Factors Driving Key Account Manager Performance

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FACTORS DRIVING KEY ACCOUNT MANAGER PERFORMANCE

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POSTGRADUATE PAPER

MARKETING TRACK
Understanding Key Account Manager Relationship Performance

Key account management has been highlighted as a significant area of academic research (Leigh and Marshall 2001, Workman et al. 2003) and both managers and academics alike are of the view that suppliers need to develop long-term relationships with selected strategic customers. Despite a recent academic focus on Key Account Management, there have only been a limited number of published studies on the individual Key Account Manager (KAM) (Sengupta et al. 2000, Schultz and Evans 2002, Guenzi et al. 2007, 2009) and it remains an under-investigated research area (Guenzi et al. 2009). This paper endeavours to explain the underlying factors underlying Key Account Manager relationship performance serving to expand extant literature in key account management.

Traditional marketing theory has been grounded in an economics based framework where there is an exchange of goods and services between a buyer and seller and the focus is on a single transactional exchange (Day 2000). However, there is an emerging school of thought which questions the relevance of this approach to marketing and argues that business philosophy has moved from a purely economic transaction orientation towards a relational orientation (Vargo and Lusch 2004). It should be emphasised that despite the fact that the recent academic focus on relationship marketing is new, the premise of understanding exchange performance through relationships is not. Sheth and Parvatiyar (1995) highlight a number of different examples of trade which would only take place among groups with ongoing relationships, such as the traders on the historical Silk route.

The American Marketing Association’s definition of marketing, revised in 2004, underlines that “marketing is an organisational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organisation and its stakeholders” (emphasis added) Understanding relationship marketing necessitates a differentiation between a single transactional exchange, which has a clear beginning, is of short duration and ends sharply by performance, versus a relational exchange, which is longer in duration and mirrors an on-going process (Dwyer, Schurr et al. 1987). In the literature, the term relationship marketing is often attributed to Berry (1983). The paradigmic shift towards relationship marketing means that the positions of buyers and suppliers have been reoriented through a business strategy of bringing them closer together in cooperative, trusting and mutually beneficial relationships, whereas in the
traditional marketing concept, the supplier organisation revolved around the customer, the centre of their universe (Gruen 1997).

Morgan and Hunt propose that “relationship marketing refers to all marketing activities directed towards establishing, developing and maintaining successful relational exchanges” (1994, pg. 22) which does not restrict relationship marketing to customer relationships (Hunt, Arnett et al. 2006). Similarly, Palmatier describes relationship marketing as “the process of identifying, developing, maintaining and terminating relational exchanges with the purpose of enhancing performance” (2008 pg. 3). Lambert (2010) views it as strategic, process oriented, cross-functional and value creating for both buyer and seller and as a means of achieving superior financial performance. A meta-analysis highlighted that relationship marketing applies to a number of different contexts (Palmatier 2006) so as a result, research in business to business organisations often includes relational constructs (Palmatier 2008).

Figure 1: Morgan and Hunt (1994)

The ten forms of relationship marketing outlined by Morgan and Hunt (1994) are summarised in Figure 1, which shows that relationship marketing theory has the potential to ensure that we understand many facets of business strategy. In addition, recent research underlines the importance of building relationships with parties other than customers by arguing that managers need to have an internal market orientation (Lings 2004). It has been posited that customer relationship management is a subcomponent of relationship marketing with a
number of additions; concentrating the relationship target on key customers, joining relationship marketing and IT and focusing on integrating process, people, operations and marketing capabilities enabled through information, communication and applications (Payne and Frow 2005).

**The Key Account Manager**

As highlighted earlier, inter-firm relationships have been the topic of considerable research and practice and developing long-term relationships with large-scale customers has become of paramount importance to marketers. A Key Account Management structure is one approach by which firms can organise for dealing with these large scale accounts (Weilbaker and Weeks 1997). Key Account Management is a deep-rooted marketing concept which has its origins in the United States, with several articles published in the late 1970s and early 1980s which laid its foundations (Stevenson and Page 1979; Stevenson 1980; Stevenson 1981). Following this concept, there is a distinction between regular accounts which are serviced through the traditional field sales route and key accounts which are serviced by the selling company with dedicated resources and personnel (Napolitano 1997; Richards and Jones 2009) from sales and other divisions of the selling firm (Boles, Johnston et al. 1999).

