Identifying the Characteristics of Key Account Managers that Drive Performance

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ABSTRACT

A conceptual model of the factors that are linked to the performance of a Key Account Manager has been developed. There is a paucity of research in the correlation between the Key Account Manager’s personal and behavioural characteristics and their influence on the individual and organisation performance. A review of the literature underlines that the Key Account Manager can be described as a strategic orchestrator or lynchpin and their key role is to coordinate activities with other members of their organisation. As a result, their individual characteristics will be tested against trust, collaboration and communication which are essential for the interpersonal and interdepartmental roles played by a Key Account Manager. The conceptual model has been developed through an extensive review of the relevant literature and a qualitative pre-study. The model will be tested by a large scale survey.

The Key Account Manager needs to display different characteristics from those of a traditional sales manager. The research has a managerial implication, which is identifying essential personal and behavioural characteristics of a KAM, which will aid in the recruitment and selection process as well as identifying training gaps.

KEYWORDS_Key Account Managers, leadership, personality, trust, collaboration, communication, organisation, performance
INTRODUCTION AND AIMS

A review of the literature underlines that the Key Account Manager (KAM) is in a critical position of responsibility in the organisation. The aim of the research is to correlate the personal and behavioural characteristics of a KAM and ascertain how these characteristics influence trust, collaboration, communication and as well as the organisational performance of the entity. It also aims to provide practitioners with a framework that could be used when recruiting for the position of KAM as well as identifying training needs. The primary goal of this paper is to present a conceptual framework developed from a review of the literature and initial qualitative interviews.

Key Account Management is a deep-rooted marketing concept which has its origins in the United States. Several articles were published in the late 1970s and early 1980s which laid the foundations for the concept of Key Account Management (Stevenson et al. 1979; Stevenson 1980; Stevenson 1981). It is considered as part of the discipline of relationship marketing (McDonald 2000) and also has roots in personal selling research (Wengler et al. 2006). It is viewed as a logical extension of the emphasis on knowing your customer needs and providing a value added service (Boles et al. 1999). There are considerable internal organisational consequences aligned with the implementation of a Key Account Management programme (Wengler et al. 2006). Although the process of Key Account Management has been viewed as one of the most fundamental changes in the marketing organisation (Homburg et al. 2008), there is a current paucity of literature in the area and this research proposes to contribute to the literature on KAM performance.

RATIONALE FOR INCREASED ATTENTION TO KEY ACCOUNT MANAGEMENT

There are a number of different driving forces leading to the increased importance of account management. There have been accelerated by changes in the external environment of the organization in areas such as technology, competition and customer preferences which will now be discussed.

Firstly, suppliers are experiencing the Pareto effect, where the revenue structure in business and industrial markets is changing and a few powerful customers control an important portion of the suppliers’ revenue and profit (Weilbaker et al. 1997; Millman et al. 1999; Gosselin et al. 2006; Verbeke et al. 2006). Most business and industrial markets have already reached or are in the process of reaching market maturity which results in a consolidation of the number of suppliers in global markets due to strategic alliances, mergers and acquisitions (Napolitano 1997; Gosselin et al. 2006; Piercy et al. 2006b). From a supplier perspective, companies have attempted to create new types of organizations in order to respond rapidly and flexibly to these changes and to stabilize their own operations (Gosselin et al. 2006). KAM programs have become more important as there are escalating levels of competition in most markets due to globalization which leads to global customers and the need to protect the customer base from competition. Technological developments have lead to mass customization, and acceleration in competition (Napolitano 1997; Hughes et al. 2004; Gosselin et al. 2006; Piercy et al. 2006a). Complexity is also an issue: whether that is geographical complexity where there is wide geographic dispersion of buyers for the same company (Weilbaker et al. 1997; Pardo 1999) or operational complexity behind the corporate set up or functional complexity behind decision making. Firms that have a high level of vertical involvement and horizontal involvement tend to prefer key account programs (Bucklin et al. 1993).
With regards to an organisation’s customers, there is an issue relating to increased power due to the dominance of centralized procurement systems to gain lower prices and enhanced terms of trade which enhances the buyer’s cost structure and which builds competitive advantage in their end-user markets (Weilbaker et al. 1997; Gosselin et al. 2006; Piercy et al. 2006b). Larger buyers are also pursuing active strategies of supplier base reduction in order to reduce purchasing costs (Sharma 1997; Cahill 1998; Piercy et al. 2006b) and are putting increased pressure on the selling firms to improve their service and communications (Bucklin et al. 1993; Weilbaker et al. 1997). Basically customers want to work with fewer suppliers (Coker et al. 2000). Buying organizations feeling that a traditional sales organization (single sales representative) does not pay them enough attention and that an imbalance where selling companies fail to allocate the expected managerial talent may cause dissatisfaction with the buying company (Bucklin et al. 1993; Sharma 1997). Turbulence in the external environment increases the importance of effective interactions between functions in an organization as well as the buyer-seller relationship. For example, the balance of power has swung dramatically in favour of the retail trade customer due to globalization and industry consolidation which has meant that the trade focused sales function and the consumer focused marketing function need to be interdependent from a performance perspective (Cespedes 1993; Day et al. 1999; Dewsnup et al. 2000; Rouzies 2005; Matthysens 2006). Traditionally, the manufacturer sold their product to the consumer through the intermediary of a trade customer. However, exchange terms have changed in recent times with more concentrated trade channels which means that manufacturers have had to adapt their product and promotional programs to meet the needs of their increasingly influential customers, which has resulted in buyer – seller relationships being more firmly established (Cespedes 1993).

