# THE ROLE OF SENIOR EXECUTIVES IN MANAGING KEY CUSTOMERS IN ARAB CONTEXT

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The Role of Senior Executives in Managing Key Customers in an Arab Context

ABSTRACT

Purpose
The purpose of this paper is to explore the role of senior managers in managing intra-and inter-organizational relationships with key customers and the factors that influence such involvement in a novel context in the Arab Middle East region.

Methodology
An exploratory qualitative research design was used in which 68 face-to-face semi-structured interviews were conducted in Jordan with endogenous and Western firms.

Findings
Top/senior managers play a significant role in Arab business relationships and in creating value for the firms. Their involvement in key accounts is imperative at all levels—strategic, operational, and relational—mainly due to cultural and institutional factors that are unique to the Arab context.

Research Limitations
The study is limited to operations in one emerging country situated in a novel setting in one particular region of the world, which is the Middle East.

Practical Implications
Arab senior managers’ participation is imperative and should continue with their relatively intense involvement with key accounts. For foreign investors operating in that part of the world, it is highly recommended that senior management have a more a hands-on approach when dealing with the Arab key customer and to focus more on the relational aspect of key account management than on the organizational aspect.

Originality/Value
This paper adds to the very limited number of studies on senior management involvement in key account management, making a theoretical and practical contribution, and adding insight on how to manage the relationship with the Arab key customer.

Keywords: Key account management, Senior management involvement, Arab context, Institutional theory, Upper echelon theory.
Article Type: Research paper

1. Introduction

Key account management (KAM), which focuses on the management of relationships with the most important and strategic customers in business-to-business markets, is perceived as a holistic strategic business management approach that should be linked to and derived from the supplier firm’s corporate strategy (Francis, 2004; Homburg, Workman, & Jensen, 2002; Ilsley, 2010). Research evidence indicates that building effective KAM systems requires appropriate management at both the corporate/strategic and operational/tactical levels (Guesalaga, 2007; Zupancic, 2008). The corporate level involves integrating KAM into the organization and aligning the organization’s strategy, structure, and culture to fit KAM (Salojarvi, Sainio, & Tarkiainen, 2010). This entails a high level of commitment, coordination, and investment in all functions of the supplier firm (Ryals & McDonald, 2009), and the active participation and total commitment of senior/top managers to institutionalize the KAM system and to provide legitimacy to the actors involved in the management of key accounts (Nätti & Palo, 2011).

Despite widespread agreement among scholars that top/senior management involvement is the most critical indicator of KAM success (Guesalaga, 2014; Homburg & Borneman, 2012; Millman & Wilson, 1999; Napolitano, 1997), the question of how top management should be integrated still remains unanswered, and there is a need to understand the specific ways in which senior managers should be involved with key accounts (Pardo & Ivens, 2016). This is particularly important because the dominant conceptualization of senior management involvement has been one-dimensional, highlighting only the decision-making element with respect to key accounts (Guesalaga & Johnston, 2010; Homburg & Borneman, 2012). In addition, the role of senior management in the management of key accounts across borders remains under-explored, and there is relatively little research on KAM in emerging and less developed countries (LDCs), particularly in the Arab Middle East region, despite the strategic and economic importance of the region to foreign investors (AL-Husan & Brennan, 2009; ALHussan & AL-Husan, 2013). The aim of this paper is to fill these gaps by exploring how top managers are involved in the management of key accounts in an Arab context, and how different contingencies influence the way they are involved.

This paper is divided into five main sections. In the first section, a brief review is provided on the debate concerning KAM. The second goes on to consider top management involvement in managing key account relationships. The third section outlines the research methods utilized, and the fourth reports the key findings obtained from the interviews. Finally, a concluding section draws together the key points emerging from the study and considers their implications for the existing debate relating to the management of key accounts.

2. Theoretical background

2.1. Key Account Management
KAM lies at the heart of customer relationship management. It has been conceptualized as the practical implementation of relationship marketing (ALHussan et al., 2014; Tzempelikos, 2015; Tzempelikos & Gounaris, 2013a), and it is currently portrayed in relationship marketing (RM) literature as a significant approach to creating value by implementing specific processes that target the most important customers (Friend & Johnson, 2014). The management of key accounts requires the coordination of inter- and intra-organizational processes as well as the development of trust and commitment to establish long-lasting relationships and improve relationship quality (Homburg & Bornemann, 2012). Relationship quality represents the assessment of the strength of the buyer-seller relationship which may constitute the most commonly agreed upon relational dimensions: trust, commitment, and satisfaction (Tzempelikos & Gounaris, 2013b). Consequently, KAM can be examined from both organizational and relational perspectives, and it is often represented as managing both internal and external networks (Holt & McDonald, 2000; Pardo, 1994), of which the Industrial Marketing and Purchasing Group (IMP) network’s approach to relationship marketing has been seen as the most relevant and useful in understanding KAM, and has been used to analyze KAM in a number of studies (e.g., ALHussan et al., 2014; Homburg et al., 2002; Pardo, Salle, & Spencer, 1995; Workman, Homburg, & Jensen, 2003). More specifically, the IMP approach focuses on interaction among multiple actors and on the interpretation of facts in terms of the configuration of relationships in networks, which contributes to the understanding of the relationships in a B2B context, and hence, is relevant and useful for understanding how to manage the relationships with key account customers and other actors in internal and external networks (Ford, Gadde, Hakansson, & Snehota, 2006; Hakansson, Ford, Gade, Snehota, & Waluszewski, 2009). According to the IMP network perspective, firms must understand their position in a network, and they have to strategically develop their activity links (A), resource ties (R) and actor bonds (A) with their counterparts in the network. These three interrelated factors are combined to form the A-R-A Conceptual Model, which is used to operationalize KAM (Homburg et al., 2002; Shaw, 2003; Workman et al., 2003). For the purpose of this study, our research has focused on the top management element of the actor bonds dimension of the model.

