called Limousine D-Car of Ford brand name in terms of customer relationship management. This dysfunction basket will be expected to improve service quality by socially responsible investment from perspectives of aggregate level. Dysfunction Basket 3 indicates that the company is willing to invest into new cars with a large amount of money. In this basket 3, the company will sell out all old and broken buses. The aim of this basket is to improve physical aspects of what is provided to users and what customers complained about bad vehicles, contributing to change process of critical success factor by new service pertained to limousine cars and making customers

satisfied. Outcome of this dysfunction is to replace old and broken cars by new ones, resulting in improve service process that is a critical success factor.

#### ***4.3.5 Dysfunction basket 4 – Investment into new information technology***

Basket 4 focuses on investment into new information technology (Technology of CRM) such as booking hotline number and setting up Fan page of the company. A marketing employee is responsible for replied complaints on Facebook of the company or through callings to hotline number. It shows a supportive internal environment for customer complaint management. Basket 4 shows that new customer interaction will be paid attention to by an investment into new information technology. The reason is that new service requires new customer interaction in which customers are directly communicated with the company through hotline and Facebook, and the company will have big data of customers' personal information to analyze. So, the basket 4 will improve technology aspect of critical success factors that help the company to well directly interact with passengers.

#### ***4.3.6 Dysfunction basket 5 – Reinforcing human resource***

Basket 5 with the main points of reinforcing human resource includes new uniform for employees, training communication skills for direct employees. The two first actions represent People aspect in customer relationship management and supportive internal environment of organic approach from exit-voice theory. They are very important because front-line employees play critical roles in service quality improvement as well as processes of critical success factor.

Another action is to change organizational chart in order to logically distribute functions for departments, tasks for employees. Therefore, critical success factor called organizational structure contributes to well coordinate department in service delivery process.

Basket 5 also includes specific actions in order to develop better working environment for employees. If employees understand and accept customer-oriented strategy of the company, they won't feel stressed and don't want to be out of work anymore. Firstly, the company should be more empathetic with employees by outdoor activities, for example, picnic in short holidays, paying attention to employees' worriedness like treatment at hospitals; and making

good facilities for them such as accommodations, offices, parking areas. These are incentives of critical success factor.

Besides, the company should approve some internal regulations that should be written in the labor contract and labor commitment for employees to follow. Especially, the company should make employees to remember that customers are paying salaries for them and they should do their best to meet customer demands. All these specific actions are to reduce stresses from their work, improving their individual behaviors and getting better work atmosphere. It is worth noting that regulations of critical success factor will change bad attitudes of employees.

Next to diffusing slogan: “Customers are paying salaries for us” to all employees, it will be expected to make employees pay attention to passengers and respect them. The critical success factor of this action is called strategy.

Lastly, basket 5 proposes training plan for line managers in order to enhance their skills related management and communication skills. The reason is that employees are not satisfied with them, feel overloaded and want to leave their job. This specific action is to control internal management, resulting in control aspect of critical success factor.

In summary, after experiencing three steps of customer complaint management framework combined with SEAM, the intervener – researcher with organization actors find out problems referring to empathy, reliability and guarantee dimensions of service quality; critical causes related to People, Process and Technology; and then main solutions as well as specific actions. Please the below table “Recommendations for improvement at the end of 2014”.

**Table 15: Recommendations for improvement at the end of 2014**



<b>Problems</b>	<b>Critical causes</b>	<b>Main solutions</b>	<b>Specific actions</b>
<i>Empathy</i>	<i>People</i>		
Direct employees' behaviors and skills	<ul style="list-style-type: none"> <li>- High turnover rate of frontline employees because of employee dissatisfaction.</li> <li>- Direct employees are not trained and controlled by internal regulations</li> </ul>	Organizational learning other successful companies	<ul style="list-style-type: none"> <li>- Learning about how to select departures and destinations (stations) in the Thai Nguyen – Ha Noi journey.</li> <li>- Learning about how to operate the service system with information technology.</li> <li>- Learning about how to directly interact with customers.</li> <li>- Learning how to manage drivers and other direct employees</li> </ul>
		Reinforcing human resource	<ul style="list-style-type: none"> <li>- New uniform for employees</li> <li>- Changing organizational chart</li> <li>- Training direct employees: communication skills</li> <li>- Facility upgrading such as accommodations, offices, parking areas</li> <li>- Developing outdoor and visiting activities.</li> <li>- Internal regulations</li> <li>- Diffusing Slogan: “Customers are paying salaries for us” to all employees</li> <li>- Training plan for line managers: management skills and communication skills</li> </ul>
<i>Reliability</i>	<i>Process</i>	<b>Main solutions</b>	<b>Specific actions</b>
Service operations and customer service	<ul style="list-style-type: none"> <li>- No service innovation in seriously competitive market.</li> <li>- Bad service operations</li> <li>- No good relationship with customers</li> </ul>	Suggesting socially responsible corporate strategy: Diversification, product and market development	<ul style="list-style-type: none"> <li>- Designing contents of new strategy</li> <li>- Suggesting functional level of strategic management: Offensive marketing strategy.</li> <li>- Designing limousine service replacing inter-city bus service.</li> </ul>
<i>Guarantee</i>	<i>Technology</i>	<b>Main solutions</b>	<b>Specific actions</b>
Physical facilities and equipment	<ul style="list-style-type: none"> <li>- Old and broken cars without tools and equipment on cars</li> </ul>	Investment into new vehicles.	<ul style="list-style-type: none"> <li>- Preparing capital to buy new cars</li> <li>- Buying 35 new cars-Limousine D-Car of Ford</li> </ul>
	<ul style="list-style-type: none"> <li>- No information technology</li> </ul>	Investment into new information technology	<ul style="list-style-type: none"> <li>- Booking hotline number</li> <li>- Fan page of the company</li> <li>- Responsiveness on these two communication tools</li> </ul>

#### 4.4 Implementation of strategic action plans

This part is to answer the fourth sub-research question about how a SME implements the strategic action plans. Firstly, the company should management tools such as IESAP, PAP in Structured implementation specific actions. Secondly, the enterprise should record implementation results of the first action plan.

#### ***4.4.1 Structured implementation specific actions***

In order to successfully implement the strategy, the company must carefully design IESAP, and then select prioritized actions to do first through PAP.

##### *4.4.1.1 Internal – external strategic action plan*

Appendix 4.21a, 4.21b, 4.21c describes 28 specific actions for the 5 dysfunction baskets. The number of actions in this appendix may be much more than actions in the Appendix 4.20. The reason is that implementation requires detailed activities to assigned and distributed very clear actions for specific individuals or departments. So, one action in dysfunction basket may formulate two or more actions in implementation to successfully implement dysfunctions of SEAM including strategic implementation, working conditions and work organization. These are the whole actions for the period of 2015-2016 that are approved by Board of directors and Heads of departments. Among total 28 actions, some actions will be prioritized to implement because of their importance and necessities to survival of the company.

##### *4.4.1.2 Priority action plan*

These initiatives are prioritized as readers can see in the Appendix 4.22a, 4.22b, 4.22c to focus on the six different themes and their subthemes generating the six dysfunction categories. The PAP was developed after the first and second steering committee meetings where all dysfunctions were presented to the team and an initiative to work on major dysfunctions was agreed upon to reduce or prevent such dysfunctions from happening and therefore exercise improvements. Priority action plan as presented in the Appendix 4.22a, 4.22b, 4.22c focuses on top management viewpoints' actions in the year of 2015 because these actions are strategy focused and the company needs a corporate strategy first before implementing other functional actions.

From these Appendices, horizontal intervention actions in the year of 2015 are prioritized to implement first. Why does the company need to conduct top management's opinions before front line employees' ones? Because these opinions are strategically intended, contributing to a transform from failure to success, from being survival to be successful. Priority actions emphasize to change employees' thinking by organizational learning and business environment workshop; a careful preparation for the new corporate strategy from doing market research to training skills for employees. Almost strategic actions are conducted first, from January to March of 2015. Others such as recruiting, training and registering Facebook are implemented from May to October of 2015 because they are rooted from clear strategy. Board of directors and function departments like Transport, Human resource, Accounting – Finance departments are distributed tasks at the beginning of 2015. The reason is that they are responsible for critical activities related to service operations, person, and budgets for the new change.

Continuously, after prioritized actions are done, other actions of Basket 5 will be implemented as presented in the Appendix 4.23 that shows later time for them, in June and July of 2016. A Vice Director and Department of Human resource are assigned these tasks.

In order to successfully implement the action plan, the researcher suggests some skills for top management, middle management and frontline employees as illustrated in the Appendix 4.24. They can be achieved by training programs of the company or self – study. For example, top management should daily use market know how, commercial awareness and market awareness that are external factors which can impact negatively or positively to organizational performance. Moreover, time management, sales skills, organizational skills and strategic thinking are very important for them to transform action plans into real actions. Especially, management skills are acquired for top management.

Middle managers should develop communication skills, team players and reporting skills because these skills support them every day. Besides, middle managers also have to use presentation skills, logistics skills and management skills for their position.

In terms of shop floor employees, they must improve communication skills, sales skills and reporting skills. As direct employees, they use these skills day by day. Also, they have to

well manage time, present what they think and want with customers and managers, and have good relationship with members of their teams.

#### ***4.4.2 Implementation results of the first action plan***

Based on Internal - external strategic priority action plan and Internal - external strategic action plan that are suggested previously, actors of the company will implement specific actions at specific deadlines and specific individuals' responsibilities.

28 actions are arranged and given deadlines. This is an outcome of Stage 3 of SEAM named structured implementation of integrated horizontal and vertical improvement actions. The time is ranged from January of 2015 to July of 2016. Board of directors is responsible for workshops, market research, Corporation Identity program, highly – qualified service called limousine (Mixed bundling), New customer interaction and upgrading infrastructure in January, March, June and October of 2015.

In order to implement new strategy, the critical tasks are mainly in human resource management conducted by Head of Human Resource Management that are organizational learning, recruiting new employees for call center, division of marketing; training them communication skills; suggesting regulations for employees (punishment in the labor contract and labor commitment); suggesting some values and activities to adopt customer – oriented corporate culture; proposes new uniform for employees, changes in organizational chart; suggesting and implementing a training plan for middle level managers. Deadlines for the Administration and Personnel Management Department are January, May, June, July, August and October of 2015 and 2016.

Besides, Accounting and Finance Department has to prepare capital for new investments in January of 2015. Moreover, Transport Department must propose information technology selection in February of 2015.

Therefore, owing to preparation for a strategic change in a SME, not only heads of department, but also board of directors must act to implement the new strategy, improving economic performance. The integrated horizontal and vertical is the best choice for them (Please see Appendix 4.25a, 4.25b, 4.25c, 4.25d and 4.25e). The below analysis of implementation results is for the five dysfunction baskets.

#### *4.4.2.1 Implementation results of dysfunction basket 1 – Suggesting socially responsible corporate strategy*

*Basket 1* has 8/8 actions implemented from 2015 to 2016.

Firstly, the company successfully organized a workshop about business environment and customers for more than 100 employees including managers and direct employees to understand customer – oriented service in the seriously competitive market. After this workshop, employees understand why the company must strategically change and have customer focused businesses.

Secondly, after study tour, doing market research about limousine service in Thai Nguyen city is conducted. Result of the doing market research is to suggest that limousine service is very profitable.

Thirdly, designing highly – qualified service called limousine (Mixed bundling) is approved by Board of directors. Limousine service is priced at VND 120,000/ticket. Customers are picked up and dropped - off from their home to bus station by taxi, from bus station to their destination by limousine D-Car Ford. They are provided water, Wi-Fi, tissues on new and modern limousine cars. Recognizing value proposition has three main characteristics including Empathy, Reliability, Responsiveness, Tangibles and Guarantee in limousine service.

Fourthly, setting up clear budget is proposed by head of accounting department with increasing capital mainly by borrowing money from Bank of Investment and Development Vietnam offer the lowest interest rate (6%/year).

Fifthly, writing and submitting the strategy plan - offensive marketing strategy is done in which the strategy plan shows goals, objectives and specific activities that should be implemented.

Sixthly, the company outsourced Vu Tao enterprise to design Corporation identity program (Logo, Facebook, song, card visit). Author of the company corporation identity program is Mr Vu Huong. The cost for this program is VND 50 million.

Seventhly, opening ceremony day for limousine service is determined on November 14<sup>th</sup> of 2015.

Eighthly, the company recruited 8 new employees for call center and lastly trained them communication skills by an expert outside the company.

#### *4.4.2.2 Implementation results of dysfunction basket 2 – Organizational learning*

*In the Basket 2*, the company assigned 28 employees to go to other successful companies in Quang Ninh, Phu Tho, and Nam Dinh provinces in order to learn experiences, new limousine service operations from these companies. The employees know basic operations of inter-city limousine service which will be launched by the company soon.

#### *4.4.2.3 Implementation results of dysfunction basket 3 – investment into new vehicles*

Basket 3 is investment into new vehicles in order to improve physical aspects of what is provided to users. All actions are finished. Board of directors decided to choose BIDV to provide credits for buying not only 30, but also 64 limousine cars. One seven-seat car is VND 1.2 billion. One nine-seat car is VND 1.6 billion. Total amount of money for this investment is more than VND 100 billion.

#### *4.4.2.4 Implementation results of dysfunction basket 4 – investment into new information technology*

Basket 4 with the main point of investment into new information technology is implemented by 5 actions. Firstly, the company selected some software companies. Secondly, the company bought new technology for maximum VND 500 million: (1) Software to manage vehicles, driver's schedule, (2) Software to manage customer information of call center. There are 4 software such as 1 for limousine service called xeca.vn (connecting call center and other departments), 1 for gasoline business, 1 for accounting (named MISA), and GPS to transfer data from the car to a department of transportation ministry. The company chose software named "xecavn". This software is used to save passengers' booking, passengers' personal information, calculating sales per day, per month, and list drivers' productivity. The price of this software is VND 100 million. Maintenance fee is VND 5 million per month. Thirdly, the company paid fees to operate the company's fan page on Facebook and maintain hotline number to directly contact with customers. Fourthly, the company recruited a new employee for the division of marketing to manage the company's fan page and customer complaints. Lastly, the company trained this new employee some skills to communicate with customers

through social media by funding social media training courses for her to study at a business school in Hanoi.

#### *4.4.2.5 Implementation results of dysfunction basket 5 – reinforcing human resource*

Basket 5 composes 10 actions of reinforcing human resource. However, the company implemented 8 actions; the two un-implemented actions are explained above. The 8 implemented actions have results as follows: Firstly, direct employees are trained communication skills. Secondly, the company selected a construction company named Dong A construction corporation. Thirdly, the company invested VND 5 billion for upgrading infrastructure such as office, bus station and accommodation for employees and VND 4.7 billion to expand branches in Bac Kan and Tuyen Quang. Fourthly, the company organized outdoor and visiting activities, for example, picnics or tours for employees in short holidays. The company pays half amount of costs for each tour. Employees pay the remaining. Fifthly, the company issued internal regulations for drivers. Also, some punishments are written in the labor contract and labor commitment. Internal regulations contain 10 things drivers must remember including responsibilities, obligations and the company appreciates customers who pay salaries for the company. Internal regulations are diffused to all drivers. Sixthly, the company launched Slogan: “Customers are paying salaries for us” to present customer-oriented organizational culture. The slogan is hanged on the wall of all meeting rooms. Everyone can see the slogan. Seventhly, the company paid VND 100 million for new uniforms of employees. The T-Shirt uniform is white on which printed logo of the company. Lastly, the company changed organizational chart as presented in Appendix 4.28 that manifests 3 Vice Directors (Business, Finance and Legal affairs).

#### *4.4.2.6 Summary of strategic action plan implementation in the period of 2015-2016*

To summarize, 26 specific actions are implemented in the first action plan of 2015-2016 that reveal motivational processes as follows:

Baskets 1, 2, 3, and 4 present critical success factors of customer relationship management that are strategies, processes, technology meeting needs and wants of employees from perspectives of social motives, impacting cognitive operations to formulate beliefs of employees. These intrinsic motivations help employees to act based on goal – directed

behaviors, making them satisfied and well service customers. They also represent employee – appreciated values and customer – oriented norms in the company businesses.

Basket 5 focusing on human resource reinforcing actions prove that organizational structure of critical success factors create extrinsic motivations of employees because it meets achievement wants of employees in increasing their qualification as well as controlling their bad behaviors by regulations, training, improving facilities, outdoor activities, etc.

Appendix 4.25a, 4.25b, 4.25c, 4.25d reveal that 26 over 28 specific actions are implemented, leading to successful offensive marketing strategy. The action plan of 2015-2016 periods has been increasing employee satisfaction, customer satisfaction, improving dimensions of service quality, supporting the company to achieve better organizational performance at the end of 2016. The two un-implemented actions are suggesting a training plan and implementing this training plan for middle-level managers. The reason is that all managers have to make their efforts for the new strategy of the company; managers were very busy with the new strategy implementation. It took time for them to do new activities such as new service operations, on-the-job training for direct employees, prepare finance and human resources for the new strategy, and etc. They will be trained after the company successfully launches new service – inter-city bus limousine. So the two actions will be transferred to the second action plan. A training plan for middle level managers hasn't been implemented.

Therefore, the first action plan is considered as a motivational process, bearing intrinsic and extrinsic motivations for employees, contributing to successful offensive marketing strategy of the company in the first period.

#### **4.5 Socio economic evaluation after implementing the first action plan**

This part's objective is to compare socio economic outcomes between before and after – implementing the first action plan of the 2015 – 2016 period. To do that, the company should collecting data before socio economic evaluation; analyzing People, Process and Technology of CRM at strategic level; finding out economic and social performance outcomes; determining customer complaint management profitability and analyzing Hidden cost results.



#### ***4.5.1 Data collection before socio economic evaluation***

Some interview questions are presented as follows: (1) What do you think about our diversification corporate strategy, is it right intention?; (2) Is organizational learning helping our company to develop?; (3) Is investment into new vehicles risky?; (4) Does investment into new information technology improve our direct interaction with customers?; (5) Do reinforcing human resource solutions change employees' skills, behaviors and attitudes?

Almost interviewees recognize that the new corporate strategy in general and new inter-city bus limousine service are significantly contributing to develop the company. They feel useful actions to improve their qualification such as learning tasks in study tours, on-the-job training. They confirm that new investments into new vehicles and information technology are making the company provide the best services for targeted customers. They believe the sustainable development future of the company.

#### ***4.5.2 Analyzing People, Process and Technology of CRM at strategic level***

After implementation of the first action plans, results of actions are presented as follows:

First of all, the three problems must be solved by corporate strategy because the company has no clear strategy. So, Basket 1 named Suggesting socially responsible corporate strategy and Basket 2 “Learning from other successful companies” support the company to have vision, mission, goals, objectives and functional strategies, not only to address what is currently happening in short term. All the two baskets are under strategic orientation sub-theme and strategic implementation dysfunction of SEAM. Specific actions to improve these dysfunctions are (1) designing vision, business philosophy, mission, goals, strategic objectives, types of corporate strategies, selecting offensive marketing strategy; (2) changing thought of board of directors and all managers about service innovation by assigning managers to go to other successful companies in Quang Ninh province in order to learn their new services; to learn about how to select departures and destinations (stations) in the journey Thai Nguyen – Ha Noi, about how to operate the service system with information technology, about how to directly interact with customers and about how to manage drivers and other direct employees. Then, the company conducts market research in Thai Nguyen city, outsources a company to design The company brand name: Corporation Identity program

(Logo, Facebook, song, card visit, etc.), and designs highly – qualified service called limousine (Mixed bundling)

Next to specific problems of People, Basket 5 titled as Reinforcing human resource that is coded as strategic orientation of sub-dysfunction and strategic implementation of dysfunction. Because the company is a SME limited in resources, so in 2015, the company chooses some solutions such as training communication skills for direct employees, changing organizational chart, issuing internal regulations for drivers. Moreover, owing to make employees satisfied, decrease stress and reduce turnover rate, The company also upgrades facilities, develops outdoor and visiting activities, customer oriented corporate culture such as organizing workshop about business environment and customers for all employees to understand customer – oriented service in the serious market, New uniform for employees and Slogan: “Customers are paying salaries for us”. All these actions are to improve strategic orientation sub-dysfunction and strategic implementation dysfunction of SEAM.

Then, in terms of Process, new limousine service is an example of strategic innovation in which customers are picked up and dropped - off from their home to bus station by taxi, from bus station to their destination by limousine D-Car Ford. They are provided water, Wi-Fi, tissues. Due to improve status of delayed schedules, wrong time and others related to bad service quality, the company uses software to manage business processes. There are 4 software such as 1 for limousine service (connecting call center and other departments), 1 for gasoline business (reducing lack of materials for vehicles), 1 for accounting (named MISA), and GPS to transfer data from the car to a department of transportation ministry. All these solutions are to positively change working conditions and strategic implementation dysfunctions of SEAM.

Finally, Technology of CRM is reformed by an investment of more than VND 100 billion into 64 cars. Hotline booking is used. The company chooses software named “xeca.vn” that is used to save passengers’ booking, passengers’ personal information, calculating sales per day, per month, and list drivers’ productivity. The price of this software is VND 100 million. Maintenance fee is VND 5 million per month. Besides, to implement new direct customer interaction through internet, the company starts to use Facebook account and recruit

marketing employees as well as train them skills to communicate with customers through social media.

All the above efforts of actors in the intervention research help the company to be successful in passenger transport market. Hidden costs are decreased; economic performance and social performance are raised up. Critical success factors are illustrated by the specific actions including Strategy, Processes, Technologies and Organization structure.

#### ***4.5.3 Economic and social performance outcomes***

At the end of 2016, the company improved organizational performance. Firstly, in terms of economic performance, Competitiveness, Pay and benefits, Revenues and payments, Innovation investment, New product introduction vs. competition, Sales percent of new products and services in total sales and Incentives for compensating initiatives and innovations are better than the ones of 2014 (Please see Appendix 4.15). The company's salaries are higher than average salaries in the transportation companies. Corporate income taxes paid is higher than the one of 2014 about more than VND 200 million. Fringe benefits, economic and others offered to employees are much more than the ones of 2014 about VND 7.5 billion. Profitability (ROS, ROE) is positively changed a little. Total revenue is increased more than VND 2 billion. Inter-city bus brings about VND 35,190,643,741, so much more than VND 1.832 billion in 2014. Innovation investment is VND 50,695,777,138. One new service (inter-city bus limousine) is launched to the market. Sales of new services over total sales are 51%, better than 0% of 2014. Total money for incentives is VND 100 million in comparison with VND 0 in 2014.

However, from perspectives of economic performance, the company has still some weaknesses. 183 complaints on Facebook should be reduced. Vehicle reparation cost is higher than 2014. Risk of failure of labor (Self – criticism minutes by employees every year) hasn't been decreased. There are no new branches. Productivity (ratio of workforce to yearly output tonnage) is decreased because of increasing number of employees.

Social performance is raised by high Mean and standard deviation for strategic change and human resource management change from perspectives of employees' satisfaction at the end of 2016 in Appendix 4.26. Almost employees are satisfied with strategic changes of the

company at a mean range from 2.3 to 3.49 that proves their belief and commitment to the company's development future (Please see Appendix 4.16a, 4.16b, 4.16c, 4.16d). Number of staffs, drivers, and workers are increased. Number of training programs are 2. Number of employees trained are 160. Turnover rate is decreased from 20% to 15%. From customers' points of view, they have better perceptions on the company's direct employees' behaviors and skills, service operations. The Mean is ranged from 2.5 to 3.22 as illustrated in the Appendix 4.27a, 4.27b, 4.27c.

However, number of 13 fender-benders is significantly increased compared to 2014. There is no means developed within the company to prevent exclusion, for example, regulations for only drivers. The company must recruit continuously with many times per year because of still high turnover rate. There are no paid leave days and the company should offer paid leave days for employees. There is no professional development and career succession planning as well as promotion procedure which are based on evaluation from Board of directors. There is no dialogue between employees and Board of directors, periodically once a month heads of divisions have a meeting with the Board of directors.

#### ***4.5.4 Customer complaint management profitability***

##### *4.5.4.1 Customer complaint management profitability calculation model of Stauss*

Table 7 (Chapter 2) reveals information about results of customer complaint management profitability calculated by model of Stauss. Total investment in customer complaint management is VND 4,057,020,000 in 2015 and VND 3,874,820,000 in 2016. Total Complaint management profit is VND 3,703,404,000 and VND 2,227,090,124 in 2015, 2016 respectively. So, return on customer complaint management is 91.28 % in 2015 and 57.48%. Although ROI of customer complaint management is declined from 91.28% to 57.48%, it doesn't mean that customer complaint management will not bring about profitability for the company. The reason is that customer complaint management profit of more than VND 2 billion is resulted from variance of limousine service sales between the year of 2015 and 2016. This variance is much lower than the variance between the year of 2015 and 2014, because in 2014 the company hasn't launched limousine service and sales of inter-city bus was very low at about VND 1.8 billion.

#### *4.5.4.2 Customer complaint management profitability calculation model of Gupta*

Model of Estimating Customer Lifetime Value is described in Chapter 2. As a result, the return on investment (ROI) of intervention research project is an impressive 50% because lifetime value of 2014 is VND 376,156,000 and lifetime value of 2016 is VND 30,510,404,000. This ROI number reveals that the socio economic management research pushes the company to achieve strategic goals.

#### *4.5.5 Hidden costs analysis*

##### *4.5.5.1 Hidden costs calculation model of SEAM*

Hidden costs calculation model of SEAM is presented in Appendixes 5.22, 5.23, 5.24 and 5.25. Absenteeism cost at the end of 2016 is VND 3294 million. Economic impacts of employee turnover are VND 260 million. Quality defects cost VND 216 million. Direct productivity gap results a total cost of VND 108 million. In comparison with hidden costs calculation at the end of 2014, these indicators are decreased, proving positive impact of customer complaint management implementation on slipping hidden costs.

##### *4.5.5.2 Hidden costs calculation model of Lakshmi*

Hidden costs calculation model of Complaint Resolution and Loss of Customers is illustrated in Chapter 2. As shown in this Figure, the company could lose 3,430 customers per year, which translates into about VND 1.6464 billion in lost profits. If the average length of loyalty is five years, the potential undiscounted profit lost could be almost VND 8,232,000,000, a staggering amount. There are 3 new rivals entering limousine service market in Thai Nguyen. So, 3430 over total of 24100 customers are predicted to buy service of these competitors.

In summary, although the action plan of 2015-2016 period improves organizational performance and make standardized customer complaint management, it is the first time for the company to launch new inter-city bus service to the market leading to 15% of passengers have problems. Therefore, the company still has to continue the second action plan of 2017-2018 in order to improve weaknesses of the company. Besides, the company must continuously decrease hidden costs such as absenteeism, turnover, quality defects, direct

productivity gap, lost customers and lost profits; and rise lifetime value of passengers as well as ROI of intervention research project during the years of 2017-2018.

#### **4.6 Chapter summary**

It is noteworthy that the first action plan helps the company to achieve sustainable performance in which immediate result is presented by profitability of inter-city limousine bus, potential gains are shown by gradual growth and market leader; otherwise, the company meets needs of internal and external actors. Besides, “strategic implementation”, “working conditions” and “work organization” dysfunctions, individual behaviors and organization structures are improved.

In conclusion, SEAM plays a critical role in exploring reasons of problems from internal corporate management, proving that 28 actions related to Corporate strategy, Organizational learning, Investment into new vehicles, Investment into new information technology and Reinforcing human resource in the period of 2015-2016 leads to higher service quality and organizational performance. However, the company should pay attention to decrease some hidden costs and improve some problems such as People and Process in the second action plan.

After successfully implementing the first action plan, the company’s top management understands that its sustainable improvement in performance depends on effective management of the company rather than solely on any marketing actions, no matter how vigorous.

## **Chapter 5 - Second action plan (2017-2018)**

The years of 2017 and 2018 are called extension phase or maintenance phase. It means that based on what has implemented in the first action plan, SME can request additional and in – depth intervention in order to reinforce the integration of socio economic management concepts and tools in its principal management functions and processes. The second period is

designed to audit the evolution of the enterprise's qualitative, quantitative and financial performances, periodically assess the enterprise's social and economic outcomes, and update strategic action plans and priority action plan, leading to sustaining the dynamics of progress.

General objectives for planned intervention in the second period are to consolidate, develop and maintain the installation of socio – economic management; and confirm the positive relationship between customer complaint management and organizational performance through SEAM. In order to achieve the two general objectives, some specific objectives are suggested as follows: suggesting new IESAP, PAP implemented by cross-functional teams, improving the company's profitability by standardizing process of providing the best service, launching marketing policies and adding more implications for human resource management.

In order to achieve these above objectives, the company should conduct the following activities such as collection and analysis of customer complaints through social media; diagnostic of dysfunctions and socio economic evaluation at the end of 2016; cooperative conception and development of innovative organizational solutions of SEAM; implementation of strategic action plans; and socio economic evaluation of the second action plan.

## **5.1 Collection and analysis of customer complaints through social media**

This part is the first step of customer complaint management process. Its objective is to explore what customers complain by collecting their complaints through social media and analyzing them. Outcome of this phase is to recommend problems of People, Process and Technology.

### ***5.1.1 Data collection of customer complaints through social media***

From the year of 2015, the company begins to use social media to directly interact with passengers. 183 collected complaints from Facebook pertaining to problems of 8 problems are coded into 20 outstanding pivotal ideas. Therefore, these pivotal ideas were



identified as the critical areas of concern requiring substantial improvements focused on the People and Process dimensions of customer relationship management.

### ***5.1.2 Analysis of customer complaints***

Customers' complaints on social media are represented in the Appendix 5.1a, 5.1b which show root problems including (1) Drivers with Bad mindset, responsibility, behaviors, attitudes, communication skills of drivers, (2) Service operations with Lack regulations, Procedure to provide service, (3) Call center staffs with Internal regulations, Bad communication skills of Call center staffs, Bad behaviors of staffs in Hanoi branch; (4) No marketing tools to make customers loyal to the company. Although customers complain other services such as express delivery and EMDDI, this dissertation just studies limousine service – flagship product of the company.

By evaluating the customers' responses at the end of 2016, the most important problem of the company is to improve Process of customer relationship management after launching new flagship service - limousine two years in order to defend what is successful. Process must assure on time service, vehicle maintenance, responsiveness strategy to customer complaints on social media, clear information about company's service to the public and customer policies to retain customers. Other problem called People of customer relationship management is drivers' and staffs' behaviors making passengers dissatisfied (Please see Appendix 5.2a, 5.2b).

## **5.2 Diagnostic of dysfunctions and socio economic evaluation at the end of 2016**

This step describes results from analysis of customer complaints from top management's and employees' viewpoints that are called horizontal and vertical intervention researches. Expected outcomes consist of dysfunction baskets and their specific actions.

### ***5.2.1 Analysis of customer complaints from top management's opinions***

Objective of this part is to suggest creative implications for top management. To do that, the company should experience two activities including Horizontal diagnostic inventory of the dysfunctions identified by top management and Cooperative conception and innovative organizational solutions from horizontal research.

### *5.2.1.1 Horizontal diagnostic inventory of the dysfunctions identified by top management*

In order to diagnose key dysfunctions found out by top management, steering team collected data from interviews with top management and formulated dysfunction baskets.

#### ***Data collection from top management's interviews***

After processing customers' complaints, the researcher in – depth interviewed top management of the company with 8 questions about strands of Process and People as presented in Chapter 2.

All collected data from interviews with top management are initially coded as presented in the Appendix 5.3 that was finished by top management's opinions at the end of 2016. Top management agrees with customer complaints and they are willing to improve 8 key ideas for better organizational performance, including On-time commitment – revised service process, Membership card, Monthly tickets, Drivers' behaviors, Staffs' behaviors, Vehicles, Organizational responsiveness on social media, and Providing information of the company's on social media. The 8 selected pivotal ideas will be continuously coded into 4 dysfunction baskets as indicated consisting of Commitment to improve service quality, Marketing policies, Human resource management and Vehicle maintenance.

#### ***Dysfunction baskets formulation***

The four dysfunction baskets are formulated from analyzing structures and behaviors in socio economic diagnostic of the organization as summarized in the Appendix 5.4.

Firstly, basket 1 is coded from pivotal ideas number 1 and 7, reflecting process and technology of customer relationship management. If Basket 1 is improved, it leads to change in technical structure and business department behavior. Process and technology are strategically oriented and a part of strategic implementation.

Secondly, Basket 2 is synthesized from key ideas number 2, 3, 8 that are membership card, monthly tickets and providing information of the company's on social media and responsiveness strategy. They represent technical structure and business department behavior in socio economic diagnostic of the organization according to SEAM. Then, they are coded into sub-theme “strategic implementation tools” and theme “strategic implementation” which is dysfunction.

Thirdly, Basket 3 is grouped by pivotal ideas number 4 and 5, manifesting Mindsets of structure and Individual behaviors in socio economic diagnostic of the organization. They are coded into sub-theme “Training-job appropriateness” and then dysfunction “Integrated training” in order to improve employees’ skills and behaviors as well as customer satisfaction.

Fourthly, basket 4 is coded by pivotal idea 6 reflecting technical structure and business department behavior of socio economic diagnostic of the organization, arranged into sub-theme “Strategic orientation” and finally dysfunction “Strategic implementation”.

#### *5.2.1.2 Cooperative conception and innovative organizational solutions from horizontal research*

After determining dysfunction baskets, the author develops cooperative conception and innovative organizational solutions. Appendix 5.5 describes 8 specific actions for 4 dysfunction baskets. All these 4 dysfunction baskets are matched with components of critical success factors.

Basket 1 consists of Process and People of customer relationship management in defensive marketing, so it describes Strategy component of critical success factors, supportive internal environment from organic approach of exit-voice theory and top management recognition to customer. Two actions for basket 1 compromise (1) revising the process in which controlling time in each step is appropriate to customers’ expectation, for example, starting to pick up customer earlier at least 15 minutes before departing, reducing transit time and effectively training drivers, and (2) proposing a plan to organizational responsiveness on social media. These actions prove our company’s commitment to the society. Outcomes of these two actions are standardized process, and to improve Person, Method in the Causal – Result diagram of Customer complaint management.

Aim of basket 2 is to increase customer loyalty by three actions as follows: Suggesting a membership policy, Designing discounted monthly tickets for loyal customers and Revising and uploading detailed information about all services on Facebook. Basket 2 with marketing policies illustrates Control of critical success factors because it is to make better service after success of previous years. From perspectives of organic approach of exit – voice theory,

marketing policies prove customer – oriented corporate culture through paying attention to customer complaints, customer satisfaction.

To improve dysfunction basket 3, two actions such as Training communication skills and driving regulations for drivers and Training communication skills and customer services/policies for staff including driving assistants, inspectors and call-center staffs. Human resource management in Basket 3 also proves Control component of critical success factors with some improvements of personnel activities in order to create supportive internal environment. It shows top management recognition and commitment to customer.

Basket 4 focus on vehicle maintenance that provide better vehicles for passengers, improve Machine in the Causal-Result diagram of Customer complaint management, meaning to bring about more values for customers, showing customer – oriented corporate culture and Control component of critical success factors for better service and paying attention to customer satisfaction.

To summarize, from top management’s opinions, the company should implement 4 dysfunction baskets and 8 specific actions in order to improve People and Process of customer relationship management at the end of 2016.

### ***5.2.2 Analysis of customer complaints from employees’ opinions***

In order to encourage employees to actively join organizational change, they must be allowed to voice their ideas about problems the company is facing. This stage is called vertical diagnostic inventory of the dysfunctions identified by top management. Besides, they also contribute suggestions in cooperative conception and innovative organizational solutions from vertical research.

#### ***5.2.2.1 Vertical diagnostic inventory of the dysfunctions identified by employees***

Regarding to vertically diagnose dysfunctions, the company has to collect data from interviewing employees and analyzing their opinions about what customers complain as well as internal weaknesses in management manner of the company.

#### ***Data collection***

After the first plan 2015-2016, some hidden costs are reduced; for example, turnover rate is decreased from 20% to 15%, absenteeism – from 10% to 7%. However, there are some more problems and the company wants to reduce turnover rate to 10%. Therefore, it's necessary to interview front line employees who play critical roles in decreasing customer complaints.

13 interviewees who were frontline employees were asked questions about what customers and top management think and their opinions about the company's problems. Questions are presented in Chapter 2.

### *Data analysis of employees' viewpoints*

Appendix 5.6a, 5.6b, 5.6c summarizes 25 pivotal ideas that are being intended to. They are coded into some main key ideas as follows: Overloaded HR-Administrative department (restructuring organizational chart), unclear internal regulations, rewarding (benefit) policies, coordination procedure between departments, internal communication, role of labor union, professional training program, promotion procedure for employees, Training program for managers, Vehicle maintenance and Organizational culture.

Appendix 5.7 concludes descriptive codes including pivotal ideas, describing structures and behaviors in socio economic diagnostic of the organization, formulating sub-themes of dysfunctions, pattern codes (dysfunctions) and then leading to stakeholder satisfaction.

Basket 1 named work assignment between departments is synthesized by pivotal ideas number 1, 4, 11, 17, 20, 25 that reflect overloaded Administrative department, Organizational chart, Work assignment and Organizational culture, making employees stressed and tired. So they are grouped into organizational structure and business department behaviors in socio economic diagnostic of the organization, coded into of sub-dysfunction "organization chart" and dysfunction "work organization" in order to reduce stress in employees' jobs, positively impacting customer complaint management.

Basket 2 titled regulation improvement is coded by pivotal ideas number 2, 5, 12, 16, 17, and 25 which are related to human resource management, for example, unclear internal regulations, coordination procedure between departments, promotion procedure and internal communication. Therefore, this basket indicates organizational structure and "organization

taken as a whole” behavior in socio economic diagnostic of the organization, under Regulations and procedures category and dysfunction “Work organization” of SEAM to improve the status of “disappointed employees”.

Basket 3 is synthesized by main key ideas 12, 13, and 15 that are professional training programs for both managers and front line employees. This basket illustrates mindsets structure and individual behaviors in socio economic diagnostics of the organization, formulating category of training – job appropriateness and dysfunction “Integrated training”, leading to customer satisfaction.

Basket 4 is named Labor policies because it is coded by key ideas such as rewarding, outdoor programs, financial aids and allowance. The dysfunction basket 4 describes Mindsets structure and Individual behaviors in socio economic diagnostic of the organization, forming “Personnel management” sub-dysfunction and “Strategic implementation” dysfunction of SEAM.

Basket 5 is called Vehicle maintenance with some pivotal ideas including old buses, broken vehicles, bad braking systems and electricity. They formulate technical structure and business department behavior, resulting in “strategic orientation” sub-theme and “strategic implementation” dysfunction in order to improve customer satisfaction.

#### *5.2.2.2 Cooperative conception and innovative organizational solutions from vertical research*

After coding 5 dysfunction baskets, the researcher develop cooperative conception and innovative organizational solutions that are 8 specific actions including (1) Redesigning the work assignment for departments, (2) Adding more internal regulations and promotion procedure, (3) Proposing coordination procedure between departments, (4) Suggesting internal communication procedure, (5) Promoting labor union to create activities as well as pay attention to share with stressed employees, (6) Providing professional training program for employees, and managers, (7) Suggesting rewarding policies /encouragement policies, and (8) Suggesting vehicle maintenance procedure (Please see Appendix 5.8).

In the Appendix 5.9, Basket 1 with actions related to work assignment between departments mimics “Structure of the organization” of critical success factors. Basket 2 with

outcomes of regulations and procedure reflects “Regulation” critical success factor. Basket 3 aimed at Labor policies manifests Incentive content. All dysfunction baskets are to make better working environment for employees. Therefore, they show one perspective of organic approach of exit-voice theory which is supportive internal environment by creating norms diffused to all employees of the company, proving that top management and the whole employees pay attention to improve customer complaints, making passengers satisfied.

All dysfunction baskets are aimed at making employees and customers satisfied because they are critical drivers to take the company defending its success.

### ***5.2.3 Socio economic evaluation at the end of 2016***

#### *5.2.3.1 Socio economic performance results*

As analyzed in Chapter 4 (Step 5, Part 4.5.3.1 and 4.5.3.2), although the company decreases hidden costs, for example, absenteeism, turnover, quality defects, direct productivity gap, lost customers and lost profits in comparison with the year of 2014; and rise lifetime value of passengers as well as ROI of intervention research project; the company must still makes efforts to reduce the costs, decline lost customer, lost revenue and continuously increase life time value of passengers. There are still 3430 customers leaving to buy limousine service of competitors leading to a potential profit loss of VND 8.232 billion.

Therefore, based on horizontal, vertical intervention researches and hidden cost analysis, Board of directors determines to implement the second action plan owing to defense strategy.

#### *5.2.3.2 Mirror effects*

The author presented selection of key mirror-effect points as the below table that includes themes of dysfunctions such as strategic implementation, integrated training and work organization.

**Table 16: Selection of key mirror - effect points at the end of 2016**

<p><b>Strategic implementation</b></p> <ul style="list-style-type: none"> <li>- In the service process the company cannot control time in each step resulting in customer complaints about not-on-time or delay.</li> <li>- Marketing employee hasn't been active, dynamic in planning to improve customer complaints, effectively managing complainers' personal information as well as announcing details of the services on the company's Facebook.</li> <li>- Limousine cars are complained about shocks absorber, strut and car sanitation.</li> <li>- Some marketing tools to make customer loyal haven't been implemented such as membership cards and monthly tickets.</li> </ul>
<p><b>Integrated training</b></p> <ul style="list-style-type: none"> <li>- Drivers are bad at communication skills and haven't been learned by heart driving regulations for drivers.</li> <li>- Call-center staffs are complained by passengers about communication skills and customer services/policies.</li> <li>- The company lacks professional training program for non-executive employees; and managerial employees such as managerial capacity and skills.</li> </ul>
<p><b>Work organization</b></p>



- Employees are not satisfied by mistakes conducted by overloaded HR department, inappropriate organizational chart.
- Non-executive employees feel stressed and tired feelings.
- The company is facing bad behaviors of employees accrued from unclear internal regulations, bad coordination between call-center department and others.

At the end of mirror effect, the leader agrees to work on projects within their scope to begin to reduce hidden costs. More specifically, the CEO decides to strongly improve service quality as committed, develop marketing policies and focus on human resource management.

#### *5.2.3.3 Integrated horizontal and vertical intervention research*

As explained before, the company will have to integrate dysfunctions from executive and non-executive employees' opinions. As a result, 3 dysfunction baskets and 12 specific actions for the period of 2017-2018 are coded from 4 dysfunction baskets with 8 specific actions of horizontal intervention research and 5 dysfunction baskets with 8 specific actions of vertical intervention research. The 3 dysfunction baskets of the second period are Commitment to improve service quality, Marketing policies and Human resource management.

### **5.3 Cooperative conception and development of innovative organizational solutions of SEAM**

Referring to suggest innovative organizational solutions for the company, steering team must explore problems of People and Process at the company, analyze hidden costs at the end of 2016 and propose specific actions for integrated horizontal and vertical intervention research.

#### *5.3.1 Problems of People and Process at the company*

After two years of implementing the action research (2015-2016), the company achieves good Technology of CRM. In 2017, the company just focuses on People and Process to provide the best quality service for customers.

Firstly, in terms of People problems, although the company trained employees but not all, they are still recounted by customers about their bad behaviors and communication skills because of lacking internal regulations. Some left employees are not satisfied on rewarding

and benefits because they receive only salary. Also, employees feel stressed because of overlapping works between departments or overloaded tasks, no meetings or dialogue between the management and employees, and inactive labor union.

Secondly, Process of CRM describes unclear regulations or lack regulations for each department, procedure to provide service, no marketing tools to make customers loyal, poor coordination procedure between departments, appearance of new rivals in limousine service market making the company to retain loyal customers. So, the company will have to focus on issuing standard regulations, procedure and marketing policies to become empathetic with customers. Process must assure on time service, vehicle maintenance, response strategy to customer complaints on social media, clear information about company's service to the public and customer policies to retain customers.

### ***5.3.2 Specific actions for integrated horizontal and vertical intervention research***

Action plans of horizontal and vertical intervention research are integrated into one action plan of the 2017-2018 periods with 3 dysfunction baskets including (1) Commitment to improve service quality, (2) Marketing policies and (3) Human resource management. Therefore, the action plan illustrates defensive marketing meanings that defend what the company achieved in the previous period of 2015-2016.

Three dysfunctions are chosen such as strategic implementation, work organization and integrated training. Strategic implementation will be more improved to support the company implementing defensive strategy by strategic implementation tools such as marketing activities in order to make customer loyal; training middle managers to change business department's behaviors and organizational structure. Work organization is expected to standardize process of delivering service to passengers by regulations and procedure to well coordinate all departments as well as change behavior of organization taken as a whole as well as organizational structure. Integrated training is enhanced based on training – job appropriateness to improve employee behaviors, skills, and the company's technical structure. Total specific actions for the period of 2017-2018 are 12 as presented in Appendix 5.10a, 5.10b. In this period, critical success factor should be strategy, processes, control and incentives.

In terms of *People*, integrated training dysfunction of SEAM is considered as a critical content in the action plan of 2017-2018, comprising of training programs for frontline employees and middle managers. Next to sub-theme of regulation/procedure and dysfunction of work organization are improved by adding more internal regulations and promotion procedure, suggesting internal communication procedure and promoting labor union. Besides, in order to make employees satisfied, strategic implementation of SEAM is conducted by suggesting rewarding policies for employees. All specific actions reveal regulation, incentives and control of critical success factors.

*Process* of CRM is changed by standardized process through work organization of SEAM by revising the process to provide on-time service, proposing a plan to organizational responsiveness on social media and redesigning the work assignment for departments. Moreover, from perspectives of customer oriented corporate culture, the company also revises strategic implementation of SEAM through suggesting a membership policy for loyal customers, revising, uploading detailed information about all services on Facebook and responsiveness strategy, and continuing vehicle maintenance procedure. These specific actions represent strategy and control of critical success factors.

To summarize, before implementation stage of SEAM, the researcher and organization actors explore problems of service quality dimensions, for example, Empathy, Reliability and Responsiveness; then find out critical causes in terms of People and Process, leading to suggest main solutions and specific actions in the second period of 2017-2018 as presented details in the below table “Recommendations for improvement at the end of 2016”.

**Table 17: Recommendations for improvement at the end of 2016**

<b>Problems</b>	<b>Critical causes</b>	<b>Main solutions</b>	<b>Specific actions</b>
<b><i>Empathy</i></b>	<b><i>People</i></b>		
Drivers are bad at mindset, responsibility, behaviors, attitudes, communication skills of drivers	<ul style="list-style-type: none"> <li>- Not all employees joined previous training programs.</li> <li>- Almost employees who are complained by customers are newly recruited.</li> </ul>	Human resource management	<ul style="list-style-type: none"> <li>- Training professional programs for frontline employees</li> <li>- Training program for middle-level managers: Management skills and Communication skills.</li> <li>- Suggesting rewarding policies/encouragement policies</li> <li>- Adding more internal regulations and promotion procedure</li> <li>- Suggesting internal communication procedure</li> <li>- Promoting labor union to create activities as well as pay attention to share with stressed employees</li> </ul>
<ul style="list-style-type: none"> <li>- Bad communication skills of Call center staffs</li> <li>- Bad behaviors of staffs in Hanoi branch</li> </ul>	New call – center staffs are newly recruited and haven’t had experiences and skills.		
<b><i>Reliability</i></b>	<b><i>Process</i></b>	<b>Main solutions</b>	<b>Specific actions</b>
<ul style="list-style-type: none"> <li>- Delays, wrong transit, wrong schedule</li> <li>- Improvement of service quality after receiving customer complaints</li> <li>- No clear information about service on the</li> </ul>	Service operations with lack regulations, procedure to provide service,	Commitment to improve service quality	<ul style="list-style-type: none"> <li>Standardized process</li> <li>- Revising the process to provide on-time service.</li> <li>- Proposing a plan to organizational responsiveness on social media</li> <li>- Redesigning the work assignment for departments</li> </ul>

company's Facebook			
<b>Responsiveness</b>	<b>Process</b>	<b>Main solutions</b>	<b>Specific solutions</b>
<ul style="list-style-type: none"> <li>- No membership cards for loyalty customers, discounted monthly tickets.</li> <li>- Limousine cars are not good at shocks absorber and strut</li> </ul>	No marketing tools to make customers loyal to the company	Marketing policies <ul style="list-style-type: none"> <li>- Customer interaction</li> <li>- Vehicle maintenance</li> </ul>	<ul style="list-style-type: none"> <li>- Suggesting a membership policy.</li> <li>- Revising, uploading detailed information about all services on Facebook and responsiveness strategy</li> <li>- Vehicle maintenance procedure</li> </ul>

#### 5.4 Implementation of strategic action plans

This part is the fourth step of customer complaint management process to instruct how a SME implements strategic action plans. There are two activities including approval of structured implementation specific action plans and recording implementation results of the second action plan

##### 5.4.1 Structured implementation of specific action plans

Due to structure implementation of specific action plans, the company should apply some management tools of SEAM, for example, Internal external strategic action plan, Priority action plan and Competency Grid.

###### 5.4.1.1 Internal external strategic action plan

Appendix 5.11a, 5.11b describes whether actors (Top management of the company) agree to implement them or not. One more new thing in this table is cross-functional team to do actions. Other studies found that customer-focused behavior, cross-functional teams, performance-based rewards, adaptive and responsive attitudes to change and a higher degree of risk-taking and innovation can contribute to a successful CRM implementation (Rahimi et al., 2016). Cross-functional team composes one member of Board of directors, and Heads of related departments.

Appendix 5.12 reveals more information about deadlines and individual responsibilities for each action. This table helps the company to effectively manage time during the

intervention research project. Basket 1-Commitment to improve service quality comprises three specific actions that are Revising the process to provide on-time service, Proposing a plan to organizational responsiveness on social media and Redesigning the work assignment for departments. Basket 2-Marketing policies composes Suggesting a membership policy, Revising, uploading detailed information about all services on Facebook and responsiveness strategy and Vehicle maintenance procedure. Basket 3-Human resource management consists of Adding more internal regulations and promotion procedure, Suggesting internal communication procedure, Promoting labor union to create activities as well as pay attention to share with stressed employees, Suggesting rewarding policies/ encouragement policies, Training professional programs for frontline employees and Training program for middle-level managers: Management skills and Communication skills.

#### *5.4.1.2 Priority action plan*

Some actions should be prioritized to be implemented first such as Revising the process to provide on-time service, Proposing a plan to organizational responsiveness on social media, Redesigning the work assignment for departments, Suggesting a membership policy, Revising, uploading detailed information about all services on Facebook and responsiveness strategy and Vehicle maintenance procedure (Please see Appendix 5.13). The reasons for this priority action plan are that standardized process for limousine service and marketing policies should be early offered to customers to reduce customer complaints on Facebook, retain current customers and attract new customers. The two priority actions will be expected to reduce customer complaints and get higher organizational performance.

#### *5.4.1.3 Competency Grid*

In terms of employee skills, frontline employees should still maintain the same skills as the first period of 2015-2016 because they just pay attention to how well interact with customers. However, top management and middle management have to develop more skills because actions in the second period 2017-2018 emphasize service operations, personnel management and policies for both customers as well as employees, so they should have time management, organization skills and management skills. Also, apart from communication skills, team

players and reporting skills, middle managers should daily use presentation skills and management skills. Please see Appendix 5.14.

