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The Underlying Factors of Employee Satisfaction: A Qualitative Study of Vietnam Service Sector

Bachelor Thesis

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Abstract

This is an exploratory study of job satisfaction determinants in the Vietnam Service Sector. Through qualitative desk research and in-depth interview methods, this paper assesses the current state of literature and seeks industry experts' perspectives on the factors that influence job satisfaction. This research also intends to explore the differences in those factors between Vietnam and other countries, together with various ways to improve the satisfaction levels in the Vietnam Service sector. As a result, a standard set of determinants is introduced, and the importance of salary, interpersonal relationship and supervision is highlighted. Company owners, managers, Human Resources executives, and everyone interested in employee behaviours could benefit from this study.



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Abbreviations

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
FDI	Foreign Direct Investment
GSO	General Statistics Office
SMEs	Small and Medium-sized Enterprises
U.S.	United States
WTO	World Trade Organization



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Chapter 1: Introduction

1.1 Statement of the Problem

In the last decade, the Service sector of Vietnam has contributed the largest percentage to the country's GDP, with more than 35 percent of the Vietnamese employees work in the Service sector (Statista, 2020). As an engine of the Service sector, employee satisfaction has been a central concern and receives significant attention from researchers. Employee satisfaction has been a global classic topic since the 1900s; however, there are limited studies in the Vietnam Service sector. This paper attempts to fill the gap by investigating the critical determinants of employee satisfaction in the Vietnam Service sector. Within the scope of this study, Maslow's and Nevis's Hierarchy of Needs, together with Herzberg's Two-factor theory and Hofstede's Cultural Dimensions theory, are adopted as the conceptual framework.

1.2 Purpose of the Study and Research Questions

Employees have long been acknowledged as a survival factor for organizations. From the middle of the 1900s, "How to satisfy employee" has become a popular topic among researchers (Herzberg, 1959; McClelland, 1961; Vroom, 1964). A higher employee satisfaction rate can be directly translated into higher employee performance, commitment, and lower retention rate (Schuh, 1967; Hulin, 1968; Iaffaldano & Muchinsky, 1985). Besides, the early studies from Likert (1961), Mayo (1933), McGregor (1960) also draw a correlation implicating organization productivity can be achieved through employee satisfaction. The relationships were also empirically tested in the research of Branham (2005), Aydogdu and Asikgil (2011). In specific, A study from Branham (2005) concluded that businesses with higher employee satisfaction also have 76% more success in lowering turnover, 70% higher profitability.

As stated in Maslow's Hierarchy of Needs (1943), people tend to seek higher fulfillment of needs when the basic needs are satisfied. In the early 1950s, Herzberg (1959) assumed the condition to satisfy these higher needs, including achievement, recognition, work itself, responsibility, achievement and growth - the factors belong to the top two highest esteem and self-actualization needs layers. Later studies of McClelland (1961) and Porter & Lawler (1968) also concluded achievement, recognition, and power as the key factors that significantly influence employee satisfaction. However, those popular theories have received lots of criticism due to its one-sided promoting individualistic culture. In other words, the cultural differences that

have a tremendous effect on each individual's characteristics and demand have been wiped out (Tietjen and Myers, 1998; Vroom, 1964). However, many researchers have filled the gap by analyzing the cultural dimensions between different countries (Hofstede, 1983; Hampden-Turner & Trompenaars, 1993; Gambrel and Cianci, 2003).

Despite the popularity among the global academic study, the topic regarding employee satisfaction started to gain attention from Vietnamese scholars from 2010 due to the alarming high turnover rate (Ha & Vo, 2011; Le, 2015; Le et al., 2015). According to the studies of Le et al. (2015) and Phan (2017) in Banking and Financial Services industries, salary and interpersonal relationships are the two key drivers of employee satisfaction. The following factors, including employee training and promotion opportunities, were also tested with positive correlation; however, the contribution to employee satisfaction was less significant than salary and interpersonal relationships (Phan, 2017). The same pattern highlighting the importance of salary is also discovered in different industries such as education and retail (Nguyen, 2015; Pham, 2017).

The findings in the current literature, therefore, exhibits several gaps. Firstly, there are differences in cultural perspective and standard of living between the United States - the context-based of most theories in employee satisfaction and Vietnam - the key focus of this study. Secondly, most of the studies about employee satisfaction in Vietnam apply quantitative research methods by empirically testing the significant between a set of factors and employee satisfaction but neglects further exploration in the theoretical background and the behind rationale of these factors. Thirdly, the incoming of a new generation (Gen-Z) to the Vietnamese workforce has urged the need to update the current Vietnam practices in studying about employee satisfaction. Therefore, a significant research question is raised to seek answers:

- Research question 1: What are the determinants of employee satisfaction in the Vietnam Service sector?
- Research question 2: Are those determinants different compared to the Service sector in other capitalist countries, especially the United States?
- Research question 3: How to improve employee satisfaction level in the Vietnam Service sector?

1.3 Research Methodology

According to Patten (2018), exploratory research is the most practical method for a new research topic. Employee satisfaction and cultural differences have been classic topics

since the 1900s; however, limited studies have combined the two schools of research, especially in the Vietnam Service sector.

The qualitative research method is fully adopted in the scope of this study. The paper first examines the current state of literature by gathering prior studies within the employee satisfaction topic and then further elaborating by conducting in-depth interviews. This interview method is highly preferred due to its flexibility in having probing questions. Furthermore, it provides opportunities for the author to gather detailed information and dig deeper into a specific topic and sensitive information (Wimmer & Dommick, 2014). A list of open-ended questions shall be designed using Maslow's and Nevis's Hierarchy of Needs, together with Herzberg's Two-factor theory as conceptual frameworks. Five in-depth interviews with managers in Information Technology, Transportation, Logistics, Financial Services, Telecommunication and Consulting industries shall be conducted.

1.4 Structure of the Thesis

This paper is organized as follows: In the beginning, this paper starts with Chapter 1- Introduction to emphasize the purpose of the study, research question, research methodology, and the conceptual basis to ensure the consistency foundations for all of the research findings. The rest of the paper is divided into the six following chapters. The second chapter will provide basic understandings in the Vietnam Service sector by highlighting the current and future impacts of the Service sector on the Vietnam economy. The Vietnamese government's directions and challenges of the Vietnam Service sector are also taken into consideration to explain the urged needs of conducting this study. The next chapter focuses on the employee satisfaction topic by presenting a synthesis of satisfaction theories and the classic criticism on cultural limitations. In chapter 4, the cultural and standard of living differences between the United States - the context-based of most theories in job satisfaction and Vietnam- are discussed to illustrate the implication for determinants of employee satisfaction in Vietnam. Chapter 5 further presents the research methodology, including interview design, sample selection, data analysis method and limitations. The sixth chapter presents the key findings throughout the in-depth interview, together with the corresponding theoretical background. The last chapter concludes the paper by pointing out the limitations and the potential for further research.

1.5 Conceptual Basis

The concept of “Job Satisfaction”

There are mixed concepts when it comes to the definition of job satisfaction. The definition of employee satisfaction within this study's scope is drawn on the most classic definition of Locke (1976) as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience”. Besides, as this study is conducted based on Herzberg’s Two-factor theory, the terms of “job satisfiers” and “motivation factors” are also used interchangeably. According to Baah & Amoako (2011), “The motivation factors can increase motivational level of employees which will ultimately raise internal happiness of employees and that the internal happiness will cause satisfaction”.

The concept of “Service Sector”

As this study is conducted in the context of Vietnam, the definition for the Service sector is adopted from the sector classification of Vietnam’s General Statistics Office (GSO) operated under Vietnam’s Ministry of Planning and Investment. According to Vietnam’s GSO (2020), the Vietnam economy can be divided into three main sectors, including “Agriculture, Forestry and Fishing”, “Industry and Construction” and “Services”. In specific, the Service sector consists of “Vehicles & Motorcycles”, Finance, Banking & Insurance”, “Real estate business”, Accommodation & Catering services” and “Transportation & Storage” as the top industries with the highest contribution to the country’s GDP (GSO, 2020). Besides, “Education”, “Healthcare”, and other industries are also included in the category (GSO, 2020).

Chapter 2: Service Sector in Vietnam

2.1 Overview of Vietnam Service Sector

After the Doi Moi reform policies launched in 1986, Vietnam has quickly transitioned from a centralized economy to a “Socialist-oriented market economy” by following government directions and taking advantage of the free-market incentives (MoPI & UNDP, 2005). In specific, the Communist Party of Vietnam allowed certain key industries, including Telecommunication, Energy, Banking, to operate in the Vietnam market and under strict government management or in the form of “State-owned enterprises” (MoPI & UNDP, 2005). Since then, the services sector has played a vital part in the Vietnam economy and received many government subsidies. Later on, Vietnam also became a member of the Association of Southeast Asian Nations (ASEAN) in 1995 and acceded to the World Trade Organization (WTO) in 2007, which has further increased the presence of Vietnam in the global services market and attracted foreign direct investment inflow coming (USITC, 2012).

The Vietnamese government has implemented several supportive policies to enhance the development of high value-added services. During the period between 2000 and 2009, there had been an increase of approximately 22.9 percent in the number of registered corporations in the Services sector (Government of Vietnam, 2010). Tourism, hotel and restaurants, banking and financial services, wholesale and retail services, reparation of vehicles and household appliances, transportation and storage are the largest industries in the Service sector of Vietnam (U.S. Department of State, 2010). In industries such as Electricity, Gas, Water, Post and Telecommunications, Banking and Financial Services, there was an explosion in the number of registered enterprises between 2000 and 2009 (Government of Vietnam, 2010). Assistance for small and medium-sized enterprises (SMEs) is an important factor that facilitates the development of the Service sector in Vietnam (Alejandro et al., 2012). To promote the growth of SMEs, the Vietnamese government has looked for financial support from Supranational Organizations such as the Asian Development Bank (ADB). Different economic changes in the Service sector were financed by ADB through an assistance program launched in 2004, involving a “nationwide credit-guarantee system” to assist commercial banks offering loans for SMEs as well as initiatives to reduce the time required for business registration and provide technical support for entrepreneurs. Thanks to the assistance program, the Service sector of Vietnam had experienced accelerating growth. In 2007, 96,095 out of 151,780 registered SMEs in Vietnam were in the Service sector (ADB, 2009). Apart from the support of ADB, Vietnam has also

taken advantage of the WTO membership and achieved a steady growth rate. In 2011, approximately 3,190 FDI projects in Vietnam belonged to the Services Sector (Government of Vietnam, 2011).

According to GSO (2020), Vietnam's Service sector has always been the largest contributor to Vietnam's GDP since 2010. Although the sharing pattern among GDP contributions has remained the same in the last decade, the value of the Service sector has been tripled from 797.16 trillion VND in 2010 to 2,513.86 trillion VND in 2019, with the average growth rate approximately 10% (GSO, 2020). The number of employees working in the Service sector has been rapidly increasing since 2010 and accounts for 35% of total employment (World Bank, 2020). The latest research report from Anphabe (2019) also emphasized that the Service sector, including Banking, Real Estate, Financial Services, Wholesale, Retail, Commerce, Food and Hospitality, has been considered the most attractive workplace for Vietnamese employees.

2.2 Current Challenges for Vietnam Service Sector

The alarming high turnover rate in the Vietnam Service Sector

The current employee turnover rate in the Vietnam Service sector, especially in the Marketing, Sales, Information Technology and Finance industries, is much higher than the overall situation (Anphabe, 2019). In 2019, the average retention rate of Vietnam reached an alarming rate of 29%, while the optimal turnover rate is 10%. Thus, the percentage was not ideal for an organization to maintain the operations' stability and transformability with new people (Anphabe, 2019). The ratio was even higher in the middle management level and the younger generation (Anphabe, 2019). Within the next few years, the Z generation joins the workforce with unlike approaches to work and workplace. The organization's mission is no longer to fulfil the needs of Gen X and Gen Y but to foretell the workplace needs of the new workforce entrants - Gen Z (Gaidhani et al., 2019).

Retaining workers is critical to any organization, especially in the Service sector, where the employee is the most valuable asset. According to Testa (2008), a high turnover rate, especially in the case of skilled professionals, can pose a risk to the employer due to human capital cost (including skills, training and knowledge). Besides, in a typical situation, the employees are more likely to switch to competitors within the same industry.