Confusingly, there are different nomenclatures that have been used in the literature, with imprecise definitions (Workman, Homburg et al. 2003) namely; **Key Account** (McDonald, Millman et al. 1997; Pardo 1997; Sengupta, Krapfel et al. 1997; Sharma 1997; Millman and Wilson 1999; Pardo 1999; Spencer 1999; McDonald 2000; Ojasalo 2001; Abratt and Kelly 2002; Schultz and Evans 2002; Workman, Homburg et al. 2003; Jones, Dixon et al. 2005; Natti, Halinen et al. 2006; Pardo, Henneberg et al. 2006; Piercy and Lane 2006; Verbeke, Bagozzi et al. 2006; Wengler, Ehret et al. 2006; Ivens and Pardo 2007; Ryals and Rogers 2007; Guenzi, Pardo et al. 2007b; Zupancic 2008; Brehmer and Rehme 2009; Richards and Jones 2009), **National Account** (Napolitano 1997; Weilbaker and Weeks 1997; Boles, Johnston et al. 1999), **Major Account** (Colletti and Tubridy 1987) and **Strategic Account** (Gosselin and Bauwen 2006; Piercy and Lane 2006; Guenzi, Georges et al. 2009). A number of commentators contend that the different terms are interchangeable (Millman and Wilson 1995; Boles, Johnston et al. 1999; Spencer 1999) and that there is no real difference between a national account, a key account or a strategic account (Boles, Johnston et al. 1999; Ojasalo 2001). It has been posited that a key account is simply a large volume account (Verbeke, Bagozzi et al. 2006). However, a Key Account is not the same as a large or major customer
(Ryals and Rogers 2007) even though there is a tendency to classify them as such (Piercy and Lane 2006). A major account may also be called a key account and a national account can be a sub-group of a key account (Millman and Wilson 1995). A key account can be large or small by comparison with the seller, operate locally, nationally or globally, be opportunistic or want to work together (Millman and Wilson 1995). It can also include potential customers of a company (Zupancic 2008).

Although some argue that there is a systematic selection of key accounts (Millman and Wilson 1999; Wengler, Ehret et al. 2006; Zupancic 2008), others are less concise and argue that it is simply some identification of a firm’s most important customers (Workman, Homburg et al. 2003). A key account then is a customer who has been defined as being of strategic importance to the future of the selling company (McDonald, Millman et al. 1997; Millman and Wilson 1999), even if companies are only using criteria sub or semi consciously (McDonald 2000). The decision whether an account can be classified as a Key Account can be made on a number of different criteria, such as sales volume, market share, customer image, profit and customer life-time value (Wengler, Ehret et al. 2006), size (current and potential) and complexity (McDonald 2000).

It is possible to use the terms ‘strategic accounts’ and ‘key accounts’ interchangeably (Piercy and Lane 2006; Guenzi, Georges et al. 2009) but for the purposes of this study, the term key account will be adopted as it is the most widely term used in Europe (Homburg, Workman et al. 2002). Following Guenzi et al (2009), it describes those customers who for different reasons (e.g. volume, image etc) are considered worthy of special attention on the part of the selling company. On a similar note, the term ‘Strategic Account Manager’ or ‘Key Account Manager’ have been used interchangeably, to denote the person who is in charge of managing the relationships with these key accounts. Whatever the nomenclature used, it has been widely acknowledged that individuals looking after these accounts contribute to the implementation of a relational approach to strategic customers (Weitz and Bradford 1999; Guenzi, Georges et al. 2009).

Another aspect to the relationship target relates to the unit of analysis or level to the relationship. Relationships can be assessed between individuals (personal to person, interpersonal) between an individual and a firm or group of people or and between firms. Relationships with multiple targets at different levels can occur simultaneously and can have divergent effects on performance (Palmatier, Scheer et al. 2008). Previous research has
demonstrated that relationships are created at each of these levels (Doney, Barry et al. 2007). Most prior research covers interfirm relationships but recent research has begun to distinguish between relationships between two firms and those between two individuals to address these differences (Palmatier, Scheer et al. 2008). The majority of contributions to date have investigated company level behaviours and drivers of key account relationships. The existing literature has only skimmed briefly over the antecedents of key account manager outcomes and it has been underlined that more emphasis should be made on the individual level determinants of key account manager performance (Guenzi, Georges et al. 2009). It is necessary to differentiate theoretically between interpersonal and interfirm relationships, given that interpersonal relationships have a stronger effect on customer behaviour and financial performance than interfirm relationships (Palmatier 2008).

The discipline of relationship marketing needs to be developed further theoretically (Gummesson 2002; Agariya and Singh 2011). This research intends to contribute to Relationship Marketing theory by understanding what individual characteristics of an account manager contribute to relationship success. As Palmatier (2008) highlights, the individual boundary-spanning personnel with whom customers interact, represents a significant instrument for building and maintaining strong customer relationships. It is therefore imperative to provide some insight into understanding the underlying factors which drive performance. Interpersonal relationships are similar to interorganisational relationships, in that their objective is to get benefits from the relationship that they would not be able to achieve on their own (e.g. increasing sales). Only a few exceptions have empirically investigated individual level behaviours of those who in charge of managing these key relationships. Wortruba and Castleberry (1993) identified the activities performed by account managers, with Boles, Barksdale and Johnson (1996) listing eight classes of behaviour requested by decision makers in large accounts. The determinants of Key Account Manager effectiveness were studied by Sengupta et al. (2000) and Schultz and Evans (2002) tested a model of collaborative communication by key account representatives. More recently, Guenzi et al. (2009) developed and tested a framework of strategic account managers’ contribution to trust.