2.2. Top management involvement and KAM

The significance of top management involvement dates back to the upper echelons theory (UET) (Hambrick & Mason, 1984), which suggests that top managers have great impact on organizational decisions and that organizational outcomes, including strategic choices and performance which reflect top managers’ characteristics and backgrounds. The central premise of the UET has two interconnected elements. The first is that executives act on the basis of their personalized interpretations of the strategic situations they face and that these personalized construals are a function of the executives’ experiences, values, and personalities. The second element is that demographic characteristics of executives can be used as valid proxies for executives’ cognitive bases, values, and personalities. Hence, executives’ age, education, career experience, tenure, affiliation, and socio-cultural roots can be used to predict their strategic actions (Hambrick et al., 2005). Moreover, evidence shows that senior executives provide an interface between the firm and its environment through their
boundary spanning activities with their external ties. Such external ties and social influences, in turn, influence the strategic choices of top management, the organization’s strategic profile, and the degree to which it converges or diverges from industry and social norms (Geletkanyecz & Hambrick, 1997).

Within the KAM context, the significance of top/senior management involvement (TMI) has been emphasized (Guesalaga, 2014; Tzempelikos, 2015). The KAM literature suggests that the participation of special actors in key account activities has a horizontal and a vertical component. The horizontal component involves the participation of key account managers and/or teams who are fully dedicated to key accounts. The vertical component involves the participation of senior management in KAM (Workman et al., 2003). Top management involvement is defined as the extent to which senior executives participate in managing the KAM program (Gounaris & Tzempelikos, 2013; Noor & Ahmmed, 2013). The KAM literature highlights the importance of top management’s involvement in the process of initiating, overseeing, and managing key accounts (Capon, 2001; Guesalaga, 2007; Guesalaga & Johnston, 2010; Millman & Wilson, 1999). This includes setting the company’s strategic direction and making it more customer-oriented to facilitate the flexibility of establishing and properly implementing KAM in the company (Auh & Menguc, 2005; Salojarvi et al., 2010) and securing business unit management support of and cross-functional commitment to the program, hence aligning the program’s strategic objectives with functional requirements (Homburg & Bornemann, 2012) and ensuring sufficient empowerment of key account managers (McDonald et al., 2003).

Consequently, Workman et al. (2003) argue that since KAM involves the participation of many parts of the organization, top managers should be role models and should set an example for the rest of the organization through their actions that encourage cross-functional responsiveness and commitment to key accounts. However, there have been scholars in the field who have contested the involvement of senior managers in the relationship with the key accounts because it can negatively affect the role of the account manager (Guesalaga, 2007; Guesalaga & Johnston, 2010; Harro, 2006). At the same time, a separate body of research has indicated that top management involvement has not been intense enough (Francis, 2004; Tzempelikos & Gounaris, 2013a).

Therefore, using the upper echelon theory, Guesalaga (2014) proposed a more recent conceptualization of KAM to understand the nature of top management involvement in KAM. In this conceptual model, TMI has been grouped into two main dimensions: direct TMI involvement (through customer contact), and indirect TMI involvement (through decision-making and organizational alignment). The author then examined how these dimensions of TMI relate to KAM outcomes through a survey of 261 key account managers of US and Chilean supplier companies. The results showed that top managers’ social interaction with customers is more relevant than business-related interaction, and at the same time, such social contact was found to be detrimental when focused on tactical issues. The results also suggested that senior managers should support KAM by aligning the goals and procedures of
the different functional areas in the company, and by participating in decision-making on strategic issues.

It must be noted, that although Guesalaga (2014) utilized the upper echelon theory to inform the conceptualization of top management involvement in KAM, the findings of his study did not clearly demonstrate the relationship between the demographic characteristics of top managers and how decisions are made and, hence, the outcome of KAM. Furthermore, Guesalaga controlled for the country of origin in his study, and therefore, the findings did not demonstrate how top managers’ strategic choices were constrained and to what extent they differed according to the variations in the national business systems of the two countries involved in the study. This is an important variable, particularly from an institutional perspective, as will be discussed below.