Product life cycles are getting shorter which means that information flows between marketing and sales need to increase (Cespedes 1993). Taking supply chain management into consideration, size, packaging, line extensions, promotional packs and other components of product strategy are being influenced by logistics costs which means that closer coordination is needed between marketing, sales and service personnel who ensure that the product gets from the factory to the shelf (Orsini et al. 1988; Cespedes 1993). These factors are increasing the drive for organizations to adopt a structure, such as KAM, to meet these challenges.

What is a Key Account?

There is a distinction between regular accounts which are serviced through the traditional field sales route and key accounts which are served with dedicated resources (Richards et al. 2009). Confusingly, there are different nomenclatures which have been used in the literature, with imprecise definitions (Workman et al. 2003) namely; Key Account (McDonald et al. 1997; Pardo 1997; Sengupta et al. 1997; Sharma 1997; Millman et al. 1999; Pardo 1999; Spencer 1999; McDonald 2000; Ojasalo 2001; Abratt et al. 2002; Schultz et al. 2002; Workman et al. 2003; Jones et al. 2005; Natti et al. 2006; Pardo et al. 2006; Verbeke et al. 2006; Wengler et al. 2006; Piercy et al. 2006a; Ivens et al. 2007; Ryals et al. 2007; Guenzi et al. 2007b; Zupancic 2008; Brehmer et al. 2009; Richards et al. 2009), National Account (Napolitano 1997; Weilbaker et al. 1997; Boles et al. 1999), Major Account (Colletti et al. 1987) and Strategic Account (Gosselin et al. 2006; Piercy et al. 2006b; Guenzi et al. 2009).

A number of commentators contend that the different terms are interchangeable (Millman et al. 1995; Boles et al. 1999; Spencer 1999) and that there is no real difference between a national account, a key account or a strategic account (Boles et al. 1999; Ojasalo 2001). It has been posited that a key account is simply a large volume account (Verbeke et al. 2006).
However, a Key Account is not the same as a large or major customer (Ryals et al. 2007) even though there is a tendency to classify them as such (Piercy et al. 2006a). There is a difference between competent major account management and key account management, the distinguishing factor being the development of intense and far reaching relationships (McDonald 2000). A major account may also be called a key account and a national account can be a sub-group of a key account (Millman et al. 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 et al. 1995). It can also include potential customers of a company (Zupancic 2008). What is critical is that they have been identified as being strategically important (Millman et al. 1995; Richards et al. 2009). By simply being a large customer does not justify supplier relationship investments like Key Account Management and a wrongly identified account will have a negative effect on profitability (Piercy et al. 2006a).