As stated in the study of Kevin et al. (2004), there is no standard concept or framework for the employee turnover process; however, a wide range of factors have been developed to foresee employee turnover. Many researchers such as Arnold and Feldman (1982), Wotruba & Tyagi (1991) have found and concluded in their study that age, job satisfaction, tenure, job image, met expectations, organizational commitment are consistently related to turnover intentions and the actual turnover. However, the correlation between employee retention and satisfaction is more significant, among other factors (Harrington et al., 2001). Additionally, meta-analyses from Carsten & Spector (1987) and Randhawa (2007) also conclude with a significant negative correlation between job satisfaction and turnover, suggesting that the higher the employee satisfaction with their jobs, the lower their intention to quit. A study about the frontline employee of Rust et al. (1996) also explores the highest turnover rate among employees who are not satisfied with their jobs.



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Chapter 3: Employee Satisfaction

3.1 The Importance of Employee Satisfaction in Organizational Context

"Why employee satisfaction matters" has been at the heart of many controversies and attracted increasingly academic attention (Herzberg, 1959; McClelland, 1961; Vroom, 1964). In 1976, Locke noticed that approximately 3,300 articles that explored the topic of employee satisfaction were published. PsycINFO explored that there had been at least another 7,855 publications on the subject during the period 1976 to 2000. The majority of the studies on this topic are individual-centred and have individual employees as the central unit of analysis (Iaffaldano & Muchinsky, 1985). However, there has been mounting interest in the topic at the business-level.

Many researchers and scholars have become more concentrated on the emerging importance of employee satisfaction in an organizational context. They have explored the positive correlation between business-unit level employee satisfaction and customer perceptions of service. There is also increasing evidence supporting this notion (Johnson, 1996; Reynierse & Harker, 1992; Schmit & Allscheid, 1995; Schneider, 1991). In 2008, Brown and Lam obtained empirical evidence of the potent relationship between employee satisfaction and customer satisfaction. Content and well-pleased employees are more willing to provide excellent services and share their positive feelings with the customers (Schlesinger & Zornitsky, 1991). A study by Atkins et al. (1996) in the healthcare sector revealed that employees' dissatisfaction adversely affects the quality of care service and eventually exert a negative impact on customer loyalty. The allegiance of customers, which is said to stimulate the companies' profit and growth directly, are strongly influenced by customer satisfaction and customer perceptions of the values they receive from the services. The excellent values are said to be generated by fulfilled, reliable and effective employees. Employees who have a strong commitment to the company and find contentment in working for the team are inclined to deliver the services that closely meet customer expectations (Freeman, 2005).

Another key finding of researchers who carry out studies in this field is the robust connection between employee satisfaction, productivity, and commitment. As mentioned before, a higher employees' job contentment level brings about better employee performance and greater employee loyalty (Schuh, 1967; Hulin, 1968; Iaffaldano & Muchinsky, 1985). From the standpoint of Human Relations, contented workers are efficient workers (Likert, 1961; McGregor, 1960). Human Relations

scholars further asserted that employees' fulfilment and pleasure play essential roles in specifying the collaborative effort. Unsatisfied workers fail in participating efficiently in such efforts. For that reason, productivity improvement and proficiency of an organization can be achieved through employee satisfaction (Likert, 1961).

Aside from business-unit outcomes of productivity, employee satisfaction also tremendously influences employee absenteeism and retention (Derek & Allen, 2002). Additionally, Judge & Hulin (1993) suggested a positive connection between employee satisfaction, job involvement, motivation, and organizational commitment. Retaining highly talented staff is one of the key factors contributing to organizational success (Freeman, 2005). Studies indicate that companies that are outstanding in improving employee satisfaction have experienced a reduction in turnover by 50% of the norms, increased customer satisfaction to approximately 95%, and decreased labour cost by 12% (Maloney & McFillen, 1986).

Guiso et al. (2015) looked at how to aggregate business-unit level employee satisfaction relates to companies' profitability. Within the scope of their researches, the data from 1,000 American corporates and 400,000 employees between 2007 and 2011 are collected and analyzed. The findings have emphasized the vital role of job satisfaction in predicting corporate performance and expected profitability. In a subsequent study on job satisfaction, Edmans (2011) also observed the linkage between job satisfaction and the long-term returns of stocks by analyzing a value-weighted portfolio of America's 100 best workplaces between 1984 and 2009. In other words, employee satisfaction is the survival factor for a company and has a positive correlation with corporate performance regarding customer satisfaction, productivity, employee loyalty, and profitability.

3.2 A Synthesis of Employee Satisfaction Theory

The importance of employee satisfaction is not hard to observe; the most challenging task here is how to satisfy the employee. Bidisha (2013) has stated in a prior study: "Understanding and knowing what is going on in the human mind is very difficult to understand". Employee satisfaction is considered as "invisible, internal, hypothetical construct", which can not be seen or directly measured (Ambrose & Kulik, 1999). Every individual has unique personalities with different needs and expectations from the organization. There is barely any strategy that can fulfil the needs and satisfy every

employee in an organization. Understanding the human needs from the root is the first step toward predicting and influencing work behaviour (Wright, 1989).

Classification of the theories

Based on the nature of research questions, studies of employee satisfaction are typically divided into two groups, which are content and process theories. Content theories focus on answering "What" factors influence employee satisfaction while process theories pay more attention to the understanding of "How" to fulfil or satisfy those needs and goals (Luthans, 2005). Content theories are mostly known as needs theories - the earliest and foundation for all of the theory in employee satisfaction - including Maslow's Hierarchy of Needs, McClelland's Needs for achievement, affiliation, power, and Herzberg's Two-factor theory as classic examples. On the other hand, for process theories, the concept of "expectancy" from "cognitive theory" accounts for most famous studies such as Vroom's Expectancy theory, Locke's Goal-Setting theory and Porter & Lawler's Expectancy model. As this study is conducted to explore the determinants of employee satisfaction, only the content theories are reviewed within this study's scope.



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Maslow's Hierarchy of needs

In 1943, Maslow laid the first foundation for "Job satisfaction theory" with the set of five basic needs of a human-being arranged in a hierarchy from primitive to advance. Once a given layer is fulfilled, those factors belonging to that layer can no longer produce any motivation or satisfaction. A person starts to demand satisfaction in the next level (Luthans, 2005). According to Maslow (1943), from the bottom upwards, the five needs are:

- **Physiological needs:** As the first layers of a needs hierarchy, physiological needs are the most dominant of all needs, illustrating the set of basic needs for survival of a human being such as air, food, drink, shelter, warmth, sex, sleep. In the organizational context, salary is one of the most significant factors belonging to physiological needs.
- **Safety needs:** When the set of physiological needs are fulfilled, people start to seek safety needs, which can be referred to as a desire for security and protection of any human being. The safety needs typically include emotional security, financial security, social stability and health-being.
- **Social needs:** Once an individual's basic needs are satisfied, the needs for psychological becomes salient. Social needs refer to the needs of feeling loved

and belongingness to be part of a group. In the organizational context, it can be translated into the needs for interpersonal relationships and supervision.

- **Esteem needs:** There are two types of esteem needs, including intrinsic and extrinsic needs. The extrinsic perspective of esteem needs refers to the needs for recognition, attention, and status, which comes from others' respect. In contrast, the intrinsic perspective refers to the self-respect, including the feeling of being independence, freedom and self-confidence.
- **Self-actualization needs:** This layer of needs is at the top of the hierarchy. It reflects an individual's desire to grow and develop to the extent of full his/her potential. Maslow (1943) has described this layer as the "need to accomplish everything that one can, to become the most that one can be". People always strive for opportunities, live by their true versions, and before being able to do that, people must fulfil the lower layer of needs.

The Needs hierarchy of Maslow provides rich insight for managers and organization leaders in developing motivating programs to further satisfy the emerging or unmet needs of employees. Besides, within a study of employee satisfaction & work behaviour in 1983, Steers & Porter stated, "Managers have the responsibility to create a proper climate in which employees can develop to their fullest potential. Failure to provide such a climate would theoretically increase employee frustration and could result in poorer performance, lower job satisfaction, and increased withdrawal from the organization"

Herzberg's Two-factor theory

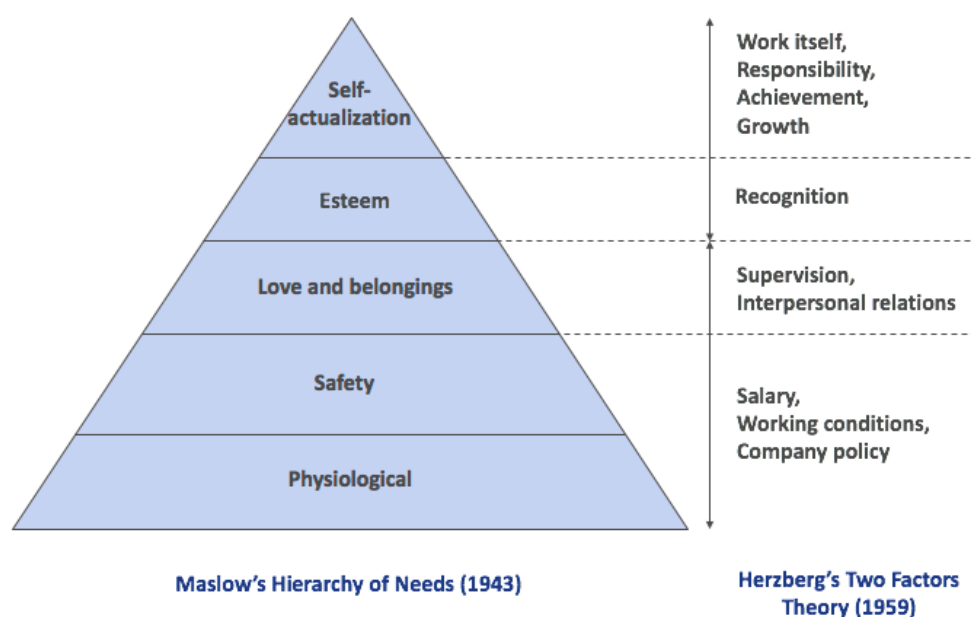
In the late 1950s, Friedrich Herzberg further elaborates on the study by bringing human needs into organizational context with the introduction of the Motivator-Hygiene theory of job satisfaction. According to Herzberg (1959), there are two independent paradigms of employee satisfaction: motivation and hygiene. Herzberg used the term "hygiene" in the medical sense, which is removing hazards from the environment while "motivator" is considered as a key driver in directing people to more superior performance. (Duttweiler, 1986).

As stated in the theory, company and administrative policies, supervision, salary, interpersonal relations, working conditions are hygiene factors that comprise the three physiological, safety and affiliation layers from Maslow's Hierarchy of needs (Baah and Amoako, 2011). The absence of those factors can create employee dissatisfaction, but

their presence does not create any satisfaction or motivate employees. On the contrary, a set of motivators, including achievement, recognition, work itself, responsibility, achievement and growth, are the elements that have a strong influence on employee satisfaction. These motivational factors can "increase motivational level of employees which will ultimately raise the internal happiness of employees and that the internal happiness will cause satisfaction" (Baah and Amoako, 2011).

Herzberg's two-factor theory has been widely applied and accepted as the foundation for other motivation theories. One study from Development Dimensions International, which was published in the UK Times newspaper, has emphasized the importance of job stimulus in improving the employee retention rate (Baah and Amoako, 2011). The research was conducted by sending a survey to 1000 employees from different organizations to identify the key factors that motivate the employees. The research concluded that the top 3 key factors motivating the employee most are achievement, responsibility and personal growth. Another motivation study from Parson and Broadbride (2006) within the retail sector also observed the higher correlation between employee satisfaction and the set of motivators (responsibility, work itself, self-development and recognition) than the correlation with hygiene factors (pay, job status, working conditions).

Figure 1: Summary of Maslow's and Herzberg's Theories



3.3 Criticism on Cultural Limitations

Most of the classic satisfaction theories were conducted and developed in the United States - a capitalist country with the majority following individualistic culture (Luthans, 2005; Robbins, 2005). Those factors included in the models primarily emphasized individual needs such as self-fulfilment, self-respect, recognition, and achievement rather than focusing on the collectivist aspects such as social or love & belongings (Robbins, 2005). In specific, Burke (1966), Ewen (1964) and Pinder (1988) have questioned the mutual exclusiveness between the hygiene and motivator factors in Herzberg's theory. A study from Pinder (1998) pointed out that the hygiene factors, especially salary, interpersonal relations and working conditions, can act as motivators that further satisfy employees. Besides, Smith and Kendall (1963) also proposed that "job satisfaction is a function of the perceived characteristic of a job in relation to an individual's background and culture".