#### ***5.4.2 Implementation results of the second action plan***

In the second time of conducting SEAM, stage 3's result is implementation plan started from February to October of 2017 with the participation of Board of directors and all Heads of divisions. Objectives of the second period plan are to improve social performance, retaining customers as well as employees for a sustainable development. It's worth noting that the company establishes cross-functional team to be responsible for actions that are Suggesting clear, specific regulations about process of serving customers, Redesigning coordination procedure between departments within the company as well as service operations to achieve the precise and on-time service, Redesigning the organization structure, reassigning functions for Administrative, Transport Management and Marketing departments, Rewarding, Promoting labor union, Promotion procedure, Improving customer interaction through Facebook, Member policies for customers, Better vehicles for passengers, Training communication skills for direct employees and Training plan for middle-level managers (See Appendix 5.15a, 5.15b, 5.15c and 5.15d).

The first action-Revising the process to provide on-time service is finished by redesigning coordination procedure between departments within the company as well as service operations to achieve the precise and on-time service. The company designed procedure from call center who receives booking from customers through hotline to driver division and limousine vehicle management division. All information flows are transferred by both emails and printed signed documents from Heads and Vice Heads of divisions to other Heads and Vice Heads through booking software. Call center is very important in requiring number of cars and drivers per day.

The second action- Proposing a plan to organizational responsiveness on social media is conducted by a plan to organizational responsiveness on social media is approved by CEO in which a committee of edition is established, regulations about time and contents of responsiveness are written, responsibilities and obligations of marketing employees are recognized.

The third action is Redesigning the work assignment for departments that is done as follows: Administrative department focuses on HR management and reporting to CEO. Marketing department receives event management from the Administrative department. The Department of transport management is redesigned with the service operations.

The fourth action - Adding more internal regulations and promotion procedure is conducted as the following: the company sticks regulations in front of each department for employees to comply with. Each department has different internal regulations for their employees because of different jobs of each department. Regulations reveal requirements about employees' consciousness, responsibilities and behaviors of employees. All drivers have to sign safety driving commitment at the end of each year for driving job next year. In terms of Promotion procedure: Employees have at least 3 years of working in the company. They join all professional training programs of the company and others. They receive at least 2 rewards from Board of directors. They are voted by their department and top management.

The fifth action is Suggesting internal communication procedure that is a formal communication. Once per week, a direct meeting and dialogue between Middle managers and their subordinates is planned. Managers have to improve their skills to build good, solid and constructive working relationships with employees, engaging employees in company's activities and strategies. Twice a month, two direct meeting between Middle managers and Board of directors. Once per quarter, a direct meeting between Employees and Board of directors is implemented. Middle managers have to list names of frontline employees who want to talk directly with Board of directors.

The sixth action is promoting labor union to create activities as well as pay attention to share with stressed employees. The top management divides labor union into 5 groups with 5 group leaders who will collect all information from members and pay more attention to employees. Labor union organizes singing and dancing contests for individuals and departments. Labor union also develops outdoor activities for employees two times per year.

The seventh action is suggesting rewarding policies/ encouragement policies. There are two types of rewarding including for individuals and for departments. Firstly, rewards for individuals consist of best employees in terms of their contributions to increasing sales, decreasing input costs, assuring successful functional strategies, overcoming difficulties,



developing corporate image in the public. Secondly, rewards for departments compose their contributions to increasing sales for the company. At the end of 2018, total payment for rewarding is VND170 million. Paid leave days are 4 days per month for staffs and 2 days per month for drivers.

The eighth action is proposing a membership policy. Gifts and Vouchers for special days such as International woman day, etc. with a discount of 50%. At the end of 2018, 151 passengers who buy tickets 120 times per year receive VIP cards for a discount of 10% per year.

The ninth action is Revising, uploading detailed information about all services on Facebook and responsiveness strategy such as improving customer interaction through Facebook. Services have no change in prices, operations, and they are uploaded fully and precisely on Facebook. One customer-service employee is responsible to check hourly customers' responses and contact with complainants from 3 to 6 hours after they complain.

The tenth action is vehicle maintenance procedure. On February 17<sup>th</sup> of 2017, vehicle maintenance procedure is signed, sealed and implemented in the company. All divisions have to comply with this statement.

The eleventh action is professional training programs for frontline employees. Professional training programs for frontline employees are organized on October 1<sup>st</sup> to 4<sup>th</sup> of 2017. The content of training is about communication skills and driving regulations for drivers; communication skills and customer services or policies for staff including driving assistants, inspectors and call-center staffs.

The last action is training program for middle-level managers. This program implemented on March 10<sup>th</sup> to 11<sup>th</sup> of 2018 with the content of Management skills and Communication skills.

To summarize, all 12 actions of the period 2017-2018 are successfully implemented, contributing to increasing customer satisfaction, employee satisfaction and better organizational performance.

## **5.5 Socio economic evaluation of the second action plan**

The last step of customer complaint management framework is socio economic evaluation of the second action plan. According to SEAM, before calculating hidden costs, the researcher must interview leadership team and some frontline employees about actions implemented. Almost interviewees believe that standardized process of providing service, marketing policies and training employees programs will increase customer satisfaction. Besides, employees are satisfied with rewarding policies and new regulations. Fewer customers complain about employee behaviors.

As previously revealing indicators for socio economic evaluation of customer complaint management, the company uses Economic and Social performance analysis at the end of 2018, Customer complaint management profitability at the end of 2018 and Analysis of hidden costs at the end of 2018.

#### ***5.5.1 Economic and Social performance analysis at the end of 2018***

According O'Connor et al (2008), corporate social performance is evaluated as follows:

##### **Economic performance**

The company achieves good economic performance at the end of 2018. Number of passengers' complaints is 98, decreased 46.5% compared to the year of 2016. Vehicle reparation cost is declined related to better responsibilities of drivers. Self – criticism minutes by employees every year is dropped from 21 in 2016 to 15 in 2018. The company's salaries are always higher than the average ones of transportation industry. Corporate income taxes paid of 2018 double the ones of 2016. In 2018, the company opens two branches in other provinces to take advantages of invested modern vehicles and other assets as well as conducting market diversification as presented in the corporate strategy. Fringe benefits, economic and others offered to employees are higher than the one of 2016 VND 2.7 billion. Productivity is VND 289,616,834 in 2018 better than 194,888,213 in 2016. Total revenue increases 1.2 times in comparison with the one of 2016. Total production of inter-city bus limousine in 2018 duplicates the one in 2016. Incentives for compensating initiatives and innovations are risen VND 70 million, encouraging employees to be enthusiastic and loyal to the company.

##### **Social performance**

Records of accidents are less than 8 fender-benders. Means developed within the company to prevent exclusion include compliance with law and company's regulations, customer – centered actions. Turnover rate is less at 10%. An absenteeism rate is 5% less than 7% in 2016. Recruitment times are twice per year, not continuously implemented as before. The company also offers 1 paid leave day per month for staffs and for drivers in comparison with 0 in 2016. There is a promotion procedure for employees' career development, for example, seniority: 3-5 years, achievement of rewards in at least 2 years and voted by top management. Terms of labor contract are added two more terms including rewards, encouragements, and social responsibilities of employees. Once per week, there is a direct meeting and dialogue between Middle managers and their subordinates; twice a month, there are two direct meeting between Middle managers and Board of directors; and once per quarter, there is a direct meeting between Employees and Board of directors.

At the end of 2018, Appendix 5.16 describes employee satisfaction at the end of 2018 about strands such as Commitment to improve service quality, improving working environment, and improving customer satisfaction. Almost employees are optimistic about what the company is doing in customer complaint management, pushing customer oriented corporate culture. Mean is ranged from 2.99 to 4.21, very high satisfaction level. It is the way to prove that combination of customer complaint management and SEAM are changing employees' thinking, attitudes and behaviors about the corporate strategy, providing customers best services in comparison with rivals and loyal to the company.

Appendix 5.17a, 5.17b, 5.17c summarize mean and standard deviation for commitment to improve service quality from perspectives of customer satisfaction at the end of 2018. Mean is ranged from 2.79 to 3.6, meaning that customers are very satisfied with appearance of personnel, behavioral tendencies towards laws, employee attitudes, direct employees' skills (Adhering to a Schedule, Adjusting to Unforeseen, Communication with passengers and Physical health), service operations (Procedure, Service quality, Vehicle and Equipment). Generally speaking, in 2018 the company gets higher satisfaction level of customers in comparison with the end of 2016. In summary, social performance is much better improved at the end of 2018 in comparison with 2016.

Therefore, it is confirmed that the action research from the end of 2014 to the end of 2018 by socio economic approach to management pushes the company to become the leader of Thai Nguyen province's passenger transport market.

### ***5.5.2 Customer complaint management profitability at the end of 2018***

The two models were recommended to calculate customer complaint management profitability named Stauss and Gupta's models.

#### *Stauss' model of customer complaint management profitability calculation*

From the beginning of 2017 to now, the company just focuses on improving what haven't well done and doesn't invest into new vehicles, so the costs are lower than the ones of 2016. Besides, the company's efforts to improve customer complaints are recognized by customers, so the customer base is risen 1000 people at the end of 2018 compared to the end of 2016.

It is worth noting that return on complaint management increased from 57.48% to 69.84% in 2017 and 324.34% at the end of 2018. Therefore, paying attention to customer complaint management is bringing benefits for small-medium-sized enterprises.

#### *Gupta's Model of Estimating Customer Lifetime Value*

From results of Chapter 2, the lifetime value in 2018 is VND 2,160,000, more than doubling the indicator of 2016. Life time value of customer base at the end of 2018 is VND 54,216,000,000, leading to 43.03% ROI. It is shown that customers pay more for many times of using the company's services.

### ***5.5.3 Analysis of hidden costs at the end of 2018***

There are some ways of calculating hidden costs as above presented, including hidden costs model of SEAM and Lakshmi's Model of Complaint Resolution and Loss of Customers.

#### *Hidden cost model of SEAM*

Although the company and intervention researcher tried their best to improve customer complaints and organizational performance through SEAM, dysfunctions still remains a little at the end of 2018, leading to appearance of hidden costs. However, hidden costs are significantly decreased in comparison with ones at the end of 2016.

Firstly, appendix 5.18 shows economic impacts of employees' bad behaviors at total of VND 2436 million, a considerable reduction compared to total of VND 3294 million in 2016.

Secondly, appendix 5.19 indicates employee turnover costs at total VND 195 million, less than a number of VND 260 million in 2016.

Thirdly, appendix 5.20 describes quality defect costs at total of VND 144 million, smaller than the one at VND 216 million of 2016.

Lastly, appendix 5.21 manifests economic impacts of direct productivity gap at a total of VND 46 million, a much fewer cost than the one of 2016 (VND 108 million).

Therefore, by analyzing hidden costs, the company defends success of the first action plan (2015-2016) with a great reduction of negative economic impacts of employees' bad behaviors, employee turnover, quality defects and direct productivity gap.

#### *Lakshmi's Model of Complaint Resolution and Loss of Customers*

As presented in Chapter 2, the number of lost customers at the end of 2018 is estimated 1996 people, much lower than 3430 passengers at the end of 2016. Therefore, potential undiscounted profit lost is calculated VND 4,790,400,000, equivalent to a 58% reduction compared to the year of 2016.

To summarize, the second action plan supports the company to defend their success from the first action plan. This maintenance phase enhances strategic implementation, work organization and integrated training, leading to improving individual, department behaviors, and organizational structure. It promotes strong profitability in short term and becoming a famous medium-sized enterprise of passenger transport industry in long term.

The company increases economic, social performances, customer complaint management profitability and life time value of passengers; decreases hidden costs, resulting in better organizational performance at the end of 2018.

## **5.6 Chapter summary**

SEAM plays a critical role in exploring reasons of problems from internal corporate management, proving that 12 actions related to standardized process, marketing policies and human resource solutions in the period of 2017-2018 leads to better service quality and higher

organizational performance, receiving customer trust and customer relational commitment to the sustainability of the SME.

From employees' perspectives, critical success factors such as strategy, process, and structure of the organization create intrinsic motivations for employees because of making them pleasure to work and believe in the company's development future. Besides, regulations and incentives of critical success factors contribute to build employee extrinsic motivations by making them satisfied through internal regulations, promotion procedure, internal communication procedure, labor union activities, rewarding, and training programs.

In conclusion, a combination of customer complaint management and SEAM increases employee satisfaction, improve customer dissatisfaction and rise organizational performance.

However, one weakness of this socio economic intervention research is to implement vertical action plans with under-developing internal management controllers and internal – interveners (employees). Besides, in the future, the company should offer special service discounts for loyal customers because these VIP customers are greater increasing with very high life time value; pay attention to employee attrition; promoting referrals of marketing; and applying ISO 10002 or issuing process guidelines, behavioral guidelines and outcome guidelines of customer complaint management process.

## **Chapter 6 - Discussion**

This chapter is aimed at comparing contents of action plans between fieldworks through SEAM and academic viewpoints of previous researchers who proved these actions are necessary for the organizations; and appreciating roles of SEAM in promoting the positive relationship between customer complaint management and organizational performance.

Chapter 6 comprises nine main contents as follows: Discussion about reasons to suggest the two action plans from academics perspectives, Discussion about results of the action plans implementation, Discussion about the methodological role of SEAM in the relationship between customer complaint management and organizational performance, Theoretical contributions, Managerial contributions, implications and recommendations, Methodological contributions, Theoretical considerations, Limits and constraints of the study and Recommendations for future researches.

### **6.1 Discussion about reasons to suggest the two action plans from academics perspectives**

The author collects evidences of previous studies to prove the two action plans of 2015-2016 period and 2017-2018 period important and appropriate to implement in business organizations.

### ***6.1.1 Discussion about reasons to propose the first action plan of 2015-2016 period***

The first action plan includes 5 dysfunction baskets with 28 specific actions. The action plan in the period of 2015-2016 is explained from perspectives of theoretical academics as follows:

#### ***6.1.1.1 Basket 1 - Suggesting related diversification strategy***

Outcome of the action is a new strategy statement including three main parts that are corporate strategy, business unit strategy and functional strategy.

#### ***Corporate strategy - related diversification, product and market development***

A diversified company has two levels of strategy such as business unit strategy and corporate strategy.

Corporate strategy illustrates Strategy dimension of critical success factors. Corporate strategy is the overall plan of a diversified company. “Corporate strategy concerns two different questions: what businesses the corporation should be in and how the corporate office should manage the array of business units” (Porter et al., 1987).

#### ***Business unit strategy - Inter-city bus limousine service***

The main characteristic of limousine service is to align service quality into new limousine service by maximizing value proposition for customers with characteristics of process, product and paradigm innovation based on 4Ps of Innovation Model by Bessant et al. (2015).

#### ***Paradigm innovation at the company***

“Paradigm innovation is changes in the underlying mental models which frame what the organization does” (Bessant et al., 2015). Paradigm innovation of the case study is to change philosophy that is to provide socially responsible service with safety and on – time passenger transport. Paradigm innovation reflects responsible and ethical values of customer – oriented corporate culture.

#### ***Process innovation at the company***

“Process innovation is changes in the ways in which they are created and delivered” (Bessant et al., 2015). The process of providing service is totally changed. The booking



system is set up to well prepare before consumption as well as reduce risks of over or under consumption. Customers have to call to hotline phone to book their seats. Also, customers are picked up and dropped off from and at their destinations. One more innovation is to establish direct channel with customers through phone call and Facebook where they can talk about what makes them satisfied or not satisfied.

#### *Product innovation at the company*

In this case study, product innovation includes mixed bundling and value proposition of inter-city bus limousine service.

The company launches new service – limousine that is highly qualified in which improve weaknesses of the current inter-city bus. According to Nada et al. (2015), “in agile and dynamic SMEs service design should be paid attention to be a top priority in innovating service”. The company decided to change ordinary low-priced inter-city bus to limousine service. This process is called service innovation that means continuously improving service quality, adding more customer values which haven’t been previously available to passengers. Moreover, the service innovation also is changes in service (qualified and highly – priced) and delivery process (convenient shuttle for passengers through hotline booking number) in line with market requirements that are dimensions of service quality such as empathy, reliability, guarantee, responsiveness of passenger transport service. Objective of service innovation as well as customer complaint management is to restore customer satisfaction.

Mixed bundling means integrating horizontal services by a combination of taxi and limousine bus to pick up passengers from their home to the destination as well as fast speed on the new high – way roads, reducing travelling time from 3 hours to 1.5 hours called. Designing value proposition - what value is contained in the service offered by the firm; “reflects a business-society dialog concerning the balance of economic, ecological and social needs as such values are temporally and spatially determined” (Boons et al., 2013). In order to create value as well as prevent competition risks, the company changes from individual service strategies to bundling strategies, leading to long term viability of services. According to Panou et al. (2015), “building on bundle value entails assessment of the value that customers assign to bundles and the alignment of business models to match this value”.

Value proposition of limousine service has five characteristics including Empathy, Reliability, Guarantee, Responsiveness and Tangibility. Empathetic service means that assistant drivers should be very enthusiastic. Besides, the gap between the expected service and the service perceived by the society becomes shorter, for example, reducing emissions to the environment, protecting customers' health, and committing safety for the customers. Also, it's given that the company should meet the minimum needs of citizens such as on time, value added service like free taxi for at least 2 kilometers, speediness such as not to be delayed or lengthen passenger's idle time, cleanness, and recovery from shipment delivery. Reliable passenger transport service should be interested in ticket's price which every passenger can buy it. Moreover, the company must pay attention to labor discipline, so the procedure is always on time, service workers are polite. On the other hand, if the company shows its strong commitment and fidelity, the passengers will rely on the company's brand. To make the passenger transport services guarantee, the company must be keen on how to make customer more safety and healthy by complying with laws, assure no theft, no accident, and implement periodically vehicle maintenance. To quickly respond the customers' demands, the enterprise should provide flexible services, convenient pick – up, convenient drop – off and promotion to loyal passengers. The last characteristic of socially responsible passenger – transport services is tangibility which is illustrated by environment protection, appliances such as water, tissues, Wi-Fi, plug-in; and vehicle's quality, for example, comfortable seats; or seats for the disable or area for wheelchair. The value proposition is a component of sustainable business model according to Ganescu et al (2012).

### ***Functional strategy - Offensive marketing strategy in the period of 2015 – 2016***

“Firms may implement offensive or defensive marketing strategies, or both ones” (Bolton et al., 1995). In this case study, launching new services needs an offensive marketing strategy that focus on advertising. Corporation identity program is designed to support offensive marketing strategy as well as developing brand name including logo, Facebook, song, card visit. Transporting passengers by limousine is the new flagship service of the company that should be promoted by the above offensive marketing strategy.

Therefore, basket 1 is predicted to improve three dimensions of service quality such as Empathy, Reliability, and Guarantee. Organization's proactive pursuit of new products and

new markets will be implemented. Supportive internal environment from organic approach of exit voice theory of Hirschman (1970) is shown by dimensions of service quality as well as sustainable development with expected higher economic performance. Otherwise, the new strategy is a category of the company's critical success factors. Besides, statement of the new strategy is approved by board of directors to prove top management recognition and commitment to customer oriented focus. Therefore, basket 1 is expected to change the whole company with better customer complaint management profitability, economic performance, social performance and decreased hidden costs.

#### *6.1.1.2 Basket 2 - Organizational learning*

This part describes roles of organizational learning in implementing a related diversification strategy and growth. It also illustrates how organizational learning is conducted at the company.

Organizational learning new services and new customer interaction from other successful companies should be focused to push internal growth diversification of the company.

Organizational learning provides evidences on how to best implement a diversification program for performance enhancement. "The motivation comes from prior evidence that establishes a positive relation between organizational learning and operating performance pertaining to strategic decisions" (Bergh et al., 2008). "Performance is conditional on the mode of diversification since internal growth diversification shows higher valuation effects than diversifications through acquisitions" (Andreou et al., 2015).

The basket 2 will create a transformation: change from learning to growth that will be expected to change processes with more creativeness and socialization focusing on customer orientation. Otherwise, learning solutions approved by CEO shows top management recognition and commitment to customer oriented focus. So, it is believed to change direct employees' behaviors and skills, resulting in higher economic performance because of satisfied and loyal customers' repurchasing actions.

In this case study, the company has to learn experiences of successful companies in other provinces before implementing related diversification strategy with the focus of new limousine service. It will result in changing thought of board of directors and all managers

about service innovation by assigning managers to go to other successful companies in Quang Ninh province in order to learn their new services, for example, learning about how to select departures and destinations (stations) in the journey Thai Nguyen – Ha Noi, learning about how to operate the service system with information technology, learning about how to directly interact with customers.

#### *6.1.1.3 Basket 3 - Investment into new vehicles*

This part indicates researchers' opinions about asset investment and vehicle purchasing in this case study.

Investment into new vehicles improves physical aspects of what is provided to users. New and safety vehicles build responsible and ethical values and the innovative spirit of the company. It enriches value proposition that was designed in service innovation, i.e. reliability dimension of service quality. Reliability is the ability to accurately accomplish what was promised. This action is the core of a business that provides long-term added value to shareholders, employees and customers leading to competitive advantage.

Regarding limited resources in human resource and finance, the company should prioritize value proposition and customer interface. The most important action in 2015 is socially responsible investment to achieve sustainable business model by buying new cars called Limousine D-Car of Ford brand name, and then the company starts to provide Limousine passenger transport service which assures quality characteristics of service in order to improve customer complaints and increase customer satisfaction. The action is to sell out old and broken cars. Total amount is VND billion 51 into buying new vehicles. Objectives of this action are to increase sales every year VND 10 000 million and improve economic performance of the company. In this case study, investment into new vehicles can be considered as socially responsible investment that is both “focused on the risk-return relationship of an investment and the impact of the investment on society” (Plantinga and Scholtens, 2001). “Investors not only want to achieve the goal of a return on their investment but also integrate their environmental, social and governance considerations into the investment decision” (Schueth, 2003).

Therefore, the basket 3 is predicted to improve service operations and customer service in order to achieve increased economic performance.

#### *6.1.1.4 Basket 4 - Investment into new information technology*

This part reveals information about what previous researchers conclude about roles of IT in service innovation; and how research outcomes are applied in this case study.

##### *Role of IT in service innovation strategy*

Investment into new information technology illustrates process innovation in Bessant et al.'s model (2011). Also, this action reflects technologies of critical success factors with IT, intellectual, technical capital, and technical provision; creating new customer interface in which how are downstream relationships with customer structured and managed; the customer interface motivates customers to take responsibility for their consumption. New customer interaction through diversifying social media and software: Facebook, hotline booking and software of booking. Facebook is a direct channel to receive responses from customers. Hotline booking and software of booking are for customers to book. Therefore, all staffs of call center should be trained skills and knowledge related to locations, destination maps and communication with customers. The action helps the company to make service guarantee and promote innovative spirit.

“Firm interest in adopting new technology is described by the technology acceptance model” (Davis, 1980). Technology application is a factor influencing marketplace competition as well as individual firm decisions to act offensively and/or defensively (Davis, 1989).

##### *Investment into IT at the company*

In this case study, the company should establish Booking hotline number, software to save and manage customer information from this booking hotline number and Fan page of the company. Messages transferred to passengers on social media include: Listen and learn from customer (business to customers), Collect and collaborate with customers (business from customers), Empower and engage customers (business with customer), Turn business toward societal issues and values representing corporate social responsibility. Complaint response time on social media is from 3 to 6 hours, creating perceived quality and credibility of fan

page. This action represents one of critical success factors – technologies specialized in information technology, describes customer oriented corporate culture from organic approach of exit – voice theory, and illustrates concern and use customer – contact personnel as a valuable resource capable of mirroring customer needs and concerns through booking system as well as their Facebook.

These are reasons why the company should invest into information technology owing to improve guarantee of service quality as well as better economic performance.

#### *6.1.1.5 Basket 5 - Reinforcing human resource*

This section contrasts three groups of actions at the company (e.g. customer oriented corporate culture in CCM implementation; improving bad working environment and stress employees; improving managerial capacity of middle – level managers) with research outcomes of previous studies.

#### *Customer oriented corporate culture in CCM implementation*

According to Schein (1992) organizations need to “involve a consensus on two sets of issues: - those which help the group adapt to the external environment; - those which help the organization to integrate, its internal process – internal integration of individuals in organization”.

In baskets from 1 to 4, customer – oriented corporate culture from organic approach of exit-voice theory is developed by accelerating a customer-centered vision in the new strategy, gaining the commitment of seniors, Translate vision and values into meaningful action, Develop customer culture behaviors at leader level. Basket 5 is enlarging customer – oriented corporate culture at individual level through reinforcing human resources with changes in new uniform for employees, changed organizational chart, and training communication skills for direct employees.

New uniform is consistent with highly qualified limousine service because it changes appearance of personnel.

Organizational chart is changed to make appropriate functions between departments of the company.

Training employees is to achieve better behavior and skills of direct employees, for example, Appearance of personnel, Behavioral tendencies towards laws and Bad Attitude, communication with passengers and other skills. Moreover, training programs will provide information about the company's new strategy, related diversification and customer-oriented corporate culture.

All the above sub-actions of human resource management represent Supportive internal environment (motivational processes) of organic approach of exit-voice theory. Finally, it promotes empathy and reliability of value proposition, leading to improve customers' complaints. Therefore, the basket 5 is expected to promote the company to achieve increased customer complaint management profitability, economic performance, social performance and decreased Hidden costs.

These above actions manifest responsible values and responsible human resources policies, reinforcing supportive internal environment (creating shared values). It also reflects one dimension of critical success factor that is organization structure-company management and promotes customer – oriented corporate culture by a philosophy “Satisfied employees make satisfied customers”. So, it is expected to improve guarantee dimension of service quality and social performance.

#### *Improving bad working environment and stressed employees*

The company should invest about VND 5 billion into upgraded and newly-built facilities. “Transforming organizational culture through building design and reversely, using workplace to shape organizational culture that performs the following functions” (Adler, 1986): integrates and adapts employees to the internal environment preserves and communicates the values and traditions of the organization. Good facility will promote employees' satisfaction as well as their loyalty.

Hoffman (2007) assumes that “corporate sustainability values and principles promoted by top management” will be widely shared and held by all organizational members, and “changes in the values of top management will translate into changes in actual practice throughout the organization” (Howard-Grenville, 2006). A study conducted by Linnenluecke et al. (2010)

points to “the importance of creating an organizational context which is conducive to the adoption of corporate sustainability”.

Internal regulations (punishment in the labor contract and labor commitment) are to control behaviors, attitudes and actions of employees as well as avoid negative ones. Internal regulations show formal processes used to support and reinforce ethical behaviors (Sims, 1992), leading to compliance behaviors (Etienne, 2011).

Before, the company loosened internal regulations, so now the company should tighten labor disciplines to assure fairness and justice between employees, as well as use soft method by developing outdoor activities such as picnic in short holidays, visiting ill employees and their parents/children at the hospitals. Moreover, the company reminds employees about customer – oriented corporate culture by slogan hang on the front of office “customers are paying salaries for us”. These actions reflect organization structure (company management) of critical success factors, pushes supportive internal environment by creating shared values and norms from organic approach of exit – voice theory and making employees satisfied, leading to get customer satisfaction. Therefore, the basket 5 is believed to improve empathy dimension of service quality with better direct employees’ behaviors and skills, leading to increase social performance.

#### *Improving managerial capacity of middle-level managers by training plan for middle-level managers*

In an organization, Toderi et al. (2015) proved to reduce psychosocial risks through supervisors' development. Supervisors' behavior development was proposed as an innovative intervention that can reduce psychosocial risks. Reducing psychosocial risks through supervisors' development plays an important role in human resource management. Improving managerial capacity of middle-level managers through training will be expected to increase employee satisfaction.

The training programs were evaluated on the following categories: Training content, Training method, Trainer him or herself, Training focus (behavioral or attitudinal). In this dissertation, training content consist of Management skills, Communication skills, in which focusing on Line managers’ managerial capacity to distribute tasks for direct employees such



as drivers because Irrational distribution of tasks results into unsatisfied employees, for example, some people are very busy, but some people have more spare time and lower salary; and Organizational culture is not strong enough to promote employees to work and understand managerial principles of the company. Management skills include Personal values of employees; psychosocial hazards work-related stress (mental stress) collaboration, decision – making, change management, service operations and innovation. Internal Communication skills: Organization’s strategy; Internal communication strategy (message, media); and External communication skills related to customer service. Besides, organizational culture is embedded into management skills and communication skills. Training middle – level employees will support the company to achieve better organization structure (company organization), promoting supportive internal environment and making employees as well as customers satisfied. The actions of this basket will make sustainable development for the company by improving reliability dimension of service quality with focusing on service operations through increasing top management’s qualification, resulting in better social performance.

### ***6.1.2 Discussion about the second action plan of 2017-2018 period***

This part analyzes service quality commitment, marketing policies and human resource management in defensive marketing strategy from theoretical perspectives as well as reality of the case study, showing these three dysfunction baskets meaningful in both academics and field.

#### ***6.1.2.1 Basket 1 - Commitment to improve service quality – Defensive marketing strategy***

Relationship marketing model includes trust, commitment, conflict handling (complaint management), communication, customer gratitude, reciprocity norm, customer loyalty. “Commitment is an enduring desire to maintain a valued relationship” (Morgan et al., 1994) and helps enterprises to achieve customer loyalty. Defensive marketing strategy and standardized processes are the two main points of improving service quality. Moreover, applying these concepts in the case study is also considered.

#### ***Defensive marketing strategy***

How businesses resolve customer complaining behavior effectively has been considered a “defensive marketing” strategy (Fornell et al, 1987) or a “zero-defections” strategy (Parasuraman et al, 1991), that offsets customer dissatisfaction.

Defensive marketing strategy is to facilitate the company’s commitment to improve service quality and decrease customers’ complaints. Commitment is diffused through social media to reinforce strong brand name. However, commitment should be conducted by standardized process that can assure to provide on time, fast, safety and take-good-care-of-passengers (or thorough) service.

#### *Standardizing processes*

Davenport (1993) defines “a business process as a structured, measured set of activities designed to produce a specific output for a particular customer or market”. “A business process is a complete, dynamically coordinated set of activities or logically related tasks that must be performed to deliver value to customers or to fulfill other strategic goals” (Guha et al., 1997).

#### *Conducting commitment to improve service quality at the company*

The basket 1 of the period 2017-2018 focuses on core processes to conduct commitment including (1) Revising the process to provide on-time service, (2) Proposing a plan to organizational responsiveness on social media and (3) Redesigning the work assignment for departments.

Firstly, standardizing process means that step-by-step coordination procedure between departments, started from call center, to driver division, and finally accounting department. All activities in each step assure precise information, so passengers will believe on – time service provided by the company.

Secondly, organizational responsiveness on social media reveals responding to customers’ complaints fast because the response speed is more important in online customer satisfaction than offline (Cho et al., 2002). The company is a passenger-transport company, just using Facebook to directly communicate with customers and receive their complaints, not an e-business as previous studies, but the company can learn to give faster feedback responses in an accurate and kindly manner from Cho et al.’s (2002) findings. Therefore, the company

should invest more into service quality, Facebook design, standardized processes, and operational policies. Besides, Facebook is a component of social media that provide numerous possibilities for consumers and other stakeholders to voice their complaints about organizations in public (Einwiller et al., 2014). While the reputation of an organization can be damaged by customer complaints through social media, “effectively handling complaints also bears considerable opportunities to win back complainants and to win over observers of the interaction” (Einwiller et al., 2014). It is the reason why the company should have a plan to organizational responsiveness on social media.

Thirdly, redesigning the work assignment for departments is to make reliable dimensions of service quality. The reason is that it will make work assignment more logic and reduce stresses in jobs, promoting standardized process in order to receive customer commitment.

In summary, the actions in the basket 1 of the period 2017-2018 represent Strategy category of critical success factors, supportive internal environment of organic approach of exit-voice theory and top management commitment to customer to achieve a standardized process for the flagship service of the company – Limousine passenger transport service.

#### *6.1.2.2 Basket 2 - Marketing policies*

In the period of 2017-2018, marketing policies should be supplemented to change from offensive to defensive marketing strategy in which the company will have to retain current customers and attract new ones by membership policy, responsiveness strategy on Facebook of the company, and vehicle maintenance procedure. Aim of the dysfunction basket 2 is to improve customer relationship management through marketing activities. All these actions will be expected to improve responsiveness dimensions of service quality from customer complaints analysis.

Firstly, from perspectives of membership policy, “the market share of a firm is generally positively correlated to its profit” (Buzzell et al., 1987). Therefore, increasing market share is one of the main targets of a firm. Hung et al. (2017) propose a multi-year membership pricing policy for service business like a gym chain in which membership pricing is long-term contracts. However, passengers cannot predict and plan seat bookings for long-term contract. Therefore, the company should give loyal passengers incentives after 1 year of using

Limousine service. Customers with the highest number of times per year will receive incentives.

Secondly, responsiveness strategy on Facebook shows that direct interaction with customers on Facebook is considered as an important task to be implemented in the year of 2017 by revising, uploading detailed information about all services on Facebook and responsiveness strategy. Weick et al. (2005) suggest that “mental model of business–customer interactions affect the sense making of social media”. In the year of 2020, after the action research, the company should focus on perceived quality and credibility of fan page. Therefore, revising, uploading detailed information about all services on Facebook and responsiveness strategy should be implemented immediately in 2017.

The last content of marketing policies in the company is vehicle maintenance in order to provide better vehicles for passengers, assuring safety service.

These are the reasons why customer service policies and procedures are formulated to help the company generate direction to best serve customers. There are certain things the company should do, can do and must do to create customer service policies and procedures. The company must use management and employee input to formulate best practices ideas to serve customers effectively.

All these actions after success of previous show that the company is paying attention to control what has been done, develop more customer – oriented corporate culture and pay attentions to customer complaints.

#### *6.1.2.3 Basket 3 - Human resource management*

In the extension stage of SEAM, human resource plays critical roles in defending the company’s success. Some activities support this phase, i.e. training direct employees and managers, labor policies, regulation improvement and internal communication.

Firstly, at the company, training direct employees and managers are prioritized to be implemented. Jalal Hanaysha (2016) proved that employee training has a significant positive effect on organizational commitment. In this action, direct employees are trained communication skills, and managerial employees are trained management and communication skills. The training program presents responsible and ethical values meaning

conducting their business reasonably to meet the demands of society. Also, it describes responsible behavior towards customers.

Training plan for employees reinforces category of control in critical success factors, as well as a component of defensive marketing strategy in order to retain current customers.

And the evaluation of the training's effectiveness was referred to four-level hierarchy (O'Donnell, 1990) defined as: (1) "Reaction of the trainee to the training program and the trainer is evaluated by how much the participants liked the program", (2) Learning: "Principles, facts, and techniques learned by the trainees are assessed", (3) Behavior: "The extent to which behavior or job performance has improved is analyzed", and (4) Results: "The extent to which there are organizational consequences that result from training is evaluated" (O'Donnell, 1990).

Secondly, the company should improve labor policies including adding more Rewarding or encouragement, Promoting labor union to create activities as well as pay attention to share with stressed employees and Promotion procedure.

The company has many types of punishments. Now the company develops more incentives that can push employees to do their positive actions from psychological perspectives, facilitating the fit between organizational strategy and culture.

Reward system is comprised of financial rewards and non-financial rewards, "contributing to the firm's effectiveness by influencing individual behavior and motivating employees at work" (Lawler et al., 1992). Besides, it is also one of the most preferred factors in providing satisfaction to employees (Schuler et al., 1987).

Thirdly, regulation improvement is implemented in the case study with the focus of internal regulations and promotion procedure.

### *Internal regulations*

Internal regulation (also called directive, guideline, code, instruction etc.) which is an internal normative act of an employer regulating rights and obligations of its employees.

Internal regulations of employers must be pursuant to Labor Law of Vietnam No 10/2012/QH13 issued in the year of 2012 and Decree No 05/2015/NĐ-CP; started from

regulations of labor relations, then to procedure of issuance of internal regulations and their relations towards collective agreements. The regulation has been selected for its comprehensiveness and importance for the company. This action research in the period of 2017-2018 recommends issuance of two independent internal regulations related to the term of normative legal act and legal acts, immediately connected with the nature of internal regulation regarding to consciousness, behaviors and responsibilities of direct employees such as drivers and call center staffs.

#### *Promotion procedure*

Promotion is an important organizational procedure for employees too, as they manage their professional career depending on their perceived chances of moving upward within an organization (Kaplan et al., 2006), impacting job satisfaction of employees.

Promotion procedure has two main components that are promotion systems and transparency (Kaplan et al., 2006).

Fourthly, relation between business strategy and internal communication are discussed, including internal communication procedure and developing labor union's activities. Specific channels and instruments should be used, while the information given ought to be comprehensible, consistent and relevant to an employee's situation (Baron, 2006).

There are formal and informal channels of communication in the company. Formal communication is usually used for official announcements, major policies, processes, reporting, and high-level communication from senior executives, creating awareness, building understanding. Informal communication is indicated in some ways such as face-to-face informal communication between a manager and an employee (Baron, 2006), rumors and gossips, unofficial after-work meetings, supporting workers initiatives concerning local community life, charity, sport, culture or education, workgroups, Management by Walking Around-visiting employees at the workplace by manager (Dunmore, 2002).

Internal communication plays a vital role in the functioning of every organization to make well-informed, satisfied and appreciated employees that become the most reliable source of information about the enterprise and its products. Each internal communication program has

three essential areas of interest including hierarchical communication, mass media communication, and the informal networks of invisible communicators (Withworth, 2006).

In this case study, problems of internal communication at the company is lacking meetings, dialogue between managers and employees, top management and employees. Therefore, formal communication is prioritized to implement. Especially, middle managers should be able to build good, solid and constructive working relationships. Secondly, they need to have the ability of engaging employees in company's activities and strategies. Managers should discuss with personnel and try to reach shared agreement to which workers will feel completely committed.

*Promoting labor union to create activities as well as pay attention to share with stressed employees*

Promoting labor union to create activities as well as pay attention to share with stressed employees:

In Vietnam, labor union is established to unite employees, make them more engage the company, share financial and non-financial contributions with them when they face difficulties in their life. Good labor union will enhance the spirit of unity and agreement in the company. Besides, labor union's responsibilities also create outdoor activities to improve working environment for employees.

In summary, once again, customer complaint management is more developed at both corporate and individual levels. Basket 3 supports the company to improve integrated training, strategic implementation and work organization of SEAM by controlling, representing supportive internal environment to customer complaint management and paying attention to customer satisfaction. In the year of 2017, the company has to defend successful outcomes and strongly conduct organizational commitment in the defensive marketing strategy of the second period 2017-2018 by some actions such as training plan for direct and managerial employees, labor policies to reduce work-related stress, and regulations for employees.

## **6.2 Discussion about results of the action plans implementation**

This part illustrates organizational context of the company, action plan implementation from 2015 to 2018 and answers for research questions.

### ***6.2.1 Organizational context of the company***

The company Corporation was established in the year of 2003 in Thai Nguyen province. In 2014, this is a SME with 250 cars, multi-business (taxi, bus, inter-city bus, fast delivery service, garage), and 338 employees. Even though the company tried to compete with rivals through advertising, number of customers was increasingly decreased. Customers complain a lot about service quality such as components of CRM, for example, people, process and technology. These are reasons why the company is facing many problems related to organizational performance as follows:

*Firstly*, in terms of economic performance, profitability ratios of the company in general and inter-city bus (flagship service) of the company in specific are very low in comparison with the average industry. From perspectives of service innovation, the company didn't invest into the new ones for many years before 2014. Customers complain mainly about bad service quality and they leave to buy services of competitors.

*Secondly*, in terms of social performance the company is facing fluctuated number of direct employees with high turnover rate every year at 20%. Only front-line employees such as drivers and staffs are always fired or quit their jobs mainly because of their dissatisfaction on line management, job, leadership, working environment, training and development, compensation (Salary, allowance, rewards), ineffective work assignment, performance and rewards management.

Therefore, the company should do something to improve low profitability and high turnover rate of direct employees by finding out reasons and negative outcomes. It means that SEAM will be used to prove dysfunctions as well as hidden costs which are the foundation of suggesting action plans related to management culture in promoting customer complaint management that combines some sub-strategies in the period of 2015-2018 for one flagship product that is inter-city bus. Inter-city bus is in the trouble period with gradually decreased profits. The main reason is that customers are not satisfied about service quality of inter – city bus, for example, Empathy, Reliability and Guarantee dimensions of service quality.



### ***6.2.2 Action plan implementation from 2015 to 2018***

This final chapter summarizes what has been doing in the company over the period of 2015-2018. This action plan results in better organizational performances for the company.

In the 2015-2016 period, the actions are Planning workshops, Learning and growth, Doing market research, Setting up clear budget, Writing and submitting the strategy plan: Offensive marketing strategy, Outsourcing a company to design The company brand name: Corporation Identity program (Logo, Facebook, song, card visit, etc.), Design highly – qualified service, Finding and selecting software companies, Investment into new vehicles, Recruiting new employees for call center, Training call center's employees to interact with customers in providing new limousine service, Investment into new information technology, Recruiting new employees for the division of marketing, Training them skills to communicate with customers through social media, Facility upgrade, Bad working environment and stressed employees, improving managerial capacity of middle-level managers. Outcomes of these actions help the company to improve economic performance.

In the 2017-2018 period, the actions are Suggesting internal regulations, Redesigning coordination procedure between departments, Redesigning the organization structure, reassigning functions, Rewarding/encouragement, Promoting labor union to create activities as well as pay attention to share with stressed employees, Bring about more values for customers, Training communication skills for direct employees. The continuous actions next to the first period facilitate the company both positive change in economic and social performances.

Actions were suggested from socio-economic diagnostic of organization. In this technique, dysfunctions and hidden costs are explored. In the period of 2015-2016, dysfunctions were strategic implementation (strategic orientation, information system), working conditions (physical conditions of work, equipment and supplies), work atmosphere, work organization and distribution of tasks, missions and functions. These dysfunctions are rooted from weaknesses of structures and behaviors. The SEAM methodology helps the company to find out reasons of customers' complaints as well as what should be done. Actions illustrate categories of management culture including corporate strategy, functional strategy (offensive and defensive marketing strategy), processes, technologies, organization structure, control

and incentives. Those categories of management culture present components of organic approach of exit-voice theory and values of customer oriented corporate culture.

Themes, sub-themes, and management tools such as Internal-External Strategic Action Plans, Priority Action Plan, Competency Grid, and Time Management to propose action plans as well as clarify the strategy of the company for the coming three to five years, create inventory of actions cascaded to all departments, view actual available expertise of a team and the organization, improve the planning of activities, reduce shifting of functions, and expand the time specified to change management, consolidate qualitative, quantitative and financial indicators. So, SEAM is very important to prove that contents of hypothesis are true and appropriate to the context of Vietnam.

This research confirms that small and medium sized enterprise in Vietnam can improve organizational performance by combining customer complaint management and SEAM approach. The ways to improve Empathy, Reliability, and Guarantee are achieving Strategy, Processes, Technologies, and Organization structure of critical success factors through SEAM approach in the 2015-2016 periods. Solutions to improve Empathy, Reliability, and Responsiveness are getting Strategy (socially responsible corporate strategy and defensive marketing), Control, and Incentives of critical success factors through SEAM approach from the year of 2017 to 2018.

### ***6.2.3 Answers for research questions***

This part describes how the author tests central core hypothesis and answers five research questions as presented in the Introduction part of the dissertation.

**Central core hypothesis:** It's possible for a SME in passenger transport service industry to improve organizational performance by implementing customer complaint management through socio economic approach to management for inter-city bus service.

To answer the central core hypothesis, actors need the two action plans. Why should the company implement 5 – step customer complaint management framework? Customer complaint management is a process including the five steps. The beginning point of this process is to analyze what customers complain on the service quality of the company. By

applying SEAM to suggest action plans related to customer complaint management, the company gets better organization performance.

The critical reasons of customer complaints are bad service quality without value propositions such as empathy, reliability, guarantee, and responsiveness. Customer complaint management's perspectives are person, method, machine and environment, then coded into components of customer relationship management including People, Process and Technology. From customer complaint management, external and internal causes of People, Process and Technology failure to meet dimensions of service quality are explored.

The dissertation aims at exploring how a small and medium sized enterprise in Vietnam implement customer complaint management in order to achieve better organization performance. To answer this research question, a more refined analysis is performed by answering five sub-research questions (SRQ).

Sub research question 1: What do customers complain?

Sub research question 2: Why do customers complain from employees' viewpoints?

Sub research question 3: How does a SME improve customer complaints?

Sub research question 4: How does a SME implement strategic action plans?

Sub research question 5: How does a SME evaluate its organizational performance after solving customer complaints?

Five answers of these questions are 5 steps of customer complaint management using SEAM methodology. This finding is new and different in comparison with the novel framework for customer complaint management of Hsiao et al (2016).

#### *6.2.3.1 Step 1 – Diagnosing customers' complaints*

In the first step, based on customers' opinions, the researcher reveals weaknesses of service quality from customer complaints analysis at the end of 2014 and 2016. Customers' complaints are analyzed using cause-effects diagram to determine dimensions of service quality.

At the end of 2014, the company should do something as follows: changing service to adapt fluctuation of the external environment by implementing new corporate strategy, offensive marketing strategy to improve bad service.

At the end of 2016, the company continues to training employees, compensating them, reassigning tasks and regulations for departments, standardized procedure for limousine service, new marketing policies, increased activities of labor union, standardized express delivery and diffusing customer – oriented culture to the whole company. These are defensive marketing strategy.

#### *6.2.3.2 Step 2 – Diagnosing sources and causes of customers' complaints from employees' viewpoints*

In the second step, dysfunction baskets and hidden costs inside corporate management from service quality's disadvantages based on socio economic approach to management are explored based on socio economic approach to management from employees' opinions.

At the end of 2014, after horivert process in the first stage of SEAM – diagnostics, dysfunction baskets are to create a strategic change, redesign the flagship product (inter-city bus) and develop customer – oriented corporate culture, for example, learning successful companies' models, new strategy (offensive marketing strategy with new limousine service that hasn't been occurred in Thai Nguyen province), new investment into modern vehicles and infrastructure, strengthen human resource to organizational change reflecting both three components of customer relationship management that are People, Process and Technology. Diagnosing results of SEAM suggest dysfunctions comprising of Strategic implementation, Working conditions, Work atmosphere and Work organization, that will support the company to achieve good organizational performance that is economic performance prioritized in the period of 2015-2016.

At the end of 2016, new customer complaints are pushing the company to continuously upgrade service quality. Therefore, the three dysfunction baskets in this table are suggested to help the company conducting defensive marketing strategy that means defends what the company achieves. They focus on commitment, new marketing policies and human resource to retain customers who will be expected to be loyal to the company. They are only Process

and People components of customer relationship management, focusing on Work organization, Strategic implementation and integrated training of SEAM dysfunctions. After improving these dysfunctions, the company will defend its branding and success.

### *6.2.3.3 Step 3 – Suggesting strategic action plans*

At the end of 2014, 28 specific actions resulted from Stage 2 of SEAM named Cooperative conception and development of innovative organizational solutions. In this first period (2015-2016), an offensive campaign will be implemented to launch new service, leading to preparation actions such as building customer – oriented corporate culture by workshops about business environment and customers for all employees, doing market research, designing The company brand name, designing highly – qualified service called limousine, training skills for employees, starting to use social media to interact with customers (Facebook) and recruiting employees specialized in marketing. Besides, some supportive actions are conducted, for example, Assigning employees to learn other companies, Setting up clear budget, Writing the strategy plan, Preparing capital to buy new tens of cars, Finding and selecting software companies, Upgrading offices, parking and branches with the better infrastructure, New uniform for employees, Changing organizational chart and issuing internal regulations to control employees' behaviors. The offensive marketing strategy is expected to bring about good economic performance for the company.

At the end of 2014, the 28 actions grouped into 5 dysfunction baskets that represent critical success factors such as Processes, Technologies and Organization structure. Besides, these actions show perspectives of organic approach of exit-voice theory, for example, Supportive internal environment (creating shared values and norms) and Customer-oriented corporate culture. Moreover, they describe aspects of Customer – oriented corporate culture (Parasuraman A., 1987), composing of (1) Top management recognition and commitment to customer oriented focus, (2) Pay attention to customer complaints, customer satisfaction, and (3) Concern and use customer-contact personnel as a valuable resource capable of mirroring customer needs and concerns.

At the end of 2016, the second period's (2017-2018) specific actions focus on improving social performance in which the company continues to increase customer and employee

satisfaction. Therefore, the company reinforces service quality such as standardized coordination procedure between departments to provide on-time service; improve customer relationship through good interaction with passengers on social media, attractive policies for them and good cars. Besides, from perspectives of personnel management, the company creates good working environment by reassigning responsibilities and functions for departments, offering encouragements, training skills for them. All 12 actions will be expected to make customers loyal to the company and retain employees. Customer complaint management and SEAM help the company to change internal management to be appropriate to external factors.

The three dysfunction baskets of the 2017-2018 periods manifest Strategy, Control and Incentives of critical success factors. The 12 actions express Supportive internal environment and Customer-oriented corporate culture of organic approach of exit – voice theory. They depict top management recognition and commitment to customer oriented focused and their attention to customer complaints, customer satisfaction.

#### *6.2.3.4 Step 4 – Implementing the action plans*

##### *First period (2015-2016)*

Board of directors approves the 28 actions with deadlines and tasks for specific individuals. The time for these actions is from January of 2015 to July of 2016. Especially, Board of directors must organize workshops, do market research, conduct Corporation identity program, design inter-city bus service, new customer interaction and upgrade infrastructure.

The last actions related to human resource management are implemented by Head of Administration and personnel management department, composing organizational learning, recruiting new employees for call center and division of marketing, training new employees communication skills, suggesting regulations for employees, proposing new uniform, changing organizational chart, planning and implementing training programs for middle level managers. Besides, accounting and finance department is responsible to select capital sources for new investments; and Transport department must recommend information technology in February of 2015.

In conclusion, owing to preparation for a strategic change, not only heads of department, but also board of directors must act to implement the new strategy, improving economic performance.

#### *Second period (2017-2018)*

The second action plans are to improve social performance by making customers and employees more satisfied for a sustainable development of the company. It is noteworthy that cross-functional teams are established to implement actions. Each team consists of director/vice director and some heads of departments. Aims of these teams are to create perfect coordination between departments as well as make actions successfully implemented. Actions in this period are Suggesting clear, specific regulations about process of serving customers, Redesigning coordination procedure between departments within the company as well as service operations to achieve the precise and on-time service, Redesigning the organization structure, reassigning functions for Administrative, Transport Management and Marketing departments, Rewarding, Promoting labor union, Promotion procedure, Improving customer interaction through Facebook, Member policies for customers, Better vehicles for passengers, Training communication skills for direct employees and Training plan for middle-level managers.

In conclusion, total 40 specific actions are assigned to specific people with detailed deadlines.

#### *6.2.3.5 Step 5 – Socio economic evaluation of implementing customer complaint management*

This step of CCM framework analyzes indicators of effective CCM such as customer complaint management profitability, economic performance, social performance and hidden costs from 2015 to 2018 in the case study.

##### *Customer complaint management profitability*

According to Stauss's model of customer complaint management profitability calculation, return on customer complaint management is positively fluctuated such as 91.28% (2015), 57.48% (2016), 69.84% (2017) and 324.34% (2018). The ROI fluctuation is come from sales

jump during the period of 2017-2018. These successes are outcomes of continuous improvement efforts of steering team and all employees of the company.

