High-Performance Global Account Management Teams: Design Dimensions, Processes and Outcomes

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St. Gallen, May 21, 2007

The President:

Prof. Ernst Mohr, PhD
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Zurich, July 2007

Yana Atanasova
Abstract

Designing and implementing global account management (GAM) teams represents a key task for suppliers that are expanding the scope of their relationships with global customers. However, research has not provided an explanation of how these teams function and what determines their performance. Extending concepts from several research streams regarding teams in an organization to the complex GAM context, this dissertation develops and empirically tests a framework of GAM team design and performance. The results indicate that team performance is directly influenced by three team processes: communication and collaboration, conflict management, and proactiveness. Team design in terms of goal and role definition, customer coverage, empowerment, heterogeneity, skills adequacy and leadership has an indirect influence on performance, mediated by the three team processes. In addition, three factors from the organizational environment – top management support, rewards and incentives, and training – have similar indirect effects. From a theoretical perspective, this study makes a contribution by examining this new and emerging organizational form and extending existing research in the area of supplier-customer relationships and organizational behavior. From a practical point of view, it identifies key success factors of GAM teams, and thus, aims to help companies achieve better performance with their strategic customers.
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ANOVA</td>
<td>Analysis of variance</td>
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<tr>
<td>B2B</td>
<td>Business-to-business</td>
</tr>
<tr>
<td>CFA</td>
<td>Confirmatory factor analysis</td>
</tr>
<tr>
<td>CFI</td>
<td>Comparative fit index</td>
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<tr>
<td>CRM</td>
<td>Customer relationship management</td>
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<tr>
<td>EFA</td>
<td>Exploratory factor analysis</td>
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<tr>
<td>e.g.</td>
<td>Exempli gratia (for example)</td>
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<tr>
<td>EMEA</td>
<td>Europe, Middle East and Africa</td>
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<td>etc.</td>
<td>Et cetera (and so forth)</td>
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<tr>
<td>GAM</td>
<td>Global account management</td>
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<td>HR</td>
<td>Human resources</td>
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<td>i.e.</td>
<td>Id est (that is)</td>
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<td>KAM</td>
<td>Key account management</td>
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<td>M</td>
<td>Mean</td>
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<td>MNC</td>
<td>Multinational corporation</td>
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<td>NFI</td>
<td>Normed fit index</td>
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<tr>
<td>P&amp;L</td>
<td>Profit and loss</td>
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<tr>
<td>SAMA</td>
<td>Strategic Account Management Association</td>
</tr>
<tr>
<td>SD</td>
<td>Standard deviation</td>
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<td>SEM</td>
<td>Structural equation modeling</td>
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<td>RMR</td>
<td>Root-mean-square residual</td>
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<td>RMSEA</td>
<td>Root-mean-square error of approximation</td>
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<td>UK</td>
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<td>USA</td>
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1. Introduction

1.1. Background and relevance

Driven by the search for both new business opportunities and competitive advantage, companies in business-to-business (B2B) markets increasingly have moved away from a transactional form of exchange (Dyer, 1997) to look for closer, more collaborative relationships with their customers (Cannon and Perreault, 1999; Heide and John, 1990; Narayandas and Rangan, 2004). A common approach to exploiting the potential of long-term supplier–customer relationships (Anderson and Weitz, 1992) has been to adopt various customer management techniques, such as relationship management (Subramani and Venkatraman, 2003), relationship marketing (Grönroos, 1994; Morgan and Hunt, 1994; Webster, 1992), and national and key account management (McDonald et al., 1997; Shapiro and Moriarty, 1984; Weilbaker and Weeks, 1997).

However, these approaches often become more challenging as customers become more global and powerful. With their global expansions, customers establish a direct presence in a growing number of countries and expect the supplier to provide consistent, coordinated services worldwide, which entails moving away from traditional relationships with local subsidiaries toward uniform prices, terms, and services in markets in which the supplier has no operations (Montgomery and Yip, 2000). Furthermore, these customers recognize the strategic value-adding potential of global procurement (Cohen and Huchzermeier, 1999; Ellram and Carr, 1994) and therefore adopt integrated, centralized purchasing practices (Olsen and Ellram, 1997; Sheth and Sharma, 1997) and reduce their supplier base (Capon, 2001). Examples of this practice are abundant, including IBM’s decision to replace the 40 advertising agencies with which it had been working worldwide with a single agency that could provide global services (Montgomery and Yip, 2000) or Motorola’s decision to reduce its suppliers from 10,000 to 3,000 in only a few years (Senn, 1999).

The resulting shift of power to the customer further increases through industry consolidation (Birkinshaw et al., 2001) and advances in information and communication technologies, which enable customers to track the supplier’s quality and prices globally (Narayandas et al., 2000). These factors have heightened the
challenges facing suppliers and made international approaches such as global account management (GAM) (Birkinshaw et al., 2001; Harvey et al., 2003a; Shi et al., 2004, 2005) the new frontier in customer management (Yip and Madsen, 1996).

Defined as “an organizational form and process in multinational companies by which the worldwide activities serving one or more multinational customers are coordinated centrally by one person or team within the supplier company” (Montgomery and Yip, 2000: 24), GAM represents a key organizational design issue for suppliers (Homburg et al., 2002). Unlike traditional sales and relationship marketing, GAM involves a complex network of interactions (Figure 1) that demands coordinated cross-functional effort, including the establishment of a customer dimension that crosses existing product, country, or functional units and mobilizes organization-wide resources to deliver on customer expectations (Galbraith, 2001).

**Figure 1: Interactions of traditional selling and GAM**

An interaction between a customer organization and traditional sales force

An interaction between a customer organization and global account management

*Source:* Adapted from Sharma (1997: 29).
In its simplest form, the customer dimension might be a specialized global account manager who plays a pivotal boundary-spanning role in managing external and internal relationships and coordinating dispersed value-adding activities (Millman, 1996). As the relationship with the customer develops, however, the number of contacts between the two companies and the need for dedicated resources and relationship-specific adaptations increases (Dwyer et al., 1987; Millman and Wilson, 1994), as does the number of people involved in the relationship. A dedicated team—which can be composed of sales representatives from various product lines and countries or take a cross-functional composition to include manufacturing, distribution, finance, R&D, and other functional units—works to present a unified face to the customer (Galbraith, 2001). Ultimately, in an overall GAM organization, all account managers and teams integrate to reconcile the customer’s external alignment requirements with the organization’s existing configuration of activities.

Consequently, three main levels of analysis emerge in the context of GAM organizational solutions: the individual global account manager, the GAM team, and the overall GAM program. Whereas prior work has addressed the role of global account managers (Harvey et al., 2003b; Millman, 1996; Wilson and Millman, 2003) and some structural aspects at the program level (Birkinshaw et al., 2001; Homburg et al., 2002; Kempeners and van der Hart, 1999; Shapiro and Moriarty, 1984), no research has considered the design and functioning of the team in detail. As a result, a lack of understanding remains about when teams should be formed, how they should be structured and managed, and, most important, what determines their performance. Following the call of Workman et al. (2003) for more research that examines how team types influence effectiveness, this dissertation develops and tests a framework of GAM team design and performance that draws on relevant literature from the fields of GAM and team selling (Moon and Armstrong, 1994; Moon and Gupta, 1997; Smith and Barclay, 1993), as well as organizational behavior studies of small groups within the organization (e.g., Ancona and Caldwell, 1992a; Cohen and Bailey, 1997; Gladstein, 1984).
1.2. Objective and research questions

This research aims to fill the gap in the existing literature with regard to GAM team characteristics and their effects on performance. Its main objective is to contribute by identifying the key determinants of GAM performance and integrating them in a comprehensive framework of GAM team dimensions, processes, and outcomes. Toward that end, it answers a general question—what determines team performance?—by breaking it down into three more specific research questions:

**Q1: What are the key elements of GAM team design?**

This question helps to conceptualize and delineate the specific aspects of team structure and composition that have impacts on team performance.

**Q2: How does GAM team design affect GAM team performance?**

Furthermore, the study seeks to assess the relationship between team design and performance and investigate the mechanisms through which they may be linked. The literature suggests that this link rarely is straightforward and may be mediated by team members’ interactions and behaviors (Lawrence, 1997). Therefore, this dissertation aims to identify key team processes that may mediate the relationship or have their own influences on team outcomes.

**Q3: What other factors have an influence on GAM team performance?**

Finally, this third question investigates whether additional factors in the team environment, external to the team structure, composition, and processes, may influence team performance.

By answering these questions, this study offers several theoretical and practical contributions. From a theoretical perspective, the dissertation extends previous contributions in the field of global and key account management and the more general area of customer management by narrowing the traditional focus on the overall GAM approach to concentrate on one of its less researched building blocks. Moreover, it complements prior suggestions regarding the key decisions involved in designing an account team (Kempeners and van der Hart, 1999) by proposing additional design dimensions and linking them to outcomes. Beyond its GAM implications, this study
contributes to organizational behavior research by extending key concepts from research on small groups (Gladstein, 1984; Hackman, 1987) and cross-functional teams (Ancona and Caldwell, 1992a, b; Denison et al., 1996) to the more complex, boundary-transcending context of GAM. From this perspective, the novelty of this study lies in its focus on teams with higher degrees of complexity, characterized by blurred boundaries and multifaceted vertical and horizontal involvements.

From a practical point of view, this research helps managers to better understand the drivers of their GAM team performance. By identifying key elements of the GAM team structure, composition, and organizational environment that uniquely characterize high-performance teams, the study highlights critical success factors of effective, collaborative teamwork and provides managers with ideas about how to improve their overall performance with global customers. Best practice examples obtained in interviews with GAM experts from leading multinational companies further strengthen these contributions.
1.3. Study outline

The study is organized into six chapters which follow the logical flow of the main research steps. Figure 2 presents the organization of the study.

Figure 2: Study outline

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Chapter 1 introduces the research context, elaborates on the relevance of the topic, and outlines the three research questions that guide this dissertation. Chapter 2 establishes the theoretical foundations of the study through a review of extant literature in four relevant research streams: global and key account management, small groups in the organization, cross-functional teams, and selling teams. In a first step, Chapter 3 describes the qualitative study and explains how it helped to construct the conceptual framework, and then in a second step, consolidates the findings from the literature review and the exploratory interviews into an integrated framework that defines the constructs and leads to specific hypotheses. Chapter 4 describes the empirical study by
outlining the sample, questionnaire, measures, and procedures employed in the data collection and analysis. *Chapter 5* provides the results of the quantitative analysis and elaborates on the chosen analytical approach and methods. Finally, *Chapter 6* discusses the implications of the empirical results for both theory and practice. The dissertation concludes with a discussion of the limitations of this study and suggestions for further research.
2. Literature review

This chapter reviews relevant literature in several research streams. The resultant detailed discussion of key constructs, models, and frameworks helps to indicate implications for this study. In addition, in this chapter, I outline the limitations of each literature stream for the study of GAM teams.

2.1. Global account management

2.1.1. Definitions

Theory and practice use different terms to describe managing global customers: global account management, international account management, parent account management, and so forth. However, they usually refer to the same concept. The most commonly cited definition of global account management, which is also employed in this study, is “an organizational form and process in multinational companies by which the worldwide activities serving a given multinational customer are coordinated centrally by one person or team within the supplying company” (Montgomery and Yip, 2000: 2).

This definition can be extended to include the element of long-term relationship building, as identified by Kempeners and van den Hart (1999: 311): “Account management is the process of building and maintaining relationships over an extended period, which cuts across multiple levels, functions, and operating units in both the selling organization and in carefully selected customers (accounts) that contribute to the company’s objectives now or in the future.” Adding a dependency dimension from the relational contracting theory, Harvey et al. (2003b: 564) define GAM as “a dependency agreement between the customer and supplying organizations (or their parts) that are interrelated through both formal and informal ties at multiple levels across national borders.” Finally, recognizing the role of collaboration, Shi et al. (2004: 539) provide the following definition: “GAM is a collaborative process between a multinational customer and a multinational supplier by which the
worldwide buying-selling activities are centrally coordinated between the two organizations.”

A closely related term is key account management (KAM), defined by McDonald et al. (1997: 737) as “the approach adopted by selling companies aimed at building a portfolio of loyal key accounts by offering them, on a continuing basis, a product/service package tailored to their individual needs.” The literature on KAM developed prior to that on GAM and usually refers to managing strategic accounts with a narrower geographic scope (also referred to as national account management). However, more recent studies (e.g., Homburg et al., 2002) use the term KAM to incorporate all approaches to managing the most important customers described by different terms such as key account selling, national account management, strategic account management, major account management, and global account management. Furthermore, the term “national account management” has become limiting because companies with important customers increasingly conduct business internationally (Colletti and Tubridy, 1987). Consequently, this study focuses on the more global side of customer management and uses the term GAM.

Global key accounts are those multinational customers with growing expectations of being supplied and serviced worldwide in a consistent and coordinated way (Millman, 1996). Wilson and Croom (1999: 26) define global strategic accounts as those that “coordinate and integrate their operations internationally, are of major strategic importance to the supplier and demand a coordinated account management process worldwide.” This definition matches Wilson et al.’s (2000), who state that geographical reach itself does not constitute a global account. Three additional criteria must also be fulfilled: strategic importance, demand for and acceptance of global solutions, and a centrally coordinated purchasing process.

Academic literature does not provide a precise definition of global account management teams. Through deduction, however, such a team comprises all the persons involved in developing and maintaining relationships with one or several related key customers on a global basis; its responsibilities include developing a
customer strategy and account plan, creating innovative solutions, and coordinating various networks (Galbraith, 2001). Its distinguishing characteristics include:

- Geographic dispersion and multinational composition (Montgomery and Yip, 2000).
- Cross-functional involvement (Galbraith, 2001).
- The involvement of several hierarchical levels (Harvey et al., 2003b).
- Full- and part-time membership (Kempeners and van den Hart, 1999).
- Parallel existence with other organizational forms (Arnold et al., 1999).
- A boundary-spanning role (Harvey et al., 2003a).
- A continuous, long-term task (Wilson et al., 2000).

2.1.2. GAM literature overview

A summary overview of the existing literature in the fields of GAM and KAM, including major findings and contributions, appears in Appendix A. A brief analysis of the reviewed studies indicates that the majority of research is descriptive and conceptual, which demonstrates that it remains in an early stage of development (Arnold et al. 2001; Birkinshaw and Terjesen 2002; Harvey et al. 2003a, b; Millman 1996, 1999; Wilson 1999; Yip and Madsen 1996). Most studies are based on interviews or surveys in a relatively small number of firms (Birkinshaw et al. 1999; Dishman and Nitse, 1998; Narayandas et al. 2000; Senn and Arnold 1999; Shi et al., 2004, 2005; Stevenson and Page, 1979). This type of survey research thus has resulted in descriptive data about the concept, the situations in which it might be used, and some aspects of GAM/KAM programs.

Some more recent studies attempt to overcome these limitations by conducting surveys of a greater number of companies, testing a more extensive set of hypotheses, and embarking on more advanced theoretical development (Birkinshaw et al., 2001; Homburg et al., 2002; Montgomery et al., 1998a, b, 2001, 2002; Senn, 1999; Workman et al., 2003).
The next sections focus on the major aspects of GAM that have been discussed in the literature to provide a broad overview of the recurring topics and significant findings, as well as elaborate on the research gaps addressed in this dissertation. The groups of discussed topics follow the logical sequence of events, starting with reasons to establish a GAM program, the major elements of a GAM program, GAM implementation, and performance.

2.1.3. Reasons for implementing GAM

The most frequently discussed dimension of the collaboration between suppliers and global customers pertains to the reasons and general internal and external conditions for entering such a relationship.

On the customer side, one of the major driving forces for GAM has been supply chain management practices. Economies of scale in purchasing offer good opportunities for cost savings and have been growing due to the increased internationalization, merger and acquisition activity, and communications advances (Wilson et al., 2000). Evidence shows that many corporations perceive supply chain management as being of high strategic importance and a source of competitive advantage (Cohen and Huchzermeier, 1999). The increasingly centralized purchasing functions of the buyer thus start posing demands for the aggregation of the supplier’s selling operations.

That is, both the customer and globalization drivers in the supplier’s industry have been major triggers of GAM implementation. Yip and Madsen (1996) outline the underlying market, cost, and other industry conditions that create the potential for a worldwide business to achieve the benefits of GAM relationship, among which they rank the global client as the first and most important. However, global/regional channels of distribution and middlemen can also force suppliers to rationalize their international pricing and terms of trade because they have the capability to exploit differences in pricing through arbitrage. In addition, multinational corporations (MNCs) may be encouraged to adopt GAM practices to benefit from transferable marketing elements, such as brand names and advertising, which require only minimal adaptation and simultaneously facilitate customer relationship management on an
international basis. Moreover, GAM can be initiated as a tool for knowledge creation through access to so-called “lead countries,” where innovation in products or processes is concentrated. For example, most global accounts of high-tech companies, such as Hewlett-Packard, are located in the United States, Japan, and a few Western European countries whose use of IT is greatest. Other factors for the development of GAM include high product development costs, fast changing technology, and global competitors.

These arguments are in line with and can be supported by the theory of internationalization of the firm, which focuses on the industry or nature of the business as the key determinants of globalization potential. The industry globalization conditions can be summarized as market, cost, government, and competition (Yip, 1989). In terms of GAM, market globalization factors refer to the possibility of offering global products, which would encourage the customer to buy on a global basis and therefore demand standardized pricing, service, terms, and conditions. Cost globalization drivers are associated with the possibility of exploiting scale economies and the extent to which global shipment of the product becomes possible through logistics and other factors. Thus, a company that can benefit from scale-related cost reductions in product development would be willing to integrate development activities for a given international customer. The extent to which a supplier can serve customers on a global basis also depends on existing regulations imposed by governments, such as tariffs and other barriers, investment restrictions, and so forth. Finally, the competitive drivers with regard to GAM mainly refer to transferable competitive advantages. Customers in industries with transferable advantages, such as technology in the IT industry, are more likely to employ global procurement practices.

Although customer demands are a strong driver for suppliers to provide GAM services, many authors emphasize the potential benefit of being proactive in establishing GAM relationships and its positive impact on the balance of power (Arnold et al., 1999). Using the bargaining framework of relational contracting theory, Harvey et al. (2003a) identify two dimensions of supplier GAM motivation: relational behavior (ranging from negative/reactive to positive/proactive) and supplier dependence (reflecting an orientation toward the short- or long-term), and argue that
the potential for increasing efficiency and effectiveness through global customer relationships is greatest when the supplier has a proactive, long-term perspective.

Other factors that require assessment to determine the appropriate type of relationship with the customer include the degree of globalization and international coordination of the two companies. Arnold et al. (1999, 2001) (Figure 3) and Montgomery and Yip (2000) develop frameworks comparing these two dimensions and present four situations with differing degrees of supplier–customer fit.

**Figure 3: A typology of global vendor–customer relationships**

<table>
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<th>Vendor's International Coordination</th>
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<td>Low</td>
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<tr>
<td>Avoid: Costs likely to outweigh benefits</td>
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<td>High</td>
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<td>Supplier Squeeze</td>
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The combination of these dimensions determines the capacity of both the buyer and the supplier to implement a global agreement, which affects the power balance in the relationship. Any imbalance in capabilities likely lowers the potential for developing a profitable and real GAM partnership that will benefit both sides.

The main conclusion is that though the development of GAM relationships is often driven by the customer or other external factors, the supplier’s success depends on its ability to take a proactive approach and assess the situational factors. The environment and degree of globalization of the industries and the specific companies determine the
type of relationship, the behavior of the two parties, and the design of the GAM organization. Consequently, these factors should play key roles in the formation of GAM cross-functional teams by determining their composition and geographic reach.

2.1.4. GAM relationship development

As the previous section indicated, the readiness and motives of the customer and the supplier to enter a GAM agreement likely determine the degree of collaboration, which in turn influences GAM performance. As it moves from discrete market transactions to full integration, the customer–supplier relationship becomes progressively more collaborative. Lambe and Spekman (1997) outline a continuum of national account management relationships ranging from repeated transactions to long-term relationships to buyer–seller alliances. Movement along this spectrum is associated with increasing relationship-specific investments, higher switching costs for both sides, and higher degrees of collaboration, which include joint planning, joint coordination, information sharing, and long-term commitments. In addition, the emphasis on selling and concern about price decrease.

These findings mirror the notion of business relation evolution, which serves as a basis for Dwyer et al’s (1987) model, in which they distinguish among several types of relationships on the basis of the degrees of the buyer’s and seller’s motivational investment in the collaboration according to five development phases: awareness, exploration, expansion, commitment, and dissolution. This evolution moves companies from discrete spot market transactions to relational exchanges, which helps both partners benefit from reduced uncertainty, well-managed dependence, greater efficiencies, and social gains. Increasing the depth of the relationship is associated with increases in trust, largely based on consecutive rounds of specific investments. Morgan and Hunt (1994) build on this research and consider commitment and trust the key mediating variables of a relationship, as well as crucial for long-term partnerships.

In a more specific KAM context, Millman and Wilson (1994) provide similar insights in the Key Account Relational Development model (Figure 4). These authors suggest that KAM goes through several stages as the relationship changes from transactional to
collaborative and involvement with customers moves from simple to more complex. The main stages are pre-KAM, early KAM, mid-KAM, partnership KAM, and synergistic KAM.

**Figure 4: Development stages in the GAM relationship**


McDonald et al. (1997) suggest that the potential for collaborative KAM also depends on two other dimensions: the complexity of the processes between buyer and seller and the complexity of the product and technology supplied by the seller. Studying the case of the key account unit of a telecom company, Pardo et al. (1995) also find
evidence that KAM is a process of adaptation in the organization that aims to manage relationships with important customers. They call this process “the key accountization of the firm.”

This adaptation is influenced by the GAM strategy and configuration and therefore is associated with the GAM team. In the earlier stages (pre-GAM and early GAM), the supplier likely conducts business with the customer at a national or regional level. Therefore, the team is likely to be smaller and less international; the focal relationship is that between the global account manager and the global purchasing officer or a small team at the global customer headquarters. Although there might be centers of interaction with the customer at various locations around the world, they are localized and uncoordinated. Links may exist between individual managers within both the supplier and the customer organization, but an integrated network of global cross-functional interaction is not in place. As a result, neither an established GAM team for the account nor a small core team whose main tasks include establishing a network of relationships with key support functions of the supplier and key players of the client (i.e., expanding and strengthening the team and its influence) exist.

The movement to mid-GAM is associated with greater relationship complexity, more cross-boundary contacts, and increasing needs for dedicated resources and relationship-specific adaptations. Therefore, the number of people involved in the relationship increases, and a dedicated, cross-functional, likely interorganizational team develops. However, though this team might have a global reach, it is not yet considered of strategic importance to either party, and its activities focus on operational issues.

Partnership GAM implies that the two parties perceive each other as strategic partners, share risks, and explore joint opportunities for value creation. There are strong ties between the two companies at many levels around the world. Therefore, the composition and size of the team depend on the various interdependencies between the buyer and the seller. The team tasks become more complex, and the structure must resolve the implications for individual country and functional managers. Finally, in the synergistic stage, the two companies stop perceiving themselves as two separate
organizations but rather as parts of a larger entity, creating synergies. Thus, between the two organizations emerges a third one: the GAM team, which includes members from both sides who work as one team to integrate their skills and create joint value.

2.1.5. Strategy

Another key dimension of the supplier–customer relationship is strategy, one of the four building blocks of the Key Account Congruence Model of Capon (2001) that encompasses the degree of commitment to key accounts and the selection of such accounts. Wilson et al. (2000) categorize GAM strategies into three hierarchical groups to reflect the culture of the supplier and the operationalization of their global capabilities. The economic GAM strategy focuses on sales volume and supply chain efficiencies; the relationship is based on adversarial negotiations. The innovative strategy demonstrates a higher degree of collaboration and focuses on problem resolution and value creation. Finally, companies with an entrepreneurial strategy aim to exploit joint value creation and wider business opportunities and build a relationship based on strategic alignment, integration, and coordination of core competencies. Dishman and Nitse (1998) identify a similar range of strategic approaches, including protective, technology-based, and needs-based. The protective strategy is most reactive and might be a short-term solution because it does not provide a high level of customization. At the other end, the needs-based strategy entails the highest commitment to key accounts and requires additional resources and support be dedicated to their management. The implication is that more complex and collaborative strategies place higher demands on the GAM team and therefore require a larger and more diverse cross-functional commitment.

Customer assessment and selection is a major part of the strategy. Having assessed the balance of power, suppliers must define clear and objective selection criteria. Wilson et al. (2000) and Millman (1999) divide the various selection criteria into two large groups—operational/financial and strategic—and stress the importance of both. McDonald et al. (1997) find that the most common factors for the selection of key accounts are volume-related factors, potential for profit, and status-related factors. On
the buyer’s side, the most common selection factors include ease of doing business, quality of the product/service, and people factors, such as the personality and skills of the selling company contacts.

In addition, it is crucial to assess the customer’s receptiveness to global partnering and the possibility of establishing a relationship on an equal footing. Relationships that have been initiated by the supplier for strategic reasons are usually more successful than those based entirely on operational and financial rationales, because they manage to shift the negotiation’s focus away from price and discounts. Arnold et al. (2001) argue that this strategic potential refers to three different levels—overall strategic importance, marketing and sales strategy, and top executive support—and that the relationship is unlikely to be successful if any of them is missing.

2.1.6. GAM/KAM configuration

Depending on the GAM strategy selected, firms must allocate specific resources and configure their activities. Research contributions in this vein refer to the building blocks of a GAM program, which has great relevance for this study, because most researched elements have implications for the formation of teams and can influence performance. The literature review table in Appendix A indicates that much of the research has addressed only one or a few relevant factors. One of the few empirical studies that attempt to encompass all key dimensions of KAM is that by Homburg and his coauthors (Homburg et al., 2002; Workman et al., 2003). They aim to develop an integrative conceptualization of KAM approaches and define key constructs in four areas: activities, actors, resources, and approach formalization.

Activities: Products/services, pricing, information

Key account activities are those not offered to average customers, including special pricing, special service and distribution arrangements, customization of products/services, and information sharing. The two most important dimensions of this
construct are activity intensity and activity proactiveness, which have significant positive impacts on KAM effectiveness (Workman et al., 2003).

Other researchers emphasize the importance of offering a consistent value proposition worldwide and global pricing. Millman (1996) discusses systems selling in global key account management, that is, offering and delivering a comprehensive “package” of products and services, including both standardized and customized components, to selected customers. Arnold et al. (2001) find that GAM leads to downward pressure on prices, which requires close attention to this aspect and relationships that go beyond pricing agreements. Narayandas et al. (2000) provide a comprehensive analysis of the benefits and risks of entering into a global pricing agreement and argue that these agreements could be crucial for the company’s performance and so must be approached carefully.

In addition, key customers increase the information processing and sharing needs of the supplier, which makes information a major dimension of the customer–supplier collaboration and demands the establishment of appropriate systems and procedures. Using information processing theory, Birkinshaw et al. (2001) find that the scope of relationships between two organizations, the frequency of communication between the global account manager and other individuals in the two companies, and the use of extensive internal support systems lead to better information management and hence to improved efficiency and sales growth.

The key account manager

The key account manager and others involved in the relationship are key elements of the buyer–seller dyad. There seems to be consensus that the global account manager is a special position that requires high-caliber personnel with varied skills and knowledge. Due to his or her boundary-spanning role, the manager must be able to perform a wide range of tasks: coordination, communication, account planning, external and internal relationship management, sales and profit responsibility, selling/negotiation, and multicultural teamwork, to name just a few (Colletti and Tubridy, 1987; McDonald et al., 1997; Millman, 1996). Therefore, he or she also
needs strong skills in the areas of finance (analytic and bargaining skills related to pricing, revenue improvement, contract negotiations), sales (problem-solving and presentation skills related to account performance, company and product capabilities), human relations (interpersonal and intercultural relationship skills), and marketing (market research and account profiling skills, information collection, ability to communicate customer needs internally) (Colletti and Tubridy, 1987). In addition, the skills involved in the role of a key account manager include integrity, product/service knowledge, and a solid understanding of the buying company’s business and business environment (McDonald et al., 1997).

Very often, the traditional role of the supply manager must be adapted and new competencies developed to meet the demands of global customers (Harvey et al., 2003b). Therefore, this position is associated with a specific job analysis, the creation of specific job profiles, and stringent hiring practices (Wotruba and Castleberry, 1993). Furthermore, these managers need special compensation arrangements (Colletti and Tubridy, 1987) and skills development through training programs (Weeks and Stevens, 1997). Finally, a very important actor in this scene is top management, because top executive involvement consistently has been identified as a critical success factor (Arnold et al., 2001; Homburg et al., 2002; Millman and Wilson, 1999a; Napolitano, 1997; Toulan et al., 2002).

**Organizational structures**

The structure of GAM/KAM activities is of major importance because global account management is, above all, an organizational challenge (McDonald et al., 1997). As Shapiro and Moriarty (1984: 1) note, “formal organization structure is perhaps the most interesting and controversial part of national account management.” Because the issue of GAM teams represents part of the larger GAM organizational context, the major findings in this area require a more in-depth analysis to assess their applicability to the more specific context of teams.

One of the most extensive discussions of the diverse structural forms employed in GAM appears in Shapiro and Moriarty (1984). These authors use as a foundation the
concepts of differentiation and integration by Lawrence and Lorsch (1967: 11), who define differentiation as “the difference in cognitive and emotional orientation among managers in different functional departments” and integration as “the quality of the state of collaboration that exists among departments that are required to achieve unity of effort by the demands of the environment.” Balancing the requirements of the environment and the customer means that a trade-off must always occur between differentiation and integration, on the one hand, and among different forms of integration (i.e., with the customer, with nonmarketing and nonsales functions in the supplier company, within the account management organization) on the other. On this basis, Shapiro and Moriarty (1984) identify six options for structuring the GAM organization:

- No KAM program.
- Part-time KAM program.
- Operating unit program at the group level.
- Operating unit program at the division level.
- Corporate-level program (centralized).
- National account division.

The no-KAM option has no implications for the topic being researched herein, because teams likely form only at more advanced KAM development stages. The part-time KAM may have relevance if it serves as a bridge from no program to a full-time program. In this case, the development of teams would begin and likely has consequences for the future development of the program. As McDonald et al. (1997) report, the first step in building an effective GAM organization is the “dotted-line” or semi-formal team whose members tend to have different line managers but meet regularly with the account manager. A key success factor for this organizational decision is the establishment of shared incentives and rewards. Team members tend to have objectives related to key accounts, such as the percentage of time they should be devoting to their key account. Moreover, strong performance on the account reportedly leads to improved career development and job security for the team members.
When moving to a more formalized and structured approach, companies must choose among programs at the operating unit or corporate level or a separate account division. The choice between the group-level and the division-level largely depends on three factors: (1) the amount of overlap among the largest customers and prospects of each division, (2) the advisability of joint sales efforts among divisions, and (3) the organization of the general sales force.

The benefits of a group-level program are greatest when the various divisions in the group have the same customers and the group has a pooled or shared sales force in which the KAM program can be embedded. The rationale for establishing a corporate-level program is similar, namely, a substantial overlap in the customer bases of the operating units. This type of organizational structure has two important advantages. First, the account managers have greater authority and the opportunity to use corporate power to solve problems and exploit business opportunities. As a result, the program has greater leverage both internally and externally. Second, a corporate-level program contributes to increasing customer orientation in the company and making the voice of the customer heard. This conclusion is supported by McDonald et al. (1997), who find that decision-making authority is a key element of GAM design. The customer expects that the account managers can get things done and have sufficient resources at their disposal. The main indication of authority is the global account manager’s reporting line, which implies that the GAM organization has a greater chance of success if it is positioned at a high organizational level and has sufficient support from top management. In contrast, corporate programs face the disadvantages of greater complexity and lower responsiveness to the needs of individual operating units.

The ultimate form of a KAM organization is a separate operating unit that serves all key accounts. Such a division incorporates some other functions such as manufacturing, engineering, product development, and other sales and marketing functions. Consequently, it is the most likely form to employ cross-functional KAM teams on a full-time basis.

Although Shapiro and Moriarty’s (1984) work provides valuable insights into overall KAM organizational structures and some of the options for structuring a KAM team, it
is limited in three primary ways. First, it is mostly descriptive and offers a summary of
the most common forms used in practice but does not validate the motivations for
choosing one option over another and all the advantages and disadvantages related to
it. Second, it focuses on national account programs and does not account for the
increased complexity of GAM. Third, the relationship between the choice of an
organizational form and performance is not discussed, which leaves open the question
of whether some forms are superior to others.

Kempeners and van der Hart (1999) build on Shapiro and Moriarty’s (1984) work and
advance their findings by matching them with case study field research. The result is
an identification of 15 decision topics in the process of designing an account
management organization. Some of the major decisions include the organization level
at which the GAM program should be positioned (group, division, business unit), the
levels of account managers (single vs. multiple), the number of account managers per
level and accounts per account manager, the use of teams, the functions included in the
teams, the location of the account managers, and the reporting lines.

Homburg et al. (2002) attempt to overcome the limitations of previous studies and
develop a taxonomy of eight prototypical approaches to organizing KAM. On the basis
of the key constructs in the four areas of activities, actors, resources, and approach
formalization, their study distinguishes between top-management KAM, middle-
management GAM, operating-level GAM, cross-functional dominant KAM,
unstructured KAM, isolated KAM, country-club KAM, and no KAM. Thus, it
empirically confirms Shapiro and Moriarty’s (1984) types of KAM but also finds two
additional approaches.

