Firms reap what they sow

*Shared values and extra-role behaviors.* Our study indicates

that shared values play a significant role in explaining

extra-role behaviors, which highlights the importance of

selecting (and socializing) employees who share a firm’s

core/dominant values. Employees who share the organization’s

values are more likely to feel like an integral part of

the system, taking ownership in and responsibility for the

firm and its performance. This positive shared values effect,

then, hints at the importance of making customer service a

core value. Although many firms hang banners and artifacts

that pledge customer service as a top priority, they sometimes

support and reward employees as if service were an

afterthought. Firms can make a commitment to service

viable by hiring and training carefully. When hiring employees,

managers can measure shared values through structured

interviews, customer service simulations, and psychological

assessments. As for training and compensation, firms should

align their training in a manner that emphasizes shared values

and reward employees for performance consistent with

those values. Otherwise, firms may be hiring customer

employees who will either leave the firm because they do

not share its values or become socialized to de-emphasize

the importance of handling complaints—both outcomes will

erode service levels.

Complaint management

profitability: what do

complaint managers

know?

there is

an increasing understanding that complaint

management is of strategic relevance, particularly

because it has proved itself as an effective customer

retention instrument (Brown et al., 1996; Smith

and Bolton, 1998; Smith et al., 1999; de Ruyter

and Wetzles, 2000; Levesque and McDougall,

2000; McCollough et al., 2000; Maxham, 2001;

Johnston and Mehra, 2002; Stauss and Seidel,

2004).

**Organizational Responses to Customer**

**Complaints: What Works and**

**What Doesn’t**

Most of the current studies have focused only on satisfaction

as the behavioral variable that is affected by the organizational

response. Although satisfaction is a critical

mediating variable, it is not an end in itself. Complaint

handling is judged not by satisfaction with the organizational

response, but by postcomplaint customer behavior

such as repurchase intentions and word-of-mouth activity.

More research is necessary to determine the direct effect of

organizational responses on postcomplaint customer behavior,

and the mediating effect of satisfaction and perceived

justice on that relationship. We need to be able to

trace a clear line between an organization’s response to a

complaint and the impact that response has on

postcomplaint customer behaviors. Only by quantifying

the effects of each response dimension on postcomplaint

customer behavior will we be able to plan efficient and effective

complaint management.

A Meta-Analysis of Organizational

Complaint Handling and Customer

Responses

Moreover, early research establishes that postcomplaint

satisfaction fosters positive customer behavior, that

is, it increases repurchase intention (e.g., Gilly 1987) and positive

word-of-mouth communication (positive WOM; e.g.,

TARP 1981)

When Customers Disappoint:

A Model of Relational Internal

Marketing and Customer Complaints

Specifically,

we take a closer look at the interaction between customer

complaining behavior and internal marketing initiatives

on the job motivation and commitment to customer

service among retail employees.

Strong relationships between

the organization and the employee can improve both the

employee's motivation toward their job and their willingness

to provide better customer service

A customer complaint is defined as negative customer

feedback. When organizations receive unanticipated complaints,

employees' future comfort levels within the organization

are likely to be affected (Piercy 1995). The

complaining customer "disappoints" the employee whose

expectations, built up by organizational cheerleading and

support, are frustrated. Salespeople are likely to become

skeptical, perceiving organizational support as hollow and

misdirected. Furthermore, employees' sense of meaningfulness

in their roles will diminish as customers convey

a lack of respect and appreciation for their work (Kahn

1990). Complaints convey to the employees that their

work is not valued or appreciated. Salespeople will personally

disengage from their work, demonstrating a lack

of motivation. In observing the ineffectiveness of organizational

support, salespeople will be less convinced that

a commitment to customer service is the best way to reciprocate

organizational support.

Two important findings

emerge from this study. First, it provides partial support

for a positive relationship between internal relationships

and salesperson work attitudes and behaviors. Second, it

demonstrates support for the moderating effects of customer

complaints on intraorganizational relationships and

their association with commitment to customer service.

**CUSTOMER COMPLAINT BEHAVIOR: AN EXAMINATION OF CULTURAL VS. SITUATIONAL**

**FACTORS**

Given that recovery management has been shown to

increase market share and profitability (Fornell and

Wernerfelt 1987, 1988; Cambra-Fierro, Melero, and

Sese 2015)

In the U.S.,

though, where the return and exchange policies are

consumer friendly and the likelihood of success is

high, dissatisfied customers – regardless of their

underlying cultural values – are much more likely to

return or exchange items that do not perform up to

their expectations.