According to Gupta's model of customer complaint management profitability calculation, at the end of 2016, the return on investment of intervention research project is an impressive 50% and at the end of 2018, this indicator is 43.03%.

Therefore, customer complaint management profitability indicators are very high, confirming the right actions of customer complaint handling.

#### *Economic performance at the end of 2014, 2016 and 2018*

After implementing customer complaint management, from perspectives of economic performance, the company decreased Risk of failure of customers, Risk of failure of machinery and Risk of failure of labor. Besides, competitiveness of the company is gradually increased through higher average wages, higher corporate income taxes paid and higher revenue from new branches of the company.

Also, Profitability, Productivity, Total revenue and Total production per each flagship type of business are grown every year. Two of reasons for this growth are that organizational change with innovation investment into new inter-city bus service called limousine and rewarding (incentives) for good employees.

#### *Social performance at the end of 2014, 2016 and 2018*

Although the first period action plan focused on economic performance, it also contributes to improve social performance. From 2016 to 2018, employee satisfaction index is raised up because of better human resource management, for example, increased number of training programs / hours of training, number of employees trained, professional development. Customer – oriented corporate culture is developed by implementing Means developed within the company to prevent exclusion such as Not allowed to drink alcohol, drugs and other stimulants, Comply with traffic law of the government, Comply with the company's regulations, Customers are right in any case, Customers pay salaries for us, Meet all demands of customers. Therefore, the company decreased number of accidents and turnover rates.

#### *Hidden costs*



SEAM plays critical roles in improving hidden costs. The action plans support the company to make hidden costs be on the decline. Detailed calculation of all hidden costs will be specifically represented in Chapter 5, describing decreases in hidden costs such as absenteeism, employee turnover, quality defects, direct productivity gap and hourly contribution to value – added on variable costs (HCVAVC). Although number of hours worked per year is raised, but HCVAVC is reduced, reflecting that sales is strongly increased. There is no denial that the action plans significantly contributes to the company development.

According Lakshmi's model, the company decreased lost customers and lost revenue from 3430 customers – VND 8.232 billion in 2016 to 1996 customers – VND 4.7904 billion in 2018.

To conclude, it's possible for SMEs in developing countries to achieve better organizational performance by implementing customer complaint management through SEAM, that is proved to be linkages between customer loyalty and profitability, as well as the technological improvements in identifying and tracking customers, contributed to the growing interest in relationship marketing (Berry, 1995).

### **6.3 Discussion about the methodological role of SEAM in the relationship between customer complaint management and organizational performance**

This part explores disadvantages of previous customer complaint management frameworks without using SEAM methodology, and superiority of SEAM in combination with customer complaint management process.

#### ***6.3.1 Discussion about customer complaint management framework without SEAM***

The researcher discusses the two customer complaint management frameworks suggested by Hsiao et al. (2016) and Arash et al. (2014) as well as their weaknesses in comparison with SEAM.

##### ***6.3.1.1 Hsiao's customer complaint management framework***

Hsiao et al. (2016) hasn't recognized that at the aggregate and strategic level over individual complaint handling effects of implementing CCM are not only to get service quality improvement, but also to improve organizational performance; CCM is not only

improve customer complaints but also improve many aspects of organizational performance. Their outcomes of customer complaint management are quite sketchy with only number of complaints per month, the percentage of working time spent on addressing customer complaints. These indexes don't represent whether customer complaint management is effective or not. Moreover, it's better to implement a qualimetric intervention research to prove that, because according to SEAM analysis of actions is based on qualitative, quantitative and financial data.

Besides, in action research, there are four main themes consisting of empowerment of participants, collaboration through participation, acquisition of knowledge and social change. In Hsiao's five-stage customer complaint management framework, employees are not engaged in this strategy. But SEAM is good at aligning employees to strategic actions and accelerating the relationship between employees and the company by conducting horizontal and vertical intervention researches where top management and shop-floor employees are allowed to take part in diagnostics, strategic planning, implementation and evaluation of actions. Therefore, employees from managers to frontline staffs actively participate in doing action plans. According to Meyer (2000), participants' perceptions and willingness to collaborate in the process of organizational change is one of major characteristics of action research.

Previously, Hsiao et al. (2016) also criticized customer complaints handled at the individual level addressing the symptoms rather than the causes of customer dissatisfactions. So, the sub – research questions of this study show modified framework of customer complaint management by exploring dysfunctions from structures and behaviors in socio economic diagnostic of the organization (Savall et al., 2008).

Hsiao's framework has five phases such as defining, measuring, analyzing, improving, and controlling supported by facilitating tools including service management system, voice of customer analysis, process flowchart, decision tree analysis, service quality model and so on. Although their framework is logics and tested in a restaurant in Taiwan, limitation of the framework is not to be appropriate to a strategic change in the case of replacing old services or service innovation as well not suggesting “soft executive tools” to promote employees attending in customer complaint management. Therefore, this dissertation suggests using

socio economic approach to management methodology to change a flagship service of the company and to reduce employees' resistance.

There are two “soft executive tools” in this research. Firstly, the intervener – researcher and the top management of the company pull employees to take part in all the four stages of SEAM through interviews, then evaluate their key ideas, and lastly select appropriate ideas to be suggested in action plans as well as implementation after that the steering team also collects their ideas about results of conducting the action plans. Secondly, motivational processes are occurred to change employee psychology. 48 specific actions are successfully implemented to achieve objectives of People, Process and Technology. Objectives of People are to make employee satisfied and loyal to the company. The ones of Process are to deliver inter-city limousine bus to passengers in the case of the best service compared to ordinary inter-city bus; and promote customer – centered business process by improving direct interaction with customers as well as long term quality of customer service. The objectives of Technology are to improve information flows between internal departments of the company and between the company and individual customers. From these perspectives of customer relationship management, critical success factors that are designed to attain the above objectives of People, Process and Technology include regulations, incentives and organization structure for People; strategies, processes and control for Process; technology and information systems for Technology. Employee actions are based on their satisfaction resulting in owning well – served satisfied customers.

It's distinguished that this dissertation improves limitations of Hsiao's study by approaching customer complaint management at strategic level, embedding SEAM into customer complaint management, and evaluating performance of customer complaint management from perspectives of customer complaint management profitability, economic performance, social performance and hidden costs.

#### *6.3.1.2 Arash's customer complaint management framework*

Arash (2014) also recommends a customer complaint handling process with seven steps such as (1) document voice of customer, (2) translate voice of customer into customer needs or problems, (3) analyze and solve the problem, (4) exploit customer needs, (5) update actions

to avoid recurrence, (6) share solutions with affected customers, and (7) update system performance measurements. Arash's research is approached from empowerment focusing on solving customer complaints, but it hasn't been covered strategic change, it just stops at individual complaint handling with problems solving rather than in-depth causes.

### ***6.3.2 Advantages of SEAM in combination with customer complaint management framework***

The author explains why SEAM is preferred than other types of action research to be aligned with customer complaint management due to increase organizational performance at SMEs. There are five advantages composing Superiority of socio economic diagnostic, Strength of maintenance or extension phase of SEAM (the second action plan of 2017-2018 period), Reinforcement of structured actions to organizational performance, Similarity between socio economic evaluation and organizational performance, Employee motivations in organization change. This CCM framework assures a clear service innovation strategy of Tidd & Bessant' innovation process model (2011) including Search (finding opportunity for limousine service innovation), Select (what and why the company should do), Implement (how the company makes action plans happen), Capture (how the company gets benefits from action plans).

#### ***6.3.2.1 Superiority of socio economic diagnostic***

SEAM is the best methodological choice for customer complaint management. In SEAM, dysfunctions are rooted from Horivert method consisting of horizontal interventions engaging top management; and vertical interventions which engage both management and personnel. "Dysfunctions are reasons from internal factors formulated by on – going and complex interaction between five types of structures (physical, technological, organizational, demographic and mental) and five types of human behavior (individual, trade, group, occupational group, affinity group and collective) creating activity thrusts that constitute the enterprise's observed functioning" (Savall, 2008). Dysfunctions are formulated from structure and behaviors in socio economic diagnostic of the organization that are Strategic implementation, Working conditions, Work organization and Integrated training, appropriate to aggregate complaint aspects of customer complaint management at strategic level and

supportive internal environment from organic approach of exit – voice theory as well as employee participation into this strategy of the company. Each dysfunction basket is to make stakeholder satisfaction (both customers and employees), while Hsiao just intends to customer satisfaction.

#### *6.3.2.2 Strength of maintenance or extension phase of SEAM*

This study suggests step-by-step SEAM procedure with two periods (2015-2016, 2017-2018), 4 stages of SEAM in each period including (1) Diagnostic of dysfunctions and evaluation of hidden costs; (2) Cooperative conception and development of innovative organizational solutions; (3) Structured implementation of improvement actions and (4) Evaluation of organizational performances. The four stages are conducted two times. Firstly, at the end of 2014, four stages of SEAM are conducted to suggest action plans of the period 2015-2016 focusing on economic performance. After evaluation of the first plan in 2016, the researcher did the four stages again for the second action plan during the period of 2017-2018 focused on social performance.

#### *6.3.2.3 Reinforcement of structured actions to organizational performance*

Hsiao's customer complaint management aim is internal and external causes of failure to meet dimensions of service quality from opinions of customers and the researcher, problems of customer relationship management are determined such as People, Technology and Process but SEAM helps to find causes reasoned by dysfunctions diagnostics of SEAM from top management and employees of the company. Dysfunctions are explored from interactions between organization structure and employees' behaviors. Besides, SEAM also suggests actions and management tools (PILB, IESAP, PAP, PNAC, and CG) to improve these dysfunctions rooted from structures and behaviors in socio economic diagnostic of the organization, leading to better organizational performance.

In order to suggest structured actions based on abductive reasoning, the researcher and social actors diagnosed customer complaints' reasons from problems of People, Process and Technology that are the best explanation for strongly decreased organizational performance. This major premise is known because almost previous studies proved that customers complain mainly dimensions of service quality which is internal causes. Otherwise, the precondition is

verified and valid due to a 4.5 – year intervention research project leading to achieve goals of the company.

#### *6.3.2.4 Similarity between socio economic evaluation and organizational performance*

This study applies both hidden and exhibited indicators to measure organizational performance.

In terms of organizational performance after implementing customer complaint management, from perspectives of economic performance, the company decreased risk of failure of customers, risk of failure of machinery and risk of failure of labor. Besides, competitiveness of the company is gradually increased through higher average wages, higher corporate income taxes paid and higher revenue from new branches of the company. Also, Profitability, Productivity, Total revenue and Total production per each flagship type of business are grown every year. Two of reasons for this growth are that organizational change with innovation investment into new inter-city bus service called limousine and rewarding (incentives) for good employees.

Although the first period action plan mainly improve economic performance, from 2016 to 2018, employee satisfaction index is raised up because of better human resource management, for example, increased number of training programs / hours of training, number of employees trained, professional development. Customer – oriented corporate culture is developed by implementing Means developed within the company to prevent exclusion such as Not allowed to drink alcohol, drugs and other stimulants, Comply with traffic law of the government, Comply with the company's regulations, Customers are right in any case, Customers pay salaries for us, Meet all demands of customers. Therefore, the company decreased number of accidents and turnover rates.

If economic performance and social performance are calculated from confidential documents and indicators, other organizational performance indicators such as customer complaint management profitability and hidden costs are calculated based on hidden or implicit information that are qualitative, quantitative and financial information which lies in the minds of actors in the organization. Hidden costs and hidden values result from managers'

and employees' actions that are recovered by interviews, document study and observations. Interpretations are coproduced by the interaction between researchers and practitioners.

Hidden costs calculation is done based on the models of SEAM and Lakshmi. In SEAM model, decreases in hidden costs such as absenteeism, employee turnover, quality defects, direct productivity gap and hourly contribution to value – added on variable costs (HCVAVC). In Lakshmi's model, lost customers and lost revenues are declined from 2016 to 2018.

Customer complaint management profitability is accounted by Stauss' and Gupta's models that reveal a highly increased ROI of customer complaint management.

In summary, it is noteworthy that SEAM with qualimetrics intervention research contributes to successful service innovation strategy of the company. This success is comprehensively measured by the four indicators of organizational performance by the five models such as corporate social performance of O'Connor, hidden cost calculation models of SEAM and Lakshmi, customer complaint management profitability models of Stauss and Gupta.

#### *6.3.2.5 Employee motivations in organizational change*

SEAM is the main factor to create motivation processes. In the period of 2015 – 2016 changes in strategies, processes, technology, human actions; and in the period of 2017 – 2018 completions of training programs, new procedures, internal communication improvement and labor policies meet employees' social motives, impacting cognitive operations to formulate beliefs of employees. These intrinsic and extrinsic motivations help employees to form goal – directed behaviors, making them satisfied and become loyal employees. Also, these actions illustrate employee – appreciated values and customer – oriented norms in the company.

### **6.4 Theoretical contributions**

This part emphasizes theoretical contributions in terms of relationship marketing, human capital development in customer complaint management framework, extended SEAM with starting point of customer complaint analysis and comprehensive evaluation of organizational performance.

### ***Relationship marketing***

This research expands SEAM application in an important content of marketing management that is customer complaint management by advancing knowledge on the process for which complaints management impacts positively organizational performance through moderating role of SEAM. Customer complaints can be improved by SEAM. Customer complaints management can increase organizational performance through SEAM. Therefore, this study is expected to enrich the relationship marketing from organic approach of exit – voice theory in which if the company implements customer complaints management, it will improve organizational performance through SEAM.

Otherwise, relationship marketing is more developed by accelerating employees to develop and implement relationship marketing strategy (Gummesson, 1987); developing Parasuraman's (1991) opinions about understanding customer satisfaction through market research and continuous flow of information into the business and customer database (Peterson and Wang, 1993) through direct information system (i.e. booking hotline number and Facebook); applying SEAM into relationship marketing; supplementing an evidence of action research in combination of relationship initiation (the first action plan to launch new limousine service) and maintenance (the second action plan to maintain premium customers at the best); and raising up the societal impact of academic research to managerial practices through reinforcing the relationship between the researcher and those researched – new area of relationship marketing (Gummerus et al., 2017).

### ***Human capital development in customer complaint management framework***

Hsiao et al. (2016) propose a customer complaint management framework without employee's perspectives even though it is an action research at a restaurant in Taiwan, only focusing on what customers complains. Arash's (2014) research has just covered individual complaint handling with problems solving rather than in-depth causes. However, SEAM improves the survival-development capacity of an organization by converting its hidden costs in performances through a stimulation of the human potential to release resources useful to the development of the activity (Voyant et al., 2017).



Based on information from customer complaints, this research project improves processes, technology, satisfies employees, recovers customer belief and receives financial benefits from retaining dissatisfied customers (Johnston, 2001), that is accrued from empowered approach.

Through dysfunctions like strategic implementation and integrated training of SEAM-a pragmatic oriented action research methodology, the quality of HRM and capabilities are enhanced, resulting in increasing the value of human capital (Cappelletti et al., 2009).

### ***Extended SEAM with starting point of customer complaint analysis***

Savall et al. (1987) suggest a methodology to intervention research named Socio economic approach to management in which instructing researchers and organizations to implement a strategic change to improve firm performances, but mainly beginning at internal stakeholders' opinions such as top management and employees, not paying attention to external stakeholders like customers.

### ***Comprehensive evaluation of organizational performance***

In previous studies, organizational performance is often evaluated by financially centered economic performances. So, based on measurement like that, organizational performance could not reflect multi – dimensions of organizations considered as small-sized cells of large society containing people and all related activities, resulting in hidden revenue and costs which can be seen in financial statements. It's the reason why the PhD candidate suggests four indicators such as economic performance, social performance, hidden costs and customer complaint management profitability that are measured by both exhibited and hidden numbers and words.

In summary, this study develops customer complaint management framework aligned with SEAM in order to carry the consent of all employees; extended SEAM with starting point at customer complaint analysis reflecting customer oriented corporate culture; and measure organizational performance by economic, social performances, hidden costs and customer complaint management profitability in which economic and social performances are calculated by indicators of O'Connor et al. (2008), hidden costs are measured by SEAM's model and Lakshmi's model, customer complaint management profitability is evaluated by Stauss and Gupta's models. It proves that organizational performance is more

comprehensively measured than previous studies, consistent with action research in a case study with organizational context and reflects all management process from strategic to functional levels.

### **6.5 Managerial contributions, implications and recommendations**

The author considers customer complaint management at strategic level. To make it successful, the researcher combines it with SEAM. This dissertation applies Hsiao framework in the first step to predict causes of failed service from customers' opinions in order to improve service quality that are then used to explore employees' opinions by socio economic approach to management (SEAM). It means a new contribution to customer complaint management is that SEAM is attached to customer complaint management framework.

#### ***Outcome of SEAM in customer complaint management framework***

Besides, it is proved that outcome of customer complaint management is not simply reduced customer complaints per month as Hsiao concluded but also better organizational performance with financial and non-financial performances. The reasons are that SEAM is considered as critical action research adopting a deep-rooted approach with the objective of improvement performance. Outcome of SEAM is not only service quality, but also integral quality by simultaneously developing structure and behavior quality including service quality, functioning quality and management quality. Service quality is described by innovation in People, Process and Technology of customer relationship management and satisfies external customers. Functioning quality satisfies internal customers (employee involvement). Management quality is an improvement in management analysis (customer complaints analysis, horizontal and vertical diagnostics through Horivert process) and decision – making quality.

#### ***Steps of customer complaint management process***

This action research proposes the way to achieve better organization performances by implementing five steps of customer complaint management for enterprises who have never implement this process. Also, the researcher suggests innovation in paradigm, processes, technologies, organization structure and control.

### ***Factors affecting vertical intervention research implementation of SEAM***

In order to successfully implement SEAM, SMEs of developing countries in general, CEOs should train operational managers about functions of expertise, skills to prepare projects to be inserted in their priority action plans, their budgeted action plans and their economic balance; management and communication skills with their subordinates. Managers will be management controllers or internal – interveners. In the future, when the company of this case study implements an organizational change for development, they won't have to integrate horizontal and vertical intervention in the stage of strategic action plan implementation. Heads of departments have their own vertical project, priority action plan, periodically negotiable activity contracts of the personnel (managers and participants) responsible for target actions. They are very important in the vertical socio economic diagnostics including conducting individual and small group interviews, processing the interviews, conducting hidden costs, interviews and calculating the hidden costs. In addition, these individuals are responsible for preparing socio economic team management tools (e.g., self analysis of time, competency grids, piloting indicators logbook, priority action plan and Periodically Negotiable Activity Contracts), leading focus groups and participating socio economic evaluations. Another advice is that SMEs should make their human resource stable to maintain task groups when implement SEAM.

### **6.6 Methodological contributions**

The author implies SEAM to find out reasons of customers' complaints from the inside company. This activity is intended to achieve critical success factors of customer relationship management considered as a foundation for sustainable development of the company, leading to higher organizational performance.

#### ***Methodological contribution (Extended SEAM)***

Applying extended SEAM to analyze the complaints management impacts organizational performance. SEAM is started by customer complaints analysis. Results of this stage are to suggest service innovation from external stakeholders' points of view - customers. Then, SEAM is continued to find out dysfunctions, hidden costs, solutions, implementation and evaluations from employees' viewpoints. Extended SEAM helps the company to match

external needs with internal management. Besides, there are many researches about customers using EFA or CFA and SEM models to analyze moderating model, but this research utilizes action research during the period of 2015-2018.

This dissertation will prove that if a small-and-medium sized enterprise conducts customer complaint management, the company will get better organizational performance and change employees' behaviors and actions

Customer complaint handling is a process including steps as follows:

Step 1: What do customers complain?

Step 2: Why do customers complain from employees' viewpoints?

Step 3: How does a SME improve customer complaints?

Step 4: How does a SME implement strategic action plans?

Step 5: How does a SME evaluate its organizational performance after solving customer complaints?

The above process is new compared with previous one of Hsiao et al (2016), in which SEAM makes clearly how to collect and process data from context feature; and effectiveness evaluation of customer complaint management is applied. Besides, this study is the first one to implement SEAM in Vietnam.

## **6.7 Theoretical considerations**

The author theoretically considers the relationship between CCM and organizational performance in previous studies, organizational performance measurement, and recommending the combination of CCM and SEAM.

### ***The relationship between CCM and organizational performance in previous studies***

Faed et al. (2015) proved the relationship between customer complaint handling and firm performance moderated by types of business (business to business, business to consumer, manufacturing, service) with methodology of PDA (principle component and data envelopment analysis).

Yilmaz et al. (2015) shed light on the aforementioned issues by exploring the relative effects of customer complaint management on firm performance. Theoretically, they use both mechanistic and organic approaches of exit-voice theory. Independent variables are Customer response (Fairness perception) and organizational learning. Dependent variables are Performance outcomes (Short-term and Long – term performance: Sales growth, Market share, Overall customer satisfaction, ROS, ROA, overall profitability). Methodology is Symmetric testing using hierarchical regression analysis of data obtained from complainants and firm managers.

Therefore, the two previous proved that customer complaint management is very important to improve organizational performance.

### ***Organizational performance measurement***

However, organizational performance is sparsely evaluated by only financial one or number of complaints per month. So, this research shortens the gap by considering organizational performance as CRM success that comprises (1) decreases in hidden costs; (2) increases in corporate social performances including economic performance (productivity, profitability and return on complaint management) and social performance (Working conditions/health and safety, Employee opportunities and relations, Internal communications, Community relationships, turnover rate and absenteeism rate); (3) customer complaint management profitability. This measurement is more comprehensive than the previous.

### ***Recommending the combination of CCM and SEAM***

The author proposes a conceptual framework as follows: Combination between customer complaint management and SEAM is to improve People, Process and Technology of the company making customer loyalty, leading to enhance organizational performance which is measured by customer complaint management profitability, corporate social performance, and hidden costs.

Research results are appropriate to empowered approach to customer complaint management (Arash, 2014). More specifically, in terms of strategy, customer satisfaction is paramount, for example, mistakes are quickly recognized, positive and proactive attitude of employees, fast responsiveness online. From perspectives of processes, fast reply and simple

solutions are given to customers. Using telephone to speed process and personalize contact, computerized systems and simple processes are quickly assessed by customer – facing staffs. In the analysis manner, complaints used to spot trends. Regular feedback sought from both customers and front-line employees to identify customer satisfaction and areas for improvement. Therefore, although this research is approached from aggregate complaint analysis, it also contains some aspects of individual complaint although it is not intended to cover initially.

### **6.8 Limits and constraints of the study**

Although steering teams and the researcher make their efforts to successfully implement customer complaint management framework at a SME, this research has some limitations as follows:

Firstly, this dissertation only focuses on aggregate complaint analysis, but doesn't cover all aspects of customer complaint management such as individual complaint handling.

Secondly, the relationship between customer complaint management and SEAM has just explored mainly from organic approach of exit-voice theory, not covering both mechanistic approach of this theory.

Thirdly, although the case study is conducted in a locality of Vietnam (Thai Nguyen province) that comprehensively reflects Vietnam context in transportation service industry, it will not be assured findings and recommendations to the world.

Fourthly, the limits which are generally made to SEAM and the method of hidden costs with the main point of subjectivity can make accountants and managers shocked, or the positivist scholar.

Lastly, it is difficult to separately implement vertical and horizontal intervention researches at the SME in the stage of strategic action plan implementation because of limitations in knowledge and qualification of employees at SMEs, strong fluctuation in human resources, as well as bad management of frontline employees without KRA and KPI.

### **6.9 Recommendations for future researches**

In the future, other researchers can develop customer complaint management framework by approaching mechanistic views and suggest quality of process guidelines, quality of behavioral guidelines and quality of outcome guidelines. Finally, further empirical testing for other service domains is recommended to confirm the validity of the proposed method because the models proposed from field research are frequently criticized for their validity, and particularly for management control (Cappelletti et al., 2009).

### **Chapter summary**

The chapter 6 gave main points of the whole research analysis from 2015 to 2018, described theoretical managerial, methodological contributions, implications and recommendations for researchers as well as businessman. Besides, this chapter also showed limitations, constraints of the study and recommendations for future research. It means that after ending this dissertation, it will open new research directions to be developed in the future.

**Conclusion**



The dissertation proves that implementing SEAM oriented CCM framework brings about customer satisfaction, human capital development, and company sustainable performance, research process implications for SMEs and recommendations for future researches related to customer complaint managing.

### ***Customer satisfaction***

The company recovers customer satisfaction by applying standard customer complaint management framework that is shown at strategic level which can help the company to be different with competitors and achieve effective corporate management. After this action research, the company can start to follow ISO 10002 to make effective organizational complaints-handling policy and process.

This research argues that complaint analysis at the aggregate level should be emphasized over individual complaint handling to achieve service quality improvements for long-term business benefits in service industries. Therefore, this study provides a clear and easy to-follow complaint management framework for the purpose of aggregate complaints analysis, leading to enhance service quality and make customers satisfied.

### ***Human capital development through implementing CCM combined with SEAM***

In this research project, all employees are trained through this research project. Top management and managers are developed strategy suggestion and implementation by SEAM coaching course, management skills and communication skills in training programs for managers. Direct employees' skills and knowledge are enhanced referring to strategy implementation method (SEAM), communication and their job.

Besides, other strength of the research in comparison with previous studies is employee participation in diagnosing dysfunctions, proposing solutions and implementing actions accelerates employee motivation through motivational processes that create extrinsic and intrinsic motivations of employees. Employee motivation and attitudes are important during organizational change. In previous studies, organizational change initiatives frequently fail due to employee resistance. The strength is stemmed from a combination of customer

complaint management and SEAM which has never appeared before in academics as well as in field.

### ***Company sustainable performance***

This study implemented the two action plans in 4.5 years. Total 48 specific actions are finished, resulting in decreasing hidden costs, increasing customer complaint management profitability, economic performance and social performance.

The long term benefits of implementing customer complaint management are manifested in terms of cost and time. The cost benefits are obtained by reducing hidden costs regarding internal failure (absenteeism, employee turnover, quality defects, direct productivity gap and hourly contribution to value – added on variable costs (HCVAVC)) and external failure (customer satisfaction related to service staff and improved service quality).

Compared to the literature of aggregate complaint analysis, which focuses on theoretical support for profitability and guiding principles for implementation, this dissertation has a more practical orientation on making effective customer complaint management by combining it with SEAM. This can be a reference for academics as well as for service providers to manage customer complaints.

### ***Customer complaint management framework***

Customer complaint management is implemented from strategic level referring to related diversification strategy to functional level with offensive and defensive marketing strategy, so it takes 4.5 years, much longer than SEAM principle of 1 year for each action plan.

This study proposed a complaint management framework that integrates socio economic approach to management to implement an aggregate customer complaint analysis and improve service quality. The customer complaint handling process composes of 5 steps to identify what, why and how to solve customer complaints, leading to organization change caused by the new strategic orientation by the company using intentional approach involving strategic management. The intentional attitude proceeds from offensive, strategic, adaption aiming to act on the environment so as to obtain the desired changes.

The goal of this case study research project is to manage customer complaints by the mean of aggregate complaint analysis and improve organizational performance of a small-and-

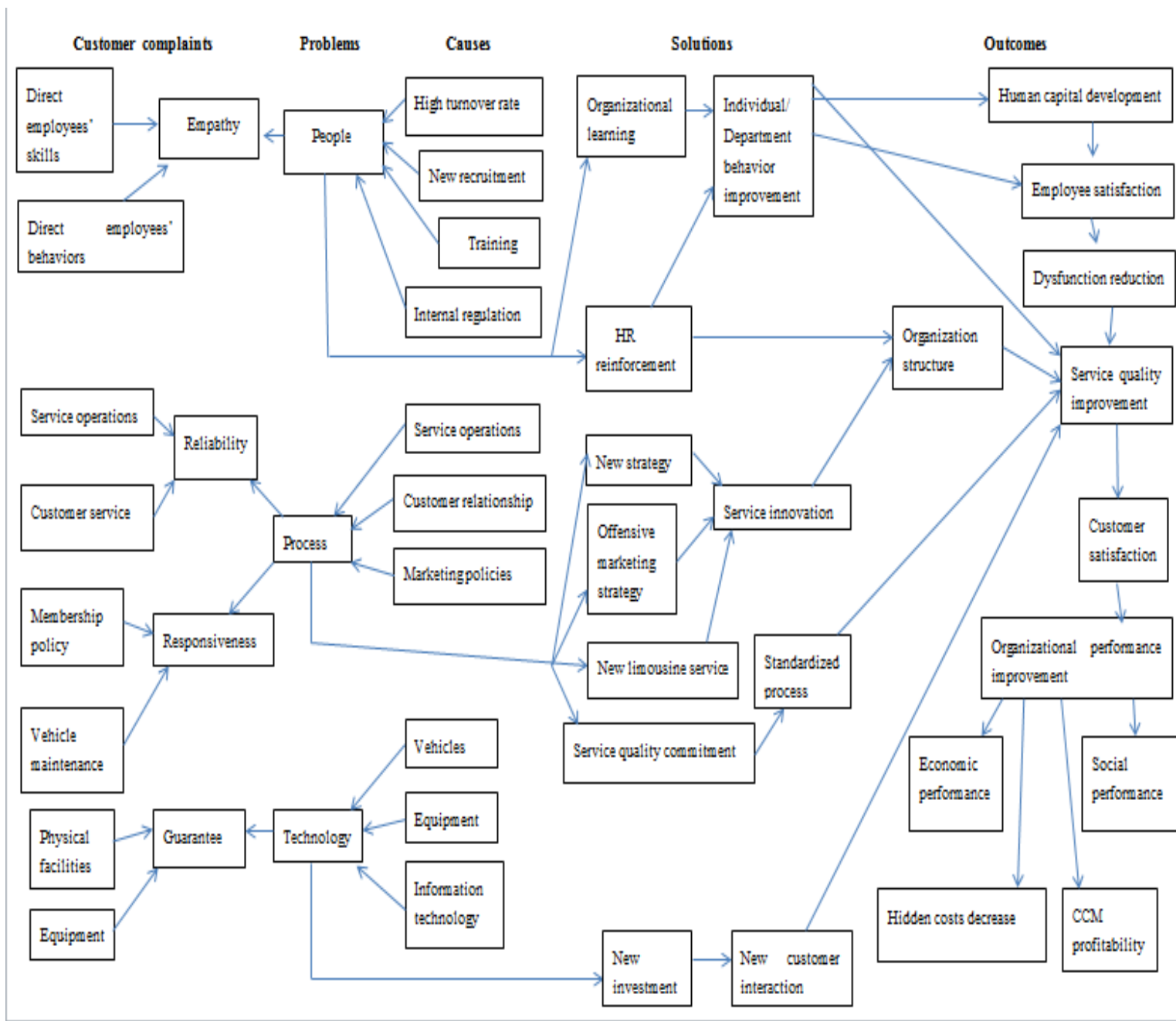
medium sized enterprise in Vietnam based on the socio economic approach to management. According to the results of customer complaint analysis, the empathy, reliability, guarantee and responsiveness dimensions of service quality were identified and assigned priority for improvement because they significantly affected customer dissatisfaction. Reasons of these problems such as People, Process and Technology of customer relationship management are solved. In order to change the organization, socio economic approach to management was used to diagnose dysfunction baskets, dysfunctions, hidden costs and all techniques of implementing as well as evaluating actions. Content analysis was applied to match meanings of actions with characteristics of critical success factors, integrated holistic approach between People, Process and Technology at strategic level and organic approach of exit-voice theory. SEAM dysfunctions are recognized in each action and being penetrated employees' minds and hearts.

### *Conceptual model*

After 4.5 year intervention research with five steps in each period from 2014 to 2018, the author summarized a conceptual model for the relationship between customer complaint management and organizational performance through SEAM methodology. In this model (Figure 18), customer complaints are analyzed based on dimensions of service quality including empathy, reliability, responsiveness and guarantee. Empathy mainly consists of direct employees' skills and behaviors, resulting in forming problems of People which composes high turnover rate, new recruitment, training, internal regulations. Reliability is rooted by service operations and customer service; Responsiveness is represented by membership policy and vehicle maintenance; that all these customer complaints are explained by bad Process such as service operations, customer relationship and marketing policies. Guarantee is coded from physical facilities and equipment caused by Technology problematic comprising vehicles, equipment and information technology.

Then, problems in People, Process and Technology manners are improved by suggesting solutions approved by Board of Directors. Firstly, from perspectives of People, the company implements organizational learning and human resource reinforcement in order to change individual and department behaviors as well as organization structure, leading to outcomes of human capital development, employee satisfaction, dysfunction reduction and service quality

improvement. Secondly, based on Process problems, the SME can propose new corporate strategy, offensive marketing strategy for new services, and design new limousine service owing to service innovation; and conduct service quality commitment to passengers by standardizing service process. All these actions are to solve organization structure and bad service quality. Lastly, Technology is improved by new investments into vehicles as well as information technology referring to new customer interactions. As a result, standardized process, organization structure and Technology investment contributes to improve service quality. It is proved in previous studies that service quality improvement will make customer satisfied and loyal to the company, so the organizational performance such as economic performance, social performance, hidden costs and customer complaint management profitability are better achieved. These are reasons why the company achieves higher organizational performance accrued from customer and employee satisfaction.



**Figure 19: Conceptual model for the relationship between customer complaint management and organizational performance through SEAM**

*Some suggestions for future research*

To produce beneficial results using the proposed integration method, the most diverse possible set of context features should be taken into account. This can generate more meaningful methodology and enable investigating the causes of service defects from various perspectives. For example, each case study has different background, size, national context,

demographic characteristics of employees and customers, so the researcher should concern about it to suggest appropriate components of People, Process and Technology of the company and dysfunctions of SEAM. Finally, further empirical testing for other service domains is recommended to confirm the validity of the proposed customer complaint handling process.

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## Glossary



### **Service innovation**

Service innovation means current service (inter-city bus) is continuously improved, adds more customer values and has some changes in service concept. For example, inter – city bus provides more values for customers such as on time, convenient, safety, etc; it is changed from bad low-priced service to qualified highly-priced, in delivery process with convenient shuttle for passengers through hotline number in line with market requirements (dimensions of service quality: empathy, reliability, guarantee, responsiveness and tangible of passenger transport service).

### **Customer complaint management**

Objective of customer complaint management is to restore customer satisfaction. This is a process of five-step implementation.

### **Organizational performance**

Organizational performance reflects results from employees' actions related to implement customer complaint management. It is measured by economic performance, social performance, customer complaint management profitability and hidden costs.

### **Socio economic approach to management**

It is a methodology to implement intervention research in customer complaint management. It is extended by starting at customer complaint analysis, then diagnosing root causes through horizontal and vertical researches, next to implement strategic action plans, and finally evaluation of organizational performance.

### **People of customer relationship management**

“People” means behaviors, attitudes, skills and qualification of employees. Besides, it reflects employee participation into strategic action plans of the company.

### **Process of customer relationship management**

It is a reengineering business process toward customer centric instead of product centric, improving direct interaction with customers and long-term quality of customer service.

## **Technology of customer complaint management**

It means collecting and analyzing data from booking software, and other information systems to directly interact with customers as well as save their personal information. Besides, in passenger transport industry, modernization of vehicles is considered as a content of technology because it is related to machine to improve physical aspect of service.

## **Critical success factor**

It is defined as critical areas where the organization must succeed to achieve the organization's mission. Each component of customer relationship management (People, Process and Technology) contains a set of factors. In this study, CSFs for People include regulations, incentives, and organization structure to accelerate employee quality and employee satisfaction. CSFs for Process compose strategies, processes and control. CSFs for Technology comprise Technologies and information systems.

## **Horivert process**

Horivert process includes horizontal and vertical intervention research, helping to ensure better articulation of and link between the socio-economic intervention and the company's strategy, expose and resolve dysfunctions of a strategic nature as well as those linked to daily operations.

## **SERVQUAL model**

SERVQUAL is an empirically derived method suggested by Valarie A. Zeithaml, A. Parasuraman, and Leonard L. Berry. This is a technique used for performing a gap analysis of an organization's service quality performance against customer service quality needs.

## **Green – field project**

Green-field investments occur when a parent company or government begins a new venture by constructing new facilities in a country outside of where the company is headquartered.

Almost current researches focus the relationship between customer relationship management and organizational performance. Customer complaint management is a type of customer relationship management. Customer complaint management is developed based on designing phase-by-phase system (e.g. Arash (2014), Hsiao et al (2016)) in action research projects. However, there is no action research describing the relationship between customer complaint management and organizational performance using qualimetric intervention research or socio economic approach to management. This study implements customer complaint management framework combined with SEAM in order to improve organizational performance of a SME in passenger transport industry of Vietnam. The time of this intervention research is started from August of 2014 and finished on December of 2018.

The research includes six chapters as summarized as follows:

### **Chapter 1: Literature review**

This chapter illustrates research focus “How a SME improves organizational performance by combining customer complaint management and SEAM” that recounts how to push the relationship between customer complaint management and organizational performance. As a result, they are reinforced by approaching integrated holistic approach between People, Process, Technology of customer relationship management; aggregate complaint aspects of customer complaints at strategic level; and organic approach of exit – voice theory. The best methodology for the three approaches is extended SEAM that is a Horivert process including horizontal and vertical intervention research, but it is extended by starting customer complaints analysis before Horivert process inside the company. Research outcomes are expected to enrich relationship marketing in general, customer relationship management in specific.

In this chapter, customer complaint management is suggested as a five-step process in which Step 1 is Customers' complaints analysis, Step 2 is Determining causes of the problems from top management and employees' viewpoints, Step 3 is Suggesting strategic action plans, Step 4 is Implementing the strategic action plans, and Step 5 is Evaluating the strategic action plans and controlling.

This chapter also indicates that there are many researches about customer relationship management in Vietnam, but a few ones about customer complaint handling in Vietnam; for example, Bui et al (2015) investigated patients' complaint handling processes and the main influences on their implementation at public hospitals. Almost researches are deductive reasoning. There is no action research in CRM as well as customer complaint management in Vietnam. Also, SEAM hasn't been applied in combination with customer complaint management in any developing country.

Implementation of SEAM in Vietnam at SMEs will face some difficulties as follows:

Firstly, SMEs run their businesses in the seriously competitive market, but are limited in resources in financial and human resources, as well as time. Therefore, the first action plan of 2015-2016 period is not totally successfully implemented with 2/28 actions and they need to be continuously implemented in the second action plan.

Secondly, integrated horizontal and vertical intervention research in the implementation stage of SEAM is quite different with separate opinions of SEAM founders. The reasons are that vertical project is difficult to be maintained after diagnostic stage because of high turnover rate of employees (20%) resulting in not forming task groups under supervision of department heads while turnover of management is 0% leading to stable successful potentiality of core groups; 80% employees are drivers with features of low qualification (high school graduation) and bad behaviors; besides the company hasn't used KRA and KPI in employee performance measurement, so it takes time to apply piloting logbook and PNAC in vertical intervention research; and lastly integrated intervention research will save time and achieve effectiveness of customer complaint management implementation in fluctuated SME.

Outcome of this chapter is to propose a research model in which customer complaint management is assumed to increase organizational performance by implementing SEAM.

## **Chapter 2: Research methodology**

The chapter 2 introduces problem statement of the research, ontological and epistemological stances in management science, types of action research,

and types of action research process such as ordinary action research, modified action research process (Dymek, 2008), spiral four-step process of Coghlan et al (1997), qualimetric intervention research – SEAM (Savall et al, 1987) as well as SEAM’s epistemology and methodology (Cappelletti et al, 2009, 2018; Bonnet et al, 2017).

This chapter also specializes five – step customer complaint management process in which two action plans are explained about reasons to conduct as well as four-indicator measurement of organizational performance. The four indicators are customer complaint management profitability, economic performance, social performance and hidden costs. Customer complaint management profitability is evaluated by models of Stauss (2004) and Gupta (2005). Economic performance and social performance are calculated by indicators and sub-indicators of O’Connor et al (2008). Hidden costs are measured by models of Savall (2008) and Lakshmi (1996). These indicators enrich measurement methods of socio economic theory appropriate to marketing field.

### ***Research objectives***

Firstly, suggest a customer complaint management framework through SEAM for SMEs in developing countries in order to increase their organizational performance.

Secondly, recommend managerial implications for a small – and – medium sized enterprise to implement customer complaint management by using socio economic approach to management.

### ***Research questions***

The dissertation aims at examining how a small and medium sized enterprise in Vietnam implements customer complaint management through SEAM in order to achieve better organizational performance.

To answer the main research question, a more refined analysis is performed by answering five sub-research questions.

Sub research question 1: What do customers complain?

Sub research question 2: Why do customers complain from employees' viewpoints?

Sub research question 3: How does a SME improve customer complaints?

Sub research question 4: How does a SME implement strategic action plans?

Sub research question 5: How does a SME evaluate its organizational performance after solving customer complaints?

This research chooses collaborative social research from three approaches to qualitative data analysis, abductive reasoning, applied research, intervention research, generic constructivism methodology approach of SEAM and its cognitive interactivity, contradictory inter-subjectivity and generic contingency.

Process of research includes two cycles implementing qualimetrics intervention research (the first action plan of 2015-2016 period and the second action plan of 2017-2018 period). The two-cycle socio economic research reveals important meaning of SEAM in which the second phase is extension or maintenance that provides additional and in-depth intervention, audit the evolution of the enterprise' qualitative, quantitative and financial performances. Besides, each period takes 2 years, not 8 months in 100-employee companies or 12 months in enterprises with more than 100 employees as proved by Zardet et al (2003) because it is a strategic change or a reform of the case study for a long term (4 years) with number of employees increased from more than 200 at the end of 2014 to 520 at the end of 2018. Big scaled investment and strategic change in People, Process and Technology take more time than one year. Besides, converting hidden cost into tangible performances needs an ongoing organizational change process (Cappelletti et al, 2018).

In each cycle, there are five steps in which the first step is about what customers complain, the second to fifth steps are ones of SEAM. This chapter also illustrates how to collect and process data. Lastly, Ethical issues of management research are represented.

### **Chapter 3: Case study analysis**

The chapter 3 analyzes service sector in developing countries context, Vietnam context, private sector in Vietnam, transport industry in Vietnam and the SME under study.

The company is facing with very low profitability of inter-city bus service mainly from customer leaving perspectives; and high turnover rate of direct employees. SEAM will be used to prove dysfunctions as well as hidden costs which are the foundation of suggesting action plans in promoting customer complaint management that combines some sub-strategies in the period of 2015-2018 for one flagship service - inter-city bus that is in the trouble period with gradually decreased profits. The main reason is that customers are not satisfied about People, Process and Technology of the company and it needs a strategic change to be survived in the seriously competitive market. Before the year of 2015, the company hasn't implemented customer complaint management. They have never collected customer data, customer responses and they don't know why customers leave them to use services provided by competitors. Before the year of 2015, this SME has never implemented action research or any organizational change in their organization. From 2008 to 2014, the company had no service innovation.

#### **Chapter 4: First action plan (2015-2016)**

##### **Step 1: Collection and analysis of customer complaints**

At the end of 2014 (before the first action plans), customer complaints about dimensions of service quality that are as follows: empathy, reliability and guarantee.

After determining these dimensions, key ideas of customer complaints will be used to design interviews' questions for top management and employees of the company in the next step.

##### **Step 2: Diagnostic of dysfunctions and socio economic evaluation at the end of 2014**

At the end of 2014, from top management and employees' points of views, the company has to face some serious problems including People, Process and Technology of customer relationship management as follows:

Firstly, People of CRM is illustrated that human resource is low stable and deficient in job participation. Employees are not satisfied because the company has no incentives for them, so they are not encouraged to work effectively. There are no training programs and no regulations for human resources leading to employees' bad skills and behaviors. Employees are not enthusiasm, high turnover rate and bad at communication skills.

Secondly, Process of CRM is indicated that from perspectives of service operations, there is no innovation from 2008 to 2014, inter-city bus service cannot compete with crowded competitors, and customers complain a lot about delayed schedules and wrong time, resulting in gradually decrease in this service's profitability. Lacking functional strategy such as marketing strategy leads to bad relationship between the company and customers. Bad management is described as in human resource management and marketing management. Besides, poor service quality inspection and incorrect materials preprocess method are making the company out of controlling. Service quality inspection is just testing whether drivers and assistants collect money from customers or not. Incorrect materials preprocess method sometimes makes drivers angry with lacking petrol before the trips.

Thirdly, Technology in passenger transport service includes modern vehicles; booking system, and new direct customer interaction through internet. Old and broken cars make customers feel afraid of accidents. Bad brakes and dirty cars make customers worried. There is no medical equipment in the inter-city bus with long trip. They change to buy service of other providers with better cars, so profits of the company peaked down from approximately VND 4 billion to more than VND 1 billion. Information technology means the company has no booking system, so uncertainty of profitability is very high, the company cannot predict customers' needs and well prepare to serve customers.

After determining internal causes from analyzing customer complaints, sources and causes of customer complaints are contrasted and identified by SEAM themes.

Outcome of Step 2 in the first action plan (2015-2016) is 5 dysfunction baskets as follows: Basket 1: Suggesting socially responsible corporate strategy: Diversification, product and market development; Basket 2: Organizational learning; Basket 3: Investment into new vehicles; Basket 4: Investment into new information technology; Basket 5: Reinforcing human resource.

### **Step 3: Cooperative conception and development of innovative organizational solutions of SEAM**

This step summarizes problems related to People, Process and Technology. After that, the steering team proposes 28 specific actions for five dysfunction baskets including suggesting



socially responsible corporate strategy, organizational learning from other successful companies, purchasing new vehicles and investment into new information technology.

#### **Step 4: Implementation of strategic action plans**

Based on internal - external strategic priority action plan and Internal - external strategic action plan, actors of the company will implement specific actions at specific deadlines and specific individuals' responsibilities.

28 actions are arranged and given deadlines. This is an outcome of Stage 3 of SEAM named structured implementation of integrated horizontal and vertical improvement actions. The time is ranged from January of 2015 to July of 2016. Board of directors is responsible for workshops, market research, Corporation Identity program, highly – qualified service called limousine (Mixed bundling), New customer interaction and upgrading infrastructure in January, March, June and October of 2015.

#### **Step 5: Socio economic evaluation after implementing the first action plan**

All the above efforts of actors in the intervention research help the company to be successful in passenger transport market. Hidden costs are decreased; economic performance and social performance are raised up. Critical success factors are illustrated by the specific actions including Strategy, Processes, Technologies and Organization structure. In terms of customer complaint management profitability, Return on complaint management is very high.

Although the action plan of 2015-2016 period improves organizational performance and make standardized customer complaint management, the company still has to continue the second action plan of 2017-2018 in order to improve weaknesses of the company.

### **Chapter 5: Second action plan (2017-2018)**

#### **Step 1: Collection and analysis of customer complaints through social media**

183 collected complaints from Facebook pertaining to problems of 8 problems are coded into 20 outstanding pivotal ideas which shows root problems including (1) Drivers with Bad mindset, responsibility, behaviors, attitudes, communication skills of drivers, (2) Service operations with Lack regulations, Procedure to provide service, (3) Call center staffs with

Internal regulations, Bad communication skills of Call center staffs, Bad behaviors of staffs in Hanoi branch; (4) No marketing tools to make customers loyal to the company.

### **Step 2: Diagnostic of dysfunctions and socio economic evaluation at the end of 2016**

By collecting and analyzing data from interviewing top management and employees at the end of 2016, the most important problem is to improve Process of customer relationship management after launching new flagship service - limousine two years in order to defend what is successful. Process must assure on time service, vehicle maintenance, responsiveness strategy to customer complaints on social media, clear information about company's service to the public and customer policies to retain customers. Other problem called People of customer relationship management is drivers' and staffs' behaviors making passengers dissatisfied.

Action plans of horizontal and vertical intervention research are integrated into one action plan of the 2017-2018 periods with 3 baskets including (1) Commitment to improve service quality, (2) Marketing policies and (3) Human resource management. Therefore, the action plan illustrates defensive marketing meanings that defend what the company achieved in the previous period of 2015-2016. Total specific actions for the period of 2017-2018 are 12.

### **Step 3: Cooperative conception and development of innovative organizational solutions of SEAM**

There are two activities including approval of structured implementation specific action plans and recording implementation results of the second action plan. 12 specific actions are suggested to implement in 2017 and 2018.

### **Step 4: Implementation of strategic action plans**

All 12 actions of the period 2017-2018 are successfully implemented, contributing to increasing customer satisfaction, employee satisfaction and better organizational performance.

### **Step 5: Socio economic evaluation of the second action plan**

The company achieves good economic performance at the end of 2018. Social performance indicators are significantly improved. Return on complaint management increased from 57.48 % at the end of 2016 to 324.34 % at the end of 2018. Therefore, paying attention to customer

complaint management is bringing benefits for small-medium-sized enterprises. It's noteworthy that at the end of 2018, hidden costs are continuously declined.

In conclusion, SEAM plays a critical role in exploring reasons of problems from internal corporate management, proving that 28 specific actions in the period of 2015-2016 and 12 ones in the period of 2017-2018 leads to better service quality and higher organizational performance, receiving customer trust and customer relational commitment to the sustainability of a SME.

## **Chapter 6: Discussion**

This chapter is aimed at comparing contents of action plans between fieldworks through SEAM and academic viewpoints of previous researchers who proved these actions are necessary for the organizations; and appreciating roles of SEAM in promoting the positive relationship between customer complaint management and organizational performance.

Chapter 6 comprises nine main contents as follows: Discussion about reasons to suggest the two action plans from academics perspectives, Discussion about results of the action plans implementation, Discussion about the methodological role of SEAM in the relationship between customer complaint management and organizational performance, Theoretical contributions, Managerial contributions, implications and recommendations, Methodological contributions, Theoretical considerations, Limits and constraints of the study and Recommendations for future researches.

## **Conclusion**

The dissertation proves that implementing CCM framework by SEAM methodology brings about customer satisfaction, human capital development, company sustainable performance for SMEs in developing countries, contributing to relationship marketing development, leading to useful recommendations for future researches related to customer complaint management.

## **Résumé**

**L'amélioration de la performance organisationnelle par combinaison de la gestion des réclamations des clients et de l'approche socio-économique : une étude de cas d'une SME au Vietnam**

### **Résumé**

Cette étude se penche sur la relation positive existant entre la gestion des réclamations des clients et les performances organisationnelles au sein d'une petite et moyenne entreprise (SME) au Vietnam. La méthodologie de recherche-action pragmatique de l'approche socio-économique du management (SEAM), a été appliquée pour améliorer la qualité du service et la performance durable de l'entreprise pour les SME des pays en développement.

Le processus de recherche intervention comprend deux plans d'action (2015-2016 et 2017-2018), chacun d'eux comportant cinq étapes : l'analyse des plaintes des clients, l'examen des causes et des origines de ces plaintes de l'avis des employés, la suggestion de plans d'action, la mise en œuvre de plans et l'évaluation de la performance organisationnelle.

La recherche s'appuie sur les résultats de précédents chercheurs (dont Arash, 2014 ; Hsiao et al, 2016 ; Faed et al, 2015 ; Yilmaz, 2015 ; Cappelletti, 2009 ; Savall, 2003 ; Bonnet et al., 2017). Son but est d'aborder la gestion des réclamations clients au niveau stratégique, l'analyse globale des réclamations et la perspective organique de la théorie de la sortie et de la voix en combinaison avec l'approche socio-économique du management dans le but de normaliser le cadre de gestion des réclamations clients pour remédier aux défaillances du service et satisfaire la clientèle. Il s'agit d'atteindre plusieurs dimensions de performance organisationnelle en développant le capital humain de la SME, avec pour résultat d'enrichir le marketing relationnel.