The overall goal of this study is to build on the theoretical foundations to increase knowledge on key account management. The purpose is to investigate a broad question which remains unanswered. What are the factors that drive individual Key Account Manager performance?
In light of these considerations, the purpose of this paper is to present and test a model of key account managers’ contribution to fostering trust, commitment, collaboration and ultimately performance, which builds on previous frameworks developed and tested by Schultz and Evans (2002) and built on by Guenzi et al. (2009). It is proposed that the intersection of relationship marketing theory, individual motivation and personality theory will provide an explanation of Key Account Manager relationship performance.

Figure 2: Conceptual framework and hypotheses
Performance

Understanding the performance of the Key Account Manager is fundamental to academic researchers and practitioners alike. Performance is a multifaceted construct and both quantitative and qualitative outcomes have been used to evaluate the effectiveness of key account programs (Colletti and Tubridy 1987).

Previous studies on the individual account manager have measured the effectiveness of the Key Account Manager, from a qualitative perspective (Sengupta, Krapfel et al. 2000) and role performance (Guenzi, Georges et al. 2009), which describe the individual account manager’s effectiveness in developing plans and providing expertise to the customer and represents the extent to which they feel they have been effective in achieving performance objectives. In addition, Lambert (2010) argues that relationship marketing contributes to financial performance. There are a number of different measures of economic performance such as the dollar sales criterion, which can link orders back to the individual account manager accountable for the sale. This is the most commonly used criterion when measuring sales representatives in practice and in published research reports (Anderson and Oliver 1987). Therefore, performance is defined as an assessment of the key account manager’s behaviour and financial outcomes due to the relationship.

Trust and Commitment

Relationship marketing theory concerning relational factors and their influence builds on social exchange theories and this view posits that successful relationship marketing results from certain aspects of the relationship that characterise successful relational exchanges. Relationship marketing focuses on the relationship, rather than the product or service the company is selling and which means that relational characteristics such as trust and commitment are measured. Therefore, following this view, marketers need to develop and nurture the characteristics of relationships that are associated with successful relational exchange (Palmatier 2008).

There have been various focal constructs identified in the literature as being critical for understanding relationship performance. Trust is a thread that runs through multiple disciplines in the contemporary academic literature (Rousseau 1998). A review of the literature on trust shows that it is a construct appearing in a number of different literature streams, including organisation science (e.g. Hosmer 1995; McAllister 1995; Walgenbach
2001; Huff and Kelley 2003), economics (e.g. Coleman 1990; Witteloostuijn 2003), entrepreneurship (e.g. Zahra, Shaker et al. 2006), marketing (e.g. Gundlach and Murphy 1993; Harris and Dibben 1999), relationship marketing (e.g. Morgan and Hunt 1994; Selnes 1998; Humphries and Wilding 2004; Verbeke, Bagozzi et al. 2006), international marketing (e.g. Harris and Dibben 1999; Brush and Rexha 2007), quality management (e.g. Devitsiotis 2006) and management (e.g. Hosmer 1995; Mayer, Davis et al. 1995; McAllister 1995; Chowdhury 2005; Schoorman, Mayer et al. 2007).

Several commentators have underlined that there are different types of trust (e.g. Rousseau 1998; Selnes 1998; Huff and Kelley 2003; Chowdhury 2005; Devitsiotis 2006; Zahra, Shaker et al. 2006). The literature is inundated with various categorisations of the different types of trust, ranging from rational trust to trust in institutions to trust as a multi-level construct. In a seminal article, which has been viewed as the default theoretical position of relationship marketing, Morgan and Hunt (1994) argue that the presence of relationship trust is central to successful relationship marketing and that the presence of these elements explain the relationship’s impact on performance.

From the literature, it is clear that the concept of trust is multi-dimensional. It has a number of different anchors which have been termed as ‘cognitive’ and ‘affective’ foundations (McAllister 1995). There are different foundations of trust that exist when two parties interact and that they can co-exist, depending on what stage of the relationship they are at. Different foundations of trust are more prevalent at early and later phases of an interaction between two parties. The psychology, sociology and organisation studies literature have focused on the emotional aspects of trust whereas economics-based works have concentrated on the rational, calculative side of trust, with it being an important catalyst of economic exchange relations and an effective transaction governance mechanism. It has been posited that marketing can provide a synthesis between these two analytical dimensions (Castaldo 2007). Therefore, trust can be based on cognitive or behavioural components or a combination of both. The different types of trust are not mutually exclusive and can therefore coexist. A discussion of the two types of trust, namely cognitive and affect-based trust, now follows.

The most commonly discussed type of trust is where the basis of confidence lies in the governance structure relating to the exchange (Korczynski 2000). Calculus based trust is based purely on a rational calculation or economic evaluation and is typical of a relationship
in its early stages when there is a lack of information or direct knowledge of the other party (Castaldo 2007). This has been termed as cognitive or calculus trust (Lewicki and Bunker 1995; Rousseau 1998; Chowdhury 2005). The foundation for cognition based trust is logical, rational reasoning and it is where a party has a specific knowledge of a counter part’s characteristics, behaviours, competences and skills (Castaldo 2007). Credibility and reliability are components of cognitive trust; cognitive trust can be measured by the extent to which these criteria are met. Credibility and reliability can be defined as the extent that an exchange partner believes their partner is trustworthy, delivers on promises and is committed to meeting obligations (McAllister 1995; Selnes 1998; Casielles, Alvarez et al. 2005; Brush and Rexha 2007). Furthermore, McAllister (1995) contends that trust can be measured in organisational settings by factors such as competence, responsibility and dependability.

