THE INFLUENCE OF PERSONALITY ON THE JOB PERFORMANCE OF KEY ACCOUNT MANAGERS

Work in Progress Paper

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ABSTRACT

Key Account Management (KAM) is a current and relevant topic in the Business to Business marketing context. KAM consists of identifying and serving the strategically important customers of the company. Although KAM is widely studied, less attention has been paid on the essential ingredient of the KAM; the Key Account Manager. This research paper focuses on job performance of Key Account Manager, more precisely on personality’s influence on that performance.

As individuals, we have personality traits that distinguish us from each other. These same traits also make us more or less suited for working with customers. It is important, therefore, to understand how important the different factors are in contributing to a person’s performance when managing customer relationships. This knowledge is valuable e.g. employee selection and training.

This paper describes the theoretical backgrounds of KAM, Key Account Manager job performance and personality psychology. The paper also reports the results of survey study which purpose was to examine the relationship between personality traits and Key Account Manager job performance. The survey data holds responses of 180 Key Account Managers. Key Account Managers were asked background questions about themselves, their company and customer relationships they were managing. For personality assessment purposes the managers were asked to fill out a short big-five personality inventory. Finally questions measuring job performance were asked. The preliminary results suggest that three out of five analysed personality traits have statistically significant relationship with job performance.

Keywords: Key Account Management, Key Account Manager, Personality, Job Performance
INTRODUCTION

The financial performance of a large number of companies is dependent on their strategically most important customers, in other words, their key accounts. Key accounts are assigned a manager, often called a Key Account Manager, who works as a contact point between the customer and the selling organization. It can be argued that the performance of these Key Account Managers is paramount to the success of companies having Key Account programs.

Even though the role of the Key Account Managers is seen as very important, very little research has focused on the identification of factors affecting the job performance of Key Account Managers. McDonald and Rogers (1998, p. 120) list the qualities, knowledge, and skills that Key Account Managers need in order to fulfil the expectations of selling and buying organizations. Still, empirical research into those qualities and skills has been largely neglected. Some exceptions exist: Sengupta et al. (2000) developed and tested a model of Key Account Salesperson effectiveness, although their model focused on individual abilities only, namely on the manager’s strategic and intrapreneurial ability. Hutt and Walker (2006) researched the performance of Key Account Managers from a network perspective, such as how the social network of a manager affects his/her work performance. Sharma (2006) studied the success factors in key accounts, but the study concentrated on the account rather than the manager’s handling of the account.

This article aims to study the affect of personality on the Key Account Manager’s job performance. The paper continues with a description of the theoretical background of buyer–seller relationships, and KAM and Key Account Manager roles and requirements. After that a model of Key Account Manager job performance presented. This is followed by the empirical section, in which the research methods and procedures used are described, results are analysed, presented and, finally, conclusions are drawn.

BUYER–SELLER RELATIONSHIPS

KAM and buyer–seller relationships have been widely studied. One of the frequently used researched approaches to buyer–seller relationships is the international marketing and purchasing (IMP) Group interaction model (IMP Group, 1982). This interaction model consists of the following four elements:

- Interaction process
- Participants in the interaction process
- Environment within which interaction takes place
- Atmosphere affecting and affected by the interaction

In the interaction model, the interaction process is considered to consist of brief episodes in a longer running relationship, which these episodes affect. The participants in the interaction process are the characteristics of both participating organizations, as well as the individuals who represent these organizations. The interaction environment consists of several aspects, such as the market structure, degree of dynamism, level of internationalization, role in the manufacturing channel, and the social system (the wider environment surrounding the relationship). Atmosphere takes into consideration the power aspects in the relationships (IMP Group, 1982).
**KEY ACCOUNT MANAGEMENT**

In essence, KAM consists of identifying and serving the strategically important customers of the company. Even though KAM has been of interest to academia and to companies operating in the business-to-business market for more than twenty years (Ojasalo, 2001), the basic principles have been in use by companies for much longer. As Zupancic (2008) points out, “Serving the most important customers differently is based on common sense of good sales people”.