**Mots clés** : performance organisationnelle, gestion des réclamations clients, SEAM, SME, pays en développement, théorie de la sortie et de la voix, satisfaction du client, développement du capital humain.

## **Introduction**

La gestion des plaintes des clients est considérée comme un système lorsque celles-ci sont traduites en connaissances au sujet des clients. Le modèle de Johnston (2001), de Boeing A & T (Zairi, 2000), de NRMA (1992) (Zairi, 2000), le système CCM étendu d'Arash (2014), le nouveau cadre de Hsiao (2016) pour CCM, prouvent que le traitement des plaintes apporte des bénéfices en matière de capital humain, de finances et de processus. Ces études sont faites à partir d'un cadre étape par étape allant de la collecte de données sur les plaintes des clients à la mise en œuvre de solutions et d'évaluations. Ceci montre que la gestion des plaintes des clients est étudiée depuis les années 1990.

La relation entre la gestion des réclamations des clients et la performance organisationnelle attire l'attention des chercheurs, ainsi que celle des dirigeants d'entreprises dans une économie de plus en plus dominée par le monde des services. Le traitement des plaintes des clients conduit à leur fidélisation (Homburg et al, 2013), avec pour résultat la performance durable de l'entreprise.

Les auteurs sus-cités ont suggéré certaines approches pour cette relation : la théorie mécaniste et organique de la théorie de la sortie de Hirschman (1970), le traitement des plaintes individuelles et l'analyse des plaintes en globalité (Lapidus et autres, 1994), l'approche holistique intégrée du concept « People, Process and Technology » de la gestion de la relation client, ou l'approche distincte de ces trois composants (Bull, 2003 ; Chen et al, 2003 ; Mendoza et al., 2006 ; Rahimi et Gunlu, 2016), et l'approche autonome (Johnston, 2001) pour la stratégie, les processus et l'analyse.

Une étude de Hsiao et al (2016) développe une recherche-action sur la gestion des réclamations des clients en cinq phases (définir, mesurer, analyser, améliorer et contrôler). Le cadre de Hsiao est efficace pour aborder la qualité du service afin de résoudre les plaintes des clients à l'aide d'outils tels que le système de gestion de service, l'analyse de la voix de la clientèle, le modèle servqual, l'algorithme d'apprentissage inductif de l'arbre de décision, les diagrammes de cause à effet, etc. En tout état de cause, cette recherche a révélé la place qu'occupe la gestion des plaintes des clients dans la gestion d'entreprise, au niveau stratégique ou fonctionnel aussi bien ; mais ce cadre ne traite que des problèmes de processus de service, et les perspectives des employés n'ont pas été prises en compte. Les recherches de Hsiao n'ont pas été abordées selon une approche holistique intégrée de type « People, Process et Technology ».

Le système d'évaluation d'un cadre CCM, afin de recommander ou de prouver son impact positif sur la performance organisationnelle, repose sur des méthodes quantitatives et qualitatives. Faed et al (2015) et Yilmaz et al (2015) ont modéré les effets de la gestion des réclamations des clients sur les performances des entreprises, abordés respectivement du point de vue mécanique et organique de la théorie de la sortie. Ils utilisent un raisonnement déductif avec analyse PDA (Faed et al, 2015) et des tests symétriques utilisant une analyse de régression hiérarchique des données obtenues des plaignants et des dirigeants d'entreprise (Yilmaz et al, 2015). Ainsi, les deux études précédentes ont prouvé que la gestion des réclamations des clients était d'une grande importance pour l'amélioration des performances organisationnelles, mais que ces dernières sont rarement évaluées par la seule performance financière. Sinon, leurs résultats de recherche ne sont pas repris dans leurs études de cas ; il ne s'agit que de recommandations au sein de rapports. Ces recherches ne sont que des tests empiriques avec des méthodes quantitatives, dont les résultats ont peu d'impacts sociétaux pour la recherche universitaire. Hsiao et al (2016) ont eu recours à une enquête de satisfaction de la clientèle et à des calculs simples, tels que le nombre de plaintes par mois ou le pourcentage de temps de travail consacré à leur traitement. Par conséquent, l'auteur recommande que les résultats de la recherche reflètent ceux de la stratégie commerciale principale en intégrant des processus et des fonctions internes, ainsi que des réseaux externes. Cela a pour objectif de créer et de générer de la valeur, pour

des clients ciblés, entraîne un bénéfice pour les personnes, processus et la technologie et est mesuré à l'aide d'indicateurs multidimensionnels lorsque le CCM est considéré comme un changement d'organisation stratégique provoqué par une nouvelle orientation stratégique

C'est la raison pour laquelle l'entreprise a besoin d'une méthodologie appropriée pour mettre en œuvre efficacement la gestion des réclamations des clients, à savoir une recherche d'intervention socioéconomique, la récupération des défaillances de service, la révélation du développement du capital humain dans ce processus et une nouvelle évaluation complète de la performance organisationnelle à l'aide d'indicateurs simples et distincts, tels que les recherches précédentes le présentent.

Cette étude met en relief la relation entre la gestion des réclamations des clients et la performance organisationnelle abordée sous l'aspect organique de la théorie de la sortie (Hirschman, 1970) dans le but de créer un environnement interne favorable grâce à des processus de motivation et créer des valeurs et des normes communes. Cette étude de cas étant la première du genre à s'attacher au traitement des plaintes des clients, seule l'approche organique est développée. Il est donc difficile d'installer immédiatement des politiques organisationnelles formelles au cours de cette période d'essai concernant les réactions des employés au changement stratégique. À l'avenir, une fois cette recherche-action aboutie, une approche mécaniste, s'appuyant sur des processus, des résultats et des directives comportementales, sera utilisée pour poursuivre l'étude la gestion des plaintes des clients, comme le suggèrent Homburg et al (2005) ou ISO 10002 avec la norme internationale sur le traitement des plaintes. L'approche organique aide l'entreprise à mettre en œuvre avec succès la stratégie CCM.

L'auteur élabore un cadre de gestion des plaintes des clients fondé sur l'ensemble de ces aspects au niveau stratégique. Les clients, la direction, ainsi que les employés de première ligne, contribuent au processus car ils fournissent des informations utiles et leur participation réduira leur résistance au changement organisationnel lié à la gestion des réclamations des clients.

Quelle est la meilleure méthodologie pour mettre en œuvre la gestion des plaintes des clients ? Une recherche-action à orientation pragmatique (Cappelletti et al, 2009) ou une approche de management socio-économique (SEAM) se révèle la plus compatible.

Premièrement, la gestion des plaintes des clients est développée sur la base d'un système de conception phase par phase (par exemple Arash, 2014 ; Hsiao et al, 2016) au sein de projets de recherche-action. Cependant, aucune recherche-action ne décrit la relation entre la gestion des

réclamations des clients et la performance organisationnelle à l'aide d'une recherche qualimétrique sur les interventions ou d'une approche socio-économique de la gestion.

Deuxièmement, SEAM est une approche systématique du changement organisationnel, adaptée au niveau stratégique de la gestion des plaintes des clients. Selon Savall (2003), sur la base du biosystème, SEAM intègre :

- la gestion des ressources humaines et financière par calcul des coûts des dysfonctionnements liés au manque de gestion de la qualité ;
- le marketing, les ventes et la stratégie grâce à l'utilisation d'indicateurs de vigilance stratégique à chaque niveau de département de l'entreprise ;
- les opérations et la gestion de la production au développement organisationnel, de manière participative, en impliquant les acteurs dans la définition de solutions de réduction des effectifs et d'amélioration des processus au sein de l'entreprise (principe d'appropriation technologique).

Troisièmement, SEAM décrit clairement la manière de collecter et d'analyser les données de la direction aux employés de première ligne, de déterminer les dysfonctionnements formulés par une interaction entre les structures de l'organisation et les comportements des employés. SEAM soutient donc l'approche organique de la théorie de la sortie dans le processus de gestion des réclamations des clients.

Quatrièmement, SEAM explore les problèmes de toutes les personnes, processus et technologies et fait apparaître les causes de ces problèmes enracinés dans des dysfonctionnements réduits par des actions spécifiques.

Cinquièmement, SEAM fournit des outils de gestion tels que la gestion du temps, la grille de compétences, le journal de bord du pilote, un plan d'action stratégique externe-interne, un plan d'action prioritaire et un contrat d'activité périodiquement négociable qui « aident les acteurs de la société à orienter sa stratégie et à évoluer vers le développement du potentiel humain, tout en favorisant la réalisation d'objectifs économiques à court, moyen et long termes » (Cappalletti et al, 2009).

Sixièmement, dans l'évaluation socioéconomique, la performance organisationnelle est mesurée sur la base de données qualitatives, quantitatives et financières, et non uniquement sur la base de données financières ou de simples résultats de CCM tels qu'ils présentés dans des études antérieures. Dans cette étude, la rentabilité, la performance économique, la performance sociale et les coûts cachés de la gestion des réclamations des clients sont appliqués, indiquant les résultats de la recherche sur les interventions socio-économiques tels que la réduction des dysfonctionnements, l'amélioration des comportements individuels et des structures organisationnelles et la réduction des coûts cachés.



Septièmement, SEAM aide l'entreprise à atteindre des performances durables en répondant aux besoins des acteurs externes (les clients) et des acteurs internes (les employés) ; ceci lui permet d'obtenir des gains à court et à long terme. Selon Johnston (2001), si l'entreprise utilise les informations des plaintes pour améliorer les processus opérationnels et organisationnels, et satisfaire et fidéliser les employés, elle bénéficiera des avantages financiers résultant de la satisfaction et de la fidélisation des clients insatisfaits grâce au retour du service.

Enfin, selon Cappelletti et al (2009), « Il est possible que SEAM heurte certains partisans de la recherche-action, mais ça ne se produira pas. »

En conclusion, l'intégration du projet de recherche orienté vers l'action pragmatique (SEAM) dans la mise en œuvre de la gestion des réclamations satisfera le client, développera le capital humain, accroîtra la performance de la société durable et renforcera la relation entre le chercheur et la recherche. Cette étude a été réalisée dans une SME du secteur du transport de passagers au Vietnam. Elle a duré d'août 2014 à décembre 2018, selon deux plans d'action (2015-2016 et 2017-2018).

### **Revue de littérature**

Cette recherche porte sur la manière dont une SME améliore les performances organisationnelles en combinant la gestion des réclamations clients et l'approche socio-économique du management, ce en soulignant le rôle des employés dans l'amélioration des performances organisationnelles (Johnston, 2001) et l'environnement interne favorable à la gestion des réclamations clients (Hirschman, 1970, Maxham et al., 2003).

#### ***Caractéristiques du marketing relationnel***

Berry (1983) a été le premier chercheur à suggérer que le marketing relationnel représenterait un changement de paradigme dans le marketing.

Benouakrim et al. (2013) définissent le marketing relationnel comme un processus stratégique visant à établir, développer, maintenir et renforcer le tissu de relations avec diverses parties prenantes sur la base de normes économiques et sociales strictes et de la réalisation d'objectifs communs. Ils ont également établi que les facteurs de succès du marketing relationnel et les relations entre les variables médiatrices relationnelles incluent la confiance, l'engagement, la satisfaction et la qualité de la relation ; leurs conséquences sur les échanges relationnels sont notamment la performance, la communication de bouche à oreille, la loyauté et la coopération.

Le développement du marketing relationnel est étroitement lié à la croissance du secteur des services caractérisé par des relations à long terme avec la clientèle, axée sur l'interaction client-entreprise et la participation de la clientèle aux résultats du service rendu (Gummerus et al, 2017).

Ainsi, cette recherche choisit une étude de cas dans le cadre d'un service, en l'occurrence, le transport de passagers.

Le marketing relationnel représentait un passage des échanges transactionnels aux échanges relationnels (Dwyer et al., 1987; Morgan et al., 1994) et de l'attraction des clients visant à les satisfaire et les conserver (Berry, 1995), ce en maintenant des relations, telles que les avantages relationnels (Hennig-Thurau et al, 2002), la valeur relationnelle (Ravald et al., 1996), la confiance et l'engagement (Morgan et al., 1994) et parfois, la rupture des relations (Grönroos, 1994 ; Halinen et al., 2002). En outre, le marketing relationnel a contribué à ouvrir la voie à une vision en réseau de la création de valeur (Morgan et al, 1994) dans une économie en réseau.

La portée du marketing relationnel a été élargie et fragmentée en sous-domaines tels que la communication relationnelle (Balaji et al, 2016), la dynamique relationnelle (Harmeling et al, 2015), les aspects négatifs des relations étroites (Anderson et al, 2005), le rôle des relations par rapport à d'autres questions clés telles que le rétablissement du service (Hur et al, 2016), les interactions de service (Martin, 2016) et l'interdépendance des acteurs (Gummerus et al, 2017).

#### ***Recherche future sur le marketing relationnel***

En matière de méthodologie dans le marketing relationnel, Gummerus et al (2017) ont proposé deux pistes : premièrement, les chercheurs devraient viser une approche plus holistique du marketing relationnel en établissant une grande théorie du marketing relationnel ou en l'examinant au niveau du marché ou de l'écosystème ; deuxièmement, les chercheurs devraient examiner les relations dans des contextes en évolution, tels que les relations numériques ou des objets spéciaux et temporels, mais aussi à l'aide de méthodes de recherche plus complexes, notamment qualitatives, ou à travers les théories d'utilisation, les pratiques ou les capacités nécessaires à la réussite du marketing relationnel.

La littérature sur le marketing relationnel s'est principalement concentrée sur le maintien de la relation (avec une attention moindre accordée à son début et à son terme ; par exemple, une grande partie de la littérature se concentre sur la façon de vendre davantage à court terme), en privilégiant les nouveaux clients ou, mieux, les clients haut de gamme, et la construction de barrières de sortie. Par conséquent, des stratégies fructueuses d'établissement de relations seraient nécessaires.

De nos jours, le marketing relationnel repose non seulement sur une situation gagnant-gagnant, mais également sur la logique S-D (Lusch et al, 2014), mettant en évidence la co-création de valeur (Echeverri et al, 2011).

Enfin, un autre type de relations qu'il serait intéressant d'approfondir est celle qui lie le chercheur aux personnes au centre de sa recherche (Gummerus et al, 2017). Ces relations sont désignées par l'augmentation de l'impact sociétal de la recherche universitaire ; les chercheurs doivent dialoguer

directement avec les parties prenantes concernées. Cet engagement pourrait avoir lieu à la fois dans le processus de recherche en ce sens que de nouvelles connaissances sont co-crées avec les parties prenantes concernées, mais également lors de la diffusion, de l'utilisation et de la validation des résultats de la recherche (Gummerus et al, 2017). Cependant, Gummerus et al. (2017) insistent également sur le fait que les chercheurs doivent également garder un œil critique sur ce type de relations et soient conscients des dilemmes éthiques que ce type d'engagement peut engendrer et de la manière dont ces dilemmes influencent l'analyse et les résultats finaux.

### ***Les attentes de la contribution au marketing relationnel***

Cette thèse devrait contribuer au marketing relationnel de la manière suivante :

Premièrement, elle développe des valeurs et des normes orientées client (Levitt, 1983; Shapiro, 1991).

Deuxièmement, elle découle du marketing interne (Gummesson, 1987; Grönroos, 1990) par le fait de persuader les employés à mettre en œuvre une stratégie de marketing relationnel telle que la gestion des plaintes des clients.

Troisièmement, la technologie est appliquée pour renforcer la relation entre l'entreprise et les clients grâce à une base de données clientèle collectée via le logiciel du système de réservation (Peterson et Wang, 1993).

Quatrièmement, l'étude de cas encourage la compréhension de la satisfaction du client par les études de marché et le flux continu d'informations dans l'entreprise via un système d'information direct (Parasuraman, 1991).

Cinquièmement, l'équipe de pilotage du projet de recherche recommande et met en œuvre de nouvelles structures organisationnelles et des systèmes de récompense (Buttle, 1996).

Sixièmement, l'auteur développe des méthodes de recherche plus multiformes dans le marketing relationnel par la mise en œuvre d'une recherche-action pragmatique appelée SEAM, ce en déterminant la fin de la relation au segment du marché des bus interurbains à bas prix et son début au segment des limousines à prix élevé car le segment « bas prix » n'est pas profitable à l'étude de cas du fait de l'attention moindre accordée au début et à la fin de la relation dans le concept premier du marketing relationnel (Gummerus et al, 2017). La stratégie d'innovation de service initie la relation entre l'entreprise et les nouveaux clients qui préfèrent un service qualifié et acceptent des prix élevés. Au cours de la deuxième période (2017-2018), après l'acquisition de nouveaux clients, la société maintient ses clients haut de gamme grâce à des politiques marketing et à un engagement en matière de qualité de service.

Enfin, l'auteur a choisi SEAM comme méthodologie de mise en œuvre de la gestion des réclamations clients afin de développer la relation entre le chercheur et les acteurs de l'entreprise. Un processus en cinq étapes fait apparaître que des recommandations ont été formulées dans le cadre de ce projet de recherche et que l'outil du marketing relationnel (cadre de gestion des plaintes des clients) est co-créé avec les acteurs de l'entreprise, permettant ainsi de valider les résultats de la recherche.

### ***Gestion de la relation client***

L'un des résultats de l'évolution du marketing relationnel a été la naissance des solutions de gestion de la relation client. Le CRM est considéré aux niveaux stratégique et fonctionnel.

Au niveau stratégique, la gestion de la relation client constitue la stratégie principale de l'entreprise, qui intègre des processus et des fonctions internes à des réseaux externes afin de créer et de générer de la valeur avec des clients ciblés. Une combinaison des ressources humaines, des processus métier et de la technologie, ainsi qu'une approche intégrée et globale entre ces trois éléments de la stratégie de gestion de la relation client sont indispensables à la réussite de celui-ci (Bull, 2003 ; Chen et al, 2003 ; Mendoza et al., 2006 ; Rahimi et Gunlu, 2016). Cette combinaison est considérée comme une philosophie, une stratégie globale qui décrit le processus d'acquisition, de rétention et de partenariat avec des consommateurs sélectifs afin de créer une valeur supérieure pour l'entreprise et le consommateur.

Comme mentionné précédemment, la mise en œuvre réussie d'une stratégie de gestion de la relation client nécessite une combinaison des trois composants suivants : les personnes, les processus et la technologie.

Quelques rares études ont tenté d'examiner la mise en œuvre simultanée de « People, Process and Technology ». La présente étude a été réalisée pour combler cette lacune.

### ***Mise en place et mesure de la relation client***

Pour une mise en œuvre réussie de la gestion de la relation client, une approche intégrée et globale entre les trois composants susmentionnés est requise. Chaque composant contient un ensemble de facteurs, appelés facteurs critiques de succès (CSF) (Almotairi, 2010 ; Mendoza et al., 2006). Oakland (1995) a défini les CCA comme étant les domaines critiques dans lesquels l'entreprise doit réussir pour s'acquitter de sa mission. Presque toutes les recherches en matière de mise en œuvre de la gestion de la relation client sont des études qualitatives, des études de cas, des recherches-action et usent des avantages des CCA (par exemple, Blery et al, 2006 ; Kim et al, 2006 ; Shum et al., 2008 ; Mendoza et al., 2007) .

Par conséquent, basée sur une approche holistique intégrée du concept « People, Process et Technology », à partir de la mise en œuvre du CRM basée sur les perspectives des employés

développées à partir de la recherche de Shum, cette étude examine 8 facteurs de succès critiques de la mise en œuvre de la CRM au niveau stratégique de gestion par la méthodologie SEAM. Plus spécifiquement, les CSF, pour le processus CRM, incluent les stratégies, les processus et le contrôle, pour les personnes, la structure organisationnelle, la réglementation et l'incitation et, pour la technologie, les technologies et les systèmes d'information. Les employés seront autorisés à participer au diagnostic des dysfonctionnements, à la proposition de solutions, à la mise en œuvre d'actions et à l'évaluation de l'efficacité de la mise en œuvre de la gestion des réclamations des clients.

### ***Gestion des réclamations clients***

Selon les travaux de marketing (Stauss et al., 2004) et de psychologie (Kowalski, 1996), une plainte est définie comme l'expression d'une insatisfaction visant à attirer l'attention sur une inconduite présumée de la part d'une entreprise et à atteindre des objectifs personnels ou collectifs.

### ***Gestion des réclamations clients abordée à partir de différentes théories***

Premièrement : selon la théorie de la dissonance cognitive (Festinger et al, 1957), les attentes non confirmées créent un état de dissonance ou un inconfort psychologique. Cette théorie est utilisée dans la littérature au sujet du comportement du consommateur pour expliquer les réévaluations cognitives des clients après leurs achats (Cohen et al, 1970). D'après Oshikawa (1969) et Soutar et al. (2003), dans la littérature au sujet du comportement du consommateur, la dissonance est plus prononcée lorsque la décision d'achat est importante et que le consommateur est exposé à de nouvelles informations non disponibles au moment de la prise de décision et contraires à son expérience et/ou aux informations qu'il possède déjà. Le déclin de la dissonance cognitive devrait aider les consommateurs individuels à acheter de manière plus efficace et cohérente, en incluant des éléments cognitifs tels que leurs propres connaissances, leur connaissance de l'environnement, leurs attitudes, leurs opinions et leurs comportements passés.

Deuxièmement : la théorie de la sortie, de la voix et de la loyauté de Hirschman (1970) postule que le comportement de plainte du consommateur dépend de la « valeur d'exprimer la plainte », de la « probabilité que la plainte soit retenue » et de « la capacité et volonté de prendre la voix », et cette sortie est souvent un dernier recours (Blodgett et al, 1993). Fornell et al. (1987) indiquent que la direction découvre son incapacité à satisfaire, via deux mécanismes de rétroaction, la sortie et la voix. Selon la théorie de Hirschman (1970), un plaignant, dans la littérature marketing, a longtemps été considéré comme un client insatisfait supportant les coûts associés au dépôt d'une plainte auprès de l'entreprise pour obtenir une solution à un problème posé et/ou amorcer un changement dans les pratiques, les politiques ou les offres de l'entreprise. Il existe deux approches pour résoudre le problème des plaintes des clients selon cette théorie : organique et mécaniste.

En adoptant une approche organique, les entreprises peuvent influencer sur le comportement des employés en ce qui concerne le traitement des plaintes, ce en créant un environnement interne favorable, principalement par le biais de processus de motivation, ainsi que par la création de valeurs et de normes communes (Maxham et al., 2003).

Sur la base de l'approche mécaniste, les entreprises peuvent influencer le comportement des employés en élaborant et en mettant en place des politiques organisationnelles formelles pour les processus de traitement des plaintes. Homburg et al. (2005) regroupent les politiques organisationnelles formelles pour les processus de traitement des plaintes en trois catégories : (1) les processus d'enregistrement et de traitement des plaintes des clients ; (2) les résultats conçus comme des remèdes et des compensations ; (3) des directives comportementales traitant des attitudes et des comportements des employés à l'égard des plaignants. La qualité des trois catégories de directives – évaluées en fonction de leur degré d'orientation client, de leur clarté et de leur simplicité – prévoit les évaluations juridiques des plaignants.

Troisièmement : de la théorie de l'engagement du marketing relationnel fondée sur la confiance, on déduit que la gestion des plaintes des clients devrait être une approche intégrée et globale entre les personnes, les processus métier et la technologie, soit les trois composants de la gestion des relations clients dans le marketing relationnel. L'accent mis sur les plaintes des clients est l'un des types de gestion de la relation client. Les personnes du CRM sont fortement impactées par les nouveaux processus et les valeurs de nouveaux processus ; les processus opérationnels se définissent comme un flux de mini-cultures d'impartialité et de création de connaissances client ; la technologie concerne uniquement l'analyse des données clients et des modèles prédictifs. Mais dans cette thèse, la technologie inclut les interactions directes avec les clients à travers les réseaux sociaux, l'assistance téléphonique, l'historique des transactions des clients ainsi que leurs informations personnelles. Sirdeshmukh et al. (2002) ont proposé un modèle dans lequel la confiance est un antécédent de satisfaction, subordonné à la loyauté. Une satisfaction accrue contribue à un engagement plus efficace des clients.

Quatrièmement : au point de vue de la qualité du service, les plaintes des clients sont un fait de la vie organisationnelle. La qualité du service influe considérablement sur les performances opérationnelles et la satisfaction de la clientèle. Les résultats de la qualité de service sont plus importants que le processus impliqué dans la qualité de service (Wetzels et al, 1988). La satisfaction du client est devenue la priorité marketing la plus critique, car elle détermine les ventes répétées, le bouche à oreille positif et la fidélisation de la clientèle (Gelbrich et al., 2015). La qualité du service est l'écart entre les attentes du client et sa perception. Lapidus et al. (1994) ont suggéré le traitement

des plaintes individuelles et l'analyse des plaintes en globalité. Johnston (2001) a expliqué que les plaintes individuelles devaient être traitées le plus rapidement possible pour que le client soit satisfait et que les impacts du bouche à oreille ne soient pas négatifs. En conséquence, ce retour créera des opportunités de satisfaire au mieux la clientèle. Cependant, cette approche traite des symptômes plutôt que des causes. En revanche, l'analyse globale des plaintes permet à une entreprise d'identifier leurs causes et de déterminer les changements stratégiques à apporter aux pratiques commerciales. Tous ces changements peuvent être communiqués à tous les niveaux de l'organisation et offrent des solutions spécifiques pour améliorer la qualité du service afin de prévenir la répétition des échecs et de réduire le nombre de plaintes au fil du temps. Bien que des études approfondies existent sur le traitement des plaintes individuelles (par exemple, Einwiller et al, 2015; Gelbrich et al., 2015), peu se sont concentrées sur leur analyse au niveau global, et ce malgré le soutien théorique à sa rentabilité (Fornell et al, 1987) et des principes directeurs pour sa mise en œuvre (Lapidus et al, 1994). De plus, les applications empiriques de l'analyse globale des plaintes sont rarement rapportées dans la littérature.

Une norme de gestion (ISO 10002) existe pour le traitement des réclamations de l'entreprise. Cette norme est apparue à la mi-2004 et s'est imposée comme la norme internationale sur le traitement des réclamations (ISO de 2004). Elle a pour objectif de guider l'élaboration et la mise en œuvre d'une politique et d'un processus efficaces de gestion des plaintes au sein de l'entreprise, sa portée est internationale et elle est applicable aussi bien dans les contextes traditionnels que dans le commerce électronique.

En résumé, au point de vue de la qualité du service, la gestion des réclamations des clients consiste à réduire l'écart entre la perception et les attentes des clients. Le résultat de cette approche révèle que l'ISO 10002 l'améliore. Cette thèse utilise une analyse globale des réclamations et ne peut pas appliquer l'ISO 10002 car l'entreprise n'a jamais implémenté la gestion des réclamations des clients. Il est possible qu'à la suite de cette recherche-action, l'auteur développe une approche mécaniste en utilisant l'ISO 10002 pour normaliser le processus de traitement des réclamations dans cette étude de cas.

Hsiao et al (2016) présentent un cadre intégrant une approche d'arbre de décision, un outil d'exploration de données commun, dans la méthodologie Six Sigma, pour analyser globalement les plaintes des clients et améliorer la qualité du service en identifiant et en présentant les causes sous-jacentes d'un service défaillant dans le cadre de leurs recherches-actions dans une étude de cas au sujet d'une chaîne de restaurants à Taiwan. Cependant, l'une des faiblesses de la recherche de Hsiao est le peu d'attention portée aux comportements des employés ; chercheurs et gestionnaires ne

peuvent donc pas comprendre ce que les employés veulent ou non. Cela signifie que l'environnement interne n'a pas été étudié dans leur cadre.

La première étape de cette recherche applique le cadre de Hsiao pour prédire les causes des échecs de service à partir des opinions des clients avant de les confronter aux opinions des employés selon l'approche socio-économique de la gestion (SEAM). Cela signifie qu'une nouvelle contribution à la gestion des plaintes des clients passe par l'intégration de SEAM. En outre, il est prouvé que le résultat de la gestion des plaintes des clients est non seulement une réduction de leur nombre, comme l'a conclu Hsiao, mais également une amélioration des performances organisationnelles. En outre, cette étude ne développe que l'approche organique, car c'est la première fois que l'étude de cas gère le traitement des plaintes des clients ; aussi, il est difficile d'installer immédiatement des politiques organisationnelles formelles pour le processus de traitement des plaintes concernant les réponses des employés au changement stratégique. À l'avenir, une fois cette recherche-action réussie, une approche mécaniste sera utilisée pour poursuivre l'étude de la gestion des plaintes des clients.

#### ***Gestion des réclamations clients et performance organisationnelle***

La conclusion de nombreux chercheurs est que l'implémentation de la gestion des réclamations des clients améliorerait les performances de l'entreprise (Arash, 2014; Faed et al, 2015; Yilmaz et al 2015; Hsiao et al 2016).

Cette étude décrit la relation entre la gestion des réclamations des clients et les performances organisationnelles. On attend d'une combinaison entre la gestion des réclamations clients et l'approche socio-économique de la gestion une amélioration des performances organisationnelles des SME des pays en développement.

La recherche d'intervention qualimétrique (ou approche socio-économique de la gestion) est la plus cohérente en la matière. Premièrement, SEAM est une approche systématique du changement organisationnel, adaptée au niveau stratégique de la gestion des plaintes des clients. Deuxièmement, SEAM est une recherche d'intervention aidant à mettre en œuvre des recommandations (ou plans d'action) après analyse des données et améliorant les faiblesses des recherches empiriques de Faed et al (2015) et de Yilmaz et al (2015). Troisièmement, SEAM prend en charge l'approche organique de la théorie de la sortie et la voix, car elle permet aux employés de la direction aussi bien qu'aux ouvriers d'atelier de s'engager dans le processus de gestion des plaintes des clients. Enfin, avec SEAM, l'analyse de la performance d'une organisation repose sur des données qualitatives, quantitatives et financières, et pas seulement sur des données financières de gestion traditionnelle, reflétant des aspects multidimensionnels de l'autonomisation du CCM, tels que la rentabilité, la rétention des clients et des employés.



### ***Gestion suggérée des réclamations clients combinée à l'approche socio-économique du management (SEAM)***

Cette thèse vise à prouver qu'une petite ou moyenne entreprise ayant une bonne maîtrise de la gestion des plaintes des clients, obtiendra de meilleures performances organisationnelles et verra les comportements et les actions de ses employés modifiés. La gestion des réclamations des clients est un processus comprenant les étapes suivantes :

Étape 1 : analyse des plaintes des clients à l'aide d'un diagramme de cause à effet afin de déterminer les problèmes concernant les personnes, les processus et les technologies de gestion de la relation client ;

Étape 2 : détermination des causes des problèmes par l'examen des dysfonctionnements et des coûts cachés de la gestion de l'entreprise, ce sur la base d'une approche socio-économique de la gestion ;

Étape 3 : proposition de plans d'action au niveau stratégique de la gestion par approche socio-économique de la méthodologie de gestion ;

Étape 4 : mise en œuvre des plans d'action stratégiques fondés sur une approche socio-économique des directives de gestion ;

Étape 5 : évaluation des plans d'action stratégiques et contrôle en fonction d'indicateurs de performance organisationnelle tels que la rentabilité de la gestion des réclamations des clients, la performance économique, la performance sociale et les coûts cachés.

Ce processus est nouveau par rapport au précédent de Hsiao et al (2016) en ce sens où la gestion des plaintes des clients du point de vue des employés, une approche holistique entre les trois composants du CRM (Personnes, Processus et Technologie), une approche organique de la théorie de la sortie et de la voix et de la méthodologie SEAM sont appliquées dans le modèle de recherche.

De nombreux articles académiques, thèses et comptes rendus de conférences ont été consacrés à la gestion de la relation client au Vietnam, notamment les recherches de Ngo et al (2018), Truong (2013). Mais peu d'entre elles ont été effectuées sur le traitement des plaintes de clients (par exemple, Bui et al, 2015). Presque toutes ces recherches sont des raisonnements déductifs. Il n'existe pas de recherche qualitative ou d'action dans le CRM, en général, et la gestion des plaintes des clients, en particulier. De plus, SEAM n'a été utilisé dans aucune recherche au Vietnam.

#### **Méthodologie**

##### ***Exposition du problème***

Hsiao et al (2016) ont suggéré un nouveau cadre pour la gestion des réclamations des clients en intégrant un algorithme d'apprentissage inductif par arbre de décision dans l'ensemble d'outils

d'analyse Six Sigma, ce afin d'améliorer l'efficacité de la gestion des réclamations et de la qualité des services. Ce cadre comporte cinq phases. Tout d'abord, la phase de définition : la réception des plaintes des clients, l'évaluation, la révision des politiques ainsi que des processus de maintien de la qualité du service et l'identification des opportunités d'amélioration. Deuxièmement, la phase de mesure : le chercheur identifie les écarts de qualité et les objectifs d'amélioration, prend en compte les plaintes des clients et les principaux domaines de réclamations, et collecte les données de service relatives au contexte. Troisièmement, la phase d'analyse, soit l'introduction des règles déductives relatives aux dimensions de la réclamation des clients sur la base des caractéristiques contextuelles du service, de leur vérification et de l'arrêt des recherches des sources et des causes des plaintes des clients. Quatrièmement, la phase d'amélioration qui vise à recommander et à vérifier des solutions pour améliorer la qualité du service. Enfin, la phase de contrôle qui consiste à déterminer et à mettre en œuvre des plans de contrôle.

Le cadre de Hsiao est efficace pour résoudre le problème des plaintes des clients à l'aide d'outils tels que système de gestion de service, analyse de la voix du client, modèle de service, algorithme d'apprentissage inductif de l'arbre de décision, diagrammes de cause à effet, etc. Cependant, des faiblesses subsistent. Tout d'abord, lors de la phase de définition, Hsiao n'a pas expliqué comment collecter des données et auprès de qui. Deuxièmement, cette étude n'a déterminé que les problèmes de processus de service. Troisièmement, ne sont évalués que les effets des solutions en fonction de la satisfaction de la clientèle, du nombre de plaintes par mois et du pourcentage de personnes travaillant à leur traitement, bien que la recherche soit abordée à partir d'une approche basée sur l'amélioration de la qualité pour promouvoir le projet.

Un autre modèle de recherche sur la gestion des plaintes des clients est appelé système CCM (Arash, 2014). Ce système comporte sept étapes : l'étape 1 consiste à documenter la voix du client (VOC) ; l'étape 2 à considérer la VOC en tant que traduction des besoins ou des problèmes du client ; l'étape 3 analyse et résout le problème ; l'étape 4 exploite les besoins du client ; l'étape 5 met à jour les modes de défaillance et l'analyse des effets ; l'étape 6 partage la solution avec le client concerné et l'étape 7 met à jour la mesure de la performance du système. Arash a suggéré l'autonomisation afin d'ajouter de la valeur, non seulement au client, mais également aux performances organisationnelles, qui sont mesurées par la rentabilité de la gestion des plaintes des clients ou le retour de la gestion des plaintes. L'étude d'Arash réduit les faiblesses de la gestion des plaintes à l'ancienne : les gestionnaires de plaintes forment une partie importante de l'entreprise, la satisfaction du client est primordiale, les attitudes positives et proactives sont encouragées, une réponse rapide et des solutions simples sont appréciées, un système informatique et un téléphone sont utilisés. Pour personnaliser les contacts et

augmenter la rapidité des réponses, les clients et les employés de première ligne sont régulièrement invités à faire part de leurs réactions afin de mesurer la satisfaction de la clientèle et les points à améliorer. Cependant, le processus en 7 étapes est assez compliqué, et les étapes doivent être fusionnées pour assurer la logique. De plus, la gestion des plaintes des clients est considérée comme un niveau de fonction. La mesure est donc basée sur un aspect économique qui est la rentabilité de la gestion des plaintes des clients, mais cet indicateur n'est pas suffisant pour prouver l'impact de CCM sur la performance organisationnelle, car cette dernière doit être calculée en fonction de la performance sociale.

En résumé, les deux modèles de CCM manquent d'indicateurs pour l'évaluation de la manière dont la performance organisationnelle est modifiée ; il n'y est pas non plus indiqué comment la direction, les responsables et les employés de première ligne se coordonnaient pour proposer des actions spécifiques concernant les problèmes de personnes, de processus et de technologie.

Sur la base des faiblesses de la méthodologie de recherche-action et de la mesure des résultats du projet CCM, l'auteur propose une recherche-action pragmatique associant CCM à SEAM pour la satisfaction de la clientèle et le développement du capital humain des SME.

Premièrement : en ce qui concerne la combinaison entre CCM et SEAM, aucune recherche n'a développé la relation entre la gestion des réclamations des clients et la performance organisationnelle en appliquant une approche socio-économique à la méthode de gestion. Une SME engagera la clientèle et le personnel dans la mise en œuvre de la gestion des plaintes des clients. Clients et personnel sont des parties prenantes essentielles de l'entreprise. Leur participation fournira des informations utiles à l'entreprise et lui permettra ainsi d'aboutir à un consensus et de s'unir pour augmenter avec succès ses performances organisationnelles, ce en réduisant sa résistance au changement organisationnel. De plus, SEAM permet l'amélioration des compétences et des connaissances. SEAM indiquera clairement comment collecter et analyser les points de vue de la direction, des responsables et des employés, leurs approbations ainsi que leurs tâches, en étapes et en actions détaillées. SEAM s'applique sur 4 des 5 étapes de la gestion des réclamations clients, comme indiqué ci-dessus :

La méthode de résolution de problèmes socio-économiques comprend quatre étapes : (1) le diagnostic des dysfonctionnements et l'évaluation des coûts cachés ; (2) la conception et le développement coopératifs de solutions organisationnelles innovantes ; (3) la mise en œuvre structurée des actions d'amélioration et (4) l'évaluation des performances qualitatives, quantitatives et financières.

L'étape 1 de SEAM figure dans l'étape 2 ; l'étape 2 de SEAM est menée dans l'étape 3 ; l'étape 3 de SEAM est réalisée dans l'étape 4 ; l'étape 4 de SEAM apparaît dans l'étape 5.

Deuxièmement : en ce qui concerne la mesure de la performance organisationnelle, SEAM aide l'entreprise à évaluer de manière exhaustive les performances socio-économiques grâce à la méthode de qualimétrie avec données hybrides. Il convient donc de calculer quatre indicateurs : rentabilité de la gestion des réclamations clients, performance économique, performance sociale et coûts cachés.

Dans cette thèse, l'auteur applique l'approche organique de la théorie de la sortie et de la voix pour avancer l'idée que la gestion des réclamations des clients peut aider l'entreprise à atteindre de meilleures performances organisationnelles grâce à un environnement interne favorable et à une approche socio-économique de la gestion. Par conséquent, le terme « gestion des plaintes des clients » est clairement défini comme un processus en cinq étapes à un niveau stratégique de gestion abordé à partir d'une combinaison holistique intégrée de personnes, de processus et de technologie, analyse globale des plaintes des clients et perspective organique de la théorie de la sortie et de la voix par SEAM, entraînant une modification des comportements des employés vis-à-vis des clients, des actions collectives, de l'innovation de service et une amélioration des performances organisationnelles. Ces résultats signifient une organisation générée par de nouvelles orientations stratégiques ou une approche intentionnelle impliquant une gestion stratégique.

Dans cette étude, le cadre de gestion des plaintes des clients est plus développé et se présente sous la forme d'un processus en 5 étapes. La première étape consiste à analyser les plaintes des clients afin d'étudier les dimensions de la qualité du service ; la deuxième étape à déterminer les causes des problèmes liés aux personnes, aux processus et à la technologie en détectant les dysfonctionnements résultant de l'interaction entre la structure organisationnelle et les comportements des employés sur la base d'une approche socio-économique de la gestion ; l'étape 3 suggère des plans d'action stratégiques pour mettre en œuvre la gestion des réclamations des clients au niveau stratégique de la gestion par approche socio-économique de la méthodologie de gestion ; l'étape 4 consiste à mettre en œuvre les plans d'action stratégiques ; et l'étape 5 à évaluer le rendement organisationnel après la mise en œuvre des plans d'action stratégiques.

La contribution attendue de cette recherche est de confirmer le rôle de la méthodologie d'approche socio-économique de la gestion dans la relation entre la gestion des réclamations des clients et la performance organisationnelle, ce qui n'a pas été prouvé dans les études précédentes. Sinon, les résultats de la recherche renforceront les facteurs influant sur le succès du marketing relationnel.

### ***Objectifs de recherche***

Sur la base des problèmes exposés ci-dessus, la recherche sera menée avec les objectifs suivants :

Tout d'abord, proposer un système de gestion des réclamations clients pour les SME des pays en développement via SEAM afin d'accroître leurs performances organisationnelles.

Deuxièmement, recommander des implications en termes de gestion pour une petite et moyenne entreprise qui implémenterait la gestion des réclamations clients dans les SME en utilisant une approche socio-économique de la gestion.

### ***Questions de recherche***

Dans le cadre d'une recherche-action, les questions relèvent d'une préoccupation thématique plutôt que d'hypothèses. Selon Kemmis et al (1988), la préoccupation thématique définit le domaine de fond sur lequel la recherche-action décide de centrer ses stratégies d'amélioration de l'étude de cas, sujet de préoccupations lorsque l'auteur a entamé sa recherche. La première a été la confrontation à une baisse significative des performances organisationnelles telles que les performances économiques et sociales. Deuxièmement, les clients se sont beaucoup plaint des dimensions de la gestion de la relation client (« People, Process and Technology ») et du changement d'utilisation du service fourni par la concurrence. L'entreprise devait trouver un moyen de fidéliser ses clients.

Compte tenu de ces préoccupations, l'auteur a conclu qu'il serait très utile pour l'entreprise de prendre en compte les plaintes des clients. Par conséquent, le chercheur a abordé la gestion des plaintes des clients en tant que préoccupation thématique de ses recherches.

À partir de cette préoccupation thématique commune, l'auteur a développé sa recherche autour d'une unique question : ***comment une petite entreprise vietnamienne améliore-t-elle sa performance organisationnelle en mettant en œuvre une gestion des réclamations clients par le biais d'une approche socio-économique du management ?***

Pour répondre à cette question d'ensemble, une analyse plus fine a été nécessaire en posant les cinq sous-questions suivantes :

Question 1 : de quoi les clients se plaignent-ils ?

Question 2 : pourquoi les clients se plaignent-ils, du point de vue des employés ?

Question 3 : comment une SME réduit-t-elle les plaintes de ses clients ?

Question 4 : comment une SME met-elle en œuvre des plans d'action stratégiques ?

Question 5 : comment une SME évalue-t-elle sa performance organisationnelle après la mise en œuvre de plans d'action stratégiques ?

Les réponses aux cinq sous-questions donnent lieu à des directives spécifiques en 5 étapes dans le cadre de gestion des plaintes des clients.

***Hypothèse centrale.*** Il est possible pour une SME du secteur des services de transport de passagers d'améliorer ses performances organisationnelles en mettant en œuvre une gestion des réclamations

des clients par le biais d'une approche socioéconomique de la gestion des services de bus interurbains. Pour ce faire, les SME doivent mettre en œuvre des solutions permettant de résoudre les problèmes de personnel, de processus et de technologie.

### ***Revue de la littérature consacrée à la méthodologie en sciences de gestion***

Selon Savall (1994), la recherche en sciences de gestion comporte deux types d'objets de connaissance : (1) les pratiques actuelles des acteurs sociaux au sein des entreprises ; (2) les concepts, méthodes et outils qui contribuent à l'évolution de ces pratiques. En sciences de gestion, il existe deux paradigmes : dominant et alternatif.

La réflexion épistémologique et le débat en sciences de gestion sont marqués par une opposition forte, voire dichotomique, entre des pôles tels que positivisme/constructivisme, induction/déduction et découverte/justification.

Les rôles des chercheurs, leurs positions et leurs impacts sur l'objet de recherche observé constituent les points principaux. Premièrement, les chercheurs doivent positionner l'épistémologie positiviste et constructiviste ; deuxièmement, déterminer les caractéristiques de base de leurs recherches, qu'elles soient appliquées ou empiriques.

Le raisonnement scientifique de la science de la gestion est une combinaison de trois formes, à savoir : l'abduction, la déduction et l'induction.

En sciences de la gestion, il existe quatre types de méthodes de base (Ostasz, 1999 ; Sułkowski, 2016) : premièrement, la méthode pragmatique dont l'objectif est d'améliorer l'efficacité de la gestion de l'organisation ; deuxièmement, la méthode empirique pour la reconnaissance d'une organisation et d'un système de gestion, considérés comme des êtres réels reconnaissables par une approche réaliste ; troisièmement, la méthode formelle, utilisée pour créer une structure de méthodes logique ou mathématique ; enfin, la méthode de compréhension visant à reconnaître le modèle organisationnel des systèmes de gestion compris comme des êtres constructivistes abordés à partir de perspectives interprétatives.

### ***Revue de la littérature consacrée à la recherche-action***

Reason et al (2001) définit la recherche-action comme suit : « La recherche-action est un processus participatif, démocratique concerné par le développement de la connaissance pratique à la poursuite d'objectifs humains valables, et fondé sur une vision du monde participative. »

Fondamentalement, Collis et al. (2003) divisent la recherche-action en trois catégories : premièrement, la recherche-action classique considère la recherche comme un moyen de tester les déclarations provisoires dans un environnement réel ; deuxièmement, la recherche-action contemporaine se concentre sur les idées logiques des individus et des groupes ; troisièmement, la

recherche-action critique est un type spécifique de recherche-action qui adopte une approche dont le but essentiel est l'amélioration des performances.

En règle générale, la recherche-action comprend les cinq étapes suivantes :

Premièrement, le diagnostic implique des entretiens, des examens d'opinions sur les dossiers des employés.

Deuxièmement, la planification des actions comprend la collecte et l'interprétation de données, et la suggestion d'actions. Il s'agit d'une tentative de recherche de l'ensemble des données requis pour l'étude. L'interprétation des données signifie qu'une fois celles-ci rassemblées, l'étape suivante consiste à les analyser afin qu'elles puissent être utilisables. Les données une fois analysées sont interprétées pour une compréhension aisée de leurs utilisateurs. Ensuite, les actions suggérées sont approuvées par la direction de l'entreprise.

Troisièmement, l'agent de changement et les employés mettent en œuvre les plans pour remédier à la situation problématique identifiée aux étapes ci-dessus.

Quatrièmement, à l'étape de l'évaluation, les données initiales sont utilisées comme point de repère, et une évaluation est réalisée pour déterminer le succès ou non du processus de changement.

Enfin, la haute direction contrôle ce qui n'a pas été mis en œuvre avec succès et les causes de cet échec. Ensuite, le processus se poursuit de lui-même en tant que processus sans fin.

En recherche-action, il existe deux types distincts : pragmatiques et critiques. Ils sont différenciés en fonction des problèmes suivants :

Premièrement, en termes de finalité, une orientation pragmatique signifie une amélioration de l'ouvrabilité de la praxis humaine, mais cruciale – l'émancipation.

Deuxièmement, du point de vue de la focalisation de l'action, les centres d'orientation pragmatiques expérimentent et coopèrent, mais ils sont critiques – résistance et libération.

Troisièmement, sous l'angle de l'« orientation vers le pouvoir », et d'un point de vue pragmatique, le pouvoir est considéré comme une capacité de faire, une relation de collaboration, et un accord de pratique est recherché. Toutefois, selon les chercheurs à orientation critique, les intérêts dominants, la coercition, les conflits sont reconnus.

Quatrièmement, en ce qui concerne le rôle du chercheur dans le cas d'une recherche à orientation pragmatique : il est responsable de la proximité et des connaissances pratiques, tout autant que critiques – distance, épistèmes, connaissance réflexive.

Cinquièmement, du point de vue de la recherche, les chercheurs à orientation pragmatique investissent dans des actions et des dialogues, tandis que ceux à orientation critique privilégient les réflexions.

Sixièmement, les objectifs d'études pragmatiques centrées sur le développement sont un apprentissage expérientiel, un apprentissage par la pratique, mais critique – éveil de la conscience et réflexivité.

Enfin, dans les recherches à orientation pragmatique, les types de dialogue comprennent ceux de type coopératif, basé sur l'expérience et orienté vers l'action. En cas d'orientation critique, ils doivent promouvoir l'ouverture à l'autre.

De nos jours, la recherche-action s'enrichit davantage en modifiant certaines étapes de son cycle, par exemple un modèle en spirale en quatre étapes du processus de recherche-action (Coghlan et al., 1997).

Dans la recherche-action, il existe une autre méthode, suggérée par les chercheurs d'ISEOR, appelée la recherche sur l'intervention qualimétrique. Elle ouvre des perspectives considérables pour faire progresser les connaissances en gestion, économie et sciences humaines et sociales, ce en combinant approches qualitatives et quantitatives, analyses micro et macroéconomiques, recherche fondamentale et recherche appliquée. En outre, elle contribue à une méthode d'analyse de contenu rigoureuse afin d'éliminer les significations cachées dans les données qualitatives et quantitatives, autrement appelée méthode d'analyse de contenu qualimétrique.

### ***Approche socio-économique de la gestion***

L'approche socio-économique de la gestion (SEAM), développée par Savall et ses collègues (1973) à Lyon, France, offre une alternative à la gestion traditionnelle.

Selon Bonnet et al. (2017), trois principes épistémologiques constituent le fondement, l'orientation stratégique et l'alignement méthodologique de la qualimétrie, et représentent la pratique ainsi que les références de validation de la rigueur scientifique. Les piliers épistémologiques qualimétriques sont (1) l'interactivité cognitive, (2) l'intersubjectivité contradictoire et (3) la contingence générique. « Les trois principes épistémologiques ont permis de construire progressivement une création de connaissances générique, désormais explicitement appelée “ approche socio-économique de la gestion ”. » (Coghlan et Brydon-Miller, 2014) Ces principes constituent le point central qui relie la source de la qualimétrie à la recherche socio-économique ainsi que la pratique du conseil. Cappelletti et al (2009) prouvent que l'approche SEAM est devenue une recherche-action pragmatique.

SEAM facilite la modélisation qualimétrique en extrayant des informations cachées ou implicites – des informations qualitatives, quantitatives et financières qui résident dans l'esprit des acteurs d'entreprises et/ou dans des documents et indicateurs confidentiels (Savall et al, 2008).

SEAM suggère les techniques de recherche d'intervention suivantes :

*Explorer les dysfonctionnements*



Une entreprise est un ensemble complexe constitué de cinq types de structures organisationnelles (physique, technologique, organisationnelle, démographique et mentale) qui interagissent avec cinq types de comportements humains (individuel, métier, groupe, groupe professionnel, groupe d'affinité et collectif). Cette interaction crée le fonctionnement de l'entreprise. Ces dysfonctionnements peuvent être classés en six familles : conditions de travail, organisation du travail, communication, communication-coordination-coopération (3C), gestion du temps, formation intégrée et mise en œuvre stratégique.

#### *Calcul et analyse des coûts cachés*

La méthode socio-économique d'analyse des coûts cachés comprend cinq rubriques d'indicateurs socio-économiques, dont trois essentiellement sociales (absentéisme, accidents du travail, maladie professionnelle et rotation du personnel) et deux essentiellement économiques (qualité des produits/services et productivité directe).

#### *Processus de SEAM en quatre étapes*

La méthode de résolution de problèmes socio-économiques comprend quatre étapes (Savall et al, 2003) : (1) diagnostic des dysfonctionnements et évaluation des coûts cachés ; (2) conception et développement coopératifs de solutions organisationnelles innovantes ; (3) mise en œuvre structurée des actions d'amélioration et (4) évaluation des performances qualitatives, quantitatives et financières.