The results further indicate that the approaches with the highest values for most of the
variables are cross-functional dominant KAM, top management KAM, and operating-
level KAM. That is, companies with such programs do more for their global customers
than do companies with other forms of KAM. It is important to note that these three
approaches also make more extensive use of teams. Therefore, full-time formalized
GAM teams should be found in companies with fairly developed GAM activities and a
greater focus on customers, which results in structured and formalized programs
located relatively high in the organization. In such companies, the account managers have authority and the ability to access resources from other parts of the organization (i.e., marketing and sales as well as nonmarketing and nonsales), which facilitates the work of the team.

**GAM teams**

Although teams facilitate the complex task of coordinating the efforts of individuals across functional, product, and geographic units to serve customer needs (Shapiro and Moriarty, 1984) and form an integral part of many GAM programs (Homburg et al., 2002), the literature does not provide a precise definition of what constitutes a GAM team.

Shapiro and Moriarty (1984) make a first attempt to identify the ways a KAM team can be organized. They note the importance of integrating two groups of support functions—sales and other—into the KAM structure. The option of developing account teams, which include field salespeople, appears preferable to using existing, independent field sales forces, because doing so provides greater integration and more responsiveness to the key account managers, who have direct line authority over the local representatives. The suggested organizational choices are (1) a set of field representatives dedicated to the accounts of each global account manager, (2) account managers sharing the services of the field representatives on a predetermined basis and the field representatives reporting to the account managers for whom they work, or (3) a pooled field sales force directed by a field manager who reports to the head of account management (Shapiro and Moriarty, 1984).

In addition, the account team must integrate other functions that are relevant in managing key customers. The options are similar to those for the sales force, namely, a general function shared by account management and other sales functions, functional specialists dedicated to one account and reporting to the account manager, functional specialists shared by a few accounts and account managers, and a pooled force of functional specialists managed by a functional specialist manager who reports to the head of account management.
Recognizing that account teams often cross unit, division, and region borders, Kempeners and van der Hart (1999) elaborate on the various ways to organize such complex structures. They distinguish between a full-time core team and various other functions (e.g., technical support) that can participate as part-time members. Another identified possibility is the “ad hoc team,” whose members take part only when a certain problem arises. Such teams are disbanded when the account problem is solved (Sengupta et al., 1997).

Kempeners and van den Hart’s (1999) results show that in two of the seven cases they study, the companies used no teams, and the account managers received no support at all. In another case, the account manager worked at a highly centralized level and was supported extensively, whereas in the three other cases, the account teams were less formalized. These observations suggest a list of decision topics:

1. Account team or no account team.
2. Participating functions in the team.
3. Full- and/or part-time members.
4. Hierarchical relationships: members report to account managers and/or other managers.
5. When reporting to account managers, account managers have dedicated or shared teams.
6. Location of account teams/managers.

These decisions, combined with Shapiro and Moriarty’s (1984) options for sales and nonsales support integration, can lead to three different types of teams:

- Own account team—Dedicated members report directly to the account manager. Appropriate for large and concentrated account teams; otherwise, the costs exceed revenues.
- Shared account team—Members work in small account management systems or on naturally overlapping accounts. These teams can create ambiguity in
terms of control and resource allocation. To avoid conflicts, teams must share members on a predetermined basis.

- Shared account team with own manager—Appropriate for large account organizations involving intensive coverage of many customer locations. Empirical evidence shows that companies tend to avoid this option to avoid creating an extra management function. Instead, the support staff reports directly to the account managers.

An additional possibility is a team formed of lower-level account managers who provide various support tasks. Two of Kempeners and Van der Hart’s (1999) case study subjects employed international account managers who coordinated a group of other account managers globally. This manager was located close to the headquarters of the customer, while the lower-level account managers supported him in other countries and regions.

Although this research offers some clarity to the issue of organizing GAM teams, it does not explain if these options lead to different outcomes. Therefore, the next section analyzes the literature on overall GAM performance and identifies such factors in a more general GAM context.

2.1.7. GAM performance

The models related to GAM performance may be divided into three major groups, as determined by their content and scope. The first group includes models that study the environment–GAM configuration–performance link. The second group focuses on the link between interorganizational capabilities and performance. Finally, the third group addresses only internal factors and their effects on outcomes.

**Environment, GAM configuration, and performance**

Montgomery and his coauthors (Montgomery and Yip, 2000; Montgomery et al., 2002) build a model based on Yip and Madsen’s (1996) framework and test it empirically to identify a link between the use of GAM and performance. Linking
various globalization factors in both the suppliers’ and the customers’ industries to the implementation of GAM, they find some support that the supplier’s industry globalization drivers and customer’s demand for GAM lead to the development of GAM programs in response, and this GAM adoption in turn has an impact on overall performance. However, this relationship is quite moderate in magnitude.

Whereas their research contributes by finding a positive correlation between GAM efforts and performance, it is not complete because it fails to identify specific GAM elements, particularly team-related factors. To a lesser degree, this limitation also appears in a similar study (Townsend et al., 2004), which tests the links among globalization drivers, marketing programs, and outcomes. From a broader marketing perspective, Townsend et al. (2004) find support for the hypothesis that the main global marketing dimensions include global product standardization, global marketing structure, and global product processes and that the development of the first two capabilities is triggered by both external (global consumer convergence) and internal (leadership’s global orientation) factors. Global product standardization and global marketing structure in turn drive global product processes. However, the study fails to find a significant relationship with marketing performance.

Using a similar line of thinking but narrowing the focus to global marketing strategy, Zou and Cavusgil (2002) find that global marketing strategy is influenced by international experience, global orientation, and external globalizing conditions. Furthermore, it has a positive impact on global strategic performance in terms of global market share, competitive position, and global financial performance regarding cost position, sales growth, and profitability. The implication in a GAM context is that global strategy is likely to improve performance, but the findings are incomplete because the model does not consider other important aspects of GAM, such as relationship management capabilities.

To conclude, the studies in this group provide support for the link among environmental drivers, use of GAM or global customer strategy, and performance. In particular, the two main factors triggering the development of GAM capabilities are industry globalization drivers and firm orientation. However, the models allow for two
major critiques. First, most fail to identify clearly the critical success factors for GAM. Instead, they present a general conceptualization of GAM antecedents and consequences and omit the organizational competencies required for GAM implementation. Second, though they find a positive relation with performance, in most cases, it is relatively weak.

**Interorganizational capabilities and performance**

Shi et al. (2004) develop a framework of GAM capabilities in which they conceptualize what constitutes competence and its impact on performance. Using the resource-based view (RBV), they argue that the sources of GAM competitive advantage are interorganizational capabilities, which could be defined as bundles of knowledge and skills “deeply embedded in inter-organizational routines and processes and deployed through the joint idiosyncratic contributions of the specific GAM partners” (Shi et al., 2004: 541). Those capabilities may be divided into three categories: collaborative orientation, GAM strategic fit (including standardization fit, participation fit, and coordination fit), and GAM configuration—and have a positive effect on the GAM strategic outcomes, specifically, joint profit performance and dyadic competitive advantage. The antecedents of these GAM-related capabilities are the extent to which both supplier and customer have a common set of strategic goals (goal congruence) and each of the companies can provide complementary knowledge and assets (resource complementarity). A major contribution of Shi et al. (2004) is their extension of prior studies (Homburg et al., 2002; Toulan et al., 2002) by combining them into a broader framework that considers both sides of the buyer–seller dyad and links GAM capabilities to the joint performance of the two parties.

Similarly, the concept of GAM interorganizational fit was studied by Toulan et al. (2002), who define it according to four dimensions: fit regarding the strategic importance of the relationship, product/marketing standardization, the configuration of activities, and senior executive involvement. The results indicate that strategic, configuration, and executive involvement fit improve efficiency and sales growth; simultaneously, standardization and executive involvement fit affect the extent to
which partnerships with the customer get established.

At first, the finding that a match between the configuration of activities at the supplier–customer interface relates positively to performance seems to contradict the results of a prior study by the same authors. Birkinshaw et al. (2001) use information processing theory and resource dependency theory to test the effect of GAM capabilities on efficiency/sales growth and partnerships with customers. Their evidence supports the two hypotheses of resource dependency theory: (1) the higher the buyer’s dependence on the supplier, the better the supplier’s performance, and (2) the more centralized the sales activities of the supplier and the more decentralized the buyer, the better the supplier’s performance. However, Toulan et al. (2002) find that the second hypothesis is valid only when the relationship is unbalanced, because fit remains the first best solution.

With regard to the hypotheses from information processing theory, statistical evidence indicates account performance is predicated on the scope of relationships and the frequency of communication. As relationships get established at multiple levels, not just through the global account manager, and as the global account manager begins to communicate more frequently both with the customer and within his or her own organization on matters related to the account, account performance improves. Therefore, managerial competencies and internal support systems represent key capabilities that lead to successful GAM.

The common finding of this research group is that GAM performance is determined by the degree of collaboration and the match of strategies and structures between the supplier and the customer. The most important areas demanding coordination are product and marketing standardization and activities configuration. As compared with studies in the previous subsection, this group defines GAM capabilities more precisely and tests their individual and joint effects on performance. In addition, it recognizes customers and their role in the GAM relationship in a more dynamic, active, and participative manner, unlike the previous group, which limits the analysis to the customer’s pressure for GAM implementation.
Internal capabilities and performance

Taking an internal supplier perspective, Homburg et al. (2002) show significant performance differences among their eight configuration designs, such that cross-functional dominant KAM provides the highest level for almost all variables. In a subsequent paper, Workman et al. (2003) test the impact of the four key dimensions (activities, actors, resources, and approach formalization) on KAM effectiveness and firm profitability directly. As predicted, activity intensity and proactiveness, top management involvement, KAM esprit de corps, and control over marketing and sales resources relate positively to KAM effectiveness. The only unexpected results of the model are that the use of teams has no significant relation with KAM effectiveness and that approach formalization has a negative impact. However, this research identifies and refines specific KAM capabilities that lead to effectiveness through a large-scale, cross-national empirical study.

Shi et al. (2005) provide a conceptual framework of GAM capability and performance, in which they posit that GAM capability comprises three distinct processes—intelligence acquisition, coordination, and reconfiguration—that have positive impacts on GAM market performance and profitability. However, they do not test this framework empirically.

Another study, which develops a detailed model and identifies various GAM success drivers, is that by Senn and Arnold (1999). Using customer satisfaction as a proxy for success, the authors identify nine core fields that determine performance with global accounts. These fields are positioned at three levels—strategic, operational, and tactical—and stress the importance of both a holistic (across all process levels) and an integrative (across functions of the organization) view. On the strategic level, companies are concerned with selecting global accounts, developing long-term relationships, and leveraging corporate knowledge. On the operational level, the focus is on creating consistent product and service packages, synchronizing business processes, and establishing appropriate systems. On the tactical level, companies select and train the right people, put in place the right structures, and collect relevant information. The results show that each of the nine fields relates positively to customer
satisfaction and that seven (excluding task and information management) have significant impacts. The Congruence Model of Capon (2001) confirms the relevance of some of these success drivers as it divides the elements of the KAM process into four interconnected building blocks, including strategy, organization, systems and processes, and human resources. However, Capon (2001) does not test the performance effect or interactions among them.

2.1.8. Limitations

This extensive GAM literature review reveals various factors that are important for GAM, including global strategy (Capon, 2001; Yip and Madsen, 1996; Zou and Cavusgil, 2002), organizational structures (Capon, 2001; Homburg et al., 2002; Shi et al., 2004; Townsend et al., 2004, Yip and Madsen, 1996), processes (Senn and Arnold, 1999; Shi et al., 2004, 2005; Townsend et al., 2004), and human resources (Birkinshaw et al., 2001; Capon, 2001; Harvey et al., 2003b; Senn and Arnold, 1999; Yip and Madsen, 1996). However, despite the importance of the topic, research in the area of GAM teams remains sparse.

The main limitation of this research stream is that virtually no study focuses on the factors that facilitate GAM teamwork and impact team performance. The only empirical attempt to test the relationship between the use of teams and key account management effectiveness finds no significant impact (Workman et al., 2003); however, its lack of delineation between different types of teams and failure to identify specific team characteristics limits the usefulness of its results. In contrast, studies that have touched on more specific design issues discuss only the structural options available from a practical perspective and stop short of identifying the determinants and performance effects of various team dimensions (Harvey et al., 2003 a, b; Kempeners and van der Hart, 1999). Recent research indicates that the development of specific supplier and interorganizational capabilities is a more important predictor of GAM performance than pure structural solutions (Shi et al., 2004, 2005), indicating that GAM team research should move beyond these issues to encompass team
competencies and processes. This literature review therefore highlights the need for a comprehensive model that integrates all relevant elements and links them to outcomes.

The reviewed GAM studies contain many limitations from a methodological perspective as well. First, the existing models are either conceptual and descriptive (Capon, 2001; Shi et al., 2004; Yip and Madsen, 1996) or use data from a small number of companies or a single country (cf. Homburg et al., 2002). This point indicates the need for more empirical studies that use larger samples and more advanced research techniques. Second, the discussed academic work examines GAM mainly from the supplier’s perspective and thus lacks a means to perform comparisons with the customer point of view. Such research risks getting lost in internal issues, which may be of little relevance for the buyer. Third, the performance measures are based on self-assessments, which may be related to certain biases, and do not present objective valuations, such as sales and profit.

In summary, this review of GAM/KAM contributions outlines the growing importance of the GAM team as an organizational form. Furthermore, it indicates the positive correlation between GAM efforts and performance, which further confirms the relevance of the topic researched herein. However, the review provides very limited insights about this dissertation’s research questions because of the lack of studies in this specific area. Therefore, in the next sections, I consider studies in the broader context of organizational teams and try to identify useful implications.
2.2. Small groups in the organization

The importance of teams for organizational success has been widely recognized in practice and in academic research. The key benefit of using teams in organizations lies in their potential to increase both productivity and satisfaction among employees simultaneously (Gladstein, 1984; Goodman et al., 1988), thus helping resolve the productivity–satisfaction trade-off previously presumed to be inherent in work design (Campion et al., 1993). However, some negative effects also have been associated with teamwork: poor decisions (Janis, 1972), conflict (Alderfer, 1977), and member frustration or disappointment (Katzenbach, 1987). As a result, researchers have attempted to understand how teams work and what determines their effectiveness. The wide range of team effectiveness models developed in recent years encompasses different disciplines such as social psychology (McGrath, 1964; Steiner, 1972), socio-technical theory (Cummings, 1978; Pasmore et al., 1982), industrial engineering (Davis and Wacker, 1987), and organizational psychology (Gladstein, 1984; Guzzo and Shea, 1992; Hackman, 1987; Sundstrom et al., 1990). This section reviews the major models and frameworks of teamwork effectiveness and summarizes the main findings.

2.2.1. Definitions

*Team*

Before analyzing research contributions pertaining to team effectiveness, it is important to define the concept of a team in an organizational setting. Numerous definitions of organizational groups and teams can be found in academic studies, and whereas popular management literature has embraced the term “team,” academic contributions tend to use the term “group,” as in group dynamics, group processes, and group effectiveness. Katzenbach and Smith (1993: 85) explicitly distinguish between a work group and a team, noting that

unlike teams, working groups rely on the sum of ‘individual bests’ for their performance. They pursue no collective work products requiring joint
effort. By choosing the team path instead of the working group, people commit to take the risks of conflict, joint work-products, and collective action necessary to build a common purpose, set of goals, approach, and mutual accountability.

Although this delineation is not widely shared and most authors use the two terms interchangeably, it is clear that groups differ in their degree of “groupness,” with some being more integrated and interdependent than others (Cohen and Bailey, 1997). The main determinants of the degree of the groupness appear to be the size, interdependence, and temporal patterns of the group (McGrath, 1984:3).

Teams have been defined as “a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable” (Katzenbach and Smith, 1993: 45). Cohen and Bailey (1997: 241) use a slightly different definition: “a collection of individuals who are interdependent in their tasks, who share responsibility for outcomes, who see themselves and who are seen by others as an intact social entity embedded in one or more larger social systems (for example, business unit or the corporation), and who manage their relationships across organizational boundaries.” In a more recent study of team processes, teams have been defined as “multitasking units that perform multiple processes simultaneously and sequentially to orchestrate goal-directed taskwork” (Marks et al., 2001: 356). The attributes that are stressed in all definitions are interdependence, common goals, and identity, as well as interactions among team members.

Different team typologies have been presented in literature, but the categories often overlap. Sundstrom et al. (1990) distinguish between advice and involvement teams, production and service teams, project and development teams, and action and negotiation teams. These four pairs of categories correspond notably to the four types of teams suggested by Cohen and Bailey (1997): parallel, work, project, and management teams. The most common type is the work team, which differs from other forms in that it is a continuous work unit responsible for producing goods or providing services, characterized by stable, full-time, and well-defined membership. Recently,
such teams have been increasingly organized as self-managing or empowered entities to reduce costs or improve productivity (Pearson, 1992; Cohen and Ledford, 1994). In contrast, project teams exist for a limited duration and usually are nonrepetitive. Because their tasks are related to the development or introduction of new concepts (e.g., products, information systems, plants), they commonly draw team members from various functions to create a pool with specialized expertise. Parallel teams also attract members from different work units, but their goal is to perform functions that the regular organization is not prepared to do well. Typical examples include quality circles or quality and employee improvement teams. These teams exist in parallel with the established organization and have limited authority.

Team process

Another important construct used in all teamwork studies is the team process. Gladstein (1984: 500) refers to group processes as “the intragroup and intergroup actions that transform resources into a product” and differentiates between two forms of process behavior: maintenance behaviors that build, strengthen, and regulate group life and task behaviors that help the group achieve the common goal. Similarly, Cohen and Bailey (1997: 244) highlight the central role of internal and external interaction when they refer to the team process as “interactions such as communication and conflict that occur among group members and external others.” Team process is also regarded as “members’ interdependent acts that convert inputs to outcomes through cognitive, verbal, and behavioral activities directed toward organizing taskwork to achieve collective goals” (Marks et al., 2001: 357). In essence, this construct describes how teams interact with one another and their environment to complete their tasks.

Team effectiveness

Probably the variable with the most crucial importance is team effectiveness. Most models use different conceptualizations of this aspect, but the majority of effectiveness variables are based on three fundamental dimensions: team performance, ability of the
team to work together over time, and satisfaction of team members’ needs (Hackman and Morris, 1975). Cohen and Bailey (1997) also categorize effectiveness in three dimensions, two of which refer to performance and member attitudes, such as satisfaction, commitment, and trust. In addition, they highlight another set of variables—behavioral outcomes such as absenteeism, turnover, and safety.

2.2.2. Small group effectiveness models and frameworks

The models discussed in this section and illustrated in Appendix B emerge from the large body of small group research as the most influential and inclusive. Some have served as a basis or frame of reference for numerous subsequent studies (McGrath, 1964; Gladstein, 1984; Hackman, 1987) and thus have shaped scientific thought on group functioning. Others are based on extensive reviews of research conducted over the years (Cohen and Bailey, 1997; Gist et al., 1987) and therefore integrate the most relevant findings from those periods. As a result, these models may represent existing conceptualizations of groups in organizations.

One of the classic models of team effectiveness, which originates from the social psychology research stream, is that of McGrath (1964). Based on a typical input–process–output view of teamwork, the model distinguishes among three categories of inputs and outputs: those associated with individual group members; those that describe the group as a whole; and those that refer to the physical, sociocultural, and technological environment in which the group functions. A fundamental assumption of this model is that input variables affect group outputs only through the interaction that takes place in the group. This assumption, as well as the overall logic of the model, has served as a basis for much subsequent research on team functioning.

Following an organizational psychology approach, Gladstein (1984) develops a revised version of McGrath’s (1964) model that distinguishes between inputs at the group and organizational levels. Furthermore, the inputs at group level are divided into composition (adequate skills, heterogeneity, organizational tenure, job tenure) and structure (role and goal clarity, specific work norms, task control, size, formal leadership). The organizational variables considered important are the resources
available (training and technical consultation, markets served) and organizational structure (rewards for group performance and supervisory control). The model predicts that these inputs influence the team process, which in turn leads to effectiveness. The key maintenance components of the team process include open communication, supportiveness, and conflict, whereas the task components are discussion of strategy, weighting individual inputs according to knowledge and skill, and boundary management. According to the model, the group process–effectiveness link varies with the nature of the task to be performed. For example, flexible communication patterns likely lead to better performance only when task uncertainty is high. Consequently, Gladstein (1984) suggests that the nature of the task has a moderating effect on the link between process and performance and identifies three critical task dimensions (task complexity, environmental uncertainty, and interdependence) derived from the information processing approach (Galbraith, 1977; Lawrence and Lorsch, 1967). The empirical study of 100 sales teams in a single organization provides support for some of the hypothesized relationships. However, the group process scales form two clusters, intragroup processes and boundary management, which indicates that sales team members regarded behaviors they needed to interact with the external environment as distinctly different from those required for internal interactions. The link between group processes and performance, as measured by sales revenue, is not supported, though Gladstein finds evidence of a link between intragroup processes and subjectively rated effectiveness measures, such as team and customer satisfaction.

Hackman (1987) takes a more action-oriented approach and proposes a model that defines group effectiveness as team performance, members’ satisfaction, and the ability of the group to exist over time. Similarly, the input variables are divided into organizational context and group design. However, this model suggests new variables, namely, information systems as an important factor in the organizational context and group norms pertaining to performance processes. The assumption is that group members usually agree on approaches to performing a task during the early stages, but not all actions and behaviors needed to achieve the group goals can be specified in advance. Therefore, the development and execution of appropriate performance strategies depends on established group norms. Hackman (1987) argues that the norms
that lead to higher performance are those that support self-regulation, situation scanning, and strategy planning.

This author also challenges the traditional view of team functioning, in which input variables influence performance exclusively through their effect on how team members interact. Instead, he sees the interaction process both as an indicator of how (and how well) the group is doing its work and as a point of intervention for improving group performance. Therefore, he suggests focusing on those aspects of interaction that relate directly to the team’s work on its task—the effort group members exert collectively, the amount of knowledge and skills brought by members to the team, and the appropriateness of the task performance strategies. These aspects are useful in identifying the strengths and weaknesses of the group and directing improvement interventions. The key proposition of this model is that overall team effectiveness is a joint function of these three variables, which Hackman (1987) refers to as process criteria of effectiveness. Moreover, group interaction offers a potential source of group synergy that moderates the impact of design and contextual factors, because it helps reduce process losses or create process gains.

In addition, a few models have been developed on the basis of summaries of empirical studies. Such heuristic models have not been tested in practice and do not constitute an exhaustive or definitive description of the variables and relationships impacting team effectiveness. Nevertheless, they represent a useful point of reference because of their broad theoretical basis. Reviewing articles from 27 journals in the period 1982–1987, Gist et al. (1987) develop a heuristic model, in which design input variables have both direct and indirect influences on team outcomes. The factors identified as key inputs include group structure (size, ability, personality, gender, race), group strategies, leadership, and reward allocation. Additional input variables appear in the reviewed literature but were not included in the model, specifically, social comparison (Seta, 1982) and time limits and task types (Kelly and McGrath, 1985). Borrowing from Hackman and Walton (1985), the outcome dimensions include group performance (quantity, quality, and timeliness of group output), the degree to which group processes increase members’ capability to work independently in the future, and the extent to which the group contributes to the growth and personal well-being of team

members. The intervening role of these processes is represented by three groups of factors: influence of members on one another, group development and member integration, and decision making. The influence of other members should have positive consequences as a result of facilitation and social impact, as well as negative effects related to social loafing. These authors also analyze the effects of the decision-making process on outcomes through variables such as participative decision making, alternative/information generation, alternative evaluation, and consensus building.

Reviewing 54 studies from the period 1990–1996, Cohen and Bailey (1997) develop a similar heuristic framework but focus on studies in organizational settings, in which the dependent variables relate to various dimensions of effectiveness. As noted previously, they differentiate among four types of teams—work, parallel, project, and management teams—and consider the most important dimensions for each type. Their model thus depicts team effectiveness as a function of task, group, and organization design dimensions; environmental factors; internal and external processes; and group psychosocial traits. Effectiveness combines performance outcomes (work quality and productivity), attitudinal outcomes (job satisfaction and trust), and behavioral outcomes (turnover and absenteeism). The model departs from the pure input–process–output tradition by suggesting a richer set of relationships, such that design factors can influence effectiveness both directly and indirectly. Furthermore, linkages between the two types of processes suggest they should not be studied in isolation. Finally, these authors predict that environmental factors affect only the design variables, unlike other researchers, who believe they either have a direct influence on team processes (McGrath, 1964) or moderate the relationship between process and outcome (Gladstein, 1984). Moreover, novel in this framework is the separation of group psychosocial traits from group processes. Psychosocial traits such as norms, cohesiveness, and shared mental models can impact effectiveness directly, but more important, they shape the internal and external processes of teamwork.

Another distinctive feature of this review is its recognition that critical interactions occur both inside and outside the group, and hence, internal and external processes determine performance. This recognition indicates a newer development in the understanding of team functioning, not present in earlier studies. As Gist et al. (1987:
remark in their review of team research in the 1980s, “the limited empirical literature on intergroup relations led to a decision to exclude this topic from review.” The importance of external interaction, however, seems to vary across types of teams. It appears mostly in a project team context, where groups are formed for R&D or product development purposes, which requires cooperation across functional and divisional borders in the organization (Ancona, 1990; Ancona and Caldwell, 1992 a, b; Hansen, 1995; Kim and Lee, 1995).

Finally, much of the value of this research contribution lies in its selection of studies of real organizational teams. Most group research has been conducted with laboratory experiments, in which small groups of people (usually students) come together to work for a limited period of time, with the assumption that the results from such experiments can be generalized to real organizational settings. Gist et al. (1987) adopt the same assumption and include in their review studies conducted in both the lab and the field. However, experimental studies are often criticized for their lack of practical relevance (Hackman, 1987; McGrath, 1964; McGrath and Kravitz, 1982; Smith and Barclay, 1993). As Guzzo and Shea (1992) note, it is not certain if this methodology allows inferences about natural groups; in laboratory settings, some of the variables (e.g., external factors such organizational structure, reward systems, task characteristics) that may powerfully affect outcomes remain constant, which makes it impossible to determine their effects. This shortcoming is particularly obvious in a GAM context, in which teams operate in a complex network of internal and external relations, with loosely structured tasks and responsibilities, and in which team members often receive direction from different managers and reward systems. Therefore, the literature review herein excludes studies of this type and focuses explicitly on empirical research in real organizational settings. In this respect, the study on work teams by Campion et al. (1993) is worth discussing because it develops and tests a full multivariate model of team effectiveness.

Campion et al. (1993) adopt a work design perspective to groups and examine the relationships between design characteristics and various outcomes. Their literature review led to the identification of five common themes of work group design, containing 19 individual characteristics: job design (self-management, participation,
task variety, task significance, task identity), interdependence (task interdependence, goal interdependence, interdependent feedback, rewards), composition (heterogeneity, flexibility, relative size, preference for group work), context (training, managerial support, communication/cooperation between groups), and process (potency, social support, workload sharing, communication/cooperation within groups). Consistent with prior studies (Gladstein, 1984; Hackman, 1987; Sundstrom et al, 1990; Wall et al., 1986), their definition of effectiveness includes productivity and employee satisfaction. In addition, managers’ judgments of effectiveness serve as an effectiveness criterion. The model predicts a direct link between these five sets of work group characteristics and outcomes but provides no indication about any potential interrelations among these five factors or any moderating/mediating influences in the design–outcome relationship. The empirical tests support the model, and job design and process characteristics have slightly higher predictive power than the other three themes. The managers’ judgments construct was most predictable, followed by productivity and then satisfaction.

However, these discussed models display some differences in their conceptualizations. Some focus on team and organizational design as the main determinants of performance, whereas others examine the role of processes for team outcomes. Although the focal point of most studies is the final effectiveness criteria, Hackman (1987) distinguishes between intermediate and final criteria. In all cases, however, aspects such as task characteristics, group composition, and organizational factors play important roles. Furthermore, many of the constructs and the underlying logic are similar in nature.

Although these models represent the state of the art in understanding team behavior, they have been criticized for several reasons. First, they remain predominantly heuristic and therefore offer a good conceptual overview of importance variables but fail to identify the critical ones and their interrelations. That is, relationships appear in terms of linear directions rather than functional forms or weights among variables (Goodman et al., 1986). Second, the suggested lists of variables are usually very large and constructs are broadly defined, which makes it difficult to assess the models’ validity. Further refinement of the variables and simplification of the models could
help uncover some less obvious relationships. Third, a major concern results from the role of time for team interactions and performance, in that none of the models explicitly considers the dynamic nature of team functioning. In response, some research has looked more closely at the influence of time (Gersick, 1988, 1989; Kelly and McGrath, 1985; Kozlowski et al., 1999; McGrath, 1991). For example, McGrath (1991) suggests that teams usually engage in multiple activities over time, which simultaneously creates complex sequences of interdependent tasks that cannot be presented within a single, static model. Kozlowski et al. (1999) argue that team tasks follow a cyclical path that leads to the creation of learning skills at different stages of development. Thus, “team compilation is a sequence of modal phases and transition points” (Kozlowski et al., 1999: 248). The notion of time as an environmental factor linked to goal achievement in an episodic framework is the fundamental assumption of the temporally based framework of team processes offered by Marks et al. (2001), who argue that team performance is best depicted by a series of related input–process–output episodes in which outcomes from earlier episodes serve as inputs for the later cycles. As a result, teams engage in two main types of interactions, which follow each other sequentially: action processes that contribute directly to accomplishing goals and transition processes that pertain to the evaluation and/or planning activities to guide team goal accomplishment. Both action and transition phases are accompanied by interpersonal team processes, such as conflict management, motivation and confidence building, and affect management.

2.2.3. Limitations

In addition to the methodological limitations, such as the use of laboratory experiments, this group of studies offers limited applicability to studying GAM teams because of their low generalizability, specifically, their varying explanatory power and predictability across different types of groups. Although many of the constructs and findings can be useful for understanding the way GAM teams interact and perform, some major differences remain between small groups in organizations and this form of teamwork. First, the responsibility of GAM teams is to manage relationships with the
largest and most important customers, which involves complex interactions with groups external to the organization (customers, competitors), whereas most small group research uses more bounded or isolated groups as the unit of analysis. Second, GAM teams are usually cross-functional and geographically dispersed, so they must manage complex relationships both within the team and with other parts of the organization. These challenges are not evident in studies of smaller organizational teams. Third, the general models of team effectiveness usually assume that teams form to perform well-defined tasks and have clear goals. In the dynamic GAM context, however, tasks are likely to be unstructured, customer-specific, and evolving over the course of the customer relationship. Furthermore, the involvement of people from different functions and country organizations can lead to a complex matrix in which GAM members report to different managers and have blurred tasks and responsibilities (Birkinshaw et al., 2001). All these aspects necessitate the examination of team research in areas more closely related to GAM. Consequently, the next section reviews literature on cross-functional teams.
2.3. Cross-functional teams

Cross-functional teams are widely used in companies, particularly those that want to cut cycle times for new product development (Ancona and Caldwell, 1992c; Hitt et al., 1993). The most typical form of cross-functional teams is a working group that links with multiple subunits of the organization and overlays existing functional structures. Such teams are designed to integrate the expertise of different functions and may include planning, quality, process improvement, product development, or various ad hoc project teams. Cross-functional teams differ from conventional teams in several aspects. First, they include members from various parts of the organization who possess competing social identities and perform tasks for other subunits (Alderfer, 1987). Second, the team’s lifespan is usually short, because such teams form specifically for temporary tasks. Third, the performance expectations of cross-functional teams usually differ, in that they are concerned with more subtle and intangible outputs such as innovation and knowledge dissemination (Denison et al., 1996).

In searching for the determinants of effective new product development, studies in this area identify two groups of factors: team diversity in terms of the functional expertise and skills represented by members and the ability to span organizational borders to integrate various inputs (Fruin, 1996). Due to the importance of these two factors, the next sections contain more detailed examinations of them.

2.3.1. Functional diversity

Empirical research on functional diversity in teams has shown both positive and negative links to performance. In a thorough review of team diversity literature, Williams and O’Reilly (1998) find that functionally diverse teams perform at a higher level than teams composed of members from similar functions. For example, cross-functional teams produce more successful administrative innovations (Bantel and Jackson, 1989), developing clearer strategies (Bantel, 1993), react more appropriately to environmental change (Keck and Tushman, 1993), respond more effectively to competitive threats (Hambrick et al., 1996), and take less time to implement
organizational changes (Williams et al., 1995). From an internal perspective, such teams tend to possess a wider range of viewpoints, which leads to more extensive and creative information exchange within the team (Glick et al., 1993). Externally, they also are likely to communicate more often and more successfully, which ensures more external resources for the team (Ancona and Caldwell, 1992a).

At the same time, functional diversity can have some negative consequences due to the inherent differences in opinions and perspectives. Such consequences can include increased conflict, reduced group cohesion, and communication difficulties within the team (Knight et al., 1999; Pelled et al., 1999; Wagner et al., 1984). In some cases, diversity in function even compromises performance (Murray, 1989; Simons et al., 1999). As a result, studies that review the extensive body of group diversity literature (Milliken and Martins, 1996; Williams and O’Reilly, 1998) conclude that functional diversity is a double-edged sword that has both positive and negative effects, depending on the context and the process or performance variables being investigated. Bunderson and Sutcliffe (2002) challenge these findings by arguing that the difference in effects could be a function of not only the examined context or dependent variables but also the way in which functional diversity has been conceptualized and measured. They imagine the construct in two ways: dominant and intrapersonal functional diversity. Dominant function diversity refers to the extent to which team members differ in the functional areas in which they have gained the most experience during their careers. The larger the number of functions represented in the team in this way, the broader the knowledge base of the team should be. Intrapersonal functional diversity, in contrast, refers to the diversity represented in the functional backgrounds of individual team members, that is, the extent to which each member is a narrow functional specialist with experience in a limited number of functions or a broad generalist who has worked in various functional areas. The two conceptualizations are fundamentally different; dominant function diversity pertains to the breadth of functional experiences at a team level, whereas intrapersonal functional diversity concerns functional diversity at an individual team member level. Bunderson and Sutcliffe (2002) find empirical evidence that intrapersonal functional diversity relates positively to performance, though the relationship is mediated by the information
sharing process. However, the results for dominant function diversity suggest a
negative influence on performance, only partially mediated by information sharing,
which indicates it may lead to further negative consequences, such as increased
conflict, slower decision making, and coordination difficulties. Thus, teams composed
of functionally broad members likely perform better, because these members are more
motivated to share information and understand one another’s positions; they also are
less susceptible to stereotypes and biases about other functions, which could impede
their successful collaboration.