2.3. The institutional context of KAM

The upper echelon theory was built upon the strategic choice perspective which states that powerful actors, particularly top executives, influence their organization’s characteristics—its strategy, structure, processes, and, in turn, its performance (Child, 1972). This view was contested by others like the new or neo-institutional theorists who argue that actors and organizations are greatly constrained by their institutional environment or national business systems1 (NBSs) of a given society. According to North (1990), the institutional environment is made up of both formal and informal institutions. Formal institutions include political, legal, and economic rules and regulations. Informal institutions, on the other hand, consist of unwritten, yet influential, societal fundamentals such as codes of conduct, norms of behavior, conventions, and values which are embedded in culture and ideology. In situations of institutional void where formal market-supporting institutions are weak or absent, as in the case of many emerging and developing economies, it is argued that informal institutions will come into play and will be more prominent (Kanna & Palepu, 2000; North, 1990).

According to DiMaggio and Powell (1991), the institutional environment framework acts as a constraint to individual and organizational behavior that forces it to adopt socially legitimized strategies, structures, and processes to satisfy important societal stakeholders and to comply with three main types of institutional isomorphism2: coercive isomorphism stemming from formal institutions (e.g., laws and regulations), mimetic isomorphism (e.g., professions), and normative isomorphism (e.g., habitual actions). Both mimetic and normative isomorphism stem from the informal institutions. This implies that the strategic choices and discretion of executives are limited by the degree of institutional constraints prevailing in different societies and NBSs. Support for this was achieved in Crossland and Hambrick’s (2007) study

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1 The National Business System constitutes a collection of institutions serving to shape economic transactions, cooperation, and control inside and between business organizations (Whitely, 2002).

2 Isomorphism is the extent to which organizations adopt the same structures and processes as other organizations within their environment (Zucker, 1977).
which examined the statistical impact of chief executive officers (CEOs) on company performance in fifteen year matched samples of American, German, and Japanese companies, and found that CEOs of American firms had a significantly greater effect on company performance than did CEOs in the other two countries that were more constrained by their institutional environment.

In the Arab world, the weakness of formal institutions is substituted for by informal institutions, such as *wasta*, which means a connection or ‘the influence a person has through personal and family networks’ (Neal, 2010, p. 253) on the distribution of advantages and resources (ALHussan & AL-Husan, 2013). Indeed, *wasta* can be seen as a reflection of the Arab culture and tribal social structure which results in Arabs being extensively networked and strongly loyal to their family and tribe and to the head of the tribe, the Sheik, which in turn, leads to patriarchal and hierarchical relations in Arab societies. Furthermore, the high uncertainty avoidance and high power distance of Arab culture (Hofstede, 1980; 1991) also reinforce this hierarchical system of relationships and lead to a system of trust in persons rather than organizations and a preference to deal with the top men in organizations who are believed to get things done (Al-Faleh, 1987, p. 24). Arab countries are also collective group-based societies with high context cultures that are driven by relationships, friendship, social networks, face saving, harmony, extended family commitments, and emotions. (Hofstede, 1991). As a result, overall, business in the Arab world tends to be personal and socially-based, where people and relationships are valued more than what is exchanged, and priority is given to family and kin over business objectives (Branine & Analoui, 2006; Rice, 1999). In the B2B relationship domain, the scant studies in the Arab context found that interpersonal relationships are always viewed as essential for buyer-seller exchange in Arab countries. For example, Abosag and Lee (2013) found that business relationships in Saudi Arabia are primarily based on interpersonal interactions with a considerable emotional component.

This article further contributes to the KAM literature by examining the application of Guesalaga’s (2014) top management involvement conceptual model in an Arab context, and by exploring the demographic and institutional factors and how they influence the nature of TMI in key accounts. A descriptive framework, presented in Figure 1, was used to direct the collection and analysis of the data (Saunders, Lewis, & Thornhill, 2012; Yin, 2004). This descriptive framework includes three main elements: top management characteristics and Arab socio-cultural and institutional factors that can influence top management involvement in the management of key accounts; direct and indirect top management involvement at strategic, tactical, and social levels; and KAM outcomes and relationship quality.

**[INSERT TABLE 1 HERE]**

### 3. Methodology

In order to explore the under-researched area of TMI in an Arab context and to answer the research questions of how senior managers are involved in the management of the relationship with Arab key customers (ALHussan et al., 2014) and how contingencies influence this
involvement, an exploratory qualitative research was determined to be the most appropriate means to develop a rich contextual understanding of the phenomenon under investigation (Miles & Huberman, 1994; Saunders et al., 2012). To our knowledge, there have been no other studies that have investigated TMI in the Arab world. We initially started our study with a comprehensive literature review to extract the central themes on TMI in KAM. The literature on TMI seemed to focus on two themes: direct and indirect involvement (Guesalaga, 2007; 2014; Tzempelikos, 2015). These two themes served as the wider theoretical background of our study and contributed to our topic guide’s questions (Taminiau, Bousssebaa, & Berghman, 2012). The information used for this study was gathered by the method of conducting 68 face-to-face semi-structured interviews. The semi-structured nature of the interviews allowed for consistent data gathering procedures and systematic data analysis (Bryman & Bell, 2007). All interviewees were guaranteed full confidentiality and anonymity, and the interviews lasted an average of 60 minutes. In our study, we conducted 18 interviews with senior managers at different senior levels (e.g., chief marketing officer, chief executive officer, VP of sales, sales director, division head, and strategic account unit head) who were involved in KAM through initiating, designing, and implementing KAM strategies and policies. The remainder of our interviews were gathered from sales managers/key account managers/relationship managers, as was done by Guesalaga (2014), who were seen as key informants because they were the most knowledgeable about the implementation of KAM (Guesalaga, 2014; Pardo & Ivens, 2016), and “KAM is typically implemented through a key account manager” (Ivens, Pardo, Niersbach, & Leischnig, 2016, p. 2).