The initial stages of a relationship require a leap of faith albeit, based on calculative trust (Zahra, Shaker et al. 2006) or calculus trust (Lewicki and Bunker 1995; Rousseau 1998; Harris and Dibben 1999) which is the trust between individuals in the early stages of a relationship where the costs of creating and sustaining relationships are compared to the costs of maintaining or severing the relationship; it is in essence a person’s evaluation of risks versus returns in a relationship (Lewicki and Bunker 1995; Zahra, Shaker et al. 2006). This is due to the fact that affective based trust has not been established. It is now necessary to look at the concept of affect-based trust.

As the relationship progresses and there are repeated social interactions between the two parties, emotional cues come into play and trust is based on these non-rational factors. These emotional cues have been called ‘affect based trust’, affective trust, relational trust, normative / goodwill trust and identity-based trust (McAllister 1995; Rousseau 1998; Chowdhury 2005; Zahra, Shaker et al. 2006; Castaldo 2007), which are all based on emotive bonds being established. The basis of affect-based trust is ‘level of citizenship’ towards the evaluating person, reciprocated interpersonal care and concern, the extent of reliable role performance, the extent of professional credentials and the antecedent of cognition-based trust from an earlier stage in the relationship (McAllister 1995; Chowdhury 2005). Citizenship behaviour can be seen as behaviour exhibited by an individual that is intended to provide support and assistance which is outside the remit of their work role, so they are not compensated for it and which is conducive to the effective running of the organisation. Affect-based trust is prevalent in the advanced stages of a relationship and is freed from specific incidences, there is a permanent trust in place (Castaldo 2007)
Linked to citizenship behaviour is the notion of the subjective emotional side of trust being called benevolent trust, which is an understanding that the partner will behave with good will towards the partner (Selnes 1998). Casielles et al. (2005) also refer to benevolence, arguing that the behavioural components of trust include trust in the intentions, motivations, honesty and benevolence of the other party. Benevolence can be seen as a measure of how concerned a partner is about the interests and welfare of the other party (Casielles, Alvarez et al. 2005; Brush and Rexha 2007). Schoorman et al. (2007) emphasise the importance of benevolence, arguing that it is “the extent to which a party is believed to want to do good for the trusting party, aside from an egocentric profit motive” (2007, pg. 345). Emotional measurements become more important as the relationship improves, examples of which are shared values, common goals, cooperation and coordination (Devitsiotis 2006). McAllister also believes that emotional ties linking individuals can provide ultimately the basis for trust and that “people make emotional investments in trust relationships, express genuine care and concern for the welfare of partners, believe in the intrinsic virtue of such relationships and believe that these sentiments are reciprocated” (1995, pg. 26). Certainly, relationships based on affective trust are more likely to be resilient than those based on calculus trust which are likely to be terminated if violation occurs (Rousseau 1998).

Developing relationships based on interpersonal trust are important for managers in organisations due to the fact that they are boundary spanners (McAllister 1995). Interpersonal trust is a pervasive phenomenon in organizational life and when trust is present, there is a feeling that others will not take advantage of me (Porter 1975). Trust is based on the expectation that one will find what is expected rather than what is feared (Deutsch, 1973). Thus, competence and responsibility are central to understandings of trust (Barber, 1983; Cook & Wall, 1980; Shapiro, 1990). At times an individual's trust in others is centred more on how they make decisions that affect him or her than on how they behave such as considering whether the other party is considering their interests and welfare. Finally, trust encompasses not only people's beliefs about others, but also their willingness to use that knowledge as the basis for action (Luhmann, 1979). Combining these ideas yields a definition of interpersonal trust as the extent to which a person is confident in, and willing to act on the basis of, the words, actions, and decisions of another. The development of trust is considered important in key account relationships and the conceptualisation of trust is at the interpersonal level, that is the customer’s trust in the Key Account manager as a person rather than trust in the organisation. This approach was adopted given that trust is a relational factor.
and that the model is looking at the individual account manager as the unit of analysis. This leads to the development of the first hypothesis.

**H1 Customer trust is positively correlated with Key Account Manager performance**

Commitment is a focal point in the literatures of organizational and buyer behaviour. Reichers (1985) highlights that it has been extensively defined, measured and researched. Commitment in a relationship in the context of marriage or work has also been espoused in a social or psychological framework and is seen as an intent to remain, along with personal and environmental factors that underpin that intent (Wong 2002). Similarly to trust, it seems to be one of the most important factors in understanding the strength of a relationship (Wong 2002).