Thus, many scholars have questioned the application feasibility of these theoretical concepts across different cultures, especially for the case of Maslow's and Herzberg's theories, which have separated needs layers arranged in a hierarchy (Grambrel and Cianci, 2003; Tietjen and Myers, 1998; Vroom, 1964). However, many researchers have filled the gap by analyzing the cultural dimensions between the different countries (Hofstede 1983, Hampden-Turner and Trompenaars 1993, Gambrel and Cianci 2003).

Chapter 4: The Determinants of Employee Satisfaction in Vietnam

4.1 Cultural Differences between Vietnam and the United States

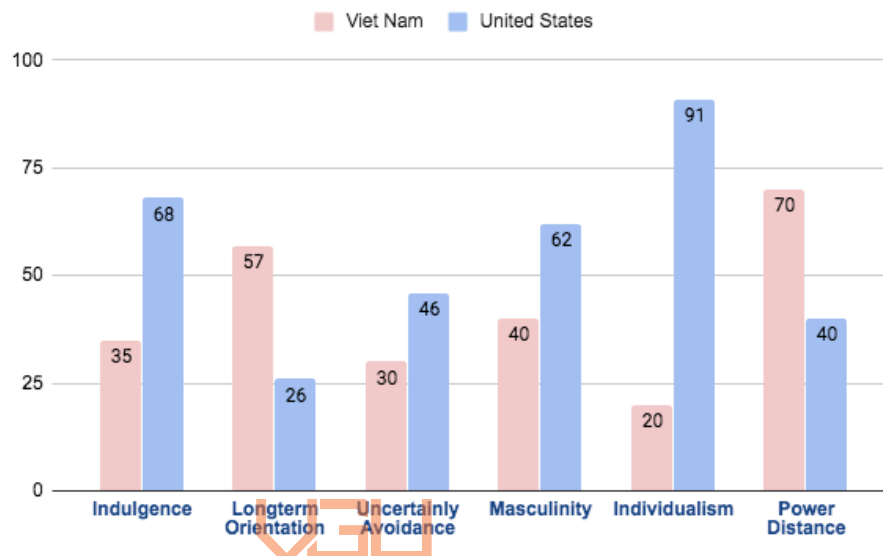
One of the most well-known studies on cultural difference is the "6 factors of cultural dimensions theory" developed by a Dutch Psychologist Dr. Geert Hofstede. In 1980, Hofstede initially conducted several surveys by sending questionnaires to 116,000 employees of IBM in 70 different countries to identify the key differentiators among different countries in the world. As a result, he concluded that all cultures could be categorized by using the following four dimensions:

- **Power Distance Index** represents the individual's acceptance level on the inequality of power distribution in a society such as social classes or organizational hierarchy (House et al., 2002). In other words, the higher rate of power distance index is an indicator for higher tolerance for inequality of power in society, such as the higher respect or obedience for the senior or leader in the team.
- **Individualism** is a term to describe the independence of a human being and the prioritization of self-interest. On the opposite side, collectivism represents a preference of public interest than the personal target. In other words, an individualistic person has more tendency to strive for personal goals while a collectivistic person gives more priority to the interdependence between human belong to each other.
- **Masculinity vs Femininity** refers to the comparison between a culture in which an individual prioritizes "success, money and things" than the "caring for others" (Rugman & Hodgetts, 2002). A culture with a high score in masculinity typically prioritizes materialistic achievement, reward over the cooperation and relationship with others.
- **Uncertainty Avoidance Index** refers to people's tendency to avoid uncertainty and enjoy the comfortable when "play-safe". The index indicates the extent to which people are looking for consistency and structure to cover every situation in their daily life (House et al., 2002). A high uncertainty avoidance rate represents the more extreme of feeling threatened when an ambiguous or unknown situation happens.

Later on, with the cooperation with Bond and Minkov, Hofstede came up with the two more dimensions, including long vs short-term orientation and indulgence vs restraint, to distinguish a country from another.

According to Hofstede's latest data, the critical difference between Vietnam and the United States cultures is the Individualism versus Collectivism indicator - the degree to which the individuals only care about themselves or the group members.

Figure 2: The Cultural Differences between Vietnam and the United States



Note: Data from Hofstede Insights, September 18, 2020, retrieved from <https://www.hofstede-insights.com>

In a society mostly dominated by Individualism such as the United States, people often prioritize personal goals rather than social or public goals. In comparison with Collectivistic workers, Individualistic workers are more comfortable when working independently, and they tend to strive for their targets. It can be reflected in Maslow's Hierarchy of Needs, where the first two layers belong to individual needs. Furthermore, in the organization context, an individual also pays more attention to complete the task before developing a relationship with co-workers (Gambrel and Cianci, 2003). The individualism culture can be found mostly in the capitalist countries as the result of individual self-interest (Hofstede, 1984)

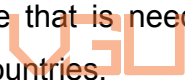
On the other hand, Vietnam is a country's prevailing collectivistic culture, which means the pronoun of "We" is more conscious than "I" (Gambrel and Cianci, 2003). In East and Southeast Asian countries where collectivism accounts for the majority, such as Vietnam, China, South Korea, "most people are born in an extended family (several - generation family) and the family owners are responsible to protect other

members" (Gambrel and Cianci, 2003). According to Hofstede (1984), Collectivistic employees are more focused on building a relationship with the co-worker than enhancing job performance. The job can overwhelm their personal life, unlike the work-life separation of an individualistic worker.

Because of the differences in cultural perspective, many scholars have studied the gap between countries having individualism and collectivism cultures (Hofstede, 1984; Trompenaars, 1993; Schwartz, 1994; Triandis, 1995). An early study from Gambrel and Cianci (2003) has assessed the feasibility of applying Maslow's Hierarchy of Needs into the context of a collectivist country by taking China as a representative. The study's key turning point is the application of Nevis's model (1983), which is also known as the Chinese's Hierarchy of needs.

Nevis's Hierarchy of Needs

According to Gambrel and Cianci (2003), the study of Maslow's Hierarchy of Needs was conducted using the data of private enterprises in the United States - a typical of individualism-oriented culture that is needed to be adjusted before applying into the context of any collectivism countries.



Vietnamese - German University

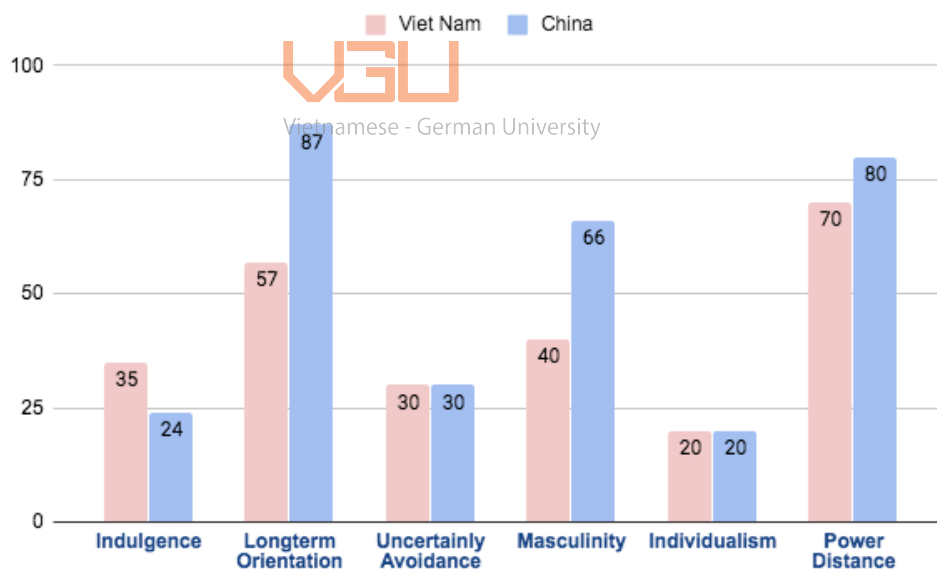
Nevis's needs theory (1983) is developed in China, where collectivism is considered a norm. As stated in theory, people following the collectivist culture have four different sets of needs, including Social needs (love and belongings), Physiological, Safety and Self-actualization. The hierarchy concept shares a similarity with the theory from Maslow (1943) in which one person must be fulfilled the needs in the bottom layer before reaching the next layer. This model's crucial point is the retention of the Esteem layer - the need to feel respected from others or self-reflect, which have been considered as the fundamental characteristic of an individualistic person. Besides, in the organizational context, the individualistic person is willing to put more effort into work when he/she is encouraged for the working achievement or earns respect from his/her achievement (Maslow 1943). However, this attitude and behaviour can hardly be found in the collectivist culture in which the "I" pronoun is placed prior.

The second difference between Navi's and Maslow's Hierarchy of Needs is the order of the Love and Belongings (Social needs) layer. According to Nevis (1983), as most Chinese employees follow collectivist culture, they thrive to become good members of society and put the group goals before individual needs. In other words, they pay more

attention to developing interpersonal relationships with colleagues rather than focus on delivering high-quality working tasks. Other studies from Kim et al. (2013) and Tran et al. (2018) also explore the same trend in Korea, Vietnam, where the collectivist culture is dominant. Therefore, the social needs layer is shifted to the lowest level before other layers belonging to individual needs, including Physiological and Safety layers.

On a cultural aspect, Vietnam and China share lots of similarities (refer to Figure 3). In specific, according to Hofstede's statistics, Vietnam and China have the same score for Uncertainty Avoidance, Individualism and little differences in terms of Indulgence and Power Distance. The two main reasons for the pattern are (1) the 1000 year period that Vietnam was ruled by China and (2) the socialist economy. In other words, Nevis's model has filled the gap between Western - Eastern cultural differences and proven to be the better options than Maslow's model in the scope of this study.

Figure 3: The Cultural Differences between Vietnam and China.



Note: Data from Hofstede Insights, September 18, 2020, retrieved from <https://www.hofstede-insights.com>

4.2 Quality of Life Differences between Vietnam and the United States

After cultural differences, one of the most common criticisms of Herzberg's theory is the mutual exclusiveness between the set of hygiene factors and motivators (Malinovsky & Barry, 1965; Burke, 1966; Ewen, 1964). Some studies have found a significant positive

correlation between hygiene factors (including salary, working conditions, interpersonal relations) and employee satisfaction. The root cause of the differences in empirical findings has been stated in the study of Soliman (1970). According to Soliman (1970), Herzberg's set of motivators can produce more employee satisfaction than the hygiene factors only when the environment (organization) can provide the full layers of needs. In case the environment does not fulfil all of the employee needs, the hygiene factors become a more powerful source.

To identify the most influential factors to satisfy employees, the differences in life quality between Vietnam and the United States are brought into consideration. The set of four indicators on measuring the quality of life are chosen following the study of Partha & Martin (1992): purchasing power, life expectancy, infant mortality rate, adult literacy rate.

Table 1: The Comparison of Vietnam and the United States's Quality of Life

Factors	The United States (2018)	Vietnam (2018)	Source
Purchasing power	100	52.6	World Data
Life expectancy	78.54 years old	75.24 years old	World Bank
Infant mortality rate	5.6 deaths per 1000 live births	16.5 deaths per 1000 live births	World Bank
Adult literacy rate	99%	95%	Macro trends & GSO

Note: Data from World Data 2019, World Bank 2020, Macro trends 2020, and GSO 2020

As presented in table 1, the two significant differences between Vietnam and the United States are the purchasing power and infant mortality rate. The purchasing power between countries is a factor that allows economists and scholars to compare the economic productivity and standard of living. In the world ranking, the United States is laid between the top 15 countries with the highest purchasing power and listed in the top countries with high income (World Data, 2019). On the other hand, Vietnam cannot make it in the top 60 and is classified into the middle-income group. In other words, the standard of living in Vietnam is fallen far behind in comparison with the top-notch United States, and part of the society in Vietnam is still struggling with the basic needs in everyday life.

Moving to the next factor, the infant mortality rate is not only an indicator of healthcare capacity but also captures more detailed information. According to the Institute of Medicine (1985), the United States Congressional Budget Office (1992), Hogue et al. (1987), infant mortality rate is associated with the socioeconomic status of the mothers and their children, the average age and education level of the mother and quality of nutrition for mother. The current rate of Vietnam in 2018 is approximately 16.5 deaths per 1000 live birth, which is equal to the rate of 16.7% in the United States in 1974. In other words, Vietnam's healthcare capacity and the human health needs in sanitation, nutrition and education are unmet and far beyond the United States.