National Account Management, the predecessor of KAM, has been the subject of academic research since the 1970s (see Pegram, 1972; and Napolitano, 1997). Even today companies and researchers have different names for the management of important customers (or accounts). International Account Management or Global Account Management are widely used terms (see Shi et al.; Millman, 1996; and Montgomery and Yip, 2000). The different account management concepts clearly differ on the basis of their geographical scope (national, global, etc.) but also in the focus of research. Reisel et al. (2005) state that National Account literature largely focuses on individuals in dyadic relationships with customers. KAM literature, on the other hand, focuses on the selling team and the support role across the organization studied.

KAM relationships typically progress through certain levels. Millman and Wilson (1995) arrange the relationship levels along a transactional–collaborative continuum: Pre-Kam, Early-KAM, Mid-KAM, Partnership KAM, and Synergistic KAM.

Recent research on KAM has concentrated on issues such as the creation of a comprehensive KAM framework (Homburg et al., 2002; Shi et al., 2004; and Zupancic, 2008), the problems and challenges of KAM strategies (Piercy and Lane, 2006), implementation issues of KAM programs (Wengler et al., 2006), and empirical testing of the common assumptions academia has made during the past years (Ivens and Pardo, 2008).

**ROLES AND SKILLS OF THE KEY ACCOUNT MANAGER**

The role of the Key Account Manager changes according to the stage of the relationship between buyer and seller organizations (McDonald and Rogers, 1998, p.113). This means that the skills needed to perform well in the Key Account Manager job also change.

McDonald and Rogers (1998, p.120) profile the ideal Key Account Manager. They identify four skills or qualities that would enable the manager to fulfill the expectations of both the selling and the buying company at higher relationship levels (i.e. Mid-KAM, Partnership KAM, or Synergetic KAM). The four skills or qualities are personal qualities, subject knowledge, thinking skills, and managerial skills.

As well as the different relationship stages demanding different skills, different selling environments also demand different sets of skills. Millman (1996) studied the Key Account Manager’s role in systems selling (selling comprehensive packages of products and services). Millman found seven requirements for the Key Account Manager: coordination, key account planning, external relationship management, internal relationship management, sales and profit responsibility, negotiation, and multi-cultural teamwork.

**KEY ACCOUNT MANAGER JOB PERFORMANCE**

A limited number of studies exist on the job performance of the key account manager or closely related topics. Sengupta et al. (2000) created a model of key account salesperson performance. Their model consisted of strategic ability, communication quality, intrapreneurial ability and customer trust as factors that affect key account salesperson performance.
perceived effectiveness. In the model, the communication quality and customer trust had direct influence on perceived effectiveness. In a different study, Wotruba and Castleberry (1993) used a performance scale for NAM managers and salespeople. The scale consisted of nine questions that asked the NAM persons to evaluate their performance compared to other national account salespeople. The questions concerned sales performance, quality and execution of account plans, development of customer relationships, competitive account conversations and overall performance.

On basis of the previously identified roles and requirements of key account managers the key account manager job performance can be defined as consisting of two broad but distinct dimensions, namely: sales performance and relationship performance. Sales performance is quite easy to define. It includes such aspects as closing deals, closing profitable deals and meeting sales goals. Relationship performance is bit more complex than sales performance. Relationship performance includes aspects such as the successful management of customer relationships and building relationships that will have a good future potential. Sharma (2006) identified that the social and personal bond between the selling and buying companies increases the success of key account management. Relationship performance as a concept in holds the creation of these social and personal bonds. Hutt and Walker (2006) also hypothesized that relationship-building within the organization and toward customers is influential in key account manager performance.

**PERSONALITY**

The Big Five or Five Factor Model (FFM) is one of the most highly regarded trait theories of personality. In this model, variations of personality are explained by five orthogonal factors: extraversion, agreeableness, conscientiousness, emotional stability (or neurotism) and openness to experience (Saucier and Goldberg, 2002). The first personality inventory developed to measure especially the FFM was NEO-PI-R by Costa and McCrae in 1985 (Costa et al., 2002). The FFM model is used in this research as the main tool for analyzing personalities.