In work settings, commitment refers to a psychological bond that an individual has with some target associated with their job, often a social entity such as an organization or a supervisor (Johnson, Chang et al. 2010). Viewing commitment as a uni-dimensional, single general construct is problematic due to several components in the construct’s definition (Wong 2002). There are varied definitions of commitment in the literature, which fall under three themes. Customers maintain a business relationship because: 1) they want to (affective commitment) 2) they need to (calculative or continuance commitment) 3) They ought to (normative commitment). Commitment in the literature falls under three general themes: affective commitment, perceived costs associated with leaving the organization and obligation to remain with the organization (Meyer and Allen 1991; N’Goala 2007; Johnson, Chang et al. 2010).

Firstly, a body of academic literature focuses on the affective element of commitment, with the focus being on emotional attachment, identification with and involvement in the organisation. Affective commitment is where commitment is viewed in terms of emotional attachment and social bonding and is the extent to which the member is bonded to the organization on the basis of how favourable they feel about the organization (Gruen, Summers et al. 2000). It includes a desire to develop and strengthen a relationship with a partner because of interpersonal interaction. Research shows that affective commitment plays a more significant role in developing and sustaining long-lasting relationships than other types of motives. Gustafsson et al. view affective commitment as “a hotter, or more emotional, factor that develops through the degree of reciprocity or personal involvement that a customer has with a company, which results in a higher level of trust and commitment” (2005, pg. 211). In a study specifically looking at services, N’Goala (2007) states that
business relationship maintenance should be linked to key relational processes such as affective commitment. He classes affective commitment as “the relative intensity of identification and affiliation with the service provider and the involvement in the service relationship” (2007, pg. 515). He highlights that affective commitment is not similar to a positive attitude to the service provider. It refers to process of identification (congruence of values, affiliation and belongingness) rather than an evaluation process.

A second body of academic literature sees commitment as rational and economic and that employees ‘need to’ stay with the organisation. This type of commitment refers to an awareness of the costs associated with leaving the organization (Meyer and Allen 1991). From this point of view, commitment is viewed as the continuation of an action, resulting from a recognition of the costs associated with its termination and scholars have used the term ‘calculative’ or ‘continuance commitment’. Becker (1960) viewed commitment from a sociological perspective, viewing it as a temperament to engage in consistent lines of activity because of the accumulation of ‘side bets’ which would be lost if the activity stopped taking place. Calculative commitment “represents a global calculus of the switching costs” (N'Goala 2007, pg. 515) and refers to an awareness of costs associated with leaving the service provider. Gustafsson et al. view calculative commitment as “the colder, or more rational, economic-based dependence on product benefits due to a lack of choice or switching costs” (2005, pg. 211).

Finally, a less common approach has been to view commitment as an obligation to remain with the organization (N'Goala 2007). Obligation based commitment, or normative commitment is a psychological based commitment and arises when a relationship partner feels a sense of moral duty and responsibility to their counterpart as a result of formal and informal rules and regulations, including social norms and customs (Gruen, Summers et al. 2000; Sharma, Young et al. 2006). However, he argues that in most service settings, consumers do not feel a moral obligation to continue doing business with their service provider.

Therefore, customer commitment can be conceptualized as a psychological state where customers feel they need, ought or have to develop a stable relationship with a customer which will bring future value or benefits to both parties. The conceptualization captures the customer’s commitment to the KAM as a person, as individual performance is the unit of analysis rather than the firm’s performance.
Following the trust-commitment theory of relationship marketing, made on the basis of research grounded in social exchange theory and organisational behaviour, committed relationship partners spend time in maintaining and strengthening relational bonds which positively influences financial performance (Morgan and Hunt 1994).

This leads to the development of the second hypothesis:

**H2 Customer commitment to the KAM is positively correlated with performance**

In addition, Morgan and Hunt (1994) argue that trust influences relationship commitment because it is so highly valued that individual parties in this case will desire to commit themselves to such relationships. This can be explained through social exchange theory through the principle of generalised reciprocity. Due the fact that commitment to a relationship entails an individual to be open to vulnerability, they seek relationships where trust exists so they do not feel they will be exploited. As Aurier et al. (2010) highlight, individuals are reticent in committing themselves unless they are confident in their service provider’s ability to be reliable and benevolent. Therefore it can be hypothesised:

**H3: Customer trust in the KAM is positively correlated with their commitment to the KAM**

It has been found that trust and commitment do not fully mediate the impact of relationship investments on performance outcomes, which suggests the need to add mediating mechanisms to the theory of Relationship Marketing to capture the full range of performance enhancing effects (Palmatier, Dant et al. 2007).

**Collaboration**

Collaboration has been identified as one of the commonly talked about topics in business today and can be seen as two or more companies sharing the responsibility of exchanging common planning, management execution and performance measurement (Min, Roath et al. 2005). The concept of collaboration has been a focal point across a number of different disciplines, including supply chain management (Stank, Keller et al. 2001; Min, Roath et al. 2005; Kim and Lee 2010), marketing (Spekman, Salmond et al. 1997; Ellinger 2000), and management (Singh and Mitchell 2005; Ang 2008).
The fundamental underlying principle of collaboration is that single companies cannot compete on their own. As a result organisations work together to produce superior performance, indeed the primary objective of collaboration has been viewed as attaining a superior performance than would be achieved by operating as a single entity (Min, Roath et al. 2005). Collaboration has been viewed as a business process where collaborative partners work together towards mutually beneficial common goals.