The process of classifying key accounts is the result of a series of strategic marketing management decisions (Wengler et al. 2006) to identify a company’s most important customers (Workman et al. 2003) in the Business-to-Business arena (Richards et al. 2009). A key account can be differentiated from a major account because in the case of a key account, there has been a selection process to pursue a KAM strategy with a limited number of customers, in order to understand their uniqueness and to be able to align supplier capabilities to meeting the needs of the customer (Millman et al. 1999). Indeed, not all large volume customers are necessarily suitable partners (Abratt et al. 2002). Although some argue that there is a systematic selection of key accounts (Zupancic 2008), others are less concise and argue that it is simply some identification of a firm’s most important customers (Workman 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 et al. 1997; Millman et al. 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 et al. 2006), size (current and potential) and complexity (McDonald 2000). They are serviced by the selling company with dedicated resources and personnel (Napolitano 1997; Richards et al. 2009) from sales and other divisions of the selling firm (Boles et al. 1999).

It is possible to use the terms ‘strategic accounts’ and ‘key accounts’ interchangeably (Piercy et al. 2006b; Guenzi 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 et al. 2002).

THE ROLE OF THE INDIVIDUAL KEY ACCOUNT MANAGER

Corcoran et al (1995) suggest that there are three interlinked roles for sales people namely: strategic orchestrator, business consultant and long-term ally. These key roles will be used as a basis for grouping the extant Key Account Management research into an orderly format under three umbrellas.

BUSINESS CONSULTANT

The focus of sales is moving away from selling to serving as customer consultants and business partners (Anderson 1996). In this role, the Key Account Manager uses internal and external resources to gain an understanding of the customer’s needs, business and
marketplace. Being a business consultant incorporates the following roles: educating the customer about the organisation’s product/service portfolio (Corcoran et al. 1995), learning about the customer’s business (Anderson 1996), acting as a coordinator of customer marketing effort and personalisation of marketing message, presenting marketing ideas to the customer (Cespedes 1993; Cespedes 1995) and helping customers create long-term competitive advantage (Anderson 1996). In addition, the Key Account Manager has to understand financials and can be seen as a cost analyser (Wilson 1993; Anderson 1996). This includes sales planning, forecasting and budgeting (Cespedes 1993; Wilson 1993; Corcoran et al. 1995; Anderson et al. 1999), and taking responsibility for customer profitability (Anderson 1996).

**LONG TERM ALLY**

Customers are demanding superior relationships from their suppliers (Jolson 1997; Piercy et al. 2003). In essence, the manager needs to be a customer advocate and manage customer value (Wotruba 1996), promote the Key Account Management concept internally (Millman et al. 1995) and develop long-term, mutually profitable partnerships with customers based on trust and benefits for both parties (Wotruba 1991; Cravens 1995; Anderson 1996; Marshall et al. 2003).

**STRATEGIC ORCHESTRATOR**

In essence, the account manager can be seen as a strategic value creator who leverages the competencies of their organisation in order to drive business. They build cooperation, involving all levels of the organisation and work closely with other internal departments on credit issues, NPD, logistics and marketing (Anderson 1996; Anderson et al. 1999). Account Managers also interact with people at all levels in the customer and their own organisation (Millman et al. 1995; Marshall et al. 2003). In addition, due to the fact the Key Account Manager has a boundary spanning role, they have to manage role conflict between the incompatible demands made by the organisation and the customer (Biong and Selnes 1995, (Dwyer et al. 1987).
RESEARCH METHODOLOGY

The research process began with exploratory interviews to help establish a framework for the investigation, along with an extensive literature review. Interviews were carried out to understand the interrelatedness of the key issues in context before embarking on a large scale survey. The data gathered from such exploratory interviews can help to identify variables when using a quantitative approach to research. The unit of analysis was the Key Account Manager. In-depth semi structured interviews were used in order to conduct exploratory discussions to reveal and understand the ‘what’ and the ‘how’ but also to place more emphasis on exploring the ‘why’ (Robson 1993). Initial interviews as the first phase of research in the area of Key Account Management have been used previously (Homburg et al. 2002).

In order to uncover insights into the research topic, the interviewer asked questions in order to examine the dynamics present in a real-life situation (Robson 1993). The researcher had a list of themes and questions and the data was recorded and transcribed at a later date. This helped to identify variables for quantitative testing later in the study and inform the questionnaire. The exploratory and investigative nature of stage one of the research enabled the respondent to answer in an open-ended way. This encouraged extensive answers revealing insights into the way that account managers interacted with other functions in the organisation. The interviews to date have supported literature in the area, highlighting that Key Account Managers are important lynchpins within the organisation who have the ability to directly affect a company’s sales and profit. They also verified the need to collaborate and communicate with both internal and external interfaces in order to be successful in their role.