With a few exceptions (Ancona and Caldwell, 1992b; Pelled et al., 1999), research on
functional diversity exclusively addresses top management teams, which differ from
more conventional cross-functional teams. To expand its scope, this literature review
also considers studies of other organizational groups, such as product development
teams. In their model of new product team performance, Ancona and Caldwell (1992b)
examine the direct and indirect effects of group heterogeneity on team performance
and emphasize the intervening role of internal and external group processes. The
critically important elements of team diversity in such teams are organizational tenure
and functional diversity. Those who join the organization at a similar time tend to have
more opportunities for interaction, develop similar experiences and perspectives, and,
as a result, create more cohesive work groups. Similarly, it may prove difficult for
people from different functional areas to develop an effective work process because of
the different perspectives they bring to the team. Consequently, Ancona and Caldwell
(1992b) predict that tenure and functional diversity have negative influences on
internal task processes but relate positively to external communications. They reason
that diverse team members have access to a wide set of external networks they can use
to accomplish group goals. In addition to the indirect link with performance through
the processes, the two demographic variables may be directly and positively related to
performance (both team- and managerial-rated). Although the authors expect them to
have similar effects, the empirical results indicate that each variable has its own
distinct effects. Thus, heterogeneity in terms of tenure has a positive influence on
internal task processes, such as goal and priority clarification, which in turn lead to
higher team ratings of performance. In contrast, the diversity of represented functions
enhances external communication, which is associated with higher managerial ratings of performance. However, the direct impact of both independent variables on team performance is negative and significant, which indicates that the link between diversity and team performance may not be straightforward. A possible explanation for these conflicting results could be a missing mediating variable, such as conflict, that impedes performance. Thus, for example, cross-functional teams may have strong creative potential but poor implementation because of their weaker teamwork capabilities or because they lack social cohesion, which prevents their effective use of the information and resources obtained from the outside.

Building on Ancona and Caldwell’s (1992b) suggestion that further research should assess the mediating effect of conflict, Pelled et al. (1999) develop a model of the relationships using diversity, conflict, and performance and test it with cross-functional teams responsible for new product and process development. In this model, tenure and functional diversity represent job-related types of diversity, and three other heterogeneity variables are added, namely, age, gender, and race. Task conflict, defined as disagreement about task issues such as goals, procedures, and courses of action, is mostly driven by job-related diversity and enhances cognitive task performance. They argue that differences in viewpoints encourage teams to gather more information, analyze issues more extensively, and reach alternative solutions. In contrast, the three other diversity constructs lead to emotional conflict, which decreases performance due to interpersonal clashes. Similar to Ancona and Caldwell (1992b), these authors conclude that the performance of cross-functional teams can be influenced in both positive and negative directions by various team composition characteristics and that different types of team diversity lead to different results. Here, the benefits of functional heterogeneity may be counterbalanced by other dissimilarities among team members, which increase conflict and diminish performance. The novelty of this research is that it introduces conflict as a key intervening variable and delineates two types of conflict.
2.3.2. External activity

The other factor likely to determine the performance of cross-functional teams is the interaction between the team and its context. Although organizational context and an organization’s impact on teams appear among the variables of the group models discussed previously (Gladstein, 1984; Hackman, 1987), these studies consider context as a given and depict teams as without much control over it. Thus, groups get treated as closed systems, in which the main issue of interest is the interaction among team members. From a resource-dependence perspective however, groups actively manage their relations with external parties to secure access to vital resources and information (Pfeffer, 1986). This activity is particularly prevalent among teams, which depend extensively on inputs from other units of the organization and therefore need to gain support from those entities or senior management. Consequently, Ancona and Caldwell (2000) argue that interactions between teams and external environments should be studied in a more action-oriented manner and that managers should configure teams specifically to maximize external boundary-spanning activities. As this description often holds true for GAM teams, some implications for the study of GAM teams can be drawn from this limited body of literature.

A few studies have addressed different aspects of the interaction between a team and its context. For some, the focal point is the amount of information exchanged with external entities; they argue mostly that teams should match their information-processing capability to the information-processing capability of the context (Nadler and Tushman, 1988; Gresov, 1989). Others examine more specific types of external interaction, such as boundary spanning and the transfer of technical information in an R&D context, and identify various communication roles, such as stars, gatekeepers, and liaisons (Allen, 1984; Tushman, 1977, 1979; Tushman and Katz, 1980). For example, Tushman and Katz (1980) suggest that certain boundary-spanning persons, whom they label gatekeepers, can fulfill an important linking function between project teams and outsiders: They develop links to external domains and facilitate communication. Empirical findings support the hypothesis that teams with gatekeepers perform better than teams without such mediators, which implies that external communication is positively associated with team performance.
Although these researchers demonstrate the importance of external communication and identify some key dimensions, they analyze only a small number of specific aspects. A more extensive, “external” perspective of teams mostly is associated with the work of Ancona and Caldwell (Ancona, 1987, 1990; Ancona and Caldwell, 1988, 1992a, b, c, 2000). For example, Ancona (1990) describes the role orientations of consulting teams in an educational organization and reveals three strategies that teams adopt toward their environment: informing, parading, and probing. Informing teams remain concentrated on internal processes and relatively isolated from the outside world, whereas parading teams take a more balanced approach of simultaneously building internal cohesion and achieving external visibility for the team’s work and importance. However, this latter group exhibits high levels of passive observation of the environment. In contrast, probing teams stress external processes and require their members to engage outsiders actively in the teamwork to understand their needs and test possible new solutions. This final type of team achieves the highest performance, though they rank poorly in terms of cohesiveness and member satisfaction in the short run. That is, external activities are better predictors of performance. However, this study examines teams with a high degree of external dependence in a new and demanding environment, so these results might not be valid in contexts with lower complexity.

Ancona and Caldwell (1992a) extend this research and propose a taxonomy of external activities and strategies based on an empirical investigation of new product teams. The most common activities include ambassador (buffering and representation), task coordinator (technical coordination), scout (information gathering and scanning), and guard (protecting internal information). Teams use different strategies according to the combinations of their activities. Some are specialized (e.g., ambassadorial or technical scouting teams). Others prefer a generalist approach and engage simultaneously in ambassadorial and technical scouting activities. Yet another group chooses an isolationist strategy with low levels of external interaction. These four strategies, as well as their relationship to performance and internal processes, are similar to those identified by Ancona (1990). In contrast to propositions from information processing theory, the type of external activities rather than the amount and frequency of external
communication determines performance. Specifically, according to the empirical evidence, technical scouting and isolationist strategies suffer poor performance, whereas the ambassadorial strategy performs well in the short run and comprehensive teams are the best performers. These findings imply that managing the power structure and persuading others to support the team has positive consequences in the short term. However, only teams that successfully manage both the power structure and the workflow structure (i.e., both external and internal activities) can maintain their performance over time. Such comprehensive teams usually create positive cycles of external activities and internal processes, which enables them to meet budget and schedule demands in the short run and develop innovative products in the longer term. Similar results are reported by Zirger and Maidique (1990) in their study of new product development processes in high-tech companies. This finding has a very important implication for GAM teams; namely, their performance depends on how they manage to balance the needs for external interactions and intrateam collaboration.

Although literature on cross-functional teams has generated some valuable insights into the way such teams function, it has not provided a more comprehensive framework for understanding team effectiveness. Aiming to overcome this limitation, Denison et al. (1996) develop and validate a diagnostic model that focuses on three domains: organizational context, internal process, and outcome measures. The key variables defining the context in which cross-functional teams operate include coordination with other teams, autonomy and power, linkages to functions, resources, mission and direction, and reward for team performance. Thus, context is depicted in a broader way to include both external process dimensions, such as coordination with other teams and functions, and organizational factors, which are less likely to be determined by the team itself. The primary contribution of these findings is that they identify hierarchical, lateral, and function-specific links, missing from previous research (Ancona and Caldwell, 1992a, b). The process dimension encompasses aspects of intragroup interaction such as norms, the importance of work, effort, efficiency, creative strategy, and breadth. This conceptualization is based on Hackman’s (1987) process criteria of effectiveness but extends to include measures such as breadth of perspectives and efficiency. Another contribution is its
identification of a broader set of outcome measures than those in previous models. The range of performance indicators includes factors such as information creation, time compression, image expansion, learning, growth satisfaction, capability development, and overall effectiveness. These results imply that both short- and long-term measures should be applied to assess performance appropriately. Although Denison et al. (1996) provide a broad definition of concepts and a useful framework for studying cross-functional teams, they do not reveal the interactions among their lists of variables. As a result, it remains unclear how different aspects of context and process affect performance.

2.3.3. Limitations

Research on cross-functional teams helps forward the understanding of GAM teams, because it shifts the focus from small and relatively isolated groups to more complex teams, which must manage relations with various stakeholders in the organization. It also offers some useful implications, such as the important roles of external activity and context. In addition, it uses more empirical research methods to investigate real organizational teams.

However, several limitations are common to cross-functional team literature. First, the effect of different structural designs on team performance has not been extensively researched. Apart from the impact of functional diversity and tenure (Ancona and Caldwell, 1992b), very little is known about other dimensions of team composition, such as the role of the team manager, team size, and skills other than functional expertise. Second, most studies focus on task-focused, limited-duration teams that form for a specific project and are dismantled after its completion. In contrast, GAM teams create and maintain long-term relationships with global customers. In turn, their long-term, relation-oriented goal often clashes with the short-term, profit-driven objectives of some team members or units that must support the team. This conflict heightens the importance of factors such as role clarification, empowerment, rewards, and top management support, which do not appear in cross-functional team literature. Moreover, the short-term nature of cross-functional teams stresses a different skill set
compared with that required by GAM teams. Although cross-functional team performance depends on the team’s ability to develop a collaborative team process during early stages to avoid conflicts (Ford and Randolph, 1992), their emphasis is primarily on team members’ product or functional expertise rather than their relationship-building and communication skills. In contrast, GAM emphasizes intercultural, social, managerial, and strategic skills, which are stronger predictors of people’s ability to work together over time, handle less structured tasks, and achieve long-term goals. As a result, to integrate literature on teams whose natures are more similar to GAM teams, the next section reviews research contributions on team selling.
2.4. Sales teams

Although much more complicated and far-reaching than traditional selling, GAM can be subsumed within the wider context of sales and marketing management. Consequently, the body of research on team selling may be a fruitful source of ideas for the conceptualization of GAM teams.

Functional groups other than sales play increasing roles in servicing key customers (Hutt et al., 1985). As a result, the literature in this field distinguishes between core selling teams, which have a permanent responsibility for specific accounts, and the larger selling center, which includes members of other functional units on a part-time or ad hoc basis. Before models of team processes and performance can be analyzed, a clear understanding of the composition of these teams is necessary, which implies (1) a definition of the selling team and (2) a delineation of functions and roles involved in the sales process.

2.4.1. Team selling definition

The terms selling team and selling center are often used interchangeably and inconsistently in academic literature; some authors use one term to describe groups that are relatively permanent and customer-oriented, whereas others use the same term for groups of a rather temporary and transaction-oriented nature. Hutt et al. (1985: 38) refer to a selling center as a rather permanent formation and note that “a national account program might be considered a formalized selling center.” In contrast, Moon and Armstrong (1994) define the selling team as a relatively permanent, customer-focused group whose primary objective is to establish and maintain strong customer relationships. Membership in such teams is relatively stable and determined by assignment to a specific buying organization. The selling center, however, refers to a transaction-focused group with the objective of successfully completing a specific sales task. Its membership is very fluid and determined by involvement in a sales transaction for a particular good or service. In practice, it might be difficult to distinguish where the team ends and the selling center begins, so it may be helpful to think of these forms not as mutually exclusive but as endpoints on a continuum (Smith
and Barclay, 1990). On the basis of this conclusion, this literature review involves studies that explore groups at the higher end of the continuum in terms of long-term customer focus. Although both selling team and selling center terminology may be employed, in neither case does this review refer to less stable, transaction-oriented formations.

Selling center literature has emerged from the observation that in certain conditions, the supplier–customer interaction involves a large number of people on both sides. Therefore, the selling center concept is an extension of the buying center idea, originally developed by Robinson et al. (1967) and later extended by various authors (e.g., Bunn, 1993; Johnston and Bonoma, 1981; Lau et al., 1999; Spekman and Stern, 1979; Wilson et al., 1991).

Similar to the buying center, which consists of “those members of an organization who become involved in the buying process for a particular product or service” (Johnston and Bonoma, 1981: 143), the selling center includes persons from the selling company who are involved in the selling process to a particular customer. Hutt et al. (1985: 33) describe them as “the organizational members who are involved in initiating and maintaining exchange relationships with industrial customers.” This definition recognizes that the special requirements of the buyer necessitate the involvement of functional areas such as physical distribution, R&D, manufacturing, and technical services in the selling process. Therefore, the selling center can be depicted as an interfunctional decision unit with representatives from both inside and outside the selling organization. In turn, one of the key dimensions of selling teams is functional interdependence.

2.4.2. Functional interdependence

Spekman and Johnston (1986) stress that all parts of a company are linked inextricably to the success of the marketing and selling plan and that value to the customer is often a result of joint activities that converge to satisfy the customer’s purchasing criteria. This convergence requires the management of interdependencies among functional units, which is ultimately driven by the corporate plan and therefore should involve
both senior management and sales and marketing management. The first step in building an effective selling center is the diagnosis of the degrees of functional interdependence that exist in the organization and their effect on competitive advantage. This type of analysis can enhance understanding of the responsibilities to be undertaken by different functions to serve the customer and can help identify deficiencies in critical areas that must be assessed and eliminated.

The selling center consists of people from different functional units who are responsible for different tasks; the key salespeople must initiate and manage communications with the functional specialists. Facilitating and coordinating cooperation among the functional units is crucial because each department is likely to have different objectives and priorities, as well as different views of the customer (Spekman and Johnston, 1986).

On the basis of social systems theory and resource dependence models, Ruekert and Walker (1987) develop a framework that clarifies the interaction across different functional areas and different types of marketing positions. Using the system-structural perspective (Van de Ven, 1976), it explores the interrelations among three groups of dimensions: situational, structural and process, and outcome. The centerpiece of the framework is the interaction process between marketing and other functional areas, which is divided into transactions, communication flows, and coordination patterns. The authors propose that transactions between marketing and other functions take the form of exchanges of resources, work, and technical assistance. At the same time, these interactions require information flow exchanges, which are determined by the amount of communication, the difficulty of communication, and the degree of formalization. Furthermore, interaction must be coordinated through formal rules and procedures, informal influence, and/or conflict-resolution mechanisms. Each of these three process dimensions is influenced by the context within which the interaction takes place, so the framework distinguishes between two groups of contextual dimensions: internal environmental conditions including resource dependence, domain similarity, and strategic imperatives and external environmental conditions, such as complexity and turbulence. Finally, the interaction process determines the nature of the performance outcomes, explicitly divided into functional and psychosocial
outcomes. Beyond the functional result of achieving the goals desired by marketing and the other functions, psychosocial outcomes, such as the perceived effectiveness of the relationship and conflicts, determine the willingness of members to participate in similar forms of cooperation in the future.

This framework is generally supported by the preliminary empirical tests, but though the relations between situational and process variables earn strong support from both marketing and nonmarketing respondents, the impact of the interaction process on outcomes produces mixed results. The perceptions of the effectiveness of the relationship are inconsistent across functions, which suggests that marketing’s relations with other areas might depend on the kind of resources being exchanged.

2.4.3. Selling center composition

The second step in understanding the selling center involves an examination of its composition, coordination, and control mechanisms. Johnston and Bonoma (1981) use five dimensions to describe the composition of the buying center: (1) vertical involvement, or the number of hierarchical levels of the organization represented in the center; (2) horizontal involvement, or the number of different departments involved; (3) extensivity, or the number of members belonging to the center; (4) connectedness, or the degree of direct communication links between members; and (5) member centrality, or the number of communication links between a member and other center participants divided by the total number of possible links.

Moon and Armstrong (1994) hypothesize these five dimensions also can apply to selling center composition, according to several factors. First, if the purchase situation contains a higher degree of novelty for the buyer, the selling center will achieve greater vertical and horizontal involvement, as well as greater extensivity and connectedness. Novel situations require more extensive information flows to the buyer and make customer needs more uncertain, which necessitates more complex communication patterns and the involvement of more functions and management levels. The same effects are likely when the sales situation is more novel to the supplier. This hypothesis matches Hutt et al.’s (1985) finding that new selling
situations demand more information and problem solving by the selling organization. In addition, such situations require more substantial management involvement and hence result in higher levels of vertical integration. Novel selling situations also have important implications for the coordination and control strategies adopted by the selling firm. Because such situations are characterized by higher interdependence and task uncertainty, less formal coordination strategies, such as spontaneous contacts between managers and greater horizontal information flows, likely will be more appropriate (McCann and Galbraith, 1981).

Second, the greater importance of the sales opportunity to the customer and the supplier may make the selling center larger, wider, and more connected. The logical explanation is that situations of strategic importance tend to require greater resource commitments to meet objectives.

Third, Moon and Armstrong (1994) find that selling center composition is influenced by the experience of members. Low levels of experience relate to greater centrality of the member due to his or her need to obtain more information and guidance from other members. Lack of experience also leads to greater vertical integration, because it necessitates more extensive management involvement and monitoring.

2.4.4. Roles of selling center members

Buying center literature distinguishes among the different roles of buying center members. For example, Robinson et al. (1967) identify deciders, influencers, gatekeepers, users, and buyers. Selling center members likely also play distinct roles. Moon and Armstrong (1994) define five such roles: initiator, coordinator, resource, approver, and implementer. As the name suggests, the initiator first recognizes a business opportunity and seeks support within the supplier company to realize that opportunity. The coordinator’s role is to ensure that all members work together effectively, while the approver reviews their work and suggests improvements. The resource and implementer provide expertise and carry out the main tasks.
Hutt et al. (1985) outline five roles as well, namely, responsible, approve, consult, inform, and implement. The responsible role, similar to the initiator role of Moon and Armstrong (1994), takes the initiative to analyze customer needs, develops alternatives, and makes an initial recommendation. The approval and implementation roles are also analogous, whereas the consulting reflects slightly different content.

2.4.5. Selling team frameworks

A summary of the most relevant selling team frameworks appears in Appendix C. Despite its potential managerial implications, research on the link between selling team composition and team performance remains scarce. Using the contributions of Ruekert and Walker (1987), Moon and Armstrong (1994), and Souder (1987), Moon and Gupta (1997) develop an input–process–output model that links the situational, structural, and outcome dimensions of selling center formations. Whereas Ruekert and Walker (1987) include both internal and external environmental conditions as determinants of team structure and process, this framework proposes that only the internal environment has a direct influence on these dimensions. Furthermore, it suggests different variables characterize the internal company environment—market orientation and information infrastructure. The influence of external environmental complexity is limited to its moderating effect on the link between the size and shape of the selling center and functional outcomes. This conceptualization of selling center structure meets Johnston and Bonoma’s (1981) dimensions, as adapted by Moon and Armstrong (1994). However, in this case, the connectedness dimension represents a process rather than structural variable and therefore, together with difficulty of communication, describes the communication processes among selling center participants. Adapted from Ruekert and Walker’s (1987) model, the suggested outcomes are based on both functional and psychosocial variables. This research identifies customer responsiveness as an additional functional outcome, and by reflecting the nature of the selling center better, it emphasizes the crucial task of satisfying customer requests to remain successful during both current sales opportunities and future interactions (Wilson, 1995). The framework enhances
understanding of the structure, functions, and performance effects of selling centers, as well as the factors that can enhance or inhibit an organization’s ability to seize and deliver on selling opportunities. However, its lack of empirical tests of the hypothesized interrelations constitutes a major limitation that has not been addressed in subsequent studies.

Another framework of team selling effectiveness developed by Smith and Barclay (1993) represents a concerted effort to understand team selling and draws on constructs from the multidisciplinary small group research stream to create an integrative conceptual framework. Based on McGrath’s (1964) input–process–output view of team functioning, the framework includes a long list of variables at the individual, group, organizational, and task/environmental levels. Its major contribution is the broad array of identified factors and relationships involved in team selling effectiveness and their delineation at four distinct levels.

In a next step, Smith and Barclay (1993) refine the framework by eliminating the variables with relatively lower theoretical and managerial relevance for a team selling context. The resulting team selling model identifies key constructs at the individual, group, and organizational levels and hypothesizes that they influence perceived task performance either directly or indirectly through their effect on two group process factors: selling center cohesiveness and boundary management. Thus, the effectiveness measure with the highest relevance is the subjective evaluation of the degree to which a selling center achieves its goals and objectives. This approach suggests that group-level outcomes are more appropriate performance measures than individual and organizational outcomes in studies of selling centers. Furthermore, it improves on objective performance outcomes, which are difficult to measure in a team selling context (Gladstein, 1984). However, it still allows for a strong evaluation basis, because it can be measured by the team, its management, and/or customers. According to this revised framework, selling center cohesiveness and boundary management, which reflect both the internal processes of belonging to and actively participating in a team and the external processes of communication and resource acquisition, are influenced by five constructs at three levels: (1) individual level, with participative leader behavior and supportive leader behavior; (2) group level, including member
interdependence and potency; and (3) organizational level, or market orientation. Although the individual and organizational level factors should influence effectiveness only indirectly through the process variables, the group-level inputs influence perceived task performance both directly and indirectly. The idea that the selling task is influenced by both internal and external interaction processes is similar to the concept at the heart of Ruekert and Walker’s (1987) and Moon and Gupta’s (1997) models. However, Smith and Barclay’s (1993) input dimensions present a different set of variables and, most important, introduce the leader behavior and potency constructs.

This incorporation of leadership aspects responds to the suggestion of Perry et al. (1999) that leadership and empowerment are major determinants of selling team outcomes. Because sales managers ultimately have less time and opportunity to micromanage sales teams as their span of control increases, Perry et al. (1999) argue that empowerment and shared leadership can enhance team effectiveness. They explain this claim by arguing that given sufficient power and authority to lead themselves, teams develop greater levels of collaboration and coordination and make better decisions that are based on the unique skills of all members. Katzenbach and Smith’s (1993) study of teams also provides evidence that high-performance teams engage in shared leadership much more often than do other teams.

In their model of empowered selling teams, Perry et al. (1999) identify five basic types of leadership behavior (transactional, transformational, directive, empowering, and social supportive) that team members might share. Although empowered teams are responsible for making decisions on their own, they cannot function completely independently; therefore, the model assumes that vertical leadership also plays a role by influencing team characteristics and shared leadership. However, the vertical manager’s role differs from that portrayed in traditional models of vertical leadership, because the responsibilities include team design, boundary management, contingent support, and facilitating empowerment within the team. The inputs to the model reflect two aspects: team and task characteristics. Perry et al. (1999) identify five key composition characteristics: proximity, ability, maturity, diversity, and team size. Whereas higher ability and maturity likely lead to shared leadership, the effect of the other three variables is less clear. As teams become larger, more dispersed, and more
diverse, the increasing difficulty of communication and coordination make shared leadership less likely. However, the process of shared authority and decision making in such conditions can provide a better mechanism for team interaction than would a single vertical leader. Finally, the model distinguishes between two types of outcomes: intermediate, represented by affective/cognitive and behavioral responses to the shared leadership process, and ultimate, reflected in team effectiveness. Arguing that selling team effectiveness should not be measured solely by sales volume at a single point in time because of the long-term nature of developing customer relationships, the authors suggest both qualitative and quantitative effectiveness measures. The qualitative criteria include ratings by the team, its management, and the customer, whereas the qualitative measures focus on sales volume and profitability.

Although the reviewed models exhibit a wide variety of relevant variables and hypothesized relationships, several common themes emerge. First, all models are of the input–process–output type, which indicates that team processes play important intervening roles in the team characteristics–performance relationship. Although some input variables also may have direct effects on performance, the influence usually works through the internal and external interactions of the team, which then shape the outcomes. Second, team composition and process are rarely considered in isolation; rather, the models consider the influence of environmental factors and the selling task characteristics, though in different ways. For example, the nature of the selling task and environmental complexity appear as independent variables in some models (Perry et al, 1999; Ruekert and Walker, 1987) but as moderators of the link between team composition and performance in others (Moon and Gupta, 1997). Third, this literature appears to accept that outcomes have two components, functional and psychological. Furthermore, the studies recognize that quantitative indicators such as sales volume and profitability are likely to be affected by many factors external to the team and the company. Consequently, such measures are usually avoided, and team performance is conceptualized as perceived task performance or the accomplishment of specified goals.
2.4.6. Limitations

Selling team research can offer some insights into GAM teams because it involves tasks that are more similar to those of GAM teams. However, its implications also are limited because team selling literature does not capture the difficulty of managing multinational teams that cross geographic and business unit boundaries. Furthermore, the focus is primarily on selling, whereas the role of GAM teams goes far beyond sales and includes developing innovative solutions for the customer and coordinating processes along the entire value chain. The key limitation of team selling research, however, is the lack of empirical validation of the proposed models. All are conceptual and unsupported by empirical research.

2.5. Summary of research gaps

In summary, no clear conceptualization of what constitutes a GAM team exists, which highlights the need for an integrated framework to address this research gap. The review of organizational behavior studies indicates a wide range of team constructs and relationships, but most findings are context specific with low degrees of generalizability, making it difficult to compare results and preventing the direct transfer of frameworks and concepts to a GAM context. For example, GAM teams differ from (1) pure sales teams in that they reflect the increased organizational complexity, cultural diversity, and complexity of solutions associated with global customers; (2) cross-functional teams in that they have a long-term, continuous task; and (3) other small groups in that they have a much higher degree of external interactions, blurred boundaries and responsibilities, and less structured tasks. Consequently, as a distinct type of group, the GAM team requires more profound investigation to identify which of these constructs are most relevant for team performance in a global customer management context.
3. Conceptual framework

3.1. Framework development

3.1.1. Overview

The findings from the literature, together with the research objective and questions, determine the research design that led to the development and validation of the conceptual framework. On the one hand, the general phenomenon of teamwork is not new, and prior studies have developed a variety of concepts to explain it, which favors a more quantitative approach. On the other hand, the specific context of teamwork in a GAM setting remains underresearched and requires further elucidation of the relevant concepts, which makes qualitative research methods more appropriate. To address both sides, this research follows a two-stage approach. The first phase, exploratory and qualitative in nature, aims to deepen understanding of GAM teamwork by determining which of the wide array of variables proposed in the literature have the greatest relevance in a GAM context and exploring whether any additional factors determine team formation, interaction, and performance. This phase ends with the development of the framework. The second stage is quantitative and builds on the first by empirically testing the framework that emerges from the investigation.

In the beginning of this research, the scope of the phenomenon and the related concepts were relatively unclear, which required a flexible and unrestrictive research design. Therefore, a qualitative approach appeared the best way to start the research process. The qualitative approach provides a deeper understanding through less structured research techniques and more open-ended questions. In turn, it provides more flexibility and greater possibility to explore various directions. Furthermore, qualitative data offer rich descriptions of processes in a local context and preserve chronological flows, which enables researchers to determine which events lead to specific consequences (Miles and Huberman, 1994). They are also useful for explaining why emergent relationships hold and providing an understanding of the dynamics of a phenomenon (Eisenhardt, 1989). Thus, data provided through qualitative research represent the best strategy for exploring a new area and developing hypotheses.
An evaluation of the major phenomenological, or qualitative, methodologies—action research, case studies, ethnography, grounded theory, hermeneutics, and participative enquiry (Collis and Hussey, 2003)—reveals that an approach based on grounded theory would be the most appropriate for framework development. Originating from Glaser and Strauss’s (1967) work, this methodology entails a systematic set of procedures that develop a theoretical framework through an iterative process of alternating inductive and deductive methods. Theory development follows a progression in which the researcher collects information, develops proposals or hypotheses on the basis of the collected data, and then goes back to the field to test the hypotheses or fill in missing information. This cycling back and forth between theory construction and data examination results in continuous improvements and a solid grounding for the emerging theory (Glaser and Strauss, 1967).

3.1.2. Qualitative study description

The qualitative study that assisted the framework development is based on 13 exploratory in-depth interviews with GAM experts from 12 companies conducted during May–July 2006. The list of interview partners appears in Appendix D. In selecting interviewees, I followed the principles of theoretical sampling, which requires the sampling to develop the researcher’s theory, not represent a population, as is common in interview research (Strauss and Corbin, 1990). The criteria for selecting the companies were as follows:

- Large multinational companies with an established GAM program.
- Extensive use of GAM teams.
- Different extent of GAM development.
- Representative of different industries.

First, I identified a sample of companies that meet these criteria, according to knowledge gleaned from various practical projects and research into practice-oriented literature (primarily publications of the Strategic Account Management Association), which provides examples of the GAM practices of different multinational companies.
Second, I identified the most appropriate informants in these companies, namely, the person responsible for managing GAM teams. At this stage of the research process, it was crucial to obtain an overview of GAM team–related issues across the entire company, so the informant had to have a broader perspective and objective observations of the determinants of team functioning and performance. Thus, the interviewees were all senior managers either in charge of the entire GAM program or who led a GAM team.

All interviews were face-to-face and semi-structured. The semi-structured approach guarantees that a predetermined set of questions guides the interview but still leaves enough flexibility to explore new and unanticipated issues. Interviewees received the initial list of questions (see Appendix E), together with a description of the research project, in advance to make them more comfortable about participating in the interview and ensure their better preparation.

The first part of each interview centered on general GAM team issues, such as the number of teams and team members, responsibilities and tasks performed by the teams, positioning within the organization, and reporting lines. The second part concentrated on key topical areas: context, design dimensions, team processes, and performance criteria. The questions pertained to the most important factors in each area and how they influenced other areas. Using both the laddering approach (Durgee, 1986) and the narrative approach (Mishler, 1986), which are common for qualitative research of this type, follow-up questions served to explore these issues in greater detail.

Eleven of the interviews were audio-recorded; however, in two cases, the respondents did not feel comfortable with recording, so only hand-written notes are available. In all cases, the interviews were transcribed immediately after the meeting to capture any information that may be potentially useful for the analysis. The data collection process overlapped with the data analysis, which means the data collection process could be adjusted as necessary, a key advantage of qualitative research (Eisenhardt, 1989). Therefore, after each interview, the data were analyzed and the findings compared with existing research. Some preliminary conclusions emerged after each analysis,
which then provided an expanded basis for the subsequent interviews. For example, when earlier interviews did not provide sufficient responses to some questions and the analysis revealed the need for more information or a different direction, subsequent interviews could address these gaps. This approach also resulted in some questions being omitted or added during the interviews. Because the goal was to understand the phenomenon with as much depth as possible, altering the question set is considered completely legitimate (Eisenhardt, 1989).

The analysis of the collected qualitative data aimed to find integrative themes that could capture the entire range of issues represented in the data. This process followed the coding methodology described by Charmaz (2002). In the first step, initial or open coding of each interview, detailed codes constructed for each interview transcript indicated categories that simultaneously describe and dissect the data. The codes capture the participants’ implied and explicit meanings and, at the same time, preserve the flow of events or ideas expressed by the participant. In the second step, selective or focused coding served to identify the codes that appear most frequently to sort and synthesize the data into a comprehensive framework. These focused codes are more general and yet more analytically incisive than the initial codes, because they cut across multiple interviews and categorize recurrent themes more precisely (Charmaz, 2002). A reanalysis of relevant literature supported my decisions about which focused codes to adopt and include in the conceptual framework. Thus, the emerging conceptual framework was grounded in both theory and empirical findings. The next section describes the framework and elaborates on each construct by discussing its theoretical underpinnings and the related results from the qualitative analysis.

### 3.1.3. Summary findings from the qualitative study

This section explains how the interviews guided the research process and highlights their contributions to the development of a relevant conceptual framework. The major findings of the interview research are further described in the next section, including specific examples from the experience of the study companies.
The significance of the qualitative study results from several large areas of contributions. First, the interviews provided a solid confirmation of the relevance of the research topic and the need for more research in the area due to its novelty and the fast growing use of GAM teams in practice. On average, the interviewed companies have had a structured GAM program for 11 years and all managers stated that it has played a vital role for the growth and overall success of their companies. The tendency has been for these GAM programs to start from a relatively small pilot program with a few selected customers and to develop over time to involve more customers and account management personnel. As a result, many of the responsibilities that were initially carried out by individual account managers are nowadays entrusted to entire GAM teams who in many cases manage more extensive relationships and satisfy the requests of ever larger and more demanding customers. With this comes increased complexity in the organization and need for special attention on GAM team issues. One of the interviewees expresses well the importance of developing a clear understanding of all GAM team issues:

You don’t build something like this [GAM team] easily because you basically change the structure of how decisions are taken and this creates different areas of tension. Therefore, you need to balance things out and above all to know all key elements that drive the behavior in the team and the organization.