Min et al. (2005) investigated the nature of collaboration and believe that it has a number of different components: information sharing, joint planning, joint problem solving, joint performance measurement and leveraging resources and skills. They identify a number of key collaborative activities reflecting each component of collaboration.

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<td>Cost-benefit analysis (inventory carrying cost, lead time, customer service etc)</td>
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Organisations are seeking to build competitive advantage through collaboration, leveraging the knowledge and resources of suppliers and customers. It reflects the extent to which partners actually carry out planning on business activities with a shared objective to jointly improve the long term wellbeing of each other. Strategic collaboration has been conceptualised in the supply-chain management literature as “the extent to which supply chain partners actually forecast demand and plan business activities jointly while taking into account each other’s long term success” (Kim and Lee 2010, pg. 959). Furthermore it has been viewed as a partnership where the parties work in tandem, share information, resources and risks and make joint decisions to achieve outcomes which are mutually beneficial (Bowersox, Closs et al. 2003; Cao, Vondermose et al. 2010).

Collaboration has been viewed as important in the literature for a number of reasons. It motivates supply chain partners to be involved in achieving common goals (Mentzer, Dewitt et al. 2001). It serves to foster trust and commitment which can enhance learning and knowledge development (Kim and Lee 2010). Some examples of collaborative efforts would be exchanging data about demand forecasts and delivery schedules, coordinating product development and sharing cost and other strategic information (Cao, Vondermose et al. 2010).

Collaboration has been examined as an important construct in the relationship marketing literature as organisations have recognised that enhanced relationships lead to enhanced performance. Although research in the area of collaboration between Key Account Managers and their customers is sparse, relevant theories and findings across the management and supply chain literature can synthesised in order to develop a better understanding of how interpersonal factors may lead to interorganisational outcomes. Organisations who engage in collaborative activities with their customers depend on their boundary-spanning employees to play a critical role as information brokers, solve conflicts before they escalate, carry out negotiations, coordinate efforts, acts as advocates for their customer within in the organisation and help build the required levels of trust and commitment for a lasting relationship (Charvet and Cooper 2011). Cross functional collaboration is an intangible concept and reflects the recognition by internal functions in an organisation that they are interdependent and need to work together for the benefit of the organisation (De Luca and Atuahene-Gima 2007)
Traditionally, the buyer-seller dyad literature has focused on external collaboration between the two dyads. However, the internal orchestrating component of the role of the Key Account Manager has been identified in the sales management literature as being of paramount importance, which means they have to engage in interorganisational, multifunctional and multilevel interaction and coordination (Bradford, Challagalla et al. 2012). In addition, relationship marketing theory highlights the importance of personal interactions for individuals across firms and employees within firms. Many employees are part-time marketers as they do not belong to the marketing or sales department, despite carrying out marketing activities (Gummesson 1991). Managers must have an internal market orientation which impacts the external aspect of performance. The internal marketing explanation of relationship marketing strategy argues that relationship marketing success is a result of the development of intra-firm relationships. As a result, collaboration can be viewed as a multidimensional construct which leads to a hypothesis.

**H4a)** Internal Collaboration is positively correlated with Key Account Manager relationship performance

**H4b)** External Collaboration is positively correlated with Key Account Manager relationship performance

**Achievement orientation**

Ambition and the drive to achieve targets have been recognised as crucial ingredients in successful attainment (Spence and Helmreich 1983). Different theoretical interpretations explain why people behave in the manner that they do and achievement motivation is one of these interpretations that explains why individuals perform well. There are many theories of human motivation, but little attempt has been made to extend these theories to relationship marketing situations. Motivational variables may be very important in order to understand and predict Key Account Manager relationship performance. Individual differences in intrinsic achievement motives have been theorised and empirically investigated in the field of psychology. Prominent among theories of human motivation, is the theory of achievement motivation. McClelland (1961) believed that the need for achievement was a human motive that could be isolated from other needs and that a high need for achievement was characterised by a desire to perform well in order to feel as if something had been accomplished. An early definition of achievement motivation was from Atkinson (1966) who through the lens of expectancy-value theory, theorised that an achievement orientation
explains why some individuals are more successful than others. Helmreich and Spence (1978) and Spence and Helmreich (1983), following the perspective of Murray (1938) and Atkinson (1966) consolidate previous theories of achievement motivation with a principal focus on intrinsic achievement motives and striving toward performance excellence. They define achievement as

“task oriented behaviour that allows the individual’s performance to be evaluated according to some internally or externally imposed criterion, that involves the individual in competing with others, or that otherwise involves some standard of excellence” (Spence and Helmreich 1983, pg. 12)