Non-probability judgemental sampling was used to select interviewees best placed to answer research questions and meet objectives. A variety of industries were chosen to explore potential differences. The qualitative interviews served to confirm extant research on communication, collaboration and the presence of conflict. They also highlighted the research gap with reference to Key Account Management interfaces. A conceptual model was developed as a result of a review of the relevant literature combined with the interviews and will be tested, in the next stage of this research, through a large scale survey.

The survey approach has several distinct advantages which are ease of administration of the questionnaire in that it allows the collection of a large amount of data in an economical way, that the data obtained is consistent due to the fact that responses are limited to the alternatives stated and that coding, analysis and interpretation of data is relatively simple. It also allows the researcher to examine and explain relationships between variables (Robson 1993). A survey will be sent out to a large sample of Key Account Managers, who work on accounts strategically important to the organisation.

Random sampling will be used as it is suitable for a geographically dispersed area if data is collected via a postal questionnaire (Saunders et al. 2000). The sample population for the survey will be sourced using data gathered from a number of sources: namely LinkedIn, the Irish Times Top 1000 companies, the Sales Institute of Ireland, company lists by Dun and Bradstreet and Kompass Ireland.

Structural equation modelling will be used to test the relationships among the constructs of the model. This method of analysis is a confirmatory form of statistical technique which allows the researcher to test a model and examine theoretical relationships between two or more predictor or independent variables or dependent variables (Grapentine 2000; Malhotra et al. 2007; Tabachnick et al. 2007). It was chosen because it is popular in business research.
due to the fact that they enable researchers to test a multi-dimensional complex range of hypotheses concerning the relationships among variables (Tabachnick et al. 2007) and is more powerful than regression. It has been used successfully in a number of other relationship quality studies (De Wulf et al. 2001; Wong 2002), satisfaction, trust and commitment in customer relationships (Garbarino et al. 1999), key account research (Schultz et al. 2002; Workman et al. 2003; Verbeke et al. 2006) and sales and marketing interfaces (Dawes et al. 2006).

A sample size has yet to be calculated. However, in structural equation modelling, the researcher requires a large sample size to maintain statistical power and obtain stable parameter estimates and standard errors (McQuitty 2004; Schumacker et al. 2004). In the literature, an agreement on the minimum satisfactory size when constructing structural equation models has not been reached (Schumacker et al. 2004). In this study, 200 has been chosen as a satisfactory number of usable respondents. The design of the questionnaire will be based on multiple-item measurement scales which have been validated in previous research.

Once the model is finalised, the next stage is to design the measurement instrument, carry out the field research and then prepare the data for analysis using a suitable application (Deal 2006). There are a number of distinct advantages of SEM over other forms of multivariate techniques. SEM works in a sequential fashion, first estimating the measurement model and then moving to the structural model. This is to assess reliability and validity of the constructs. As previously highlighted the variables will be measured using reliable and validated multi-item scales to help minimise random measurement error and maximise validity and reliability (McQuitty 2004; Deal 2006; Tabachnick et al. 2007).

**CONCEPTUAL FRAMEWORK AND LINKS**

There has been a recent academic focus on Key Account Management, however there is still a research gap on the individual account manager and individual level behaviours that should be adopted by Key Account Managers (Guenzi et al. 2009). A conceptual model of the factors that are linked to the performance of a Key Account Manager has been developed from a review of the literature and findings from initial qualitative interviews.
Figure 1: Conceptual Model

**Performance**

A key construct of the model is performance, which comprises of the Key Account Manager’s role performance and outcome performance, so that the performance of the KAM can be assessed.

There has been extensive research on salesperson performance and effectiveness (Walker et al. 1977; Weitz et al. 1986; Bush et al. 1990; Sager et al. 1998). Although there has been a significant number of studies on sales managers effectiveness and performance, (Piercy et al. 2003; Deeter-Schmelz et al. 2008; Guenzi et al. 2009), there has not been an emphasis to date on the individual Key Account Manager (Guenzi et al. 2009). Researching the attributes present in an effective Key Account Manager is required because they have great influence in the organisation and are responsible for a large percentage of sales and profits. Performance can be defined as an evaluation of a salesperson’s behaviour in terms of the contribution of behaviour to the organisation’s objectives (Churchill et al. 1985). The extant literature has traditionally looked at assessment in terms of outcomes rather than behaviour (Churchill et al. 1985), with sales achieved being the most commonly used performance indicator in the literature (Weitz 1981). However, it has been argued that although this approach has some benefits, there are also drawbacks of an evaluation based solely on outcomes, due to the fact that factors that are beyond the control of the individual sales person affect sales so it is not purely based on individual effort (Bush et al. 1990). Fisher (1980) suggested that
performance should be seen in the context of activities that sales people perform and the performance measure used is specific to the job in question.

