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Sales and marketing resistance to Key Account Management implementation: An ethnographic investigation

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ABSTRACT

The study of Key Account Management (KAM) is ubiquitous in business-to-business marketing research. Despite its importance within B2B research, however, few authors have questioned why actors may actually resist its adoption. In a novel 18-month longitudinal ethnographic study following one organization's endeavours to implement KAM (*Fitcorp*), we examine the approaches adopted by organizational members to resist KAM implementation. Our understanding of *how* and *why* actors might resist KAM implementation reveals a continuum of resistance strategies that vary in severity (spanning disengagement to hostility). Further, we find a number of explanations that actors draw on to justify their resistance to KAM implementation. These findings are discussed and implications for theory and practice are offered.

1. Introduction: the stormy seas of Key Account Management?

> "*One of the great feats of conventional management theory has been to entrench the view that organizations can be likened to harmonious natural systems*".
>
> [Fleming and Spicer (2008: 301)]

> "*Under certain conditions, planned resistance to marketing initiatives may be uncomfortably pervasive*".
>
> [Harris (2002: 70)]

Since the late 1980s, research examining Key Account Management (KAM) effectiveness has thrived (Abratt & Kelly, 2002; Colletti & Tubridy, 1987; Davies & Ryals, 2009; McDonald & Wilson, 1989; Millman & Wilson, 1996). The stimulus for such sustained interest is undoubtedly related to the performance gains that KAM can provide (Homburg, Workman, & Jensen, 2002; Workman, Homburg, & Jensen, 2003). Despite such persistent interest afforded to the concept of KAM, however, an understanding that its implementation is frequently beset with difficulties and complications is little understood while research remains fragmented (Brehmer & Rehme, 2009; Piercy & Lane, 2006a; Piercy & Lane, 2006b), an issue that would seem of importance given the "ever increasing stormy sea[s]" (Pardo, Salle, & Spencer, 1995: 128) that many organizations face in managing Key Accounts.

Although having attracted limited empirical scrutiny, the early implementation phase of KAM is reported as highly problematic. For example, Davies and Ryals' (2009) assessment of KAM reveals that in the introductory phase (approximately 0–2 years) most firms report unsatisfactory performance returns in response to the significant "organizational upheaval" (Davies & Ryals, 2009: 1041) that KAM can represent. Further, introducing KAM has been viewed as a process of "muddling through … especially in the early stages" (Pardo et al., 1995: 128) and a "laborious process" (Wengler, Ehret, & Saab, 2006: 108). Clearly KAM implementation is a far from straightforward process.

If KAM effectiveness can be considered as "the extent to which an organization achieves better relationship outcomes for its Key Accounts than for its average accounts" (Homburg et al., 2002: 46), then understanding internal resistance to KAM programmes that stymie attempts to better serve major accounts would seem pertinent. The purpose of the present study, therefore, is to examine an overlooked aspect of KAM effectiveness — employee resistance to its implementation. Employee resistance, deviance, misbehaviour and even sabotage of new management initiatives has been an area of considerable importance in the fields of organizational and labour studies for some time (Ackroyd & Thompson, 1999; Edwards & Scullion, 1982; Fleming & Spicer, 2008; Friedman, 1977; Vardi & Wiener, 1996). While a number of insightful

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studies have examined employee opposition to changes in marketing practices and new initiatives such as market orientation adoption (Harris, 1996, 2002; Harris & Piercy, 1998; Piercy, 1989; Sashittal & Jassawalla, 2001; Webster, 1994; Whittington & Whipp, 1992), resistance to KAM initiatives, however, is poorly understood. The current study asks *how* and *why* employees would resist KAM; further, it attempts to understand managers and organizational members' justifications and rationales for such opposition. In this study, we define resistance as the deliberate attempts by actors to undermine or hinder KAM implementation efforts (Fleming & Spicer, 2008).

The foregoing questions are examined by drawing on a detailed longitudinal ethnographic study of KAM implementation within one organization undertaken over 18 months. We find that a continuum of resistance strategies that vary in severity (spanning disengagement to hostility) were adopted by actors in their attempts to hinder KAM introduction, while it was revealed that organizational members offered seven justifications for KAM resistance, which included attempts to destabilize status and authority, a response to perceptions of unfair changes to work practices, and organizational cynicism harboured by some actors. Resistance was observed to emanate from all levels and functions (not merely being limited to more junior personnel).

The paper begins with a brief outline of KAM and the factors that might impede or diminish its implementation. The remainder of the study presents the findings of the ethnographic study and considers the ways in which organizational members might resist KAM implementation, and concludes by outlining the contribution of the study.

2. Why resist Key Account Management implementation?

The current study asks what is it about KAM that might encourage employees to deliberately resist its implementation. Initially, it is important to note that resistance to management initiatives in general may be more prevalent than first thought; employee deviance and misbehaviour have been noted across a diverse range of job roles spanning rocket scientists to aeroplane maintenance crews (Ackroyd & Thompson, 1999), while evidence suggests that as many as 96% of employees act in a deviant manner intentionally (Slora, 1991), and 69% may act in ways counterproductive to corporate goals (Boye & Slora, 1993). Indeed, it would seem that there "… is ample evidence that members of organizations sabotage processes, steal company property, harass others, cheat the government, or mislead customers" (Vardi & Wiener, 1996: 151).