A major contributor to FFM was when five individual personality factors emerged from Goldberg’s lexical research in early 1980s (Goldberg, 1981). The final step in the development of the FFM was when Costa and McCrae revised their three factor model. Costa and McCrea had previously developed a three factor model of personality with the questionnaire approach. The redeveloped or revised model included two additional factors of agreeableness and conscientiousness based on Goldberg’s research (Costa et al., 2002).

**RESEARCH HYPOTHESES**

The objective of the research was to identify the relationships between key account manager performance and personality. After defining key account manager performance, we can now formulate the research hypotheses. The hypotheses are divided based on the five personality factors introduced earlier.
EXTRAVERSION

Extraversion has been found to correlate with manager and sales person job performance (Barrick and Mount, 1991). Wanberg et al. (2000) found that people with higher extraversion were more comfortable networking and that they had more networking behavior. This suggests that the extraversion would also correlate with relationship performance. The following hypotheses can be formulated.

**Hypothesis 1:** Extraversion is positively related to (a) sales performance, (b) relationship performance and (c) overall job performance.

AGREEABleness

People with high agreeableness are sympathetic to others and eager to help them (Costa and McCrae, 2006). It is likely that this helps key account managers to form better relationships with co-workers and customers. Still Barrick and Mount (1991) and Salgado (1997) concluded that agreeableness is not a strong predictor of job performance. Organ and Lingl (1995) found that agreeableness was linked to job satisfaction in the work relationship context.

**Hypothesis 2:** Agreeableness is positively related to (a) relationship performance and (b) overall job performance.

CONSCIENTIOUSNESS

People with high conscientiousness are purposeful, strong willed and determined (Costa and McCrae, 2006, p. 17). Therefore, it can be theorized that conscientiousness has a strong relationship with job performance. In addition, in empirical work, conscientiousness has been consistently found to correlate with job performance in different fields (Barrick and Mount, 1991; Hurtz and Donovan, 2000; Salgado, 1997; Salgado, 2003). The following hypothesis can be formulated.

**Hypothesis 3:** Conscientiousness is positively related to (a) relationship performance, (b) sales performance and (c) overall job performance.

EMOTIONAL STABILITY

Emotional stability manifests itself as tendencies to cope in stressful situations. These qualities might be helpful in professions such as surgeon or truck driver, but the usefulness of these qualities is somewhat limited in the key account manager context. The research findings on this subject are mixed. According to Barrick and Mount (1991), emotional stability cannot be considered as a valid predictor of job performance for managers or for salespeople. On the other hand, Salgado (1997) concluded based on a European sample that emotional stability would be a valid predictor of job performance across occupational groups. Still, the following hypothesis is presented.

**Hypothesis 4:** Emotional stability is not related to job performance.
OPENNESS TO EXPERIENCE

Studies have shown that openness to experience is not a good predictor of job performance (Barrick and Mount, 1991, Hurtz and Donovan, 2000; Salgado, 2003). That gives the basis to propose the following hypotheses.

Hypothesis 5: Openness to experience is not related to job performance.

SAMPLE AND RESEARCH DESIGN

The population under research was Finnish Key Account Managers working for companies operating in business-to-business markets. Because it was very difficult to identify all the Key Account Managers in Finland, thus making the size of the population unclear, a nonprobability sample was used. The national contact information provider, Fonecta, was chosen to be the source of Key Account Manager name and address information. The selection was based on the fact that the provider had one of the largest databases of company contact information in Finland. Names of over 700 persons with a job title of “Key Account Manager” or the equivalent Finnish titles “Avainasiakaspäällikkö” or “Avainasiakasjohtaja” were obtained. These persons were approached by printed mail questionnaires. A reminder letter was sent three weeks after the first letter (and one week after the requested submission deadline). The reminder letter also had a www-link, through which respondents could fill in the same questionnaire online if they thought it would be more convenient (or if they had misplaced the original questionnaire).

Within two weeks after posting the questionnaire, 132 responses were received. After the reminder letter, an additional 56 responses were received, 22 of which came from the online questionnaire. Of the responses received, 8 were discarded because of incomplete responses. Altogether, 180 usable responses were received. This contributed to the final response rate of 26%.