In order to get a more nuanced and complete view of performance, both types will be taken into consideration. Firstly, role performance can be defined as an evaluation of the individual’s effectiveness in problem solving, developing strategic plans, providing expertise and enhancing outcomes (Schultz et al. 2002) and focuses on how the Key Account Manager performs his tasks. Secondly, outcome-based indicators will also be used to assess the performance of the Key Account Manager, due to the fact that ultimately the goal of a Key Account Manager is to increase sales for the organisation (Millman et al. 1995).

It is posited that there is a link between the performance of the Key Account Manager and Organisation performance. It is important to test this link due to the fact that Key Accounts contribute to a large proportion of the organisation’s revenue and profits (Wengler et al. 2006) and that of the main objectives of a Key Account manager is to increase sales (Millman et al. 1995). Furthermore, Key Accounts can serve as being a prestige account which means that an organisation may attract extra customers due to the stature of their Key Account customer base (Wengler et al. 2006). Therefore, on this basis, the following is proposed:

\[ P1: \text{The level of the Key Account Manager’s performance is positively associated with the level of Organisation Performance} \]

**PERSONALITY**

There is substantial financial investment required by a company to recruit sales staff and sales practitioners cannot afford the waste associated with poor sales performers (Deeter-Schmelz et al. 2007). In efforts to minimise the risk of hiring poor performers, practitioners are often turning to personality tests to screen for potentially successful performers (Randall et al. 2001), with sales being no exception. There is a research gap in the extant literature on the characteristics of effective sales managers and given that they have such a visible and influential role in the organisation, both researchers and practitioners acknowledge the importance of understanding selection and performance (Deeter-Schmelz et al. 2008). This research is still in its infancy with only a limited number of prior studies on sales manager characteristics (Spencer 1972; Dubinsky et al. 1983; Guest et al. 1989; Brewer 1997; Cron et al. 2005; Deeter-Schmelz et al. 2007; Deeter-Schmelz et al. 2008) and none based on the Key Account Manager. With such an important role to play in the organisation, it would be important to ascertain which personality traits are linked to KAM performance.

The research into the taxonomy of personality began in the 1930s, with ‘Character and Personality’, the first academic journal devoted solely to personality research first published in 1932. McDougall (1932) wrote “Personality may be broadly analysed into five distinguishable but separate factors, namely intellect, character, temperament, disposition and temper” (pg. 15). Over a decade later, Cattell developed a complex taxonomy of individual differences (1948). However, researchers attempted to replicate his work and were unsuccessful, only finding good support for five factors (Fiske 1949). These five factors are similar to those generally accepted by researchers today. The five factor model obtained by Fiske (1949) were substantiated in later studies (Norman 1963; Borgotta 1964). Although different researchers have attached different names to each dimension of the personality construct, there is substantial commonality in the traits that define each factor (Barrick et al. 1991). Norman’s work can be viewed as noteworthy due to the fact that the labels he used to describe the five personality traits (Extraversion, Emotional Stability, Agreeableness,
Conscientiousness and Culture) are used commonly in the literature and have been referred to as the ‘Big Five’.

Therefore it is proposed that:

**P2: The level of personality is positively associated with the level of the Key Account Manager’s performance**

**LEADERSHIP**

The notion of transformational leaders was first introduced by Burns (1978) and was consequently developed by Bass (1985). In the area of sales, an initial investigation looked at transformational leadership in relation to sales managers and their sales personnel (Dubinsky et al. 1995), however there has been a dearth of research since then. Despite the lack of empirical evidence, the tenets of transformational and transactional leadership seem to be conceptually congruent with many Key Account Manager competencies. They also have relevance to the selling component of the role of the Key Account Manager due to the fact that leadership and selling are both forms of influence (Bass 1997).

