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The Role of Culture in the Quality of Logistics Services in Vietnam: A Study of Vietnamese Logistics Service Providers

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Abstract

This study was conducted to understand the role of culture in the quality of logistics services in Vietnam: A study of Vietnamese logistics service providers. By qualitative research method, based on the study of documents and in-depth interview results with 16 managers of 15 logistics enterprises in Vietnam. Research results show that cultural values such as collectivism, power distance, uncertainty avoidance, harmony and face preservation play an important

role in forming the service quality of logistics companies in Vietnam. These cultural values can positively and negatively impact service quality, depending on how they are managed and leveraged. Based on the research results, a number of recommendations have been made to improve the quality of logistics services for logistics enterprises in Vietnam.

Keywords: Service Quality, Quality of Logistics Services, Organizational Culture, Vietnam

1. Introduction

The logistics sector plays an important role in Vietnam's economic development as it facilitates the movement of goods, services and related information from suppliers to customers (Hung, 2023)^[6]. With the rapid growth of international trade and e-commerce, the demand for logistics services in Vietnam increased significantly. However, Vietnam's logistics sector still faces many challenges, including inadequate infrastructure, high transportation costs, and poor service quality (Nguyen, 2020)^[14].

Mentzer & Kahn (1995)^[13] argue that logistics refers to the planning, coordination and execution of the movement and storage of goods, products and resources from one place to another. It involves a wide range of activities, including transportation, warehousing, inventory management, and supply chain management.

According to Vega & Roussat (2015)^[18] logistics service providers play an important role in ensuring goods are delivered to customers on time, in good condition and at a reasonable cost. Therefore, improving the quality of logistics services can enhance customer satisfaction, which is important for building customer loyalty and maintaining market share (Zakaria *et al.*, 2014; Huma *et al.*, 2020)^[22, 5]. In addition, logistics services can significantly impact the competitiveness of enterprises because they can affect the speed, reliability and cost of delivery (Ajakaiye, 2012)^[1]. In addition, Kilibarda *et al.* (2020)^[8] emphasize improving the quality of logistics services to reduce costs, increase efficiency and improve the overall efficiency of the supply chain. At the same time, high-quality logistics services can contribute to Vietnam's economic growth by increasing trade volumes, creating jobs, and stimulating economic development (Le *et al.*, 2020)^[10].

There are many different factors that can affect the quality of logistics services, of which cultural factors are believed to have a significant influence on the quality of logistics services in Vietnam. Cultural values such as collectivism, power distance, and uncertainty avoidance can influence the behavior of logistics professionals, their communication styles, and their attitudes toward customers. For example, Rahmat & Faisal (2014)^[17] suggest that, in a collectivist culture, logistics professionals may prioritize team harmony over individual goals, which may affect their willingness to take risks and innovate. Similarly, in cultures with high power distance, logistics professionals tend to follow rules and procedures rather than be proactive and make decisions (Yayla-Küllü *et al.*, 2015)^[20]. Understanding the influence of cultural factors on the quality of logistics services is essential to develop effective service quality improvement strategies in Vietnam.

However, the current situation of the quality of logistics services in Vietnam is a matter of concern. According to a survey by the Vietnam Logistics Association, Vietnam's logistics industry still faces many challenges, including inadequate infrastructure, high transportation costs and poor service quality. The survey found that only 30% of logistics companies in Vietnam meet international standards for service quality, while 70% still face difficulties in meeting customer requirements. Another study by Vu *et al.* (2020)^[19] shows that Vietnam's logistics performance index (LPI) is lower than regional countries such as Singapore, Malaysia, and Thailand.

Several studies have investigated the quality of logistics services in Vietnam in recent years. For example, a study by Nguyen & Vo (2024)^[15] looked at the factors affecting the quality of logistics services in Vietnam and found that infrastructure, transportation costs and service reliability are the most important factors. Another study by Huyen & Van Trang (2020)^[7]; Yen *et al.* (2022)^[21] investigated the impact of logistics service quality on customer satisfaction in Vietnam and found that service quality has a significant impact on customer satisfaction and loyalty. However, these studies have limitations such as small sample size and limited scope, which highlights the need for further research on the quality of logistics services in Vietnam.