Identifying those crucial performance-shaping elements was the key objective of the interviews. Therefore, their second key contribution is that in the process of creating grounded theory the interview findings helped to determine which concepts from the pool identified in literature are most relevant in a GAM context. Thus, the qualitative research helped to both eliminate constructs and relationships that turned to be of little importance and to refine others whose content and definition needed adaptation to the GAM context. As a result, some concepts that have been traditionally employed in sales teams context – vertical involvement and horizontal involvement – were disregarded although there was some theoretical support for including them in the framework. The interviews indicated that the number of people from various departments involved (horizontal involvement) is important but only to the extent that
it brings people from different functions and backgrounds that can share their knowledge to create superior solutions for the customer. Therefore, the pure number has significantly lower predictive power than variables such as the scope of skills and diversity in expertise represented on the team. Similarly, the number of hierarchical levels involved (vertical involvement) did not receive strong support in the interviews. Instead, the interviewed managers singled out one particular level – top management – whose involvement has proved critical for the GAM programs in all interviewed companies.

In addition, the interviews provided strong support for several concepts from literature – goal and role definition, structure, heterogeneity, adequate skills, leadership, rewards and incentives, communication and conflict management – which led to the integration of this constructs in the framework. Apart from confirming their relevance, the qualitative study helped to crystallize their specific content in a GAM context. Thus, out of the large number of heterogeneity aspects it helped to identify skills diversity as the most relevant type of heterogeneity in this context, which resulted in a more focused subsequent investigation of the concept. Furthermore, due to the nature of GAM teams’ work, the interviews pointed to the need to study some of these constructs in relation to the customer. Thus, the team structure variable gained a different meaning from the one usually attached to it in team studies. The adapted construct reflects the need for the team to both reflect the customer organization and fit in the internal supplier organization. Similarly, the importance of aligning team roles and objectives with those of the customer emerged from the interview research findings.

The third key contribution of the interview research is that it helped to identify concepts that are relatively new or underresearched in a team context. These include empowerment, top management support, training and proactiveness. Although they may appear in extant literature, they are not strongly emphasized as performance determinants and would likely have been omitted from the framework were it not for the findings from the interviews. The explanation is that these factors gain increasing importance for GAM teams due to the higher complexity, the more dynamic environment and the blurred boundaries in which teams operate. Furthermore, the
interviews played a crucial role in identifying a novel relationship among the constructs that was included in the framework. Whereas previous research traditionally does not view relational and financial performance as interlinked, all interviewed managers considered relational performance as a step towards improving financial performance and emphasized the causal relationship between the two. Thus, this first qualitative research stage helped to significantly enhance the understanding of GAM teams gained through the literature review and to develop a more precise and relevant framework, which increased the precision of the subsequent empirical study.

3.2. Conceptual framework

The conceptual framework presented in Figure 5 is based on the four key domains identified through the literature review and exploratory interviews: team design, organizational context, team processes, and team performance indicators. Although the main focus is on team structure and composition, as well as their direct and indirect effects on team performance, various factors related to the organizational context of the team also emerged in the analysis and therefore appear in the framework.

Figure 5: Conceptual framework
3.2.1. GAM team design

A GAM team must operate within multi-actor structures with different tasks and levels of authority, and its success depends on its ability to secure continuous support and manage the various technical, legal, economic, and political dimensions of the relationship (Harvey et al., 2003b). In these circumstances, the design of the team becomes a critical managerial issue because it determines the operating format and effectiveness of the GAM effort (Harvey et al., 2003a). The key variables that characterize GAM team design can be mapped along two main dimensions: team organization and team composition (Gladstein, 1984; Smith and Barclay, 1993). In this context, the organization refers to the relatively stable arrangements pertaining to the division of work and the coordination and control mechanisms. Because it is a rather broad concept, several organizational subdimensions also emerge from the analysis, including goal and role definition, structure, size adequacy, and empowerment. Composition, in contrast, here reflects the distribution of team member characteristics, captured in the framework by the heterogeneity of represented skills, the adequacy of skills and competencies that team members possess, and the leadership qualities of the team manager.

Team organization

Goal and role definition

A key problem in forming groups is that team members might have mixed motives in terms of cooperating and sharing information, which creates a dilemma in which group and individual goals conflict (Bettenhausen, 1991). In a review of cross-functional team studies, Holland et al. (2000) find that some of the most common obstacles to team effectiveness include conflicting organizational or personal goals, overlapping responsibilities, and a lack of clear direction or priorities. Similar results appear in a GAM context, in which team members often have multiple, organizationally defined roles and identities (Arnold et al., 2001). That is, they are members not only of functional areas (e.g., sales, marketing, R&D, production), business units, and country organizations but also of various other project groups. The result of these multiple
memberships is their mixed objectives regarding their clients, which increases the likelihood of conflict with authority and responsibility. This problem is further exacerbated when GAM is not a full-time responsibility for all team members. In the majority of the interviewed companies, only 2–5 core team members were full time; the rest were responsible for sales to smaller customers or for other specialized activities in addition to their involvement in the GAM team. Consequently, many of the interviewees highlighted that without clear delineations of the role and mission of the GAM team, conflicts would likely arise and the support of operating managers for the GAM team would be minimal. The first step most of the researched companies undertook was to communicate clearly to all related parties who had been assigned to the team and what their responsibilities were. In Clariant, Wacker, and SAP, for example, this communication took the form of posting the organizational chart and the description of members’ responsibilities on the companies’ intranets.

The interview research indicates that role and goal setting should be aligned along several dimensions. First, the team goals and responsibilities should be aligned with the customer’s if the company is to provide the required value. Following this principle, many of the interview companies organize joint planning and strategy development sessions between the GAM team and its customer. Second, the goals of the GAM team must be closely aligned with the overall strategic goals of the company. As Cespedes et al. (1989: 48) mention, “a strategy that does not imply certain behavior by the sales force is often no strategy; it is merely an interesting idea.” Linking team objectives to corporate strategy gives GAM team members information about the company’s goals in the marketplace, the nature of its potential competitive advantage, and their expected role in achieving those goals. Third, group goals often coexist with individual performance goals, and when they conflict, dysfunctions within the team are inevitable. As a result, team goals should be compatible with the objectives of individual members.

The literature offers extensive support for the link between such goal and role alignment and performance. For example, specifying relationships between various organizational roles and clarifying their responsibilities and dependencies enhances interfunctional collaboration when marketing and R&D collaborate to develop new
products (Moenaert and Souder, 1990). In a similar setting, Ruekert and Walker (1987) argue that formalization through prescribed policies and norms increases effectiveness, whereas Brown and Eisenhardt (1995) draw attention to more flexible and fluid job descriptions and novel routines. In both cases, however, the goal is to clarify team members’ roles and responsibilities to reduce confusion and wasted time.

Empirical studies of small groups also show that setting compatible individual and group goals leads to significantly greater performance improvements than do situations with no goals, individual goals only, or group goals only (Gowen, 1986; Matsui et al., 1987). Weldon and Weingart (1993) argue that this effect occurs indirectly through the mediating function of processes such as cooperation, communication, and member effort. Tjosvold (1988) supports this argument by observing that employees from different groups within a company who believe that their goals are cooperative, rather than competitive or independent, exchange more information and resources and are more willing to collaborate.

In summary, teams with well-defined and aligned goals and responsibilities are more likely to communicate efficiently, collaborate, and experience lower levels of conflict. Furthermore, they are more likely to act proactively in search of opportunities to fulfill their objectives.

**Team structure**

As Shi et al. (2005) propose, one of the key GAM capabilities that influences market performance and profitability is a process to ensure integrated efforts, both across hierarchical levels in the supplier and customer organizations (i.e., from top executives to sales representatives) and across all the markets in which the customer conducts business. This integration requires that the GAM team be structured to facilitate coordination. Team structure describes the nature and strength of the relationships among individual members of the team and often is described by three dimensions: vertical differentiation, horizontal differentiation, and connectedness (O’Reilly and
As discussed in Chapter 2.4, though these dimensions have been considered in a GAM or team selling context, no strong empirical evidence exists regarding their impact on performance. Conceivably, group structural properties alone may be less significant predictors of team performance than the degree of fit between the team’s structure and environment (Bettenhausen, 1991), as is supported empirically (e.g., Gresov et al., 1989). This contingency perspective has its roots in the principle of requisite variety, which contends that organizational adaptability increases when the organizational structure reflects the complexity of the environment (Ashby, 1952), as well as the more general concept of fit, which has been applied widely to various elements of organizational strategy, structure, and environment (Egelhoff, 1982; Lawrence and Lorsch, 1967; Meyer et al., 1993; Van de Ven and Drazin, 1985) and previously employed in GAM literature (Shi et al., 2004; Toulan et al., 2002).

The GAM team has the boundary-spanning role of absorbing and interpreting the complexity of the environment (Galbraith, 1973). Its task thus is to interact with diverse parts of the customer organization, bring together the multiple demands of those parts, develop appropriate strategies and solutions, and organize additional elements of the supplier firm to deliver on those demands (Birkinshaw and Terjesen, 2002). This complex responsibility requires, on the one hand, a structure that fits with the customer structure and, on the other, a structure that is well integrated and fits with the existing supplier organization. Structural fit between the supplier and the customer can improve supplier performance (Toulan et al., 2002), as well as joint supplier–customer outcomes in terms of dyadic competitive advantage and joint profit performance (Shi et al., 2004). In addition, establishing a team structure that is aligned with the two organizations leads to performance improvements, because it allows the supplier to increase its information-processing capability and bargaining power vis-à-vis its global account (Birkinshaw et al., 2001).

Interviewees reached a consensus about the importance of structural fit and accentuated the importance of adapting the GAM team structure to the customer’s requirements. When Clariant created its first teams, it approached the customer to discuss how it could adjust its structure to provide optimal customer coverage. In most
researched companies, the core members of the GAM team are based close to the customer headquarters, with extended team members spread around the world to cover the various locations where the customer operated. In addition, product and functional specialists often come from different parts of the supplier company to provide additional needed coverage. For example, when a DHL account team develops a proposal, whether proactively or in response to a customer request, it pools members from various units: logistics consultants, IT consultants, transportation and operations specialists, customer specialists, pricing experts, and even financial specialists for billing and tax advice. Many of these people are virtual members based in different locations worldwide and may be part of the GAM organization or pulled from different business units. An interviewee from Citigroup describes the rationale for adopting such a flexible and yet complex structure best:

What we are trying to do by combining these three dimensions—geography, product, and functional expertise—is to deliver the industry knowledge, the local presence, and the in-depth understanding of the client in a superior way than our competitors.

To conclude, a team structure based on a fit with the internal supplier organization and with the customer should facilitate both internal and external communication and collaboration, reduce conflicts, and, ultimately, improve team performance.

**Empowerment**

During the interviews, GAM experts highlighted GAM team empowerment as one of the most common success factors. Providing the team with sufficient authority tells the customer that account managers have the power and resources to “get things done” in a timely and effective manner (Homburg et al., 2002; McDonald et al., 1997). In a more general aspect, team empowerment represents a powerful mechanism for enabling organizations to be more flexible and responsive to environmental changes and customer needs (Kirkman and Rosen, 1999; Kirkman et al., 2004).
The organizational behavior literature contains two conceptualizations of empowerment: structural and psychological. Structural empowerment refers to the set of practices and work arrangements in a company that delegate authority and responsibilities (Kirkman and Shapiro, 2001; Mills and Ungson, 2003). The psychological approach considers empowerment the psychological state that team members possess in terms of their perceived authority to control how their work is conducted and responsibility for their work outcomes. This responsibility may include the freedom to choose how to perform tasks, a sense that the team’s work is important, and the belief that the team influences the effectiveness of the larger systems within which it operates (Kirkman and Rosen, 1999; Spreitzer, 1995, 1996). These two approaches are not antithetical but rather complementary and thereby provide a comprehensive perspective of empowerment (Menon, 2001).

The interview results point to two distinct aspects of empowerment in a GAM context: decision-making authority and sufficient resources. As Perry et al. (1999) note, a fully empowered selling team possesses the authority to make decisions for which, collectively, the team is responsible. Providing teams with this opportunity is particularly appropriate when they need to take advantage of the unique skills and talents of individual employees across the organization, because authority facilitates the team’s access to these persons and ensures that the team’s demands and needs are met. Consequently, Perry et al. (1999) argue that empowered selling teams result in greater collaboration, coordination, and cooperation, as well as novel and innovative solutions to customer problems. This claim is supported by empirical research that indicates empowerment influences team processes and is a significant moderator of the relationship between organizational context and team performance (Mathieu et al., 2006). Of equal importance, previous research has identified a positive relationship between empowerment and proactiveness (Kirkman and Rosen, 1999), as well as with important customer-related outcomes such as customer service (Kirkman and Rosen, 1999), customer satisfaction, and process improvement (Kirkman et al., 2004).

The experiences of IBM and Citigroup confirm these claimed benefits. The GAM teams at these companies receive full profit and loss (P&L) responsibility for their customers. Although the country general managers at IBM are responsible for sales,
they do not oversee revenues and are not allowed to make any significant decisions about the customer without consultation with the GAM team. Providing the teams with this level of responsibility offers multiple advantages: It ensures the team can respond proactively and quickly to customer needs and guarantees the decisions it makes will not be blocked at the country level by managers with different interests and their own agendas. These factors facilitate communication and reduce the risk of conflicts.

In addition, resources are key to empowerment (Mohrman et al., 1995) and important predictors of team performance (Cohen et al., 1996; Denison et al., 1996; Gladstein, 1984). Because global customers are crucial to the success of the company, the GAM team must have sufficient resources to innovate and make a distinctive value proposition based on customer needs and preferences. In turn, this creates value for the customer and therefore leads to sustainable competitive advantage for the supplier (Gosselin and Heene, 2005).

**Team size adequacy**

The size of the team also can be an important predictor of how well it carries out its activities. In general, teams should be large enough to accomplish their goals but not too large, because too many members can lead to overwhelming coordination needs or reduced involvement (Gladstein, 1984; O’Reilly and Roberts, 1977). Therefore, some authors argue that teams should take the smallest size needed to do the work (Goodman et al., 1986; Sundstrom et al., 1990). Whereas early research suggests an inverted U-shape or curvilinear relationship between size and performance (Steiner, 1972), subsequent empirical studies identify various performance improvements associated with size. For example, Campion et al. (1993) find a positive impact of group size on productivity, manager judgments of effectiveness, and employee satisfaction. In employee involvement teams, Magjuka and Baldwin (1991) also find a significant positive relationship with performance. In contrast, Vinokur-Kaplan’s (1995) study, which applies Hackman’s (1987) model in practice, suggests that size is a negative predictor of performance. These varied research findings clearly indicate that size has a differential impact depending on the setting and team design. In a GAM
team context, smaller team size should facilitate internal communication and coordination and result in relatively lower conflict levels. However, smaller teams might have difficulty obtaining sufficient resources and communicating the significance of their work, as a result of their lower visibility, which may suggest that size increases external communication.

The interview results confirm Cohen et al.’s (1996) suggestions that the absolute number of people on the team is a poor indicator of its potential, because the “ideal” size depends largely on the context. The teams in the interviewed companies ranged from 4–5 to 50–60 members on a global basis, but in most cases, the interviewees stated they still experienced capacity problems and would happily increase the number of people on their GAM teams. In line with these arguments, the concept of team size adequacy, or whether the size of the team is sufficient to perform its tasks, emerges. When confronted with an insufficient number of people, the team experiences increased workloads, time constraints, and reduced job satisfaction, the results of which include decreased communication and collaboration, more tensions and disputes, and a lower degree of proactivity. In other words, insufficient team size likely has a negative impact on all team processes and performance.

**Team composition**

Team composition pertains to what members bring to the group in terms of skill, ability, and disposition (Hollenbeck et al., 1998). In a recent meta-analytic review of the effects of team design on performance, Stewart (2006) argues that the skill and capability composition of a team can be viewed from two perspectives: (1) individual characteristics that aggregate in a linear fashion, such that more is always better, or (2) individual characteristics that do not aggregate in this manner and whose desirability therefore depends on the traits of other team members, such that the heterogeneous characteristics require fit among members. Following this classification, the proposed framework incorporates both skill heterogeneity and adequate skills, as well as a third distinct type of skill—team leadership.
**Heterogeneity**

The extent to which team members are similar or bring unique qualities to the team can influence group processes and outcomes, so significant research has studied team diversity according to various attributes, such as race or ethnic background, age, gender, nationality, skills and knowledge, values, and tenure (Milliken and Martins, 1996). In a GAM context, the most relevant diversity variables should be diversity in skills and nationality, because they represent proxies for the team’s ability to develop creative solutions to complex problems and manage the cultural diversity inherent in its environment. In addition, many of the interviewees discussed these two types of diversity extensively. Overall, the results of the qualitative analysis indicate that nationality diversity should be taken into account but usually is a given because of the multinational nature of the teams. Therefore, it is not a strong predictor of performance by itself. Executives typically noted that it is more important to ensure the right mix of skills on the team and recruit members who are able to work in a diverse, multicultural environment than focus on a specific mix of nationalities. Consequently, I drop the nationality diversity variable from further analysis and focus on skills heterogeneity.

Heterogeneity in terms of skills and expertise usually refers to task-related abilities or professional experience, with the basic premise that when people with relevant areas of expertise come together, team decisions and actions likely include the entire range of perspectives and skills, which then leads to success (Van der Vegt and Bunderson, 2005). However, reviews by Milliken and Martins (1996), Webber and Donahue (2001), and Williams and O’Reilly (1998) suggest that empirical evidence about the performance benefits of diversity in skills is equivocal and indicates both positive and negative relationships. Some studies (e.g., Watson et al., 1993) find that skill diversity can both enhance and diminish performance on cognitive tasks, whereas others (e.g., Bantel and Jackson, 1989) indicate a positive link between diversity and cognitive task performance, that is, tasks that involve generating creative ideas, solving problems, or making decisions. The proposed explanations for the positive relationship between skill diversity and team performance range from a better use of member knowledge to better communication and cooperation with external groups (Goodman et al., 1986; Magjuka and Baldwin, 1991). More recent research has tried to explain the skill
diversity–performance link by opening the “black box” of team processes (Lawrence, 1997) and identifying relevant moderating and mediating factors. Process variables such as intrateam conflict (Jehn et al., 1999; Pelled et al., 1999; Simons et al., 1999), external communication (Ancona and Caldwell, 1992; Keller, 2001), information sharing (Bantel and Jackson, 1989; Bunderson and Sutcliffe, 2002), and the ability to acquire, refine, and combine knowledge (i.e., learning orientation, Van der Vegt and Bunderson, 2005) represent the key mechanisms by which diversity promotes or hinders performance.

An important finding that can provide insights into the effects of diversity in GAM teams is that skill diversity has more positive performance effects on nonroutine, diverse tasks that require a wide range of competencies (Hambrick et al., 1996; Murray, 1989, Wall et al., 1986), which is a good description of GAM team responsibilities. Following the resource-based view (Barney, 1991; Teece et al., 1997), Harvey et al. (2003a) argue that individual and collective organizational knowledge as a resource enables the GAM team to develop unique competencies valuable to global customers. Similarly, the interviewee from Hewlett-Packard compared its GAM teams to a lens that brings into focus the supplier’s resources, including everything from R&D and product development to distribution and customer service, for the global customer. Therefore, incorporating a variety of backgrounds, areas of expertise, and experience in the team is a prerequisite if the team is to develop superior knowledge bases to coordinate and combine its system-wide resources and capabilities in unique ways that provide value to the customer.

Adequate skills

As opposed to skill heterogeneity, this construct focuses on individual characteristics that combine in such a way that more is always better for a team. Several organizational behavior studies assess member skills and ability levels (LePine et al., 1997), personality traits (Barrick et al., 1998; Neumann and Wright, 1999), and background and experience (Bantel and Jackson, 1989), but their results tend to depend on the context and type of team.
This construct should have a very strong impact on GAM teams, because it is among the top three success factors reported during the expert interviews. Team members need a broad range of skills to manage the complex networks that exist both at the external interface between the supplier firm and the global account and at the internal interface between the GAM team and other organizational units. The role of the global account manager therefore can be compared instructively to that of a political entrepreneur (Wilson and Millman, 2003) who must overcome cultural barriers and navigate the sensitive political aspects of multiple interfaces while generating continuous business opportunities with the customer. One of the interviewees, based in Austria, shared the way he often describes the essence of the job to his account managers:

You are entrepreneurs. You have your account, your P&L, and you are managing a [client] company which is bigger that many of the Austrian companies. You have to think as entrepreneurs, how can you save costs, how can you develop revenue, how can you build relationships.

Similarly, Eastman Chemical Company’s chairman and chief executive officer Earnest Deavenport (1999: 15) describes the competencies of a global account manager as follows:

The mission of the GAM is not so much to sell products and services as much as it is to manage relationships…. As GAMs, they need to know everything about key customers in every side of business that customer has.

These demands require competencies that go beyond a traditional sales role (Harvey et al., 2003b) and include both business and multicultural social skills. Consequently, the required skills of the core members of the GAM team may be more closely aligned with those of a general manager than a senior salesperson. Not only are GAM team members expected to have the capability to build and maintain trusted relationships with senior executives across divergent cultures and economies, but they also must be able to obtain extensive knowledge about the customer and use that information to create value. These demands also require strong communication and selling skills, leadership and management skills, problem-solving capabilities, business and financial
acumen, and strategic vision and planning capabilities (Millman and Wilson, 1999b). One of the executives described what he looks for in an account manager:

First of all, we look for a high achiever, top performance type of a person. You do not want to deal with mediocrity in this area. These are people with deep business skills and savvy business understanding. They are team players with strong social skills. They are strong leaders who can be compared to the conductor of an orchestra because they have to manage by influence an organization that does not report directly to them. They are people who can build trust and credibility.

This example further highlights the importance of the people skills factor and supports the proposition that a team whose members possess this broad skill set will be characterized by more collaborative and efficient team processes and superior performance.

**Leadership**

Leader characteristics, behaviors, and expectations all are vital to performance outcomes and therefore appear in various research contexts. McGrath (1984) identifies two leadership functions, task and interpersonal, whereas other studies (Cohen et al., 1996) examine the effect of different leadership styles on team performance. In a sales setting, George (1995), building on George and Bettenhausen (1990), finds that a sales manager’s positive mood positively predicts customer service behavior among 53 retail sales groups. Gladstein (1984) similarly finds a significant positive relationship between leadership and team self-reported effectiveness, as well as between leadership and intragroup processes, when leadership represents the leader’s task behavior, maintenance (interpersonal) behavior, and influence in the organization. A recent study of the effects of leadership style on performance and innovation in functionally heterogeneous teams indicates that leadership style is an important construct that can enhance constructive team processes, which in turn promote team outcomes (Somech, 2006). According to its results, in functionally diverse teams, participative leadership based on joint decision making can improve innovation by encouraging team
reflection, which prioritizes a collective debate and analysis of the team’s objectives, strategies, and the best way to use relevant knowledge. Such leaders reduce the barriers that exist between diverse professionals in heterogeneous teams by opening communication channels inside and outside the team and facilitating the exchange of ideas and perspectives (Lewis et al., 2002). However, many of these existing studies center primarily on the leader’s behavior within the team and its impact on internal team processes.

In contrast, studying product development teams, Katz and Allen (1985) note that leadership both within the team and in terms of broader organizational influence affects team members’ motivation and behaviors. Consequently, selling team managers’ behaviors should attempt to not only develop internal bonds but also succeed in external activities. Smith and Barclay (1993) observe that effective selling teams are led by experienced sales representatives with strong social and boundary management skills who inspire team members by example to maintain their commitment and professionalism. Similarly, Perry et al. (1999) argue that the selling team manager should focus his or her efforts externally to facilitate good working relationships between the team and the rest of the organization and garner resources from outside.

Organizational influence should be a strong characteristic of successful GAM leaders as well. Teams with influential leaders are more effective because they communicate better with senior managers and act as advocates for their teams within the organization, which in turn improves overall communication and collaboration and reduces potential conflicts. In addition, influential leaders often cause members and outsiders to infer that the team’s activities are important and prestigious, which improves both their efforts and team cohesiveness (Scott, 1997). This is of utmost importance because leaders of GAM teams often have no formal authority, rely heavily on other members, and are contributing members to team activities (Deeter-Schmelz and Ramsey, 1995). As a result, they “lead” as opposed to “manage” the GAM team (Parker, 1994). In these circumstances, strong leaders are those who create an environment that fosters performance, ensure that team efforts are coordinated with divisional and organizational efforts, and align team members’ objectives.
In summary, a GAM team leader can have a strong positive effect on team processes and performance if he or she (1) possesses broader influence in the organization that extends to top management and across various functional and divisional boundaries and (2) creates an effective working environment and motivates team members to contribute.

**Hypothesis 1:** GAM team design (i.e., goal and role definition, structure, empowerment, adequate size, heterogeneity, adequate skills, leadership) has a positive influence on GAM team processes (i.e., external and internal communication and collaboration, conflict management, proactiveness).

### 3.2.2. Organizational context

Teams can be understood best in relation to their external surroundings and internal processes (Sundstrom et al., 1990). Therefore, many models of team effectiveness incorporate aspects such as reward systems and training resources that represent the organizational context of teams (e.g., Campion et al., 1993; Cohen et al., 1996; Hackman, 1987; Shea and Guzzo, 1987). Cespedes et al. (1989: 55) clearly illustrate the importance of these factors for GAM: “Sales teamwork is ultimately a by-product of the organization and has to come from the top down. People in the trenches can be team players, but they need encouragement and incentives.”

In a similar vein, one of the interviewees highlighted the importance of the organizational context for changing corporate cultures and mindsets that do not support global team collaborations:

There are many things that you can do to change behavior, through how you pay people, how you train people, the systems and processes by which you want them to interact. These are levers at the disposal of the managers of the business. If we work on changing those things, before we know where we are, those behaviors will be how we do things around here.
Because today’s behaviors are the short term of what culture is all about, they will eventually turn into a culture.

Recognizing this behavior-shaping role of the organizational environment, the proposed framework captures context through three constructs: top management support, rewards and incentives, and training.

**Top management support**

This quote from one of the interviews effectively represents the opinions of all interviewed managers:

There is only one golden rule about GAM programs: If you do not have the undying support of the chief executive, they will go nowhere, it is just a waste of money.

Top management support was among the top three GAM team success factors accentuated in the interviews and is often identified as crucial for all aspects of GAM activities in the literature (Arnold et al., 2001; Homburg et al., 2002). According to Millman and Wilson (1999a: 330), GAM “is a strategic issue and the process should therefore be initiated and overseen by senior management.” Because GAM is typically an organization-wide initiative, it requires shifts of power, responsibilities, and resources from the local to the global level or from individual countries to GAM units that span boundaries (Homburg et al., 2000). As a result, managers at various levels confront trade-off decisions between local business units and global accounts. By making an unequivocal commitment to the long-term benefits of GAM, top management emphasizes global firm success as opposed to national or market-based measures, which helps managers make this trade-off and creates a global organizational mindset oriented toward the complexities of global strategy, structures, and processes. As Srivastava et al. (1999) argue, for marketing to be institutionalized in organizations, it must be infused in the actions of the managers who influence the work process.
Support in the form of resource allocation and public recognition of the GAM team’s efforts conveys the importance attributed by top management to the GAM initiative and is pivotal for overcoming potential resistance or power struggles and legitimizing the efforts of the team as a strategic undertaker (Harvey et al., 2003b). Without it, the team lacks sufficient clout to direct customer activities proactively, and team members likely ascribe lower importance and significance to their contributions. For example, when 3M began implementing action teams, senior management sponsors were crucial to their success. These “enablers” allocated the needed resources and visibly supported the team, which altered the mindset of middle managers and motivated team members (Hershock et al., 1994). Empirical studies support this observation in their identification of the positive relationship between top management commitment and market orientation (Jaworski and Kohli, 1993), global marketing structure, marketing performance (Townsend et al., 2004), and, crucially, GAM effectiveness (Workman et al., 2003).

The other key aspect of top management support is the active involvement of senior managers in developing relationships with the customer. Senn (2006) observes that a replicable, systematic process of senior executive interactions with the customer can represent an essential sales and profitability growth factor. Many of the researched companies implement executive sponsorship or top-to-top relationship programs that require top managers to meet with the top management of the customer firm to discuss business opportunities and set strategies. For example, DHL’s CEO commonly meets with customer executives such as Michael Dell and discusses the possibilities for joint business, whereby the two companies can integrate their competencies and develop tailor-made solutions. This type of support is invaluable to the GAM team working with Dell, or whichever respective account, and can lead to joint innovations with superior sales potential. Similarly, Siemens uses a formal, four-step Top Executive Relationship Process that mandates at least eight executive customer engagements per year for each team, so the customer contacts are systematically planned, organized, and reported. This mandate helped shift customers’ perceptions of Siemens to a more customer-driven and engaged partner. Moreover, four years after the introduction of
the process, the growth rate of these accounts increased significantly and reached levels two times higher than other accounts (Senn, 2006).

In summary, top management support has a positive effect on team process and performance because it enhances internal and external collaboration by embedding a GAM focus, reduces conflicts, and enforces a proactive approach toward global customers.

**Rewards and incentives**

A reward system that recognizes and reinforces contributions to the GAM team can significantly amplify the motivational incentives provided by top management commitment or well-designed goals and responsibilities. In most interviews, respondents pointed to measurement, metrics, and compensation as key success factors. In the organizational behavior research stream, rewards for team performance do not produce conclusive empirical results, because some studies find no significant influence on objective performance (Campion et al., 1993; Magjuka and Baldwin, 1991), whereas others (Cohen et al., 1996; Pritchard et al., 1988) indicate that introducing group incentive plans increases team ratings of performance and satisfaction or that perceived inequity in compensation among team members is positively associated with perceived conflict (Wall and Nolan, 1986).

Nevertheless, compensation is one of the three most important areas in team selling, according to Cespedes et al. (1989: 45), who note that “in sales management, you won’t get what you don’t pay for.” Gosselin and Heene (2005) also argue that remuneration and measurement determine whether account managers act as strategic global account managers with long-term, relational perspectives or as pure salespersons with a short-term, transaction orientation. Because GAM teams often work alongside preexisting national sales organizations, and both units have vital roles in managing the account, it is important that the incentive structure helps reconcile any potential tensions between the units and enhances collaboration (Arnold et al., 2001).
Creating such a compensation structure requires two aspects. First, the supplier must have a measurement system that tracks the sales of the global account and the implied results of the GAM team efforts worldwide. It should be flexible and fair enough to recognize sales contributions in a transparent and consistent manner and share sales credit. Otherwise, the team might get caught in a situation in which it wastes significant time and energy arguing about the split of sales credit. Companies whose interviewed managers stated they had found a workable solution usually double-credited sales and used shadow P&L accounting. For example, DHL and Citigroup use a shadow P&L system that helps smooth the tension between the GAM team and local managers regarding sales to the global account. Furthermore, this system establishes the unique contributions of different units associated with the revenues.

Second, to stimulate contributions, the compensation system must reward team members appropriately. Regardless of their content, rewards should be contingent on performance, and the system should reward only those behaviors that lead to the required positive outcomes (Hackman, 1987). For example, interviewees indicated that the compensation system for the GAM team should employ an appropriate timeframe. Sales to large multinational customers often take months or even years to complete, so incentives tied to short-term performance will encourage efforts that fail to maximize overall results. Interviewed executives also mentioned various options, such as bonuses for multiple-year performance or qualitative objectives like building customer relationships. Furthermore, to encourage a more holistic and relationship-oriented view among team members, the researched companies all provide incentives that are based on both GAM team or program-level goals and personal objectives, and they include both quantitative and qualitative targets.

In general, the experts indicated that appropriate GAM incentives involve a compensation package with a significant variable portion (bonus) contingent on certain prespecified, GAM-related objectives. Although the size of this portion varies considerably across industries and companies (from 20–30% of total compensation in companies such as Coca-Cola, HBC, and Wacker to 4–5 times the fixed salary in banking GAM teams at Citigroup), it remains a strong determinant of willingness to
communicate and collaborate on issues related to the global account, as well as of the level of conflict and proactiveness of the team.

**Training**

As Henke et al. (1993) observe, companies often devote more time and resources to assembling cross-functional teams than to training them, which could be a key blockage to their successful functioning. A company’s ability to provide needed training can be a critical success factor (Hackman, 1987), so organizational behavior literature has researched the relationship between training and team performance to at least some extent. For example, Salas et al. (1992) provide an extensive review of relevant studies, but the results are mixed due to diverse and often weak methodologies (Campion et al., 1993).

As discussed previously, identifying and recruiting high-caliber professionals with the required broad skill set for the GAM team is a widespread challenge. Consequently, developing necessary knowledge and skills demands additional professional development and training throughout the career of everyone involved with global customers (Weeks and Stevens, 1997). Even if these skills are available, team members, who come from different backgrounds and parts of the organization, need training to help them understand their tasks, processes, objectives, and roles (Parker, 1994). This training also must extend beyond the teams to encompass senior and middle managers. Because middle managers can represent an important obstacle to success, they should come to see their role in a new light, which requires “an organization-wide commitment to learning” (Donnellon, 1993).

The range of topics covered by GAM team training can be substantial, from product and selling skills to interpersonal and cultural training to technical and service competence development. For example, when Citigroup started building its GAM teams in the 1980s, training represented a key element of the initiative. In several years, thousands of people from hundreds of teams across the organization trained in the customer relationship field, and top management learned to manage a portfolio of customers (Galbraith, 2001). In the case of Marriott, the introduction of a GAM
approach involved sales training classes for more than 500 people every year to demonstrate how strategic account management would change their jobs and expectations regarding their contributions (Hennessey and Jeannet, 2003). Siemens requires all GAM team members to undergo intercultural training, because it believes that acceptance of different cultures is one of the keys to global success. As David Macaulay, Siemens’ Managing Director for Corporate Accounts, notes, “If you don’t understand culture or are not sensitive to another person’s culture, doing business can be twice as hard.”