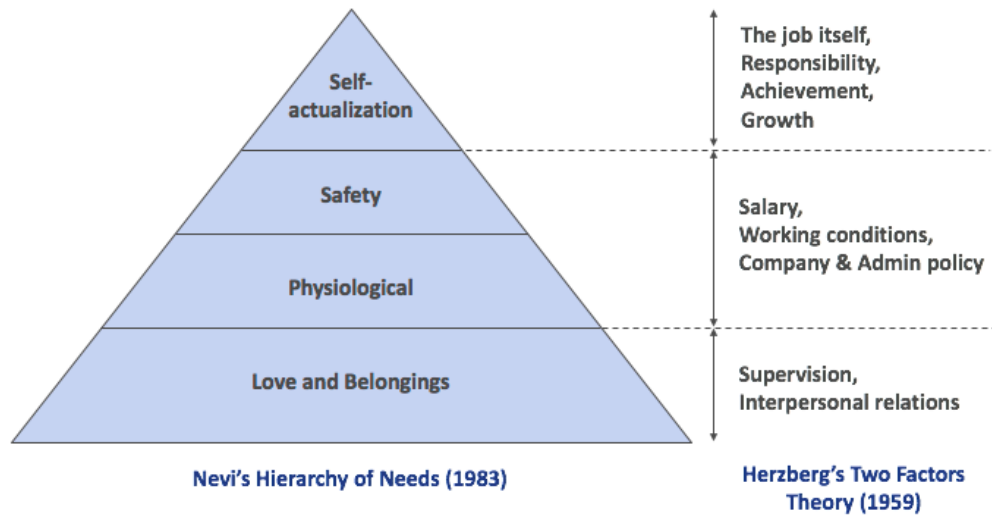
4.3 Implication for the Determinants of Employee Satisfaction in Vietnam

As stated in the previous section, Herzberg's Two-factor theory was developed by using Maslow's theory as the underlying concept. For such reason. It is needed to be adjusted accordingly before applying to Vietnam.

By applying Nevis's new concept, the thesis proposed a new set of Employee Satisfaction, including Supervision, Interpersonal relations, Company policy, Working conditions, Salary, Growth, Achievement, Responsibility and The job itself. The recognition has been wiped out compared to the original version due to the differences in cultural perspective between Vietnam - collectivist culture and the United States - individualist culture. Besides, for the same reason, the two factors of social needs - supervision and interpersonal relations have been moved to the lowest level layer before other individual needs factors, including salary, working conditions, company policy (refer to Figure 4).

Moreover, when it comes to the classification of hygiene and motivation factors, the thin line between the two sets is also erased due to the significant gap between the standard of living and level of needs fulfilment in Vietnam and the United States. The applicants of two separate sets of factors only make sense in the case where all of the layers of needs are fulfilled, not the case of Vietnam, where part of the societies are still struggling with daily basic needs such as income and healthcare (Soliman, 1970).

Figure 4: Summary of Nevis's and Herzberg's Theories



Based on the research presented in this literature review, it is evident that there are differences in culture and the standard of living between Vietnam and the United States. In brief, within the context of Vietnam, all of the factors belonging to all the layers of Nevis's Hierarchy of Needs (refer to Figure 4) can have a positive correlation to employee satisfaction. Besides, the supervision and interpersonal relationships are the dominant needs and play the most critical role in comparison with others. For this reason, this study will further seek to answer the following questions:

- In the Vietnam Service sector, what are the roles of interpersonal relationships and supervision in enhancing employee satisfaction?
- In Vietnam, do salary, working conditions, company policy, and recognition positively correlate with employee satisfaction?

Chapter 5: Research Design

5.1 Interview Design

To identify the underlying factors of employee satisfaction in the Vietnam Service sector, five in-depth semi-structured interviews were conducted with employees in the field of Information Technology, Transportation, Logistics, Financial Services, Telecommunication and Consulting in September 2020. The in-depth interview method is preferred due to its flexibility in having probing questions that allow the author to gather detailed information and dig deeper into a specific topic, especially for sensitive information (Wimmer & Dommick, 2014). Besides, according to Drever (1995) and Dicco-Bloom, (2006), In-depth interview is also highly popular among "small-scale educational research" and can be applied for "a specific individual or group". All interviews were conducted in a face-to-face setting to ensure transparency in information flow and avoid miscommunication. The interview's main languages can be Vietnamese or English, depending on interviewees' preference and the average length of the interview is 30 to 45 minutes depending on the length of interviewees' responses.

Applying the same interview design with the study of Welter (2017) on "Job satisfaction in Digital Age", the interview is designed based on the hybrid concept between structured and unstructured interviews. At first, the author used a set of standardized questions to control the interview flow as pre-defined order and ensure the consistency between different interviews to explore the common trends among participants. Secondly, the author adds probing questions within the unstructured interview concept to dive into the information needed for this study.

5.2 Recruitment and Data Collection

The participants were recruited through the authors' network when working as a consultant for a multinational corporation. To ensure the integrity of the information collected, the shortlisted interviewees have no prior relationship with the author. Besides, the author also explained the research purpose and emphasized the study's confidential nature at the beginning of every interview. In specific, all the information from the interviews is not informed to the interviewee's employer and only used within the scope of this study. Three male and two female experts in the Service sector are invited to the interview with ages between 32 and 50. All participants are holding managerial roles with 10+ years of experience working in the Service sector. The company backgrounds are also diversified from multinational corporations, state-owned

enterprises to local private companies. The detailed information of participants is presented in Table 2.

Table 2: The Experience Background of Participants

No.	Name of Experts	Years of experience	Experience Background	Company name
1	Nguyen Quoc Dang Khoa (Khoa Nguyen)	13	Telecommunication & Consulting	Bell, KPMG
2	Ha Thi Ha (Ha Ha)	25	Transportation	ACV
3	Nguyen Dinh Nhat Thi (Thi Nguyen)	10	Financial Services	HSBC, VIB, Shinhan Bank
4	Do Thi Van (Van Do)	15	Logistics	Royal Cargo
5	Ha Ba Hai (Hai Ha)	19	Information Technology	Beetech, NEC

In the beginning, the interview starts with a question about each participant's background and then applies the following questionnaire to further obtain more insight. The questionnaire is built on the three main research questions of this study and acts as a foundation for further probing questions. Sample questions from the interview include:

- Can you provide a summary of your background and experience?
- Why did you choose to work in the Vietnam Service sector?
 - Would you like to switch to another industry or sector in the future?
 - What are the reasons for that decision?
- How would you define the term “employee satisfaction”?
- What are the determinants of employee satisfaction in the Vietnam Service sector?
 - What are the roles of interpersonal relationships and supervision in enhancing employee satisfaction?
 - Do salary, working conditions, company policy and recognition have positive correlations with employee satisfaction?
- Are those determinants different compared to the Service sector in other capitalist countries, especially the United States?
- How to improve employee satisfaction levels in the Vietnam Service sector?

5.3 Data Presentation

Due to confidential purpose, voice record is not allowed when conducting an interview. Each interviewee's responses are directly transcribed into written verbatim notes and then summarized by the author within the discussion section.

5.4 Limitations

Although the in-depth interview is highly preferred due to the rich insights that can be collected, some limitations cannot be avoided within this study's scope. According to Dwokin (2012), Marson (2010), Morse (2000) and Strauss & Corbin (2007), having a small sample size is one of the most classic criticism for the in-depth interview method since a small sample size can cause difficulties when generalizing to a population. As stated in the study "Sample Size Policy for Qualitative Studies Using In-Depth Interviews" of Dwokin (2012), there is variability in the minimum number of in-depth interviews; however, the most common suggestion is between 5 to 50 participants as adequate. Within this paper's scope, the minimum number of 5 interviews is taken into action, which could not fully cover the key representatives of the Service sector in Vietnam. Besides, due to language barriers, some interviews are conducted in the Vietnamese language and then translated into English, causing errors during the translation process.

Chapter 6: Data Analysis

6.1 Interviewee Background and Expertise

Telecommunication & Management Consulting industry expert

The chosen expert for the interview is Nguyen Quoc Dang Khoa, with 13+ years of experience in Telecommunications and Technology. He is currently a senior manager at KPMG Vietnam Management Consulting, Customer & Operations line service. Mr. Khoa Nguyen has been engaged in several customer experiences, and digital transformation project as project and technical team lead. Before joining KPMG, Mr. Khoa Nguyen had his successful career at Bell - Canada's largest telecommunications company as an Operations & Performance manager. He is in charge of customer experience, marketing, supply chain and business strategy. The main work includes improving the NPS index, launching new products, and improving the back office's efficiency. Thus, Mr. Khoa Nguyen has rich experience in managerial roles in both Western and Eastern working culture. The team, under his management ranges from ten to hundreds of employees.

Transportation industry expert

The chosen expert for the interview is Ha Thi Ha. She has more than 25 years working in Airport Corporation of Vietnam (ACV) - a Vietnamese joint stock company with 95.4% state-owned shares, which manages the operations of all 21 civil airports in Vietnam. She currently worked as Operations Manager for Tan Son Nhat domestic and international airports. Her main job includes developing periodical business plans, balancing financial budgets. Besides, Ms. Ha Thi Ha is also in charge of human resources management, including recruitment and employee development activities. There is a total of 25 employees with diversified background under her management.

Financial Services & Strategy Consulting industry expert

The chosen expert for the interview is Nguyen Dinh Nhat Thi, with 10+ years of experience in the financial services industry. She pursued her education fully in Vietnam and started her career in Banking right after university graduation. She has worked for HSBC, Shinhan Bank, and Vietnamese International Commercial Joint Stock Bank (VIB) in the areas of Project Management, System Transformation, Process and Policy Management, and Product Development. She is currently a Project manager & Partnership manager for conversion projects of Digital Bank, such as "Automation of Core Banking System" and "Standardization of Trade Finance". The team, under her

management, ranges from ten to twenty employees with different nationalities and backgrounds.

Logistics industry expert

The chosen expert for the interview is Do Thi Van, with 15+ years of experience in the Logistics industry, particularly in Trade customs and Sales departments. She was born and grown up in Vietnam. She is currently working as Sales Manager for Royal Cargo - a multinational logistics company, and manages a sales team with ten to twenty employees. Ms. Van Do started her career at Royal Cargo right after university graduation and have not changed to any other companies within her career path. A sales manager's main work includes conducting business development, managing the company's key accounts, developing business plan & strategy and managing a sales team. Specifically, she is in charge of monitoring the sales process, allocating target to salespersons and conducting mentorship for employees under her management.

Information Technology industry expert

The chosen expert for the interview is Ha Ba Hai, with 19+ years of experience in the Information Technology industry. He is currently a founder of Bee tech - a tech startup with 20+ employees, which provides solutions for warehouse management by applying RFID tags. Before establishing a startup, he has ten years working as Enterprise Division Sales Head at NEC - a Japanese multinational Information Technology company. He was in charge of conducting business development, building strategy plans, managing project execution, and sales teams. During his career path, he has spent four to five years working in other NEC offices in Japan, Singapore, and Malaysia with rich experience in managerial roles. The team under his management ranges between twenty to hundreds of employees with different nationalities and backgrounds.

6.2 Interview Results

1) Why did you choose to work in the Vietnam Service sector?

According to Bath and Amoako (2011), employee satisfaction can be referred to as "internal happiness" and can be enhanced by fulfilling individual motivation factors. The first question is designed by the author to explore interviewees' motivation factors when working in the Service sector, specifically in the context of Vietnam. The two potential probing questions "Would you like to switch to another industry or sector in the future?" and "What are the reasons for that decision?" have also been used to acquire richer insight for the scope of this study.

- Nguyen Quoc Dang Khoa: "In total, I have worked in the Service sector for more than 13 years. The reason for choosing this sector can be consolidated into two words - "Money" and "Challenges". I first started to work in service industry because of money and keep working in it due to the challenged feeling. ...After few years working in Canada, I wanted to do something more challenging. Thus, I moved back to Vietnam and re-started my career by working in KPMG Management Consulting firm. Although the salary is much lower in comparison with Canada, it still can fulfilled my basic needs and I feel more motivated. ...In the future, I may work for different sector as long as the work gives me purpose and challenges me."
- Ha Thi Ha: "In the past 30 years, Service sector was perceived as high class with premium income, which only for wealthy or well-educated people. ... At that time, most families directed their children, especially daughter to pursue higher study with more chance to work in Service sector. I was born in a traditional northern family and Service sector has been my dream since i was in high school. After several years working in the Service sector, I totally fell in love with it. It is dynamics and keeps changing rapidly in which I never get bored. ...Besides, the salary is much higher in compared with other sectors and it keeps raising when you are experienced and get older which is quite contrast with other sectors. ...At this moment, I am satisfied with my job and do not plan to switch to any other sectors."
- Nguyen Dinh Nhat Thi: "I used to study about Banking and Economics when I was an undergraduate student at Vietnam Foreign Trade university. Back into those days, banker was one of the most popular job with high compensation and international working environment. At that time, I just followed the trend and received lots of support from my parents. ...I am quite satisfied with my current job. ...The job provides a good compensation package as well as a collaborative working environment with promotion and growth opportunities."
- Do Thi Van: "Actually, I did not study about Logistics in the very first place. My study major is finance and accounting. However, at that time, it was really competitive to fight for the slot in the Banking or Accounting industry. Once, my brother advised me to seek a job in the Logistics industry which does not require lots of experience and has lots of room for future development. After that, I applied for a few logistics company and got accepted a Royal Cargo. ...Currently, I am really into Real Estate investment. I used to see it as my second source of income; however, I am planning to make it into a full-time job. Although it is riskier

than my current job, the income from this type of investment can go triple or even ten times higher than the monthly income that I received from Royal Cargo."