Despite the increasing importance of the quality of logistics services in Vietnam, there is a lack of research on the role of cultural factors in shaping the quality of logistics services. Previous studies have investigated factors affecting the quality of logistics services in Vietnam but have not considered the influence of cultural factors on the quality of logistics services. On the other hand, the scope of the above studies is only limited to a certain province, so the generalization is not high. Therefore, it is necessary to have a study to learn about the role of culture in the quality of logistics services in Vietnam, focusing on cultural values that affect the behavior of logistics professionals and the quality of services of logistics service providers. This study aims to fill this knowledge gap by investigating the influence of cultural factors on the quality of logistics services in Vietnam.

2. Theoretical basis and literature review

2.1 Theoretical basis

Culture refers to the shared values, beliefs, and norms that shape the behaviors and attitudes of Hofstede individuals and organizations (1998)^[4]. In the context of logistics service quality, culture can influence the behavior of logistics professionals, their communication styles, and their attitudes toward customers.

This study will be based on the theory of cultural aspects developed by Geert Hofstede (1980)^[3], which identifies six cultural aspects that shape the behavior and values of individuals and organizations of different cultures, specifically as follows:

Power distance: This refers to the extent to which individuals in society accept and expect inequalities in power. In cultures with high power gaps, individuals are more likely to accept power and hierarchy, while in cultures

with low power gaps, individuals are more likely to question power and seek equality.

Individualism and collectivism: This aspect refers to the extent to which individuals prioritize their own goals and interests over group goals. In individualistic cultures, individuals are more likely to prioritize their own needs and goals, while in collectivist cultures, individuals are more likely to prioritize group needs and goals.

Masculinity vs. Femininity: This refers to the extent to which society values traditional masculine and feminine roles. In masculine cultures, individuals are more likely to value competition, achievement, and material success, while in feminine cultures, individuals are more likely to value collaboration, relationships, and quality of life.

Uncertainty Avoidance: This refers to the extent to which individuals in society feel uncomfortable with uncertainty and ambiguity. In a high uncertainty avoidance culture, individuals are more likely to seek structure and predictability, while in a low uncertainty avoidance culture, individuals are more likely to be open to change and uncertainty.

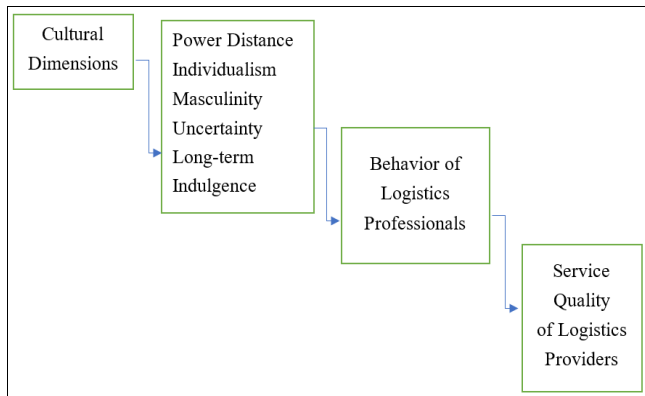
Long-Term Orientation: This refers to the extent to which individuals in society prioritize long-term goals and relationships over short-term gain. In long-term-oriented cultures, individuals are more likely to prioritize relationships, loyalty, and traditions, while in short-term-oriented cultures, individuals are more likely to prioritize short-term benefits and flexibility.

Passion and restraint: This refers to the degree to which individuals in a society are allowed to satisfy their desires and impulses. In liberal cultures, libertarian individuals are more likely to prioritize pleasure and enjoyment, while in restrictive cultures, individuals are more likely to prioritize discipline and autonomy.

This study will apply Hofstede's theory of cultural aspects to analyze how cultural values influence the behavior of logistics professionals and the service quality of logistics service providers in Vietnam. Specifically, the study will explore how six cultural dimensions shape the behavior and values of logistics professionals in Vietnam and how these cultural values impact the service quality of logistics service providers. For example, the study investigates how power distance affects the communication style of logistics professionals in Vietnam and how this affects the service quality of logistics service providers. The study also examines how individualism and collectivism influence the prioritization of customer needs and goals and how this impacts the service quality of logistics providers.

By applying Hofstede's theory of cultural dimensions, this study will provide a deep understanding of how cultural values shape the behavior and values of logistics professionals in Vietnam and how these cultural values impact the service quality of logistics service providers. The study will also provide insights into how logistics providers in Vietnam can adapt their service quality strategies to better align with the cultural values of customers and employees.

Below is a diagram illustrating the theoretical application of Hofstede's cultural aspects in this study:



Source: Author group

Fig 1: Theory of cultural aspects and quality of logistics services

The above diagram shows how Hofstede's theory of cultural aspects is applied in this study to analyze how cultural values affect the behavior of logistics professionals and the service quality of logistics service providers in Vietnam.