Respondents’ average age was 45 years. Of the respondents, 33% were female and 67% male. The average experience in Key Account Management (or account management) was 15 years. The average number of key accounts per manager was 10.

MEASURES

The Big Five or Five Factor Model (FFM) is one of the most highly regarded trait theories of personality. In this model, variations of personality are explained by five orthogonal factors: extraversion, agreeableness, conscientiousness, emotional stability (or neurotism) and openness to experience (Saucier and Goldberg, 2002). The first personality inventory developed to measure especially the FFM was NEO-PI-R by Costa and McCrae in 1985 (Costa et al., 2002). The FFM model is used in this research as the main tool for assessing personalities.

Relationship performance was measured by using a scale validated by Sengupta et al. (2000). Even though Sengupta et. al. named the construct “key account salesperson perceived effectiveness” it clearly concentrates on the performance of relationship management. The scale items were originally measured using a 5-point Likert scale going from 1 = Strongly disagree to 5 = Strongly agree. The same scale was used in the current research.

Sales Performance was measured by using a modified performance scale originally developed by: Sujan et al. (1994). The original scale went from -5, much worse, to +5, much better. The scale used in this research was a 5-point Likert scale going from 1 Strongly
disagree to 5 = Strongly agree. The original scale consisted of seven items. In order to have a scale applicable to all types of industries, companies of all sizes and all types of markets, four of the items were omitted. For example the item “assisting your sales supervisor to meet his or her goals” could have be difficult to answer for the employee of a very small company, where no sales supervisors exist. Wordings were slightly modified to better suit the different answer choices, Finnish environment and the key account management context.

RESULTS

EXTRAVERSION

When the key account manager survey data was analyzed strong correlations were found between extraversion and relationship performance, sales performance and overall performance. From table 1 it can be seen that all correlations are statistically significant at the p<.001 level. The correlation between extraversion and relationship performance is .26. Based on this the hypotheses 1a: Extraversion is positively related with sales performance can be accepted. A slightly stronger correlation of .28 exists between extraversion and sales performance. Correspondingly, the hypotheses 1b: Extraversion is positively related with relationship performance is accepted. Lastly, the correlation between extraversion and overall job performance is .31. Therefore, the hypothesis 1c: Extraversion is positively related with overall job performance is also accepted. Based on the results it can be concluded that extraversion is clearly a contributing factor on key account manager job performance. From the five personality traits, extraversion showed the strongest relationships with job performance.

<table>
<thead>
<tr>
<th>Correlation (N=172)</th>
<th>Relationship performance</th>
<th>Sales performance</th>
<th>Overall performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson</td>
<td>.26</td>
<td>.28</td>
<td>.31</td>
</tr>
<tr>
<td>Significance</td>
<td>.0007</td>
<td>.0002</td>
<td>&lt;.0001</td>
</tr>
</tbody>
</table>

AGREEABLENESS

Hypotheses 2a: Agreeableness is positively related with relationship performance is supported with the results of correlation analysis (Table 2). The correlation coefficient between agreeableness and relationship performance is .17 at the significance level p<.05. A stronger relationship was found between agreeableness and overall job performance. The coefficient is .22 at the p<.01 significance level. Therefore the research hypothesis 2b: Agreeableness is positively related with overall job performance is accepted. Also an unhypothesized correlation with agreeableness and sales performance was found. The correlation between the two variables is .22 with the significance level of p<.01. Agreeableness showed the third strongest correlation with job performance after extraversion and conscientiousness.
Table 2. Correlation of Agreeableness and Job Performance

<table>
<thead>
<tr>
<th>Correlation (N=173)</th>
<th>Relationship performance</th>
<th>Sales performance</th>
<th>Overall performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson</td>
<td>.17</td>
<td>.22</td>
<td>.22</td>
</tr>
<tr>
<td>Significance</td>
<td>.0396</td>
<td>.0038</td>
<td>.0041</td>
</tr>
</tbody>
</table>

CONSCIENTIOUSNESS

When the relationship between conscientiousness and job performance was analyzed, statistically strong correlations were found (Table 3). The correlations between conscientiousness and relationships performance is .25 at the p<.001 level. Therefore the hypothesis 3a: Conscientiousness is positively related with relationship performance is accepted. The correlation between sales performance and conscientiousness was almost as strong being .24 at the p<.01 level. Based on the results the hypothesis 3b: Conscientiousness is positively related with sales performance is accepted. Conscientiousness has almost as strong a relationship to overall job performance as extraversion. The correlation between conscientiousness and overall job performance is .29 while the correlation with extraversion and overall job performance was .31. This leads to the acceptance of hypothesis 3c: Conscientiousness is positively related with overall job performance.