Finally, DHL uses training not only to enhance the GAM team’s skills but also to increase its credibility and improve its relationship with the business units. The company is designing a structured training program that will resemble a university, in the sense that it will incorporate detailed assessments of competencies and gaps and a formal process of education, to the point that account managers might be asked to take tests. When GAM team members have successfully undergone this rigorous training process and passed the tests, customers and business units likely will perceive them as more competent and respectable and therefore be more willing to collaborate with them.

**Hypothesis 2:** The organizational context (i.e., top management support, rewards and incentives, training) has a positive influence on GAM team processes (i.e., external and internal communication and collaboration, conflict management, proactiveness).

### 3.2.3. Team processes

Although the team’s structure and composition may have a direct impact on team outcomes, in most cases, this relationship is mediated by the processes that characterize the interactions of team members (Hackman, 1987). Prior studies based on the organizational demography approach (Pfeffer, 1983), which focuses on the direct link between team design variables and outcomes, create a “black box” because
they fail to measure and test the effect of team processes and other intervening variables (Lawrence, 1997). These variables might include both internal and external processes (Ancona and Caldwell, 1992a; Gladstein, 1984; Marks et al., 2001), as well as group psychosocial traits, such as group norms and shared mental models (Cohen and Bailey, 1997). The field interviews similarly suggest certain variables moderate the relationship—specifically, external communication and collaboration, internal communication and collaboration, conflict management, and proactiveness.

**External communication and collaboration**

Effective GAM teams must detect changes in the business environment, gain knowledge about customers, and improve team members’ collective understanding of the business situation. Because GAM team members have varying functions and are exposed to multiple sources of information, the team needs to communicate extensively and effectively both internally and externally and to ensure that it uses all valuable information to its fullest potential (Jones et al., 2005).

As already discussed in Section 2.3, external activity refers to the process of building relationships with other members inside and outside the organization to ensure cooperation and obtain vital information and resources. In previous studies of smaller and relatively isolated groups, external activities have been either completely omitted or considered less important than intragroup processes (Gladstein, 1984). However, studies that extend the focus to new and demanding environments with a high degree of external dependence recognize that teams whose members communicate actively with and engage outsiders in the team’s work achieve higher performance (Ancona and Caldwell, 1992a, b; Keller, 1994, 2001). In the context of key account managers, for example, Schultz and Evans (2002) examine collaborative communications with customers along four dimensions—informality, bidirectionality, frequency, and strategic content—and find that all of them relate positively to role performance, trust in the key account manager, and synergistic solutions.

Furthermore, the active management of external linkages is crucial from a resource-dependence perspective (Pfeffer, 1986) and a key determinant of GAM performance
(Homburg et al., 2002). Because GAM activities are often hampered by a lack of authority (Arnold et al., 1999), the team must rely on extensive and persuasive communication to secure sufficient contributions. Thus, its ability to communicate across functions and hierarchical levels in the organization can be a significant predictor of GAM effectiveness and hence of market performance and profitability (Workman et al., 2003).

The GAM team’s activities to overcome obstacles within the supplier organization often are even more difficult and time consuming than working with external partners. Consider Marriott’s experience for example: When the company introduced its Alliance Accounts program in the mid-1990s, it faced the challenge of moving the sales force from a traditional transactional structure to an organization focused on global account solutions. This shift meant a loss of P&L control, and hence resistance to the changes, for some local entities. To address the problem, Marriott conducted an extensive internal selling campaign; for every presentation given to an external customer to sell the new GAM strategy, five presentations targeted those involved internally (Croom et al., 1999). Every success and best practice of the account teams was celebrated and communicated to all involved. In addition, Marriott identified audiences in the company that were critical to success and started providing them with constant information to help them understand the program’s role and gain their support (Hennessey and Jeannet, 2003).

In addition, in many of the researched companies, communication provides a critical means for exchanging best practices and experiences among GAM teams. Typically, these communications encompass both formal channels, such as regular best practice meetings, forums, or workshops, and informal channels, such as one-on-one meetings, phone calls, and similar activities. For Coca-Cola HBC, best practice meetings get GAM teams together to share customer knowledge and best practice examples from different countries. These exchanges help synchronize account planning and execution processes across customers. To increase awareness and involvement in GAM activities among other people in the company, Clariant invites senior managers from other areas such as product management, as well as the customer, to its best practices event. DHL even offers virtual team rooms, in which each team can share more detailed
information about presentations and other materials that may be relevant for managing DHL’s global customers as a whole.

**Internal communication and collaboration**

Internal communication and collaboration refers to the interaction within the team. Shi et al. (2005) argue that the degree of collaboration and coordination of GAM activities within the team, across both countries and different levels, determines a supplier’s GAM market performance and profitability. This link receives broad support from supplier–buyer relationship literature (Buvik and John, 2000; Heide and John, 1990; Mohr and Spekman, 1994) and organizational behavior studies (Bunderson and Sutcliffe, 2002; Gladstein, 1984; Pinto et al., 1993). For example, Seers et al. (1995) link internal communication and collaboration in a 10-item scale that measures reciprocal exchange and find a positive link to efficiency. Their definition of internal communication involves members’ contributions and receipt of ideas, feedback, assistance, and recognition to other members.

Some authors suggest that communication has two distinct aspects—frequency and content—that might have different effects on performance outcomes. For example, Ancona and Caldwell’s (1992a) study shows that the frequency of communication is unrelated to performance, unlike the content of the information. Similarly, Smith et al. (1994) indicate that the frequency of internal communication relates negatively to the performance of top management teams, because it tends to indicate high levels of conflict and requires time that detracts from performance. Pinto and Pinto (1990) find that highly cooperative project teams make significantly more use of informal communication methods (particularly phone calls) than do less effective teams. More important, their reasons for communication tend to revolve around obtaining project-related information, reviewing progress, brainstorming, and receiving feedback rather than resolving disputes, which again suggests that the content and effectiveness of communication are more important predictors of performance than is frequency itself.

The relatively limited evidence from GAM teams, however, reveals slightly different results. Birkinshaw et al. (2001) argue that the frequency of communication between
the global account manager and other individuals (both within and outside the team) on GAM-related matters improves performance in terms of efficiency, sales growth, and customer partnerships. These authors suggest frequent communication may convey a sense of where priorities lie and speed up problem-solving processes. Interviewees generally agreed that both frequency and effectiveness of communication among team members are important; many complained that dispersed team members lacked knowledge about what was going on with the account in other parts of the world and what other team members had discussed with the customer on an individual basis. As a result, these companies have introduced various channels and tools to share information within the team. Regular face-to-face or virtual meetings involving all team members, or at least the core, are the norm, though the frequency varies across companies and teams, depending on the size and geographical dispersion of the team. Other tools include regular e-mails or formal reports from the team leader to all members on anything that seems important about the account, such as the latest developments and results, account planning updates, and planned meetings and events. These communications usually employ specialized Web-based tools or customer relationship management (CRM) systems that enable the sharing of far more detailed information. For example, IBM, Siemens, and SAP consider their CRM systems key facilitators of inter- and intrateam collaboration and invest significantly in them. The systems provide complete transparency about customers and the activities of other team members and welcome input from team members regarding all relevant information they might have about the customer—client visits reports, key issues discussed with the customer, types of products the customer buys from their country or division, competitive threats, new opportunities, and so forth.

However, as one of the interviewees stated, “CRM systems are just a tool that can even get in the way of effective team working. There is nothing more effective than people talking to one another.” This assertion reemphasizes that, regardless of the infrastructure used to facilitate communication, the key determinant of effective collaboration remains people’s skills and their willingness to exchange information and work together as a team.
Conflict

A commonly studied team process, conflict refers to “the tension between team members due to real or perceived differences” (De Dreu and Van Vianen, 2001: 309). It has two main dimensions, amount of conflict and conflict resolution or management, and comprises two types identified by research, namely, cognitive (task-based) and affective (relationship-based) (Amason, 1996; Jehn, 1995). Jehn and Mannix (2001) add a third type: process-based conflict. These various types differ in terms of their effects on performance (Amason and Sapienza, 1997); high-performing teams likely encourage functional conflict but avoid or resolve dysfunctional types of conflict.

In GAM teams, conflicts can arise from the diverse aspects of the home organizations (functions, units, regions) represented on the team, which lead to contrasting views and divergent task interpretations. Cultural differences associated with different ways of doing business also emerge. SAP, for example, experienced increased disagreement and misunderstanding among team members from countries such as Japan and China when Western team leaders’ expectations about taking initiative and higher degrees of independence clashed with the Asian members’ need for closer coaching and detailed directives. Similar issues at Clariant had to be resolved through regular visits from top management to these countries.

However, an even more problematic area from which conflicts arise, as repeatedly noted in the exploratory research interviews, is resource disparities and disagreements about resource allocations (Denison, 1996; Donnellon, 1993). Teams question “Who owns the customer?” and how the P&L responsibility will split among the involved parties, which can create performance-inhibiting tensions, as described by one of the interview respondents:

The typical conflict that we have is that the business units are not always aligned with what we are trying to achieve. It could be about, we think that something is important and they don’t. But in most cases, it comes down to money. They are there to drive short-term P&L, and we are there to develop long-term cash flows.
As discussed previously, the level of these conflicts depends on (1) how the responsibilities are split, (2) how rewards and incentives are defined, and (3) the skills team members have in terms of demonstrating the value of global collaborations and enforcing the global goals.

Because conflict is such a common phenomenon in GAM teams, performance depends significantly on effective mechanisms for managing disputes. Ruekert and Walker (1987) suggest that when conflicting parties can work out their differences in a cooperative manner, the perceived effectiveness of the relationship between marketing and representatives of other parts of the organization increases. Examining selling teams, Smith and Barclay (1993) also find that unresolved conflicts or conflicts resolved through avoidance or competition lead to declining trust and team effectiveness.

The literature identifies several conflict-resolution mechanisms for a dispute within an organization, including (1) conflict avoidance, (2) focusing on common interests, (3) openly confronting the issue and resolving the dispute through negotiation and compromise, and (4) resorting to higher authority to decide the issue unilaterally (Ruekert and Walker, 1987). In their taxonomy of team processes, Marks et al. (2001) group these mechanisms into two types: preemptive conflict management that establishes conditions to prevent, control, or guide conflict management before it occurs and reactive conflict management that works through disagreements to solve them. The experts generally confirm these findings; in most cases, they assume the team will work together and come up with different alternatives to solve the conflict. In the companies with more mature GAM programs such as Citigroup, teams have gained experience in handling such situations and manage to solve conflicts internally in almost 95% of the cases. To a large extent, one of the interviewees noted, this resolution depends on the skills and training of the account managers:

I believe that a really good account manager can resolve 80% of those competing goals situations without escalation. It all comes down to the art of negotiation, which is a function of skills and training.
When such resolution simply is not possible, a mechanism must specify how the team should escalate the conflict to senior managers who can make a decision. This recommendation presumes, of course, that management is receptive to taking a position in these situations and helping resolve the conflict and that the team does not perceive escalation as a failure that should be avoided. As one interviewee noted:

The basic value system in our company is that the team has to find a way to reconcile conflicts. You have to respect one another’s different points of view and work it out. The escalation process takes place only if this is impossible. In such situations, teams are advised not to avoid escalating. If you let a problem stay a problem, you will get beaten up with a vengeance for not escalating. It is not a failure if the team cannot solve a particular problem. A failure is if the team has not sorted out the problem and has not escalated it.

In conclusion, clashes in teams that are as diverse and complex as global customer teams often are just a fact of life. Therefore, GAM team performance is influenced by the extent and frequency of conflicts, as well as the existence of working mechanisms that can help resolve disputes in a timely and effective manner.

Proactiveness

Although many GAM activities result from a customer’s demand, the potential for a cooperative and synergistic relationship is greatest when the supplier adopts more proactive behavior (Harvey et al., 2003a). Arnold et al. (1999: 15) note that “the proactive–reactive dimension matters a great deal,” and Workman et al. (2003) identify a significant relationship between activity proactiveness and KAM effectiveness that confirms the importance of supplier-initiated activities. As an organization-wide strategy that defines future business for both the supplier and the customer, GAM requires a proactive approach to understanding customers’ explicit and latent needs and cultivating new value creation opportunities, such as creating new demand rather than waiting for requests (Shi et al., 2005). Some of the executives in the field interviews commented on proactivity explicitly:
Highly successful GAM teams are those that sell not what exists but what does not exist.

The classical account manager from the past was waiting for interesting new products that can boost the business and then going to the customer and trying to sell them. The GAM team of today and the future has to see business opportunities, come up with solutions that can boost the business, and then find people to help execute the solutions (e.g., logistics, finance, etc.). It really has to radar the situation, decide in which direction to go, and mobilize the needed resources to get there.

Although some research has been conducted at the individual level of analysis (Bateman and Crant, 1993; Crant and Bateman, 2000), relatively few studies address this construct at the group level. Bateman and Crant (1993) define proactive behavior as individual actions that effect environmental change through scanning for opportunities, showing initiative, taking action, solving problems, and persevering until changes occur. At the team level of analysis, Hyatt and Ruddy (1997) define proactiveness as the extent to which team members actively seek areas for continuous improvement, continuously revise work processes, seek alternative and innovative solutions to problems, and address issues before they become major problems. Furthermore, their study implies that proactive team behavior relates to higher managerial ratings of team performance. Wellins et al. (1991) support this argument by noting that a team’s ability to take action on problems and improve the quality of its work by initiating changes can be a critical success factor.

The example of 3M’s IBM global account team illustrates how proactive efforts can increase customer value, customer satisfaction, and the business potential of the relationship. Having interviewed IBM managers around the world, the GAM team at 3M managed to identify an opportunity to reduce IBM’s storage losses by using new materials that make IBM disk drives less vulnerable to contamination. The company initiated a 3M technology group that spent two years creating a new material that reduced IBM storage losses by 10% (Sperry, 2000). As this example shows, companies whose GAM teams proactively and systematically look for new
opportunities and then are not afraid to take actions to realize those opportunities are likely to reap the benefits of long-term customer relationships and thus outperform their competitors. To achieve such benefits though, GAM teams sometimes must initiate changes in their existing organizations and processes in ways that may be considered radical but still are justified by the positive outcome (Shi et al., 2005).

**Hypothesis 3:** GAM team processes (i.e., external and internal communication and collaboration, conflict management, proactiveness) have a positive influence on GAM team relational performance.

**Hypothesis 4:** GAM team processes (i.e., external and internal communication and collaboration, conflict management, proactiveness) have a positive influence on GAM team financial performance.

### 3.2.4. GAM team performance

Although the team’s composition and interactions have implications for individual members and overall GAM organizational outcomes, it is most appropriate to examine performance at the team level. Individual performance narrows the focus and provides only limited insights about the group aspect under investigation; furthermore, overall GAM performance likely is affected by factors external to the team. Because this research is designed to gain a better understanding of the team phenomenon, it focuses on two types of team outcomes: financial, or quantitative, and relational, or qualitative, performance.

**Financial performance**

In identifying appropriate team performance measures, Cohen and Bailey (1996) recommend performance criteria specific to the task and the type of team, as well as aggregated measures of overall performance. In the selling team context, quantitative performance measures might include sales volume, profitability, customer retention rates, and/or the number of new customers acquired (Perry et al., 1999). Because the
responsibilities of the GAM team are limited to one or a few related customers and because its goals are to develop long-term collaborative relationships, sales growth and profitability represent more appropriate criteria (Birkinshaw et al., 2001; Homburg et al., 2002; Shi et al., 2005). These two measures constitute an integral part of the key performance indicators of all the researched companies, because they avoid measuring sales at a certain point and instead assess the team’s ability to identify cross-selling opportunities through cross-divisional cooperation and work together with the customer to reduce costs and increase sales to end consumers. Other measures of key account performance identified in prior research include reduced cost of sales to customers, more efficient use of salespeople’s time in serving the customer, cross-selling to divisions of the customer’s operation in which the supplier traditionally has been weak (Arnold et al., 2001), securing desired market share, and attracting new customers (Homburg et al., 2002). However, the interviews reveal yet another important GAM team performance metric: share of the customer’s wallet. This measure refers to the share of the customer’s total purchasing volume actually devoted to the specific supplier. Again, growth in the share of wallet may be more important than the absolute value, because it indicates that the team has been able to gain share from its competitors who supply the same customer.

Relational performance

Measuring GAM team performance using purely quantitative criteria runs the risk of missing vital aspects of partnering with the customer. The goals and objectives of a supplier when forming GAM teams and developing relationships with key customers are much broader than simply sales volume. Some of these goals include the creation of a long-term relationship, learning, and innovation, the latter of which can result from various joint initiatives and increased access to new product ideas or leading-edge practices undertaken by the customer (Birkinshaw et al., 2001). Other qualitative measures of GAM team performance might include customer assessments of the relationship and customer satisfaction (Gladstein, 1984; Shea and Guzzo, 1987). In addition, the team’s ability to meet its goals and objectives (Moon and Gupta, 1997),
gain broader market access, and achieve better competitive position in the market can provide an indication of its performance (Smith and Barclay, 1993). Field research by Shi et al. (2005) indicates that for GAM executives, some of the most important relational outcomes are customer satisfaction and the ability to provide customer value. Many of these measures appear integrated into the GAM outcomes proposed by Homburg et al. (2002)—maintaining long-term relationships, achieving mutual trust, achieving customer satisfaction, providing customer value, and successfully introducing new products.

Finally, the relationship between the two performance indicator groups is worth investigating. In many studies they are considered as ultimate unrelated outcomes (Cohen and Bailey, 1997). However, if the relational performance construct is decomposed in its building elements such as customer satisfaction, customer value or enhanced market position, it becomes clear that it may have an influence on financial outcomes. The debate about the effects of customer satisfaction has been ongoing in the marketing literature and some authors argue that customer satisfaction does not always correlate with organizational performance (Jones and Sasser, 1995). However, a number of studies support the notion of a positive relationship between satisfied customers and financial performance (Anderson et al., 1997; Rust and Zahonik, 1993) as well as the customer’s willingness to pay (Homburg et al., 2005). Similarly, customer value delivery has been considered a source of competitive advantage and performance improvement (Naumann, 1995; Woodruff, 1997). Therefore, it is expected that relational performance will have a positive influence on financial performance.

**Hypothesis 5:** Relational performance has a positive influence on financial performance.
4. Empirical study

As discussed earlier, the objective of this second empirical research stage was to build on the findings from the qualitative interview research and to test the framework with more robust statistical methods. Despite the advantages of qualitative methods in early research phases, qualitative research usually yields findings that cannot be generalized to whole populations (Eisenhardt, 1989). Consequently, once the problem becomes clearer and specific propositions emerge, a quantitative approach that tests hypotheses and examines cause-and-effect relationships between variables is more appropriate. Because most surveys have a descriptive or analytical objective, they represent a good research strategy for theory testing (Black, 1999). Therefore, a survey was selected as the best strategy to test the framework developed through the first stage of interview research.

Furthermore, surveys are widely used in the areas of marketing, business, political science, psychology, and sociology (Babbie, 1990) and have been instrumental in team research (e.g., Campion et al., 1993; Denison et al., 1996; Gladstein, 1984). Their key advantage is their generalizability (i.e., high external validity), which results from their ability to generate large representative samples that can be tested statistically (Snow and Thomas, 1994). The use of large samples enables the development of methodologically robust conclusions. Moreover, the abstraction achieved by quantifying the studied phenomena facilitates an identification of common patterns that indicate more or less persistent structures (Bentz and Shapiro, 1998).

Finally, recent empirical research that identifies a trend toward increased use of combined methods in academic publications supports the choice of this research design (Scandura and Williams, 2000). Combining methodological approaches offers several advantages and likely leads to more profound insights through the resultant enhanced validity, reliability, and holistic perspective (Bentz and Shapiro, 1998; Denzin, 1970). In a review of 57 mixed-method studies, Greene et al. (1989) propose that linking qualitative and quantitative methods can help sequentially develop ideas (i.e., the results of the first method appear in the second’s sampling, instrumentation, and so forth) and expand the scope and breadth of a study. In addition, Rossman and
Wilson (1985) suggest that the use of combinatory methods is justified when the goal is to confirm or corroborate findings through triangulation.

4.1. Method

The first step in designing the survey was to decide whether to conduct a cross-sectional study with many companies represented by one or few respondents per company or a study of a limited number of companies that each provide many teams and respondents. Research into top management teams traditionally uses cross-sectional surveys, because they engage top managers best by requiring less of their time and efforts. In addition, single-company surveys often are not possible because of the few top managers. In organizational group research, however, single-company surveys are more common. In a review of 28 team studies, Cohen and Bailey (1997) find that most investigate teams within a single company; only one-quarter extend their setting to at least two organizations, and only two examine more than one industry. Notable one-company studies not reviewed by Cohen and Bailey (1997) include Gladstein (1984), Keller (1986), Denison et al. (1996), Bunderson and Sutcliffe (2002), and, in a marketing context, Ruekert and Walker (1987). Surveys of just a few companies are also common; for example, Pelled et al. (1999) survey teams from three companies, Keller (2001) four, and Ancona and Caldwell (1992a) five.

For this study, a research design involving a small number of companies appears more appropriate, largely because the unit of analysis is the team, not the company. By examining teams in fewer organizational settings, it becomes possible to reduce the variance in external factors that may affect team performance. In turn, a more precise investigation of the hypothesized relationships becomes possible, which also increases internal validity. Furthermore, the problems associated with cross-sectional surveys of GAM teams become evident in Workman et al.’s (2003) study of the determinants of GAM effectiveness. With a sample of 385 companies in Germany and the United States, their study captures a great variety of teams and team contexts and yet fails to find significant support for the hypothesis that the use of teams improves effectiveness. The authors suggest that future research efforts should examine the team
characteristics that influence effectiveness more precisely, which requires a certain level of comparability among the surveyed teams.

The selected research design is also preferable to a cross-sectional study because of the potential difficulties associated with the latter, such as sampling problems and low response rates. A survey from a small number of companies should induce a higher response rate, because it would be endorsed by senior managers who could inform the respondents in advance and ask them to complete the survey. More important, such a survey likely involves a more appropriate sample of qualified respondents. Determining who is considered a member of the GAM team and defining the limits of the team can be a substantial challenge for an outsider and represents a major obstacle and limitation of a large cross-sectional research design. With a survey of only a few companies, I avoided this problem by discussing the objectives of the project with the project sponsor in each of the companies and clearly indicated that all respondents should be in positions to complete the questionnaire; namely, they should be assigned to or actively involved in the work of a GAM team as full- or part-time members or have regular working contacts with the team that qualify them to assess its work. This specification ensured that the potential respondents were the most qualified in each company, which is a critical prerequisite for collecting high-quality data.

4.2. Sample

The selection of the companies for the survey followed similar criteria as the interview research. The companies had to be large MNCs with an established GAM program and extensive usage of GAM teams. Initially, unlike in the exploratory research, some industry similarity was sought to limit the variance in external influences. However, finding a sufficient number of companies from related industries proved difficult, so this condition had to be abandoned in favor of a larger sample.

The initial sampling frame emerged from the Strategic Account Management Association (SAMA) membership list, as well as additional contacts from the interview research and other appropriate projects. The head of SAMA’s Education and Resources division evaluated the Association’s membership base to identify managers
from companies that met the criteria for the study and sent them a personal invitation to participate in it, accompanied by the project description. Either I or my doctoral co-supervisor approached the other companies directly. The companies that expressed interest in the study were carefully evaluated through interviews to assess their suitability. Thus, the final sample includes six companies from various industries with relatively advanced GAM programs: Halcrow, Hilti, Honeywell, Marriott, Philips, and Xerox. Table 1 presents a brief overview of the companies and their GAM programs.

Table 1: Overview of study companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Headquarters</th>
<th>GAM Program Since</th>
<th>Total Sales (2005)</th>
<th>Global Accounts’ Share of Total Sales</th>
<th>Number of Global Accounts</th>
<th>Number of Teams in Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halcrow</td>
<td>Engineering</td>
<td>UK</td>
<td>2001</td>
<td>£282m</td>
<td>35%</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Hilti</td>
<td>Construction</td>
<td>Liechtenstein</td>
<td>1999</td>
<td>CHF 3.6b</td>
<td>5%</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Honeywell</td>
<td>Diversified</td>
<td>USA</td>
<td>1980s</td>
<td>$27.7b</td>
<td>5%</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Marriott</td>
<td>Hotels</td>
<td>USA</td>
<td>1997</td>
<td>$11.6b</td>
<td>10%</td>
<td>32</td>
<td>18</td>
</tr>
<tr>
<td>Philips</td>
<td>Electronics</td>
<td>Netherlands</td>
<td>1990s</td>
<td>€30b</td>
<td>n.a.</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Xerox</td>
<td>Office equipment</td>
<td>USA</td>
<td>1986</td>
<td>$15.7b</td>
<td>n.a.</td>
<td>51</td>
<td>40</td>
</tr>
</tbody>
</table>

The UK-based Halcrow is a multidisciplinary services company specializing in the planning, design, and management of infrastructure development projects worldwide. With approximately 6,000 employees in more than 70 countries, Halcrow generated total sales of £282m in 2005. The company established its GAM program in 2001 to address the needs of 14 strategic international customers that specialize in various property, water, and transportation lines of business. These customers account for approximately 35% of Halcrow’s total sales and are serviced by dedicated customer teams, supported by extensive back office staff and a central GAM coordination team of three senior managers.

Hilti is headquartered in Liechtenstein and manufactures a wide range of products for the construction industry, including drilling, cutting, screw fastening, and measuring
systems. Its 2005 total sales reached CHF3.6b, and the number of employees was 16,000 in 120 countries. The first global account managers were appointed almost 15 years ago, but a more structured GAM program has been in place only since 1999. The program encompasses 31 global customers from the construction industry that account for approximately 5% of Hilti’s total sales. They are managed by 23 global account executives and their teams.

Honeywell is a diversified technology and manufacturing company, serving customers worldwide with aerospace products and services; control technologies for buildings, homes, and industry; automotive products; turbochargers; and specialty materials. It is based in the United States and generated US$27.7b in 2005 from more than 100,000 employees in 95 countries. Its GAM program dates back to the early 1980s, and in the last two years, the company has devoted increased efforts to reenergize it. The GAM program involves 8 global accounts and 10 regional EMEA accounts, primarily from the oil and gas industry. Each has a dedicated team at Honeywell.

Marriott International is a worldwide hospitality company based in Washington, DC. It employs 143,000 people and runs more than 2,800 hotels and other lodging properties in 67 countries. Its total sales in 2005 amounted to US$11.6b, of which 10% was generated by its 32 global accounts from various industries. The GAM program was established in 1997 and involves 14 Global Account Directors and more than 400 people in account management or global sales positions.

Royal Philips Electronics, headquartered in the Netherlands, is a leading provider of products and services in four business areas: consumer electronics, domestic appliances and personal care, medical systems, and lighting. It employs 125,500 people in more than 60 countries and generated sales in excess of EUR30b in 2005. Its GAM program targets large retailers such as Wal-Mart and covers 7 large global customers (Tier 1 accounts) and 13 smaller Tier 2 customers.

Headquartered in Connecticut, in the United States, the Xerox Corporation is a leader in the document industry, providing a wide range of products such as printing and publishing systems, digital presses, copiers, and fax machines. With 55,200 employees worldwide, the company generated revenues of US$15.7b. Since 1986, when Xerox
started with a GAM test program, the program has expanded to 51 premier global accounts and hundreds of smaller global or regional ones. Xerox also employs hundreds of global account managers supported by teams that are responsible for one or a few accounts.

The overall sample consists of 273 valid responses from 113 GAM teams in these six companies. Table 1 indicates the number of teams per company. Whereas Halcrow and Hilti involved all their GAM teams, the other four companies contained some teams deemed unsuitable for the study for various reasons, such as ongoing restructuring or low performance in the previous year for reasons external to the team. Even after excluding these cases, the survey encompassed the majority of teams, which ensures a sufficient number of representative teams and variance. All respondents met the selection requirements; they directly supported or were involved in the GAM team, in positions ranging from key or global account managers to regional or country general managers to members of the top management team. More detailed sample characteristics appear in the results section.

4.3. Questionnaire

The data collection instrument consists of a multiple-item survey questionnaire. To ensure the reliability and validity of the measurements, questionnaire development occurred in several stages, following the guidelines provided in the literature (Churchill, 1979; DeVellis, 1991; Venkatraman and Grant, 1986). The first step involved reviewing all relevant literature again, with a specific focus on existing scales used in previous empirical research. A content analysis of the 13 expert interviews provided the means to adapt the validated scales to the context of GAM teams and develop new measures if no available scales existed. The development of these new scales also relied on a thorough review of the conceptual literature. Several academic experts and other doctoral students reviewed the initial list of items in the questionnaire and provided suggestions for improvement. In accordance with their comments, I added, deleted, or reworded several questions. Finally, 11 senior GAM executives, including managers from each of the six research companies and some of
the interviewees from the exploratory research phase, agreed to pretest the modified survey. They completed the survey, commented on the importance of the items, and identified any ambiguous or biased questions or potential quality issues. Their major concern centered on the length of the survey; therefore, I identified several items to eliminate that did not cause a significant loss of validity in the constructs.

The final version of the questionnaire appears in Appendix F. To increase the credibility of the questionnaire and improve the response rate, each company received a separate questionnaire that contained the same questions but was personalized with the company name and signed by both the project sponsor and me. The questionnaire design followed Dillman’s (2000) guidelines for constructing questionnaires; the first section contained a short description and instructions that stressed that all provided data would be treated as confidential and aggregated prior to analysis.

The core part of the questionnaire consists of five sections—structure and tasks; skills, competencies, and leadership; organizational context; processes and behaviors; and outcomes—that reflect the key dimensions of interest. Following Salancik and Pfeffer’s (1977) approach to avoiding consistency bias effects, the outcome section, which contains the dependent variables, appears at the end of the questionnaire, after the independent variables. Within each section, the questions group around the topics they assess and appear in a logical sequence, which increases their salience and ease of understanding (Heberlein and Baumgartner, 1978). Finally, respondents are asked to provide some background information and could express any relevant comments in a provided blank space.

4.4. Variable operationalization

As described previously, the questionnaire development followed several steps designed to ensure the maximum validity of the measures. Wherever possible, the scales used to measure the proposed constructs were based on existing and tested scales, though most existing measures had to be adapted to fit the researched constructs. For example, measures from organizational behavior literature had to be adapted to the context of GAM, and measures used in account management literature
to assess performance at a program or company level had to be adapted to the team level. In addition, several new scales appear in the questionnaire. The meta-analysis results of Churchill and Peter (1984) provide support for the use of adapted or newly developed scales in marketing research. Having failed to find significant differences among the reliabilities of originally developed, borrowed-modified and borrowed-unmodified scales, they concluded that the properties of the measures themselves are more influential than the measure development procedures.

All core questions, except those referring to team financial and overall performance, are based on statements that participants evaluated on five-point Likert scales ranging from 1 = “strongly disagree” to 5 = “strongly agree.” The questions follow an informant rather than respondent approach, in that the participants evaluate their team’s rather than their own personal behaviors or attitudes (Van der Vegt and Bunderson, 2005).

4.4.1. Dependent variables

Although the six focal companies were requested to provide objective measures of performance, such as actual sales and profitability figures per team, they all rejected this request for several reasons. First, not all of the companies had such measures available at a team level because their financial systems and sales allocation mechanisms do not track sales in this way. Second, some companies refused for confidentiality reasons. As a result, this study uses subjective performance ratings. Subjective assessments of task performance, buyer–seller relationship maintenance, and other performance outcomes at the group level are appropriate in team selling research because objective outcomes can be difficult to measure in contexts that involve long, complex selling cycles and whose results may be influenced by product and competitive factors extraneous to the team (Gladstein, 1984; Smith and Barclay, 1993). Furthermore, objective measures are appropriate to determine how well the team achieves its quantitative goals, but in many cases, perceptions of effectiveness among key stakeholders (e.g., customer satisfaction) represent strong indicators of team performance as well (Cohen and Bailey, 1996).
A three-item scale adapted from the performance scale of Homburg et al. (2002) and the efficiency and sales growth scale of Birkinshaw et al. (2001) measures the financial performance dependent variable. Respondents evaluated how their team performed, in the past three years, with respect to (1) growth in sales, (2) profitability, and (3) growth in the share of global customers’ wallets. These questions use a five-point Likert scale ranging from 1 = “poor” to 5 = “outstanding.”

The relational performance dependent variable uses a six-item scale adapted from the KAM effectiveness scale of Homburg et al. (2002) and the partnership with customer scale of Birkinshaw et al. (2001). The items are as follows: “Our team is characterized by strong and harmonious long-term relationships with global customers,” “Our customers are satisfied with the overall performance of our team,” “Our team provides real value to our customers,” “Our team has successfully learned some critical skills or capabilities from our customer relationships,” “Our company’s competitiveness has been enhanced due to our team’s GAM achievements,” and “Our team achieves its goals and objectives.”

4.4.2. Independent variables

Following McGrath’s (1984) recommendations about studying work groups, multiple constructs and multiple items per construct represent all team characteristics. At least three items reflect nearly every construct to ensure adequate internal consistency.

The goal and role definition measure involves a newly developed five-item scale that consists of the following items: “Our GAM team has well-defined goals and objectives related to our global customers,” “Our team’s goals and objectives are well aligned with our overall corporate strategies,” “Team members’ individual objectives and targets are linked to GAM team objectives,” “The roles and responsibilities of team members are clearly defined,” and “The roles and responsibilities of team members are understood across the organization.”

A newly developed five-item scale also measures team structure; the items are “The team has a workable structure and clear reporting lines,” “The team is well positioned
and integrated in the overall organizational structure of our company;” “The team structure provides appropriate cross-geographical coverage for our customers;” “The team structure provides appropriate cross-functional coverage for our customers;” and “The team structure provides appropriate cross-divisional coverage for our customers.”