2.2 Literature review

The review process of studies in the world on the role of culture in the quality of logistics services, including some of the following studies:

Research by Lee (2018) aims to explore the role of culture in the quality of logistics services in Korea, the results of which show that collectivism and power distance are important cultural aspects affecting the quality of logistics services in Korea. Specifically, the study indicates that logistics providers in South Korea prioritize team harmony and authority, which leads to a lack of innovation in logistics services including customer outreach and critical IT platform applications. Then logistics activities become stagnant, leading to inefficiencies and inefficiencies in operating processes and systems. The study recommends that logistics providers should consider implementing training programs that promote innovation and flexibility, while taking into account the cultural values of their employees and customers.

Patel (2020)^[16] investigated the influence of culture on the quality of logistics services of logistics enterprises in India from 2015 to 2020. The research results suggest that avoiding uncertainty is an important cultural aspect that affects the quality of logistics services in India. Specifically, the study found that logistics providers in India tend to shy away from uncertainty and risk, which has led to a lack of flexibility and reduced customer size in logistics services. Inefficient logistics operations are more likely to lead to service errors, such as missed deliveries, damaged goods, or misplaced shipments, which can damage the supplier's reputation and lead to customers leaving the logistics provider. The study emphasizes the importance of understanding cultural values in the quality of logistics services. In cultures with high uncertainty avoidance like India, logistics providers may prioritize predictability and stability over flexibility, which can affect the quality of logistics services.

Research by Chen (2019)^[2] in China confirms that long-term orientation is an important cultural aspect affecting the quality of logistics services in China. Specifically, research shows that logistics providers in China prioritize long-term relationships and loyalty over short-term interests, which leads to a focus on building stronger relationships with

customers. Logistics providers that prioritize customer relations are more likely to invest in technology and infrastructure to improve service quality, such as tracking systems, real-time visibility, and automated warehouses. At the same time, the study says, strong customer relationships provide valuable feedback and insights that logistics providers can use to continually improve their services, deliver higher quality, and operate more efficiently.

Li (2018)^[12] examined the role of Confucian values in the quality of logistics services in Hong Kong by surveying 117 logistics service providers. The results show that logistics providers in Hong Kong prioritize respect for power, social harmony, and long-term relationships, thereby increasing customer trust. When customers trust their logistics provider, they are more likely to be loyal and recommend it to others. This trust is built through consistent delivery of high-quality services, proactive problem solving, and open communication.

Kim (2020)^[9] conducted a study to explore the impact of Ubuntu (a philosophy that emphasizes community and connectivity) on the quality of logistics services in South Africa. The research results emphasize the importance of understanding cultural values in the quality of logistics services. In cultures with strong Ubuntu values like South Africa, logistics providers often prioritize community and social responsibility. By focusing on community and social responsibility, logistics providers can build stronger connections with customers, cultivating trust, loyalty, and open communication. This has led to a better understanding of customer needs and the ability to provide higher quality services.

Thus, referring to the role of culture in the quality of logistics services is not only a concern of developed countries in particular but also of all countries in the world. It can be seen that the studies on the role of culture in the quality of logistics services are unanimous: Cultural values can have a significant positive and negative impact on the quality of logistics services in many different countries and regions. Therefore, studying the role of culture in the quality of logistics services in Vietnam to understand the cultural values that affect the quality of logistics services, thereby helping logistics enterprises adjust their services to meet the unique needs and expectations of customers, ultimately improving the quality of their logistics services.

3. Research Method

This study will use qualitative research design, using in-depth interviews to collect data from managers (Directors/Deputy Directors) of logistics enterprises in Vietnam. The sample selected through the intentional sampling strategy will be used to select 16 logistics managers from 15 logistics companies in Vietnam. Participants will be selected based on their experience and expertise in logistics activities of 3 years or more. Implementation time: From December 2014 to March 2016 In-depth interviews will be conducted to collect data from participants. Interviews will be recorded and transcribed verbatim, thematic analysis will be used to analyze data, use coding and classification to identify patterns and topics.