Burke and Collins (2001) investigated management skills and leadership styles and found there was a correlation between the managerial skills of communicating, delegating, personal adaptability, time management, problem analysis and decision making with transformational leadership. These skills have been highlighted of that of a Key Account Manager, so there would seem to be synergistic potential. A subsequent study by Brown, Richmond and Rolin (2004) found that strategic thinking, relationship building and execution were critical leadership competencies, all of which have been viewed as essential to the role of the KAM as a strategic orchestrator.

The conditions under which transformational leadership is more likely to emerge and be effective have been theoretically specified (Shamir et al. 1993). Exceptional circumstances or crises are not a necessary condition for the emergence of charismatic leadership (Conger et al. 1987). Shamir et al (1993) propose that charismatic leadership is more likely to emerge when performance goals cannot be easily specified and measured and when leaders cannot link extrinsic rewards to individual performance. It may also be more appropriate under exceptional conditions such as those requiring non routine and unusually high performance in order to prevail, are more likely to look for charismatic leaders (Shamir et al. 1993). These are all conditions which are prevalent in the environment that a Key Account Manager operates in.

Therefore it is proposed that:

**P3a: The level of transformational leadership is positively associated with the level of the Key Account Manager's performance**

**P3b: The level of transactional leadership is positively associated with the level of the Key Account Manager’s Performance**

**COLLABORATION**

Cross functional integration involves different functions in an organisation interacting and exchanging work resources and assistance (Ruekert 1987). A review of the literature
highlights that the key account manager is in a boundary spanning role, and operates as a link pin (Organ 1971), where they have membership in two overlapping groups. Their remit as being a liaison role is to promote cooperation between the two groups which makes the organisation more integrated and prepared for knowledge transfer (Spekman 1979; Natti et al. 2006). It is essential for the key account manager to collaborate with internal departments as well as the external customer in order to be successful in his/her role as a strategic orchestrator. Rather than just managing the buyer-seller dyad, the key account manager must now also manage a range of interfaces internally to deliver value to customers (Piercy et al. 2009) and leverage the competencies of their organization in order to drive business. They orchestrate inter and intra company relationships to ensure the attainment of mutually beneficially goals of increased sales and profits (Abratt et al. 2002). On the operational side, the Key Account Manager works closely with other internal departments on credit issues, NPD, logistics, marketing (Anderson 1996; Anderson et al. 1999) and interacts with people at all levels in the customer and their own organisation (Marshall et al. 2003), facilitating multi level and multi function exchange processes (Millman et al. 1995). Key Account Managers have to work to harness all of the company’s resources for the customer and adopt a problem-solving approach to production, delivery, implementation and service concerns, all of which require leadership.

Therefore it is proposed that:

**P4: The level of leadership is positively associated with the level of collaboration (internal and external)**

Due to the fact there is interaction between the KAM and other individuals in the organisation, in their role as a boundary spanner and strategic orchestrator and effective boundary role performance calls for a distinct profile of individual traits (Organ 1971), it is proposed that:

**P5: The level of personality is positively associated with the level of collaboration (internal and external)**

Furthermore, as seen above, as one of the roles of the Key Account Manager is to collaborate internally and externally, it would be of benefit to test whether this is linked to Key Account Manager Performance. Therefore it is proposed that:

**P6: The level of collaboration is positively associated with the Key Account Manager’s performance.**

**COMMUNICATION**

Communication is necessary in relational exchanges (Mohr et al. 1990) and more specifically is an important tool in managing key accounts (Schultz et al. 2002). It is the exchange of information and is an important part of both traditional selling and relationship marketing (Dwyer et al. 1987; Anderson et al. 1989). As a strategic orchestrator, the KAM needs to partake in cross-functional integration through communicating and interacting working with different departments by exchanging resources, helping and working, in order to meet performance targets. To provide a multi-dimensional view of communication, a number of different facets of communication will be examined; namely frequency, bi-directionality and quality. Communication frequency as been viewed as important in a number of areas such as cross functional relationships (Ruekert 1987) and has been defined as the intensity of one-way flow of information via a variety of media such as email,
telephone, memo and face to face and provides (Morgan and Piercy 1998) and can be seen as an indicator of the amount of contact between two parties. Communication content refers to the message transmitted and it has been viewed in a number of different ways. Communication quality can be defined as how credible, understandable, relevant and useful information provided by other departments and the customer, is for the Key Account Manager to carry out his role as a strategic orchestrator which follows the conceptualisation by Souedert and Moenaert (1992). Bi-directionality has also been included due to the fact a KAM needs to communicate with the customer and also communicate internally with departments and received updates. Extant literature highlights that bi-directionality is key to integration (La Pierre & Henault 1996). Bi-directionality can be defined as the extent to which communication is a two-way process, following the conceptualisation by Fisher (1997) and Massey and Dawes (2007).