Empowerment consists of a three-item scale, specifically: “Our team has sufficient authority to make important decisions about our customer business,” “Our team has sufficient authority to change organizational routines to achieve better results for our customers,” and “Our team has the resources required to innovate and develop our global customer relationships continuously.” These items represent adaptations from the authority scale that Mathieu et al. (2006) use to measure empowerment, and from the resources measure of Denison et al. (1996).

The size adequacy measure is one item adapted from Cohen et al. (1996): “The number of people in our team is sufficient for our customer business to be developed efficiently.”

To measure heterogeneity, this study uses the three-item scale proposed by Campion et al. (1993): “Team members vary widely in their areas of expertise,” “Team members have a variety of backgrounds and experiences,” and “Team members have complementary skills and abilities.”

The adequate skills construct employs a newly developed nine-point scale that asks respondents to what extent they agree with the statements that the account and sales managers on their team: “are capable of building strong and trusting relationships,” “have a good understanding of our customer’s business and organization,” “have a good understanding of our business and the internal capabilities of our company,” “are able to think and work in an interdisciplinary way,” “are able to coordinate complex networks and activities,” “are able to think creatively to deliver value to the customer,” “are able to work in a diverse and multicultural environment,” “employ strategic, long-term thinking,” and “possess powers of persuasion.”

A three-item scale adapted from Gladstein’s (1984) leadership measure and Scott’s (1997) measure of a team leader’s organizational influence serves to measure the leadership variable. The questionnaire items asked respondents to what extent they
agreed with the statement that their team leader: “has substantial influence in the organization (even when he/she has no formal authority),” “has a strong relationship with top management,” and “is able to motivate team members and create synergies within the team.”

The items related to top management support come from the top management global orientation measure of Townsend et al. (2004) and Scott’s (1997) scale of top management support and recognition. The three items are as follows: “Our top management is actively involved in the team’s efforts to develop profitable, long-term relationships with global customers,” “Our top management is committed to deploying the necessary resources to make our global customer operations succeed,” and “Our top management publicly promotes our team’s GAM activities to others in the organization.”

The newly developed three-item scale used to measure rewards and incentives includes the following items: “Team members’ contributions to developing global customers are measured in a systematic and transparent manner,” “Our compensation system promotes global collaboration by appropriately rewarding contributions to the GAM team,” and “Many professional rewards (e.g., pay, promotions) are determined in large part by team members’ performance on the GAM team.”

The training scale, adapted from Campion et al. (1993), includes three items: “The company provides adequate global selling and negotiation training for our team,” “The company provides adequate team skills training for our team (e.g., communication, organization, interpersonal),” and “The company provides adequate technical training for our team.”

The measure of external communication and collaboration employs a newly developed three-item scale: “Our team regularly exchanges best practices and market knowledge with other GAM teams,” “Team members communicate proactively on issues related to our GAM activities across boundaries and hierarchical levels in the entire organization,” and “Our team has difficulty obtaining support from other parts of the organization” (reverse coded).
Internal communication and collaboration entail a four-item scale adapted from Bunderson and Sutcliffe’s (2002) information-sharing scale and the measure of within-group collaboration from Campion et al. (1993). The items are as follows: “Communication in the team is effective, despite the geographical distance of team members,” “Team members keep one another updated about their activities and key issues affecting the business,” “Team members are good at coordinating their efforts to serve the customer efficiently,” and “Team members collaborate to achieve our global goals.”

The conflict management scale includes two items adapted from Denison et al. (1996): “Disputes between the different units represented on our team make it difficult to do our work” (reverse coded) and “Our team is able to identify and resolve conflicts in a timely and effective manner,” as well as two newly developed items: “Our team can easily send problems up the chain of command (escalate to senior management) when they cannot be resolved within the team” and “The negative politics within the team are minimal.”

Finally, the proactiveness scale contains a three-item adaptation of Bateman and Crant’s (1993) measure of individual proactivity, similar to the team adaptation of the same construct used by Kirkman and Rosen (1997): “Team members proactively cultivate new business opportunities,” “Our team is not afraid to challenge the status quo to improve our customer relationships,” and “The team is a powerful force for constructive change in the organization.”

4.4.3. Control variables

In addition to the dependent and independent variables described above, the questionnaire included a number of variables that aimed to control for the influence of key respondents’ characteristics: (1) organizational tenure, (2) team tenure, (3) gender, and (4) age. All of these variables were measured with single-item scales. Furthermore, three control variables at a company level were considered: (1) company industry, (2) company size as measured by sales, and (3) GAM program size as
measured by the number of global accounts and the percentage of total sales generated from global customers.

4.5. Data collection procedures

The data collection took place during August 15–September 30, 2006. The entirely online survey relied on the Internet platform www.questionpro.com because an online format offers several advantages over mail surveys. First, Internet surveys are particularly useful for international studies because they overcome geographical boundaries, one of the primary barriers to conducting surveys (Dillman, 2000). The very nature of the sample required a fast and efficient way to reach a relatively large number of people in various countries. Furthermore, in their positions as global account managers, many respondents spend a large part of their time traveling, which demands an approach they could access even if they were away from their usual workplace. Second, common concerns about Internet surveys, such as limited access to computers or varying degrees of computer literacy (Dillman, 2000), are not a problem in this study because the sample includes managers with daily access to e-mail and the Internet and who must possess the required computer skills and feel comfortable with Internet applications for their jobs (Zhang, 2000). Third, Internet surveys reduce time and costs substantially. Fourth, an online survey significantly reduces the likelihood of transcription and coding errors because the data entry takes place as the respondents fill in the questionnaire and automatically gets stored in an electronic form (Sills and Song, 2002; Simsek and Veiga, 2001). In addition, a pretest of the survey on the Web platform confirmed that the interface was operational, the server was reliable, and the data were collected correctly.

Multiple data collection contacts increase response rates in both mail (Linsky, 1975; Dillman, 1991) and e-mail (Schaefer and Dillman, 1998) surveys better than any other technique. Therefore, the data collection followed a four-step approach, similar to that Dillman (2000) recommends for mail surveys. First, the survey sponsors in each of the six research companies informed the participants about the forthcoming survey by e-mail. In all companies, the sponsors were senior managers responsible for global
accounts, which contributed significantly to the acceptance of the study. In four companies, these project sponsors held the position of global head of GAM; in the other two cases, their positions were equivalent for the region of EMEA. This prenotice e-mail contained an overview of the research project, similar to the cover page of the questionnaire. In particular, it emphasized the benefits for the participating company and that the participants’ responses would be greatly appreciated. To avoid the problem associated with a social desirability bias (Zerbe and Paulhus, 1987) and to make respondents more comfortable with disclosing information, they were not asked to provide their names and were assured that all data will be aggregated prior to analysis and no analyses will be conducted on the individual or team level.

Second, I sent a personalized e-mail, including an individual link and password to the survey, to all participants approximately two days after the internal notification. In total, 425 managers received an invitation. Third, approximately two weeks after the initial mailing, those who had not responded received a reminder e-mail indicating that their responses had not been received. Before this reminder, 126 managers had completed and successfully submitted the questionnaire. Afterward, an additional 117 complete questionnaires arrived. Fourth, a second reminder sent to all remaining nonrespondents two weeks after the first reminder resulted in an additional 33 responses. The survey was closed approximately six weeks after the first mailing, and the six companies were informed about its successful completion. On the closing date, the database consisted of 276 responses, all of which were screened for incomplete or double entries, which led to the exclusion of 3 entries because of their many missing values. This study therefore is based on 273 complete data sets, an effective response rate of 64.2%, which compares favorably to similar studies (e.g., Denison et al., 1996; Gladstein, 1984).

4.6. Data analysis procedures

The sequence of procedures used in the data analysis is depicted in Figure 6. First, the database was examined and tested for potential biases such as nonresponse bias and common method bias. Second, the descriptive statistics, distributions and correlations
of all individual variables were scanned to better understand their characteristics and implications for the next steps of the analysis. Third, the reliability of all measures was assessed by studying the item-total correlations and the coefficient alpha.

Figure 6: Summary of the sequence of data analysis

- Tests for potential biases
- Examination of all variables
- Reliability and item analysis
- Exploratory factor analysis
- Confirmatory factor analysis
- Test of the structural path model

Fourth, exploratory factor analysis (EFA) was performed to assess the validity of the dimensions identified by the qualitative research. This also led to initial purification of the measures by reducing the number of items in some of the scales. Next, the confirmatory factor analysis (CFA) provided further support for the identified dimensions and for their fit in the respective second-order domains. Finally, structural equation analysis was used to identify causal relationships among constructs and to test the full latent variable model.
5. Results

5.1. Sample description

This section provides an overview of the sample in terms of location, positions and other demographic characteristics of the respondents. Figure 7 shows how the sample is distributed among the six companies that participated in the survey. The largest number of responses was obtained from Hilti – 68 complete questionnaires, followed by Philips – 54, Halcrow – 49, Xerox – 47, Honeywell – 32, and Marriott – 23. The difference in the sizes of these subsamples reflects the different number of respondents invited to participate in the survey rather than any significant differences in the response rate per company.

Figure 7: Respondents by company

Figure 8 illustrates the geographic distribution of the respondents as described by the country in which they are based. It demonstrates a very international, yet predominantly European, sample with managers located in a total of 25 countries in almost all major regions of the world. Approximately 69% of the respondents are based in Western Europe, followed by 23% from North America, 3% from Eastern Europe, 3% from Asia and 2% from Latin America. In terms of countries, the largest
share is represented by the UK (28%) followed by the USA (23%), Germany (8%) and France (7%).

Figure 8: Respondents by country

The respondents hold a wide range of positions ranging from technical specialists and country sales representatives to CEO and board members.

Figure 9: Respondents’ position
Figure 9 shows that some 24% of the respondents are in a senior-level position with general management responsibilities. The same percentage of respondents are responsible for managing international customer relationships with job titles such as global account manager or international key account manager. Another 20% are responsible for customer relationships in a more limited geographical region and had titles such as key account manager or national account manager. Finally, 17% were responsible for sales and 15% held other more specialized positions, e.g. technical support, logistics, marketing etc. Overall, Figure 9 provides support that the respondents were well qualified for the study because they represent positions and functions that are expected to be well acquainted with the work of the GAM teams in an organization.

**Figure 10: Respondents’ team tenure**

![Pie chart showing team tenure distribution](image)

Figure 10 presents the sample composition in terms of respondents’ team tenure. The average team tenure is 3 years (SD = 2.8). Respondents who have been involved in their respective teams for less than one year account for only 16% of the total sample. Approximately 42% have been working with their teams for a period of one to two
years. 19% have been involved for three to four years and 23% for more than four years. These figures reflect the relatively early age of GAM teamwork in some of the participating companies. For example, at Halcrow and Hilti, GAM teams have been more formalized only in the recent years. Also, in many of the other companies, the GAM programs have started with a smaller number of people and with time larger teams have gradually formed around the individual account managers.

A profile of the survey participants in terms of organizational tenure is presented in Figure 11. The average organizational tenure is 12.5 years (SD = 8.6), with approximately half of the respondents (51%) having worked in their company for 12 years or longer. This indicates a good familiarity with the company and potentially a strong understanding of the global customer organization and processes.

**Figure 11: Respondents’ organizational tenure**
5.2. Examination for potential biases

The first step in analyzing the data was to check the database for potential biases. In particular, two types of bias – nonresponse and common method – were of concern for this study.

5.2.1. Nonresponse bias

Nonresponse bias in a database refers to the possibility that the persons who responded differ significantly from those who did not, which does not allow to draw conclusions for the entire sample. Literature suggests that the best remedy against this type of bias is the reduction of nonresponse itself (Armstrong and Overton, 1977). Therefore, the high response rate (64%) of this study suggests that there is no strong reason to suspect the existence of nonresponse bias. Nevertheless the first step is to assess it because surveys have often been criticized for it. Armstrong and Overton (1977) suggest three methods of estimating nonresponse bias: comparison with known values for the population, subjective estimates and extrapolation (i.e., comparison between early and late respondents assuming that late participants resemble nonrespondents). The first two methods are not applicable in this research because no prior values are available for any of the variables examined in this study and there is no strong basis for subjectively estimating differences between respondents and nonrespondents.

Consequently, similar to other studies in GAM and marketing (Townsend et al., 2004; Workman et al., 2003), the extrapolation procedure was used. Following the procedure described by Workman et al. (2003), the dataset was divided into thirds within each company according to the date when the questionnaire was completed. Next, independent sample t-tests were conducted to check for differences between the first third (n = 91) and the last third (n = 91) in the mean responses for the items used.

The results for the independent variables do not indicate the existence of substantial response bias. In most cases (71% of the items) late respondents have given higher ratings than early respondents but these differences are not significant. The only three items with significantly different mean responses are: 2.5 “Team members have a
good understanding of our customer’s business and organization” (t = -2.28, p = .02); 4.2 “Team members communicate proactively on issues related to our GAM activities” (t = 1.84, p = .07) and 4.12 “Team members proactively cultivate new business opportunities” (t = -1.73, p = .09). However, the p-values of two of them are above the conventional level of .05.

Table 2 presents the results for the dependent variables as well as for two key control variables. It indicates the mean difference between the ratings of the early and late respondents and the respective t- and p-values.

### Table 2: Assessment of nonresponse bias

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean difference</th>
<th>t-value</th>
<th>Sig. (p-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team tenure of respondents</td>
<td>.010</td>
<td>.022</td>
<td>.982</td>
</tr>
<tr>
<td>Organizational tenure of respondents</td>
<td>2.059</td>
<td>1.544</td>
<td>.124</td>
</tr>
<tr>
<td>5.1 Strong and harmonious long-term customer relation.</td>
<td>-.330</td>
<td>-2.730</td>
<td>.007</td>
</tr>
<tr>
<td>5.2 Customer satisfaction</td>
<td>-.165</td>
<td>-1.455</td>
<td>.148</td>
</tr>
<tr>
<td>5.3 Customer value</td>
<td>.060</td>
<td>.553</td>
<td>.581</td>
</tr>
<tr>
<td>5.4 Learning of skills and capabilities from customer rel.</td>
<td>-.064</td>
<td>-.656</td>
<td>.512</td>
</tr>
<tr>
<td>5.5 Enhanced competitive position</td>
<td>-.073</td>
<td>-.600</td>
<td>.549</td>
</tr>
<tr>
<td>5.6 Achievement of goals and objectives</td>
<td>-.085</td>
<td>-.664</td>
<td>.508</td>
</tr>
<tr>
<td>5.7 Sales growth</td>
<td>-.085</td>
<td>-.648</td>
<td>.518</td>
</tr>
<tr>
<td>5.8 Profitability</td>
<td>-.127</td>
<td>-.965</td>
<td>.336</td>
</tr>
<tr>
<td>5.9 Share of wallet growth</td>
<td>-.205</td>
<td>-1.605</td>
<td>.110</td>
</tr>
</tbody>
</table>

With the exception of item 5.1 “Our team is characterized by strong and harmonious long-term relationships with global customers” (t = -2.73, p = .007), these variables do not exhibit any significant differences. P-values range from .11 to .98. Hence, there is no strong reason to believe that nonrespondents differ from respondents in terms of their demographics or the performance of their teams. Overall, nonresponse bias does not seem to be a concern.
5.2.2. Common method bias

Common method bias is of some concern because the data were collected from the same respondents with the use of a single instrument. When two measures are collected from same-source self-reports, any defect in that source may contaminate both measures, presumably in the same fashion and in the same direction. As a result, the two measures may exhibit a correlation that does not reflect an actual relationship and may lead to erroneous conclusions (Podsakoff and Organ, 1986).

As discussed, the first step to prevent this bias was made during the study design. The questionnaire items were arranged so that the dependent variables followed the independent ones to prevent the possibility of consistency artifacts that leads to common method variance. Guaranteeing anonymity to respondents was used as a tool to reduce social desirability effects which are another source of common method variance. Second, the possibility of a common method bias was checked with Harman’s (1967) single-factor test using the procedure suggested by Podsakoff and Organ (1986). The assumption of this test is that if a common method bias is present, an unrotated factor analysis of all variables of interest will generate either a single factor or a general factor that accounts for most of the covariance in the independent and dependent variables. Following this technique, I entered all dependent and independent variables in an unrotated factor analysis based on the principal components method and found 14 distinct factors with eigenvalues greater than one. The first factor explained 26% of the variance in the data, which is not high enough to conclude that it captures the majority of the variance. Therefore, a substantial common method bias is not evident in the data and should not be considered a threat.

5.3. Examination of the variables

After no bias was detected in the overall data set, the next step was to examine all individual items for potential sources of concern. In the first place, I evaluated the data set by looking for outliers. A careful examination of the frequencies and scatterplots of all variables revealed that no outliers are present. Second, the distribution properties of all variables were checked. Because many analytical methods assume that the used
variables are normally distributed, it is important to detect any nonnormal distributions that might threaten the validity of such methods. For this purpose, the histograms for all variables were reviewed as well as distribution indicators such as skewness and kurtosis. The negative skewness indicators of the majority of items suggest that their distribution is skewed to the left. However, almost all skewness values are within the range of -1.00 to 1.00, and hence provide no strong indication of nonnormality. Only item 2.1 “Team members vary widely in their areas of expertise” (Skewness = -1.15) is just outside these boundaries but still well within the -5.00 to 5.00 boundaries of concern for skewness. Similarly, most of the sample kurtosis are within or close to the -1.00 to 1.00 range. Only item 2.2 “Team members have a variety of backgrounds and experiences” (Kurtosis = 2.18) has kurtosis above the conventional cutoff point of 2.00 beyond which nonnormality becomes a concern. Thus, no strong indication of nonnormal distributions is detected.

The third step was to examine the data for missing values. The average percentage of missing values per item is 4.6% and no item has more than 12% of missing values, which is a sign of no serious concern. However, in order to ensure more stable results in the subsequent analyses, all missing values are replaced with the median, which is an appropriate method given the distribution properties of the dataset and the relatively low number of missing values. The key advantage of these imputations is that they allow calculating modification indexes in AMOS (Arbuckle, 1997), which is very important for the confirmatory factor analysis and the test of the structural path model.

Finally, the correlations among all items were examined. The correlation matrix in Appendix G indicates that most of the variables are significantly correlated with each other. However, the Cohen’s (1977) criteria, whereby correlations of .1 are considered small, .3 medium and .5 large, indicate that large correlations (marked in bold) are observed mainly among items from the same scale. This can be expected because these items are used to measure the same construct and the high correlations provide some initial support for the reliability of the measures.
5.4. Reliability and item analysis

The next step in the analysis is to evaluate the reliability of the scales used. Reliability can be defined broadly as the degree to which measures are free from error and therefore yield consistent results. As Peter (1979) notes, behavioral measures are seldom totally reliable and valid but the degree of their validity and reliability should be assessed if research is to be truly scientific. Reliability could be examined in terms of stability and consistency of the measurement whereby stability is related to the ability to reproduce measurement results at different points in time and consistency refers to the reliability of alternative scales designed to measure the same characteristic (McCullough and Best, 1979).

There are three basic methods of assessing the reliability of a measurement scale: test-retest, internal consistency and alternative forms (Peter, 1979). The test-retest and the alternative forms methods require that either the same or two different sets of items are administered to the same objects at two different times. Since the nature of this study makes these methods impossible to conduct, the internal consistency approach is the most appropriate. It requires that the measurement scale is applied to subjects at one point in time and subsets of items within the scale are then correlated. The two major methods for assessing the internal consistency of an instrument are Cronbach’s (1951) coefficient alpha and split-half reliability methods such as the Spearman-Brown coefficient or the Guttman split-half coefficient. However, the results of the split-half model are strongly influenced by the way the scale is split and it is less reliable when the number of items in the two halves are not equal (Green and Salkind, 2005). Because some of the constructs in the questionnaire are measured by only 3 items, this method is not appropriate and the coefficient alpha is preferred.

As Churchill (1979: 68) suggests coefficient alpha „absolutely should be the first measure one calculates to assess the quality of an instrument.” Specifically within marketing research, it has been considered the most useful method for assessing the reliability of measures (Peter, 1979). According to Nunnally and Bernstein’s (1994) guidelines, in early stages of research modest coefficient alpha levels of .5 to .6 will suffice and for basic research in general increasing reliability beyond .8 is unnecessary.
Table 3: Variables measures and construct reliability estimates

<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>Source</th>
<th>Item-total correlation</th>
<th>Coeff. alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal and role definition</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Our GAM team has well-defined goals and objectives related to our global customers.</td>
<td>New</td>
<td>.559</td>
<td>.755</td>
</tr>
<tr>
<td>1.2 Our team’s goals and objectives are well aligned with our overall corporate strategies.</td>
<td></td>
<td>.480</td>
<td></td>
</tr>
<tr>
<td>1.3 Team members’ individual objectives and targets are linked to GAM team objectives.</td>
<td></td>
<td>.547</td>
<td></td>
</tr>
<tr>
<td>1.4 The roles and responsibilities of team members are clearly defined.</td>
<td></td>
<td>.589</td>
<td></td>
</tr>
<tr>
<td>1.5 The roles and responsibilities of team members are understood across the organization.</td>
<td></td>
<td>.424</td>
<td></td>
</tr>
<tr>
<td><strong>Team structure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.6 The team has a workable structure and clear reporting lines.</td>
<td>New</td>
<td>.480</td>
<td>.804</td>
</tr>
<tr>
<td>1.7 The team is well positioned and integrated in the overall organizational structure of our company.</td>
<td></td>
<td>.532</td>
<td></td>
</tr>
<tr>
<td>1.8 The team structure provides appropriate cross-geographical coverage for our customers.</td>
<td></td>
<td>.639</td>
<td></td>
</tr>
<tr>
<td>1.9 The team structure provides appropriate cross-functional coverage for our customers.</td>
<td></td>
<td>.666</td>
<td></td>
</tr>
<tr>
<td>1.10 The team structure provides appropriate cross-divisional coverage for our customers.</td>
<td></td>
<td>.631</td>
<td></td>
</tr>
<tr>
<td><strong>Empowerment</strong></td>
<td>Denison et al. (1996), Mathieu et al. (2006)</td>
<td>.616</td>
<td>.776</td>
</tr>
<tr>
<td>1.11 Our team has sufficient authority to make important decisions about our customer business.</td>
<td></td>
<td>.739</td>
<td></td>
</tr>
<tr>
<td>1.12 Our team has sufficient authority to change organizational routines to achieve better results for our customers.</td>
<td></td>
<td>.496</td>
<td></td>
</tr>
<tr>
<td>1.13 Our team has the resources required to innovate and develop our global customer relationships continuously.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Size adequacy</strong></td>
<td>Cohen et al. (1996)</td>
<td>.631</td>
<td>.748</td>
</tr>
<tr>
<td>1.14 The number of people in our team is sufficient for our customer business to be developed efficiently.</td>
<td></td>
<td>.455</td>
<td></td>
</tr>
<tr>
<td><strong>Heterogeneity</strong></td>
<td>Campion et al. (1993)</td>
<td>.661</td>
<td></td>
</tr>
<tr>
<td>2.1 Team members vary widely in their areas of expertise.</td>
<td></td>
<td>.637</td>
<td></td>
</tr>
<tr>
<td>2.2 Team members have a variety of backgrounds and experiences.</td>
<td></td>
<td>.611</td>
<td></td>
</tr>
<tr>
<td>2.3 Team members have complementary skills and abilities.</td>
<td></td>
<td>.455</td>
<td></td>
</tr>
<tr>
<td><strong>Adequate skills</strong></td>
<td>New</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The account/sales managers on our team</td>
<td></td>
<td>.692</td>
<td></td>
</tr>
<tr>
<td>2.4 ... are capable of building strong and trusting relationships.</td>
<td></td>
<td>.687</td>
<td></td>
</tr>
<tr>
<td>2.5 ... have a good understanding of our customer’s business and organization.</td>
<td></td>
<td>.515</td>
<td></td>
</tr>
<tr>
<td>2.6 ... have a good understanding of our business and the internal capabilities of our company.</td>
<td></td>
<td>.677</td>
<td></td>
</tr>
<tr>
<td>2.7 ... are able to think and work in an interdisciplinary way.</td>
<td></td>
<td>.706</td>
<td></td>
</tr>
<tr>
<td>2.8 ... are able to coordinate complex networks and activities.</td>
<td></td>
<td>.712</td>
<td></td>
</tr>
<tr>
<td>2.9 ... are able to think creatively to deliver value to the customer.</td>
<td></td>
<td>.575</td>
<td></td>
</tr>
<tr>
<td>2.10 ... are able to work in a diverse and multicultural environment.</td>
<td></td>
<td>.683</td>
<td></td>
</tr>
<tr>
<td>2.11 ... employ strategic, long-term thinking.</td>
<td></td>
<td>.637</td>
<td></td>
</tr>
<tr>
<td>2.12 ... possess powers of persuasion.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Leadership</strong></td>
<td>Gladstein (1984), Scott (1997)</td>
<td>.732</td>
<td>.820</td>
</tr>
<tr>
<td>2.13 Our team leader has substantial influence in the organization (even when he/she has no formal authority).</td>
<td></td>
<td>.709</td>
<td></td>
</tr>
<tr>
<td>2.14 Our team leader has a strong relationship with top management.</td>
<td></td>
<td>.594</td>
<td></td>
</tr>
<tr>
<td>2.15 Our team leader is able to motivate team members and create synergies within the team.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Top management support
3.1 Our top management is actively involved in the team’s efforts to develop profitable, long-term relationships with global customers. Townsend et al. (2004), Scott (1997) .642 .681 .661
3.2 Our top management is committed to deploying the necessary resources to make our global customer operations succeed.
3.3 Our top management publicly promotes our team’s GAM activities to others in the organization.
Rewards and incentives
3.4 Team members’ contributions to developing global customers are measured in a systematic and transparent manner. New .606
3.5 Our compensation system promotes global collaboration by appropriately rewarding contributions to the GAM team. .712
3.6 Many professional rewards (e.g., pay, promotions) are determined in large part by team members’ performance on the GAM team.
Training
3.7 The company provides adequate global selling and negotiation training for our team. Campion et al. (1993) .600 .727 .568
3.8 The company provides adequate team skills training for our team (e.g., communication, organization, interpersonal).
3.9 The company provides adequate technical training for our team.
External communication and collaboration
4.1 Our team regularly exchanges best practices and market knowledge with other GAM teams. New .370/.554* .713*
4.2 Team members communicate proactively on issues related to our GAM activities across boundaries and hierarchical levels in the entire organization.
4.3 Our team has difficulty obtaining support from other parts of the organization. (reverse coded) * removed after reliability analysis .135
Internal communication and collaboration
4.4 Communication in the team is effective, despite the geographical distance of team members. Bunderson and Sutcliffe (2002) .596 .664 .565
4.5 Team members keep one another updated about their activities and key issues affecting the business.
4.6 Team members are good at coordinating their efforts to serve the customer efficiently.
4.7 Team members collaborate to achieve our global goals.
Conflict management
4.8 Disputes between the different units represented on our team make it difficult to do our work. (reverse coded) Denison et al. (1996) .365 .483 .383
4.9 Our team is able to identify and resolve conflicts in a timely and effective manner.
4.10 Our team can easily send problems up the chain of command (escalate to senior management) when they cannot be resolved within the team.
4.11 The negative politics within the team are minimal.
Proactiveness
4.13 Our team is not afraid to challenge the status quo to improve our customer relationships.
4.14 The team is a powerful force for constructive change in the organization.
Relational and market performance
5.1 Our team is characterized by strong and harmonious long-term relationships with global customers. Birkinshaw et al. (2001), Homburg et al. (2002) .676 .718 .730 .623 .665 .629
5.2 Our customers are satisfied with the overall performance of our team.
5.3 Our team provides real value to our customers.
5.4 Our team has successfully learned some critical skills or capabilities from our customer relationships.
5.5 Our company’s competitive position has been enhanced due to our team’s GAM achievements.
5.6 Our team achieves its goals and objectives.
Financial performance
How has your team, over the past three years, performed with respect to
5.7 … growth in sales?
5.8 … profitability?
5.9 … growth in the share of your global customers’ wallets?
* Values after question 4.3 was removed from the scale
because at that level measurement error has a very little impact on correlations. As a result, coefficients of .7 or above are usually considered satisfactory.

Table 3 reports the results of the reliability analysis of all constructs including the coefficient alpha and the item-total correlation that describes the extent to which each item is correlated to its own scale. In general, the Cronbach’s alphas for all independent constructs meet the minimum recommended level of .7 with the exception of conflict management which is slightly lower but still satisfactory ($\alpha = .65$). The coefficients of the other independent constructs range from .71 to .89. The two performance constructs are reliable as well, as indicated by their coefficient alphas of .87 and .83, respectively. Only one item (4.3 “Our team has difficulty obtaining support from other parts of the organization”) had a low item-total correlation (.135) resulting in a coefficient alpha below the recommended level ($\alpha = .52$) and was considered for elimination from the scale (Churchill, 1979). Its elimination improved the internal reliability of the measure for external communication and collaboration to .71.

### 5.5. Results of the exploratory factor analysis

As suggested by Churchill (1979) and Anderson (1987), the next step after evaluating the internal consistency of the scales is to assess the validity of all constructs, usually through factor analysis. Validity refers to the degree to which instruments truly measure the constructs which they are intended to measure (Peter, 1979) and factor analysis is an appropriate method for assessing construct validity when an instrument consists of multiple questions that measure different constructs (Nunnally and Bernstein, 1994).

Following the procedure employed by Denison et al. (1996) to confirm their three-domain model of cross-functional team effectiveness, the factor analysis was conducted in two steps. First, exploratory factor analysis was used to examine the acceptability of the 16 individual constructs suggested by the literature and by the qualitative analysis and to determine how the item pool relates to the developed
constructs. In a second step, I conducted confirmatory factor analysis to further refine these results and to determine if the derived factors fit in the four second-order factors of team design, organizational context, processes and performance. Starting with an exploratory rather than a confirmatory approach was justified by the exploratory nature of this study, the lack of developed theory and the relative novelty of some measures (Thompson, 2004) as well as the large number of items (Bentler and Chou, 1987).

A separate EFA for each of the four second-order domains was chosen as opposed to EFA on all items for two main reasons. First, a single EFA on all items would require a significantly larger sample size to compensate for the large number of items. Gorsuch (1983: 332) suggests that “an absolute minimum ratio is five individuals to every variable” and Nunnally and Bernstein (1994) recommends that for any kind of multivariate analysis, there should be at least 10 times as many subjects as items. A sample size of 273 data points and an item pool of 52 independent and 9 dependent variables results in a subject-to-item ratio that is much lower than the recommended value and the ratio in other studies that use this method (e.g. Campion et al., 1993). This entails the risk of producing unreliable estimates in a single EFA. Second, EFA per domain is legitimate when the domains are clearly delineated. Conceptually distinct domains provide a considerable degree of assurance that the items from one domain do not relate to, and therefore will not load on, another domain. Thus, they can be separated for the analysis to improve the subject-to-item ratio and increase the robustness of the results. As the framework is based on extensive review of previous studies that consistently distinguish between the four domains, the analysis was based on this method and followed the procedure of Denison et al. (1996).