4. Research results

4.1 Cultural values affect the behavior of logistics workers in Vietnam

The interview results show that, according to the experience

of some managers, the key cultural values that shape the behavior of logistics professionals in Vietnam are hard work, thrift and loyalty. Vietnamese people are known for their hard work ethic, diligence and willingness to put in more effort to get things done. For example, during high season or there are situations that cause disruption in traffic, the logistics team may work overtime to ensure the shipment is delivered on time, providing greater customer satisfaction. They also value economy and flexibility, which can affect their approach to logistics and supply chain management. The value of savings leads to innovative and cost-effective solutions in logistics. For example, logistics providers may opt for more fuel-efficient vehicles or optimize routes to reduce transportation costs, resulting in lower prices for customers. Moreover, loyalty is an important value in Vietnamese culture, meaning that they tend to prioritize building long-term relationships with customers, suppliers and colleagues. This can lead to more efficient logistics as parties are more likely to work together to solve problems and improve processes. However, some managers argue that the value of frugality sometimes leads to a focus on short-term cost savings rather than long-term investments in technology, infrastructure, or employee development. This leads to inefficient logistics, outdated systems, and a lack of skilled professionals, ultimately affecting service quality. Others note that the importance of building relationships sometimes leads to a focus on maintaining relationships rather than optimizing logistics. For example, a logistics provider may prioritize maintaining a supplier relationship over finding a more efficient or cost-effective alternative, resulting in higher costs or reduced quality of service.

The interview results also show that, in Vietnam, the main cultural values affecting the behavior of logistics workers are collectivism, respect for rights and harmony. They prioritize team goals over personal interests, which means they often put the needs of the team or organization ahead of their own. This leads to camaraderie and close cooperation among logistics professionals. In addition, logistics professionals often deeply respect authority and hierarchy, which can affect decision-making and communication styles. Finally, they value harmony and avoid conflict, which can sometimes lead to a reluctance to speak up or challenge the status quo.

Some managers said that the culture of valuing family, respecting tradition and keeping face are important factors that affect the behavior of logistics professionals. Vietnamese people attach great importance to family and social relationships, which can affect their approach to business and professional relationships. They also have a deep respect for traditions and cultural heritage, which can influence their own approach to innovation and change management. Finally, saving face is an important concept in Vietnamese culture, which means that logistics professionals tend to avoid conflict or direct criticism and instead focus on finding win-win solutions.

At the same time, other logistics managers argue that the basic cultural values that shape the behavior of logistics professionals in Vietnam are flexibility, adaptability and resilience. Vietnamese people are known for their ability to adapt quickly to changing circumstances and handle complex situations. This has led to a high degree of flexibility and creativity by logistics professionals. They also value resilience and perseverance, which has helped them overcome challenges and failures in the logistics

industry. Finally, they tend to prioritize short-term goals and quick outcomes, which can affect logistics businesses' approach to logistics and supply chain management.

4.2 How cultural values affect the service quality of logistics service providers in Vietnam

The interview results show that in Vietnam, collectivism can positively affect service quality by promoting teamwork and cooperation among logistics experts. For example, warehouse workers may be willing to help each other during peak times, ensuring that shipments are handled efficiently. However, it can also lead to personal irresponsibility, which negatively affects service quality if not managed appropriately. In addition, the high power distance of the Vietnamese can lead to a top-down approach to decision-making, which can slow down the response time to customer inquiries or problems. To mitigate this, logistics providers should empower frontline staff to make decisions and take ownership of customer issues.

Some logistics experts believe that avoiding uncertainty is an important cultural value in Vietnam and it has an impact on service quality in both positive and negative ways. On the plus side, it can lead to a focus on planning and risk management, ensuring that logistics providers have contingency plans in place to minimize disruption. However, it can also lead to reluctance to innovate or experiment with new approaches, which impedes the adoption of new technologies or processes that can improve service quality. Experts also suggest that, to address this, logistics providers should encourage a culture of risk-taking and deliberate experimentation, and provide training and support to help employees manage possible future situations.

Some experts emphasize that power distance can affect service quality by affecting communication style and decision-making process. In Vietnam, logistics professionals tend to respect authority and hierarchy, which leads to a lack of open communication and feedback. As a result, there may be issues or concerns that are not raised or addressed in a timely manner, ultimately affecting service quality. To overcome this, logistics providers should promote an open-door policy and encourage employees to speak up and give feedback.

On the other hand, 3 experts argued that avoiding uncertainty leads to a focus on processes and procedures, which in turn can improve service quality by ensuring consistency and reliability. However, it can also lead to a lack of flexibility and adaptability, hampering a customer's ability to meet changing needs or unexpected disruptions. To balance this, logistics experts also suggest that logistics providers develop flexible and adaptable processes, and provide training and support to help employees manage uncertainty and ambiguity.