Table 3: Correlation of Conscientiousness and Job Performance

<table>
<thead>
<tr>
<th>Correlation (N=171)</th>
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<th>Sales performance</th>
<th>Overall performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson</td>
<td>.25</td>
<td>.24</td>
<td>.29</td>
</tr>
<tr>
<td>Significance</td>
<td>.0009</td>
<td>.0011</td>
<td>.0001</td>
</tr>
</tbody>
</table>

EMOTIONAL STABILITY

The analysis didn’t reveal statistically significant relationships between emotional stability and job performance (Table 4). The correlation coefficients range from .07 to .09. On basis of this, the hypothesis 4: Emotional Stability is not related to job performance is accepted.
Table 4. Correlation of Emotional Stability and Job Performance

<table>
<thead>
<tr>
<th>Correlation (N=173)</th>
<th>Relationship performance</th>
<th>Sales performance</th>
<th>Overall performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson</td>
<td>.07</td>
<td>.09</td>
<td>.09</td>
</tr>
<tr>
<td>Significance</td>
<td>.3663</td>
<td>.2523</td>
<td>.2365</td>
</tr>
</tbody>
</table>

OPENNESS TO EXPERIENCE

It was hypothesized that openness to experience is not related to job performance (hypothesis 5). Nevertheless, the analysis revealed (Table 5) a correlation of .16 between openness to experience and relationship performance at the significance level of p<.05. Sales performance and overall job performance on the other hand didn’t show statistically significant relationships with openness to experience. The reason for the positive correlation between relationship performance and openness to experience could be explained by the key account manager tasks where achieving customer satisfaction might sometimes require very innovative solutions. Openness to experience might help the key account manager to be more innovative.

Table 5. Correlation of Openness to Experience and Job Performance

<table>
<thead>
<tr>
<th>Correlation (N=173)</th>
<th>Relationship performance</th>
<th>Sales performance</th>
<th>Overall performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson</td>
<td>.16</td>
<td>.10</td>
<td>.15</td>
</tr>
<tr>
<td>Significance</td>
<td>.0352</td>
<td>.2065</td>
<td>.0537</td>
</tr>
</tbody>
</table>

CONCLUSIONS

Previous research has constantly shown a relationship between conscientiousness and job performance. This research confirms this relationship. The key account manager job performance and its sub components relationship performance and sales performance all have statistically significant correlations with Conscientiousness at the significance level of <.001. Another result that was expected on basis of earlier research was the nonexistent relationship with key account manager job performance and Emotional Stability. It is possible that people with low emotional stability will never apply or qualify for a key account manager position. This might bias the results especially in case of non linear relationships between Emotional Stability and key account manager job performance. Example of this would be a relationship where a certain threshold score of Emotional Stability is needed to perform well in a key account manager’s job. Extraversion trait was found to have the strongest relationship with key account manager job performance. Prior studies have shown the relationship with performance in sales work and Extraversion. The current research further confirms this and identifies a link between performance in relationship management and Extraversion. Agreeableness trait is also found to have a statistically significant relationship with key account manager job performance and its two sub components. The relationship is not as strong as the relationships between key account manager job performance and Extraversion or Conscientiousness. Previous research fails to find the relationship with job performance and Agreeableness. The reason might be the unique job profile of the key account manager where
getting along with very different stakeholders is essential. These stakeholders include, for example, the individual’s own organization as well as members in the customer organization. Surprisingly, the Openness to experience exhibits a statistically significant correlation with relationship performance and key account manager job performance. It might be because the relationship management demands sometimes very innovative and imaginative approaches.
REFERENCES