All EFA used the principle components extraction method with Varimax rotation. Items were selected for inclusion in a factor based on the Kaiser (1958) criterion of loading above .50. Items with loading below this cutoff point were excluded from further analysis. Table 4 presents the results from the EFA of the team design domain.
Table 4: Results of exploratory factor analysis of the team design domain

<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goals and roles (α = .777)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Our GAM team has well-defined goals and objectives related to our global customers.</td>
<td>.763</td>
<td>.031</td>
<td>.130</td>
<td>.047</td>
<td>.193</td>
<td>.070</td>
</tr>
<tr>
<td>1.2 Our team’s goals and objectives are well aligned with our overall corporate strategies.</td>
<td>.698</td>
<td>.118</td>
<td>.202</td>
<td>.058</td>
<td>.000</td>
<td>.030</td>
</tr>
<tr>
<td>1.3 Team members’ individual objectives and targets are linked to GAM team objectives.</td>
<td>.716</td>
<td>.061</td>
<td>.168</td>
<td>.140</td>
<td>.034</td>
<td>.121</td>
</tr>
<tr>
<td>1.4 The roles and responsibilities of team members are clearly defined.</td>
<td>.701</td>
<td>.092</td>
<td>-.032</td>
<td>.059</td>
<td>.176</td>
<td>.122</td>
</tr>
<tr>
<td>1.6 The team has a workable structure and clear reporting lines.</td>
<td>.628</td>
<td>.269</td>
<td>.044</td>
<td>-.106</td>
<td>.126</td>
<td>.159</td>
</tr>
<tr>
<td>Customer coverage (α = .714)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.8 The team structure provides appropriate cross-geographical coverage for our customers.</td>
<td>.401</td>
<td>.707</td>
<td>.043</td>
<td>-.054</td>
<td>.124</td>
<td>.176</td>
</tr>
<tr>
<td>1.9 The team structure provides appropriate cross-functional coverage for our customers.</td>
<td>.172</td>
<td>.822</td>
<td>.214</td>
<td>.118</td>
<td>.151</td>
<td>.027</td>
</tr>
<tr>
<td>1.10 The team structure provides appropriate cross-divisional coverage for our customers.</td>
<td>.073</td>
<td>.818</td>
<td>.259</td>
<td>.061</td>
<td>.203</td>
<td>.031</td>
</tr>
<tr>
<td>Empowerment (α = .776)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.11 Our team has sufficient authority to make important decisions about our customer business.</td>
<td>.209</td>
<td>.175</td>
<td>.733</td>
<td>-.045</td>
<td>.121</td>
<td>.261</td>
</tr>
<tr>
<td>1.12 Our team has sufficient authority to change organizational routines to achieve better results for our customers.</td>
<td>.083</td>
<td>.135</td>
<td>.856</td>
<td>.022</td>
<td>.182</td>
<td>.139</td>
</tr>
<tr>
<td>1.13 Our team has the resources required to innovate and develop our global customer relationships continuously.</td>
<td>.222</td>
<td>.214</td>
<td>.646</td>
<td>.144</td>
<td>.131</td>
<td>.119</td>
</tr>
<tr>
<td>Heterogeneity (α = .748)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Team members vary widely in their areas of expertise.</td>
<td>.067</td>
<td>.001</td>
<td>-.025</td>
<td>.867</td>
<td>-.004</td>
<td>.150</td>
</tr>
<tr>
<td>2.2 Team members have a variety of backgrounds and experiences.</td>
<td>-.010</td>
<td>.039</td>
<td>.001</td>
<td>.859</td>
<td>.154</td>
<td>.049</td>
</tr>
<tr>
<td>2.3 Team members have complementary skills and abilities.</td>
<td>.191</td>
<td>.106</td>
<td>.234</td>
<td>.579</td>
<td>.322</td>
<td>.023</td>
</tr>
<tr>
<td>Adequate skills (α = .893)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The account/sales managers on our team</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4 … are capable of building strong and trusting relationships.</td>
<td>.144</td>
<td>-.047</td>
<td>.077</td>
<td>.012</td>
<td>.733</td>
<td>.329</td>
</tr>
<tr>
<td>2.5 … have a good understanding of our customer’s business and organization.</td>
<td>.130</td>
<td>.055</td>
<td>-.061</td>
<td>-.062</td>
<td>.765</td>
<td>.152</td>
</tr>
<tr>
<td>2.6 … have a good understanding of our business and the internal capabilities of our company.</td>
<td>.066</td>
<td>.185</td>
<td>-.137</td>
<td>-.108</td>
<td>.612</td>
<td>.297</td>
</tr>
<tr>
<td>2.7 … are able to think and work in an interdisciplinary way.</td>
<td>.011</td>
<td>.195</td>
<td>.155</td>
<td>.028</td>
<td>.749</td>
<td>.011</td>
</tr>
<tr>
<td>2.8 … are able to coordinate complex networks and activities.</td>
<td>.072</td>
<td>.069</td>
<td>.166</td>
<td>.124</td>
<td>.769</td>
<td>.064</td>
</tr>
<tr>
<td>2.9 … are able to think creatively to deliver value to the customer.</td>
<td>.067</td>
<td>.053</td>
<td>.006</td>
<td>.143</td>
<td>.802</td>
<td>.032</td>
</tr>
<tr>
<td>2.10… are able to work in a diverse and multicultural environment.</td>
<td>.053</td>
<td>.176</td>
<td>.063</td>
<td>.192</td>
<td>.684</td>
<td>.022</td>
</tr>
<tr>
<td>2.11… employ strategic, long-term thinking.</td>
<td>.126</td>
<td>.058</td>
<td>.258</td>
<td>.078</td>
<td>.726</td>
<td>.049</td>
</tr>
<tr>
<td>2.12… possess powers of persuasion.</td>
<td>.168</td>
<td>.019</td>
<td>.251</td>
<td>.167</td>
<td>.651</td>
<td>.123</td>
</tr>
<tr>
<td>Leadership (α = .820)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.13 Our team leader has substantial influence in the organization (even when he/she has no formal authority).</td>
<td>.167</td>
<td>.069</td>
<td>.216</td>
<td>.123</td>
<td>.208</td>
<td>.799</td>
</tr>
<tr>
<td>2.14 Our team leader has a strong relationship with top management.</td>
<td>.096</td>
<td>.093</td>
<td>.112</td>
<td>.074</td>
<td>.107</td>
<td>.852</td>
</tr>
<tr>
<td>2.15 Our team leader is able to motivate team members and create synergies within the team.</td>
<td>.206</td>
<td>.025</td>
<td>.172</td>
<td>.077</td>
<td>.233</td>
<td>.693</td>
</tr>
</tbody>
</table>

Eigenvalues

|       | 1.565 | 1.673 | 1.156 | 7.897 | 1.860 |

Variance explained by factor after Varimax rotation

|       | 11.5% | 8.4%  | 8.6%  | 7.9%  | 19.9% |

Total variance explained

|       | 65.2% |

The results reveal six factors with eigenvalues greater than 1.0, which correspond directly to the developed GAM team design constructs. Because the size adequacy
variable is measured by a single item, it is not included in this analysis. All items measuring GAM team empowerment, heterogeneity, skills and leadership load on their own factors and have loadings above the cutoff point of .50. However, some of the items from the role and goal definition and the team structure scales did not load as expected. The item 1.6 “The team has a workable structure and clear reporting lines” loads on the first factor as opposed to the team structure factor. A possible explanation is that reporting lines and structural arrangements within the team are more closely related to the division of roles and responsibilities that is captured by the roles and goals construct. The items 1.5 “The roles and responsibilities of team members are understood across the organization” and 1.7 “The team is well positioned and integrated in the overall organizational structure” cross-load on the first two factors and have loadings below .50. Consequently, they had to be removed from the analysis. Since all the remaining items in the structure factor relate to the extent that the team structure provides adequate customer coverage, this construct is named customer coverage to better reflect its content. Despite the changes in the first two scales, they remain reliable with Cronbach’s alphas of .78 and .71 respectively. The six factors explain 65.2% of the total variance with skills having the largest share (19.9%) followed by roles and goals (11.5%) and leadership (8.9%). In summary, these results provide satisfactory support for the validity of the six team design dimensions.
Table 5: Results of exploratory factor analysis of the organizational context domain

<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management support (α = .811)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Our top management is actively involved in the team’s efforts to develop profitable, long-term relationships with global customers.</td>
<td>.817</td>
<td>.235</td>
<td>.145</td>
</tr>
<tr>
<td>3.2 Our top management is committed to deploying the necessary resources to make our global customer operations succeed.</td>
<td>.830</td>
<td>.236</td>
<td>.163</td>
</tr>
<tr>
<td>3.3 Our top management publicly promotes our team’s GAM activities to others in the organization.</td>
<td>.800</td>
<td>.307</td>
<td>.113</td>
</tr>
<tr>
<td>Rewards and incentives (α = .810)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4 Team members’ contributions to developing global customers are measured in a systematic and transparent manner.</td>
<td>.377</td>
<td>.676</td>
<td>.133</td>
</tr>
<tr>
<td>3.5 Our compensation system promotes global collaboration by appropriately rewarding contributions to the GAM team.</td>
<td>.260</td>
<td>.825</td>
<td>.153</td>
</tr>
<tr>
<td>3.6 Many professional rewards (e.g., pay, promotions) are determined in large part by team members’ performance on the GAM team.</td>
<td>.240</td>
<td>.804</td>
<td>.145</td>
</tr>
<tr>
<td>Training (α = .790)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.7 The company provides adequate global selling and negotiation training for our team.</td>
<td>.090</td>
<td>.434</td>
<td>.690</td>
</tr>
<tr>
<td>3.8 The company provides adequate team skills training for our team (e.g., communication, organization, interpersonal).</td>
<td>.138</td>
<td>.230</td>
<td>.844</td>
</tr>
<tr>
<td>3.9 The company provides adequate technical training for our team.</td>
<td>.164</td>
<td>-.056</td>
<td>.837</td>
</tr>
<tr>
<td>Eigenvalues</td>
<td>4.255</td>
<td>1.404</td>
<td>.904</td>
</tr>
<tr>
<td>Variance explained by factor after Varimax rotation</td>
<td>25.8%</td>
<td>24.8%</td>
<td>22.4%</td>
</tr>
<tr>
<td>Total variance explained</td>
<td>72.9%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5 presents the results from the EFA of the organizational context domain. The initial solution based on the eigenvalues-greater-than-one rule yielded only two factors whereby all top management support and rewards items loaded on the same factor. However, since all theoretical and conceptual arguments as well as the qualitative research findings point to a clear distinction between these two constructs, imposing a three-factor EFA solution is acceptable (Thompson, 2004: 32). The results of this analysis show that all items load on their own factor and have loadings above the .50 level, which supports the separation of top management support and rewards and the validity of the three constructs. These three factors explain 72.9% of the total variance in this domain.
Table 6 presents the results from the EFA of the team processes domain.

### Table 6: Results of exploratory factor analysis of the team processes domain

<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication and collaboration (α = .823)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Our team regularly exchanges best practices and market knowledge with other GAM teams.</td>
<td>.592</td>
<td>-.055</td>
<td>.259</td>
</tr>
<tr>
<td>4.2 Team members communicate proactively on issues related to our GAM activities across boundaries and hierarchical levels in the entire organiz.</td>
<td>.707</td>
<td>.098</td>
<td>.291</td>
</tr>
<tr>
<td>4.4 Communication in the team is effective, despite the geographical distance of team members.</td>
<td>.742</td>
<td>.154</td>
<td>.043</td>
</tr>
<tr>
<td>4.5 Team members keep one another updated about their activities and key issues affecting the business.</td>
<td>.810</td>
<td>.115</td>
<td>.041</td>
</tr>
<tr>
<td>4.6 Team members are good at coordinating their efforts to serve the customer efficiently.</td>
<td>.631</td>
<td>.236</td>
<td>.287</td>
</tr>
<tr>
<td>4.7 Team members collaborate to achieve our global goals.</td>
<td>.642</td>
<td>.208</td>
<td>.287</td>
</tr>
<tr>
<td>Conflict management (α = .602)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.8 Disputes between the different units represented on our team make it difficult to do our work. (reverse coded)</td>
<td>.050</td>
<td>.802</td>
<td>-.025</td>
</tr>
<tr>
<td>4.9 Our team is able to identify and resolve conflicts in a timely and effective manner.</td>
<td>.250</td>
<td>.631</td>
<td>.268</td>
</tr>
<tr>
<td>4.11 The negative politics within the team are minimal.</td>
<td>.125</td>
<td>.701</td>
<td>.274</td>
</tr>
<tr>
<td>Proactiveness (α = .721)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.12 Team members proactively cultivate new business opportunities.</td>
<td>.245</td>
<td>.098</td>
<td>.737</td>
</tr>
<tr>
<td>4.13 Our team is not afraid to challenge the status quo to improve our customer relationships.</td>
<td>.090</td>
<td>.245</td>
<td>.795</td>
</tr>
<tr>
<td>4.14 The team is a powerful force for constructive change in the organization.</td>
<td>.344</td>
<td>.127</td>
<td>.656</td>
</tr>
<tr>
<td>Eigenvalues</td>
<td>4.600</td>
<td>1.008</td>
<td>1.368</td>
</tr>
<tr>
<td>Variance explained by factor after Varimax rotation</td>
<td>26.1%</td>
<td>14.7%</td>
<td>17.3%</td>
</tr>
<tr>
<td>Total variance explained</td>
<td>58.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results indicate three factors with eigenvalues greater than 1.0. All communication and collaboration variables load on the same factor, contrary to the expected distinction between internal and external collaboration. To further explore this result, the six communication and collaboration items were entered in a separate factor analysis independent of the other process variables, which yielded only one factor as well. Consequently, these items are combined into one more general construct named communication and collaboration. The item 4.10 “Our team can easily send problems up the chain of command (escalate to senior management) when they cannot be resolved within the team” has a loading below the cutoff point and had to be removed from the conflict management scale. The three extracted factors explain 58.1% of the
total variance with communication and collaboration accounting for almost half of this percentage (26.1%).

Table 7 presents the results from the EFA of the performance domain.

<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relational performance (α = .859)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.1 Our team is characterized by strong and harmonious long-term relationships with global customers.</td>
<td>.745</td>
<td>.305</td>
</tr>
<tr>
<td>5.2 Our customers are satisfied with the overall performance of our team.</td>
<td>.767</td>
<td>.291</td>
</tr>
<tr>
<td>5.3 Our team provides real value to our customers.</td>
<td>.800</td>
<td>.277</td>
</tr>
<tr>
<td>5.4 Our team has successfully learned some critical skills or capabilities from our customer relationships.</td>
<td>.728</td>
<td>.211</td>
</tr>
<tr>
<td>5.5 Our company’s competitive position has been enhanced due to our team’s GAM achievements.</td>
<td>.736</td>
<td>.214</td>
</tr>
<tr>
<td>Financial performance (α = .826)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How has your team, over the past three years, performed with respect to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.7 … growth in sales?</td>
<td>.251</td>
<td>.881</td>
</tr>
<tr>
<td>5.8 … profitability?</td>
<td>.296</td>
<td>.779</td>
</tr>
<tr>
<td>5.9 … growth in the share of your global customers’ wallets?</td>
<td>.282</td>
<td>.789</td>
</tr>
<tr>
<td>Eigenvalues</td>
<td>4.416</td>
<td>1.020</td>
</tr>
<tr>
<td>Variance explained by factor after Varimax rotation</td>
<td>38.6%</td>
<td>29.4%</td>
</tr>
<tr>
<td>Total variance explained</td>
<td>67.9%</td>
<td></td>
</tr>
</tbody>
</table>

The results indicate two distinct factors with eigenvalues above 1.0 which correspond to the expected relational and financial performance constructs and explain 67.9% of the total variance. Only item 5.6 “Our team achieves its goals and objectives” did not have a satisfactory loading and had to be removed. Nevertheless the two measures show evidence of a high degree of reliability and validity.
Table 8: Means, standard deviations and correlations of the constructs

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAM team design</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1) Goals and roles</td>
<td>3.60</td>
<td>.68</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2) Customer coverage</td>
<td>3.50</td>
<td>.78</td>
<td>.46</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3) Empowerment</td>
<td>3.09</td>
<td>.87</td>
<td>.39</td>
<td>.47</td>
<td></td>
<td></td>
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<tr>
<td>4) Adequate size</td>
<td>3.20</td>
<td>1.05</td>
<td>.21</td>
<td>.41</td>
<td>.35</td>
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</tr>
<tr>
<td>5) Heterogeneity</td>
<td>3.86</td>
<td>.61</td>
<td>.22</td>
<td>.19</td>
<td>.22</td>
<td>.10</td>
<td></td>
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</tr>
<tr>
<td>6) Adequate skills</td>
<td>3.86</td>
<td>.53</td>
<td>.32</td>
<td>.37</td>
<td>.37</td>
<td>.16</td>
<td>.30</td>
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</tr>
<tr>
<td>7) Leadership</td>
<td>3.81</td>
<td>.70</td>
<td>.36</td>
<td>.23</td>
<td>.35</td>
<td>.12</td>
<td>.24</td>
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<td>Organizational context</td>
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<tr>
<td>8) Top management support</td>
<td>3.57</td>
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<td>.38</td>
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<td>.30</td>
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<tr>
<td>9) Rewards and incentives</td>
<td>2.64</td>
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<td>.27</td>
<td>.47</td>
<td>.17</td>
<td>.24</td>
<td>.38</td>
<td>.39</td>
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<td>10) Training</td>
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<td>.21</td>
<td>.21</td>
<td>.19</td>
<td>.18</td>
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<td>.31</td>
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<tr>
<td>11) Communication/collaboration</td>
<td>3.50</td>
<td>.59</td>
<td>.46</td>
<td>.38</td>
<td>.32</td>
<td>.19</td>
<td>.21</td>
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<td>12) Conflict management</td>
<td>3.66</td>
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<td>.16</td>
<td>.16</td>
<td>.34</td>
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<tr>
<td>13) Proactiveness</td>
<td>3.66</td>
<td>.66</td>
<td>.40</td>
<td>.41</td>
<td>.42</td>
<td>.18</td>
<td>.29</td>
<td>.56</td>
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<td>.20</td>
<td>.50</td>
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<tr>
<td>GAM team performance</td>
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<td></td>
</tr>
<tr>
<td>14) Relational performance</td>
<td>3.86</td>
<td>.61</td>
<td>.39</td>
<td>.41</td>
<td>.44</td>
<td>.24</td>
<td>.21</td>
<td>.49</td>
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<td>.44</td>
<td>.27</td>
<td>.49</td>
<td>.41</td>
<td>.64</td>
<td></td>
</tr>
<tr>
<td>15) Financial performance</td>
<td>3.69</td>
<td>.72</td>
<td>.33</td>
<td>.21</td>
<td>.23</td>
<td>.03</td>
<td>.08</td>
<td>.33</td>
<td>.41</td>
<td>.35</td>
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<td>.16</td>
<td>.36</td>
<td>.29</td>
<td>.46</td>
<td>.58</td>
</tr>
</tbody>
</table>

Note: Correlations of .16 are significant at the .05 level (two-tailed). Large correlations (> .50) are indicated in bold.

Table 8 reports the means, standard deviations and correlations of the factors derived through EFA. Many of the correlations are significant. Nevertheless the lack of large correlations of .50 or above (Cohen, 1977) among the constructs per domain provides some additional support for the independence of the identified dimensions.

5.6. Results of the confirmatory factor analysis

Following the initial support for the validity of the proposed constructs, the next step was to provide a confirmatory measurement through CFA. Unlike EFA, CFA allows constructs to intercorrelate freely and helps to estimate relations with higher-order constructs (Thompson, 2004), which is needed to determine how the dimensions fit in the four domains. Moreover, CFA models are the critical starting point in structural equation modeling. As Anderson and Gerbing (1988) argue, model-testing can be thought of as the analysis of two distinct models: 1) a confirmatory measurement, or
factor analysis, model that specifies the relations of the observed measures to their posited underlying constructs and 2) a confirmatory structural model that specifies the causal relations of the constructs to one another. Following the recommendations for a two-step approach in which the measurement model is estimated separately prior to the simultaneous estimation of the measurement and structural submodels (Anderson and Gerbing, 1988; Fornell and Yi, 1992), I conducted CFA first and then tested the full structural model. This approach is consistent also with other studies in the marketing area (e.g. Townsend et al., 2004; Zou and Cavusgil, 2002).

Unlike EFA which does not require the researcher to have or to declare any specific expectations about the number and the nature of underlying factors, CFA explicitly and directly requires expectations regarding the number of factors, the variables which reflect given factors and the correlations among factors (Thompson, 2004). Therefore, to increase precision, the CFA was based on the results of the EFA. Similarly to EFA, CFA was conducted per domain because sample size is of even greater concern in this type of analysis (Jackson, 2001; MacCallum et al., 1996). All measured items were modeled as observed variables and all first- and second-order constructs were modeled as latent variables. The CFA was performed using the maximum likelihood method in AMOS 5.0.

The analysis of the CFA results of all domains follows the procedure recommended by Bagozzi and Yi (1988). First, the output is screened to detect any anomalies or problems in the minimization process. This screening showed that in all cases the estimation process converged properly. Second, to obtain a comprehensive assessment of the model fit, a number of fit statistics are examined as recommended in the literature (Hu and Bentler, 1999). Third, the internal structure of the models is examined and the convergent and discriminant validity of the dimensions are tested (Campbell and Fiske, 1959).

The team design domain required some modifications due to the large number of variables, which are briefly discussed before presenting the overall CFA results. Before pooling all constructs together to form the second-order factor team design, I tested if instead the constructs split into two second-order factors of team organization

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and team composition as suggested in some studies (Gladstein, 1984). These two factors have a strong relation between each other (covariance coefficient = .81) and the model does not fit very well (RMSEA = .06), which is an indication for a single second-order factor that captures the entire team design domain.

The examination of the parameter estimates and variances as well as the residuals and modification indexes of the initial CFA model of this domain does not reveal any irregular or insignificant results. However, several items are not very strongly correlated with their constructs and are removed from further analysis for two reasons. First, this modification improves the validity of the scales and has been justified in studies of similar nature (Gladstein, 1984). Second, actions to decrease the number of measures are often necessary in complex models with a large number of indicators and first-order factors such as the model of this domain As Cohen et al. (1996) observe, in previous studies using structural equation models, researchers attempting to model relationships among a large number of variables have found it difficult to fit such models even to predictions with strong theoretical support. As a result, the elimination of the least correlated items is recommended to obtain an acceptable model (Arbuckle, 1997).

The indicators that do not have a strong correlation with their respective constructs and had to be removed are 1.3 “Team members’ individual objectives and targets are linked to GAM team objectives”, 2.3 “Team members have complementary skills and abilities”, 2.6 “The account/sales managers on our team have a good understanding of our business and the internal capabilities of our company”, 2.8 “The account/sales managers on our team are able to coordinate complex networks and activities”, 2.15 “Our team leader is able to motivate team members and create synergies within the team”. Surprisingly, the size indicator does not load well on the second-order factor and is not included in subsequent analysis either.

Table 9 presents the results of the second-order CFA of all domains. Because the results of the first-order factors to a large extent confirm the EFA results, with the exceptions described above, they are reported in Appendix H to avoid a lengthy and repetitive discussion here. It suffices to say that all indicators have positive and
significant loadings on their posited constructs. The two performance constructs are not pooled in a second-order factor because the goal is to understand the impact of the team dimensions on each of these two distinct types of performance (Hypotheses 3 and 4) as well as their interrelation (Hypothesis 5). The results also show that the two factors have covariance of only .28, indicating that a second-order factor should not be extracted (Thompson, 2004: 145).

Table 9: Results of the second-order confirmatory factor analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized loading</th>
<th>t-value</th>
<th>Fit statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Team design</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goals and roles</td>
<td>.660</td>
<td>5.731</td>
<td>$\chi^2/df$ 1.587</td>
</tr>
<tr>
<td>Customer coverage</td>
<td>.690</td>
<td>6.393</td>
<td>RMSEA .046</td>
</tr>
<tr>
<td>Empowerment</td>
<td>.710</td>
<td>-</td>
<td>RMR .037</td>
</tr>
<tr>
<td>Heterogeneity</td>
<td>.273</td>
<td>2.534</td>
<td>CFI .952</td>
</tr>
<tr>
<td>Adequate skills</td>
<td>.621</td>
<td>6.007</td>
<td>NFI .883</td>
</tr>
<tr>
<td>Leadership</td>
<td>.515</td>
<td>5.855</td>
<td></td>
</tr>
<tr>
<td><strong>Organizational Context</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top management support</td>
<td>.746</td>
<td>5.207</td>
<td>$\chi^2/df$ 1.745</td>
</tr>
<tr>
<td>Rewards and incentives</td>
<td>.938</td>
<td>4.641</td>
<td>RMSEA .052</td>
</tr>
<tr>
<td>Training</td>
<td>.486</td>
<td>-</td>
<td>RMR .038</td>
</tr>
<tr>
<td><strong>Team processes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication and collaboration</td>
<td>.836</td>
<td>5.818</td>
<td>RMSEA .036</td>
</tr>
<tr>
<td>Conflict management</td>
<td>.750</td>
<td>5.433</td>
<td>RMR .029</td>
</tr>
<tr>
<td>Proactiveness</td>
<td>.813</td>
<td>-</td>
<td>CFI .980</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relational performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.1 Long-term relationships</td>
<td>.737</td>
<td>-</td>
<td>$\chi^2/df$ 1.158</td>
</tr>
<tr>
<td>5.2 Customer satisfaction</td>
<td>.763</td>
<td>11.735</td>
<td>RMSEA .024</td>
</tr>
<tr>
<td>5.3 Customer value</td>
<td>.778</td>
<td>11.953</td>
<td>RMR .016</td>
</tr>
<tr>
<td>5.4 Learning</td>
<td>.673</td>
<td>10.390</td>
<td>CFI .997</td>
</tr>
<tr>
<td>5.5 Competitive position</td>
<td>.672</td>
<td>10.371</td>
<td>NFI .976</td>
</tr>
<tr>
<td>Financial performance</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>5.7 Sales growth</td>
<td>.849</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>5.8 Profitability</td>
<td>.726</td>
<td>11.744</td>
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</tr>
<tr>
<td>5.9 Share of wallet growth</td>
<td>.739</td>
<td>11.930</td>
<td></td>
</tr>
</tbody>
</table>

Notes: All factor loadings are significant at the .01 confidence level.
- indicates a fixed parameter.
The fit statistics of the models of all four domains indicate a very good fit with the data. The first assessed fit indicator is the chi-square/ degrees of freedom ratio ($\chi^2$/df) and all models have values below the maximum acceptable cutoff point of 2.0. Although the $\chi^2$ and the $\chi^2$/df statistics are frequently reported in academic publications, they have often been criticized for using the unrealistic hypothesis-testing assumption that a model fits exactly the data (Cudeck and Browne, 1983) and for their dependence on the sample size (Bentler and Bonnett, 1980). Therefore, four other indexes are considered of higher importance and examined thoroughly – the root-mean-square error of approximation RMSEA (Steiger, 1990), the root-mean-square residual RMR (Jöreskog and Sörbom, 1981), the comparative fit index CFI (Bentler, 1990) and the normed fit index NFI (Bentler and Bonnett, 1980). The RMSEA indexes for the four models equal .046, .052, .036 and .024 respectively, and therefore, meet the criteria of Browne and Cudeck (1993) who suggest that a value below .05 indicates close fit and that values up to .08 are reasonable. The RMR values are respectively .037, .038, .029 and .016 and below the maximum tolerable level of .08. CFI equals .952, .980, .980 and .997, which is well above the recommended minimum value of .90. Finally, the NFI indexes are equal to .883, .955, .929 and .976 respectively and compare well to the recommended minimum value of .90 for a good model fit.

Next, the convergent validity, or the extent to which the factors within a domain are correlated, was assessed by checking the internal structure of the models, i.e. factor loadings, variances and modification coefficients. Appendix H and Table 9 show that the coefficients linking the indicators with their latent constructs are all significant at the .01 level (t-values ranging from 3.376 to 12.815). In addition, the variance estimates are all significantly greater than zero. Similarly, the loadings of all first-order constructs on the second-order factors are also positive and significant at the .01 significance level (t-values from 2.534 to 6.393). Also, with the exception of heterogeneity, all loadings are high in magnitude. The modification indexes did not indicate that any respecifications are needed. As a result, the CFA models of the four domains present satisfactory convergent validity (Anderson, 1987).
Finally, the discriminant validity was tested to assess to what extent the factors are unique. The analysis follows the procedure described by Bagozzi and Phillips (1982) and Bagozzi et al. (1991). The correlations between each pair of first-order factors within each domain were constrained to equal 1 in a series of consecutive CFAs. In each case, the $\chi^2$ statistic of the constrained model was compared to the $\chi^2$ of the initial model with no constraints. The premise is that a better fit (i.e., significantly lower $\chi^2$ value) for the unconstrained model would indicate that the constructs whose correlations are constrained to unity are not perfectly correlated. Therefore, discriminant validity is achieved and these constructs can be considered distinct, or unique.

Table 10 presents the results of this analysis, indicating the $\chi^2$ value for the unconstrained model and the models of each constrained pair. In all cases, the $\chi^2$ value increases significantly when factors are constrained suggesting that all measures possess discriminant validity. Moreover, whereas in most of the unconstrained models the $\chi^2$ statistic is not significant at the .01 level, in all constrained models the p-value is below .01 indicating a less than adequate model fit. In summary, the CFA models fit the data adequately and there is evidence that all factors possess sufficient convergent and discriminant validity.
Table 10: Results of discriminant validity tests

<table>
<thead>
<tr>
<th>Models</th>
<th>$\chi^2$</th>
<th>p-value</th>
</tr>
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<tr>
<td>Team design</td>
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<tr>
<td><em>Unconstrained model</em></td>
<td></td>
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<tr>
<td>Goals and roles ↔ Customer coverage</td>
<td>285.67</td>
<td>.000</td>
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<tr>
<td>Goals and roles ↔ Empowerment</td>
<td>444.33</td>
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<tr>
<td>Goals and roles ↔ Heterogeneity</td>
<td>441.20</td>
<td>.000</td>
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<tr>
<td>Goals and roles ↔ Skills</td>
<td>419.75</td>
<td>.000</td>
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<tr>
<td>Goals and roles ↔ Leadership</td>
<td>473.95</td>
<td>.000</td>
</tr>
<tr>
<td>Customer coverage ↔ Empowerment</td>
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<td>Heterogeneity ↔ Skills</td>
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</tr>
<tr>
<td>Heterogeneity ↔ Leadership</td>
<td>448.33</td>
<td>.000</td>
</tr>
<tr>
<td>Skills ↔ Leadership</td>
<td>396.48</td>
<td>.000</td>
</tr>
<tr>
<td>Skills ↔ Leadership</td>
<td>397.30</td>
<td>.000</td>
</tr>
<tr>
<td>Organizational context</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Unconstrained model</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top management support ↔ Rewards/incentives</td>
<td>41.87</td>
<td>.013</td>
</tr>
<tr>
<td>Top management support ↔ Training</td>
<td>103.20</td>
<td>.000</td>
</tr>
<tr>
<td>Rewards/incentives ↔ Training</td>
<td>170.12</td>
<td>.000</td>
</tr>
<tr>
<td>Team processes</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Unconstrained model</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication/collaboration ↔ Conflict management</td>
<td>66.47</td>
<td>.049</td>
</tr>
<tr>
<td>Communication/collaboration ↔ Proactiveness</td>
<td>224.83</td>
<td>.000</td>
</tr>
<tr>
<td>Conflict management ↔ Proactiveness</td>
<td>162.26</td>
<td>.000</td>
</tr>
<tr>
<td>Team performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Unconstrained model</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relational performance ↔ Financial performance</td>
<td>22.01</td>
<td>.284</td>
</tr>
</tbody>
</table>

Note: ↔ indicates the pair of factors whose correlation was constrained to equal 1
5.7. Test of the structural path model

Structural equation modeling (SEM) has been widely used in the marketing and consumer behavior research because it offers a number of advantages over other methods. First, by explicitly taking into account the inherent imperfections of behavioral science data, SEM allows to assess and correct unreliable measures when multiple indicators of each construct are available. Second, the key advantage of SEM is that it makes it possible to investigate comprehensive theoretical frameworks in which the effects of constructs are manifested across multiple levels of variables through direct, indirect and bi-directional paths of influence (Baumgartner and Homburg, 1996). Because the model involves a number of such relations, which would be hard to test with other methods such as regressions or correlations, this method was selected for testing the hypothesized links. This approach is consistent also with a wide range of studies that have tested various teamwork models (e.g., Ancona and Caldwell, 1992b; Gladstein, 1984; Mathieu et al., 2006).

5.7.1. Results of the model test

Following the purification of the measurement model through CFA, the complete structural path model was tested using the maximum likelihood procedure in AMOS. The full model included the structural model as well as the multiple indicators of all first- and second-order constructs obtained in the previous stages. In addition, an attempt was made to model the control variables in order to account for the differences among the six companies and among the respondents. However, the employed method of structural equation modeling and the AMOS software do not allow for the introduction of control variables, and therefore, these variables were not included in the analysis. This represents a trade-off that had to be accepted in order to benefit from the significant advantages of the SEM method.

In the first step, the model with the initially posited relationships among the domains (Figure 5) was tested. Although the coefficients were positive and significant, with the exception of the processes - financial performance link, the fit statistics ($\chi^2$/df = 1.575,
RMSEA = .046, RMR = .087, CFI = .889, NFI = .747) indicated that this model did not fit the data in a satisfactory manner. A thorough examination of the solution helped to identify the reason for the inadequate fit. The modification index for the link from organizational context to team design equaled 82.571, which is significantly higher than the maximum tolerable value of 10. This result indicates that organizational context actually predicts team design; that is, the relationship to team process is not direct but mediated by the team design domain. Therefore, this indirect link was modeled as well.

Figure 12 shows the results for the modified model, including the structural relationships, the standardized estimates of the path coefficients and the fit indexes. The t-values for all estimates are reported in brackets.

Figure 12: Structural path model 1

This solution was thoroughly examined by inspecting the parameter estimates, standard errors, and modification indexes as well as any possible irregularities and no problems were detected. The specification of the context-design relation improved the fit indexes and indicated that the direct influence of organizational context on team processes is not significant ($t = -.035, p > .1$). The $\chi^2$ for this model is 1621.29, which with 1104 degrees of freedom results in $\chi^2/df$ ratio equal to 1.469 and indicates a good
fit. The other fit indexes are respectively RMSEA = .042, RMR = .041, CFI = .909, NFI = .765. Given the relatively complex nature of the model, which includes a large number of indicators and three second-order factors, these indexes suggest a satisfactory fit (Bollen, 1989).

One surprising result is the insignificant effect of team processes on financial performance. In order to further analyze this result and to ensure that all potentially important paths among the domains are captured, a number of alternative models were tested. Thus, models incorporating the direct links from team design and organizational context to the two performance variables were also tested but they did not yield significant results, and therefore, provided support for the mediating role of team processes. An interesting result emerges when a model without the path of influence between relational performance and financial performance is analyzed. Figure 13 reports the results for this model.

Figure 13: Structural path model 2

![Structural Path Model](image)

Notes: ** significant at p < .01

Model fit statistics: $\chi^2/df = 1.482$, RMSEA = .042, RMR = .041, CFI = .907, NFI = .762

The fit indexes demonstrate an adequate fit ($\chi^2/df = 1.482$, RMSEA = .042, RMR = .041, CFI = .907, NFI = .762). The direct influence of organizational context on team processes is not significant again ($t = -.063$, $p > .1$). All other coefficients are positive, significant and high in magnitude, indicating that when the link between the relational
and financial performance is not taken into account, the direct influence of team processes on financial performance becomes significant.

These results confirm the positive effect of the process domain on both types of performance. The comparison of model 1 and model 2 indicates that their fit characteristics are equally good. However, model 2 is less preferable than model 1 because it is less informative and inclusive. It fails to capture one important relationship that elucidates better the underlying links. If we take model 2 and do not recognize the link between relational and financial performance, we may conclude that team processes lead directly to financial results whereas in fact this relationship is less straightforward with a number of intermediate outcomes playing a role. As a result, model 1 was considered a more appropriate solution and is discussed in more detail below. The full model is presented in Appendix I.