However, a fundamental difference was that achievement orientation was not a unitary dimension. They viewed achievement motivation as a multidimensional conception consisting of three independent factors: mastery of tasks, competitiveness and a work orientation. Firstly, the mastery component of reflects a preference for challenging tasks and for meeting internal standards of performance. Secondly, competitiveness can be defined as the enjoyment of interpersonal competition, the desire to win and to perform better than others. Finally, the work component of achievement motivation reflects an effort dimension, that the individual has a desire to work hard and do a good job of what one does (Spence and Helmreich 1983). A number of subsequent studies have identified that achievement motivation is a multi-dimensional construct (Adams, Priest et al. 1985; Gill 1986; Chang, Wong et al. 1997). Achievement motivation has been seen an internal psychological drive which enables individuals to pursue work they perceive to be valuable and prompting them to reach their goals (Lee 2010). It has been viewed areas of human behaviour as diverse as academic achievement (Domino 1971) and athletic competition (Hanrahan and Biddle 2002) It has been linked with career mobility (Gould 1980) and career progression (Gould 1982) and explains why individuals achieve goals by working hard (Stewart and Roth 2007). Thus in the context of this research, it is hypothesised that

**H5 An achievement motivation is positively correlated with performance**

In order to carry out her/his role, the Key Account Manager needs to collaborate both internally within the organisation and externally with their contact in the customer organisation. Using this analogy, the Key Account manager has an internal psychological drive to achieve goals which explains why they collaborate, to achieve their objectives of increased sales and relationship development. It is therefore hypothesised that:
H6 An achievement motivation is positively correlated with collaboration

Proactive behaviour

Proactive behaviour is growing in importance in the recruitment and selection process of a company due to the changing nature of the environment where it becomes imperative for employees to be able to alter their environments (Crant 2000). In the organisational behaviour and psychology literature, person, environment and behaviour continuously influence one another so in order to understand Key Account Performance, a clear understanding of the type of behaviour for success is needed. The concept of proactivity has been the subject of academic focus and there are two similar research streams, the ‘Personal Initiative’ approach and the ‘Proactive behaviour’ approach. Firstly, ‘personal initiative’ implies that people behave actively and often change the environment, rather than just reacting to it (Frese 2007). Personal initiative can be viewed through the lens of an action theoretical approach. It has been defined as “a behaviour syndrome resulting in an individual’s taking an active and self-starting approach to work and going beyond what is formally required in a given job” (Frese, Fay et al. 1997, pg. 140). Employees are persistent in overcoming difficulties that arise in pursuit of a goal and are able to overcome barriers and setbacks (Fay and Frese 2001; Frese and Fay 2001).

Personal initiative and a proactive personality are conceptually related (Frese and Fay 2001). However, Personal initiative is seen as a behaviour rather than a personality trait. In a seminal article, Bateman and Crant (1993) introduced the concept of a proactive personality to organizational research. An individual with a proactive personality is viewed as someone “who is relatively unconstrained by situational forces and who effects environmental change” (Crant 1995, pg. 532). Employees attempt to affect what happens in their lives and not just let life happen to them (Grant and Ashford 2008). Proactive individuals directly alter environments and their behaviour rooted in the need for a person to feel that they have to manipulate and control the environment (Bateman and Crant 1993). Therefore, according to this perspective, an individual with a proactive personality succeeds because they are able to alter the environment that they are working in in order to bring about change. This leads to the development of an additional hypothesis:

H7 Proactive behaviour is positively correlated with performance.
Furthermore, a proactive personality affects the environment which increases the customer’s level of trust in the account manager, as they can see that the Key Account Manager is committed to affecting the environment in the interests of the customer. As McAllister (1995) highlights, trust can be measured in organisational settings by factors such as competence and dependability. Therefore, it is hypothesised:

**H8 Proactive behaviour is positively correlated with customer trust**

In addition, the Key Account Manager is involved in collaboration between the two organisations which is a means to affect the environment. Therefore it is posited that:

**H9 Proactive behaviour is positively correlated with collaboration**

**Political Skill**

There is a plethora of research on politics in organisations, with academics and practitioners alike acknowledging its presence and significance. Mintzberg (1985) viewed the organisation as a political arena which is a view shared by a number of academics with a notable body of research (Witt 1998; Kiewitz, Ferris et al. 2002; Aryee, Chen et al. 2004). A number of previous studies have considered the types of strategies and tactics that are used by individuals in organisations in order to behave politically (Judge and Bretz Jr 1994; Higgins, Judge et al. 2003). In an attempt to close the gap on the individual characteristics that enable a person to influence politically, Ferris et al. (2005) developed and validated a measure of political skill, in order to be able to more fully understand the concept and comprehend why efforts at influence are successful. Political skill can be defined as “the ability to effectively understand others at work and to use such knowledge to influence others to act in ways that enhance one’s personal and/or organizational objective” (Ferris, Treadway et al. 2005, pg. 127). They put forward that in order to provide a rounded and representative view of ‘political skill’, there are four key dimensions that need to be included to measure the construct, which are as follows: social astuteness, interpersonal influence, networking ability and apparent sincerity. Two important facets of the construct are the ability to be able to read and understand people and act on that knowledge in an influential way because it means that they have an accurate understanding of people in order to obtain things for oneself. Individuals who are high in interpersonal influence are able to adapt their behaviour to different situations which means they can to bring about favourable responses in others. In addition, connections and network building also represent an important aspect of political
skill, in order to exercise influence to achieve outcomes. Individuals who are high in networking ability ensure that they are well positioned when opportunities arise or to actually create them. Finally, sincerity is where individuals are seen as authentic and make influence attempts in a genuine and sincere way which inspires trust and confidence because they are perceived as not being manipulating or possessing ulterior motives. This leads to the development of a further hypothesis.