4.3 Impact of cultural factors on the overall service quality of logistics companies in Vietnam

Cultural factors play a significant role in the formation of service quality of logistics companies in Vietnam. The country's values, norms, and cultural beliefs can influence the behavior, attitudes, and decision-making process of logistics professionals, ultimately affecting the quality of services provided to customers.

The interview results show that one of the important cultural values in Vietnam is collectivism, which can have both

positive and negative impacts on the quality of logistics services. On the positive side, collectivism promotes effective teamwork and cooperation among logistics professionals, which leads to improved communication and cooperation, so they can create a more cohesive and effective team. However, collectivism can also lead to personal irresponsibility, which in turn leads to irresponsibility among logistics professionals.

Another important cultural factor in Vietnam is the power distance, which can also have both positive and negative impacts on the quality of logistics services. On the positive side, power distance creates clear authority boundaries and decision-making processes, ensuring that decisions are made effectively. This, in turn, provides stability and structure within the organization, with clear channels of communication and decisions being rotated from top to bottom. However, power distance also leads to a top-down approach to decision-making and slows down response times to customer inquiries or problems. In addition, it can lead to limited empowerment of frontline employees, resulting in a lack of autonomy and decision-making power. Avoiding uncertainty is another cultural factor that affects the quality of logistics services in Vietnam. On the positive side, avoiding uncertainty has led to a focus on planning and risk management, ensuring that logistics providers have contingency plans in place to minimize disruption. This can therefore lead to a greater emphasis on processes and procedures, providing consistency and reliability in the delivery of logistics services. However, avoiding uncertainty can also lead to reluctance to innovate or experiment with new approaches, potentially hindering the adoption of new technologies or processes to improve service quality. In addition, it leads to an overemphasis on adherence to established processes, which leads to a lack of flexibility and adaptability.

Harmony and face are also important cultural factors in Vietnam, affecting the quality of logistics services. On the positive side, harmony and keeping face leads to focusing on building and maintaining relationships, thereby creating better communication and cooperation with customers and suppliers. This results in higher customer satisfaction as logistics providers are more willing to compromise and find mutually beneficial solutions. However, harmony and saving face can also lead to a reluctance to speak up or challenge the status quo, potentially hindering innovation and improvement. In addition, it also leads to too much emphasis on maintaining relationships, thereby causing a lack of objectivity and fairness in decision making.

Other cultural factors such as family orientation, education level and social status can also affect the quality of logistics services in Vietnam. Family orientation engenders a strong sense of loyalty and commitment among logistics professionals, resulting in higher employee retention and higher revenue. This brings a more stable and experienced workforce, which in turn can improve service quality. Education and social status also have an impact on the quality of logistics services, as logistics providers placing more emphasis on education and personal development will create a more skilled and knowledgeable workforce. In addition, the emphasis on social status and reputation can lead to a stronger focus on customer service and reputation management.

Thus, it can be seen that cultural factors play an important role in the formation of service quality of logistics

companies in Vietnam. By understanding and addressing these cultural factors, logistics companies can develop strategies to improve communication, collaboration, innovation, and customer satisfaction, ultimately improving their overall service quality.

5. Conclusion and recommendation

This study aims to explore the role of culture in the quality of logistics services in Vietnam, focusing on Vietnamese logistics service providers. The findings of this study provide valuable insights into the cultural factors that influence the behavior and attitudes of logistics professionals in Vietnam and how these factors impact the quality of logistics services.

The results of this study show that cultural values such as collectivism, power distance, uncertainty avoidance, harmony and face preservation play an important role in forming the service quality of logistics companies in Vietnam. These cultural values can positively and negatively impact service quality, depending on how they are managed and leveraged.

The research results have important implications for logistics service providers operating in Vietnam. By understanding the cultural factors that affect service quality, logistics companies can develop strategies to improve communication, collaboration, innovation, and customer satisfaction. This can be achieved by fostering a culture of teamwork and collaboration, empowering frontline employees, and fostering a customer-centric approach.

Based on the findings of this study, the following recommendations are made for logistics service providers in Vietnam, specifically as follows:

1. Logistics service providers operating in Vietnam should prioritize developing a culturally sensitive approach to service delivery that recognizes and respects the values and cultural norms of Vietnamese customers.
2. Logistics companies should foster a culture of teamwork and collaboration, empowering frontline employees to make decisions and take ownership of solving customer problems.
3. Logistics service providers should adopt a customer-centric approach that prioritizes customer satisfaction and loyalty.

By adopting these recommendations, logistics service providers can improve the quality of their logistics services and enhance their competitiveness in the global market.

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