#### *Outils de gestion de SEAM*

SEAM propose également des outils de gestion élaborés par des chercheurs ISEOR (Savall et Buono, 2007) : les plans d'action stratégiques interne et externe, le plan d'action prioritaire, la grille de compétences, la gestion du temps, les contrats d'activité périodiquement négociables et le registre de pilotage. Pour mener la recherche sur l'intervention, d'autres outils d'analyse sont nécessaires, tels que l'effet miroir et l'opinion d'experts.

#### ***Méthodologie de recherche sélectionnée pour cette étude***

Pour cette étude, SEAM a été choisi comme méthodologie principale, et la gestion des réclamations clients comme cadre théorique comportant deux périodes d'action (2015-2016 et 2017-2018). Cette recherche portant sur la gestion d'entreprise, l'interprétativisme sera donc utilisé. L'auteur utilise diverses méthodes de recherche permettant d'apporter des réponses au problème posé.

Les pratiques de recherche qualimétriques, ainsi que ses outils, sont adaptés aux principes épistémologiques d'interactivité cognitive, d'intersubjectivité contradictoire et de contingence générique.

Le domaine de recherche est le marketing relationnel. L'objet de la recherche est la gestion des plaintes des clients, plus précisément la combinaison d'une gestion des plaintes des clients et d'une

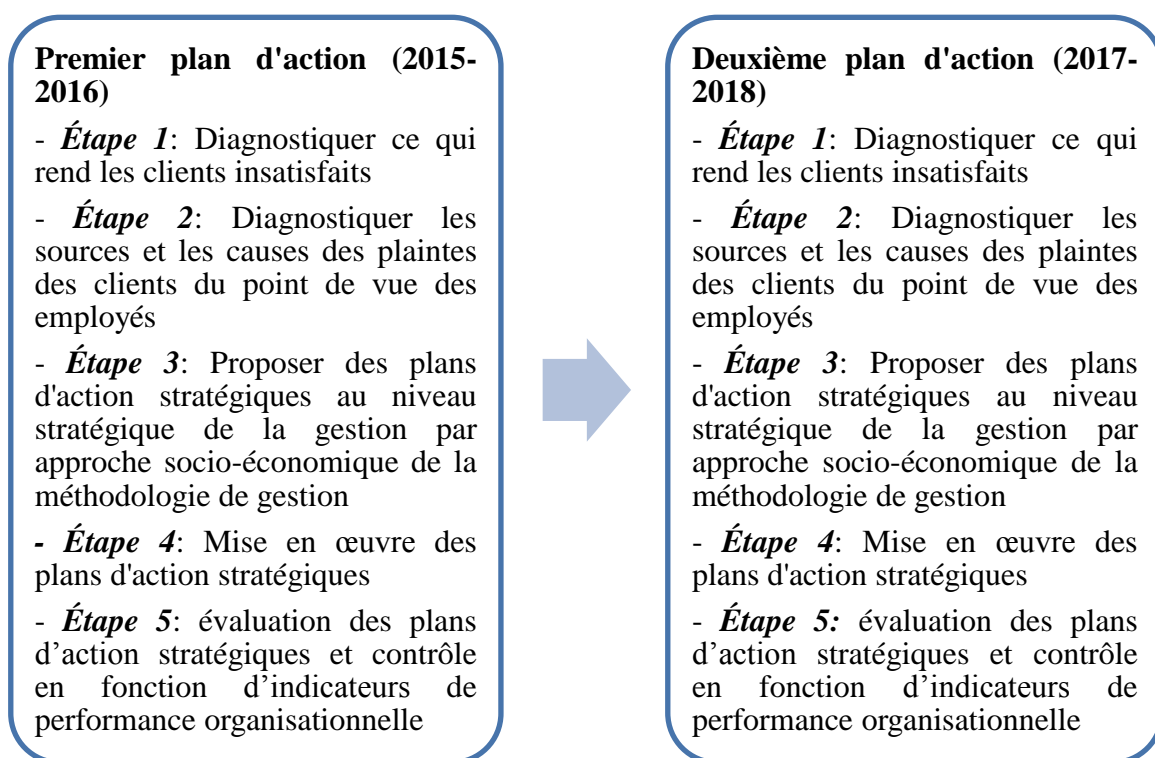
approche socio-économique de la gestion avec pour objectif d'améliorer les performances organisationnelles.

Les objets de connaissance dans la recherche en sciences de la gestion sont les pratiques actuelles des acteurs sociaux (cadres supérieurs et employés) au sein des entreprises, ainsi que les concepts, méthodes et outils qui contribuent à l'évolution de ces pratiques (Savall, 1994).

Le sujet de la recherche est une entreprise (SME) qui définit, applique et modifie les pratiques, systèmes et techniques de gestion.

Cette étude applique également le raisonnement inductif qui consiste à découvrir des régularités par l'observation de l'objet et à formuler des hypothèses dérivées de l'observation. Ces hypothèses sont exprimées sous forme de règles abstraites ou de principes d'action pouvant être extrapolés pour expliquer et prédire de nouvelles expériences ou situations.

Cette recherche est une recherche appliquée. Son objectif est d'apporter des solutions aux clients en combinant l'énoncé explicite des modèles explicatifs et prescriptifs.



*Figure 1 : Processus de recherche*

### **Étude de cas**

Cette recherche s'inscrit dans le contexte des pays en développement, en l'occurrence, le Vietnam : son économie, son industrie du transport, le secteur privé et l'étude de cas d'une SME de transport de

passagers. Il convient de noter que les pays en développement, en général, et le Vietnam, en particulier, se concentrent sur la stratégie nationale de développement des services. En conséquence, ils y représentent plus de 40% du GDP. Les secteurs privés jouent un rôle de plus en plus important dans l'économie vietnamienne pour créer davantage d'emplois et contribuer à l'augmentation du GDP. Le gouvernement et le secteur privé investissent dans l'industrie du transport pour son développement et la promotion d'autres industries de l'économie.

Bien que les SME manquent principalement de capital, de main d'œuvre, de technologies, etc., elles se sont fortement développées par elles-mêmes et bénéficient de politiques de soutien de la part du gouvernement. La SME de transport de voyageurs de cette étude de cas se heurte à de nombreux obstacles en matière de fidélisation de la clientèle, de recrutement de personnel et nécessite une réforme pour parvenir à un développement durable. SEAM est appliqué dans l'entreprise avec quelques modifications en matière de recherche sur les interventions verticales.

### **Sujet de l'étude**

La société a été créée en 2003 avec 30 voitures et 50 employés. À ce jour, après 15 ans de construction et de développement, elle dispose d'un bureau de 12 000 m<sup>2</sup>, a ouvert 10 succursales à Hanoi, Thai Nguyen, Bac Kan et Tuyen Quang, compte 219 voitures, dont 103 autobus, 67 limousines, 49 taxis, et 520 employés (les femmes représentent en moyenne 12% de leur nombre total).

Actuellement, cette société met en œuvre une stratégie de diversification connexe comprenant le service de limousine (service phare de la société), la livraison express (en tirant parti des centaines de véhicules de la société), les taxis, les bus, les entrepôts de carburant et la gare routière de Dinh Hoa.

À la fin de 2014, elle était confrontée à une forte baisse de la rentabilité des bus interurbains, à l'absence d'innovation dans les services, au mécontentement des clients, au mauvais environnement de travail et au taux de rotation élevé.

SEAM est appliqué à l'entreprise avec quelques modifications en ce qui concerne la recherche sur les interventions verticales. Après l'étape de diagnostic de SEAM qui a mis à jour des dysfonctionnements, l'intervenant et les acteurs doivent intégrer les paniers de dysfonctionnements horizontaux et verticaux dans un système de paniers de dysfonctions qui est utilisé pour proposer des actions spécifiques mises en œuvre par des groupes sélectionnés. Ceci signifie que la recherche sur les interventions verticales ne sera plus poursuivie à partir de la phase de mise en œuvre de SEAM. La raison en est que, premièrement, cette action évitera un chevauchement entre les opinions de la direction et celles des employés de première ligne ; deuxièmement, plus de 80% des employés sont des conducteurs peu qualifiés et affichent un mauvais comportement (au Vietnam, on pense toujours

que les conducteurs sont mauvais) ; troisièmement, les ressources humaines de la société fluctuent fortement au niveau des ouvriers d'atelier avec un taux de rotation de 20%, mais sont stables au niveau de la direction (taux de rotation de la direction de 0%) et la société doit continuellement recruter des chauffeurs et du personnel. Il est donc très difficile pour les acteurs de créer des groupes de travail sous la supervision des chefs de département dans le cadre de la recherche sur les interventions verticales. En outre, une fois intégré, il permettra de gagner du temps pour le changement d'organisation, car la formation des intervenants internes nécessite beaucoup de temps, de la formation des responsables jusqu'au recrutement et la formation de nouveaux employés de première ligne, à la fois en compétences professionnelles et en outils de gestion de SEAM. En outre, le conseil d'administration souhaite se concentrer sur des outils tels que le plan d'action stratégique externe, le plan d'action prioritaire (PAP), la grille de compétences (CG), le registre des indicateurs de pilotage (PILB) et le PNAC, et désire investir du temps pour suivre les actions critiques.

### **Plan d'action pour la première période de 2015-2016**

#### ***Étape 1***

Lors de la première étape de la collecte et de l'analyse des plaintes des clients via deux entretiens (ouvert et approfondi), l'auteur identifie cinq dimensions de la qualité du service de transport de passagers : l'empathie, la fiabilité, la garantie, la réactivité et les résultats tangibles. En outre, à la fin de 2014, la société devait améliorer son empathie, sa fiabilité et sa garantie. Celles-ci représentaient environ 80% du total des plaintes.

#### ***Étape 2***

La deuxième étape consiste à diagnostiquer les dysfonctionnements de la direction et des opinions des employés en fonction des plaintes des clients, puis à effectuer une évaluation socio-économique afin de déterminer les coûts cachés, les performances socio-économiques et les performances économiques. Ensuite, l'effet miroir se poursuit avec l'avis d'expert du consultant ; le diagnostic qualitatif, l'évaluation des coûts cachés et les grilles de compétences sont également présentés à la direction du département, puis au personnel ouvrier interrogé, en présence de l'équipe de la direction. En outre, afin d'éviter les dysfonctionnements qui se chevauchent entre les points de vue des cadres supérieurs et ceux des employés de première ligne, ou des actions répétées, l'auteur suggère une recherche intégrée sur les interventions horizontales et verticales dans laquelle elle recommandera des actions spécifiques.

#### ***Étape 3***

La troisième étape consiste à proposer des solutions organisationnelles innovantes de SEAM, comprenant six contenus dont le premier consiste à faire correspondre les opinions des clients et des

employés sur les causes internes de la qualité de service ; suivent des actions spécifiques de cinq paniers de dysfonctionnements.

**Tableau 1 : Recommandations d'amélioration à la fin de 2014**

<b>Problèmes</b>	<b>Causes critiques</b>	<b>Principales solutions</b>	<b>Actions spécifiques</b>
<b>Empathie</b>	<b>Personnes</b>		
diriger les comportements et les compétences des employés	<ul style="list-style-type: none"> <li>- taux de roulement élevé des employés de première ligne en raison de leur insatisfaction</li> <li>- les employés directs ne sont pas formés ni contrôlés par des règlements internes</li> </ul>	<ul style="list-style-type: none"> <li>apprentissage organisationnel</li> <li>autres entreprises performantes</li> </ul>	<ul style="list-style-type: none"> <li>- apprendre à choisir les départs et les destinations (stations) du trajet Thai Nguyen - Ha Noi</li> <li>- apprendre à utiliser le système de service avec la technologie de l'information</li> <li>- apprendre à interagir directement avec les clients</li> <li>- apprendre à gérer les chauffeurs et autres employés directs</li> </ul>
		<ul style="list-style-type: none"> <li>renforcement des ressources humaines</li> </ul>	<ul style="list-style-type: none"> <li>- nouvel uniforme pour les employés</li> <li>- modification de l'organigramme</li> <li>- formation des employés directs : compétences de communication</li> <li>- modernisation des installations telles que logements, bureaux, aires de stationnement</li> <li>- développement d'activités de plein air et de visites</li> <li>- régulations internes</li> <li>- slogan à diffuser à tous les employés : « Les clients paient nos salaires »</li> <li>- plan de formation pour les responsables hiérarchiques : compétences de gestion et de communication</li> </ul>
<b>Fiabilité</b>	<b>Processus</b>	<b>Principales solutions</b>	<b>Actions spécifiques</b>
opérations de service et service à la clientèle	<ul style="list-style-type: none"> <li>- aucune innovation de service sur un marché très concurrentiel</li> <li>- mauvaises opérations de service</li> <li>- mauvaises relations avec les clients</li> </ul>	<ul style="list-style-type: none"> <li>suggérer une stratégie d'entreprise socialement responsable : diversification, développement de produits et de marchés</li> </ul>	<ul style="list-style-type: none"> <li>- conception du contenu de la nouvelle stratégie</li> <li>- suggestion de niveau fonctionnel de gestion stratégique : stratégie marketing offensive.</li> <li>- conception d'un service de limousines remplaçant un service d'autobus interurbain</li> </ul>
<b>Garantie</b>	<b>La technologie</b>	<b>Principales solutions</b>	<b>Actions spécifiques</b>
installations et équipements physiques	véhicules anciens et souvent en panne, sans outils ni équipement	investissement dans de nouveaux véhicules	<ul style="list-style-type: none"> <li>- préparer le capital pour acheter de nouveau véhicules</li> <li>- achat de 30 voitures neuves – Limousine D-Car de chez Ford</li> </ul>
	pas de technologie de l'information	investissement dans les nouvelles technologies de l'information	<ul style="list-style-type: none"> <li>- numéro hotline de réservation</li> <li>- fan page</li> <li>- réactivité sur ces deux outils de communication</li> </ul>

#### **Étape 4**

L'étape 4 décrit la mise en œuvre des plans d'action. Cette partie répond à la quatrième sous-question sur la manière dont une SME met en œuvre ses plans d'action stratégiques. Tout d'abord, l'entreprise doit utiliser des outils de gestion tels qu'IESAP, PAP dans des actions spécifiques de mise en œuvre structurée. Deuxièmement, l'entreprise doit enregistrer les résultats de la mise en œuvre du premier plan d'action.

#### **Étape 5**

L'étape 5 est l'évaluation socio-économique après la mise en œuvre du premier plan d'action de la période 2015-2016. L'objectif est de comparer les résultats socio-économiques entre avant et après la mise en œuvre du premier plan d'action de la période 2015-2016. Pour ce faire, l'entreprise doit : collecter des données avant l'évaluation socio-économique ; analyser les personnes, les processus et les technologies de la gestion de la relation client au niveau stratégique ; retenir les résultats de performance économique et sociale ; déterminer la rentabilité de la gestion des réclamations clients et analyser les résultats des coûts cachés.

### **Plan d'action pour la deuxième période de 2017-2018**

#### ***Étape 1***

La première étape consiste à collecter et à analyser les plaintes des clients via les réseaux sociaux. 183 plaintes recueillies sur Facebook concernant 8 problèmes sont codées en 20 idées clés. Ces idées cruciales ont donc été identifiées comme les domaines de préoccupation critiques nécessitant des améliorations substantielles axées sur les dimensions des personnes et des processus de la gestion de la relation client.

Les plaintes des clients sur les réseaux sociaux concernent principalement (1) le mauvais état d'esprit des conducteurs, leur manque de responsabilités, leurs mauvais comportements et mauvaises attitudes, leur inaptitude à la communication ; (2) les réglementations insuffisantes des opérations de service, manque d'une procédure de fourniture de service ; (3) le personnel du centre d'appels doté de réglementations internes, faibles compétences en matière de communication du personnel des centres d'appels, mauvais comportements du personnel de la succursale de Hanoi ; (4) pas d'outils de marketing pour la fidélisation des clients.

#### ***Étape 2***

Le contenu de cette étape est identique à celui de l'étape 2 de la première période. Après la recherche sur les interventions horizontales et verticales, 4 paniers de dysfonctionnements horizontaux et 5 paniers de dysfonctionnements verticaux sont intégrés dans 3 paniers de dysfonctionnements : engagement pour améliorer la qualité de service, les politiques de marketing et la gestion des ressources humaines.

#### ***Étape 3***

Avant de suggérer des actions spécifiques à la société, l'équipe de pilotage récapitule les problèmes de gestion des personnes et des processus. En matière de personnel, les employés ont toujours de mauvais comportements et de faibles compétences, ils sont stressés et quittent leur emploi. En ce qui concerne les Processus, certains problèmes sont liés à des réglementations peu claires ou inexistantes pour chaque service, aux processus de fourniture de service, à l'absence d'outils marketing pour

fidéliser la clientèle, à une mauvaise procédure de coordination entre les services, à l'apparition de nouveaux concurrents sur le marché des limousines, ce qui empêche l'entreprise de fidéliser ses clients. En conséquence, 12 actions spécifiques sont recommandées, concentrées sur les processus standard, la politique de marketing, les programmes de formation et les réglementations internes, dont la récompense, la promotion, la communication interne et les activités des syndicats.

**Tableau 2 : Recommandations d'amélioration à la fin de 2016**

<b>Problèmes</b>	<b>Causes critiques</b>	<b>Principales solutions</b>	<b>Actions spécifiques</b>
<b><i>Empathie</i></b>	<b><i>Personnes</i></b>		
les conducteurs ont un mauvais état d'esprit, manquent de responsabilités, ont des mauvais comportements et de mauvaises attitudes, sont inaptes en communication	- tous les employés n'ont pas souscrit aux programmes de formation précédents - la presque totalité des employés qui se plaignent des clients sont des embauchés de fraîche date	gestion des ressources humaines	- programmes de formation professionnelle pour les employés de première ligne - programme de formation pour les cadres moyens : compétences en gestion et en communication - proposition de politiques gratifiantes/encourageantes - ajout de règlements internes et de procédures de promotion - proposition de procédure de communication interne - promotion du syndicat pour créer des activités et aider les employés stressés
- faibles compétences en matière de communication du personnel du centre d'appels - mauvais comportements du personnel de la succursale de Hanoi	les nouveaux employés des centres d'appels sont de nouvelles recrues et n'ont ni expérience ni compétences		
<b><i>Fiabilité</i></b>	<b><i>Processus</i></b>	<b>Principales solutions</b>	<b>Actions spécifiques</b>
- retards, mauvais transit, mauvais horaires - amélioration de la qualité du service après réception des plaintes des clients - pas d'informations claires sur Facebook au sujet du service de la société	opérations de service avec manque de règlements, de procédure de service	engagement pour améliorer la qualité du service	processus normalisé - réviser le processus pour fournir un service fiable en matière d'horaires - proposer un plan de réactivité organisationnelle sur les réseaux sociaux - refonte de la tâche des départements
<b><i>Réactivité</i></b>	<b><i>Processus</i></b>	<b>Principales solutions</b>	<b>Actions spécifiques</b>
- pas de carte de fidélité, ou de billets mensuels à prix réduit - les limousines présentent des faiblesses en matière de confort (suspension)	pas d'outils marketing pour fidéliser les clients à l'entreprise	politiques de marketing - interaction client - entretien des véhicules	- proposition d'une politique d'adhésion - révision, mise en ligne d'informations détaillées sur Facebook touchant la totalité des services et stratégie de réactivité - procédure d'entretien des véhicules

#### ***Étape 4***

L'étape 4 s'aide des outils de gestion de SEAM, par exemple IESAP, PAP et CG. En conséquence, les 12 actions de la période 2017-2018 ont été mises en œuvre avec succès, contribuant à accroître la

satisfaction de la clientèle et des employés, et à atteindre une meilleure performance organisationnelle.

### ***Étape 5***

La cinquième étape consiste en une évaluation socioéconomique du deuxième plan d'action. D'une part, l'entreprise améliore ses performances économiques et sociales, la rentabilité de la gestion des réclamations de ses clients et la longévité de la valeur passagers, d'autre part diminue les coûts cachés. Ceci se traduit par une meilleure performance organisationnelle à la fin de 2018.

### **Discussion**

Cette partie vise à comparer le contenu des plans d'action entre les travaux sur le terrain à travers SEAM et les points de vue universitaires de chercheurs antérieurs qui ont prouvé que ces actions sont nécessaires pour les organisations, en s'aidant de SEAM pour la promotion de la relation positive entre la gestion des réclamations des clients et la performance organisationnelle.

Elle comprend les éléments suivants : discussion sur les raisons de suggérer les deux plans d'action du point de vue des universitaires, discussion sur les résultats de la mise en œuvre des plans d'action, discussion sur le rôle méthodologique de SEAM dans la relation entre la gestion des réclamations des clients et la performance organisationnelle

#### ***Discussion sur les raisons de suggérer les deux plans d'action du point de vue des universitaires***

L'auteur rassemble les conclusions d'études antérieures pour prouver l'importance des deux plans d'action des périodes 2015-2016 et 2017-2018 et de la nécessité de les mettre en œuvre dans les organisations professionnelles.

Dans le premier plan d'action, cinq paniers de dysfonctionnement, se référant à la stratégie d'innovation de service présentée ci-dessus, sont issus d'études antérieures.

Le deuxième plan d'action analyse l'engagement de qualité du service, les politiques de marketing et la gestion des ressources humaines dans la stratégie de marketing défensif du point de vue théorique ainsi que la réalité de l'étude de cas ; il montre que ces trois paniers de dysfonctionnement sont importants à la fois pour les universitaires et les professionnels.

#### ***Discussion sur les résultats de la mise en œuvre des plans d'action***

La société a mis en œuvre les deux plans d'action avec 48 actions sur 50 menées à bien. Plusieurs études ont démontré qu'il était possible de remédier à une défaillance du service et de regagner rapidement la confiance des clients (Kelley et al., 1993). Tout retour réussi aura une influence positive sur les niveaux de satisfaction suivant le retour, sur l'intention d'achat futur (Spreng et al., 1995), sur la perception qu'ont les clients de l'équité (Goodwin et al., 1992; Smith et al., 1999) et sur la fidélité des clients à l'entreprise (Levesque et al., 2000; Webster et al., 1998).



Il est prouvé que les SME des pays en développement peuvent améliorer leurs performances organisationnelles en mettant en œuvre la gestion des réclamations clients via SEAM. Les liens entre la fidélité et la rentabilité des clients, ainsi que les améliorations technologiques dans leur identification et leur suivi, ont contribué à susciter un intérêt croissant pour le marketing relationnel (Berry, 1995 ; Chenet, et al., 2010 ; Palmer, Worthington et Dann, 2013 ; Sheth, 2002).

### *Discussion sur le rôle méthodologique de SEAM dans la relation entre la gestion des réclamations clients et la performance organisationnelle*

Cette partie étudie les inconvénients des structures précédentes de gestion des plaintes des clients sans l'aide de la méthodologie SEAM, et, par conséquent, l'intérêt de son application combinée avec le processus de gestion des plaintes.

#### *Discussion sur le cadre de gestion des réclamations clients sans SEAM*

Hsiao et al (2016) ont suggéré un nouveau cadre en cinq phases de la gestion des plaintes des clients pour les restaurants à Taiwan. Bien qu'ils aient utilisé plusieurs méthodes pour le traitement des données et la recherche-action pour la mise en œuvre du cadre, leurs recherches présentent certaines faiblesses. Par exemple, ils n'ont pas abordé certains composants de la gestion de la relation client tels que les personnes, les processus et les technologies basés sur des perspectives globales ou intégrées. Ils ont uniquement déterminé les problèmes liés au processus du service, et les actions importantes (par exemple, formation, procédure d'opération standard) ne sont suggérées qu'en phase finale (phase de contrôle) après la mise en œuvre du plan d'action. En outre, les indicateurs d'évaluation de leur recherche sont assez simples et ne reflètent pas l'efficacité d'un projet de recherche-action dans une étude de cas d'une entreprise.

Arash (2014) recommande également un processus de traitement des réclamations client en sept étapes : (1) la voix du client ; (2) la voix du client en tant que traduction de ses besoins ou de ses problèmes ; (3) l'analyse et la résolution du problème ; (4) l'exploitation ; (5) les mises à jour pour éviter la récurrence ; (6) le partage des solutions avec les clients concernés et (7) la mise à jour des mesures de performance du système. Les recherches d'Arash reposent sur l'autonomisation axée sur la résolution des plaintes, mais elles n'ont pas fait l'objet d'un changement stratégique ; elles se limitent au traitement des plaintes individuelles avec résolution des problèmes plutôt qu'à leurs causes profondes.

#### *Avantages de SEAM en combinaison avec un cadre de gestion des plaintes des clients*

L'auteur explique pourquoi SEAM est préférable aux autres types de recherche-action pour s'aligner sur la gestion des réclamations des clients en raison de l'amélioration des performances organisationnelles dans les SME. Le diagnostic socioéconomique présente cinq avantages : la force

de la phase de maintenance ou d'extension du SEAM ; le renforcement des actions structurées en faveur de la performance organisationnelle ; la similitude entre l'évaluation socioéconomique et la performance organisationnelle ; les motivations des employés face au changement organisationnel.

#### *Contribution théorique*

Cette étude contribue au marketing relationnel, au développement du capital humain dans un cadre de gestion des plaintes des clients, au SEAM étendu avec le point de départ de l'analyse de ces plaintes et à une évaluation complète des performances organisationnelles.

#### *Implications managériales*

L'auteur considère la gestion des plaintes des clients au niveau stratégique. Pour y parvenir, il la combine avec SEAM. Cette thèse utilise le cadre Hsiao dans la première étape pour prévenir des causes d'un service défaillant à partir des opinions des clients, ce afin d'améliorer la qualité du service ; ces opinions sont ensuite utilisées pour étudier celles des employés par une approche socio-économique de la gestion (SEAM). Cela signifie qu'une nouvelle contribution à la gestion des plaintes des clients ne peut se passer de SEAM.

Si une SME met en œuvre ce modèle de recherche, elle obtiendra des résultats non seulement en qualité de service, mais également en qualité d'ensemble : structure et comportement, fonctionnement et gestion.

Pour mener à bien la mise en œuvre de SEAM, les chefs de direction des SME, en général, et des SME des pays en développement, en particulier, doivent former les responsables opérationnels aux fonctions d'expertise et aux compétences nécessaires à la préparation de projets à insérer dans leurs plans d'action prioritaires, leurs plans d'action budgétisés et leur équilibre économique, leurs compétences en gestion et en communication avec leurs subordonnés. Les gestionnaires seront des contrôleurs de gestion ou des intervenants internes.

#### *Contribution méthodologique*

L'application de SEAM étendu pour l'analyse de la gestion des réclamations a un impact sur les performances organisationnelles. L'action de SEAM commence par l'analyse des plaintes des clients. Les résultats de cette étape suggèrent une innovation du service du point de vue des parties prenantes externes : les clients. Elle se poursuit par la recherche des dysfonctionnements, les coûts cachés, les solutions, la mise en œuvre et les évaluations du point de vue des employés. SEAM étendu aide l'entreprise à faire correspondre les besoins externes à la gestion interne.

Cette thèse prouvera que si une petite et moyenne entreprise gère les plaintes des clients, elle obtiendra de meilleures performances organisationnelles et modifiera les comportements et les actions des employés.

Le traitement des plaintes des clients est un processus comprenant les étapes suivantes :

Étape 1: de quoi les clients se plaignent-ils ?

Étape 2 : pourquoi les clients se plaignent-ils, du point de vue des employés?

Étape 3 : comment une SME réduit-t-elle les plaintes de ses clients ?

Étape 4 : comment une SME met-elle en œuvre des plans d'action stratégiques ?

Étape 5 : comment une SME évalue-t-elle sa performance organisationnelle après la résolution du problème des réclamations des clients ?

Le processus ci-dessus se révèle meilleur que celui de Hsiao et al (2016) en ce sens où SEAM permet d'expliquer clairement la manière de collecter et de traiter des données à partir d'une caractéristique de contexte, et la manière dont l'évaluation de l'efficacité de la gestion des plaintes des clients est appliquée. En outre, cette étude est la première à implémenter SEAM au Vietnam.

#### ***Limites et contraintes de l'étude***

Malgré tous les efforts des équipes de pilotage et du chercheur pour mettre en œuvre avec succès le cadre de gestion des réclamations des clients au sein d'une SME, cette recherche présente certaines limites :

Premièrement, cette thèse se concentre uniquement sur l'analyse globale des plaintes et ne couvre pas tous les aspects de leur gestion, tels que le traitement des plaintes individuelles.

Deuxièmement, la relation entre la gestion des réclamations des clients et SEAM est explorée à partir d'une approche organique de la théorie de la sortie et de la voix, sans tenir compte de son approche mécaniste.

Troisièmement, bien que l'étude de cas soit menée dans une localité du Vietnam (province de Thai Nguyen) qui reflète de manière exhaustive le contexte vietnamien dans le secteur des services de transport, elle ne fera pas l'objet de conclusions et de recommandations valables.

Enfin, il est difficile de mettre séparément en œuvre les recherches d'intervention verticales et horizontales au niveau de la SME au stade de la mise en place du plan d'action stratégique, ce en raison de la connaissance et de la qualification insuffisantes des salariés des SME, de la forte fluctuation des ressources humaines aussi bien que de la mauvaise gestion des salariés de première ligne sans KRA et KPI.

#### ***Recommandations pour les recherches à venir***

À l'avenir, d'autres chercheurs pourront élaborer un cadre de gestion des réclamations des clients en abordant des points de vue mécanistes et en suggérant des directives sur la qualité des processus, la qualité du comportement et des recommandations sur les résultats. Enfin, des tests empiriques

supplémentaires pour d'autres domaines de services sont recommandés pour confirmer la validité de la méthode proposée.

### **Conclusion**

Cette thèse prouve que la mise en œuvre du cadre CCM à orientation SEAM a pour résultat la satisfaction de la clientèle, le développement du capital humain, la performance durable de l'entreprise, les implications du processus de recherche pour les SME et des recommandations pour des recherches futures liées à la gestion des réclamations des clients.

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**Appendix 1a: Statement about a plan to prepare an intervention research**

**Commerce and tourism corporation**

**Socialist republic of Vietnam**

**Independence – Freedom – Happiness**

*10<sup>th</sup>, September 2014*

## **STATEMENT**

**Rev:** Plan to prepare an organizational change

**To:** Mr NGUYEN Manh Ha – Company director

Based on actual business outcomes with many problems and difficulties;

Based on action research requirement;

Based on starting organizational innovation as soon as possible;

Firstly, Consultancy requests for establishing a steering team with 9 members as follows:

1. Mr Nguyen Manh Ha (Director)
2. Mrs. Nguyen Thi Lan (Vice director)
3. Mr. Nguyen Thanh Trung (Vice director)
4. Mrs. Nguyen Thi Thao (Chief financial officer)
5. Mrs. An Thi Hong Thanh (Head of human resource department)
6. Mr. Pham Ba Binh (Head of garage department)
7. Mr. Bui Tien Hoan (Head of inspection department)
8. Mr. Le Quang Anh (Head of bus driver department)
9. Mr. Trinh Minh Duc (Head of assistant driver department)

Secondly, Consultancy requests to organize a training seminar as part fulfillment of socio-economic-approach-to-management method requirements.

- Content: Training the above 9 top managers using socio – economic tools relating to time management, competencies and priority action planning.
- Time: 8:00 AM, September 11<sup>th</sup>, 2014
- Place: Meeting room of the company

Thirdly, consultancy requests to interview them and other employees to collect primary data.

Fourthly, consultancy requests all departments' heads to provide secondary data.

Fifthly, consultancy requests all departments' heads to allow their subordinates joining in interviews with the consultancy.

**DIRECTOR**

**HUMAN RESOURCE DEPARTMENT**

**PROPOSER**

**Manh Ha NGUYEN**

**Thi Hong Thanh AN**

**Tu Anh NGUYEN**

*(Approval)*

*(Confirm)*

*(Propose)*

**Appendix 1b: Statement about offensive marketing strategy**

**Commerce and tourism corporation**

**Socialist republic of Vietnam**

**Independence – Freedom – Happiness**

January 2<sup>nd</sup> of 2015

## STATEMENT

**Rev:** Offensive marketing strategy in the period of 2015-2016

**To:** Mr NGUYEN Manh Ha – Company director

Based on actual business outcomes with many problems and difficulties;

Based on action research requirement;

Based on starting organizational innovation as soon as possible;

Based on corporate strategy of the company.

In order to support the company achieve goals and objectives of the corporate strategy, we suggest contents of offensive marketing strategy as follows:

### *Goals*

The company will become pioneer in the passenger transport market in which competitors won't compete with our marketing mix such as product, price, place, promotion, people, process and physical evidence, bring about good economic performance for the company.

### *Objectives*

- Attract more, better customers and improve reputation
- Exit low-priced inter-city bus and penetrate new market
- Investment into marketing mix 7Ps and interpersonal relationship building efforts

### *Specific activities*

- Product: Designing new Limousine service with five dimensions of service quality that are empathy, reliability, responsiveness, tangibles and guarantee.
- Price: New highly – qualified service must be higher than the bad service
- Place: Directly selling tickets for passengers and set up new bus stations as well as branches
- Promotion: Focus on advertising campaign by suggesting the company's brand name through Corporation Identity program (Logo, Facebook, song, card visit, etc.)

- People: Training direct employees communication skills to make them enthusiastic and have good behaviors with passengers
- Process: Change service delivery procedure as well as direct customer interaction by innovation in information technology
- Physical evidence: Prepare modern safe cars with sufficient tools and equipment such as rescue, support and security equipment, appliances (e.g. bottles of water, free wifi, tissues on the car, clean and convenient bus stations)

**DIRECTOR**

**Manh Ha NGUYEN**

*(Approval)*

**VICE DIRECTOR**

**Trung Thanh NGUYEN**

*(Confirm)*

**Consultant**

**Tu Anh NGUYEN**

*(Propose)*

### **Appendix 1c: Statement about designing limousine service**

**Commerce and tourism corporation**

**Socialist republic of Vietnam**

**Independence – Freedom – Happiness**

*January 28<sup>th</sup> of 2015*

## **STATEMENT**

**Rev:** Designing Limousine service

**To:** Mr NGUYEN Manh Ha – Company director

Based on actual business outcomes with many problems and difficulties;

Based on action research requirement;

Based on starting organizational innovation as soon as possible;

Based on corporate strategy of the company;

Based on offensive marketing strategy of the company.

In order to support the company achieve goals and objectives of the corporate strategy and offensive marketing strategy, we suggest features of inter-city limousine bus service as follows:

### ***Recognizing value proposition***

Firstly, empathy dimension means caring and individualized attention, including assistant driver's behaviors; the gap between the expected service and the service perceived by the society becomes shorter, for example, reduce emission to the environment, protect customers' health, and commit safety for the customers; and meeting the minimum needs of citizens such as on time, value added service (like free taxi for 2 kilometers), speediness (not to be delayed), cleanness, recovery from shipment delivery.

Secondly, reliability dimension is the ability to perform the promised service dependably and accurately, comprising Convenient Pick-up and Drop-off, Labor discipline, Strong commitment and Fidelity.

Thirdly, guarantee dimension reflects customers comforting and assuring their not to be life-threatened. There are some parameters for this dimension, such as customer's health, complying with laws, to be safety, vehicle maintenance and quality.

Fourthly, responsiveness dimension indicates flexible response to customer complaints and promotion for them.

Lastly, tangibles of service quality dimension compose physical facilities, equipment, and appearance of personnel; Environment protection, Appliances (Water, tissues, Wi-Fi, plug-in) and Vehicle (Comfortable seats; or seats for the disable or area for wheelchair).

***Mixed – bundling limousine service***

Limousine and taxi should be combined with each other. Limousine service is priced at VND 120,000/ticket. Customers are picked up and dropped - off from their home to bus station by taxi, from bus station to their destination by limousine D-Car Ford. They are provided free water, Wi-Fi, tissues; fast schedule by limousine cars on the new high – way roads, reducing travelling time from 3 hours to 1.5 hours.

**DIRECTOR**

**Manh Ha NGUYEN**

***(Approval)***

**VICE DIRECTOR**

**Trung Thanh NGUYEN**

***(Confirm)***

**Consultant**

**Tu Anh NGUYEN**

***(Propose)***



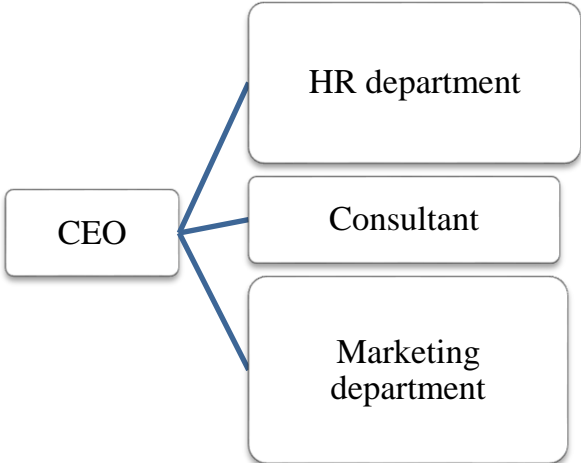
## Appendix 1d: Table and timeframe of contacts and meetings during the research project

Contact	Period year	Purpose
First 10 passengers	From 1 <sup>st</sup> to 6 <sup>th</sup> of July in 2014	Preliminary research: Open interviews about their positive and negative opinions on passenger transport service.
20 passengers	From 7 <sup>th</sup> to 20 <sup>th</sup> of July in 2014	Preliminary research: In-depth interviews about their dissatisfaction on service quality
Researcher	From 21 <sup>st</sup> to 31 <sup>st</sup> of July in 2014	Exploratory research: Find out problems of People, Process and Technology from passengers' and researcher's viewpoints.
CEO Ha Manh NGUYEN	5 <sup>th</sup> of August in 2014	Discussion with CEO about contract and outcome commitment
CEO Ha Manh NGUYEN	12 <sup>th</sup> of August in 2014	Sign contract and start intervention research
Top management: Board of Directors and Heads of departments	From 29 <sup>th</sup> of August to 13 <sup>th</sup> of October in 2014	Exploratory research and information about customer complaint management framework: Finish diagnostic stage of horizontal intervention research
101 employees including working employees and left employees	From 14 <sup>th</sup> of October to 5 <sup>th</sup> of December in 2014	Exploratory research and information about customer complaint management framework: Finish diagnostic stage of vertical intervention research
Board of Directors and Heads of departments	12 <sup>th</sup> of December in 2014	Explain the integrated action plans and approval by the board of directors
3 selected clusters	From 2015 to the end of 2016	Empirical research: Implementing strategic action plans
Professor Isabelle Barth	December of 2016	Literature review and methodology
Passengers	From 28 <sup>th</sup> to 31 <sup>st</sup> of October in 2016	Exploratory research: Collecting 183 customer complaints from Facebook of the company
Researcher	From November 1 <sup>st</sup> to 7 <sup>th</sup> of 2016	Exploratory research: Finding out key ideas about People and Process problems
Top management: Board of Directors and Heads of departments	November 11 <sup>th</sup> to December 2 <sup>nd</sup> of 2016	Exploratory research: Finish diagnostic stage of horizontal intervention research
13 drivers, assistant drivers and staffs	December 5 <sup>th</sup> to December 30 <sup>th</sup> of 2016	Exploratory research: Finish diagnostic stage of vertical intervention research
Board of Directors and Heads of departments	December 30 <sup>th</sup> of 2016	Explain the integrated action plans and approval by the board of directors
3 selected clusters	From 2017 to the end of 2018	Empirical research: Implementing strategic action plans of the extension period
Prof. Isabelle Barth	From April to July of 2017	Literature review and methodology
Prof. Sebastien Point	December 16-17, 2017	Literature review
Prof. Véronique Perret Paris Dauphine U.	June 16-17, 2018	Literature review
Prof. Ouidade Sabri IAE Paris	June 20-21, 2018	Literature review
Board of directors	January 30 <sup>th</sup> of 2019	Presentation of evaluating organizational performance, research project outcomes as well as closing ceremony
Prof. Isabelle Barth and Prof. Thierry Nobre	From April to June of 2019	Well preparing dissertation
Commission des Usages Augustin Cournot School Strasbourg France	July 17 <sup>th</sup> of 2019	Presented dissertation

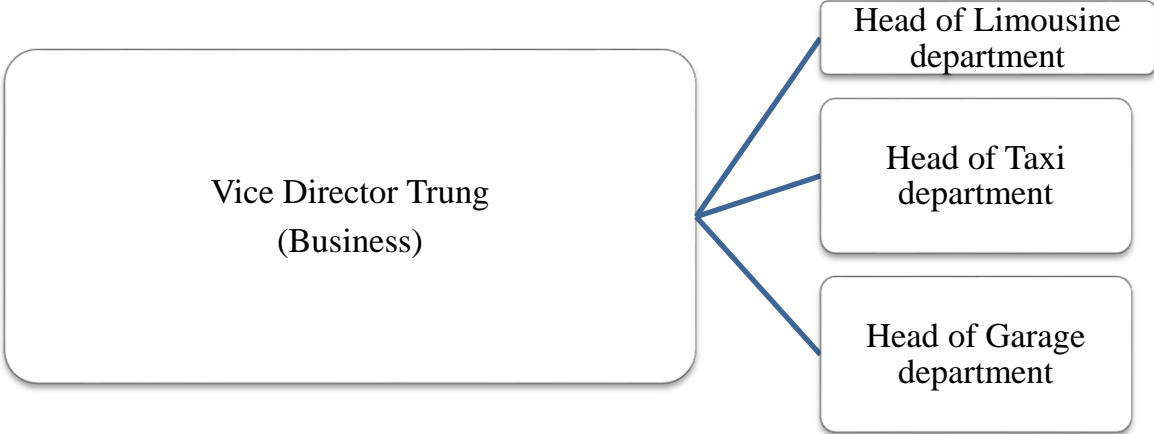
### Appendix 1e: Profile of interviewees in the corporation

<b>CORPORATION</b>	<b>Secondary school</b>	<b>High school</b>	<b>Professional College</b>	<b>University</b>
<b>Management</b>				
Director		X		
2 Vice Directors		X	X	
COO			X	
CFO			X	
<b>Indirect employees</b>				
Human resource			X	X
Accounting			X	X
Garage (worker)		X	X	
<b>Direct employees</b>				
Drivers	X	X	X	
Assistant drivers	X	X	X	X
Inspectors			X	X
Call center staffs		X	X	X
Passengers	X	X	X	X

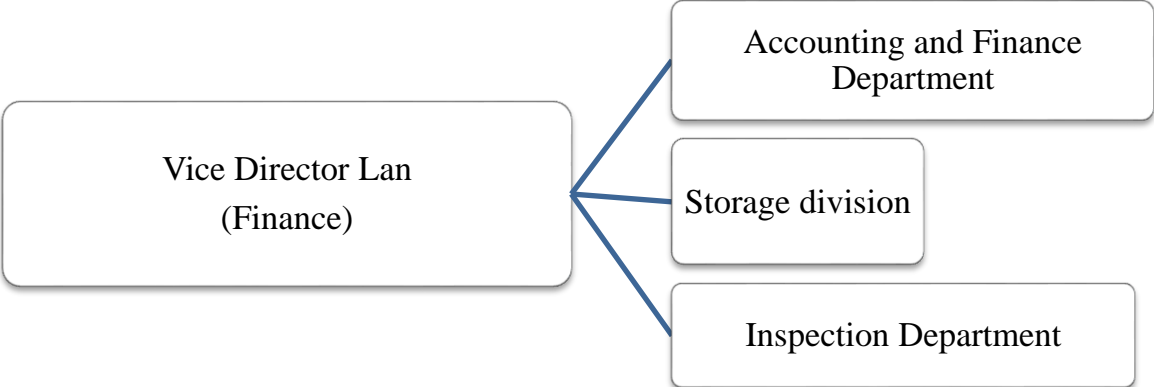
**Appendix 2.1: Cluster 1 of the period 2015-2016**



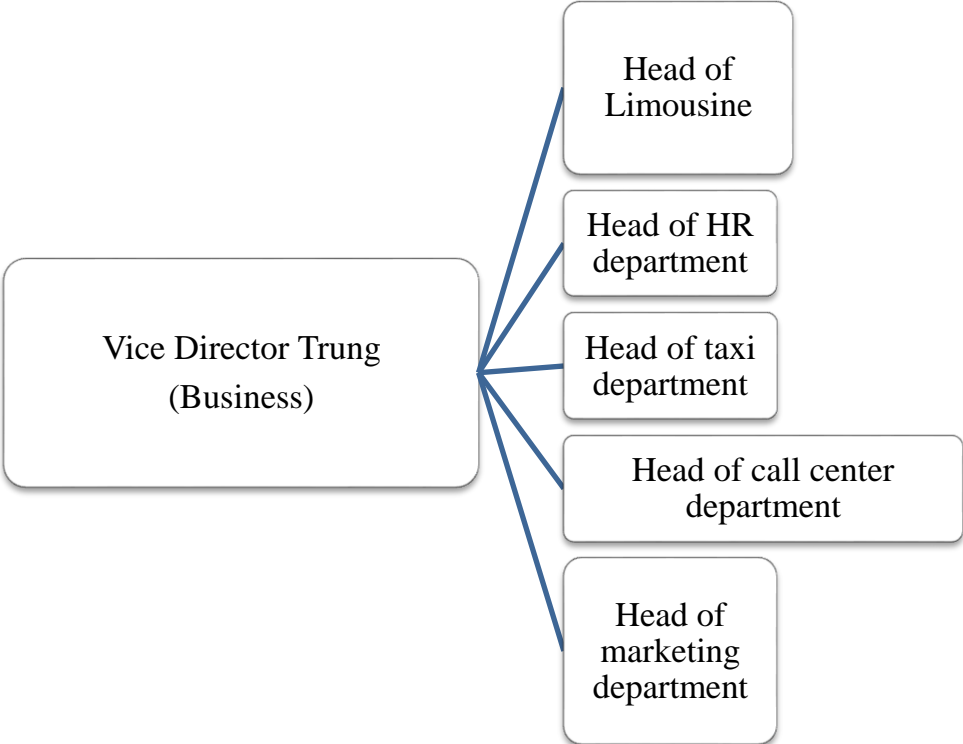
**Appendix 2.2: Cluster 2 of the period 2015-2016**



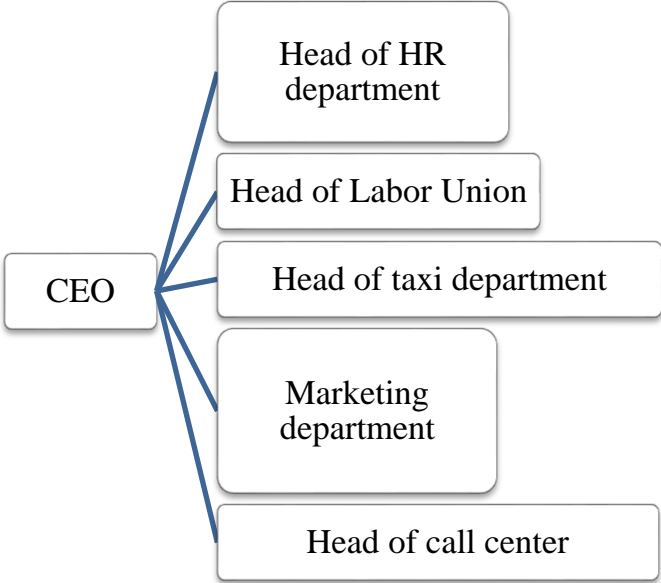
**Appendix 2.3: Cluster 3 of the period 2015-2016**



**Appendix 2.4: Cluster 1 of the period 2017-2018**



**Appendix 2.5: Cluster 2 of the period of 2017 – 2018**



## Appendix 2.6: Piloting Indicator Logbook at the end of 2014

I. Internal management	Nature			Support	Issuer	Data entry					Piloting								
	(1)					(2)					(3)								
	q	Q	F			1	2	3	4	5	1	2	3	4	5				
<b>ABSENTEEISM</b>																			
- Absenteeism without replacement		x		Schedule	Heads of department	x							x						
- Absenteeism with replacement		x		Schedule		x								x					
For maternity leave		x		Schedule		x													
For sick leave		x		Schedule		x												x	
<b>PERSONNEL TURNOVER</b>																			
- Rate		x		Personnel status	Project leader												x		
<b>WORK ACCIDENTS</b>																			
- Rate		x		Personnel status	Service												x		
<b>QUALITY-PRODUCTIVITY</b>																			
- Suggesting socially responsible corporate strategy	x	x		Schedule	CEO														
- Organizational learning	x				CEO														
- Investment into new vehicles		x			Vice Director (finance)														
- Investment into new information technology		x			Vice Director (Business)														
- Reinforcing human resource	x	x			Head of HR Department														
<b>II. Creation of potential</b>																			
<b>STRATEGIC IMPLEMENTATION</b>				Schedule	Clusters	x								x					
<b>WORKING CONDITIONS</b>						x									x				
<b>WORK ORGANIZATION</b>						x									x				
<b>TIME MANAGEMENT</b>	x	x				To be created (ex: days of suggesting new strategy)				x					x				
(1) q = Qualitative; Q = Quantitative; F = Financial (2) 1 = daily; 2 = weekly; 3 = bi-monthly; 4 = monthly; 5 = trimester (3) 1 = weekly; 2 = monthly; 3 = trimester; 4 = semester; 5 = annually																			

## Appendix 2.7: Piloting Indicator Logbook at the end of 2016

I. Internal management	Nature			Support	Issuer	Data entry					Piloting								
	(1)					(2)					(3)								
	q	Q	F			1	2	3	4	5	1	2	3	4	5				
<b>ABSENTEEISM</b>																			
- Absenteeism without replacement		x		Schedule	Heads of department	x							x						
- Absenteeism with replacement		x		Schedule		x								x					
For maternity leave		x		Schedule		x													x
For sick leave		x		Schedule		x													x
<b>PERSONNEL TURNOVER</b>																			
- Rate		x		Personnel status	Project leader													x	
<b>WORK ACCIDENTS</b>																			
- Rate		x		Personnel status	Service													x	
<b>QUALITY-PRODUCTIVITY</b>																			
- Commitment to improve service quality	x	x		Schedule	Vice director (Mr Trung)	x								x					
- Marketing policies	x	x			Director (Mr Ha)	x								x					
- Human resource management	x	x			Director (Mr Ha)	x								x					
<b>II. Creation of potential</b>																			
<b>STRATEGIC IMPLEMENTATION</b>				Schedule	Clusters	x								x					
<b>INTEGRATED TRAINING</b>						x									x				
<b>WORK ORGANIZATION</b>						x									x				
<b>TIME MANAGEMENT</b>	x	x		To be created (ex: days of suggesting new strategy)						x					x				

- (1) q = Qualitative; Q = Quantitative; F = Financial  
(2) 1 = daily; 2 = weekly; 3 = bi-monthly; 4 = monthly; 5 = trimester  
(3) 1 = weekly; 2 = monthly; 3 = trimester; 4 = semester; 5 = annually