- Ha Ba Hai: "I have fallen in love with computer and technology since I was a teenager. I used to apply for computer science as the main major for my bachelor degree and started to work as program developer right after graduate. After few years of working, I decided to switch to business development role which provides me better salary and more opportunities for personal growth. ...I have spent nearly ten years with NEC since the company has a really good salary scheme for business development role with high incentives when you successfully sells a project. Besides, NEC also offers international collaborative working environment and gives me lots of chances to work on-site in other countries. Other benefits such as health insurance and overtime policy do stand out from other company."

2) How would you define the term "employee satisfaction"?

There are mixed concepts when it comes to the definition of "Employee Satisfaction". The next question was asked to seek experts' perspectives on the most common concept that has been widely used in the current organizational context.

- Nguyen Quoc Dang Khoa: "Employee satisfaction for me means being able to find the purpose in what I do in an environment that challenges me. It is the feeling of being motivated to go to work every morning and be able to try the best of me to complete the job."
- Ha Thi Ha: "In my opinion, employee satisfaction can be translated into the positive happy feeling when working. The feeling when you are surrounded with the comfortable working environment with no distraction by any unpleasant worry."
- Nguyen Dinh Nhat Thi: "Employee satisfaction only happens when someone is happy with the job that they are doing. It is the motivated feeling to strive for the highest quality of work. It is the feeling when all of your hard work is perfectly compensated and you cannot wait to go to work every morning."
- Do Thi Van: "For me, employee satisfaction is simply the happiness that you have after a long day at work. It is the feeling that drives you go to work every morning and makes you feel super engaged with the company."
- Ha Ba Hai: "In my perspective, employee satisfaction is the extent to which an employee is happy and engaged with the job that they are doing. In essence, it

only happens when the employee's desires and needs at work are fulfilled.”

3) What are the determinants of employee satisfaction in the Vietnam Service sector?

The third question is formulated to determine the critical drivers of employee satisfaction in the specific Vietnam Service sector. The two potential probing questions: “What are the roles of interpersonal relationships and supervision in enhancing employee satisfaction?” and “Do salary, working conditions, company policy and recognition have positive correlations with employee satisfaction?” have also been used to acquire richer insight for the scope of this study.

- Nguyen Quoc Dang Khoa: “It is hard to generalize, this is quite personal for many people. Some common attributes include salary, care package, working environment, opportunity to work with the job they loved, the potential for future growth and bonus & recognition program for a high performer. These factors have different priorities depending on each employee's motivation, which is tremendously influenced by an individual's stage of career path, family background, and education level. In specific, fresh graduates or junior-level employees treasure the opportunity to work on something that they love together with the potential for future growth, especially in a friendly and supportive working environment. Higher salary and bonus can also produce job satisfaction; however, the effect is only short-term. In contrast, senior-level and managerial positioned employees are more likely to put high priority for money, bonus and promotion.”
- Ha Thi Ha: “...In my opinion, allowing employees to do the kind of job they want with helpful supervision is the best way to enhance their job satisfaction. Besides, a collaborative working environment with the potential for future development is also something employees are expecting. ...When it comes to interpersonal relationships, many people might think it plays a vital role in improving employee satisfaction, especially in state-owned enterprises. However, based on my experience, developing a relationship is only mattered when it can bring back some financial benefits. ...It is not the case in which people are seeking social security. They believe that having a good relationship with colleagues or higher positioned people can help them achieve their target faster.”
- Nguyen Dinh Nhat Thi: “In my opinion, promotion and bonus are the best incentives in the Service sector, especially for the Financial Services industry. Coming as the second place is the working environment. In specific, the working

environment includes the company's culture, facilities, interpersonal relationship and growth opportunity. The combination of the previously mentioned factors must go together as missing any of them may not ensure an employee's satisfaction. The last factor that should also be put under consideration is recognition since most people choosing the Service sector has high self-esteem.”

- Do Thi Van: “The determinants of employee satisfaction vary depending on an individual's stage of career path. ...The first stage happens typically within the employee's first five years joining the workforce in which the employee is eager to learn and hungry for experience. For this stage, future growth and supervision are the most critical factors to improve employee satisfaction. Salary, working conditions and interpersonal relationships can also play an important role; however, they come later. When the employees are well-equipped with knowledge and experience, they start to move to the next stage of the career path in which they act as service providers to a company or an institution. In other words, the employee sells his or her expertise in exchange for salary, perks, bonus, in general terms, the right combination of compensation. ...Besides, within the second stage, employees start to demand a friendly, supportive working environment and further recognition from other people.”
- Ha Ba Hai: "It really depends on the working motivations of each employee. For employees who are working for multinational or big corporations with reputation brand name, salary, benefits and perks are not their priorities. ...most employees go to big corporations with the attempts to learn, gain experience, build self-branding, expand network rather than for earning money. With that in mind, supervision and working environment, together with potential for future growth are the key influenced factors of employee satisfaction. However, salary, perks and bonus factors also come right after to ensure that the employee's effort is well compensated and not underrated. On the other hand, for startup or SMEs, salary with benefits and perks are the most important factor to look at. Besides, to further enhance employee satisfaction, many employer also focusing on building a good company culture, training and mentorship program to support employee in planning their future career path."

4) Are those determinants different compared to the Service sector in other capitalist countries, especially the United States?

The fourth question is created to investigate the differences in employee satisfaction determinants between Vietnam and other Western culture countries, specifically the United States, the context-based of most satisfaction theories.

- Nguyen Quoc Dang Khoa: "In my opinion, there are no differences in employee satisfaction determinants across nations. Human needs are quite basic and to be the same in most countries. I have worked as a performance manager in Canada for nearly ten years and in Vietnam for three years. My experience is quite the same, especially in the the case of millennial and Z generation. Thanks to globalization, the gap between culture seems to be erased."
- Ha Thi Ha: "To the extent of my understandings, there are few differences. The first difference is the needs of supervision. In specific, Western employees love self-explore while Vietnamese employee are more passive and prefer following guidance. ...Thus, enhancing supervision or mentorship program can better improve the employee satisfaction in Vietnam than in some Western countries. Furthermore, there is also difference in the needs of recognition. In the context of the Service sector in Vietnam, recognition program is something really sensitive and it brings more trouble rather than happiness. Vietnamese people are always taught to be social-oriented, to work toward a goal of the whole team rather than to express the potential of oneself. The western employees are more individualistic and self-oriented. Recognition is something that they always strive for and perceive as precious award as compensated to their hard work."
- Nguyen Dinh Nhat Thi: "In my opinion, interpersonal relationship is the key difference between Vietnam and other Western countries, especially the United States. ...It seems like the happiness of Vietnamese workers have some direct connections with the fulfilment of social needs and the happiness of American workers are more likely coming from self-fulfilment."
- Do Thi Van: "Employees who are grown up in Eastern culture like Vietnam prioritize quantified value such as salary while employees growing in Western culture look as a whole working experience. The reason behinds could be the gap in standard of living between the two nations. Vietnam is still considered as developing country with the majority of people are still struggling with the daily basic needs. Thus, salary is still put in high priority when choosing a company. In contrast, western countries such as the United States, the basic needs of a human being have been covered by government subsidy and support. With that in

mind, people have more motivation to do the job that they truly love rather than a job that can provide significant amount of money.”

- Ha Ba Hai: “The differences are observable and really depend on history as well as the standard of living in each country. In the 1900s, Vietnam has been through several wars and struggle for national independence. The low living standard has led most people in Vietnam to saving lifestyle to avoid future uncertainty. Thus, most employees still prioritize salary, perks, working conditions when choosing a company. In contrast, most Eastern countries, such as the United States, provide different kinds of subsidies such as health insurance and unemployment allowance, making the people feel more secure in the future and tend to live on the paycheck. Besides, the average standard of living in those Eastern countries, especially the United States, is much higher. The governments provide appropriate working conditions and healthcare support for their citizens. ...the workers have more freedom to choose the work that they want to pursue and have fewer worries about the basic survival needs. Let me give you a quick illustration. There are many industries and academic experts in the United States, but you can hardly find someone with 20+ experience in one particular industry in Vietnam. Thus, Vietnam is still a developing country, and in most cases, money is more important than passion.”

5) How to improve employee satisfaction levels in the Vietnam Service sector?

After understanding the key driver of employee satisfaction, the fifth question is designed to seek expert advices on different ways to improve employee satisfaction, especially in the Vietnam Service sector.

- Nguyen Quoc Dang Khoa: “Creating a professional working environment, fair company policy and treatment of employees, and fair wages would do. Exploiting workers in these areas results in higher turnover rates and higher attrition rates.”
- Ha Thi Ha: “Firstly, you have to ensure salary meets the average of the market and can fulfil employee’s daily basic needs. Secondly, you have conduct a meeting with employee at least one or two times a year to understand latest employee’s expectation. People demands are changing rapidly. ...It is crucial to always keep in touch with your employee. Besides, manager also has to build set of company cultures and values that encourage supportive working environment with more room for employees to grow and pursue the job that they want.”

- Nguyen Dinh Nhat Thi: “At first, make sure that the salary and compensation package meets or exceeds the benchmark of the market. Secondly, have some conversations at the very beginning to understand the employees’ working motivations and expectations. Besides, remember to ensure those expectations align with what your company can offer to avoid future disagreements. Then, it is the job of a manager to have a tailor-made approach to each employee.”
- Do Thi Van: “In a manager perspective, my suggestion is to understand the motivation of your employee first. It is crucial to know what they are worrying and looking for in the future. There is no one-for-all solution, especially in today’s dynamics market.”
- Ha Ba Hai: “All people want to work for a company with a competitive salary and a friendly, supportive working environment with lots of opportunities to grow and do what they love. However, every company has a limited budget to spend on an employee and the job of managers is to maximize the added-value of that fixed budget. Let’s start with a transparency discussion with each employee during their interviews to ensure “what they are expected” and “what we can provide” are aligned. Secondly, the manager has to understand the motivations and priorities factors of each employee to ensure the pain points are well tackled and the needs are fulfilled in the right orders. Thirdly, the manager also has to conduct 1-on-1 meetings with the employee regularly to have the most updated view on the employee’s hierarchy of needs.”

6.3 Discussion

Definition of “Employee satisfaction”

When it comes to the definition of employee satisfaction in the organizational context, there are different concepts suggested by scholars. Since this study adopts Herzberg's Two-factor theory as the conceptual framework, the term employee satisfaction is defined as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience" (Locke, 1976). Besides, the use of the following terms: "job satisfiers" or " job satisfaction determinants" and "employee motivation factors" are interchangeably (Baah and Amoako, 2011). The table below summarizes the responses of five industry experts.

Table 3: The Definition of Employee Satisfaction in Organizational Context

Interviewee	Definition of employee satisfaction
Nguyen Quoc Dang Khoa	"Employee satisfaction for me means being able to find the purpose in what I do in an environment that challenges me. It is the feeling of being motivated to go to work every morning and be able to try the best of me to complete the job."
Ha Thi Ha	"In my opinion, employee satisfaction can be translated into the positive happy feeling when working. The feeling when you are surrounded with the comfortable working environment with no distraction by any unpleasant worry."
Nguyen Dinh Nhat Thi	"Employee satisfaction only happens when someone is happy with the job that they are doing. It is the motivated feeling to strive for the highest quality of work. It is the feeling when all of your hard work is perfectly compensated and you cannot wait to go to work every morning."
Do Thi Van	"For me, employee satisfaction is simply the happiness that you have after a long day at work. It is the feeling that drives you go to work every morning and makes you feel super engaged with the company."
Ha Ba Hai	"In my perspective, employee satisfaction is the extent to which an employee is happy and engaged with the job that they are doing. In essence, it only happens when the employee's desires and needs at work are fulfilled." Vietnamese - German University

It can be insisted from table 3 that there is a significant consistency of response from all the interviewees. All five experts agreed that employee satisfaction could be defined as an individual's feeling of happy or motivated to strive for the best when working. This feeling can be generated when an individual's desires and needs at work are fulfilled.