**THE BOTTOM LINE IMPACT OF**

**ORGANIZATIONAL RESPONSES TO**

**CUSTOMER COMPLAINTS**

Service recovery is successful only to the extent that a complainant

continues to repurchase the service and engages in positive word-of-mouth

activity about his or her experience; thus, it is critical for researchers and managers

to fully understand the complex relationships involved and their influence on

the bottom line.

The empirical results of this model (Figure 2 and Table 4) suggest that attentiveness

is the most influential variable affecting satisfaction, word-of-mouth

likelihood, and intention to repurchase

Over the long term, it would appear that satisfaction would drive the

repurchase decisión

Second, there is strong evidence showing that the interpersonal skills (as evidenced

by attentiveness and credibility) displayed by recovery personnel have a

major impact on complainant satisfaction, repurchase intention, and the likelihood

of engaging in word-of-mouth activity. This would suggest to managers the

importance of hiring employees with excellent people skills and giving them the

necessary training and motivation to handle complaint recovery situations. Given

the importance of interpersonal communications on the bottom line, it would

appear rather shortsighted to put underpaid, undertrained, and undermotivated

people in such a crucial position. This research suggests that complaint recovery

personnel should be experienced representatives who are empowered to do what

is best for the customer, thus resulting in what is best for the company.

MISSING VALUES LITERATURE multiple imputation

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Multiple imputation for missing data Paul Allison

Multiple imputation appears to be one of the most attractive methods for general purpose handling of missing data in multivariate analysis.

1. Impute missing values using an appropiate model that incorporates random variation
2. Do this M times (usually three to five), producing M complete datasets
3. Perform the desired analysis on each data set using standard complete-data methods
4. Average the values of the parameters estimates across the M samples to produce a single-point estimate
5. Calculate standard errors by averaging squared standard errors of the M estimates.

Missing data analysis: making it work in the real world

missing completely at random (MCAR), missing

at random (MAR), and missing not at random

(MNAR). Although statisticians prefer not to

use the word “cause,” they do often use the

words “due to” or “depends on” in this context.

With MAR, the missingness (i.e., whether

the data are missing or not) may depend on

observed data, but not on unobserved data

(Schafer & Graham 202).

MCAR is a special case of MAR in which

missingness does not depend on the observed

data either (Schafer & Graham 2002).

With MNAR, missingness does depend on

unobserved data.

**Consequences of MCAR, MAR, and**

**MNAR.** The main consequence of MCAR

missingness is loss of statistical power. The

good thing about MCAR is that analyses yield

unbiased parameter estimates (i.e., estimates

that are close to population values). MAR

missingness (i.e., when the cause of missingness

is taken into account) also yields unbiased

parameter estimates. The reason MNAR

missingness is considered a problem is that it

yields biased parameter estimates

However, there will always be some loss of

power with listwise deletion because of the unused

partial data. And in some instances, this

loss of power can be huge, making this method

an undesirable option. Still, if the loss of cases

due to missing data is small (e.g., less than about

5%), biases and loss of power are both likely

to be inconsequential

The issue with

pairwise deletion is that different correlations

(and variance estimates) are based on different

subsets of cases. Because of this, it is possible

that parameter estimates based on pairwise

deletion will be biased.

A bigger

concern with pairwise deletion is that there

is no basis for estimating standard errors.

**Imputation is making up the data.** It is true

that imputation is the process of plugging in

plausible values where none exist. But the point

of this process is not to obtain the individual

values themselves. Rather, the point is to plug

in these values (multiple times) in order to preserve

important characteristics of the data set as

a whole. By “preserve,” I mean that parameter

estimates should be unbiased. That is, the estimated

mean, for example, should be close to

the true population value for the mean; the estimated

variance should be close to the true

population value for the variance

mice: Multivariate Imputation by Chained

Equations in R

Two general approaches for imputing multivariate data have emerged: joint modeling (JM)

and fully conditional speci\_cation (FCS), also known as multivariate imputation by chained

equations (MICE). Schafer (1997) developed various JM techniques for imputation under the

multivariate normal, the log-linear, and the general location model. JM involves specifying a

multivariate distribution for the missing data, and drawing imputation from their conditional

distributions by Markov chain Monte Carlo (MCMC) techniques. This methodology is attractive

if the multivariate distribution is a reasonable description of the data. FCS speci\_es the

multivariate imputation model on a variable-by-variable basis by a set of conditional densities,

one for each incomplete variable. Starting from an initial imputation, FCS draws imputations

by iterating over the conditional densities. A low number of iterations (say 10{20) is often

su\_cient. FCS is attractive as an alternative to JM in cases where no suitable multivariate

distribution can be found

The philosophy behind the MICE methodology is

that multiple imputation is best done as a sequence of small steps, each of which may require

diagnostic checking.