**Appendix 2.8: PNAC for Head of HR Department at the end of 2014**

Objectives	PEOPLE		
	Qualitative objectives	Quantitative objectives	Financial objectives
<b>Collective objectives</b>	- Stable human resource	- 3 training programs related to behaviors and communications - Revised regulations - Turnover rate is decreased from 20% to 15%. - Absenteeism rate is declined from 10% to 5%.	Increased income for employees
<b>Objectives of Head of HR Department</b>	- Increased employee satisfaction - Increased customer satisfaction	- Organize 1 workshop about business environment for employees. - Plan 2 organizational learning tours. - Recruit 2 new marketing employees - Recruit 10 call-center staffs. - Organize 1 training program for new employees. - Organize 1 training program for current direct employees. - Organize 1 training program for middle managers. - Suggest 2 kinds of outdoor and visiting activities for employees. - Propose internal regulations. - Recommend 2 designs of new uniforms for BOD to choose. - Suggest new organizational chart	Increased salaries and fringe benefits for employees



**Appendix 2.9: PNAC for Head of Limousine Department at the end of 2014**

Objectives	PROCESS		
	Qualitative objectives	Quantitative objectives	Financial objectives
<b>Collective objectives</b>	<ul style="list-style-type: none"> <li>- Leading limousine service market in Thai Nguyen province</li> <li>- On – time commitment</li> <li>- Penetrate new market by offensive marketing strategy</li> <li>- Effectively operating and coordinating departments in delivering new limousine service</li> <li>- Focusing service quality inspection</li> <li>- Correct material preprocess method</li> </ul>	<ul style="list-style-type: none"> <li>- Launch 1 new service called inter-city limousine bus</li> </ul>	<ul style="list-style-type: none"> <li>- Strongly increase inter – city bus service</li> </ul>
<b>Objectives of Head of Limousine Department</b>	<ul style="list-style-type: none"> <li>- Suggesting a report recognizing value proposition of Limousine service having three main characteristics such as Empathy, Reliability and Guarantee</li> <li>- Suggesting Mixed bundling strategy combining limousine and taxi to provide high-priced qualified passenger transport service.</li> </ul>	<ul style="list-style-type: none"> <li>- Buying some new management software to manage limousine service operations</li> </ul>	<ul style="list-style-type: none"> <li>Limousine profits are VND 10 billion per year</li> </ul>

**Appendix 2.10: PNAC for Head of Accounting and Finance Department at the end of 2014**

Objectives	TECHNOLOGY		
	Qualitative objectives	Quantitative objectives	Financial objectives
<b>Collective objectives</b>	<ul style="list-style-type: none"> <li>- New direct customer interaction</li> <li>- Safety travelling for passengers</li> <li>- Predict customers' demands</li> <li>- Good preparation before serving customers</li> </ul>	<ul style="list-style-type: none"> <li>- Modern vehicles (limousine cars)</li> <li>- Booking system through telephone number</li> <li>- Setting up a Facebook account of the company</li> </ul>	High return on customer complaint management
<b>Objectives of Head of Accounting and Finance Department</b>	- Well prepare big budget for new large-scaled investments	- Mobilize VND 43 billion for new investment including VND 32 billion for new vehicles, VND 1 billion for new technology, VND 5 billion for upgrading infrastructure and VND 5 billion for opening new branches.	Lowest total costs of investment

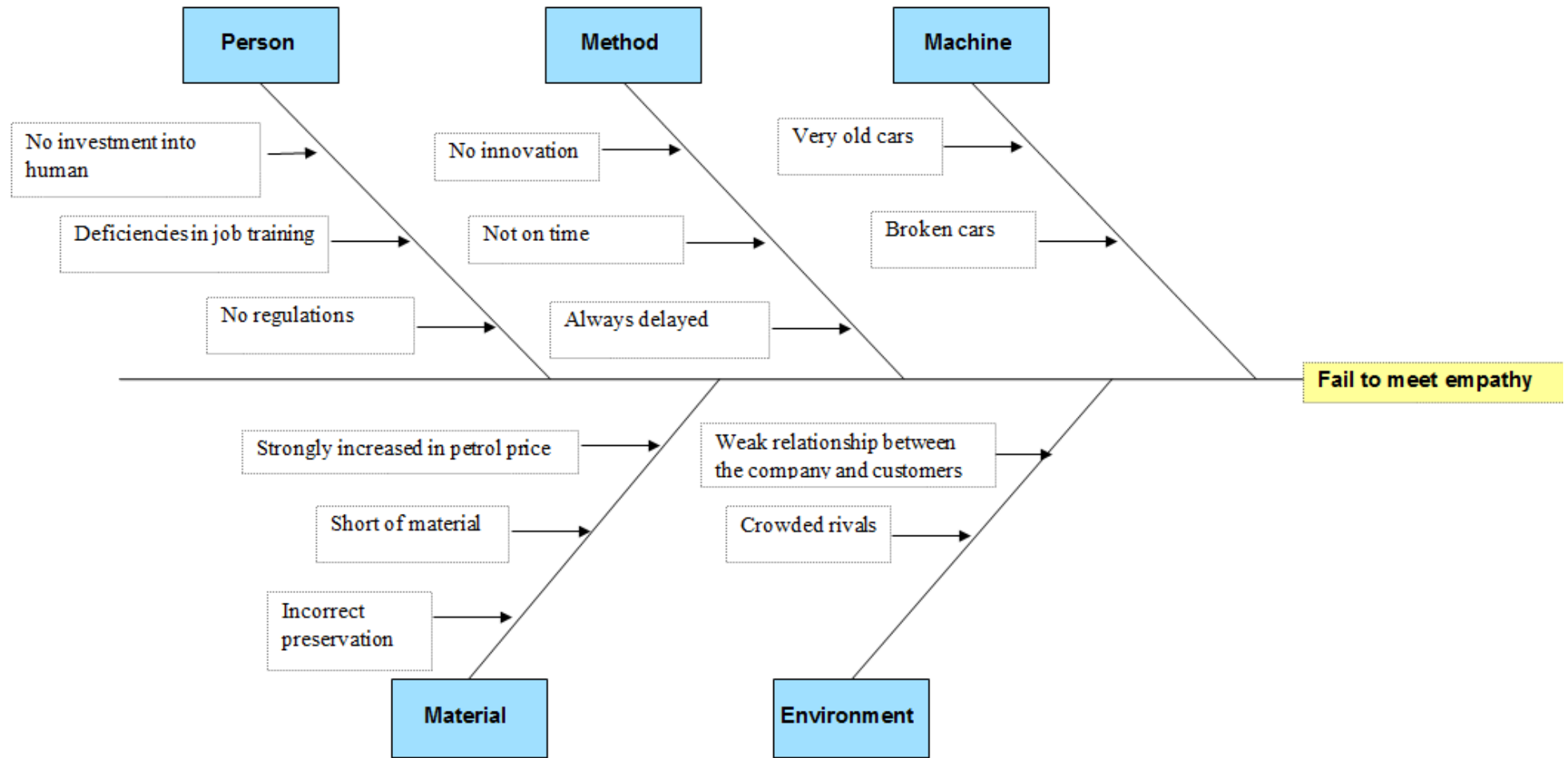
**Appendix 2.11: PNAC for Head of HR Department at the end of 2016**

<b>Objectives</b>	<b>PEOPLE</b>		
	<b>Qualitative objectives</b>	<b>Quantitative objectives</b>	<b>Financial objectives</b>
<b>Collective objectives</b>	<ul style="list-style-type: none"> <li>- Improving direct employees' behaviors and communication skills</li> <li>- Improving employee dissatisfaction</li> <li>- Increasing customer satisfaction on direct employees of the company</li> </ul>	<ul style="list-style-type: none"> <li>- Adding more internal regulations</li> <li>- Adding more rewarding and benefit policies</li> <li>- Organizing some meetings or dialogues between management and employees</li> </ul>	Increase productivity
<b>Objectives of Head of HR Department</b>	<ul style="list-style-type: none"> <li>- Suggesting a comprehensive labor policy including internal regulations, promotion procedure, internal communication, rewarding</li> </ul>	<ul style="list-style-type: none"> <li>- Organizing 2 training professional programs for frontline employees</li> <li>- Organizing 1 training program for middle-level managers</li> </ul>	Increase amount of money into rewarding, incentives and fringe benefits for employees

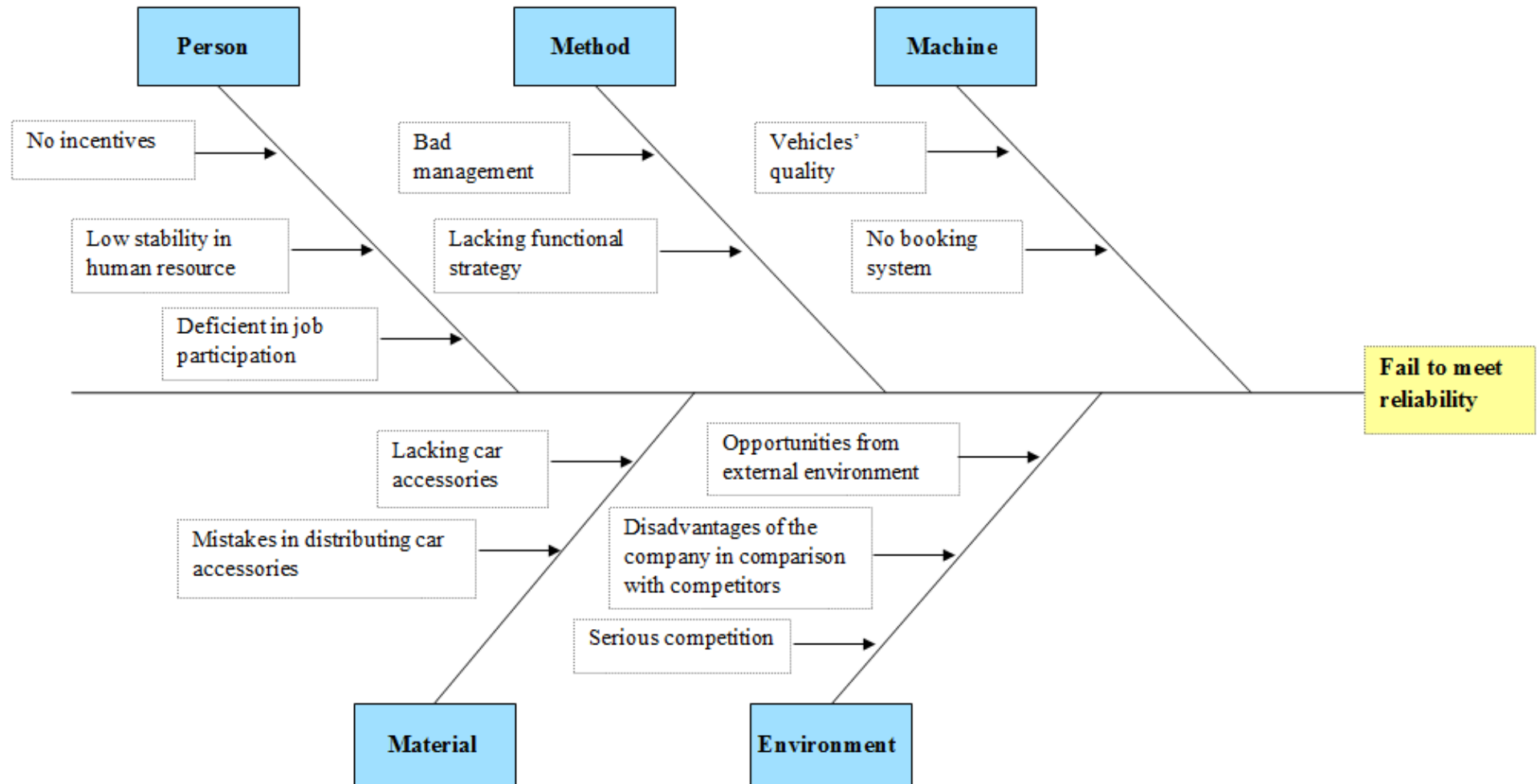
**Appendix 2.12: PNAC for Head of marketing and Limousine Departments at the end of 2016**

Objectives	PROCESS		
	Qualitative objectives	Quantitative objectives	Financial objectives
<b>Collective objectives</b>	Improving customer satisfaction on service providing process	<ul style="list-style-type: none"> <li>- 1 standardized procedure well coordinating departments to provide the best service as committed to customers.</li> <li>- Marketing tools to retain loyal customers as well as attract new customers</li> </ul>	Profit of limousine service in the period of 2017-2018 will triple the one of the 2015-2016 period.
<b>Objectives of Head of Marketing Department</b>	<ul style="list-style-type: none"> <li>- Meeting loyal customers by marketing policies</li> <li>- Become more empathetic with customers</li> </ul>	<ul style="list-style-type: none"> <li>- Suggest a report of response strategy to customer on social media</li> <li>- Suggest membership policy for loyal customers</li> </ul>	Increase life time value of customer according to Gupta's model
<b>Objectives of Head of Limousine Department</b>	Providing the qualified service as presented publically on Facebook of the company	- Suggesting standardized process by revising it and redesigning the function and task distribution for departments	Decrease potential profit loss according to Lakshmi's model

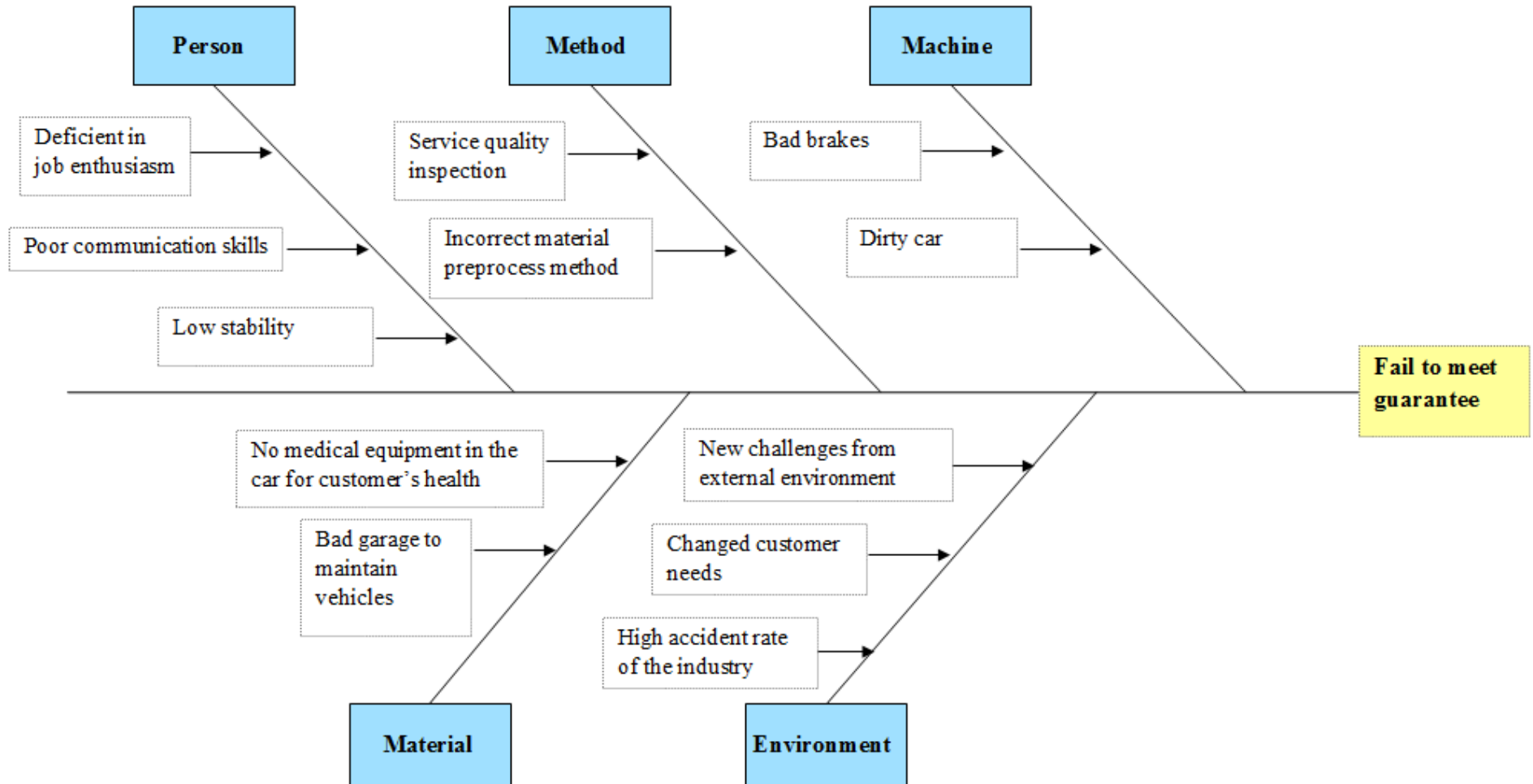
**Appendix 4.1: Cause-and-effect diagram about customer complaints pertaining to empathy at the end of 2014**



**Appendix 4.2: Cause-and-effect diagram about customer complaints pertaining to reliability at the end of 2014**



**Appendix 4.3: Cause-and-effect diagram about customer complaints pertaining to guarantee at the end of 2014**



### Appendix 4.4a: Conceptually clustered matrix: Service quality's dimensions based on customers' opinions at the end of 2014

CUSTOMER COMPLAINTS' THEMES	PEOPLE				PROCESS				TECHNOLOGY			
	Empathy (23 complaints)				Reliability (20 complaints)				Guarantee (16 complaints)			
SERVICE QUALITY INFORMANTS	Direct employees' behaviors	Frequency	Direct employees' skills	Frequency	Service operations	Frequency	Customer service	Frequency	Physical facilities	Frequency	Equipment	Frequency
		13		10		14		6		8		8
			Adhering to a Schedule (AS)	2	Procedure (P)	3	Responsiveness (R)	4	Appliances (A)	3	Rescue equipment (RE)	2
	Appearance of personel (AP)	4	Adjusting to Unforeseen (AU)	2	Corporate social responsibility (CSR)	3	Marketing policies (MP)	2	Vehicle (V)	4	Support equipment (SuE)	3
	Behavioral tendencies towards laws (BL)	4	Communication with passengers (CP)	3	Service quality (SQ)	8			Bus station (BS)	1	Security equipment (SeE)	3
	Bad Attitude (BA)	5	Physical health (PH)	3							Information technology (IT)	2
Mrs Lan (Staff)	AP 1: scruffy clothes		AU 1: "Creating near emergencies to prove that he can get out of them"		CSR 1: "They drive too old cars to make the environment strongly polluted"							
Ms Huong (Student)			AS 1: "Lose their temper and, consequently, their judgment"		SQ 1: "I hope to meet my basic demands, for example, on time and safety"				A 1: "My children are very thirsty but no water on the car"			
Ms Trang (teacher)	BL 1: So fast driving in the crowded road				P 1: "Dangerous drop-off on the road"						SuE 1: "airconditioning, the sun visor"	
Mrs Thu (Lecturer)	AP 2: Shabby clothes		PH 1: "I think the driver is very sleepy and gapes"		P 2: "I don't see or hear anything related to service quality commitment. So, drivers can do what he wants"		MP 1: "Generally speaking, I am just interested in service quality, not discount or promotion. The most important is on time"		V 1: "Brake system is broken down"		SeE 1: "Dashcam camera"	



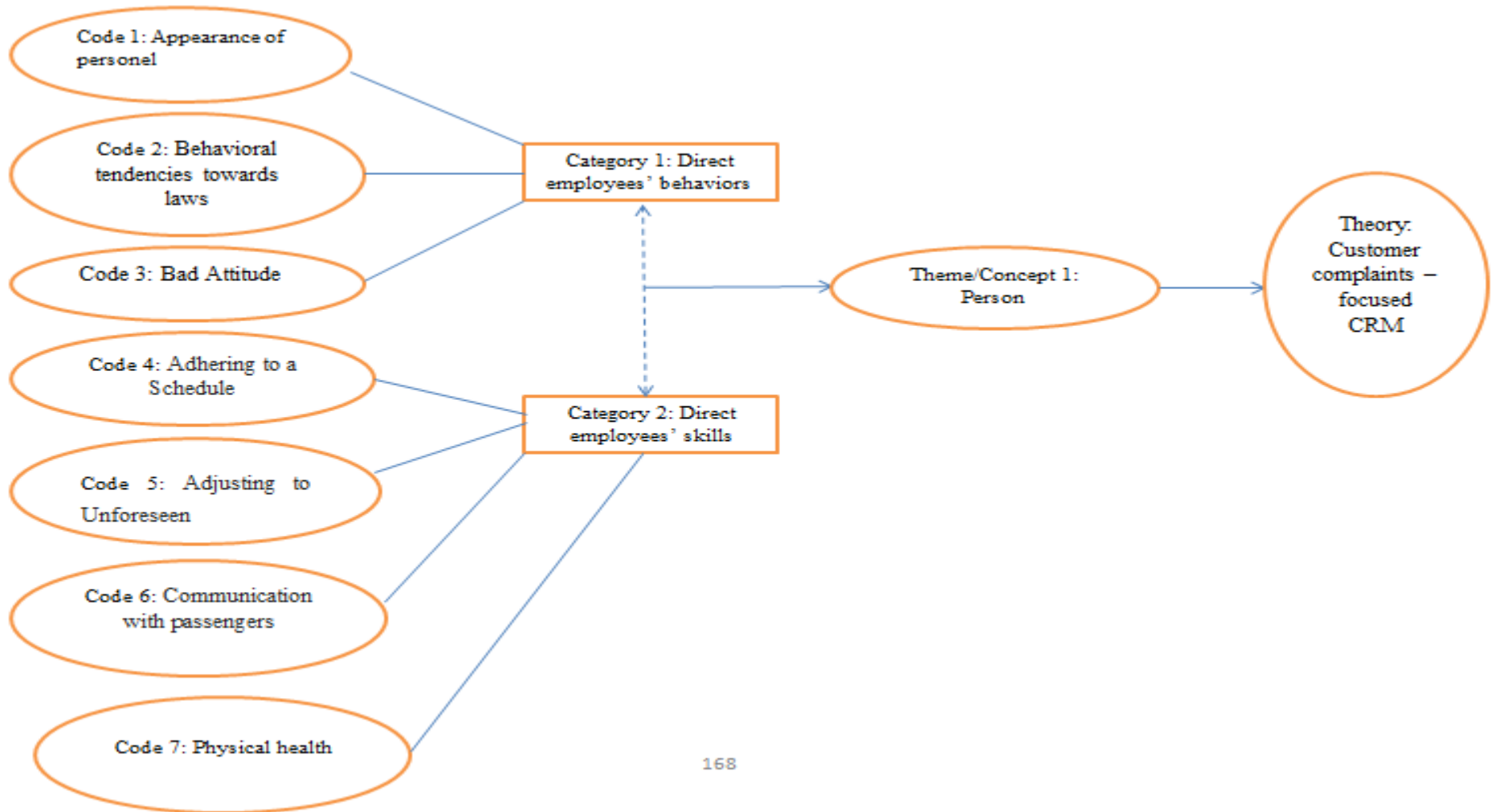
## Appendix 4.4b: Conceptually clustered matrix: Service quality's dimensions based on customers' opinions at the end of 2014

CUSTOMER COMPLAINTS' THEMES	PEOPLE		PROCESS		TECHNOLOGY	
SERVICE QUALITY	Empathy (23 complaints)		Reliability (20 complaints)		Guarantee (16 complaints)	
Mr Hung (Manager)		PH 2: "His lips are dark. Maybe, he is on drugs"	SQ 2: "I sent some negative ideas about bad service quality to the board of directors but I didn't receive any responses from them. I think they don't need to improve service quality"			SeE 2: "GPS equipment"
Mr Trung (IT staff)		AS 2: "Are easily distracted from the main business of driving"	SQ 3: "I don't see any information about services on the schedule, hotline to reflect some problems with the company"		V 2: "I took a stinking bus"	RE 1: "There is no first aid kit on the car"
Mrs Ha	BA 1: "Not staying on his own side of the road or in his traffic lane" "Not moving over when another driver signals he wants to pass"		P 3: "If they want to take new passengers, they go very slowly. But they also fast drive to arrive at the station as soon as possible. I'm afraid of going by inter-city bus"		A 2: "I'm very busy and I need wifi to work with my computer during the schedule"	
Ms Quyen		CP 1: "Talk loud, or use profanity"	CSR 2: "The old cars are very dangerous for customers' safety"	R 1: "Although some passengers remind the driver to drive slowly, he is standoffish"	BS 1: "Bus station is not good at safety and convenience".	
Mr Hieu				MP 2: "I'm a student, I like discount or member card"		IT1: "I want to send my feedbacks as soon as possible through Facebook of the company"
Mr Thanh	AP 3: Negative facial expressions	PH 3: "After 1 hour, he stops the car. He is not good at health"				
Ms Ly	BA 2: "Driving more recklessly the larger his audience"			R 2: "The driver didn't call me quickly to come back to take my forgotten mobilephone on this car"		
Mrs Minh Anh	AP 4: Negative body language					IT2: "I want to book my seats"
Mrs Nhung	BL 2: "Blow the red light"	AU 2: "Pulling out from the curb without looking for approaching cars"			A 3: "The company should prepare tissues and water for passengers in the inter-city buses"	
Mr Tu	BA 3: "Get "upset" over trifles, or are nervous in unusual situations"		SQ 4: "I have to estimate 5 hours to go 80 kms from Thai Nguyen to Hanoi because it takes 3 hours to go and 2 hours to take a rest due to being car sick"			SuE 2: "Disk, video for entertainment"

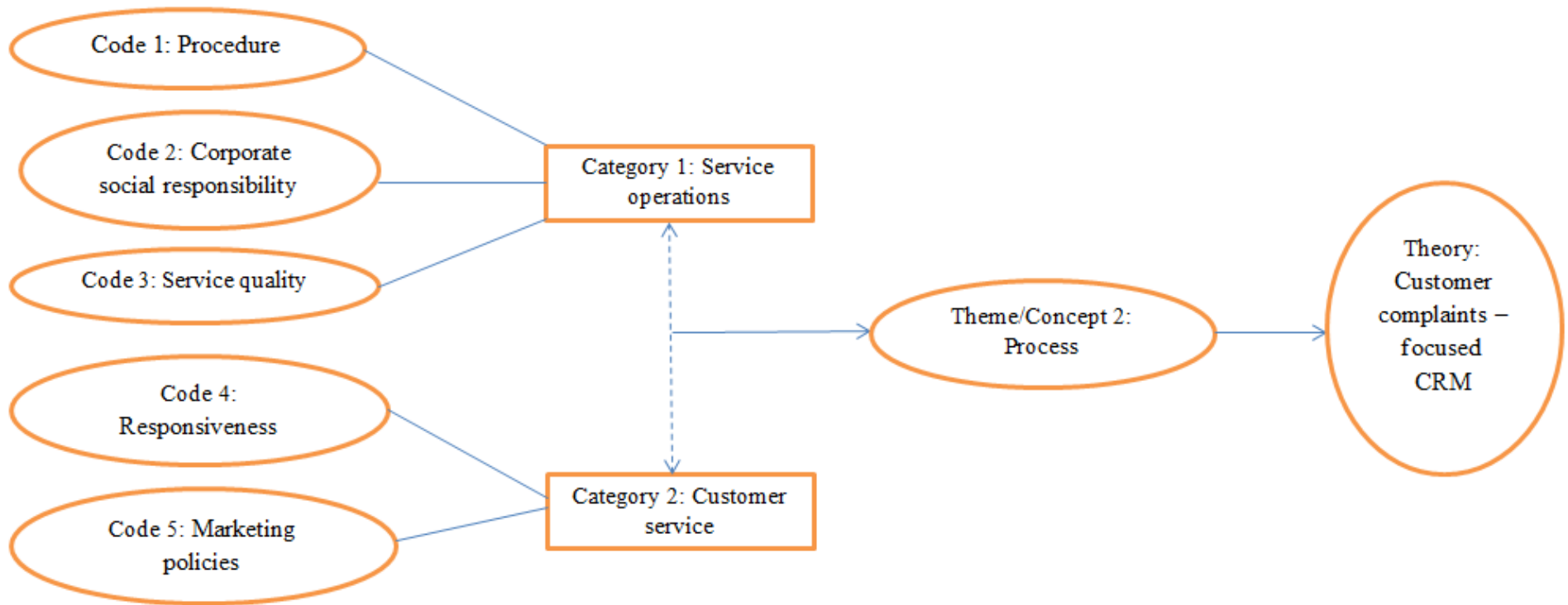
**Appendix 4.4c: Conceptually clustered matrix: Service quality’s dimensions based on customers’ opinions at the end of 2014**

CUSTOMER COMPLAINTS’ THEMES	PEOPLE		PROCESS		TECHNOLOGY	
SERVICE QUALITY	Empathy (23 complaints)		Reliability (20 complaints)		Guarantee (16 complaints)	
Mr Dai	BA 4: “Show impatience in traffic jams and start irrational horn-blowing”	CP 2: “Talking big to customers”	CSR 3: “I expect that transport businesses will use environment – friendly petrol such as E5, RON 95.			RE 2: “The inter-city schedule should be equipped first aid kit”
Mr Hong		CP 3: “Drivers use mobile phone during the time of driving and reprove passengers after receiving advices from them”	SQ 5: “The security on the inter-city buses is very bad. My bag was stolen although I hold it when I sleep”		V 3: “I think it’s very difficult for driver to run accelerator and clutch pedal. It means that the car is old and the driver is not careful to check it before driving. It’s horrible”	SeE 3: “Black box car”
Mrs Anh	BL 3: “Driving car in the oncoming direction – wrong and dangerous”.		SQ 6: “I feel very hot because there is no air-conditioning”		V 4: “In the evening, headlamps are weak, so it’s easy to result in an accident”	
Mrs An	BA 5: “Call traffic officers by abusive names”		SQ 7: “From many passengers’ points of view, drivers and their colleagues’ actions cannot be controlled by internal regulations, so they can do anything they want”			SuE 3: “equipments to support the disable”
Ms Huyen Anh	BL 4: “Road rage– violence and angry behaviour by car drivers towards other car drivers”.		SQ 8: “I never satisfy with service quality of passenger transport service provided by all companies in Thai Nguyen city. However, I have no choice because tram and underground train haven’t been occurred in our city, but I’m happy because now the market is more crowded by new and better service providers, so in the future I will have more opportunities to choose the best one”.			

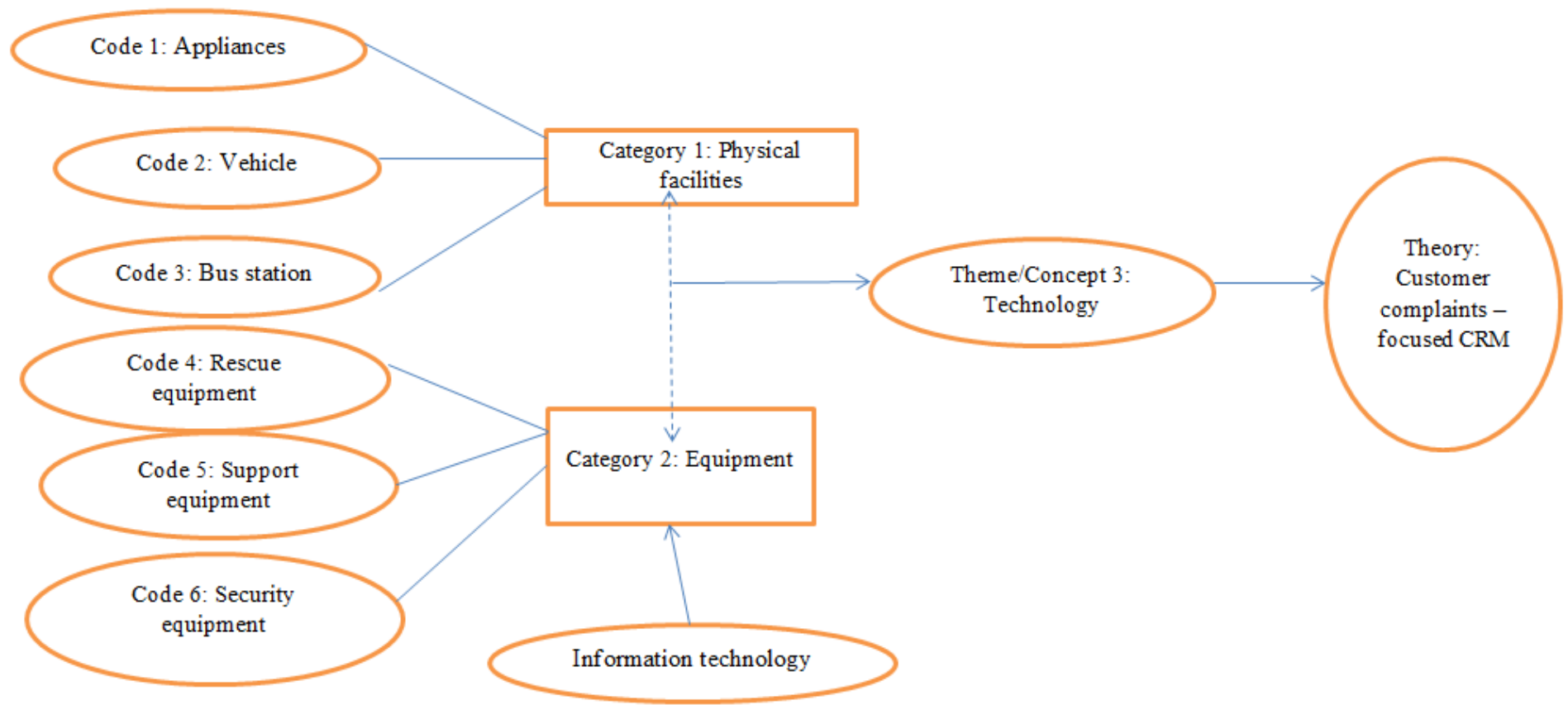
**Appendix 4.5: “People” theme coded from customers’ complaints at the end of 2014**



**Appendix 4.6: “Process” theme coded from customers’ complaints at the end of 2014**



**Appendix 4.7: “Technology” theme coded from customers’ complaints at the end of 2014**



## Appendix 4.8: Research strands coded from top management's opinions at the end of 2014

Strand 1: Corporate strategy	Interviewee comments	Coded theme	Customer complaints
External factor analysis	Mr.Ha: "Crowded market, so many suppliers that we cannot compete with rivals by ruse".	Competitor	Environment
	Mr.Ngoc Thanh: "Moreover, our passengers are mainly students who now are changing their career. They don't study in the universities; they work as manual workers in foreign-direct-investment companies. Also, FDI companies have cars to pick up and drop off from their home to the company and conversely".	Customer	
Selecting types of strategy	Mr.Ha: "In Quang Ninh, Hai Phong, Nam Dinh provinces, they change business from low-priced service to high-priced service with better quality. Actually, they achieve good business outcomes. Our top management and some employees visit and learn experiences from them"	Learning and growth	New Service (Process and Technology)
	Mrs.Lan: "Our company has invested a large amount of money into taxi, buses. We need to take advantage of these assets to continue our new business or find another way to survive" Mr.Quang Anh: "We should change targeted customers from students to employed laborers who can drive their cars to Hanoi but they choose us to experience good service with the same cost as they drive by themselves".	Diversification Market development	
Strategic plan	Mr.Trung: "Although our business is down gradually, we shouldn't compete negatively with rivals. We should integrate social responsibility into new services by maximizing value proposition for customers. The reason is that passenger transport is quite humanism".	Responsible business	New Service (Process and Technology)
	Mrs.Thanh: "Since from our company's establishment, we didn't have vision, mission and goals. Therefore, sometimes we are embarrassed if we have to face challenges"	Vision	Process
	Mr.Ha: "We were the first taxi and bus provider in Thai Nguyen city. Next year, we will have to be pioneering to provide the best passenger transport services".	Business philosophy	Process
	Mr.Hoan: "We must provide highly qualified services and create values to make customers satisfied. We have to assure services safe and convenient, Mr.Ha: "Also, we are leading in technology – size – frequency, and the best working environment"	Mission	Service quality (Process and Technology)
	Mrs.Thao: "Economic performance is critical for the survival and development of the company. We should choose economic one". Mrs.Thanh: "I think we have to balance the two performances". Mr.Ha: "We are both following economic and social performances in order to bring about more values for customers and employees as well as develop sustainable business".	Strategic goals	Organizational performance
	Mr.Ha: "Our services are better quality of service than rivals in terms of safety, convenience, technology, size, frequency; Mrs.Lan: "broader geographically market development" Mr.Trung: "improve or pioneer to launch new services", "better working environment for employees"	Strategic objectives	New Service (Process and Technology)
Strand 2: Functional strategy	Interviewee comments	Coded theme	Customer complaints
Necessaries of marketing strategy	Mr.Ha: "We will launch new services next year so we need a marketing strategy"	Marketing strategy	Offensive marketing strategy (Process)
Un-professional marketing strategy	Mr.Quang Anh: "Our company hasn't had marketing department so we don't have professional advertising program and branding"		
Selecting type of marketing strategies	"We will invest in the product and promotion with the intention of attracting new customers by service line extensions and promotional campaigns".	Offensive marketing strategy	
	Mr.Binh: "The marketing strategy should be attractive to engage passengers using our newly-launched services".		

## Appendix 4.9: Economic impacts of employees' bad behaviors at the end of 2014

HCVAVC 2014= 14242

Number of hours worked per  
year=873600

VND million

ELEMENTARY DYSFUNCTIONS	CITED CAUSES OF DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS							
			CALCULATION DETAILS	OVER-SALARY	OVER-TIME	OVER-CONSUMPTION	NON-PRODUCTION	NON-CREATION OF POTENTIAL	RISKS	TOTAL
Late to work	Direct employees' bad attitude	0.5 hours per day	5 employees x 0.5 x 286 x average salary 6 mil					4290		4290
Absenteeism (10% of total 350 employees, equivalent to 35 days per year)		3 days per month	Average absenteeism cost is VND 300,000 per hour * 8 hours * 35 *12					1008		1008
<b>Total</b>										<b>5298</b>

## Appendix 4.10: Economic impacts of employee turnover at the end of 2014

### EVALUATION OF HIDDEN COSTS

#### DIAGNOSIS NAME

VND million

#### EMPLOYEE TURNOVER

ELEMENTARY DYSFUNCTIONS	CITED CAUSES OF DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS								
			CALCULATION DETAILS	OVER-SALARY	OVER-TIME	OVER-CONSUMPTION	NON-PRODUCTION	NON-CREATION OF POTENTIAL	RISKS	TOTAL	
Turnover rate of direct employees (drivers, staffs)	Employees to work and understand managerial principles as well as customer-oriented services of the company. Consumer's behaviors make employees angry. Employees feel stressed and tired. Employees are not satisfied with their managers.  Therefore, the employees weren't satisfied and left the company.										
Drivers (20% of total 254 drivers)	Unsatisfied employees with 3C vertical	51 drivers per year	13 cars per year are off in 1 month * VND 30 mil per month					390			390
Staffs (20% of total 82)		16 staffs per year	1 month to get 2 new staffs	3 months * average salary of staff * 3 employees = VND 51.3 mill				22.8			74.1
<b>Total</b>											<b>464.1</b>



### Appendix 4.11: Economic impact of quality defects at the end of 2014

EVALUATION OF HIDDEN COSTS										
DIAGNOSIS NAME (QUALITY DEFECTS)										
VND million										
ELEMENTARY DYSFUNCTIONS	CITED CAUSES OF DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS							
			CALCULATION DETAILS	OVER-SALARY	OVER-TIME	OVER-CONSUMPTION	NON-PRODUCTI ON	NON-CREATION OF POTENTIAL	RISKS	TOTAL
Delays in service	Overloaded organizational chart	1 employee hasn't received social insurance after 6 months being off because of an accident	The company has to pay one month salary to support him	8						8
		6 customer complain about service quality every day	lost 5 customer*30 days* 12*100.000				180			180
		Indirect employees can negatively impact to provide service in time such as late provide petrol or late repair vehicles or mistakes in planning vehicle schedule.	2 late vehicles per month* VND2 mill				24			24
Traffic accidents	Stressed and tired drivers decrease quantity and quality of travelling. They need to be off because of problems related to their health	1 accident per month	1 driver*VND 15 million*12					180		180
Strike	3C vertical (Bad internal communication)	1 strike per year	Total sales per year/12/30/2					92		92
Decreased profitability	No new investment, no new product introduction from 2008 to now.	Every year total sales averagely decrease 10%								6000
<b>Total</b>										<b>6484</b>

**Appendix 4.12: Economic impact of direct productivity gap at the end of 2014**

**EVALUATION OF HIDDEN COSTS**

**DIAGNOSIS NAME**

**VND million**

**DIRECT PRODUCTIVITY GAP**

ELEMENTARY DYSFUNCTIONS	CITED CAUSES OF DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS								
			CALCULATION DETAILS	OVER-SALARY	OVER - TIME	OVER-CONSUMPTION	NON-PRODUCTION	NON-CREATION OF POTENTIAL	RISKS	TOTAL	
Mistakes in bookings	Competency issues	3 passengers are delayed every day	3 passengers * VND 0.1 mill *360 days					216			216
Loss of bookings		3 passengers cancel bookings every day	3 passengers * VND 0.1 mill *360 days					216			216
Lack corporate strategy	Unsatisfied Customers and employees	Absenteeism and employee turnover rate	Absenteeism and turnover costs = 4374+464.1					4838.1			4838.1
		Non-production if no customers	Booking costs = 216+216					432			432
<b>Total</b>											<b>5702.1</b>

**Appendix 4.13a: Pivotal ideas of top management at the end of 2014 collected from in-depth interviews**

No	Pivotal ideas	Root problem/ main key ideas	Strands of customer complaints	Interviewees
1	“Profitability of inter-city bus is low because of 8% of total sales and ROI is lower than the average industry’s index.”	Low profitability when no innovation	Profit	CFO Phuong Thao NGUYEN
2	“Inter-city bus’ total sales take up only from 4% to 8% while the investment costs into vehicles were VND 13 billion”	Low profitability with the current services	Technology	CFO Phuong Thao NGUYEN
3	“Drivers and driving assistants are seriously stressed to increase the revenue.”	Serious competition	People	Vice Director Thanh Trung NGUYEN
4	“We need to sell out all old and broken cars.”	Investment into new effective services	Technology	CEO Manh Ha NGUYEN
5	“We need to innovate inter – city bus with five characteristics of socially responsible passenger transport service which were explored in the previous customer’s demand analysis.”	Innovation : new socially responsible service	Process	CEO Manh Ha NGUYEN
6	“There is no new investment, no new service introduction from 2008 to now”.	No service innovation	Process	CEO Manh Ha NGUYEN
7	“There are no incentives for innovations”	No incentives	People	CEO Manh Ha NGUYEN
8	“There is no detailed corporate strategy”	Bad management	Process	CEO Manh Ha NGUYEN
9	“Demands of passengers decreased because of a significant reduction of targeted customers resulted from a decrease in Thai Nguyen university’s students, and Samsung company took workers by their buses”	Challenges from external environment	Environment	CEO Manh Ha NGUYEN

**Appendix 4.13b: Pivotal ideas of top management at the end of 2014 collected from in-depth interviews**

No	Pivotal ideas	Root problem/ main key ideas	Strands of customer complaints	Interviewees
10	“Competition in bus, taxi industry becomes more and more seriously, negatively impacting the survival of the company. Revenue significantly decreases.”	Challenges from external environment	Environment	CEO Manh Ha NGUYEN
11	“Management model of the company is going to be not competitive with the rivals’ one in which a director has many car holders and the car holders just pay social insurance as well as fees (VND million 2 per month) for the company. The rivals are not under pressure of paying salaries as well as revenues”	Disadvantages of the company in comparison with competitors	Process	COO Thi Hong Thanh AN
12	“Diversification will help the company to win rivals in the seriously competitive market”	Diversification	Process	CFO Phuong Thao NGUYEN
13	“Citizens’ income is increasing and they want to buy safety, on-time passenger transport services”	Opportunities from external environment	Environment	CEO Manh Ha NGUYEN
14	“The relationship between the company with the customers is not sufficiently customized”	Weak relationship between the company and customers	Process	Vice Director Thanh Trung NGUYEN
15	“In other provinces, there are highly – qualified services but in Thai Nguyen province, there haven’t been any transport service provider like this”	Opportunities from external environment	Process	CEO Manh Ha NGUYEN

### Appendix 4.13c: Pivotal ideas of top management at the end of 2014 collected from in-depth interviews

No	Pivotal ideas	Root problem/ main key ideas	Strands of customer complaints	Interviewees
16	“We should do multi-businesses like bus, taxi, garage, express delivery. The new services should be taken advantages of these current services”.	Diversification	Process	Vice Director Thanh Trung NGUYEN
17	“The drivers have to travel on the old road to find new passengers with old cars, taking a lot of time. It takes 4 hours to go 80 kms”	Serious competition	Process People	Vice Director Thanh Trung NGUYEN
18	“The company has no safety transport inspection division”	Service quality inspection	People	COO Thi Hong Thanh AN
19	“Equipment, software and human are insufficient”	Service quality	Process	Vice Director Thanh Trung NGUYEN
20	“We need to buy technology such as GPS, car management software, customer relationship software”. “We should outsource a company to do it”.	Investment to take opportunities	Technology	CEO Manh Ha NGUYEN
21	“Employees must be trained from the practices to consult effectively for customers, must learn by hard roads in Hanoi as well as Thai Nguyen”	Investment into human	People	COO Thi Hong Thanh AN
22	There is no marketing strategy: facebook, brand name, corporation identity program.	Disadvantages of lacking functional strategy	Process	CEO Manh Ha NGUYEN
23	“We have to establish Call – center division for limousine service and recruit new employees to receive booking calls from customers”	Investment into human resource	People	COO Thi Hong Thanh AN
24	“It’s difficult for customers to send their responses to the company”	Weak customer relationship management	Process	Vice Director Thanh Trung NGUYEN

**Appendix 4.13d: Pivotal ideas of top management at the end of 2014 collected from in-depth interviews**

<b>No</b>	<b>Pivotal ideas</b>	<b>Root problem/ main key ideas</b>	<b>Strands of customer complaints</b>	<b>Interviewees</b>
25	“We need to improve our employees’ appearance of personnel by uniforms, teaching facial expressions and body language”	Investment into human	People	Vice Director Thanh Trung NGUYEN
26	Behavioral tendencies towards laws should be changed by punishment in the labor contract and work commitment.	Strict regulations for employees	People	COO Thi Hong Thanh AN
27	Besides punishment, bad attitudes can be decreased by organizational culture	Management culture	People	Vice Director Thanh Trung NGUYEN
28	Training soft skills for direct employees such as Adhering to a Schedule, Adjusting to Unforeseen, Communication with passengers	Training programs	People	CEO Manh Ha NGUYEN
29	Physical health: Drivers are allowed to joint health program of the company once per year	Safety trip	People	COO Thi Hong Thanh AN
30	We need to change the procedure, for example, to reduce costs for risks as well as on time schedule, we have to allow customers to book their ticket before the trip at least 2 hours.	Procedure	Process	CEO Manh Ha NGUYEN
31	“We must change organizational chart to make our company more scientifically and easier to manage”	Human resource management	People	COO Thi Hong Thanh AN
32	We will innovate services in order to reduce emission to the environment by invest into new cars. “We will avoid accidents to make customers more safety” “We hope to create a good working environment for employees”	Service innovation	Process	Vice Director Thanh Trung NGUYEN

**Appendix 4.13e: Pivotal ideas of top management at the end of 2014 collected from in-depth interviews**

No	Pivotal ideas	Root problem/ main key ideas	Strands of customer complaints	Interviewees
33	“I think the most importance now is to offer on time and safety service, with new investment into facilities and human”.	New investment	Process	CEO Manh Ha NGUYEN
34	“Marketing is necessary, but in the short term period we have to only focus product in 4Ps marketing mix, also new direct interaction with customers. After 2 years, we will provide promotion for customers”. “Also, we have to build and develop brand first”.	Responsiveness and marketing policies	Process	CEO Manh Ha NGUYEN
35	“We have to provide clear information about schedules for passengers to choose”	Service quality	Process	CEO Manh Ha NGUYEN
36	“In my opinions, we need to collect customers’ complaints as well as reply to them as soon as possible”	Responsiveness	Process	CEO Manh Ha NGUYEN
37	“Our company must make customers have peace of mind by setting up camera. If they forget something on the cars, we will check camera and return it to them”.	Security Service quality	Technology	CEO Manh Ha NGUYEN
38	“Internal regulations should be suggested to manage employees”	Regulations	People	CEO Manh Ha NGUYEN
39	“Innovation in information technology should support our company to launch new services”	Offensive marketing	Process	CEO Manh Ha NGUYEN

**Appendix 4.14: Coding process for formulating dysfunctions and dysfunction baskets based on the top managements’ opinions at the end of 2014**

<b>Customer complaints:</b> Reasons of actions – Dimensions of service quality	<b>Including pivotal ideas</b>	<b>Structures in socio economic diagnostic of the organization</b>	<b>Behaviors in socio economic diagnostic of the organization</b>	<b>Categories</b> (Sub-themes of dysfunctions)	<b>Dysfunctions</b> (Pattern codes)	<b>Formulation of dysfunction baskets</b>	<b>Stakeholders' satisfaction</b>
- Empathy, Reliability, Guarantee - People, Process, Technology	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 39	Technical	Organization taken as a whole	Strategic orientation	Strategic implementation	<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	- Improving Employees' belief to the success of the company. - Improving customers' satisfaction
- Empathy - People, Process, Technology	6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 19, 20, 30	Technical	Organization taken as a whole	Strategic orientation	Strategic implementation	<b>Basket 2:</b> Learning from other successful companies.	- Improving Employees' belief to the success of the company. - Improving customers' satisfaction
- Reliability - Process, Technology	4, 5, 6, 7, 10, 12, 13, 15, 17, 19, 32	Technical	Business departments	Strategic orientation	Strategic implementation	<b>Basket 3:</b> Investment into new vehicles	- Improving customers' satisfaction
	19, 20, 37	Physical	Individual behaviors of customers	Equipment and supplies	Working conditions		- Improving customers' satisfaction
- Guarantee - Technology	3, 6, 7, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 24, 30, 33, 35, 37, 36, 39	Technical	Business departments	Information system	Strategic implementation	<b>Basket 4:</b> Investment into new information technology	Improving customers' satisfaction
- Empathy - People, Process	3, 17, 18, 19, 21, 23, 25, 26, 27, 28, 29, 31, 33, 36, 38	Technical	Individual behaviors of direct employees	Strategic orientation	Strategic implementation	<b>Basket 5:</b> Reinforcing human resource	Improving customers' satisfaction

#### Appendix 4.15: Economic performance at the end of 2014, 2016 and 2018



Indicators	Sub-indicators	2014	2016	2018
<i>Competitiveness</i>	Average energy cost	6,875,036,240	9,440,674,441	18,925,403,762
	Risk of failure of customers (Number of passengers' complaints)	No information	183	98
	Risk of failure of machinery (Vehicle repairation costs)	389,625,700	425,316,987	320,555,204
	Risk of failure of labor (Self- criticism minutes by employees every year)	20	21	15
	- Average salaries in the transportation companies	4,000,000	5,000,000	7,000,000
	- The company's average salaries	5,000,000	7,500,000	9,000,000
	Corporate income taxes paid	934,579,278	1,200,635,000	2,496,713,849
	Local value added in the destination in percent of overall turnover	0	0	Tuyen Quang branch: 6.7%; Bac Kan branch: 9.3%
<i>Pay and benefits</i>	Fringe benefits, economic and others offered to employees	7,012,543,025	17,509,704,787	20,170,127,422
<i>Revenues and payments</i>	Profitability (ROA, ROS, ROE)	ROA=0.065 ROS=0.05 ROE=0.132	ROA=0.045 ROS=0.073 ROE=1.299	ROA=0.049 ROS=0.085 ROE=7.192
	Productivity (ratio of workforce to yearly output tonnage)	285,075,461	194,888,213	289,616,834
	Total revenue	65,567,356,012	68,210,874,560	150,666,791,500
	Total production per each flagship type of business	+) Taxi: 1,651,200,000 +) Bus: 18,455,468,748 +) Inter-city bus: 1,832,112,000	+) Taxi: 2,010,367,888 +) Bus: 22,459,762,300 +) Inter-city bus: 35,190,643,741	+) Taxi: 2,632,741,985 +) Bus: 24,553,810,422 +) Inter-city bus: 70,000,956,836
<i>Innovation investment</i>	Total investment per year	563,201,201	50,695,777,138	18,179,650,400
<i>New product introduction vs. competition.</i>	Number of new products and services in a certain year	No	1 (limousine)	2 (Limousine, Express delivery)
<i>Sales of new services over total sales</i>	Sales of new services/Total sales	No	51%	51%
<i>Incentives for initiatives and innovations.</i>	Total money for incentives	No	100,000,000	170,000,000

**Appendix 4.16a: Social performance at the end of 2014, 2016 and 2018**

<b>Indicators</b>	<b>Sub-indicators</b>	<b>2014</b>	<b>2016</b>	<b>2018</b>
<i>Working conditions /health and safety</i>	Occupational and lifestyle health programs	Once per year	Once per year	Once per year
	Number of staffs	123	165	192
	Number of drivers	147	181	320
	Number of workers	2	4	8
	Number of employees outside Thai Nguyen province	55	36	208
	Number of female in management position	7	7	10
	Number of training programs / hours of training	0	2	3
	Number of employees trained	0	160	280
	Records of accidents	- No serious accident - 10 fender-benders	- No serious accident - 13 fender-benders	- No serious accident - 5 fender-benders
	Means developed within the company to prevent exclusion	No information	No information	- Not allowed to drink alcohol, drugs and other stimulants - Comply with traffic law of the government - Comply with the company's regulations - Customers are right in any case. - Customers pay salaries for us - Meet all demands of customers

## Appendix 4.16b: Social performance at the end of 2014, 2016 and 2018

Indicators	Sub-indicators	2014	2016	2018
<i>Working conditions /health and safety</i>	Turnover rates	Averagely 20%	Averagely 15%	Averagely 10%
	Absenteeism rates	10%	7%	5%
	Time/output lost in strikes	No strikes	No strikes	No strikes
	Difficulty to recruit adequate people (Number of recruitment times every year).	Recruiting employees owing to the company's needs. The number of employees is always changed and the company must recruit continuously with many times per year.	Recruiting employees owing to the company's needs. The number of employees is always changed and the company must recruit continuously with many times per year.	Twice per year
<i>Employee opportunities and relations</i>	Gender balance	This is a transportation service company, so female accounts for only 12.8% in total employees of the company.	13%	11.5%
	Equity between employees/anti-union bias Time/Salary	<ul style="list-style-type: none"> <li>- Work assignment is based on agreement, capacity and qualification of employees.</li> <li>- Salary includes base pay, percent of sales, hours of working and health.</li> <li>- Other benefits are social insurance, health insurance paid by the company.</li> <li>- No paid leave days.</li> </ul>	<ul style="list-style-type: none"> <li>- Work assignment is based on agreement, capacity and qualification of employees.</li> <li>- Salary includes base pay, percent of sales, hours of working and health.</li> <li>- Other benefits are social insurance, health insurance paid by the company.</li> <li>- No paid leave days.</li> </ul>	<ul style="list-style-type: none"> <li>- Work assignment is based on agreement, capacity and qualification of employees.</li> <li>- Salary includes base pay, percent of sales, hours of working and health.</li> <li>- Other benefits are social insurance, health insurance paid by the company.</li> <li>- Paid leave days: 1 day per month for staffs and for drivers.</li> </ul>
	Equity of wages between firms in the same region	Generally, salary of The company is higher and more stable than other firms in the same region.	Generally, salary of The company is higher and more stable than other firms in the same region.	Generally, salary of The company is higher and more stable than other firms in the same region.