**H10 KAM political skill is positively correlated with performance**

In addition, the Key account manager wants to achieve their goals and as previously highlighted, collaboration is a means to achieve their goals. It is posited that a KAM uses their political skill to achieve their objectives.

Therefore:

**H11 Political skill is positively correlated with collaboration**

Finally, the Key Account Manager makes influence attempts with the customer in a genuine and sincere way which inspires trust as the recipient does not feel as if they are being manipulated and are being dealt with in an honest manner. Therefore, it is hypothesised:

**H12 Political skill is positively correlated with customer trust in the KAM**

**Method**

**Sample and Data collection**

Using Gerbing and Anderson’s (1988) recommended approach to build and test theory, in-depth interviews with 8 key account managers in Ireland were carried out to understand industry practices. Secondly, on the basis of these interviews and an extensive review of previous literature, a questionnaire was developed to test the set of relationships between constructs as specified by the nomological network. Thirdly, a pre-test will be conducted in order to get feedback about the clarity of the survey questions and appropriateness of the terminology used. Finally, the questionnaire will be refined and distributed to a sample of the top 1000 firms in Ireland by employee size.

**Measures**
The key constructs will be operationalized using existing reflective measurement scales. Using a 7-point Likert scale, the measure of achievement orientation was adapted from Helmreich and Spence (1978) which reflects its multi-faceted nature and encompasses its three key subcomponents: work, competitiveness and mastery. The measure of proactivity is taken from Bateman and Crant (1993), which measured the construct. The measure of political skill is taken from Ferris et al. (2005) and incorporates its multidimensionality, with items covering networking ability, interpersonal influence, social astuteness and apparent sincerity. The measure of collaboration is adapted from Ellinger (2000), which consists of 7 items that reflect the multi-faceted nature of collaboration, to share information, work together to plan jointly, solve problems, leverage resources and set joint objectives. Customer trust is adapted from McAllister (1995) and measures the two types of trust: affective and cognitive. The measure of customer commitment is adapted from Meyer and Allen (1991) and measures the three elements of commitment: normative, affective and calculative. Finally, performance is operationalized by incorporating items from a scale on role performance, which takes into account a Key Account Manager’s behaviour. This is taken from previous studies (Schultz and Evans 2002; Guenzi, Georges et al. 2009) and will ascertain the extent to which the KAM performs their role. In order to measure financial performance, an existing scale from a previous study by Flaherty and Pappas (2009) will be used, which consists of items that reflect the financial performance of the account manager such as market share, high profit-margin products and generating sales.

Several control variables will be considered in the study, the number of accounts, the number of year’s experience of the Key Account Manager, the length of time of the relationship with the selected customer and the extent of uncertainty in the external environment.

Reliability and Validity

After devising a measurement system and administering the measurement instruments to the group of Key Account Managers, questions on validity and reliability of the measuring instrument must be answered.

Reliability
Reliability needs to be assessed from the necessity for dependability in measurement and can be defined as the consistency or stability of the measuring instrument, its accuracy issue concerning measurement of the ‘true’ score (Kerlinger and Lee 2000). In order to improve reliability, items can be better written and administration of the measuring instrument and responses standardised (Kerlinger and Lee 2000).

Validity
Face validity will be tested by asking key account managers to review the proposed questionnaire and decide whether the items in the questionnaire measures what they are supposed to measure. Construct validity involves validating the theory behind the test, thus testing the set of relationships between constructs as specified by the nomological network. In addition, construct validity requires both convergence and discriminability; convergence ensuring that instruments purporting to measure the same thing should be highly correlated and discriminability to ensure that instruments that mean different things to have a low correlation. That is to say, that the items associated with each construct should correlate, whereas different constructs should not be correlated. Reliability and validity will be assessed using an overall confirmatory measurement model, in which each survey item should load only onto its respective latent construct and all latent constructs should correlated.

Bias

Common method bias
To assess the potential common method bias, the ‘MV’ marker method will be used where a scale theoretically unrelated to at least one scale in the analysis will be used as the ‘MV’ marker, offering a proxy for common method variance, as used in previous studies (Lindell and Whitney 2001; Sheng, Zhou et al. 2011)

Social desirability
A frequently noted issue with self-reported surveys is that respondents may answer questions to make themselves look good rather than responding truthfully (Steenkamp, De Jong et al. 2010). Despite this concern, Social Desirability has attracted relatively little attention in the major marketing journals. Social desirability has been conceptualised as a multidimensional construct, made up self-deceptive enhancement which is a reflection of an exaggerated but honestly held self view or impression management, which is a deliberate attempt to project a
favourable image (Paulhus 1991). Following Steenkamp et al. (2010), who measured Self-Deceptive Enhancement and Impression Measurement, it is proposed that a 10 SDE scale and 10 item SDE scale will be used as part of the survey to measure social desirability.
BIBLIOGRAPHY