Furthermore, by using multiple respondents from different levels and who had different roles in the companies, we sought to corroborate data to ensure comparability and validity to obtain a sufficient depth and diversity of information. It must be noted that not all companies were cooperative in providing access to their senior managers, as in the case of W-HS and A-RC. The interviews were conducted in 10 large-sized Western and Arab owned companies (> 100 employees, as noted in Taminiau et al., 2012) in financial services, IT, telecommunications, and heavy industry in Jordan. The interviews were transcribed verbatim and the data were coded into thematic categories (Guest, MacQueen, & Namey, 2012). Data were coded manually at a micro-level (line-by-line), by reading and re-reading the text to facilitate pattern coding, to become more familiar with the data and to discover the relationships among concepts (Strauss & Corbin 1998). The resulting codes were used to assess existing theory and to generate theories regarding the research questions (Forstenlechner & Mellahi, 2011).

However, the initial codes and categories were expanded and collapsed inductively to account for the other categories and sub-categories that emerged from the data analysis. Subsequently, these categories were developed into three main themes: top management involvement in KAM, TM characteristics, and cultural and institutional constraints. Initial insights from our analysis were presented to the sample companies who confirmed their accuracy, thus enhancing the external validity of the analytic procedure (Marcos-Cuevas, Natti, & Palo, 2014). A summary of the participating companies is presented in Table 1.

{INSERT TABLE 1}
4. Findings

The data revealed that senior managers were actively involved in the management of key accounts, directly and indirectly and within both organizational and relational dimensions. The nature and extent of such involvement was found also to be influenced by a number of contingencies. The main findings are discussed below under three main themes: top management direct involvement, top management indirect involvement, and influencing contingencies.

4.1. Top management direct involvement

Within the organizational dimension, senior managers were found to be involved directly at three levels: the strategic, tactical, and social involvement levels.

4.1.1. Strategic customer contact

The results show that, in general, top managers, including the chairman and CEO, were often directly involved in strategic meetings and discussions with strategic/key customers. These discussions included strategies to develop strategic partnerships and alliances with key customers to expand the business and cooperation between the two firms in such areas as co-branding, outsourcing, and other cooperative projects. Furthermore, senior managers tended to attend meetings with strategic and key customers to finalize major deals and sign the contracts to show the commitment of the top management. In relation to this, for example, the head of the major accounts departments at W-OT Telecommunication noted:

. . . Our CEO has direct meetings and discussions with strategic account customers to make a partnership with them, so that they can join as club members. For example, we made a strategic partnership with RJ airways, under which the VIP/strategic account customer can get a discount from RJ.

The involvement of senior executives at the strategic level with key customers is of major importance for supplier companies because, in this high power distance culture, key account managers, who may be well-versed in the business deal and have the necessary skills to close the deal, do need the presence of a senior executive in obtain the legitimacy and credibility they seek with the customers. This has been highlighted by the account manager at A-UT Telecommunication Company:

. . . Sometimes there are deals that cannot be closed unless our head of division is present. It is not that I am unable to manage the deal. But his presence can really change things in the deal. For example, today we closed a deal for 450 lines with a governmental organization, and it was tough because our sales director did not come to the meeting, but instead, my line manager was present to close the deal with us. To be honest, this has made us feel abandoned in the eyes of the customer.

4.1.2. Tactical customer contact
Our study revealed that tactical, direct involvement encompasses such things as supporting key account managers through, for example, as one interviewee noted, “their presence with the key account managers” (W-LA, 2) during their visits to key customers and/or in the negotiation process to create a positive impact on the relationship quality. Thus, senior managers visited customers when they were asked by account managers to accompany them or when they noticed that there was no progress in some of the accounts. They also made these visits to provide support for account managers to assure key customers that the key account manager is competent and capable of managing the customers’ needs, and that the key account manager is the person in charge with full support from senior management. In relation to this, for example, the sales director at W-LA Manufacturing Company observed that:

. . . As for my role, it is not to take authority away from my account managers but to empower them and support them in front of the key customers.

In the Arab world, this conveys the message that “we are here to serve you,” and it indicates that the top manager is underscoring the importance and status of the customer and is showing him the necessary respect. This is reflected in the following statement by the corporate credit officer at A-AC Financial Company:

Even if the top-manager does not say a word at the negotiations table, his presence can provide a different direction for the deal . . .

Hence, the involvement of top management with the key accounts is also very important because, as highlighted by many interviewees, “key customers always like to speak to senior managers to solve their problems.” Thus, senior managers play a significant and valuable role in Arab business relationships and in creating value for the firm. In relation to this, for example, the SME Division Manager at A-ST IT Company stated that:

I was on leave, and one of the key customers needed urgent work to be done on a tender he had which is worth around two million pounds, and because I was not present that day, he refused to send the specifications of the tender to us to start working on it and to gain the benefit of the early time start-up, and waited until I was back from my leave and then contacted me. He has really put us in a difficult position as we had to leave most of the work in our hands to do his work. I mean, just being away for a few days, he would not speak to anybody else in the company.