The costs of resistance and organizational misbehaviour in the form of economic and social costs may be substantial (e.g. Greenberg, 1990; Murphy, 1993), in terms of lost productivity and employee morale. Extreme forms of employee resistance may include practices such as theft, substance abuse, vandalism and sabotage, as well as organized strikes and protests, 'go slows', legal grievances, and sexual escapades (DeMore, Fisher, & Baron, 1988; Edwards & Scullion, 1982; Friedman, 1977; Greenberg, 1990; Trice & Sonnenstuhl, 1988). Most forms of workplace resistance, however, are (to a greater or lesser extent) relatively benign everyday practices including voicing dissatisfaction, scepticism, humour and irony, 'foot dragging' and substandard work, dis-identification, gossip, confrontation and insubordination, and resignation (Fleming & Sewell, 2002; Fleming & Spicer, 2003; Gabriel, 1999; Mumby, 2005; Tucker, 1993), and even 'farting' and 'bitching' in the presence of corporate authority as employee opposition to prevailing power structures (Fleming & Spicer, 2008).

An important issue to the present study is therefore what rationale might employees adopt to justify the resistance of organizational initiatives. Studies of resistance span the social sciences from critical management and organization studies, cultural studies, and labour studies, as do studies of organizational misbehaviour (Ackroyd & Thompson, 1999; Brown, 1977). Actors may attempt to subvert management initiatives due to a diverse number of factors including to counter feelings of loss of individuality and perceived manipulation (Kotter & Schlesinger, 1979; Strebel, 1996), employee cynicism towards organizational practices (Abraham, 2000; Wanous, Reichers, & Austin, 2000), organizational distrust and perceptions of low business integrity (Dean, Brandes, & Dharwadkar, 1998), revenge for perceived mistreatment (Crino, 1994), a lack of organizational attachment and commitment (Hollinger, 1986), a means of emancipation against formal managerial control and hegemony, and opposition to the 'iron cage' of organizational bureaucracy (Barker, 1993; Knights & Willmott, 1992; Thompson & McHugh, 1995).

Based on the foregoing, are there aspects of KAM implementation and other marketing-led initiatives that might incite actor resistance? Opposition has been reported to various marketing practices and initiatives (Harris, 1996, 2002; Harris & Piercy, 1998; Kelley, 1990; Piercy, 1989; Sashittal & Jassawalla, 2001; Shipley, 1994; Webster, 1994; Whittington & Whipp, 1992), although actors' rationales for obstruction have not always been clear. One insightful study provided by Harris (2002, 69) observes that marketing initiatives may be intentionally sabotaged by employees who perceive them to be "… politically motivated, unfair, ill-considered, or exploitative".

We can extend such thinking to understand parallels with KAM-specific resistance; although no consensus exists concerning the necessary prerequisites for KAM implementation, based on an extensive review of the literature Davies and Ryals (2009: 1036) identify four basic KAM implementation factors: i.) KAM champion (an individual to pioneer KAM); ii.) designate KA managers (individuals with the requisite skill set beyond selling); iii.) build a case for KAM (understanding the lifetime value of accounts); and iv.) define KA's (Key Account selection criteria). Why might organizational actors resist such interventions? Initially, KAM implementation is not without its "*organisational friction*" (Piercy & Lane, 2006a: 159) and potential implementation obstacles. For example, the politicization of the KA manager, the case for certain customers as KA's, changes to organizational culture and cultural obstacles (McDonald, Millman, & Rogers, 1997; Millman & Wilson, 1999; Pardo et al., 1995), resource-based tensions (Håkansson & Snehota's, 1998; Hertz & Vilgon, 2002; Piercy & Lane, 2006a,b), and organizational politics (McDonald et al., 1997; Millman & Wilson, 1999) may serve to stymie KAM implementation efforts. The remainder of this study examines these assertions.

3. Methodology and data collection

3.1. Study rationale: ethnographic design

In response to the limitations of cross-sectional research of marketing phenomena, Homburg et al. (2002: 55) recommend that future KAM research ought to overcome the "static design of our study", observing that: "Key Account approaches evolve over time [and that] further research should also capture the dynamic performance effects of KAM." A review of all prior empirical articles on KAM, published in peer-reviewed journals (see Table 1) was undertaken; none of the studies reviewed had undertaken ethnographic research, with the majority employing cross-sectional research designs with few notable exceptions (see Pardo et al., 1995). Our review of the existing research on Key Account Management employed a comprehensive listing of leading marketing journals developed by Theuβl, Reutterer, and Hornik (2014) in an attempt "to derive consensus among various marketing journal rankings" (based on an initial 851 listing of journals from 12 world journal ranking bodies, followed by a narrowing down process by domain experts). The present

Table 1
Prior KAM research: methodological basis.

Empirical basis	Number
Survey	26
Interview	15
Conceptual	11
Case study	10
Focus group	1
Total	63

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