### Appendix 4.16c: Social performance at the end of 2014, 2016 and 2018

Indicators	Sub-indicators	2014	2016	2018
<i>Employee opportunities and relations</i>	Cultural difference problems	There is no problem related to cultural differences because almost of employees come from Thai Nguyen province.	There is no problem related to cultural differences because almost of employees come from Thai Nguyen province.	There is no problem related to cultural differences because almost of employees come from Thai Nguyen province.
	Professional development	Lack of career succession planning	There is no professional development and career succession planning as well as promotion procedure which are based on evaluation from Board of directors.	There is a promotion procedure for employees' career development: Seniority: 3-5 years, Achievement of rewards in at least 2 years. - Voted by top management
<i>Internal communications</i>	Diffusion of information for employees	Direct diffusion of information for heads of divisions.	Direct diffusion of information for heads of divisions.	Direct diffusion of information for heads of divisions.
	Dialogue with the management	There is no dialogue between employees and Board of directors. Periodically once a month heads of divisions have a meeting with the Board of directors.	There is no dialogue between employees and Board of directors. Periodically once a month heads of divisions have a meeting with the Board of directors.	- Once per week, a direct meeting and dialogue between Middle managers and their subordinates.  - Twice a month, two direct meeting between Middle managers and Board of directors.  - Once per quarter, a direct meeting between Employees and Board of directors. Middle managers have to list names of frontline employees who want to talk directly with Board of directors.
	Terms of labor contract include social standards	There are two documents signed by the employees and the director including Labor contract and Compensation commitment (punishment) that clearly describe responsibilities and obligations of employees, especially focus on compensation requirements in the case of breaching contract and commitment by employees.	There are two documents signed by the employees and the director including Labor contract and Compensation commitment (punishment) that clearly describe responsibilities and obligations of employees, especially focus on compensation requirements in the case of breaching contract and commitment by employees.	Add two more terms including rewards, encouragements, and social responsibilities of employees
	Staff satisfaction index	None	Staff satisfaction's Means are ranged from 2.3 to 3.5 meaning from being neutral to being satisfied.	Staff satisfaction's Means are ranged from 3.1 to 4.2 meaning from being satisfied to being very satisfied.

## Appendix 4.16d: Social performance at the end of 2014, 2016 and 2018

Indicators	Sub-indicators	2014	2016	2018
<i>Community relationships</i>	Contribution of the firm to the community.	The company has a budget equivalent to tens of VND million to support voluntary programs for the community.	The company has a budget equivalent to tens of VND million to support voluntary programs for the community.	VND 70 million
	Employee involvement into the local community.	0	0	10
	Employment of local population	18%	50%	40%
	Communication/ dialogue with the local actors	2	2	5
	Turnover of management	0	0	0
	Information exchange among transportation companies.	The company has good relationships with members of transport firm associations.	The company has good relationships with members of transport firm associations.	Director is a Vice Chairman of Association of transportation companies
	Origins of workers.	Kinh ethnic group: 80%. Other ethnic group: 20%.	Kinh ethnic group: 80%. Other ethnic group: 20%.	Kinh ethnic group: 80%. Other ethnic group: 20%.
	Company involvement outside the region.	0	0	2 branches
	Information on how a company informs its customers about packages and destinations and what it does to raise awareness for responsible travel (customer info check).	Through local television station, butterfly, and banners to diffuse information to customers.	Through local television station, butterfly, Facebook and banners to diffuse information to customers.	Facebook, banners on the cars.
	Employee to passenger ratio.	No information	No information	No information
	Response rate of customer questionnaires (customer satisfaction check)	None	None	81%
	Terms of passenger transport contract that include social standards	None	Responsibilities and obligations of drivers	Responsibilities and obligations of drivers
	Customer satisfaction index.	Means of customer satisfaction <2.5	Means of customer satisfaction: 2.5-3.0	Means of customer satisfaction: 2.8-3.6
Voluntary commitments signed.	Safety driving commitment	Safety driving commitment	Safety driving commitment	

## Appendix 4.17: Pivotal ideas at the end of 2014 from employees' opinions

No	Pivotal ideas	Root problem/ main key ideas	Interviewees
1	"Vehicles are always broken and should be repaired as well as maintained periodically, especially electricity and brake system."	Investment into new vehicles	Mr Hung (driver)
2	"The company should upgrade vehicles."	Investment into new vehicles	Mr Linh (driver)
3	"Facility for employees are downgraded."	Investment into infrastructure	Mrs Trang (accountant)
4	"Physical assets of the company such as facility for direct employees should be invested into."	Investment into infrastructure	Ms. Huong (ticket seller)
5	"Employees' personal assets are always stolen."	Investment into infrastructure	Mr My (driver)
6	"Driver has no responsibility to take care the car."	Regulations in human resource management	Mr Chuc (driver)
7	"Labor tools are always stolen in the car"	Regulations in human resource management	Mr Ha (driver)
8	"Breaking time for lunch is very short."	Regulations in human resource management	Mr Hien (driver)
9	"Drivers are stressed because of continuously driving every day (more than 6 times per day in total 400 – 500 km)	Regulations in human resource management	Mr Hieu (driver)
10	"I'm not satisfied with line managers who assign 2 drivers for 1 taxi. Line managers should be trained and developed their skills as well as managerial capacity"	Training managerial employees	Mr Phu (driver)
11	"I'm not satisfied with line managers to assign works for employees. I still want to do this job, just change the employer."	Training managerial employees	Mr Vui (driver)
12	"Some routes have a few of passengers, some routes have crowded passengers, so salaries between drivers are very different although drivers want to work more and increase salaries".	Regulations in human resource management	Mr Hanh (driver)
13	"Assigning 3 drivers per 2 cars, 1 driver per 1 car, or 4 drivers per 3 cars depends on income expectations of drivers. The minimum number of working days per month is 26"	Not clear communication between managers and employees	Mrs Thanh (HR manager)
14	"I want to do a new job. I don't like to be a driver anymore"	Stressed job	Mr Manh, taxi driver
15	"I want to do another job, not driving bus more because this job is very risky, time – intensive and low salary."	Stressed job	Mr Tu (driver)
16	"Employees' personal assets are always stolen. We should set up a camera in motorbike parking area"	Bad working environment, regulations	Mr Hoa (Driver)
17	"In my opinions, managers should be trained management skills and communication. They cannot suggest good human policies for the company as well as job assignment. They don't understand what we think, what we want and what we expect. I'm always unsatisfied with them, so I find another employer to work for"	Managerial capacity of middle-level managers	Mr Dong (Driver)
18	"There is no discipline to manage employees when they leave the company without any punishment"	Managerial capacity of middle-level managers	Mr Lam (Driver)
19	"Organizational culture is not strong enough to promote employees to work and understand managerial principles of the company. I am also a driver, but I understand that I am working shifts, I must be actively at work and at taking time to break but only a few employees understand it"	Stressed employees	Mr Tan (Driver)

#### Appendix 4.18: Coding process for dysfunctions based on employees' opinions at the end of 2014

Customer complaints: Reasons of actions – Dimensions of service quality	Including pivotal ideas	Structures in socio economic diagnostic of the organization	Behaviors in socio economic diagnostic of the organization	Categories (Sub-themes of dysfunctions)	Dysfunctions (Pattern codes)	Dysfunction baskets	Stakeholders' satisfaction	Outcomes of actions	Strategic company objectives
<b>Guarantee:</b> - Physical facilities - Equipment - People	2,3,4,5,1	Physical	Individual behaviors of employees	Physical conditions of work: Facility improvement	Working conditions	<b>Basket 6:</b> Facility upgrade	Employee satisfaction	Investment of VND 5 billion into upgraded and newly- built facilities	Better working environment for employees
<b>Empathy:</b> - Direct employees' behaviors - Direct employees' skills - People	1,8,9,14,15,18 , 19	Mindsets	Individual behaviors of employees	Work atmosphere	Working conditions	<b>Basket 7:</b> Bad working environment and stressed employees	Employee satisfaction	- Outdoor and visiting activities - Internal regulations - Slogan: "Customers are paying salaries for us"	
<b>Reliability:</b> - Service operations - Customer service - People	9,10,11,12,13, 17,18,19	Organizational	Individual behaviors of employees	Distribution of tasks, missions and functions	Work organization	<b>Basket 8:</b> Managerial capacity of middle-level managers	Employee satisfaction	Training plan for middle-level managers - Managemen t skills - Communica tion skills	

## Appendix 4.19a: Integrated summary of horizontal and vertical intervention research into 1 action plan in the period of 2015-2016

Customer complaints: Reasons of actions – Dimensions of service quality	Dysfunction baskets	Structures in socio economic diagnostic of the organization	Behaviors in socio economic diagnostic of the organization	Categories (Sub-themes of dysfunctions)	Dysfunctions (Pattern codes)	Stakeholders' satisfaction	Outcomes of actions	Organizational performance objectives
Empathy - Person - Method - Machine	<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	Technical	Organization taken as a whole	Strategic orientation	Strategic implementation	- Improving Employees' belief to the success of the company. - Improving customers' satisfaction	New strategy statement	- Customer complaint management profitability. - Economic performance - Social performance - Hidden costs
Empathy - Direct employees' behaviors - Direct employees' skills	<b>Basket 2:</b> Organizational learning new services and new customer interaction from other successful companies	Technical	Organization taken as a whole	Strategic orientation	Strategic implementation	- Improving Employees' belief to the success of the company. - Improving customers' satisfaction	Reports from employees after being trained from the Quang Ninh company	Economic performance
Reliability - Service operations - Customer service	<b>Basket 3:</b> Investment into new vehicles	Technical Physical	Business departments Individual behaviors of customers	Strategic orientation Equipment and supplies: Investment into vehicles	Strategic implementation Working conditions	- Improving customers' satisfaction - Better working conditions for employees	- Sold out old and broken cars - Total amount of VND billion 32 into buying new vehicles.	Economic performance
Guarantee - Equipment	<b>Basket 4:</b> Investment into new information technology	Technical	Business departments	Information system	Strategic implementation	Improving customers' satisfaction	- Booking hotline number - Fan page of the company - Number of replied complaints on Facebook of the company or through callings to hotline number	Economic performance



## Appendix 4.19b: Integrated summary of horizontal and vertical intervention research into 1 action plan in the period of 2015-2016

Customer complaints: Reasons of actions – Dimensions of service quality	Dysfunction baskets	Structures in socio economic diagnostic of the organization	Behaviors in socio economic diagnostic of the organization	Categories (Sub-themes of dysfunctions)	Dysfunctions (Pattern codes)	Stakeholders' satisfaction	Outcomes of actions	Organizational performance objectives
Empathy - Direct employees' behaviors - Direct employees' skills	<b>Basket 5:</b> Reinforcing human resource	Technical	Individual behaviors of direct employees	Strategic orientation  Working atmosphere	Strategic implementation  Working conditions	Improving customers' satisfaction	- Training direct employees: communication skills  - New uniform for employees  - Changed organizational chart	- Customer complaint management profitability.  - Economic performance  - Social performance  - Hidden costs
Guarantee - Physical facilities - Equipment	Facility upgrade	Physical	Individual behaviors of employees	Physical conditions of work: Facility improvement	Working conditions	Employee satisfaction	Investment of VND 3 billion into upgraded and newly-built facilities	Social performance
Empathy - Direct employees' behaviors - Direct employees' skills	Improving bad working environment and stressed employees	Mindsets	Individual behaviors of employees	Work atmosphere	Working conditions	Employee satisfaction	- Outdoor and visiting activities  - Internal regulations  - Slogan: "Customers are paying salaries for us"	Social performance
Reliability - Service operations - Customer service	Managerial capacity of middle-level managers	Organizational	Individual behaviors of employees	Distribution of tasks, missions and functions	Work organization	Employee satisfaction	Training plan for middle-level managers	Social performance

## Appendix 4.20: Specific actions after integrated horizontal and vertical intervention research diagnostics for the period of 2015-2016

Dysfunctions baskets	Specific actions	Outcomes of actions	Critical success factors
<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	<ul style="list-style-type: none"> <li>- Designing vision, business philosophy, mission, goals, strategic objectives, types of corporate strategies.</li> <li>- Suggesting functional level of strategic management from perspectives of organizational culture due to support the above responsible business strategy: Offensive marketing strategy.</li> <li>- Designing highly – qualified inter-city bus service called limousine.</li> </ul>	New corporate strategy, functional strategy and service innovation strategy	Strategies
<b>Basket 2:</b> Organizational learning other successful companies	<ul style="list-style-type: none"> <li>- Learning about how to select departures and destinations (stations) in the Thai Nguyen – Ha Noi journey.</li> <li>- Learning about how to operate the service system with information technology.</li> <li>- Learning about how to directly interact with customers.</li> <li>- Learning how to manage drivers and other direct employees</li> </ul>	Changing thought of board of directors and all managers about service innovation by assigning managers to go to other successful companies in Quang Ninh province in order to learn their new services.	Process
<b>Basket 3:</b> Investment into new vehicles.	<ul style="list-style-type: none"> <li>- Preparing capital to buy new tens of cars</li> <li>- Buying 30 new cars called Limousine D-Car of Ford brand name</li> </ul>	<ul style="list-style-type: none"> <li>- Sold out old and broken cars</li> <li>- Total amount of VND billion 51 into buying new vehicles.</li> </ul>	Process
<b>Basket 4:</b> Investment into new information technology	<ul style="list-style-type: none"> <li>- Booking hotline number</li> <li>- Fan page of the company</li> <li>- Replying customer complaints on Facebook of the company or through callings to hotline number</li> </ul>	New customer interaction	<ul style="list-style-type: none"> <li>- Technologies</li> <li>- Information systems</li> </ul>
<b>Basket 5:</b> Reinforcing human resource	<ul style="list-style-type: none"> <li>- New uniform for employees</li> <li>- Changing organizational chart</li> <li>- Training direct employees: communication skills</li> <li>- Investment of total amount of VND billion 5 into facility such as accommodations, offices, parking areas</li> <li>- Developing outdoor and visiting activities such as picnic in short holidays, visiting ill employees and their parents/children at the hospitals.</li> <li>- Internal regulations (punishment in the labor contract and labor commitment)</li> <li>- Diffusing Slogan: “Customers are paying salaries for us” to all employees</li> <li>- Training plan for line managers: Management skills and Communication skills</li> </ul>	<ul style="list-style-type: none"> <li>- Better behaviors and skills of direct employees</li> <li>- Upgraded and newly-built facilities</li> <li>- Improving working environment for employees</li> <li>- Controlling bad behaviors of employees</li> <li>- Making employees pay attention to customers</li> <li>- Reports from line managers after joining training program for them</li> </ul>	<ul style="list-style-type: none"> <li>- Process</li> <li>- Organizational structure</li> <li>- Process</li> <li>- Organization structure: Company management</li> <li>- Incentives</li> <li>- Regulation</li> <li>- Strategy</li> <li>- Control</li> </ul>

## Appendix 4.21a: Internal – external strategic action plan at the beginning of the year 2015 approved by the Board of directors

Strategic axes	Action objectives	Dysfunction basket	Specific actions	Approval: Agreed/Not agreed (% of voters)	Cluster	Individual
1. Strategic implementation: <b>Strategic orientation</b>	1.1 A new strategy statement, guidelines and targets have to be put in place	<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.1.1 Planning workshops about business environment and customers for all employees to understand customer – oriented service in the serious market.	Agreed (100%)	CEO, HR department, Consultancy	Mr Ha (CEO)
		<b>Basket 2:</b> Organizational learning	1.1.2 Assigning employees to go to other successful companies in Quang Ninh province in order to learn experiences from these companies.	Agreed (100%)	CEO, HR department, Consultancy	Mrs Thanh
		<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.1.3 Doing market research in Thai Nguyen city	Agreed (100%)	CEO, HR department, Consultancy	Mr Ha (CEO) and consultancy
			1.1.4 Setting up clear budget	Agreed (100%)	Vice Director (Mrs Lan), Head of Accounting and Finance department (Mrs Thao)	Mrs Lan
			1.1.5 Writing and submitting the strategy plan: Offensive marketing strategy	Agreed (100%)	Vice Director (Mr Trung), Consultancy, Head of Limousine, Taxi and Garage departments	Mr Trung, Mrs Tu Anh
			1.1.6 Outsourcing a company to design brand name: Corporation Identity program (Logo, facebook, song, card visit, etc). 1.1.7 Determining the opening ceremony day for limousine service	Agreed (100%)	CEO, HR department, Consultancy	Mr Ha (CEO)

**Appendix 4.21b: Internal – external strategic action plan at the beginning of the year 2015 approved by the Board of directors**

Strategic axes	Action objectives	Dysfunction basket	Specific actions	Approval: Agreed/Not agreed (% of voters)	Cluster	Individual	
1. Strategic implementation: <b>Strategic orientation</b>	1.2 Highly – qualified service statement	<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.2.1 Designing highly – qualified service called limousine (Mixed bundling) 1.2.2 Recognizing value proposition has three main characteristics including Empathy, Reliability, Responsiveness, Tangibles and Guarantee.	Agreed (100%)	Vice Director (Mr Trung), Consultancy, Head of Limousine, Taxi and Garage departments	Mr Trung and Mrs Tu Anh	
	1.3 Replacing old broken cars by modern new ones	<b>Basket 3:</b> Investment into new vehicles.	1.3.1 Preparing capital to buy new tens of cars. 1.3.2 Buying 30 limousine Ford DCar Investment of total amount of VND billion 32.	Agreed (100%)	Vice Director (Mrs Lan), Head of Accounting and Finance department (Mrs Thao), Head of inspection department (Mr Hoan)	Mrs Lan	
	1.4 Applying information technology to effectively manage operations.	<b>Basket 4:</b> Investment into new information technology	1.4.1 Finding and selecting software companies. 1.4.2 Buying new technology for maximum VND 500 million: (1) Software to manage vehicles, driver's schedule, (2) Software to manage customer information of call center.	Agreed (100%)	Vice Director (Mr Trung), Head of Limousine, Taxi and Garage departments	Mr Trung	
	1.5 Skilled employees		<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.5.1 Recruiting new employees for call center. 1.5.2 Training call center's employees to interact with customers in providing new limousine service.	Agreed (100%)	CEO, Head of HR department and consultancy	Mrs Thanh
			<b>Basket 5:</b> Reinforcing human resource	1.5.3 Training direct employees: communication skills	Agreed (100%)	CEO, Head of HR department and consultancy	Mrs Thanh

**Appendix 4.21c: Internal – external strategic action plan at the beginning of the year 2015 approved by the Board of directors**

Strategic axes	Action objectives	Dysfunction basket	Specific actions	Approval: Agreed/Not agreed (% of voters)	Cluster	Individual
2. Strategic implementation: <b>Information system</b>	2.1 Utilizing technological tools to directly interact with customers.	<b>Basket 4:</b> Investment into new information technology	2.1.1 Pay fees to operate the company’s fanpage on Facebook.	Agreed (100%)	CEO, Head of HR department and consultancy	Mr Ha (CEO)
			2.1.2 Recruiting new employees for the division of marketing.	Agreed (100%)	CEO, Head of HR department and consultancy	Mrs Thanh
			2.1.3 Training them skills to communicate with customers through social media.			
3. Working conditions: <b>Physical conditions of work</b>	3.1 Investment of VND 3 billion into upgraded and newly-built facilities	<b>Basket 5:</b> Reinforcing human resource	3.1.1 Selecting a construction company. 3.1.2 Upgrading offices, parking and branches with the better infrastructure.	Agreed (100%)	CEO, Head of HR department and consultancy	CEO
4. Working conditions: <b>Work atmosphere</b>	4.1 Adoption of a customer – oriented corporate culture	<b>Basket 5:</b> Reinforcing human resource	4.1.1 Outdoor and visiting activities 4.1.2 Internal regulations 4.1.3 Slogan: “Customers are paying salaries for us”	Agreed (100%)	CEO, Head of HR department and consultancy	Mrs Thanh
	4.2 Better behavior and skills of direct employee	<b>Basket 5:</b> Reinforcing human resource	4.2.1 New uniform for employees 4.2.2 Changed organizational chart	Agreed (100%)	CEO, Head of HR department and consultancy	Mrs Thanh
5. Work organization: <b>Distribution of tasks, missions and functions</b>	5.1 Training plan for middle-level managers - Management skills - Communication skills	<b>Basket 5:</b> Reinforcing human resource	5.1.1 Suggesting a training plan for middle level managers 5.1.2 Implementing this training plan for middle-level managers	Agreed (100%)	CEO, Head of HR department and consultancy	Mrs Thanh

**Appendix 4.22a: Internal - external strategic priority action plan 2015-2016**

Strategic axes	Priority objectives	Dysfunction basket	Priority actions	Divisions/Department or People concerned	Forecast scheduling of the semester	Individual responsibility
1. Strategic implementation: <b>Strategic orientation</b>	1.1 A new strategy statement, guidelines and targets have to be put in place	<b>Basket 2:</b> Learning and growth will be very important to explore new investment. Learning new services and new customer interaction from other successful companies should be focused in the company.	1.1.2 Assign employees to go to other successful companies in Quang Ninh province in order to learn experiences from these companies.	Human resource department:	January 15 <sup>th</sup> of 2015	Mrs Thanh plans specific schedule and budget for this activity.  Heads of other departments list names of employees participating in this study tour.
		<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.1.1 Plan workshops about business environment and customers for all employees to understand customer – oriented service in the serious market.	Board of director Mr Ha (CEO)	March 10 <sup>th</sup> of 2015	The company will organize 2 days for employees to choose 1 day to join, consistent with their working timetable.
			1.1.3 Doing market research in Thai Nguyen city	Board of director Mr Ha (CEO)	January 17 <sup>th</sup> of 2015	Mr Thang – market employee work with Mr Ha (CEO)
			1.1.4 Setting up clear budget	Accounting and Finance department Mrs Thao	January 21 <sup>st</sup> of 2015	Board of directors and Mrs Thanh (HR department) support to find new investors.

**Appendix 4.22b: Internal - external strategic priority action plan 2015-2016**

Strategic axes	Priority objectives	Dysfunction basket	Priority actions	Divisions/Department or People concerned	Forecast scheduling of the semester	Individual responsibility
1. Strategic implementation: <b>Strategic orientation</b>	1.1 A new strategy statement, guidelines and targets have to be put in place	<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.1.5 Writing and submitting the strategy plan: Offensive marketing strategy	Vice Director Trung and Consultant (Mrs Tu Anh NGUYEN)	January 2 <sup>nd</sup> of 2015	Top management of our company must read, revise and approve the strategy plan.
			1.1.6 Outsourcing a company to design the company's brand name: Corporation Identity program (Logo, facebook, song, card visit, etc)  1.1.7 Determining the opening ceremony day for limousine service	Board of director Mr Ha (CEO)	January 24 <sup>th</sup> of 2015  The opening day to launch new limousine service is November 14 <sup>th</sup> of 2015	All managers have to give their ideas on meanings, color, slogan, song of the company.  All employees must participate into the opening ceremony day.
	1.2 Highly – qualified service statement	<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.2.1 Designing highly – qualified and mixed bundling service called limousine  1.2.2 Recognizing value proposition has three main characteristics including Empathy, Reliability, Responsiveness, Tangibles and Guarantee.	Vice Director (Mr Trung), Consultancy, Head of Limousine, Taxi and Garage departments	January 28 <sup>th</sup> of 2015	Mrs Trung leads the Heads of department to design the limousine service.

## Appendix 4.22c: Internal – external strategic priority action plan 2015-2016

Strategic axes	Priority objectives	Dysfunction basket	Priority actions	Divisions/Department or People concerned	Forecast scheduling of the semester	Individual responsibility
1. Strategic implementation: <b>Strategic orientation</b>	1.3 Replacing old broken cars by modern new ones	<b>Basket 3:</b> Investment into new vehicles.	1.3.1 Preparing capital to buy new tens of cars. 1.3.2 Buying 30 limousine Ford D-Car Investment of total amount of VND billion 32.	Accounting and Finance department Mrs Thao	January 23 <sup>rd</sup> of 2015	Mrs Thao work with creditors and investors to transfer money through banking system for FORD Vietnam firm.
	1.4 Applying information technology to effectively manage operations.	<b>Basket 4:</b> Investment into new information technology	1.4.1 Finding and selecting software companies. 1.4.2 Buying new technology for maximum VND 500 million: (1) Software to manage vehicles, driver's schedule, (2) Software to manage customer information of call center.	Head of Limousine Mr Quang Anh	February 23 <sup>rd</sup> of 2015	Mr Quang Anh must be very active to learn other companies in the same transport industry
	1.5 Skilled employees	<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.5.1 Recruiting new employees for call center. 1.5.2 Training call center's employees to interact with customers in providing new limousine service. 1.5.3 Training direct employees: communication skills.	Human resource department Mrs Thanh	From May 10 <sup>th</sup> to August 25 <sup>th</sup> of 2015  From August to October of 2015	Mrs Thanh has to finish recruiting and training employees before November of 2015
2. Strategic implementation: <b>Information system</b>	2.1 Utilizing technological tools to directly interact with customers.	<b>Basket 4:</b> Investment into new information technology	2.1.1 Pay fees to operate the company's fanpage on Facebook. 2.1.2 Recruiting new employees for the division of marketing. 2.1.3 Training them skills to communicate with customers through social media.	Board of directors Mr Ha (CEO) Human resource department Mrs Thanh	Started from October 1 <sup>st</sup> of 2015 May 10 <sup>th</sup> of 2015	Newly – recruited Marketing employee has to write new posts of the Facebook (Mrs Thanh)



### Appendix 4.23: Internal - external strategic action plan 2015-2016 for dysfunction baskets 5

Strategic axes	Action objectives	Dysfunction basket	Actions	Divisions/Department or People concerned	Forecast scheduling of the semester	Individual responsibility
3. Working conditions: Physical conditions of work	3.1 Investment of VND 3 billion into upgraded and newly-built facilities	<b>Basket 5:</b> Reinforcing human resource	3.1.1 Selecting a construction company. 3.1.2 Upgrading offices, parking and branches with the better infrastructure.	Board of directors (Mr Trung)	June of 2016	Mr Trung has to find a good construction company to upgrade our offices, parking area and branches.
4. Working conditions: Work atmosphere	4.2 Better behavior and skills of direct employee  4.1 Adoption of a customer – oriented corporate culture	<b>Basket 5:</b> Reinforcing human resource	4.2.1 New uniform for employees 4.2.2 Changed organizational chart  4.1.1 Outdoor and visiting activities 4.1.2 Internal regulations 4.1.3 Slogan: “Customers are paying salaries for us”	Human resource department Mrs Thanh	June of 2016	In coordination with the consultancy (Mrs Tu Anh), Mrs Thanh has to learn other companies to plan uniforms for employees. She must suggest new organizational chart.  Mrs Thanh has to cooperate with Mrs Tu Anh (consultancy) to propose some activities and punishment types to improve bad working environment.
5. Work organization: Distribution of tasks, missions and functions	5.1 Training plan for middle-level managers	<b>Basket 5:</b> Reinforcing human resource	5.1.1 Suggesting a training plan for middle level managers 5.1.2 Implementing this training plan for middle-level managers	Human resource department Mrs Thanh	July of 2016	Mrs Thanh must plan training program for managers



**Appendix 4.25a: Summary of action implementation results in the first action plan (2015-2016)**

Strategic axes	Action objectives	Dysfunction basket	Specific actions	Implemented or not	Outcome
1. Strategic implementation: <b>Strategic orientation</b>	1.1 A new strategy statement, guidelines and targets have to be put in place	<b><u>Basket 1:</u></b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.1.1 Planning workshops about business environment and customers for all employees to understand customer – oriented service in the serious market.	1.1.1 Yes	Organize workshop for more than 100 employees including managers and direct employees
		<b><u>Basket 2:</u></b> Organizational learning	1.1.2 Assigning employees to go to other successful companies in Quang Ninh province in order to learn experiences from these companies.	1.1.2 Yes. Not only Quang Ninh, but also other provinces such as Phu Tho, Nam Dinh.  Learning new service operations	28 employees are assigned to have learning trip in other provinces
		<b><u>Basket 1:</u></b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.1.3 Doing market research in Thai Nguyen city	1.1.3 Yes. After approved new ideas, some staffs will do market research.	Result of doing market research is to suggest that limousine service is very profitable
			1.1.4 Setting up clear budget	1.1.4 Yes. Increasing capital mainly by borrowing money from banks	Bank of Investment and Development Vietnam offer the lowest interest rate (6%/year)
			1.1.5 Writing and submitting the strategy plan: Offensive marketing strategy	1.1.5 Yes	The strategy plan shows goals, objectives and specific activities that should be implemented

## Appendix 4.25b: Summary of action implementation results in the first action plan (2015-2016)

Strategic axes	Action objectives	Dysfunction basket	Specific actions	Implemented or not	Outcome
1. Strategic implementation: <b>Strategic orientation</b>	1.1 A new strategy statement, guidelines and targets have to be put in place	<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.1.6 Outsourcing a company to design the company's brand name: Corporation Identity program (Logo, facebook, song, card visit, etc). 1.1.7 Determining the opening ceremony day for limousine service	1.1.6 Yes. Vu Tao company. Author of Corporation identity program is Mr Vu Huong. Musician of the company's song is Mr Vu Luc. 1.1.7 Yes. The day is November 14 <sup>th</sup> of 2015	The cost for having Logo and Song is VND 50 million.
	1.2 Highly – qualified service statement	<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.2.1 Designing highly – qualified service called limousine (Mixed bundling) 1.2.2 Recognizing value proposition has five main characteristics including Empathy, Reliability, Responsiveness, Tangibles and Guarantee.	1.2.1 Yes 1.2.2 Yes	Limousine service is priced at VND 120,000/ticket. Customers are picked up and dropped - off from their home to bus station by taxi, from bus station to their destination by limousine D-Car Ford. They are provided water, wifi, tissues.
	1.3 Replacing old broken cars by modern new ones	<b>Basket 3:</b> Investment into new vehicles.	1.3.1 Preparing capital to buy new tens of cars. 1.3.2 Buying 30 limousine Ford D-Car Investment of total amount of VND billion 32.	1.3.1 Yes. 1.3.2 Not only 30, but also 64 cars. One seven-seat car is VND 1.2 billion. One nine-seat car is VND 1.6 billion. Total amount of money is more than VND 100 billion	64 cars

**Appendix 4.25c: Summary of action implementation results in the first action plan (2015-2016)**

Strategic axes	Action objectives	Dysfunction basket	Specific actions	Implemented or not	Outcome
1. Strategic implementation: <b>Strategic orientation</b>	1.4 Applying information technology to effectively manage operations.	<b>Basket 4:</b> Investment into new information technology	1.4.1 Finding and selecting software companies. 1.4.2 Buying new technology for maximum VND 500 million: (1) Software to manage vehicles, driver's schedule, (2) Software to manage customer information of call center.	1.4.1 Yes. 1.4.2 There are 4 software such as 1 for limousine service (connecting call center and other departments), 1 for gasoline business, 1 for accounting (named MISA), and GPS to transfer data from the car to a department of transportation ministry.	Software "xeca.vn": The company chose software named "xeca.vn". This software is used to save passengers' booking, passengers' personal information, calculating sales per day, per month, and list drivers' productivity. The price of this software is VND 100 million. Maintenance fee is VND 5 million per month.
	1.5 Skilled employees	<b>Basket 1:</b> Suggesting socially responsible corporate strategy: Diversification, product and market development	1.5.1 Recruiting new employees for call center. 1.5.2 Training call center's employees to interact with customers in providing new limousine service.	1.5.1 Yes. Recruiting 8 employees for call center. 1.5.2 Yes. Inviting an expert to train communication skills for call center's employees.	Total employees of Call Center are 26.  1 training program for call center's employees is implemented.
		<b>Basket 5:</b> Reinforcing human resource	1.5.3 Training direct employees: communication skills	1.5.3 Yes	1 training program for direct employees is conducted.

**Appendix 4.25d: Summary of action implementation results in the first action plan (2015-2016)**

Strategic axes	Action objectives	Dysfunction basket	Specific actions	Implemented or not	Outcome
2. Strategic implementation: <b>Information system</b>	2.1 Utilizing technological tools to directly interact with customers.	<b><u>Basket 4:</u></b> Investment into new information technology	2.1.1 Pay fees to operate the company's fanpage on Facebook and maintain hotline booking number.	2.1.1 Yes. Facebook and hotline booking.	Hotline booking is 02083737737. Facebook: Hà Lan
			2.1.2 Recruiting new employees for the division of marketing. 2.1.3 Training them skills to communicate with customers through social media.	2.1.2 Yes. Recruit 1 employee to manage facebook 2.1.3 Funding social media training courses for her to study at a business school in Hanoi.	The marketing employee is a 23-year-old girl
3. Working conditions: <b>Physical conditions of work</b>	3.1 Investment of VND 3 billion into upgraded and newly-built facilities	<b><u>Basket 5:</u></b> Reinforcing human resource	3.1.1 Selecting a construction company. 3.1.2 Upgrading offices, parking and branches with the better infrastructure.	3.1.1 Yes. Investing VND 5 billion for upgrading infrastructure. 3.1.2 Yes. Investing VND 4.7 billion to expand the location	The company upgraded office, bus station and accommodation for employees. Also, the company open branches in Bac Kan and Tuyen Quang

Appendix 4.25e: Summary of action implementation results in the first action plan (2015-2016)

Strategic axes	Action objectives	Dysfunction basket	Specific actions	Implemented or not	Outcome
4. Working conditions: <b>Work atmosphere</b>	4.1 Adoption of a customer – oriented corporate culture	<b>Basket 5:</b> Reinforcing human resource	4.1.1 Outdoor and visiting activities  4.1.2 Internal regulations  4.1.3 Slogan: “Customers are paying salaries for us”	4.1.1 Yes. Organizing picnics or tours for employees in short holidays. 4.1.2 Yes. Suggesting internal regulations for drivers. Also, some punishments are written in the labor contract and labor commitment. 4.1.3 Yes. The slogan is hang on the wall of all meeting rooms	4.1.1 The company pays half amount of costs for each tour. Employees pay the remaining. 4.1.2 Internal regulations contain 10 things drivers must remember including responsibilities, obligations and the company appreciates customers who pay salaries for the company. Internal regulations are diffused to all drivers. 4.1.3 Everyone can see the slogan.
	4.2 Better behavior and skills of direct employee	<b>Basket 5:</b> Reinforcing human resource	4.2.1 New uniform for employees 4.2.2 Changed organizational chart	4.2.1 Yes. Investing VND 100 million for uniforms. 4.2.2 Yes.	4.2.1 The T-Shirt uniform is white on which printed logo of the company. 4.2.2 Changing organizational chart as presented in Appendix 4.28 that manifests 3 Vice Directors (Business, Finance and Legal affairs). Business Vice director manages vehicles and drivers of all business. Legal affairs director manages personnel – administration, call center.
5. Work organization: <b>Distribution of tasks, missions and functions</b>	5.1 Training plan for middle-level managers - Management skills - Communication skills	<b>Basket 5:</b> Reinforcing human resource	5.1.1 Suggesting a training plan for middle level managers 5.1.2 Implementing this training plan for middle-level managers	5.1.1 Not yet 5.1.2 Not yet	No information

**Appendix 4.26: Mean and standard deviation for strategic change and human resource management change from perspectives of employees' satisfaction at the end of 2016**

Item No	Description	Mean	Standard deviation
	<b>1. STRATEGIC CHANGE</b>		
1.1	Learning experiences in Quang Ninh province is useful and necessary. I hope to join other study tour like this	3.0606	0.96312
1.2	Workshop is successfully organized. It makes us more knowledgeable about market, customers and new services	2.66	0.83418
1.2	Offensive marketing is very good. It will help the company to penetrate new markets	2.9848	0.95697
1.3	New brand name such as corporation identity program including logo, facebook, song, card visit will support our business to develop more and more.	3.1061	0.91849
1.4	Limousine service is highly – qualified, resulting in profitable business	3.1742	0.95306
1.5	The most importance is value proposition including Empathy, Reliability and Guarantee. I will try my best to contribute the better service.	3.1136	0.92173
1.6	Selling out all old cars is necessary to innovate our company	3.1591	0.93146
1.7	I believe that investment into new limousine Ford D Cars will make our future business successful.	3.4970	0.89049
1.8	New customer interaction is very good, consistent with the development trend of technology	3.4864	0.81632
1.9	Investment into call center creates new approaches to customers and reduces stress for direct employees	3.4531	0.8244
1.10	More investment into marketing is critical for the survival of the company	3.4270	0.9377
1.11	Upgrading offices, parking and branches with the better infrastructure	3.16	0.99
	<b>HUMAN RESOURCE MANAGEMENT CHANGE</b>		
2.1	Training programs for direct employees (drivers, assistant drivers, call center staffs, marketing staff)	2.81	1.07
2.2	New uniforms for employees	3.50	0.88
2.3	Changed organizational chart	3.34	0.90
2.4	Internal regulations	2.3	0.91



**Appendix 4.27a: Mean and standard deviation for strategic change and human resource management change from perspectives of customers' satisfaction at the end of 2016**

Item No	Description	Mean	Standard deviation
	<b>1. DIRECT EMPLOYEES' BEHAVIORS</b>		
1.1	<p><b>Appearance of personel</b></p> <ul style="list-style-type: none"> <li>- The drivers wear nice uniforms</li> <li>- The drivers have a good facical expressions</li> <li>- The drivers use right body language</li> </ul>	2.5	0.95697
1.2	<p><b>Behavioral tendencies towards laws</b></p> <ul style="list-style-type: none"> <li>- The drivers don't fast drive cars in the crowded road</li> <li>- They comply with the law such as stopping during the red light</li> <li>- They drive cars in the right direction</li> <li>- The drivers don't have violence and angry behaviors with customers and other drivers on the road.</li> </ul>	2.83	0.91849
1.3	<p><b>Bad Attitude</b></p> <ul style="list-style-type: none"> <li>- The drivers observe and are careful to look other cars on the road as well as good at avoiding accidents.</li> <li>- The drivers have good attitudes with customers</li> </ul>	3.01	0.95306

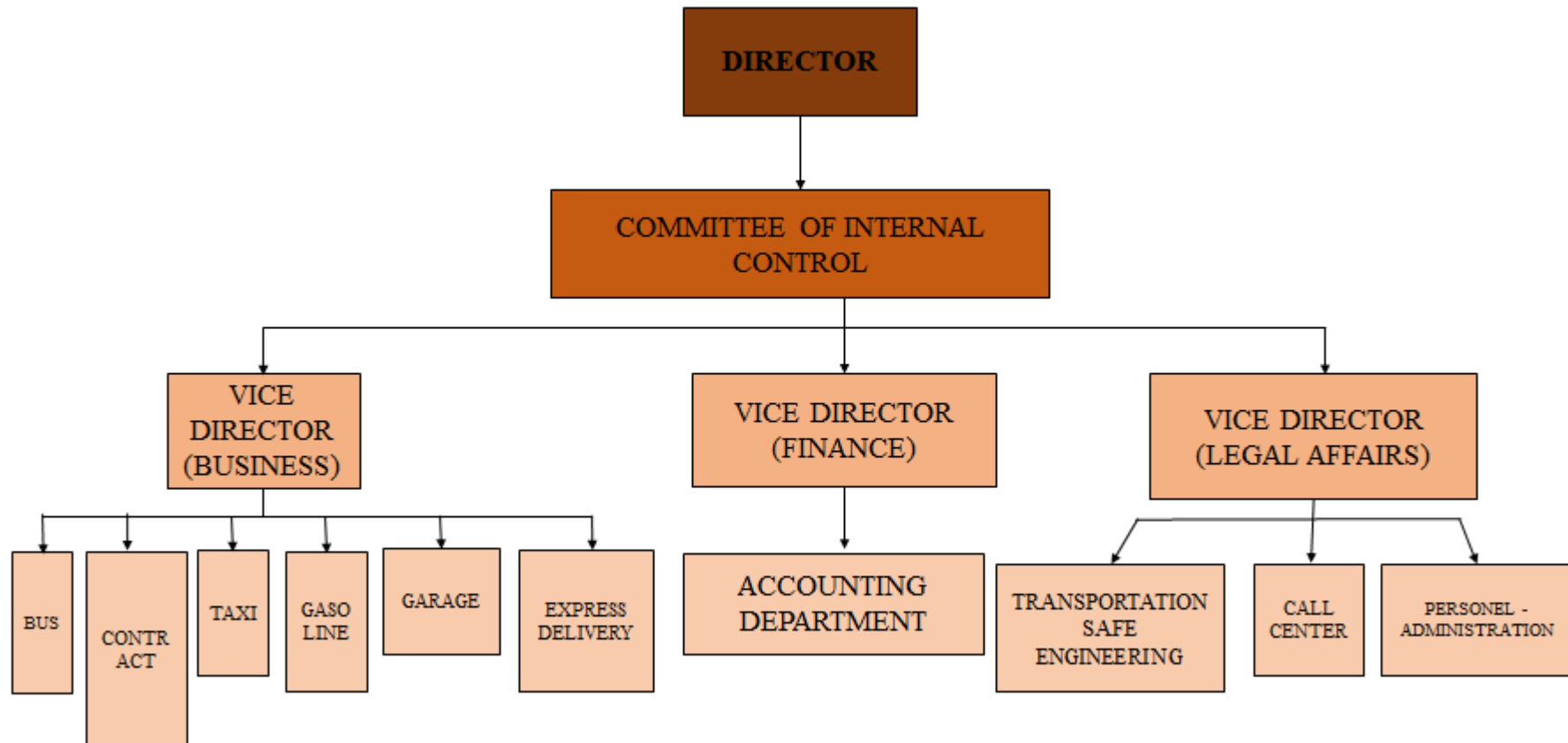
**Appendix 4.27b: Mean and standard deviation for strategic change and human resource management change from perspectives of customers' satisfaction at the end of 2016**

<b>Item No</b>	<b>Description</b>	<b>Mean</b>	<b>Standard deviation</b>
	<b>1. DIRECT EMPLOYEES' SKILLS</b>		
2.1	<p><b>Adhering to a Schedule</b></p> <ul style="list-style-type: none"> <li>- The drivers always pay their attentions to road and vehicles when taking passengers</li> <li>- The drivers are not distracted from the main business of driving</li> </ul>	3.22	0.93146
2.2	<p><b>Adjusting to Unforeseen</b></p> <ul style="list-style-type: none"> <li>- I feel that the drivers are not passive to fall into accidents.</li> <li>- The drivers have good skills to predict actions of other drivers on the road.</li> </ul>	2.89	0.89049
2.3	<p><b>Communication with passengers</b></p> <ul style="list-style-type: none"> <li>- The drivers don't talk loud to customers</li> <li>- The drivers use mobile phone when driving cars because they have to answer call center and leaders of their company.</li> <li>- The drivers are very friendly and easy-going</li> </ul>	3.05	0.81632
2.4	<p><b>Physical health</b></p> <ul style="list-style-type: none"> <li>- The drivers are active, humble and lively</li> <li>- The drivers are healthy</li> <li>- The drivers have crisp style/manner.</li> </ul>	2.76	0.8244

**Appendix 4.27c: Mean and standard deviation for strategic change and human resource management change from perspectives of customers' satisfaction at the end of 2016**

Item No	Description	Mean	Standard deviation
	<b>3. SERVICE OPERATIONS</b>		
3.1	<p><b>Procedure</b></p> <p>There is no Delay in the schedule</p> <p>There is no errors in the booking system</p> <p>I receive sufficient information about the service</p> <p>There is no delayed response to my requirements or comments</p> <p>There is no lack of information provided for customers</p>	3.00	0.9943
3.2	<p><b>Service quality</b></p> <p>I saw or heard something related to service quality commitment of the company</p> <p>The service is on time and safety in modern cars</p> <p>I can easily send my responses and receive the company's answers as soon as possible</p> <p>It takes only more than 1 hour to go from Thai Nguyen to Ha Noi.</p> <p>I feel very healthy, not car sick like before</p> <p>The security is better than before</p> <p>The drivers execute the company's regulations and law</p>	2.65	0.9377
3.3	<p><b>Vehicle</b></p> <p>There are wifi, water, air-conditioning, tissues, sun visors and others to make better service</p> <p>I recognize that the company pays attentions to car maintenance</p> <p>I feel safety on the car</p>	3.04	0.9618
3.4	<p><b>Equipment</b></p> <p>The car is prepared full rescue equipments such as first aid kit, equipments to support the disable.</p> <p>The car is equipped by Dashcam camera and GPS equipment.</p>	3.1	1.0700
	In general how would you rate the Limousine service provided by the company?	2.8	0.8835

**Appendix 4.28: New organization chart at the end of 2016**



**Appendix 5.1a: Pivotal ideas focusing on social performance before the year of 2017 based on customers' complaints**

	<b>Pivotal ideas</b>	<b>Root problem/ main key ideas</b>	<b>Interviewees</b>
1	“ Drivers haven’t been seriously and strictly drive cars, as well as have had good consciousness and responsibilities for passengers”	- Bad mindset and responsibility of drivers - Internal regulations	Ms Trang
2	“Drivers eat sunflower seeds, call mobile phone, play a joke on passengers	- Bad behaviors of drivers - Bad communication skills	Ms Huong
3	“Drivers loudly open CDs and radio, they need to respect passengers on the cars”	- Bad attitude of drivers - Need internal regulations	Mr Long
4	“Drivers are not friendly, badly communicate with customers” “Careless drivers”	- Bad skills of drivers - Need internal regulations	Ms Huyen Ngoc
5	“Many drivers use mobile phone while driving”	Bad behaviors of drivers because of unclear regulations	Ms Minh Anh
6	“Drivers drop off passengers on the pavements. They shouldn’t do like that”	Lack regulations about service operations	Mr Quynh
7	“Call center staffs should friendly talk with customers”	Bad communication skills of Call center staffs	Mr Minh
8	“Call center staffs sometimes inform imprecise time”	Bad communication skills of Call center staffs	Mr Cuong
9	“Sometimes we have to wait for 15 minutes, we hope to be on time as before”	Procedure to provide service	Ms Kieu
10	“Sometimes drivers are late 15 – 20 minutes when picking up passengers in the airport”	Procedure to provide service	Mr Trung

**Appendix 5.1b: Pivotal ideas focusing on social performance before the year of 2017 based on customers' complaints**

	<b>Pivotal ideas</b>	<b>Root problem/ main key ideas</b>	<b>Interviewees</b>
11	On some holidays' peak hours, drivers are not on time and negatively impact passengers' schedule"	Procedure to provide service	Ms Sen
12	"On the cars the smells are very bad. They should use deodorant for the car"	Lack regulations about service operations	Mrs Trang
13	"Staffs in Hanoi branch are not enthusiastic, thoughtful, and they scowl at passengers"	Bad behaviors of staffs in Hanoi branch	Mrs Nhung
14	"Drivers should be careful with passengers' luggage"	Lack regulations for expresses delivery service	Ms Luong Thanh
15	"The company should give incentives for customers to make them loyal"	No marketing tools to make customers loyal to the company	Mr Duy
16	"Express delivery staffs strongly throw passengers' luggage and make them stolen"	Bad working skills of express-delivery-service staff. Lack regulations about express delivery operations.	Mr Tung
17	"Behaviors of express delivery staffs are very bad"	Bad behaviors of express-delivery-service staff	Mr Vinh
18	"EMDI software is broken sometimes"	Improving EMDDI software by asking the seller to fix and repair mistakes	Ms Ha
19	The company should offer VIP card for loyal customers	No marketing tools to make customers loyal to the company	Ms Viet
20	"We have some choices, so we will become fond of the company's service if we have member card and receive more incentives"	No marketing tools to make customers loyal to the company	Mrs Bac