Research question 1: What are the determinants of employee satisfaction in the Vietnam Service sector?

This research question is designed to determine the critical driver of employee satisfaction in the Vietnam Service sector. According to previous literature reviews based on Maslow's Hierarchy of Needs, Herzberg's Two-Factor Theory, and Nevis's Hierarchy of Needs, a set of determinants belongs to four layers of needs, including Love and Belongings, Physiological, Safety, Actualization, has been explored. In specific, according to Nevis (1983), people growing up in collectivistic culture give more priority to the interdependence between humans rather than personal interest. In other words, the needs for recognition has been wiped out, and social factors, including interpersonal relationship and supervision, are more critical than physiological and

safety needs. The following table presents the key findings after the interviews with five industry experts.

Table 4: The Key Determinants of Employee Satisfaction in The Vietnam Service Sector

Interviewees	Key determinants of employee satisfaction
<p>Nguyen Quoc Dang Khoa</p>	<p>The determinants are hard to generalize and receives different prioritization depending on an individual's stage of career path, family background, and education level.</p> <ul style="list-style-type: none"> • Fresh graduates and junior staffs: <ul style="list-style-type: none"> - The work itself and growth opportunity - Working environment: supervision, interpersonal relationships - Salary and bonus • Senior staff and managerial positioned employee: <ul style="list-style-type: none"> - Salary and bonus - Promotion
<p>Ha Thi Ha</p>	<p>In the context of state-owned enterprise, the key influenced factors to include:</p> <ul style="list-style-type: none"> • The work itself • Supervision • Working environment • Growth opportunity
<p>Nguyen Dinh Nhat Thi</p>	<p>The key determinants include:</p> <ul style="list-style-type: none"> • Year-end, performance bonus and promotion • Working environment: company's culture, facilities, interpersonal relationship and growth opportunity • Recognition
<p>Do Thi Van</p>	<p>The determinants of employee satisfaction vary depending on an individual's stage of career path.</p> <ul style="list-style-type: none"> • The first stage: when employees are eager to learn and hungry for experience: <ul style="list-style-type: none"> - Growth opportunity and supervision - Salary - Working conditions - Interpersonal relationships • The second stage: when employees are well-equipped with knowledge and experience: <ul style="list-style-type: none"> - Compensation package: salary, perks, bonus - Working environment - Recognition

Ha Ba Hai	<p>The determinants of employee satisfaction depend on employees' motivation when choosing the type of company to work.</p> <ul style="list-style-type: none"> • Multinational or big corporation: employees go to these types of companies with the attempts to gain experience and self-branding <ul style="list-style-type: none"> - Supervision: training and mentorship program - Working environment - Growth opportunities - Salary, perks and bonus • Start-up or SME: employees go to these types of companies to mainly seek financial benefits <ul style="list-style-type: none"> - Salary, perks and bonus - Company culture - Supervision: training and mentorship program
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As stated in table 4, there is consistency in all experts' responses on the standard set of employee satisfaction determinants, including salary, working conditions, supervision, interpersonal relations, growth, achievement, and the job itself. However, the prioritization order of these factors varies depending on the employee's work motivation. Specifically, both Khoa Nguyen and Van Do agreed on the impact of the career and life stage on prioritizing job satisfaction determinants. At the same time, Ha Ha and Hai Ha insisted company types as the leading cause of employee motivation differences. However, in the long run, four out of five interviewees considered money factors, which can be translated into salary, perks, bonus, as the most vital factor influencing employee satisfaction. One of the reasons behind this pattern is the heavy financial burden of most Vietnamese people (Interview with Khoa Nguyen).

Besides, all five experts emphasized the importance of interpersonal relationships and supervision or mentorship in the Vietnam Service sector, especially in the case of fresh graduates or junior staffs; however, in the long run, it cannot outweighs the first place of salary and other money-oriented factors in the list. Additionally, Thi Nguyen and Van Do also agreed on the importance of the recognition factor, which Nevis (1983) suggested to be wiped out from the collectivistic workers' hierarchy of needs.

The expert interview's key findings share many similarities with the findings in the literature review conducted by Vietnam scholars. The studies of Le et al. (2015) and Phan (2017), conducted in the Banking and Financial Services sectors, emphasized salary, interpersonal relationship and supervision as the key drivers of employee satisfaction. Other factors, including promotion, growth, and the work itself, are

positively correlated with employee satisfaction; however, the relations' significance is less than the three salary, interpersonal relationship, and supervision factors. The same pattern is also highlighted in the researches of Nguyen (2015) and Pham (2017) conducted in the Vietnam Education and Retail industries. However, there are limited studies in the Vietnam context when it comes to the importance of recognition factors, which opens potential opportunities for future research.

Research question 2: Are those determinants different compared to the Service sector in other capitalist countries, especially the United States?

As stated in the previous chapter, classic satisfaction theories, including Maslow's Hierarchy of Needs and Herzberg's Two-factor theory, were mainly conducted in the United States - a typical capitalist country (Rugman & Hodgetts, 2002; Luthans, 2005; Robbins, 2005). Thus, many scholars have questioned the application feasibility of these theoretical concepts across different cultures (Smith and Kendall, 1963; Gambrel and Cianci, 2003). This research question is designed to emphasize the critical differences in employee satisfaction determinants between Vietnam and other western capitalist countries, especially the United States - the main context-based of Maslow's and Herzberg's theories. The following table presents a snapshot of the expert's perspectives.

Vietnamese - German University

Table 5: The Key Differences in Employee Satisfaction between the Services Sector in Vietnam and in the United States

Interviewee	Differences in employee satisfaction
Nguyen Quoc Dang Khoa	<ul style="list-style-type: none"> • There are no differences in employee satisfaction determinants across nations. <ul style="list-style-type: none"> - Globalization has erased the gap between cultures.
Ha Thi Ha	<ul style="list-style-type: none"> • Key difference is the importance of supervision and recognition factors: <ul style="list-style-type: none"> - Supervision is in higher priority in Vietnam, while recognition is more important in the case of the United States.
Nguyen Dinh Nhat Thi	<ul style="list-style-type: none"> • Key difference is the importance of the interpersonal relationship: <ul style="list-style-type: none"> - For Vietnamese workers, happiness comes from the fulfilment of social needs, the feeling to be part of the team, while self-fulfilment is the source of satisfaction for American workers.

Do Thi Van	<ul style="list-style-type: none"> • Key difference is the priority between salary and nature of the work itself: <ul style="list-style-type: none"> - Due to the gap of standard living between developing and developed countries, Vietnamese people have more tendency to pursue higher income while American people have more motivation to pursue the job that they truly love.
Ha Ba Hai	<ul style="list-style-type: none"> • Key difference is the priority of salary and working conditions: <ul style="list-style-type: none"> - Vietnamese people are future risk-averse and follow a saving lifestyle, which leads to the high prioritization of money-related factors. On the other hand, American people are well-supported by the government on daily basic needs. Thus, they have more tendency to follow the job that they love.

As can be seen from the five experts' answers, there are mixed arguments on the differences in employee satisfaction determinants between Vietnam and the United States. Both Van Do and Hai Ha agreed that there is a difference in salary factor priority due to the gap in lifestyle, living standard, and government policies between the two countries. At the same time, Ha Ha and Thi Nguyen suggested the existence of priorities toward social needs, including interpersonal relationships and supervision in Vietnamese workers. Specifically, as stated in the interview with Thi Nguyen: "The happiness of Vietnamese workers have some direct connections with the fulfilment of social needs and the happiness of American workers are more likely coming from self-fulfilment". Additionally, Ha Ha also supported the argument by highlighting the high needs of recognition from American workers. However, the response of Khoa Nguyen is contrary to other expert's answers. He insisted that there are no differences in employee satisfaction's key drivers because of globalization's expansion in the current decades.

Research question 3: How to improve employee satisfaction level in the Vietnam Service sector?

Currently, there is no paper that can be referred to as the guideline to improve the satisfaction level in the Vietnam Service sector. This research question is developed to investigate this topic by seeking opinions from industry experts. The responses from the interviews are summarized in the table below.

Table 6: The Different Ways to Improve Employee Satisfaction in the Vietnam Service Sector

Interviewee	Ways to improve employee satisfaction
Nguyen Quoc Dang Khoa	<ul style="list-style-type: none"> • Provide a professional working environment, fair company policy and treatment of employees, and fair wages
Ha Thi Ha	<ul style="list-style-type: none"> • Ensure the salary meets the market average • Conduct meeting with employees one to two times a year to understand employee's expectation • Build a set of company cultures and values that encourage a supportive working environment and provide personal development opportunities
Nguyen Dinh Nhat Thi	<ul style="list-style-type: none"> • Ensure the salary and compensation packages meets or exceeds the market benchmark • Have conversations with employees to understand working motivations and expectations • Apply "tailor-made approach" to each employee
Do Thi Van	<ul style="list-style-type: none"> • Understand the motivation of the employee
Ha Ba Hai	<ul style="list-style-type: none"> • Have transparent discussion during the interview to ensure "what they are expected" and "what the company can provide" are aligned • Understand motivations with specific priorities of each factor • Tackle the pain point and fulfil the needs in the right order • Conduct 1-on-1 meetings with the employee regularly to have the most updated view on the employees' hierarchy of needs.

As presented in table 6, four out of five interviewees emphasized that understanding employee motivation and expectation is the key success factor. Once stated in the interview with Hai Ha, all employees demand "a competitive salary and a friendly, supportive working environment with lots of opportunities to grow and do what they love"; however, the company's budget is limited, and the manager has to optimize the usage of money. Thus, having a clear understanding of employees' insight is the key changing factors. Van Do also supported the argument by mentioning the "tailor-made approach" for each employee. In addition, the three industry experts including Ha Ha, Van Do and Hai Ha also highlighted the needs of conducting employee meetings regularly to ensure employees' latest worry and demand are captured and well-tackled.

Chapter 7: Conclusion and Future Outlook

7.1 Conclusion

In conclusion, this research was conducted to explore the critical drivers of employee satisfaction in the Vietnam Service sector. By adopting qualitative research methods, including desk research and in-depth interviews, this study has fully answered the three main research questions that were listed initially.

Research question 1: What are the determinants of employee satisfaction in the Vietnam Service sector?

All five industry experts' responses are consistent by illustrating the standard set of employee satisfaction determinants, including salary, working conditions, supervision, interpersonal relations, recognition, growth, achievement, and the job itself. Additionally, most interviewees argued on the differences in the priority level of these factors due to the variance in an individual's motivation and expectation in different career stages and types of the companies that he/she applies. However, in the long run, salary is considered as the most influenced factor of employee satisfaction. Besides, factors belonging to social needs, including interpersonal relationships, supervision also play a vital role in improving employee satisfaction; however, it only happens in the case of fresh graduate, junior-level staff, or further producing financial benefits.

Research question 2: Are those determinants different compared to the Service sector in other capitalist countries, especially the United States?

According to the currently available literature, it can be concluded that Vietnamese employees mostly follow a collectivist culture while the American workers have more tendency toward individualism. Besides, a gap in standard living and government policies between the two countries also contributes to the differences in prioritization level of employee satisfaction determinants. Thus, employees in the Vietnam Service sector do not have a high need for recognition and prioritize social needs than individual needs. Additionally, to some extent, salary and working conditions can produce employee satisfaction in Vietnamese workers, which does not typically happen in the United States.

However, there are mixed arguments when it comes to the industry expert interviews. Two experts in the Logistics and Information Technology industries emphasized the difference in the importance of salary and working conditions between Vietnam and the United States. Simultaneously, two experts in the Transportation and Financial Services

industries agreed on the existence of priorities toward social needs, including interpersonal relationships and supervision in Vietnam. On the other hand, Khoa Nguyen - an expert in Telecommunication and Consulting, concluded with no differences between Vietnam and the United States due to the high expansion of globalization.

Research question 3: How to improve employee satisfaction level in the Vietnam Service sector?

There are limited papers conducted in the context of the Vietnam Service sector regarding this topic. However, there are consistency answers from four experts in the urgent need to understand employee working motivations and expectations regularly. Providing a “tailor-made approach” for each employee and tackling the right pain points in the least amount of time are the critical success factor in improving employee satisfaction.