Due to the fact that a KAM regularly is involved in knowledge transfer as part of his role as a strategic orchestrator and boundary role, (Spekman 1979; Natti et al. 2006; Marrone et al. 2007), it is posited that communication is linked to higher internal and external collaboration. Therefore it is proposed that:

**P7: The level of communication (internal and external) is positively associated with the level of collaboration (internal and external)**

Previous studies have suggested a link between communication and performance (Gladstein 1984; Schultz et al. 2002). Also, it is posited that if there is a high level of communication inside and outside the organisation this will be linked to performance, as the KAM will be able to transfer knowledge and make better decisions due to all the information available to him and be more successful in building relationships. Therefore:

**P8: The level of communication (internal and external) is positively associated with the level of the Key Account Manager’s performance**

**TRUST**

‘Interpersonal trust’ (McAllister 1995; Devitisiotis 2006) is trust between individuals and is a key construct in the model. Chowdhury defines it as a “person’s willingness to depend on another person’s actions that involve opportunism” (2005, pg. 312). Trust has different components which have been termed as ‘cognitive’ and ‘affective’ foundations (McAllister 1995). 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. The foundation for cognition based trust is logical, rational reasoning. Credibility and reliability are components of cognitive trust; cognitive trust can be measured by the extent to which these criteria are met. The second component of trust is the emotional side of trust, which has been called ‘affect based trust’, affective trust, relational trust and identity-based trust (McAllister 1995; Rousseau 1998; Chowdhury 2005; Zahra et al. 2006), which are all based on emotive bonds being established.

Trust has clearly been seen as a key construct in the context of customer relationships with sales people (Jolson 1997). The antecedents of customer trust in the salesperson have been looked at in previous studies (Swan et al. 1999; Guenzi et al. 2010), but not specifically looking at the Key Account Manager and using the constructs of leadership and personality. It is therefore proposed that:
P9: The level of interpersonal trust (internal and external) is positively associated with the level of leadership

and

P10: The level of interpersonal trust (internal and external) is positively associated with the level of personality

Trust has been seen to enhance teamwork in organisations (Huff et al. 2003), enable positive and productive interactions (Zahra et al. 2006) and has been seen as an antecedent to collaboration leading to a relational exchange (Gundlach et al. 1993). Therefore it is proposed that:

P11: The level of interpersonal trust (internal and external) is positively associated with the level of collaboration

Previous studies have linked trust and performance. Dirks and Ferrin (2001) discuss what they term as the ‘main effect mode’ which is where higher levels of trust are expected to result in more positive attitudes and greater levels of cooperation which therefore results in superior levels of performance. Brush and Rexha (2007) argue that trust helps to increase supplier business share which also implies that there is a correlation between trust and company performance.

Therefore it is proposed:

P12: The level of interpersonal trust (internal and external) is positively associated with the level of Key Account Manager performance

CONCLUSION AND MANAGERIAL IMPLICATIONS

There has evidently been a recent academic focus on Key Account Management and how it differs from the concept of traditional Sales Management. However there is still a research gap on the individual account manager and individual level behaviours that should be adopted by Key Account Managers (Guenzi et al. 2009). Therefore, this research proposes to close the gap by taking the KAM relationship with other critical functions into consideration and include them in a model linked to organisation performance. More specifically, it has been posited that in order to effectively manage key strategic customer relationships, there needs to be strong and effective links to operations and supply chain, marketing and other specialist groups (Lane 2009). These links have been conceptualised in the literature but there is huge scope to investigate these links empirically.

The individual key account manager as the unit of analysis is an important area, but still under researched; there has been little attention given to the specific role of key account managers in the implementation of the selling strategy. As a consequence, there is a gap in the literature on the specific behaviours that key account managers need to adopt in order to manage relationships with key customers (Guenzi, Pardo et al. 2007b).

It is also envisaged that this research will identify the critical personal and behavioural characteristics of a Key Account Manager which is a significant position in an organisation. This will assist managers in the recruitment and selection process as well as identify training needs. The
References