### Appendix 5.2a: Summary of customer complaints about People and Process at the end of 2016

	<b>Pivotal ideas</b>	<b>Root problem/ main key ideas</b>	<b>Customer complaints: Reasons of actions – Dimensions of service quality</b>	<b>Customer relationship management components</b>
1	On-time commitment	The company always delays at least 20 minute because of wrong procedure, 1-hour transit or driving on wrong way.  Service operations: Lack regulations, Procedure to provide service.	Method (Responsiveness)	Process
2	Membership card	The company should offer membership cards for loyalty customers in order to provide them incentives as well as to retain them.  No marketing tools to make customers loyal to the company	Method (Responsiveness)	Process
3	Monthly tickets	The company should sell monthly tickets for limousine service because many passengers often buy it and need a discount for monthly tickets.	Method (Responsiveness)	Process
4	Drivers' behaviors	Drivers are very bad at attitude, communication, driving speed, and style.  Bad mindset, responsibility, behaviors, attitudes, communication skills of drivers	Person (Empathy)	People
5	Staffs' behaviors	Customers are disappointed about staffs' bad attitudes, many mistakes in booking, bad communication.  Call center staffs: Internal regulations, Bad communication skills of Call center staffs, Bad behaviors of staffs in Hanoi branch	Person (Empathy)	People

**Appendix 5.2b: Summary of customer complaints about People and Process at the end of 2016**

	<b>Pivotal ideas</b>	<b>Root problem/ main key ideas</b>	<b>Customer complaints: Reasons of actions – Dimensions of service quality</b>	<b>Customer relationship management components</b>
6	Vehicles	Limousine cars are not good at shocks absorber and strut.	Machine (Reliability)	Process
		The company should makes the cars clean, replace unfinished bottles of water and broken bins on the cars.	Machine (Reliability)	Process
7	Organizational responsiveness on social media	After receiving responses from customers, the company not only says sorry, but also must have plans to improve the service quality	Method (Reliability)	Process
		The company should inbox with complained customers or calls them through mobile phone to answer their negative responses.	Method (Reliability)	Process
8	Providing information of the company’s on social media	The company should provide specific and detailed information on all service such as bus, express delivery, limousine, EMDDI.  The company didn’t answer my complaints on Facebook. I’m disappointed about that.	Method (Responsiveness)	Process



### Appendix 5.3: Summary of top management's opinions about causes of customer complaints at the end of 2016

	<b>Pivotal ideas</b>	<b>Root problem/ main key ideas</b>	<b>Interviewees</b>
1	On-time commitment – revised service process	The company has to revise the process in which controlling time in each step is appropriate to customers' expectation, for example, starting to pick up customer earlier at least 15 minutes before departing, reducing transit time and effectively training drivers.	Vice Director Trung
2	Membership card	Membership cards are very important to retain customers. Our department will suggest a membership policy.	Marketing department's Head Nguyen Thi Phuong Thao
3	Monthly tickets	We will design discounted monthly tickets for loyal customers.	Marketing department's Head Nguyen Thi Phuong Thao
4	Drivers' behaviors	We will have to train communication skills and driving regulations for drivers	HR department's Head An Thi Hong Thanh
5	Staffs' behaviors	We will have to train communication skills and customer services/policies for call-center staffs.	HR department's Head An Thi Hong Thanh
6	Vehicles	Limousine division's Head should propose a plan to improve shocks absorber and strut. Also, he has to pay attention to car sanitation.	Vice Director Trung
7	Organizational responsiveness on social media	Marketing department has to propose a plan to improve customer complaints, know well complainers' personal information to send directly the company's responses. Besides, Board of directors allows uploading the report about service quality improvement on Facebook. This action proves our company's commitment to the society.	Director Nguyen Manh Ha
8	Providing information of the company's on social media	Marketing department has to revise and upload detailed information on all services and continuously respond to what customers say.	Marketing department's Head Nguyen Thi Phuong Thao

**Appendix 5.4: Coding process for dysfunctions based on the top managements' opinions at the end of 2016**

<b>Including pivotal ideas</b>	<b>Structures in socio economic diagnostic of the organization</b>	<b>Behaviors in socio economic diagnostic of the organization</b>	<b>Categories (Sub-themes of dysfunctions)</b>	<b>Dysfunctions (Pattern codes)</b>	<b>Dysfunction baskets</b>	<b>Stakeholder satisfaction</b>
1, 7	Technical	Business department	Strategic orientation	Strategic implementation	<b>Basket 1:</b> Commitment to improve service quality	Improving customers' satisfaction
2, 3, 8	Technical	Business department	Strategic implementation tools	Strategic implementation	<b>Basket 2:</b> Marketing policies	Increasing customer loyalty
4, 5	Mindsets	Individual behaviors	Training-job appropriateness	Integrated training	<b>Basket 3:</b> Human resource management	- Improving employees' skills and behaviors - Improving customer satisfaction
6	Technical	Business department	Strategic orientation	Strategic implementation	<b>Basket 4:</b> Vehicle maintenance	Improving customer satisfaction

**Appendix 5.5: Specific actions for dysfunction baskets**

<b>Dysfunctions baskets</b>	<b>Specific actions</b>	<b>Outcomes of actions</b>	<b>Critical success factors</b>
<b><u>Basket 1:</u></b> Commitment to improve service quality	(1) Revising the process in which controlling time in each step is appropriate to customers' expectation, for example, starting to pick up customer earlier at least 15 minutes before departing, reducing transit time and effectively training drivers. (2) Proposing a plan to organizational responsiveness on social media	- Standardized process - Improve Person, Method in the Causal – Result diagram of Customer complaint management	Strategy
<b><u>Basket 2:</u></b> Marketing policies	(3) Suggesting a membership policy. (4) Designing discounted monthly tickets for loyal customers. (5) Revising, uploading detailed information about all services on Facebook and responsiveness strategy	- Customer policy - Improve customer interaction through Facebook. - Improve Method in the Causal – Result diagram of Customer complaint management	Control
<b><u>Basket 3:</u></b> Human resource management	(6) Training communication skills and driving regulations for drivers. (7) Training communication skills and customer services/policies for staff including driving assistants, inspectors and call-center staffs.	- Well-trained direct employees. - Improve Person, Method in the Causal – Result diagram of Customer complaint management	Control
<b><u>Basket 4:</u></b> Vehicle maintenance	(8) Proposing a plan to improve shocks absorber and strut, and Paying attention to car sanitation.	- Better vehicles for passengers. - Improve Machine in the Causal-Result diagram of Customer complaint management	Control

**Appendix 5.6a: Summary of employees' opinions about People and Process at the end of 2016**

	<b>Pivotal ideas</b>	<b>Root problem/ main key ideas</b>	<b>Interviewees</b>
1	“Insurance payment hasn’t been conducted for employees from 2016.”	Mistakes in HR functions conducted by overloaded Administrative department	Mr Nguyen
2	“Some employees’ consciousness is very bad.”	Unclear regulations	Mr Hung
3	“The company should balance punishment and incentives for employees, especially should develop rewarding types to encourage employees.”	HR manager should suggest rewarding policies	Mr Luong
4	Currently, the department of transportation management is overloaded with many functions such as taxi, bus operations, inventory management, express delivery service, tour operations, and vehicle management.	Organizational chart	Mr Sang
5	“Call center staffs should assure precise time of driving”	Procedure in which call center department and the department of transportation management coordinate together	Mr Phuong
6	“No dialogue between the management and employees (internal communication)”	Lack regulations about meetings or dialogue between the management and employees	Mr Hoang
7	“There is no rewarding, no day off, just salary. Every month, we have to pay VND 20,000 but labor union doesn’t visit us when we are ill”	Lack benefits policies for employees. Labor union has no activities	Mr Hanh
8	Labor union of the company should play more important roles in organizing outdoor programs for employees, share with employees when they are stressed by customers	Labor union is bad at creating necessary programs for employees.	Mr Nam
9	“If the company supports financial aids for me to reduce the living costs, I won’t quit this job.”	Lack benefit policies	Mr Dung

**Appendix 5.6b: Summary of employees’ opinions about People and Process at the end of 2016**

	<b>Pivotal ideas</b>	<b>Root problem/ main key ideas</b>	<b>Interviewees</b>
10	<ul style="list-style-type: none"> <li>- Need more free time for his family</li> <li>- Need higher salary. Salary must be consistent with working hours</li> <li>- Old buses haven’t been maintained and repaired.</li> <li>- Low salary (\$300/month).</li> <li>- If the company supports financial aids for him to reduce the living costs, he won’t quit this job.</li> <li>- Break time for lunch is very short.</li> </ul>	Benefit policies, especially rewards, increased incomes and other benefits	Mr Hoan
11	“Administrative department has to do a lot of works, from recruitment, training, labor policies, event management and many administrative works to ensure service quality”	Overloaded Administrative department	Mr Dong
12	“There is no professional training program for employees, no professional development and career succession planning as well as no promotion procedure, but all employee promotions are subjectively based on evaluation from Board of directors. Therefore, line managers sometimes make employees un-satisfied because of ineffective work assignment as well as don’t understand what employees think and leave the company”	Lack professional training program No promotion procedure for employees	Mr To
13	“It’s critical for the company to have a procedure to train, promote and manage talent people who will be line managers in the future, besides, in the case of current line managers who should be trained professionally”	No promotion procedure	Ms Hoa
14	<ul style="list-style-type: none"> <li>- Want to do a new job.</li> <li>- Doesn’t like to be a driver any more.</li> </ul>	Job satisfaction	Mrs Huong
15	<ul style="list-style-type: none"> <li>- Line managers should be trained and developed their skills as well as managerial capacity.</li> <li>- Not satisfied with line managers who assign 2 drivers for 1 taxi.</li> <li>- Not satisfied with line managers to assign works for employees.</li> <li>- Still want to do this job, just change the employer.</li> </ul>	Training program for managers	Mr Thang

### Appendix 5.6c: Summary of employees' opinions about People and Process at the end of 2016

	<b>Pivotal ideas</b>	<b>Root problem/ main key ideas</b>	<b>Interviewees</b>
16	My colleagues – other drivers have no responsibility to take care the car. Labor tools are always stolen in the car	Internal regulations	Mrs Lan
17	Feeling tired to work from 5AM to 11 PM, taking 400-500 kms per day.	Work assignment	Ms Huyen
18	- Want to do another job, not driving bus more. - Want to go abroad for labor export - Unsatisfied because of stolen labor tools regardless of new or old ones. - I live away from my home; therefore I want to find other jobs near family.	Job satisfaction	Ms Thao
19	- Broken vehicles need long-time reparations. - Vehicles should be repaired and fixed. Their braking systems and electricity are bad.	Vehicle maintenance	Mr Duc
20	- Drivers are stressed because of continuously driving every day (more than 6 times per day) - Need to reduce working hours per day.	Work assignment	Mr Vu
21	Staffs need to be trained.	Training program for staffs	Mrs Loan
22	- Need to increase tickets for customers. - Customers don't respect drivers and driving assistants. The company should propose principles for bus passengers.	Training program for staffs: market oriented, customer oriented corporate culture	Ms Quyen
23	Performance appraisal and rewarding are not in time. The company just focuses on punishment.	Labor policies	Ms Trang
24	"I hope the Board of directors will increase rewards, income and allowance to make employees to be fond of the company"	Benefit policies, especially rewards, increased incomes and other benefits	Mrs Lan Anh
25	"The company needs a "soft management tool" such as organizational culture to support the successful corporate strategy.	Organizational culture	Mrs Thanh

**Appendix 5.7: Coding process for dysfunctions based on direct employees' opinions at the end of 2016**

<b>Descriptive codes</b> (Formulation of dysfunction baskets)	<b>Including pivotal ideas</b>	<b>Structures in socio economic diagnostic of the organization</b>	<b>Behaviors in socio economic diagnostic of the organization</b>	<b>Categories</b> (Sub-themes of dysfunctions)	<b>Dysfunctions</b> (Pattern codes)	<b>Stakeholders' satisfaction</b>
<b><u>Basket 1:</u></b> Work assignment between departments and between specific employees	1, 4, 11, 17, 20, 25	Organizational	Business departments	Organization chart	Work organization	- Customer satisfaction - Employee satisfaction
<b><u>Basket 2:</u></b> Regulation improvement	2, 5, 16, 17, 25	Organizational	Organization taken as a whole	Regulations and procedures	Work organization	- Customer satisfaction - Employee satisfaction
<b><u>Basket 3:</u></b> Training program	12, 13, 15	Mindsets	Individual behaviors	Training-job appropriateness	Integrated training	Customer satisfaction
<b><u>Basket 4:</u></b> Labor policies	3, 7, 8, 9, 10, 20, 23, 24, 25	Mindsets	Individual behaviors	Personnel management	Strategic implementation	Employee satisfaction
<b><u>Basket 5:</u></b> Vehicle maintenance	10, 19	Technical	Business department	Strategic orientation	Strategic implementation	Improving customer satisfaction

**Appendix 5.8: Specific actions of dysfunction baskets from employees' viewpoints at the end of 2016**

<b>Dysfunctions baskets</b>	<b>Specific actions</b>	<b>Outcomes of actions</b>
<b><u>Basket 1:</u></b> Work assignment between departments	(1) Redesigning the work assignment for departments	Changing organizational structure chart
<b><u>Basket 2:</u></b> Regulation improvement	(2) Adding more internal regulations and promotion procedure (3) Proposing coordination procedure between departments (4) Suggesting internal communication procedure (5) Promoting labor union to create activities as well as pay attention to share with stressed employees	Reinforcing regulations
<b><u>Basket 3:</u></b> Training program	(6) Providing professional training program for employees, and managers	Improving human resource quality
<b><u>Basket 4:</u></b> Labor policies	(7) Suggesting rewarding policies /encouragement policies	Improving labor policies
<b><u>Basket 5:</u></b> Vehicle maintenance	(8) Suggesting vehicle maintenance procedure as Basket 4	Providing good vehicles



**Appendix 5.9: Actions and components of critical success factors in the vertical project in the second two years 2017-2018**

<b>Dysfunction baskets</b>	<b>Outcomes of actions</b>	<b>Strategic company objectives</b>	<b>Critical success factors</b>
<b><u>Basket 1:</u></b> Work assignment between departments	Organizational structure chart	Better working environment for employees	Structure of the organization
<b><u>Basket 2:</u></b> Regulation improvement	Regulations and procedure		Regulation
<b><u>Basket 3:</u></b> Labor policies	Labor policies		Incentive

**Appendix 5.10a: Integrated summary of horizontal and vertical intervention research into 1 action plan in the period of 2017-2018**

<b>Customer complaints: Reasons of actions – Dimensions of service quality</b>	<b>Dysfunction baskets</b>	<b>Structures in socio economic diagnostic of the organization</b>	<b>Behaviors in socio economic diagnostic of the organization</b>	<b>Categories (Sub-themes of dysfunctions)</b>	<b>Dysfunctions (Pattern codes)</b>	<b>Stakeholders' satisfaction</b>	<b>Specific actions</b>	<b>Critical success factors</b>	<b>Strategic company objectives</b>
Process	<b><u>Basket 1:</u></b> Commitment to improve service quality	Mindsets	Individual behaviors	Regulations and procedures	Work organization	Unsatisfied customers	Standardized process (1) Revising the process to provide on-time service. (2) Proposing a plan to organizational responsiveness on social media (3) Redesigning the work assignment for departments	Strategy (Defensive)	- To defend the company's brand name.
Process	<b><u>Basket 2:</u></b> Marketing policies - Customer interaction - Vehicle maintenance	Technical	Business departments	Strategic implementation tools	Strategic implementation	Customer loyalty	(4) Suggesting a membership policy. (5) Revising, uploading detailed information about all services on Facebook and responsiveness strategy (6) Vehicle maintenance procedure	Control	Bring about more values for customers

**Appendix 5.10b: Integrated summary of horizontal and vertical intervention research into 1 action plan in the period of 2017-2018**

Customer complaints: Reasons of actions – Dimensions of service quality	Dysfunction baskets	Structures in socio economic diagnostic of the organization	Behaviors in socio economic diagnostic of the organization	Categories (Sub-themes of dysfunctions)	Dysfunctions (Pattern codes)	Stakeholders' satisfaction	Specific actions	Critical success factors	Strategic company objectives
People	<p><b>Basket 3:</b> Human resource management</p> <ul style="list-style-type: none"> <li>- Direct employees' communication skills.</li> <li>- Managerial employees</li> <li>- Labor policies</li> <li>- Regulation improvement</li> </ul>	<p>Technical</p> <p>Organizational</p> <p>Organizational</p>	<p>Individual behaviors</p> <p>Business departments</p> <p>Organization taken as a whole</p>	<p>Training – job appropriateness</p> <p>Personnel management</p> <p>Regulation and procedure</p>	<p>Integrated training</p> <p>Strategic implementation</p> <p>Work organization</p>	<p>- Customers' complaints.</p> <p>Satisfied employees</p> <p>Satisfied employees</p>	<p>(7) Training professional programs for frontline employees: communication skills and driving regulations for drivers; communication skills and customer services/policies for staff including driving assistants, inspectors and call-center staffs.</p> <p>(8) Training program for middle-level managers: Management skills and Communication skills.</p> <p>(9) Suggesting rewarding policies/encouragement policies</p> <p>(10) Adding more internal regulations and promotion procedure</p> <p>(11) Suggesting internal communication procedure</p> <p>(12) Promoting labor union to create activities as well as pay attention to share with stressed employees</p>	<p>Control</p> <p>Incentives</p> <p>Regulation</p>	<ul style="list-style-type: none"> <li>- Improving quality of service than rivals in terms of safety, convenience, technology, size, frequency.</li> <li>- Better working environment for employees</li> </ul>

### Appendix 5.11a: Actions approved by the Board of Directors

Strategic axes	Dysfunction baskets	Priority objectives	Priority actions	Approved: Agreed/Not agreed	Department	Outcome
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1. Work organization: <b>Regulations and procedures</b>	<b>Basket 1:</b> Commitment to improve service quality	1.1 To defend the company's brand name.	1.1.1 Revising the process to provide on-time service. 1.1.2 Proposing a plan to organizational responsiveness on social media 1.1.3 Redesigning the work assignment for departments	1.1.1 Agreed 1.1.2 Agreed 1.1.3 Agreed	Mr Trung (Vice director). Mr Quang Anh (Limousine department) Mrs Thanh (Call-center staffs) Mrs Thao (Marketing division)	Customer satisfaction
	<b>Basket 3:</b> Human resource management	1.2 Better working environment for employees	1.2.1 Adding more internal regulations and promotion procedure 1.2.2 Suggesting internal communication procedure 1.2.3 Promoting labor union to create activities as well as pay attention to share with stressed employees	1.2.1 Agreed 1.2.2 Agreed 1.2.3 Agreed	Mr Ha (CEO) Mrs Thanh (HR Department) Mrs Hieu (Head of Labor union)	Employee satisfaction
2. Strategic implementation: <b>Personnel management</b>  Strategic implementation: <b>Strategic implementation tools</b>	<b>Basket 3:</b> Human resource management:  - Labor policies	2.1 Better working environment for employees	2.1.1 Suggesting rewarding policies/ encouragement policies	2.1.1 Agreed	Mr Ha (CEO) Mrs Thanh (HR Department) Mrs Hieu (Head of Labor union)  Other Heads of departments	Employee satisfaction

**Appendix 5.11b: Actions approved by the Board of Directors**

Strategic axes	Dysfunction baskets	Priority objectives	Priority actions	Approved: agreed	Agreed/Not	Department	Outcome
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<p>2. Strategic implementation: <b>Personnel management</b></p> <p>Strategic implementation: <b>Strategic implementation tools</b></p>	<p><b>Basket 2:</b> Marketing policies</p>	<p>2.2 Bring about more values for customers</p>	<p>2.2.1 Suggesting a membership policy.</p> <p>2.2.2 Revising, uploading detailed information about all services on Facebook and responsiveness strategy</p> <p>2.2.3 Vehicle maintenance procedure</p>	<p>2.2.1 Agreed. Suggesting member policies for VIP passengers at the end of each year.</p> <p>2.2.2 Agreed</p> <p>2.2.3 Agreed.</p> <p>Considering vehicle maintenance and better customer interaction as daily operations.</p>	<p>Mr Ha (CEO) Ms Thao (marketing staff) Mr. Pham Ba Binh (Head of garage division)</p>	<p>Customer satisfaction</p>
<p>3. Integrated training: <b>Training – job appropriateness</b></p>	<p><b>Basket 3:</b> Human resource management</p>	<p>3.1 Improving quality of service than rivals in terms of safety, convenience, size, technology, frequency.</p>	<p>3.1.1 Training professional programs for frontline employees: communication skills and driving regulations for drivers; communication skills and customer services/policies for staff including driving assistants, inspectors and call-center staffs.</p> <p>3.1.2 Training program for middle-level managers: Management skills and Communication skills.</p>	<p>3.1.1 Agreed</p> <p>3.1.2 Agreed</p>	<p>Mr Trung (Vice Director) Mrs Thanh (HR Department) Heads of other departments</p>	<p>Customer satisfaction</p> <p>Employee satisfaction</p>

**Appendix 5.12: Internal - external strategic action plan 2017-2018**

Strategic axes	Dysfunction baskets	Objectives	Specific actions	Department	Forecast scheduling of the semester	Individual Responsibility
1. Work organization: <b>Regulations and procedures</b>	<b>Basket 1:</b> Commitment to improve service quality	1.1 To defend the company's brand name.	1.1.1 Revising the process to provide on-time service. 1.1.2 Proposing a plan to organizational responsiveness on social media 1.1.3 Redesigning the functions and tasks distribution for departments	Mr Trung (Vice director). Mr Quang Anh (Limousine department). Mrs Thanh (Call-center staffs). Mrs Thao (Marketing division)	February 15 <sup>th</sup> of 2017	Mr Trung leads Mr Quang Anh and Mrs Thanh to suggest specific regulations for direct employees
	<b>Basket 3:</b> Human resource management	1.2 Better working environment for employees	1.2.1 Adding more internal regulations and promotion procedure 1.2.2 Suggesting internal communication procedure 1.2.3 Promoting labor union to create activities as well as pay attention to share with stressed employees	Mr Ha (CEO) Mrs Thanh (HR Department) Mrs Hieu (Head of Labor union)	August 15 <sup>th</sup> of 2017	Mrs Thanh has to suggest labor policies
2. Strategic implementation: <b>Personnel management</b>	<b>Basket 3:</b> Human resource management: - Labor policies	2.1 Better working environment for employees	2.1.1 Suggesting rewarding policies/ encouragement policies	Mr Ha (CEO), Mrs Thanh (HR Department) Mrs Hieu (Head of Labor union) and Other Heads of departments		
Strategic implementation: <b>Strategic implementation tools</b>	<b>Basket 2:</b> Marketing policies	2.2 Bring about more values for customers	2.2.1 Suggesting a membership policy. 2.2.2 Revising, uploading detailed information about all services on Facebook and responsiveness strategy 2.2.3 Vehicle maintenance procedure	Mr Ha (CEO), Ms Thao (marketing staff), Mr. Pham Ba Binh (Head of garage division)	February 17 <sup>th</sup> of 2017	Ms Thao suggests a member policy for customers. Mr Binh proposes a car-maintenance plan
3. Integrated training: <b>Training – job appropriateness</b>	<b>Basket 3:</b> Human resource management	3.1 Improving quality of service than rivals in terms of safety, convenience, technology, size, frequency.	3.1.1 Training professional programs for frontline employees: communication skills and driving regulations for drivers; communication skills and customer services/policies for staff including driving assistants, inspectors and call-center staffs. 3.1.2 Training program for middle-level managers: Management skills and Communication skills.	Mr Trung (Vice Director). Mrs Thanh (HR Department) Heads of other departments	October 10 <sup>th</sup> of 2017	Mrs Thanh has to propose training program for direct employees

**Appendix 5.13: Priority action plan at the beginning of the year 2017**

<b>Strategic axes</b>	<b>Priority objectives</b>	<b>Priority actions</b>	<b>Department</b>	<b>Deadline</b>	<b>Individual responsibility</b>
<p>1. Work organization: <b>Regulations and procedures</b></p> <p>“Improving quality of service than rivals in terms of safety, convenience, technology, size, frequency”</p>	1.1 To defend the company’s brand name by standardized process	<p>1.1.1 Revising the process to provide on-time service.</p> <p>1.1.2 Proposing a plan to organizational responsiveness on social media</p> <p>1.1.3 Redesigning the work assignment for departments</p>	<p>Mr Trung (Vice director). Mr Quang Anh (Limousine department) Mrs Thanh (Call-center staffs) Mrs Thao (Marketing division)</p>	February 15 <sup>th</sup> of 2017	Mr Trung leads Mr Quang Anh and Mrs Thanh to suggest specific regulations for direct employees
<p>2. Strategic implementation: <b>Strategic implementation tools</b></p> <p>“Bring about more values for customers”</p>	2.2 Marketing policies	<p>2.2.1 Suggesting a membership policy</p> <p>2.2.2 Revising, uploading detailed information about all services on Facebook and responsiveness strategy</p> <p>2.2.3 Vehicle maintenance procedure</p>	<p>Mr Ha (CEO) Ms Thao (marketing staff) Mr. Pham Ba Binh (Head of garage division)</p>	February 17 <sup>th</sup> of 2017	<p>Ms Thao suggests a member policy for customers</p> <p>Mr Binh proposes a car-maintenance plan</p>

**Appendix 5.14: Competency grid in 2017**





## Appendix 5.15a: Summary of action implementation results

Strategic axes	Dysfunction baskets	Objectives	Actions	Implemented or not	Outcome
1. Work organization: Regulations and procedures	<b>Basket 1:</b> Commitment to improve service quality	1.1 To defend the company's brand name.	1.1.1 Revising the process to provide on-time service. 1.1.2 Proposing a plan to organizational responsiveness on social media 1.1.3 Redesigning the work assignment for departments	1.1.1 Yes 1.1.2 Yes 1.1.3 Yes	1.1.1 Redesigning coordination procedure between departments within the company as well as service operations to achieve the precise and on-time service. The company designed procedure from call center who receives booking from customers through hotline to driver division and limousine vehicle management division. All information flows are transferred by both emails and printed signed documents from Heads and Vice heads of divisions to other Heads and Vice heads through booking software. Call center is very important in requiring number of cars and drivers per day. 1.1.2 A plan to organizational responsiveness on social media is approved by CEO in which a committee of edition is established, regulations about time and contents of responsiveness are written, responsibilities and obligations of marketing employees are recognized. 1.1.3 Administrative department focuses on HR management and reporting to CEO, Marketing department will receive event management from the Administrative department. Redesigning the Department of transport management with the service operations.

## Appendix 5.15b: Summary of action implementation results

Strategic axes	Dysfunction baskets	Objectives	Actions	Implemented or not	Outcome
1. Work organization: Regulations and procedures	<b>Basket 3:</b> Human resource management	1.2 Better working environment for employees	<p>1.2.1 Adding more internal regulations and promotion procedure</p> <p>1.2.2 Suggesting internal communication procedure</p> <p>1.2.3 Promoting labor union to create activities as well as pay attention to share with stressed employees</p>	<p>1.2.1 Yes</p> <p>1.2.2 Yes</p> <p>1.2.3 Yes</p>	<p><b>1.2.1 Internal regulations</b></p> <p>The company sticks regulations in front of each department for employees to comply with. Each department has different internal regulations for their employees because of different jobs of each department. Regulations reveal requirements about employees' consciousness, responsibilities and behaviors of employees. All drivers have to sign safety driving commitment at the end of each year for next new year.</p> <p><b>Promotion procedure</b></p> <p>Employees have at least 3 years of working in the company. They join all professional training programs of the company and others. They receive at least 2 rewards from Board of directors. They are voted by their department and top management.</p> <p><b>1.2.2 Internal communication procedure:</b> Formal communication</p> <ul style="list-style-type: none"> <li>- Once per week, a direct meeting and dialogue between Middle managers and their subordinates. Managers have to improve their skills to build good, solid and constructive working relationships with employees, engaging employees in company's activities and strategies.</li> <li>- Twice a month, two direct meeting between Middle managers and Board of directors.</li> <li>- Once per quarter, a direct meeting between Employees and Board of directors. Middle managers have to list names of frontline employees who want to talk directly with Board of directors.</li> </ul> <p><b>1.2.3 Labor union's activities</b></p> <ul style="list-style-type: none"> <li>- Dividing labor union into 5 groups with 5 group leaders who will collect all information from members and pay more attention to employees.</li> <li>- Labor union organizes singing and dancing contests for individuals and departments.</li> <li>- Labor union also develops outdoor activities for employees two times per year.</li> </ul>



## Appendix 5.15d: Summary of action implementation results

Strategic axes	Dysfunction baskets	Objectives	Actions	Implemented or not	Outcome
<p>2. Strategic implementation: <b>Personnel management</b></p> <p>Strategic implementation: <b>Strategic implementation tools</b></p>	<b>Basket 2:</b> Marketing policies	2.2 Bring about more values for customers	<p>2.2.1 Suggesting a membership policy.</p> <p>2.2.2 Revising, uploading detailed information about all services on Facebook and responsiveness strategy</p> <p>2.2.3 Vehicle maintenance procedure</p>	<p>2.2.1 Yes</p> <p>2.2.2 Yes</p> <p>2.2.3 Yes</p>	<p>2.2.1 Membership policy</p> <p>- Gifts and Vouchers for special days such as International woman day, etc with a discount of 50%.</p> <p>- At the end of 2018, 151 passengers who buy tickets 120 times per year receive VIP cards for a discount of 10% per year.</p> <p>2.2.2 Improving customer interaction through Facebook</p> <p>- Services have no change in prices, operations, and they are uploaded fully and precisely on Facebook.</p> <p>- One customer-service employee is responsible to check hourly customers' responses and contact with complainants from 3 to 6 hours after they complain.</p> <p>2.2.3 Vehicle maintenance procedure</p> <p>On February 17<sup>th</sup> of 2017, Vehicle maintenance procedure is signed, sealed and implemented in the company. All divisions have to comply with this statement.</p>
3. Integrated training: <b>Training – job appropriateness</b>	<b>Basket 3:</b> Human resource management	3.1 Improving quality of service than rivals in terms of safety, convenience, technology, size, frequency.	<p>3.1.1 Training professional programs for frontline employees: communication skills and driving regulations for drivers; communication skills and customer services/policies for staff including driving assistants, inspectors and call-center staffs.</p> <p>3.1.2 Training program for middle-level managers: Management skills and Communication skills.</p>	<p>3.1.1 Yes</p> <p>3.1.2 Yes</p>	<p>3.1.1 Training professional programs for frontline employees are organized on October 1<sup>st</sup> to 4<sup>th</sup> of 2017.</p> <p>3.1.2 Training programs for middle – level managers are implemented on March 10<sup>th</sup> to 11<sup>th</sup> of 2018.</p>

**Appendix 5.16: Mean and standard deviation for customer complaint management implementation from perspectives of direct employees' satisfaction**

<b>Item No</b>	<b>Description</b>	<b>Mean</b>	<b>Standard deviation</b>
<b>1</b>	<b>Commitment to improve service quality</b>		
1.1	Internal regulations about process of serving customers on the cars are good for us to have more responsibility to our job.	3.09	0.8222
1.2	Internal regulations about process of serving customers on the cars change our behaviors better, improve our attitudes	3.21	0.8769
1.4	Internal regulations about process of serving customers on the cars make us good communication skills	3.33	1.003
<b>2</b>	<b>Improving working environment</b>		
2.1	Redesign coordination procedure between departments within the company as well as service operations to achieve the precise and on-time service. Redesign the organization structure, reassigning functions reduce our stress in jobs	3.41	0.9252
2.4	Rewarding/ encouragement; "Day-off" Policies.	3.69	0.9609
2.5	Promoting labor union to create activities as well as pay attention to share with stressed employees.	3.57	0.8164
2.6	Promotion procedure is necessary for us to try our best for new position in the company	2.99	0.9721
<b>3</b>	<b>Improving customer satisfaction</b>		
3.1	The quality of human resource is increased by implementing internal regulations, changing functions of departments, and labor policies.	3.42	0.8888
3.2	Improving customer interaction through Facebook and providing good vehicles for passengers increases customer satisfaction	3.00	1.037
3.4	Training communication skills for direct employees is successfully implemented. I learned a lot of good things.	4.00	0.9230
3.5	Training plan for middle-level managers with the focus of management skills and communication skills improve our relationship with managers	4.05	0.8786
3.6	Managers are better in work assigning and well understanding us	3.81	0.9111
3.7	We believe that the company has a good working environment and we will be loyal to the company.	3.33	0.8005

**Appendix 5.17a: Mean and standard deviation for commitment to improve service quality from perspectives of customers' satisfaction at the end of 2018**

<b>Description</b>	<b>Mean</b>	<b>Standard deviation</b>
<b>1. DIRECT EMPLOYEES' BEHAVIORS</b>		
<b>Appearance of personel</b> - The drivers wear nice uniforms - The drivers have a good facical expressions - The drivers use right body language	3.0	0.8544
<b>Behavioral tendencies towards laws</b> - The drivers don't fast drive cars in the crowded road - They comply with the law such as stopping during the red light - They drive cars in the right direction - The drivers don't have violence and angry behaviors with customers and other drivers on the road.	3.2	0.9222
<b>Employee Attitude</b> - The drivers observe and are careful to look other cars on the road as well as good at avoiding accidents. - The drivers have good attitudes with customers	2.8	0.9001

**Appendix 5.17b: Mean and standard deviation for commitment to improve service quality from perspectives of customers' satisfaction at the end of 2018**

Description	Mean	Standard deviation
<b>2. DIRECT EMPLOYEES' SKILLS</b>		
<p><b>Adhering to a Schedule</b></p> <ul style="list-style-type: none"> <li>- The drivers always pay their attentions to road and vehicles when taking passengers</li> <li>- The drivers are not districted from the main business of driving</li> </ul>	3.5	0.9482
<p><b>Adjusting to Unforeseen</b></p> <ul style="list-style-type: none"> <li>- I feel that the drivers are not passive to fall into accidents.</li> <li>- The drivers have good skills to predict actions of other drivers on the road.</li> </ul>	3.6	0.8905
<p><b>Communication with passengers</b></p> <ul style="list-style-type: none"> <li>- The drivers don't talk loud to customers</li> <li>- The drivers use mobile phone when driving cars because they have to answer call center and leaders of their company.</li> <li>- The drivers are very friendly and easy-going</li> </ul>	2.9	0.81632
<p><b>Physical health</b></p> <ul style="list-style-type: none"> <li>- The drivers are active, humble and lively</li> <li>- The drivers are healthy</li> <li>- The drivers have crisp style/manner.</li> </ul>	3.1	0.9355

**Appendix 5.17c: Mean and standard deviation for commitment to improve service quality from perspectives of customers' satisfaction at the end of 2018**

<b>Description</b>	<b>Mean</b>	<b>Standard deviation</b>
<b>3. SERVICE OPERATIONS</b>		
<p><b>Procedure</b></p> <p>There is no Delay in the schedule. There is no errors in the booking system            I receive sufficient information about the service            There is no delayed response to my requirements or comments            I don't have any communication difficulties with the staff in charge            I think it's safe for drop-off and pick – up on the road</p>	2.79	0.9943
<p><b>Service quality</b></p> <p>I saw or heard something related to service quality commitment of the company            The service is on time and safety by modern cars. I feel very healthy, not car sick like before            I can easily send my responses and receive the company's answers as soon as possible            It takes only more than 1 hour to go from Thai Nguyen to Ha Noi.            The drivers execute the company's regulations and law</p>	2.99	0.8567
<p><b>Vehicle</b></p> <p>There are wifi, water, air conditioning, tissues, sun visors and others to make better service            I recognize that the company pays attentions to car maintenance. I feel safety on the car</p>	3.2	1.09
<p><b>Equipment</b></p> <p>The car is prepared full rescue equipments such as first aid kit, equipments to support the disable.            The car is equipped by Dashcam camera and GPS equipment.</p>	3.4	0.904
In general how would you rate the Limousine service provided by The company?	3.3	0.9674



**Appendix 5.18: Absenteeism costs at the end of 2018**

VND million

ELEMENTARY DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS							
		HCVAVC=5821							
		Number of hours worked per year = 1,297,920							
		CALCULATION DETAILS	OVER-SALARY	OVER-TIME	OVER-CONSUMPTION	NON-PRODUCTION	NON-CREATION OF POTENTIAL	RISKS	TOTAL
Late to work	0.5 hours per day	2 employees x 0.5 x 286 x average salary 6 mil				1716			1716
Absenteeism (1% of total 520 employees, equivalent to 5 days per year)	3 days per month	Average absenteeism cost is VND 300,000 per hour * 8 hours * 5 *12				144			720
<b>Total</b>									<b>2436</b>

**Appendix 5.19: Employee turnover costs at the end of 2018**

**EVALUATION OF HIDDEN COSTS**

**DIAGNOSIS NAME**

**VND million**

**EMPLOYEE TURNOVER**

ELEMENTARY DYSFUNCTIONS	CITED CAUSES OF DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS								
			CALCULATION DETAILS	OVER-SALARY	OVER-TIME	OVER-CONSUMPTION	NON-PRODUCTION	NON-CREATION OF POTENTIAL	RISKS	TOTAL	
Turnover rate of direct employees (drivers, staffs)	Employees find another jobs or move to other cities or change their careers										
Drivers (10% of total 350 drivers)	Unsatisfied employees with job pressure of driving	35 drivers per year	6 cars per year are off in 1 month * VND 30 mil per month					180			180
Staffs (7% of total 100)	Staffs change objectives in their careers	7 staffs per year	2 month to get 1 new staffs	2 months * average salary of staff * 1 employees = VND 10 mill				5			15
<b>Total</b>											<b>195</b>

**Appendix 5.20: Quality defect costs at the end of 2018**

**EVALUATION OF HIDDEN COSTS**

**DIAGNOSIS NAME**  
**QUALITY DEFFECTS**

**VND million**

ELEMENTARY DYSFUNCTIONS	CITED CAUSES OF DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS							
			CALCULATION DETAILS	OVER-SALARY	OVER-TIME	OVER-CONSUMPTION	NON-PRODUCTION	NON-CREATION OF POTENTIAL	RISKS	TOTAL
Personnel quality	Staffs in stations sometimes make customers dissatisfied	2 customer complain about service quality every day	lost 2 customer*30 days* 12*100.000					72		72
	Indirect employees can negatively impact to provide service in time late repair vehicles or mistakes in planning vehicle schedule.	One late vehicle monthly	1 late vehicle per month* VND2 mill					12		12
Time allocation	Bad weather negatively impacts vision of drivers in the high way road	1 accident per 6 months	1 driver*VND 15 million*2					30		60
<b>Total</b>										<b>144</b>

**Appendix 5.21: Direct productivity gap costs at the end of 2018**

**EVALUATION OF HIDDEN COSTS**

**DIAGNOSIS NAME**  
**DIRECT PRODUCTIVITY GAP**

VND million

ELEMENTARY DYSFUNCTIONS	CITED CAUSES OF DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS								
			CALCULATION DETAILS	OVER-SALARY	OVER-TIME	OVER-CONSUMPTION	NON-PRODUCTI ON	NON-CREATION OF POTENTIAL	RISKS	TOTAL	
Mistakes in bookings	Direct employees' skills	1 passenger is delayed (50 days/1 year)	1 passengers * VND 0.1 mill *50 days					10			10
Loss of bookings		1 passenger cancel per day	1 passengers * VND 0.1 mill *360 days					36			36
<b>Total</b>											<b>46</b>

**Appendix 5.22: Absenteeism costs at the end of 2016**

ELEMENTARY DYSFUNCTIONS	CITED CAUSES OF DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS (VND million)							
			CALCULATION DETAILS	OVER-SALARY	OVER-TIME	OVER-CONSUMPTION	NON-PRODUCTION	NON-CREATION OF POTENTIAL	RISKS	TOTAL
Late to work	Not strong regulations	0.5 hours per day	3 employees x 0.5 x 286 x average salary 6 mil					2574		2574
Absenteeism (5% of total 500 employees, equivalent to 25 days per year)		3 days per month	Average absenteeism cost is VND 300,000 per hour * 8 hours * 35 * 12					720		720
<b>Total</b>										<b>3294</b>

**Appendix 5.23: Economic impacts of employee turnover at the end of 2016**

**EVALUATION OF HIDDEN COSTS**

**EMPLOYEE TURNOVER**

ELEMENTARY DYSFUNCTIONS	CITED CAUSES OF DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS								
			CALCULATION DETAILS	OVER-SALARY	OVER-TIME	OVER-CONSUMPTION	NON-PRODUCTION	NON-CREATION OF POTENTIAL	RISKS	TOTAL	
Turnover rate of direct employees (drivers, staffs)	Lacking attractive labor policies										
Drivers (15% of total 300 drivers)	Unsatisfied drivers with punishment	45 drivers per year	8 cars per year are off in 1 month * VND 30 mil per month					240			240
Staffs (13% of total 100)	Unsatisfied staffs with bad working environment	13 staffs per year	1 month to get 1 new staffs	3 months * average salary of staff * 1 employees = VND 15 mill				5			20
<b>Total</b>											<b>260</b>

**Appendix 5.24: Economic impacts of quality defects at the end of 2016**

**EVALUATION OF HIDDEN COSTS**

**DIAGNOSIS NAME**

**VND million**

**QUALITY DEFECTS**

ELEMENTARY DYSFUNCTIONS	CITED CAUSES OF DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS							
			CALCULATION DETAILS	OVER-SALARY	OVER-TIME	OVER-CONSUMPTION	NON-PRODUCTION	NON-CREATION OF POTENTIAL	RISKS	TOTAL
Lax internal regulations	The company hasn't had strong internal regulations to control bad behaviors of employees, so sometimes they don't comply with the law and lack responsibility to their work	4 customers complain about service quality every day	lost 4 customer*30 days*12*100.000					144		144
		Bad consciousness of direct employees	1 late vehicles per month*VND2 mill					12		12
		1 accident per 3 months	1 driver*VND 15 million*4					60		60
<b>Total</b>										<b>216</b>

**Appendix 5.25: Economic impacts of direct productivity gap at the end of 2016**

**EVALUATION OF HIDDEN COSTS**

**DIAGNOSIS NAME**

**VND million**

**DIRECT PRODUCTIVITY GAP**

ELEMENTARY DYSFUNCTIONS	CITED CAUSES OF DYSFUNCTIONS	INDIC. FREQ.	ECONOMIC IMPACTS								
			CALCULATION DETAILS	OVER-SALARY	OVER-TIME	OVER-CONSUMPTION	NON-PRODUCTION	NON-CREATION OF POTENTIAL	RISKS	TOTAL	
Mistakes in bookings	Bad communication skills of direct employees	1 passenger is delayed per day	3 passengers * VND 0.1 mill *360 days					72			72
Loss of bookings		1 passenger cancels booking per day	1 passengers * VND 0.1 mill *360 days					36			36
<b>Total</b>											<b>108</b>



**Improving organizational performance by implementing customer complaint management through socio economic approach to management in a case study of SME, Vietnam**

*L'amélioration de la performance organisationnelle en combinant la gestion des réclamations clients et l'approche socio-économique : une étude de cas d'une SME, Vietnam*

Developing countries always attract attentions of researchers, managers and politicians. Developing countries always face with problems such as economics, social, environmental, technological, human, and etc. They have been improving income poverty and living standards. They also are impacted by the Fourth Industrial Revolution with rapidly urbanizing, creating challenges for cities in terms of infrastructure, job creation, and basic social services. Almost developing countries are desired to implement innovation in order to overcome difficulties and achieve growth. In recent years the service sector growing at a very faster rate in the developing countries and is contributing a major share in terms of output, income and employment. Even the productivity per worker is becoming higher in service sector when compared to agriculture and industrial sectors. In 2018, service industry contributes averagely more than 40% of GDP in developing countries. Private enterprises are the main contributor to local development in developing countries. The private sector is the primary source of local development in developing countries.

After three decades of economic reform, Vietnam has achieved certain commendable outcomes, especially in terms of economic growth, poverty reduction and macroeconomic stability. From being one of the 30 poorest countries in the world in the early 1990s, Vietnam has recently become a middle-income country (World Bank, 2013a) thanks to its steady growth rate since economic reform. Overall, it is an emerging transition country with a sizeable population and a dynamic economy with expanding international and investment trade ties. Transport, logistics, finance, banking, trade, retail, tourism and telecommunication well grow at 6.8% from 2010 to 2017 and 7.03% in 2018.

Because of its rapid growth and contribution to the economy, Vietnam's private sector is considered to hold the key to Vietnam's future economic success. More than 90% of total enterprises in Vietnam are SMEs. Although SMEs are quite dynamic, flexible and quickly responding to business

environment changes, they have to overcome obstacles such as human capital, firms' age, size and bad production process.

The company in this case study was established in 2003. At the end of 2014, productivity (ratio of workforce to yearly output tonnage) is strongly fluctuated and got lowest in 2014. Profitability including ROA, ROS is slightly changed and less than the average ratios of transportation service industry in Vietnam. Inter-city bus' total sales take up only from 4% to 8% while the investment costs into vehicles were VND 13 billion. From perspectives of service innovation, the company didn't invest into the new ones from 2008 to 2014. Turnover rate every year is at 20% and absenteeism rate is at 10%. Before the year of 2015, the company hasn't implemented customer complaint management. They have never collected customer data, customer responses and they don't know why customers leave them to use services provided by competitors.

This study suggests customer complaint management framework in combination with socio economic approach to management methodology to improve organizational performance of the company. Customer complaint management is approached from integrated holistic approach of People, Process and Technology, aggregate complaint implementation at strategic level, organic approach of the exit – voice theory referring to supportive internal environment, motivational processes, customer – oriented values and norms shared to the whole company. Customer complaint management and SEAM are combined to formulate “soft executive tools” to successful organizational change by avoiding employee resistance, leading to organization development. As a result, the company is transformed from small – sized to medium – sized enterprise. Organizational performance is developed multi – dimensional aspects related to economic performance, social performance of O'Connor's indicators, customer complaint management profitability models of Stauss and Gupta, hidden costs calculated by Savall's model and Lakshmi' model, improving poorly – evaluated indicators of previous researches such as purely financial or purely customer complaint management results.

However, this study has some limits in approaches and methodology. Firstly, it hasn't been used mechanistic approach of the exit-voice theory to develop the relationship between customer complaint management and organizational performance. Secondly, from perspectives of SEAM principles, it cannot maintain vertical intervention project in implementation stage of SEAM because of strong fluctuation of experienced and capable staffs as well as their qualification, knowledge and skills to conduct this kind of vertical intervention research.

In the future, researcher should apply mechanistic approach of the exit-voice theory in SMEs of developing countries. Besides, they can test this research model in other service industries.

Les pays en développement sont touchés par la quatrième révolution industrielle et s'urbanisent rapidement, créant ainsi des défis pour les villes en termes d'infrastructures, de création d'emplois et de services sociaux de base. Ces pays sont désireux de mettre en œuvre l'innovation afin de surmonter leurs difficultés et de réaliser leur croissance. Ces dernières années, le secteur des services a connu une croissance très rapide dans les pays en développement et contribue pour une large part à la production, aux revenus et à l'emploi. La productivité par travailleur augmente dans le secteur des services par rapport aux secteurs agricole et industriel. En 2018, le secteur des services représente en moyenne plus de 40% du GDP des pays en développement. Les entreprises privées sont le principal contributeur au développement local dans les pays en développement.

Après trois décennies de réformes économiques, le Vietnam a obtenu des résultats louables, notamment en termes de croissance économique, de réduction de la pauvreté et de stabilité macroéconomique. Figurant parmi les 30 pays les plus pauvres du monde au début des années 90, le Vietnam est récemment devenu un pays à revenu intermédiaire (Banque mondiale, 2013a) grâce à son taux de croissance soutenu depuis la réforme économique. Globalement, il s'agit d'un pays en transition émergent qui compte une population importante et une économie dynamique avec des liens commerciaux internationaux et en expansion. Les secteurs des transports, de la logistique, des finances, de la banque, du commerce, de la vente au détail, du tourisme et des télécommunications ont enregistré une croissance de 6,8% entre 2010 et 2017 et de 7,03% en 2018.

En raison de sa croissance rapide et de sa contribution à l'économie, le secteur privé vietnamien est considéré comme la clé de la réussite économique future du pays. Plus de 90% du total des entreprises au Vietnam sont des SME. Bien que les SME soient assez dynamiques, flexibles et réagissent rapidement aux changements de l'environnement commercial, elles doivent surmonter des obstacles tels que le capital humain, l'âge, la taille et le mauvais processus de production.

La société par actions commerciale entreprise a été créée en 2003. À la fin de 2014, la productivité (rapport entre le tonnage de la population active et la production annuelle) fluctuait fortement et a atteint son plus bas niveau en 2014. La rentabilité, y compris le ROA, les ROS, est inférieure aux ratios moyens de l'industrie des services de transport au Vietnam. Les ventes totales des autobus interurbains ne représentent que 4% à 8%, tandis que les coûts d'investissement dans les véhicules s'élevaient à 13 milliards de VND. Du point de vue de l'innovation dans les services, la société n'a

pas investi dans les nouveaux modèles de 2008 à 2014. Le taux de rotation annuel est de 20% et le taux d'absentéisme de 10%. Avant 2015, l'entreprise n'avait pas mis en place de système de gestion des réclamations clients. De même, cette entreprise n'a pas de système de collecte de données clients et ainsi ignore pourquoi les clients utilisent les services fournis par ses concurrents.

Cette recherche-intervention expérimente un système de gestion des réclamations clients associé à l'approche socio-économique du management pour améliorer les performances organisationnelles de la société l'entreprise. La gestion des réclamations clients est développée suivant une approche holistique intégrant les dimensions « Personnes, Processus, Technologie » avec une mise en œuvre globale des réclamations au niveau stratégique, des processus de motivation, des valeurs orientées client et des normes partagées par tous. La gestion des réclamations des clients et l'approche socio-économique sont combinées pour former des «outils exécutifs souples» permettant de réussir le changement organisationnel en évitant la résistance des employés, ce qui conduit au développement de l'organisation. En conséquence, la société l'entreprise est passée de petite à moyenne entreprise. Les performances organisationnelles sont développées sous des aspects multidimensionnels liés aux performances économiques, aux performances sociales en mobilisant les indicateurs d'O'Connor, les modèles de rentabilité de Stauss et de Gupta pour la gestion des plaintes des clients, les coûts cachés calculés par les modèles de Savall et Zardet.

Cependant, cette étude a des limites dans les approches et la méthodologie. Tout d'abord, l'approche mécaniste de la théorie de la voix de sortie n'a pas été utilisée pour développer la relation entre la gestion des réclamations des clients et les performances organisationnelles. Deuxièmement, du point de vue des principes de l'approche socio-économique, il n'a pas été possible de développer un projet d'intervention verticale en phase de mise en œuvre en raison de la forte fluctuation du personnel expérimenté et compétent.

À l'avenir, les chercheurs devraient appliquer l'approche mécaniste de la théorie de la voix de sortie dans les SME des pays en développement. Un autre prolongement consistera à tester ce modèle de recherche dans d'autres industries de services.

Mots-clés: Gestion des réclamations clients / Performance organisationnelle / Approche socio-économique de la gestion