7.2 Limitations and Potential Future Research

Within the scope of this study, the data was collected by conducting in-depth interviews with the experts in the Vietnam Service sector. Due to the limited time frame, five interviews were conducted, which leads to difficulties in the generalization process. Besides, some interviews were conducted in Vietnamese and then translated into English, which can also pose a risk. However, this study can serve as a foundation for future research on job satisfaction in the Vietnam Service sector. Besides, company owners, especially in the Service sector, can leverage this paper when making human resources management strategy. It is also useful for managers or human resources executives when nurture or inspire employees under management. Moreover, this study also provides rich insights for anyone who wants to gain more understanding of employee behaviours.

The responses from industry expert interviews provided a depth of information and detailed explanation of employee satisfaction determinants in the Vietnam Service sector. However, more qualitative research on this topic is needed to expand the sample size, increasing population generalization accuracy. Additionally, research on the drivers of employee satisfaction determinants priority should also be conducted to provide a more holistic view on the research topic.

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Vietnamese - German University

Appendix A

Respondent: Nguyen Quoc Dang Khoa (Khoa Nguyen)

Interviewer: Do Ha Hoang Anh

Date of interview: 14/9/2020

Do Ha Hoang Anh: "Good afternoon. Thank you for accepting my interview invitation. Can we start with a summary of your background and experience?"

Nguyen Quoc Dang Khoa: "My name is Nguyen Quoc Dang Khoa. I am a senior manager at KPMG Vietnam in Customer & Operations Consulting line service. I am currently a project manager and technical lead of several customer experience and digital transformation projects. Before joining KPMG, I have worked as Operations & Performance manager at Bell. It is one of Canada's largest telecommunications company. My main responsibility includes improving the NPS index, launching new products and improving the efficiency of the back office. The team under my management typically ranges between ten and hundreds of employees with different background."



Do Ha Hoang Anh: "That's really impressive. In total, how many years that you have spent working in the service sector and why did you choose to work in service sector, especially in Vietnam context?"

Nguyen Quoc Dang Khoa: "In total, I have worked in the service sector for more than 13 years. The reason for choosing this sector can be consolidated into two words - "Money" and "Challenges". I first started to work in the service sector because of money and keep working in it due to the challenged feeling. As my parents used to work for minimum wage job, I always thrive for stable financially supported life. Working in service sector is a short cut for me to achieve my target. After few years working in Canada, I wanted to do something more challenging. Thus, I moved back to Vietnam and re-started my career by working in KPMG Management Consulting firm. Although the salary is much lower in comparison with Canada, it still can fulfilled my basic needs and I feel more motivated. I can clearly

see my added-value when working here, just like finding a right puzzle for a whole picture.”

Do Ha Hoang Anh: "Would you like to switch to other sectors in the future?"

Nguyen Quoc Dang Khoa: "In the future, I may work for different sector as long as the work gives me purpose and challenges me."

Do Ha Hoang Anh: "Let's move to a question regarding to employee satisfaction. How would you define the term "employee satisfaction"?"

Nguyen Quoc Dang Khoa: "Employee satisfaction for me means being able to find the purpose in what I do in an environment that challenges me. It is the feeling of being motivated to go to work every morning and be able to try the best of me to complete the job."

Do Ha Hoang Anh: "What are the determinants of employee satisfaction in the Vietnam service sector? "

Nguyen Quoc Dang Khoa: "It is hard to generalize, this is quite personal for many people. Some common attributes include salary, care package, working environment, opportunity to work with the job they loved, the potential for future growth and bonus & recognition program for a high performer. These factors have different priorities depending on each employee's motivation, which is tremendously influenced by an individual's stage of career path, family background, and education level. In specific, fresh graduates or junior-level employees treasure the opportunity to work on something that they love together with the potential for future growth, especially in a friendly and supportive working environment. Higher salary and bonus can also produce job satisfaction; however, the effect is only short-term. In contrast, senior-level and managerial positioned employees are more likely to put high priority for money, bonus and promotion. The stage of career is also parallel with the stage of life. When people get older, start to get married and have children, the financial burden is becoming heavier. Thus, there is no factor that can outplay the importance

of money. There might be some exceptional cases; however, this is the pattern that I have experienced in the context of Vietnam Service sector.”

Do Ha Hoang Anh: “Are those determinants different compared to the Service sector in other capitalist countries, especially the United States?”

Nguyen Quoc Dang Khoa: “In my opinion, there are no differences in employee satisfaction determinants across nations. Human needs are quite basic and to be the same in most countries. I have worked as a performance manager in Canada for nearly ten years and in Vietnam for three years. My experience is quite the same, especially in the the case of millennial and Z generation. Thanks to globalization, the gap between culture seems to be erased.”

Do Ha Hoang Anh: “This is the last question. How to improve employee satisfaction levels in the Vietnam service sector?”

Nguyen Quoc Dang Khoa: “Creating a professional working environment, fair company policy and treatment of employees, and fair wages would do. Exploiting workers in these areas results in higher turnover rates and higher attrition rates.”

Do Ha Hoang Anh: “This is the end of the interview. Thank you so much for your time and support.”

Nguyen Quoc Dang Khoa: “You are welcome.”

Appendix B

Respondent: Ha Thi Ha (Ha Ha)

Interviewer: Do Ha Hoang Anh

Date of interview: 15/9/2020

Do Ha Hoang Anh: "Good morning. Thank you for accepting my interview invitation. Can we start with a summary of your background and experience?"

Ha Thi Ha: "My name is Ha Thi Ha, and I have worked for ACV - Airport Corporation of Vietnam for more than 25 years. The company name may sound unfamiliar to most people; however, ACV is in charge of the operations of all the 21 civil airports in Vietnam, with 95% of state-owned shares. At the moment, I work as Operations Manager for both Tan Son Nhat domestic and international airport. I am mostly working on balancing the financial budget and develop business plans. On some occasions, I am also in charge of recruitment and employee development activities."

Do Ha Hoang Anh: "How many employees under your management and what are their backgrounds?"

Ha Thi Ha: "My team has 25 employees with different backgrounds. All of them are Vietnamese; however, 30% of them have a bachelor degree from foreign countries such as the United States and Canada."

Do Ha Hoang Anh: "That's really impressive. Why did you choose to work in service sector, especially in Vietnam context?"

Ha Thi Ha: "In the past 30 years, service sector was perceived as high class with premium income, which only for wealthy or well-educated people. Working in manufacturing, construction and agriculture was purely manual and only for men with physical strength. At that time, most families directed their children, especially daughter to pursue higher study with more chance to work in service sector. I was born in a traditional northern family and service sector has been my dream since i was in high school. After several years working in the Service factor, I totally fell in

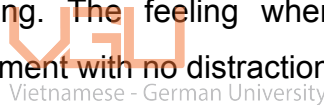
love with it. It is dynamics and keeps changing rapidly in which I never get bored. I love the feeling to talk with people in stead of working with machine or agriculture stuffs. Besides, the salary is much higher in compared with other sectors and it keeps raising when you are experienced and get older which is quite contrast with other sectors. The older you are, the more potential of being fired.”

Do Ha Hoang Anh: "Would you like to switch to other sectors in the future?"

Ha Thi Ha: "At this moment, I am satisfied with my job and do not plan to switch to any other sectors."

Do Ha Hoang Anh: "Let's move to a question regarding to employee satisfaction. How would you define the term "employee satisfaction"?"

Ha Thi Ha: "In my opinion, employee satisfaction can be translated into the positive happy feeling when working. The feeling when you are surrounded with the comfortable working environment with no distraction by any unpleasant worry."



Do Ha Hoang Anh: "What are the determinants of employee satisfaction in the Vietnam service sector? "

Ha Thi Ha: "Allow employees to do the kind of job they want is the best way to satisfy them. In the context of state-owned enterprise, a compensation package for employees, which includes salary, perks and benefits, is well-regulated with the corresponding roles and responsibilities. There is also no incentive, such as a bonus for high-performance people. If we compare those materialistic things between state-owned enterprise and private enterprise, the state-owned enterprise steps far behind. Thus, money and benefits are not what the employees are prioritized when applying to State-owned enterprises. In my opinion, allowing employees to do the kind of job they want with helpful supervision is the best way to enhance their job satisfaction. Besides, a collaborative working environment with the potential for future development is also something employees are expecting."

Do Ha Hoang Anh: “What are the roles of interpersonal relationships and supervision in enhancing employee satisfaction?”

Ha Thi Ha: “When it comes to interpersonal relationships, many people might think it plays a vital role in improving employee satisfaction, especially in state-owned enterprises. However, based on my experience, developing a relationship is only mattered when it can bring back some financial benefits. In Eastern countries, especially Vietnam and China, you can see lots of people put more effort into making friends rather than focusing on complete their assigned tasks. It is not the case in which people are seeking for social security. They believe that having a good relationship with colleagues or higher positioned people can help them achieve their target faster. Thus, providing a great collaborative working environment does have some impact on improving employee satisfaction; however, it is not critical enough to come first - on top of the list.”

Do Ha Hoang Anh: “Are those determinants different compared to the Service sector in other capitalist countries, especially the United States?”

Ha Thi Ha: “To the extent of my understandings, there are few differences. The first difference is the needs of supervision. In specific, Western employees love self-explore while Vietnamese employee are more passive and prefer following guidance. In different words, leaving Vietnamese employee alone with no instruction is just like a signal that you want a resignation letter from them. On the other hand, if it is the case of Western employees, they shall perceive as an opportunity to show up themselves and work hard to prove it. Thus, enhancing supervision or mentorship program can better improve the employee satisfaction in Vietnam than in some Western countries. Furthermore, there is also difference in the needs of recognition. In the context of the Service sector in Vietnam, recognition program is something really sensitive and it brings more trouble rather than happiness. Vietnamese people are always taught to be social-oriented, to work toward a goal of the whole team rather than to express the potential of oneself. The western employee are more individualistic and self-oriented. Recognition is something that they always strive for and perceive as precious award as compensated to their hard work.”

Do Ha Hoang Anh: “This is the last question. How to improve employee satisfaction levels in the Vietnam service sector?”

Ha Thi Ha: “Firstly, you have to ensure salary meets the average of the market and can fulfil employee’s daily basic needs. Secondly, you have to conduct a meeting with employee at least one or two times a year to understand latest employee’s expectation. People demands are changing rapidly. A wow from today can be a norm for tomorrow. It is crucial to always keep in touch with your employee. Besides, manager also has to build set of company cultures and values that encourage supportive working environment with more room for employees to grow and pursue the job that they want.”

Do Ha Hoang Anh: “This is the end of the interview. Thank you so much for your time and support.”

Ha Thi Ha: “No problem. Feel free to contact me via email if you have any further questions.”



Appendix C

Respondent: Nguyen Dinh Nhat Thi (Thi Nguyen)

Interviewer: Do Ha Hoang Anh

Date of interview: 15/9/2020

Do Ha Hoang Anh: "Good afternoon. Thank you for accepting my interview invitation. Can we start with a summary of your background and experience?"

Nguyen Dinh Nhat Thi: "My name is Nguyen Dinh Thi and I have worked for the Vietnam service sector for nearly 11 years. I have worked for several banks in Vietnam, which includes both international and national brand names. My first job was at HSBC and then further changed to Shinhan Bank and at the moment VIB - Vietnamese International Commercial Joint Stock Bank. My working field includes Project Management, System Transformation, Process and Policy Management, Product Development. Currently, I am Project manager & Partnership manager for some Digital Bank conversion projects including "Automation of Core Banking System" and "Standardization of Trade Finance"."



Do Ha Hoang Anh: "That's really impressive. In the first place, Why did you choose to work in service sector, especially in Vietnam context?"

Nguyen Dinh Nhat Thi: "I used to study about banking and economics when I was an undergraduate student at Vietnam Foreign Trade university. Back into those days, banker was one of the most popular job with high compensation and international working environment. At that time, I just followed the trend and received lots of support from my parents."

Do Ha Hoang Anh: "Would you like to switch to other sectors in the future?"

Nguyen Dinh Nhat Thi: "I am quite satisfied with my current job so It would be a no for going into a new sector. The job provides a good compensation package as well as a collaborative working environment with promotion and growth opportunities."

Do Ha Hoang Anh: "Let's move to a question regarding to employee satisfaction. How would you define the term "employee satisfaction"?"

Nguyen Dinh Nhat Thi: "Employee satisfaction only happens when someone is happy with the job that they are doing. It is the motivated feeling to strive for the highest quality of work. It is the feeling when all of your hard work is perfectly compensated and you cannot wait to go to work every morning."