In a similar vein, a large corporate banking manager noted that senior managers also get involved in direct contact with the key customers to solve their problems or manage their complaints, and stated: “. . . sometimes the customer may have a problem with his loan request or has a complaint regarding one of the account managers at our bank, so he calls me to help solve the problem for him.”

It must be noted that the lack of involvement by senior managers was considered to be detrimental. Hence, in companies where new policies were implemented in which tactical involvement of senior managers was reduced, this was seen to have negative results as
reflected in the following statement by the senior account manager at U-AT Telecommunication Company.

Currently the new policy implemented states that senior management should only visit the customer if the business deal is of major importance. I consider this to be the first step in our destruction. Because, if our managers do not visit the customer, we as account managers lose the credibility and the weight created by the presence of senior managers . . . it becomes difficult to build the relationship as the key customers will not commit to the relationship unless they see the involvement and commitment of senior managers . . .

4.1.3. Social customer contact

Within the relational dimension, the findings indicate that senior managers’ social involvement and interaction with key customers is essential from an Arab perspective as it facilitates social bonding and the development of affective trust and affective commitment, which usually precede calculative trust and commitment in the Arab culture (Abosag et al., 2006; ALHussan, 2012). Thus, it was found that engaging socially at the personal level with key customers, for example, by attending social occasions like weddings, funerals, and other religious occasions, was important to show respect and personal care, which, in turn, helped in strengthening personal trust. This is a crucial element in Arab business relationships as usually Arab people will conduct business with people they trust rather than with the organization—a perception confirmed by all interviewees. In relation to this, for example, the head of enterprise sales at A-ZT Telecommunication Company indicated:

. . . In our culture, business is influenced by those informal relationships, and we try to develop these personal relationships. Our company has devoted some budget for creating social events, and even for gift giving. In these events, we make sure that the strategic customers meet the CEO or vice CEO to strengthen the relationship with them. If the customer sees that the senior manager is looking after him, he feels privileged and that he is taken seriously.

This has been also highlighted by the VP of a large corporate banking unit at A-AR Bank, where he indicated that, most of the time, business opportunities are found in these informal gatherings and business is conducted in these social events:

. . . from our understanding of business, business is always personal. We try to change it from being just a business relationship to a personal relationship. It might sound strange, but it is the relationship that sells in our country. In here, I make sure that I build good personal relationships with key customers by going to their weddings, funerals, and other social occasions and by giving them some gifts when necessary, to make them feel I am their friend.

4.2. Top management indirect involvement

Top management indirect involvement is discussed in the section below under three sub-headings: strategic decision-making, tactical decision making, and organizational alignment.

4.2.1. Strategic decision-making
Strategic decision-making was found to include decisions made by senior management on such things as long-term investments or changes to existing relationships with the key customers. Other involvement consisted of making strategic decisions on issues such as selecting strategic/key customers, evaluating key customers, allocating resources, and determining appropriate organizational structures to ensure flexibility and speed. This was highlighted by the international key account manager at A-RC Manufacturing Company:

... our senior management are located in Saudi Arabia. One of the strategic decisions that they made recently was to stop exporting to a particular customer who is considered to be a good customer. However, our senior management decided it is not in the company’s interest to sell anymore to him or to that country.

In addition, the senior management was involved in making strategic decisions in terms of deciding which customers are promoted to be given the status of key account, or demoted. For example, the sales director at A-UT Telecommunication Company indicated:

I am involved in making the decision which customers are to be promoted to the key account status. I study each customer’s file in depth and see if they fit the criteria for promotion and based on that I recommend to give them a key account status.

4.2.2. Tactical decision-making

The findings indicate that senior managers are involved in tactical decision-making. These decisions include setting prices for different products and packages, making overall key customer plans, and finding solutions to deal with customer complaints. This has been indicated, for example, by the sales manager at W-LA Manufacturing Company:

... recently, we have implemented the call center for our company, and this has been the initiative of the senior management here at our company. We had complaints that the customer is waiting in the queue too long to load this cement, so the senior management decided to implement the call center to save time for the customer, by calling in advance to have his load prepared.

Apparently, the key customers do not recognize the boundaries in the organizational structure of the company as they seem to prefer to deal with the top management directly in the organization, even regarding matters that were not in the domain or expertise of the senior manager. However, this was not presented by senior managers who saw this as an opportunity to strengthen the relationship with the key accounts who appreciate being served by senior managers personally. Thus, one of the corporate market managers at W-OT Telecommunications Company stated:

... on the personal level, I can help as much as I can. The services which the customer purchased from us for his household and his family, if he has any problems with his landline for example, he can call me and tell me his complaint and ask me to check it for him, and I will personally follow up on the matter. If this helps the business and the relationship with the customer, then I shall do it. Why not?
4.2.3. Organizational alignment

The findings show that senior managers are involved to varying degrees in enhancing the integration of different functions to support KAM. For example, the sales director at W-LA Manufacturing Company noted that:

... this goes without saying. I try my best to align the goals and the functions of the departments to help serve the customer the best possible way. It is not easy, but we try our best to bring everything together. ...