Do Ha Hoang Anh: "What are the determinants of employee satisfaction in the Vietnam service sector? "

Nguyen Dinh Nhat Thi: "In my opinion, promotion and bonus are the best incentives in the service sector, especially for the Financial Services industry. At the moment, the salary and benefits package are quite identical between companies within the same segment. Having a competitive year-end or high-performance bonus and offering a good promotion scheme are the only ways to differentiate a company's benefits from the others. Coming as the second place is the working environment. In specific, the working environment includes the company's culture, facilities, interpersonal relationship and growth opportunity. The combination of the previously mentioned factors must go together as missing any of them may not ensure an employee's satisfaction. The last factor that should also be put under consideration is recognition. since most people choosing the service sector has high self-esteem. As I have mentioned before, bankers in Vietnam are commonly perceived as high-class, well-educated, wealthy people. Thus, people who are fighting for a slot in the Financial Services industry or service sector in general are mainly because of money and social status. With that in mind, recognition program such as "Best employee of the month" is one of the best incentives, especially for people with high esteem."

Do Ha Hoang Anh: "Are those determinants different compared to the Service sector in other capitalist countries, especially the United States?"

Nguyen Dinh Nhat Thi: "In my opinion, interpersonal relationship is the key difference between Vietnam and other Western countries, especially the United

States. The team under my management have mixed culture backgrounds and I can clearly see the differences among them. Vietnamese employees love the feeling to be part of the team. They spend more time eating lunch together and hanging out after work while employees with Western background prefer spending time on their own interests. Actually they do join some after work activities; however, most of the times it is in formal settings such as business networking event. It seems like the happiness of Vietnamese workers have some direct connections with the fulfilment of social needs and the happiness of American workers are more likely coming from self-fulfilment."

Do Ha Hoang Anh: "This is the last question. How to improve employee satisfaction levels in the Vietnam service sector?"

Nguyen Dinh Nhat Thi: "At first, make sure that the salary and compensation package meets or exceeds the benchmark of the market. Secondly, have some conversations at the very beginning to understand the employees' working motivations and expectations. Besides, remember to ensure those expectations align with what your company can offer to avoid future disagreements. Then, it is the job of a manager to have a tailor-made approach to each employee."

Do Ha Hoang Anh: "This is the end of the interview. Thank you so much for your time and support."

Nguyen Dinh Nhat Thi: "You are welcome."

Appendix D

Respondent: Do Thi Van (Van Do)

Interviewer: Do Ha Hoang Anh

Date of interview: 17/9/2020

Do Ha Hoang Anh: "Good afternoon. Thank you for accepting my interview invitation. Can we start with a summary of your background and experience?"

Do Thi Van: "My name is Do Thi Van. I have worked for the Logistics industry for more than 15 years. I am currently a Sales Manager for Royal Cargo. It is a multinational logistics company and I work for its representative office in Vietnam. I started working for Royal Cargo after my university graduation and have not changed to any other company yet. My main works include conducting business development, managing the company's key accounts, developing business plan & strategy and managing the sales team. In particular, I am in charge of managing the sales process, allocating KPI to the sales team and provide coaching or mentorship program to the employees under my management. At the moment, the sales team under my management consists of ten to twenty employees with diversified backgrounds. However, most of them are still Vietnamese people."

Do Ha Hoang Anh: "Why did you choose to work in the Logistics industry, especially in Vietnam context?"

Do Thi Van: "Actually, i did not study about logistics in the very first place. My study major is finance and accounting. However, at that time, it was really competitive to fight for the slot in the Banking or Accounting industry. Once, my brother advised me to seek a job in the Logistics industry which does not require lots of experience and has lots of room for future development. After that, I applied for few logistics company and got accepted a Royal Cargo."

Do Ha Hoang Anh: "What are the factors that keep you stay for more than 15 years in a same company?"

Do Thi Van: “At first, the company’s working environment really inspired me. The company provided pretty good training programs and opportunities for personal development. My mentor was really supportive and the compensation is above the market average.”

Do Ha Hoang Anh: “Would you like to switch to other industry or sector in the future?”

Do Thi Van: “Currently, I am really into Real Estate investment. I used to see it as my second source of income; however, I am planning to make it into a full-time job. Although it is riskier than my current job, the income from this type of investment can go triple or even ten time higher than the monthly income that I received from Royal Cargo.”

Do Ha Hoang Anh: “Let’s move to a question regarding to employee satisfaction. How would you define the term “employee satisfaction”?”



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Do Thi Van: “For me, employee satisfaction is simply the happiness that you have after a long day at work. It is the feeling that drives you go to work every morning and makes you feel super engaged with the company.”

Do Ha Hoang Anh: “What are the determinants of employee satisfaction in the Vietnam service sector? “

Do Thi Van: “The determinants of employee satisfaction vary depending on an individual's stage of career path. In general words, an employee's career path can be divided into two stages: learning stage and service providing stage. The first stage happens typically within the employee's first five years joining the workforce in which the employee is eager to learn and hungry for experience. For this stage, future growth and supervision are the most critical factors to improve employee satisfaction. Salary, working conditions and interpersonal relationships can also play an important role; however, they come later. When the employees are well-equipped with knowledge and experience, they start to move to the next stage of the career path in

which they act as service providers to a company or an institution. In other words, the employee sells his or her expertise in exchange for salary, perks, bonus, in general terms, the right combination of compensation. When the relationship between the employee and employer is simply seller versus buyer, the better the package of compensation can directly translated into higher satisfaction level of an employee. Within the second stage, employees start to demand a friendly, supportive working environment and further recognition from other people.”

Do Ha Hoang Anh: “Are those determinants different compared to the Service sector in other capitalist countries, especially the United States?”

Do Thi Van: “The team under my management includes many people from diversified cultures and i can clearly see different patterns among them. Employees who are grown up in Eastern culture like Vietnam prioritize quantified value such as salary while employees growing in Western culture look as a whole working experience. The reason behinds could be the gap in standard of living between the two nations. Vietnam is still considered as developing country with the majority of people are still struggling with the daily basic needs. Thus, salary is still put in high priority when choosing a company. In contrast, western countries such as the United States, the basic needs of a human being have been covered by government subsidy and support. With that in mind, people have more motivation to do the job that they truly love rather than a job that can provide significant amount of money.”

Do Ha Hoang Anh: “This is the last question. How to improve employee satisfaction levels in the Vietnam service sector?”

Do Thi Van: “In a manager perspective, my suggestion is to understand the motivation of your employee first. It is crucial to know what they are worrying and looking for in the future. There is no one-for-all solution, especially in today’s dynamics market.”

Do Ha Hoang Anh: “This is the end of the interview. Thank you so much for your time and support.”

Do Thi Van: “You are welcomed. If you have any following questions, feel free to contact me via email or phone number.”



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Appendix E

Respondent: Ha Ba Hai (Hai Ha)

Interviewer: Do Ha Hoang Anh

Date of interview: 18/9/2020

Do Ha Hoang Anh: "Good morning. Thank you for accepting my interview invitation. Can we start with a summary of your background and experience?"

Ha Ba Hai: "My name is Ha Ba Hai. I am the founder of Beetech - a tech start-up with more than 20 employees. My company provides warehouse management solutions by applying new technology which has not been used in Vietnam, such as RFID tags. Before establishing Beetech, I have worked for several technology companies with nearly ten years working as Enterprise Division Sales Head at NEC - a Japanese multinational information technology company. During my career at NEC, I have worked on-site in Japan, Singapore and Malaysia in four to five years. My primary responsibilities include conducting business development, building strategy plan, managing project execution team and sales team. The core team under my management has around twenty employees and the number can go up to hundreds in some cross-countries projects."

Do Ha Hoang Anh: "Why did you choose to work in the Information Technology industry, especially in Vietnam context?"

Ha Ba Hai: "I have fallen in love with computer and technology since I was a teenager. I used to apply for computer science as the main major for my bachelor degree and started to work as program developer right after graduate. After few years of working, I decided to switch to business development role which provides me better salary and more opportunities for personal growth."

Do Ha Hoang Anh: "What are the factors that keep you stay for nearly 10 years in NEC?"

Ha Ba Hai: “NEC has a really good salary scheme for business development role with high incentives when you successfully sells a project. Besides, the company also offers international collaborative working environment and gives me lots of chances to work on-site in other countries. Other benefits such as health insurance and OT policy do stand out from other company.”

Do Ha Hoang Anh: “Would you like to switch to other industry or sector in the future?”

Ha Ba Hai: “I just made a life-changing decision last year as establishing a tech start-up. The company is currently on the right track of development so I do not have any plan to switch to any other industry, or even a new company.”

Do Ha Hoang Anh: “Let’s move to a question regarding to employee satisfaction. How would you define the term “employee satisfaction”?”

Ha Ba Hai: “In my perspective, employee satisfaction is the extent to which an employee is happy and engaged with the job that they are doing. In essence, it only happens when the employee’s desires and needs at work are fulfilled.”

Do Ha Hoang Anh: “What are the determinants of employee satisfaction in the Vietnam service sector? “

Ha Ba Hai: “In my opinion, it is hard to conclude with an absolute set of determinants. It really depends on the working motivations of each employee. I have worked for both multinational corporation and start-up, and experienced many different needs from my employee. For employees who are working for multinational or big corporations with reputation brand name, salary, benefits and perks are not their priorities. In Vietnam context, the compensation from big names are far more lower than private or start-up company. The high salary with stand-out benefit packages are the most common form of incentive which attracts employees to work for small brand names. Thus, most employees go to big corporations with the attempts to learn, gain experience, build self-branding, expand network rather than

for earning money. With that in mind, supervision and working environment, together with potential for future growth are the key influenced factors of employee satisfaction. However, salary, perks and bonus factors also come right after to ensure that the employee's effort is well compensated and not underrated. On the other hand, for start-up or SMEs, salary with benefits and perks are the most important factor to look at. Besides, to further enhance employee satisfaction, many employer also focusing on building a good company culture, training and mentorship program to support employee in planning their future career path."

Do Ha Hoang Anh: "Are those determinants different compared to the Service sector in other capitalist countries, especially the United States?"

Ha Ba Hai: "The differences are observable and really depend on history as well as the standard of living in each country. In the 1900s, Vietnam has been through several wars and struggle for national independence. The low living standard has led most people in Vietnam to saving lifestyle to avoid future uncertainty. Thus, most employees still prioritize salary, perks, working conditions when choosing a company. In contrast, most Eastern countries, such as the United States, provide different kinds of subsidies such as health insurance and unemployment allowance, making the people feel more secure in the future and tend to live on the paycheck. Besides, the average standard of living in those Eastern countries, especially the United States, is much higher. The governments provide appropriate working conditions and healthcare support for their citizens. With that in mind, the workers have more freedom to choose the work that they want to pursue and have fewer worries about the basic survival needs. Let me give you a quick illustration. There are many industries and academic experts in the United States, but you can hardly find someone with 20+ experience in one particular industry in Vietnam. Thus, Vietnam is still a developing country, and in most cases, money is more important than passion."

Do Ha Hoang Anh: "This is the last question. How to improve employee satisfaction levels in the Vietnam service sector?"

Ha Ba Hai: “This is a tough question since it depends on the performance of your company. All people want to work for a company with a competitive salary and a friendly, supportive working environment with lots of opportunities to grow and do what they love. However, every company has a limited budget to spend on an employee and the job of managers is to maximize the added-value of that fixed budget. Let’s start with a transparency discussion with each employee during their interviews to ensure “what they are expected” and “what we can provide” are aligned. Secondly, the manager has to understand the motivations and priorities factors of each employee to ensure the pain points are well tackled and the needs are fulfilled in the right orders. Thirdly, the manager also has to conduct 1-on-1 meetings with the employee regularly to have the most updated view on the employee’s hierarchy of needs.”

Do Ha Hoang Anh: “This is the end of the interview. Thank you so much for your time and support.”

Ha Ba Hai: “No problem. Feel free to approach me if you have any other questions.



Statutory declaration

Full name: Do Ha Hoang Anh

Matriculation number: FA2014-7947

Thesis title: The Underlying Factors of Employee Satisfaction: A Qualitative Study of Vietnam Service Sector

Supervisor: Prof. Dr. Andreas Stoffers



Vietnamese - German University

I herewith declare that I have completed the stated thesis independently, without making use of other than the specified literature and aids. Sentences or parts of sentences quoted literally are marked as quotations; identification of other references with regard to the statement and scope of the work is quoted. The thesis in this form or in any other form has not been submitted to an examination body and has not been published. This thesis has not been used, either in whole or part, for another examination achievement.

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Do Ha Hoang Anh