In a similar vein, the sales director at A-UT Telecommunication Company also stated:

... it is my job to support my people (salespeople), and I try to bring all units together to help support my account managers.

Our data also suggests that organizational alignment is of major importance for the account manager in the supplier company. Hence, the senior manager has to ensure alignment and communicate the importance of the account management department to the other departments in order to obtain full support for the account management unit within the organization. Lack of ensuring such support is considered to be a major obstacle for the account manager in terms of managing the relationship with key customers. This was stressed by the account manager at the A-UT Telecommunication Company:

... in the past, when Mr. R was our sales director, who is the son of our company’s owner, there wasn’t anything that we needed which we did not get. With one phone call from him, all our requests were met... We felt untouchable inside the company, we had the respect from the other departments, and they were willing to support us. Currently, with the new sales director, he lacks what I say are the necessary power and image of the company, and this is creating difficulties for us in the company to get the support required from other departments.

Also, the key account manager at A-ZT Telecommunications Company explained how key account managers do not have the power to obtain the necessary support from other departments to serve key customers unless this has been clearly initiated and communicated by senior managers, and noted that:

... with this new integration policy, I feel that we have lost our image and respect in the company. We have been requesting some resources since Christmas, and for almost two months we did not hear back from the other departments regarding our requests. Just the other day, the CEO of our company heard about our problem, he picked up the phone at 11:00 in the morning, and by 6:00 p.m. the same day, we got our stuff. So, we do need their support because the other departments will not help.

4.3. Influencing contingencies
Two main contingencies were found to influence the involvement of senior managers in key accounts. These are discussed below under demographic characteristics and cultural and institutional contingencies.

4.3.1. Demographic characteristics

Education and career experience were found to influence the involvement of senior managers in key accounts and in the way they designed KAM strategies and programs. Thus, at the formal/organizational level of KAM, the A-R-A model was implemented in a way which reflected Western principles. In terms of activities (A), for example, the selection of key account managers, which was done by senior managers, was very much similar to the criteria implemented in the Western context that included such criteria as profit, size, and growth potential. This reflected the educational background of senior managers and/or their career experience. A Western influence in education stemmed from the fact that many key account managers and senior managers received their education in Western universities in the UK, France, the USA, and Canada. Others studied in Jordanian universities that essentially applied Western syllabuses. Some Jordanian managers were also exposed to Western ways of engaging in business through their career and work experience, as some of them had worked for foreign and Western multinational companies, in Western countries, or in other countries in the region in which indigenous senior managers were subject to corporate isomorphism. This is reflected, for example, by the following statement of the sales director at W-OT Telecommunication Company, who studied in the USA and had previously been employed by one leading American telecommunications company:

... I studied and worked at MNC in the USA ... In very rare cases, I see something everybody is not seeing. My experience is different, and my education is a bit different as it is heading more towards strategic management. So, sometimes, the committee or the people involved in the decision-making are looking at sales only, but for me, I must take the strategic perspective. Even classifying a customer as strategic, key, or medium accounts is done from a strategic perspective and not from a revenue perspective. So, sometimes, I take the decision because I am the veto owner.

In terms of resources, for example, some senior managers sought to empower others and delegate more responsibilities to key account managers, thus, reflecting the Western Anglo-Saxon principles of decentralized decision-making and the trend in KAM, which is in contrast to the Arab centralized decision-making style. Hence, the government and the education department manager stated:

... We give full resources to key account managers. I consider decision-making authority a resource. As for decision-making authority, account managers have pre-set discounts, pre-set offer presentations, and so on ... I’ve given them the same authority I was given from above so that they don’t have to refer back to me ...

4.3.2. Cultural and institutional contingencies
The results show that the involvement of senior managers was also influenced by cultural and institutional factors. At the formal institutional level, it was found that, in some situations, senior managers were subject to stronger formal institutional coercive pressures, as in the case of the banking/financial sector, which had to apply strict regulations imposed by the Central Bank. This entailed more centralized control and involvement of senior managers who had to meet with customers directly and to make decisions, as illustrated by the following statement by the senior relationship manager at W-SG Financial Company:

*We have strict procedures here in W-SG due to Central Bank regulations, and we have limited authority. It is necessary that everything goes through the top management, and this can be frustrating sometimes to the customer because we keep saying we have to go back to our managers to give you an answer. Hence, the key customer finds a way to go directly to the top management to get his answer faster.*

At the relational social level, in particular, the findings indicate that senior managers’ involvement is mostly driven by the socio-cultural contingencies and normative and cognitive institutional pressures. It is also driven by the lack of trust in the relatively weak formal institutions and, hence, the need to rely on informal institutions through one’s own networks and connections that can be trusted. Within a high power distance culture and tribal social structure, top managements’ involvement is seen as crucial to satisfy the demands of customers who usually insist on dealing with very senior managers due to the belief that only the *top man* can really get things done. Furthermore, for cultural reasons, senior managers at the client organization usually insist on meeting and dealing with someone of their own status from the supplier organization. Thus, senior managers had to be involved directly with customers at the tactical operational levels, sometimes just to solve a minor problem, when contacted directly by the key customer. Also when negotiating deals, senior managers had to get involved for cultural reasons as a sign of respect for their peers and their status in the client organization. In relation to this, for example, the account manager at A-ZT Telecommunication Company stated that:

*Top management involvement is crucial and is a must because it is a cultural habit that a senior manager will want to meet with his peer and will refuse to meet a key account manager. . . In our society, the top manager will not meet the sales person. For example, a bank’s general manager will only meet with the general manager of [our company], not the sales representative . . . Today is a good example. We had to visit the president of a bank, and he refused to see me on my own, so my boss had to come with me. This is a cultural thing, and it is considered important when doing business in our country.*

In a similar vein, the strategic account manager at W-OT Telecommunication Company explained how top management involvement is important for cultural reasons and noted:

* . . . A company general manager or CEO might not accept me visiting him since I am only a director—he wants a peer. At that time, yes, top management is involved because it is a cultural habit, not a business profession . . . Today is the biggest example. We had to visit the president of the bank, and he refused to see me by myself, so I had to get my boss.
Furthermore, due to socio-cultural reasons, in the Arab world, business is personal and is done through networks and with trusted persons, not with organizations as in the West. Top management involvement is perceived to be vital as they can use their wasita/network relationships and connections to make business deals for their organization and to facilitate access of key account managers. Thus, senior managers had to participate and interact socially with key customers. Hence, in many organizations, social events are held to facilitate interaction between senior managers and key customers. Also, senior managers paid personal visits to key customers to support key account managers and to strengthen relationships with key customers.

5. Discussion and Conclusion

This article contributes to the theory and practice of KAM in international marketing and B2B marketing by illustrating the extent to which and the ways top managers are involved in the management of strategic/key accounts to achieve successful KAM in an Arab Middle East context. Securing cross-sectional data from different sectors and company origins enabled us to understand how different contingencies facilitated or constrained the actions and participation of senior managers in the management of key account programs. The findings reveal that there is a relatively high degree of top management involvement in all of the participant companies at all levels—strategic, tactical, and relational. This was perceived as an indicator of commitment and effectiveness in terms of meeting customer expectations. Thus, the findings lend support to the upper echelon theory (Hambrick & Mason, 1984; Nishii et al., 2007) and other studies (e.g., Homburg et al., 2002; Jaworski & Kohli, 1993; Millman & Wilson, 1999; Napolitano, 1997; Weitz & Bradford, 1999; Workman et al., 2003) that stress the importance of top management support and advocate the involvement of top management in key accounts for successful KAM.

However, two points need to be taken into consideration. First, the findings indicate that senior managers in Jordan adopt a hands-on approach to the management of key accounts, rather than a hands-off approach as in Western countries (Francis, 2004). Secondly, the involvement of top managers in Jordan is important for the implementation of successful KAM, not only from a rational and calculative perspective as in the West, but also from cultural and sociological perspectives, as it is an affective culture with high power distance and centralization of decision-making (Hofstede, 2001; Trompenaars & Hampden-Turner, 1998). From a sociological perspective, due to the nature of the Arab social structure that is based on the Bedouin/tribal tradition and structure (ALHussan & AL-Husan, 2013), in which patriarchal and hierarchical relations are represented by the absolute power, loyalty, and obedience extended to the Sheikh who is the head of the clan or tribe (Cunningham & Sarayrah, 1994), key customers insist on dealing with senior managers—something called by Al-Faleh (1987) as “top man syndrome.” Consequently, it seems that high involvement of top managers in key accounts is obligatory in Arab culture, rather than a strategic choice as in the West (Guesalaga, 2007).
In fact, the findings demonstrate that it is the customer who asks personally for the involvement of the top managers in the relationship, as this makes the key customer more assured that his business is in safe hands and that he is being treated with utter importance. Although, from a Western perspective, the top manager’s involvement on the strategic level is appreciated, as claimed by (Guselega, 2007; Guselega & Johnston, 2010), on the tactical level, however, this may not be feasible since the Western customer may become confused as to who is managing the relationship, wondering whether it is the senior manager or simply an account manager. In the West, according to Guesalaga (2007; 2014), the senior manager’s involvement could also cause the dissatisfaction of the account manager as this could make him appear incompetent. In contrast, our research findings indicate that, from the account managers’ perspective, Arab customers and Arab account managers both see the involvement of the top managers as an advantage at all levels because their involvement adds value to the relationship by supporting both the key customer and the account manager. More generally, the findings obtained suggest that the various factors identified in Figure 1 were also relevant in an Arab context and useful in understanding the breadth and nature of senior managers’ involvement in the management of key accounts. However, our findings also suggest that such factors are also shaped by the demographic characteristics of senior executives and wider cultural and institutional variables.

Our study has several managerial implications. First, the senior managers in the supplier firms should engage continuously in social interaction with the Arab customer. This is an essential step in building the trust and commitment with the key customer which, in turn, enhances loyalty and has an overall positive effect on KAM performance. Hence, social activities and socialization should be part of the senior managers’ diaries. However, such activities should not be done excessively because, if they are, a point could be reached where they impinge on the senior manager’s valuable time and impede him/her from fully supporting the KAM unit in the firm. This is also essential for firms and multinational companies (MNCs) to gain legitimacy and effectiveness through aligning internal structures and processes with different contingencies (Zeithaml, Varadarajan, & Zeithaml, 1988), rather than being a purely rational managerial action which may be voluntary or optional for some managers depending on their management style and belief.

Second, top management should have continuous involvement with key accounts and direct contact with key customers. This calls for senior managers to have a more hands-on approach with the Arab key account. By having more hands-on involvement with the key customer, this sends important messages to the key account customers that they are respected, valued, and considered important to the supplier firm. This approach builds stronger bonds with the supplier firm and helps to offset the threat of competitors. Although, in the literature, it is recommended that senior managers should refrain from being involved or interfere on the tactical level, such issues should be delegated to the key account manager (Guesalaga, 2014); however, in the Arab context, the senior manager needs to be prepared to step in on the tactical level because the Arab key account may demand/prefer to deal directly with the senior manager in case of any issues that may arise for the buyer’s firm. On occasions where the senior manager needs to be involved on the tactical level, this should be taken as an
opportunity to strengthen the relationship with the key customer because it can lead to more business for the supplier firm.

Third, it is imperative that senior managers be involved in aligning the goals of diverse functional units and motivate people in the organization to cooperate and share information to support key account initiatives and projects. This is particularly important in firms where the key account manager does not have official authority over co-workers from the other functions/units which are important to the delivery of superior service to the key customer. In addition, the senior manager can provide priceless support to the key account manager when meeting an Arab key customer because this helps make the account manager look empowered and enhances his/her credibility in the eyes of the Arab customer, which leads to an effective relationship management.

6. Limitations

This study is limited as the research was carried out in one Arab Middle Eastern country, and although many countries in the region have opened up their economies to foreign investors and aspire for similar economic development and share similar cultural and geopolitical backgrounds, the actual involvement of top management may be different from one country to another, depending on the situational contingencies and specific institutional constraints. Given that there is a lack of research on KAM in the region, there is substantial scope for conducting comparative studies in the Middle East region and other emerging economies to adequately understand KAM and the involvement of senior managers and different actors.

Secondly, this is a qualitative study based on a theoretical generalization as it supports the upper echelon theory and the factors that influence top management strategic decisions and behaviors. However, future research is still required to shed light on the wider generalizability of the findings in terms of how top managers are involved in KAM and how the different contingencies influence such involvement. Finally, this study focused on the management of key account relationships and top management involvement in KAM from the suppliers’ perspective. It did not explore this phenomenon from the customers’ perspective, which has not been adequately investigated in the current KAM literature. Consequently, there seems to be substantial scope for future research to address this gap in both the current study and the wider literature.

References


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Neal, M. (2010). When Arab–expatriate relations work well: Diversity and discourse in the Gulf Arab workplace. Team Performance Management, 16(5/6), 242–266.


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Fig. 1. Top management involvement in KAM: An Arab context.
Table 1
Summary of sample companies and codes.

<table>
<thead>
<tr>
<th>Company code</th>
<th>Industry</th>
<th>Ownership</th>
<th>Number of interviews</th>
<th>Interview numbers</th>
<th>No. &amp; titles of senior managers interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>W-LA</td>
<td>Heavy industry</td>
<td>Western</td>
<td>10</td>
<td>1–10</td>
<td>4: CMO, CEO, vice sales director, VP of sales</td>
</tr>
<tr>
<td>A-ZT</td>
<td>Telecom</td>
<td>Arab</td>
<td>4</td>
<td>11–14</td>
<td>1: Sales director</td>
</tr>
<tr>
<td>W-OT</td>
<td>Telecom</td>
<td>Western</td>
<td>18</td>
<td>15–32</td>
<td>4 - CMO, sales director, VP of sales, head of SAM unit</td>
</tr>
<tr>
<td>A-AR</td>
<td>Financial services</td>
<td>Arab</td>
<td>6</td>
<td>33–38</td>
<td>2: Head of corporate division, VP head of corporate division</td>
</tr>
<tr>
<td>W-SG</td>
<td>Financial services</td>
<td>Western</td>
<td>4</td>
<td>39–42</td>
<td>1: Head of relationship management department</td>
</tr>
<tr>
<td>A-AC</td>
<td>Financial services</td>
<td>Arab</td>
<td>4</td>
<td>43–46</td>
<td>1: VP of corporate accounts</td>
</tr>
<tr>
<td>A-ST</td>
<td>Technology</td>
<td>Arab</td>
<td>10</td>
<td>47–56</td>
<td>2: Head of corporate</td>
</tr>
<tr>
<td></td>
<td>Services</td>
<td>Nationality</td>
<td>Contact Person</td>
<td>Operations</td>
<td></td>
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<td>----------------</td>
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<td></td>
</tr>
<tr>
<td>W-HS Financial services</td>
<td>Western</td>
<td>2</td>
<td>55–56</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>A-UT Telecom Arab</td>
<td>11</td>
<td>57–67</td>
<td>3: Vice CMO, sales director, head of strategic accounts unit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A-RC Heavy industry Arab</td>
<td>1</td>
<td>68</td>
<td>0</td>
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