In summary, the estimates of the path coefficients of model 1 show the following results in relation to the hypothesized relationships. Hypothesis 1 states that GAM team design will have a positive effect on team processes and it is supported. Figure 12 shows that the standardized regression coefficient from GAM team design to team processes equals .963, which indicates a positive and significant link (t = 4.608, p < .01).

Hypothesis 2 posits that the organizational context will have a positive effect on team processes. As discussed, this hypothesis is not supported. The path coefficient is insignificant (t = -.208, p > .1). However, although no direct link is detected, another path of influence through which organizational context impacts the performance of GAM teams is identified. As the coefficients in Figure 12 show, organizational context has a positive and significant effect on team design (t = 6.446, p < .01), which supports the importance of the context construct.

Hypothesis 3 predicts that team processes will have a positive influence on team relational performance. The path coefficient of .850 indicates that in fact relational performance is positively and significantly influenced by team processes (t = 9.163, p < .01), which provides support for this hypothesis.
Hypothesis 4, which states that team processes will have a positive effect on team financial performance, is not supported (t = -.016, p > .1). As discussed, however, an indirect link from team processes to financial performance is found, i.e. team processes influence relational performance, which in turn influences financial performance.

This result supports Hypothesis 5, which states that relational performance has an effect on financial performance. The path coefficient (.674) is positive and significant (t = 4.101, p < .01).

In summary, although two of the hypotheses are not supported, the test of the structural model reveals alternative or indirect relationships through which all identified factors play a role and influence performance to a different extent. Overall, the good model fit indicates that this model reflects the underlying factors and their relationships well.

5.7.2. Effect sizes

To shed more light on how the individual dimensions of team design, organizational context and team processes are related to the influenced constructs, the total effect sizes for model 1, including the direct and indirect effects, are estimated (Fox, 1980). This analysis followed the procedure of Zou and Cavusgil (2002) where the loadings of the first-order dimensions on their second-order scales are multiplied by the path coefficients from the respective second-order construct to the other constructs of interest. Table 11 summarize the results.
Table 11: Effects of individual dimensions on their dependent domains

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Team design</th>
<th>Team processes</th>
<th>Relational performance</th>
<th>Financial performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management support</td>
<td>.689</td>
<td>.634</td>
<td>.539</td>
<td>.300</td>
</tr>
<tr>
<td>Rewards and incentives</td>
<td>.683</td>
<td>.629</td>
<td>.535</td>
<td>.298</td>
</tr>
<tr>
<td>Training</td>
<td>.419</td>
<td>.386</td>
<td>.328</td>
<td>.183</td>
</tr>
<tr>
<td>Goals and roles</td>
<td></td>
<td>.631</td>
<td>.536</td>
<td>.299</td>
</tr>
<tr>
<td>Customer coverage</td>
<td></td>
<td>.576</td>
<td>.489</td>
<td>.273</td>
</tr>
<tr>
<td>Empowerment</td>
<td></td>
<td>.634</td>
<td>.539</td>
<td>.300</td>
</tr>
<tr>
<td>Heterogeneity</td>
<td></td>
<td>.276</td>
<td>.235</td>
<td>.131</td>
</tr>
<tr>
<td>Adequate skills</td>
<td>.679</td>
<td>.577</td>
<td>.321</td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>.576</td>
<td>.489</td>
<td>.273</td>
<td></td>
</tr>
<tr>
<td>Communication and collaboration</td>
<td></td>
<td>.666</td>
<td>.436</td>
<td></td>
</tr>
<tr>
<td>Conflict management</td>
<td></td>
<td>.653</td>
<td>.428</td>
<td></td>
</tr>
<tr>
<td>Proactiveness</td>
<td></td>
<td>.768</td>
<td>.503</td>
<td></td>
</tr>
</tbody>
</table>

The variables of highest interest are relational performance and financial performance. As expected, these two variables are influenced the most by the three process dimensions due to their direct relationship. In the order of the effect size, the dimension with strongest impact on both types of performance is proactiveness followed by communication and collaboration and conflict management. Other dimensions with a strong influence on performance, also in the order of their effect sizes, are adequate skills, empowerment, top management support, goals and roles, and rewards and incentives. It is interesting that although organizational context has an indirect impact on performance mediated by both team design and processes, two of the context variables have effects similar in magnitude to the design dimensions which are only mediated by the team process. Finally, the effects of customer coverage and leadership on the performance indicators are medium in size and the effects of training and heterogeneity are relatively small.
5.8. Comparison among performance groups

As a final assessment of the importance of the identified team characteristics and their relationship to performance, I compared the high-performance and the low-performance teams along the 12 design, context and process dimensions that emerged from the exploratory and confirmatory factor analyses. For that purpose, in the first step I compared groups based on individual scores and then in a second step based on team scores. In the first step, the sample was divided into three groups according to the average scores of the five team relational performance measures and the three financial performance measures. Average scores of between 4 and 5 on the five-point Likert scale are classified as high-performing teams. Out of the 273 data points, 82 responses, or 30% of the sample, are in this category. The next category, mid-performance teams, includes the responses with an average score of more than 3 and less than 4. The total number of responses in this group is 111, which represents 41% of the sample. The remaining 80 responses (29% of the sample) that have average scores below or equal to 3 are classified as low-performers.

One-way analysis of variance (ANOVA) tests were performed to compare the mean scores of the high-performance, mid-performance and low-performance groups on the 12 variables from the design, context and process domains. The mean scores and the F-values are presented in Table 12.

The findings show that the mean scores on 11 out of the 12 characteristics are significantly different among the three groups. Furthermore, the high-performance group has higher ratings on all dimensions than the mid-performance group and the mid-performance group has higher ratings than the low-performance group. The only dimension for which the difference is not significant is heterogeneity (F = 2.184, p = .067). To identify the source of this result, I conducted independent samples t-tests for each pair of performance groups. The results indicated that the difference in heterogeneity between the high-performance and the mid-performance groups is not significant (t = 1.181, p = .239) as is not the difference between the mid-performance and low-performance teams (t = 1.344, p = .181). However, the high-performance and
the low-performance groups are significantly different at the .05 level ($t = 2.280, p = .024$).

### Table 12: Comparison among performance groups based on individual scores

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean scores</th>
<th>F-value</th>
<th>Sig. level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High (n = 82)</td>
<td>Medium (n = 111)</td>
<td>Low (n = 80)</td>
</tr>
<tr>
<td>Goals and roles</td>
<td>4.05</td>
<td>3.73</td>
<td>3.33</td>
</tr>
<tr>
<td>Customer coverage</td>
<td>3.86</td>
<td>3.47</td>
<td>3.19</td>
</tr>
<tr>
<td>Empowerment</td>
<td>3.44</td>
<td>3.05</td>
<td>2.77</td>
</tr>
<tr>
<td>Heterogeneity</td>
<td>3.99</td>
<td>3.86</td>
<td>3.74</td>
</tr>
<tr>
<td>Adequate skills</td>
<td>4.21</td>
<td>3.82</td>
<td>3.57</td>
</tr>
<tr>
<td>Leadership</td>
<td>4.24</td>
<td>3.73</td>
<td>3.41</td>
</tr>
<tr>
<td>Top management support</td>
<td>3.95</td>
<td>3.59</td>
<td>3.16</td>
</tr>
<tr>
<td>Rewards and incentives</td>
<td>3.08</td>
<td>2.55</td>
<td>2.34</td>
</tr>
<tr>
<td>Training</td>
<td>3.65</td>
<td>3.29</td>
<td>3.21</td>
</tr>
<tr>
<td>Communication and collaboration</td>
<td>3.79</td>
<td>3.56</td>
<td>3.12</td>
</tr>
<tr>
<td>Conflict management</td>
<td>3.95</td>
<td>3.62</td>
<td>3.39</td>
</tr>
<tr>
<td>Proactiveness</td>
<td>4.19</td>
<td>3.63</td>
<td>3.18</td>
</tr>
</tbody>
</table>

In order to assess the differences between the three groups in more detail, the same type of one-way ANOVA tests were conducted for the individual items. With the exception of the two heterogeneity items where insignificant differences were to be expected given the results above and item 3.7 which is significant at the .05 level ($F = 4.291, p = .015$), in all cases the mean ratings of the three groups are significantly different at the .01 level ($F$-values ranging from 5.102 to 58.292). Moreover, the directions of the differences are as predicted, i.e. the scores of the high-performance group are higher that those of the mid-performance group and the mid-performance group scores are higher than the group with low performance ratings.

In the second step, the same procedure was conducted but the delineation was made based on the average team scores. The sample of 113 teams was divided into three groups according to the each team’s average score of the five team relational
performance measures and the three financial performance measures. The same grouping criteria were applied and resulted in the following split. The number of high-performing teams (average scores between 4 and 5 on the five-point Likert scale) was 36, or 32% of all teams. The number of mid-performance teams (average scores between 3 and 4) was 47, which represents 42% of the sample. The remaining 30 teams (26% of the sample) are low-performing. Table 13 presents the results of the ANOVA tests that compare the mean results among the three groups.

Table 13: Comparison among performance groups based on team scores

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean scores</th>
<th>F-value</th>
<th>Sig. level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High (n = 36)</td>
<td>Medium (n = 47)</td>
<td>Low (n = 30)</td>
</tr>
<tr>
<td>Goals and roles</td>
<td>4.07</td>
<td>3.76</td>
<td>3.45</td>
</tr>
<tr>
<td>Customer coverage</td>
<td>3.11</td>
<td>3.32</td>
<td>3.30</td>
</tr>
<tr>
<td>Empowerment</td>
<td>3.67</td>
<td>3.15</td>
<td>2.73</td>
</tr>
<tr>
<td>Heterogeneity</td>
<td>4.14</td>
<td>3.95</td>
<td>3.93</td>
</tr>
<tr>
<td>Adequate skills</td>
<td>4.23</td>
<td>3.90</td>
<td>3.48</td>
</tr>
<tr>
<td>Leadership</td>
<td>4.43</td>
<td>3.85</td>
<td>3.40</td>
</tr>
<tr>
<td>Top management support</td>
<td>4.17</td>
<td>3.52</td>
<td>3.34</td>
</tr>
<tr>
<td>Rewards and incentives</td>
<td>3.13</td>
<td>2.58</td>
<td>2.36</td>
</tr>
<tr>
<td>Training</td>
<td>3.68</td>
<td>3.29</td>
<td>3.28</td>
</tr>
<tr>
<td>Communication and collaboration</td>
<td>3.96</td>
<td>3.52</td>
<td>3.25</td>
</tr>
<tr>
<td>Conflict management</td>
<td>4.10</td>
<td>3.61</td>
<td>3.42</td>
</tr>
<tr>
<td>Proactiveness</td>
<td>4.25</td>
<td>3.68</td>
<td>3.10</td>
</tr>
</tbody>
</table>

The results largely confirm the findings based on individual results, indicating that the scores along all variables except heterogeneity differ significantly among high-, mid- and low-performing groups. The differences between mid- and low-performance teams in the area of training seem to be small but still significant at the .05 level. Overall, the results provide support for the proposition that high-performing teams are characterized by significantly higher ratings in all critical team areas.
6. Discussion and conclusions

Global account management teams represent an important part of many GAM programs, but existing research has provided few directions for clarifying their formation, structure, composition, interaction processes, and performance. Furthermore, GAM teams differ from other forms of group work because of their complexity in terms of their cross-regional, cross-functional, and cross-divisional span; blurred responsibilities and lines of authority; heightened external activity requirements; and long-term tasks. This further complicates the managerial task of building and managing high-performance customer teams. Consequently, this study aimed to examine what determines the performance of GAM teams by developing and empirically testing an integrative model of team composition, interaction and performance.

Based on the comprehensive literature review, the exploratory interview research and the analysis of survey data from six multinational companies, 12 determinants of team performance in three broad domains were identified. They were then evaluated against both qualitative and quantitative performance criteria. The findings can be summarized as follows:

First, the empirical results indicate that GAM team design is a complex, multifaceted construct that encompasses six key dimensions: role and goal definition, customer coverage, empowerment, heterogeneity, adequate skills, and leadership.

Second, these structural and composition dimensions influence team performance through the mediating role of three key processes: communication and collaboration, conflict management, and proactiveness.

Third, three key elements of the organizational context of GAM teams – top management support, rewards and incentives, and training – are positively associated with team design and therefore have an indirect influence on team performance.
Fourth, GAM team performance has two associated components, relational and financial performance. The empirical results show that relational performance is an intermediate outcome that leads to improved financial performance in terms of sales growth, profitability and growth in the customer’s share of wallet.

Fifth, and most important, all design, process and context dimensions have either direct or indirect positive influence on performance. Therefore, companies may improve their relational and financial outcomes with global customers by improving their performance in these areas of team functioning.

This chapter discusses the major findings and their implications for theory and practice in more detail. The discussion is organized around the three research questions that guides the study. It is then followed by a summary of the contributions to theory, managerial implication, limitations and directions for further research.

### 6.1 Key findings: What are the key elements of GAM team design?

This research question aimed to conceptualize and delineate the specific aspects of team structure and composition that may have an impact on team performance. The literature review and the qualitative findings pointed to seven key dimensions: role and goal definition, structure, empowerment, size adequacy, heterogeneity, adequate skills, and leadership. Although some studies distinguish between team structure and team composition (Gladstein, 1984; Smith and Barclay, 1993) as two distinct sub-components of team design, the results did not provide support for the split of the identified dimensions in these two groups. This result is not surprising in light of the lack of agreement in literature on what constitutes structure and composition. For example, abilities are a part of the composition domains of Gladstein (1984) and Cohen et al. (1996) whereas Gist et al. (1987) refer to them as an aspect of group structure. Therefore, the identified seven dimensions were kept within one single second-order construct.

The exploratory and confirmatory factor analyses confirmed the validity of six of the design aspects but indicated that size adequacy does not correlate well with the design
domain. Thus, this variable was not analyzed further in order to avoid incorrect conclusions. One possible explanation is that the measure of size adequacy lacked a certain degree of reliability. The measure was adopted from prior studies (Campion et al., 1993; Cohen et al., 1996) and contained only one item that asked whether the number of people on the team is sufficient for the team to develop its customer business. However, these studies examined small organizational groups with clear membership and predominantly full-time members so the measure may have failed to capture all aspects pertinent to team size in GAM teams where membership is often fluid and virtual. For example, many GAM team members participate on a part-time basis and the percentage of time dedicated to the team may be an additional indicator of human resource availability along with the number of people. This result indicates that the issue of GAM team size is more complex than predicted. The implication is a need for the development of more detailed scales and a more thorough investigation into related concepts such as time dedication or the number of full-time and part-time members.

Five of the remaining six dimensions – roles and goals, customer coverage, empowerment, skills and leadership – loaded very well on the design domain and, as demonstrated by their effect sizes, have a strong influence on team processes and hence indirectly on team performance. The implication is that building high-performance GAM teams starts with a clear specification of their objectives in relation to the customer and to the overall corporate goals and delineation of the roles and responsibilities that team members are expected to fulfill. This is important because GAM team members often have other responsibilities in addition to their involvement with global customers. Furthermore, the composition of the team should be given sufficient attention in order to identify individuals with adequate skills who are capable of developing relationships and navigating the interface between two global organizations. Team performance may be further enhanced if these arrangements are accompanied by a leader with a strong presence and influence in the organization and the provision of sufficient resources and authority to the team.
These findings are largely consistent with organizational behavior literature. However, a contribution of this study is the identification of specific skills required for GAM team members. Support was found for seven out of the nine initial skills indicators and the results showed that adequate skills is the design dimension with the strongest impact on team processes. These results extend previous research in GAM that has identified critical account manager skills but has not tested the skills-performance relationship empirically (Harvey et al., 2003a; Millman, 1996).

Another novel dimension identified in this study is customer coverage. Following the purification of the team structure construct, customer coverage emerged as the most relevant aspect of team structure. This result is not surprising because the key role of a GAM team is to provide the required services and support to its global customer, which demands an appropriate cross-geographical, cross-functional and cross-divisional representation on the team. Although some GAM studies have referred to the need for a structural fit with the customer (Shi et al., 2004) and team selling literature has discussed ways to achieve better alignment between buying and selling teams (Puri and Korgaonkar, 1991), no aspect similar to customer coverage within a GAM team context has been studied from an empirical perspective before. Therefore, the identification of a link between this factor and team process and performance is an important extension of existing research in GAM and team selling.

Finally, one key design dimension – heterogeneity in terms of experience and expertise – did not yield unequivocal results, and therefore, needs further clarification. The results of the literature review and the qualitative research indicated that expertise diversity is desirable in teams with complex and uncertain tasks because it enhances creativity and facilitates problem-solving. Consequently, it was predicted that the variety in backgrounds and skills will facilitate the work of the GAM team. The empirical results showed that this factor indeed had a significant and positive loading on team design, and hence a positive effect on team processes, but these effects were relatively small in size. Furthermore, the comparison of the three performance groups did not detect substantial differences in this aspect. Thus, these findings provided support for the positive consequences of expertise heterogeneity in dynamic and
demanding environments and yet raised questions about its predictive power and importance relative to the other design elements.

A number of arguments can explain these moderate results. First, as already discussed in Section 3.2.1 in a GAM context various types of diversity are often a given because of the multicultural and multifunctional nature of GAM teams. The expertise heterogeneity variable (M = 3.86, SD = .61) provided some evidence of this; it had one of the highest mean scores and one of the lowest standard deviations of all variables, implying that a high degree of expertise diversity was present in all studied teams. The low variance among teams might explain the low predictive power of this variable and the heightened relative importance of other factors such as communication skills, leadership and empowerment. Second, a potential explanation can be the existence of negative consequences that outweigh the benefits of expertise diversity but are not captured in the model, or any alternative relations also not reflected in the model. Most types of heterogeneity are complex phenomena that may have contradictory effects depending on the contextual moderators and the types of processes studied (Milliken and Martins, 1996; Pelled et al., 1999). Although an attempt was made to maximize precision by focusing on the most relevant type of diversity, delving into its multidimensional consequences was outside the scope of this exploratory study. The objective was to create a holistic model of GAM team performance determinants rather than focus on specific elements so this result is satisfactory. In general, the results provided evidence for the conceptualization of these six characteristics as the key elements of GAM team design.

6.2 Key findings: How does GAM team design influence team performance?

This second research question sought to analyze if there is a relationship between team design and performance and to investigate the mechanisms through which they are linked. To that end, three hypotheses were formulated. Hypothesis 1 stated that team design will have a positive influence on team processes. Hypothesis 3 and 4 posited
that team processes will have a positive influence on team relational performance and on team financial performance.

The first key finding is that team design has an indirect link to performance mediated by team processes. The test of the structural path model provided support for Hypothesis 1 and did not indicate a significant direct relationship between design and performance. This result is in line with studies that call for opening the “black box” of team interactions (Lawrence, 1997) as a way to explain how demographic characteristics influence outcomes. By including team processes in the model, this study managed to avoid the pitfall of earlier research that has omitted this vital link, and therefore, failed to reach conclusive results (e.g. Campion et al., 1993; Cohen et al., 1996). The implication is that decisions in relation to a team’s structure and composition should be based on a careful assessment of their potential consequences on the way team members interact within the team and with their environment.

An important related finding is the identification of three distinct GAM team processes. The empirical results reported that communication and collaboration, conflict management, and proactiveness are all useful predictors of team performance. Whereas communication and collaboration (Ancona and Caldwell, 1992a; Bunderson and Sutcliffe, 2002) and conflict (Amason, 1996; Jehn, 1995) have been more extensively researched in the context of organizational groups, proactiveness is a less understood concept. In GAM teams, however, proactiveness had the strongest influence on performance, as indicated by its effect size and the largest mean difference across the three performance groups. Thus, this study makes a contribution by providing further evidence for its relevance and identifying its relation to structural elements and performance outcomes on the team level.

A novel result is that the findings failed to draw an explicit delineation line between internal and external communication and collaboration. Although the distinction between internal and external team activity has traditionally been accepted as a norm in group research, this research brought some new insights. All communication and collaboration indicators formed a single factor including both internal and external aspects. This can be explained by the blurred GAM team boundaries and the need for
team members to build multilateral relationships in a complex network within the supplier and the customer organization. Therefore, it is often difficult, and not necessary, to determine what part of the ongoing information exchange and collaboration efforts take place among team members and what part may be defined as external. The implications are primarily theoretical. They suggest that the examination of teams with less structured boundaries and more complex interactions with the environment may require a modified multidimensional definition of communication and collaboration that accounts for the differences from more conventional and isolated teams.

The second key finding concerns the relationship between team processes and performance. This study identified two distinct types of team performance – relational and financial, whereby relational performance refers to the development of long-term customer relationships and outcomes such as customer satisfaction, customer value and learning from the customer, and financial performance involves sales growth, profitability and growth in the share of the customer’s wallet. Team processes related significantly to the relational performance criteria, providing support for Hypothesis 3. However, the direct link to financial performance (Hypothesis 4) was confirmed only when no link between the two types of performance was assumed. When the influence of relational on financial performance is introduced (Hypothesis 5), Hypothesis 4 is no longer substantiated. This result suggests that relational performance is only an intermediate outcome that ultimately enhances financial results.

Hypothesis 4 was formulated on the basis of prior studies that have found a direct influence of GAM processes such as communication and coordination on financial measures of profitability and sales growth (Birkinshaw et al., 2001; Shi et al., 2005). Therefore, the findings of this dissertation are a valuable contribution that provides one missing link in prior research in this area. It was outside the scope of this exploratory inquiry to investigate each performance element separately. However, in light of individual influences of the relational performance components such as customer satisfaction and customer value, it is not surprising that relational performance plays a mediating role between processes and financial results.
This finding has also implications for organizational behavior research. The majority of studies in this research stream distinguish between performance outcomes such as goal achievement, productivity or other relevant criteria and attitudinal outcomes in terms of team satisfaction, commitment and trust. However, these two performance groups are usually treated as ultimate outcomes of effective teamwork with no explicit interrelation. The findings in this study imply that the relationship between the two may require a more close consideration.

6.3 Key findings: What other factors have an influence on GAM team performance?

The third research question helped to investigate if there are additional factors from the team’s environment that influence team performance. The literature review and the interview research led to the discovery of three such factors – top management support, rewards and incentives, and training. The empirical results indicated that these factors explain a large portion of the variance in environmental factors (73%) and therefore capture well the influence of the organizational context. The implication is that the development of high-performance GAM teams is unlikely to succeed if it is not accompanied by genuine support from senior managers as well as proper incentives that encourage contributions to the team and stimulate global thinking throughout the organization. Furthermore, building well-functioning teams requires that team members are offered well-rounded training opportunities to develop the relevant selling, interpersonal and technical skills.

In contrast to prior studies that have posited a direct path of influence from organizational context to team processes (e.g., Hackman, 1987), I did not find support for such a link. However, organizational context proved to be a significant predictor of team design, which represents a worthwhile contribution to the team literature where this relationship has not been widely recognized. An examination of each of the three context dimensions may help uncover an explanation for this finding. Top management support was predicted to influence team processes by helping the team in
its work with the customer, and more importantly, by creating a more cooperative and
customer-oriented organizational environment. However, some other aspects of top
management activities, which have possibly been overlooked, may explain the link to
team design. For example, in some cases senior management support may take the
form of involvement in the goal and role setting process or in the appointment of a
team leader and members, thus influencing all team composition elements. In addition,
top management support can be a direct predictor of team empowerment (Kirkman and
Rosen, 1999). Similarly, the indirect relationship between training and processes can
be explained by the mediating role of skills. The only aspect in which the context-
design link remains hard to explain is rewards and incentives. Clearly, the reward and
compensation practices are related to behavioral and attitudinal outcomes such as the
efforts applied to the team tasks and the degree of collaboration (Hackman, 1987),
which belong in the process domain rather than the design area. This suggests that the
results may have been primarily driven by the effects of top management support and
training or that there are other aspects that remain implicit in this study. In any case,
these findings prompt further investigation of the specific elements of the context
domain.

6.4 Contributions to theory

The major contribution of the study is the development and empirical validation of an
integrative model that sheds light on the performance determinants of a relatively new
and underresearched phenomenon – GAM teams. The novel approach lies in the
combination of concepts from the account management and organizational behavior
research streams. To my knowledge, this is the first study to conduct such an
interdisciplinary research. Thus, it makes contributions to both of these academic
areas.

First, the focus was on the team level which has not been sufficiently investigated
within the GAM or customer management literature. Second, the detailed delineation
of domains of team functioning with their specific dimensions extends prior research
on the GAM team that has addressed only the fundamental organizational decisions (Kempeners and van der Hart, 1999). The introduction of concepts from research on organizational groups and cross-functional teams broadened the understanding of GAM teamwork by taking a step further from purely structural issues. Thus, a more complete set of performance determinants including a number of processual and behavioral aspects were identified. Moreover, I suggested and inspected variables that have never been empirically tested in a GAM context, such as empowerment, leadership, conflict management and training.

Third, this study makes a contribution to the organizational behavior field by identifying factors that gain increased importance in teams with more complex and dynamic structures, tasks and environments. For example, constructs such as proactiveness, top management support, skills and rewards have not been broadly emphasized or have produced inconclusive results in studies of teams with more structured and stable settings. However, they received a strong confirmation in this study implying a distinctive set of individual, team and organizational capabilities that can be generalizable to teams of similarly dynamic nature.

Fourth, I examined a number of alternative relationships among all domains and detected important intermediating influences. Thus, the analysis provided a more realistic and informative picture of the existing interrelations than the approach of directly linking input variables to outcomes. This led to some novel findings such as the intermediate role of relational performance.

Fifth, a key strength is the empirical validation of the model with a relatively large data sample from truly global companies. Following the solid grounding in literature and exploratory interview research, the model was tested in six companies where GAM teams represent a core element of global customer operations. The results indicated that it reflects well the realities of such teams.
6.5 Managerial implications

From a managerial viewpoint, this study highlights, in the first place, the importance of adopting a holistic approach to the composition and management of GAM teams. As the results point out, all team characteristics as well as the context in which the teams work have important performance implications. Consequently, neglecting some or all of these issues will represent a key barrier to team effectiveness and to the overall GAM operations of the supplier.

More importantly, I developed a comprehensive model that can guide companies in their implementation of customer teams and GAM programs and help them improve their global customer relationships. First, the model has a practical value because of its focus on dimensions that management can influence. Many of the design elements are directly within the control of the senior managers responsible for global sales and teams. The context and process attributes may be less directly controllable but management can influence them through encouragement, reinforcement and internal negotiation. Although the degree of control may vary, all of these characteristics offer a valuable direction for management in learning how to build and manage high-performance GAM teams. Thus, even if some of these parameters cannot be changed in the short term, they represent a useful foundation for creating a clear vision and strategies for the longer run.

Second, the complete set of 12 team characteristics and their corresponding 42 questionnaire items (after scale optimization) along with the 9 performance indicators can be used as a practical tool for designing new GAM teams or enhancing the effectiveness of existing ones. With due consideration of the limitations of the research, this set can be converted into a checklist for optimizing GAM team performance and assist companies in assessing current performance, mapping out areas for improvement, developing courses of action and tracking the progress along each dimension.
Third, the tested linkages among the variables illustrate the mechanisms through which different aspects of GAM teamwork are interrelated. This can help managers better understand and foresee the potential consequences of their actions in each domain.

Fourth, the model has practical implication for human resource (HR) practices. Many of the team dimensions (e.g., skills, training, leadership, rewards) relate to HR activities performed by line managers or HR managers. Thus, by calling attention to the need for appropriate GAM team-related recruitment, training and compensation practices at various levels in the organization, the model might enhance awareness of this aspect and help to embed a global market-oriented approach in the organization.

More specifically, managers can take several key points from this study and implement them immediately to create new teams or optimize the performance of existing ones:

**Situation analysis**

In the first place, the findings indicate that it is important to understand very well all factors underlying team performance. All observable behaviors and results are determined by factors that are more subtle and difficult to control. Therefore, GAM team improvements should start with a profound analysis of the current situation along the groups of factors in the design and context domains. Managers need to assess where potential blockages or outright problems lie and address them in the most efficient manner. This study assists them in this process by providing a framework and diagnostic questions to conduct this assessment.

**Holistic approach**

A common mistake in the implementation of teams is to focus resources and efforts primarily on the team design and neglect the larger setting in which it works. As the results show, the team cannot be isolated from the rest of the organization and the creation of an environment that fosters GAM cooperation and supports teamwork is a critical success factor. Managers should, therefore, take a more comprehensive view and try to understand what factors from the internal and external team environment are
important in their companies. The three factors that they can more easily influence, and hence, should concentrate on are top management support, rewards and incentives, and training. By continuously seeking support from and involving top management, managers responsible for GAM can benefit from increasing support in the organization and leverage with the customer. On the other hand, developing appropriate incentive plans and training schemes looks rather inside the team and ensures that team members are, first, more capable of fulfilling their goals and, second, more motivated to overcome hurdles and excel in their jobs.

Quick wins

The results indicated that five factors – adequate skills, goal and role definition, empowerment, top management support, rewards and incentives – have a stronger impact on the way teams work and perform than others. These are the areas which could lead to larger performance improvements, and therefore, should be the main focal point for managers who seek to achieve such “quick wins” or to start implementation/optimization programs with only a few key elements before rolling them out to all elements. The implication is that one of the starting points for building and improving GAM teams is the question “Do we have the right people for this job?” Team members’ skills are a crucial factor implying that the recruitment and training of account managers should be done with great care. Simply promoting sales people into global account managers is unlikely to succeed if they do not possess a broader skill set including managerial skills, strategic thinking and ability to work in a multidisciplinary way and multicultural surroundings. As discussed above, stringent selection and hiring processes should be also accompanied by well-designed compensation systems and appropriate training to develop the required selling, team working and technical skills.

Similarly, the results suggest that managers could achieve larger performance improvements by optimizing the teams’ goal and role structure. Many teams operate in settings where individual, team and company goals contradict with each other and
expectations about members’ roles and responsibilities are unclear. Changing such established organizational arrangements could be one of the most difficult managerial tasks but it is an absolute prerequisite for creating a functioning and collaborative team. Setting the right objectives and role expectations could relatively quickly improve results by increasing the level of motivation, efforts and time dedicated to the team.

Finally, among the top critical areas that should be tackled first are team empowerment and top management support. Providing GAM teams with sufficient resources, decision-making power and support from senior management means that they would be able to make fast and efficient decisions and take courses of action that are in the best interest of the customer but may be unpopular or face opposition within the supplier organization. As a result, teams will experience fewer conflicts and higher levels of collaboration and proactive behavior. As the experience of the interviewed companies shows, these two factors may be also difficult to implement but in all cases the payoff could be significant. The key instrument for managers to achieve this is what interviewees defined as internal selling, i.e. continuous communication with top management and other key people in the organization to clearly demonstrate the benefits of empowered GAM teams and highlight specific success stories of the teams that contributed to the success of the entire company.

6.6 Limitations and suggestions for further research

Potential limitations of the dissertation can be outlined from both a methodological and conceptual point of view. First, the quantitative research was conducted in six companies. The small number of study companies has been consistently justified in previous team studies and larger samples have hardly ever been used in this type of research. Moreover, the companies were carefully selected to be representative of the population of multinational companies that use global or international customer teams. Nevertheless, it must be recognized that this approach may raise some generalizability issues. To confirm the generalizability of the model to other settings, future studies
may build on this initial research through replication and extension, which are effective methods for research enhancement (Easley and Madden, 2000).

Another limitation is the use of subjective performance ratings. This approach was justified by the lack of objective measures in some of the study companies as well as the unwillingness of others to share them. Further research, however, should seek to test the effect of the identified independent variables on objective measures like actual sales growth, profitability, share of wallet or customer satisfaction ratings obtained in customer surveys. For the measures which are rather subjective by nature (e.g., relationship building, customer value, learning and competitive position), a more unbiased rating can be obtained through managerial or customer assessments of these indicators. To ensure independence, these ratings should be collected separately from the assessments of team members who complete the questionnaire.

Finally, a worthwhile extension from a methodological perspective could be obtain also data from the customer. Although some dimensions may be less visible and difficult to evaluate from the customer side, testing the model with a sample of members from the customers' buying teams who work with the GAM teams could add some insights.

From a conceptual point of view, the exploratory nature of the study did not provide for a really profound exploration of each variable. The goal was to develop a broad framework of performance determinants and gain understanding of the key paths of influence. Therefore, future studies may identify the individual antecedents and consequences of each team characteristic. This could help to better explain the unpredicted results like the influence of organizational context on team design or the low predictive power of team size and heterogeneity. Furthermore, additional research could build on the model to identify other dimensions and measure their performance outcomes, or study the effects of other facilitating or moderating conditions.

Finally, another interesting avenue for further research is to conduct a multi-level analysis to better understand the individual-, group- and organization-level variables that impact team performance. This will require a slightly different approach to
sampling and variable conceptualization to ensure that variables are correctly defined at the corresponding hierarchical levels (Hox, 2002).

6.7 Concluding remarks

Designing and implementing global account management teams represents a critical task for suppliers that are expanding the scope of their relationships with global customers. However, to date, research had not provided an explanation of how these teams should be built and what determines their performance. The objective of this study was to fill this research gap by identifying key critical success factors and linking them in a holistic model. I hope that the findings shed some light on these interesting issues and have a practical value for companies that strive for improving their strategic customer relationships. Finally, I hope that this study spurs future research that will further enhance our understanding in this emerging field of inquiry.
Bibliography


## Appendix A: Account Management Literature

### Global Account Management

<table>
<thead>
<tr>
<th>Authors</th>
<th>Focus</th>
<th>Method and Sample</th>
<th>Findings</th>
<th>Contributions</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millman (1996)</td>
<td>Organization, systems integration, role of the global account manager, implementation</td>
<td>Descriptive, case studies</td>
<td>• GAM role requirements for successful systems selling include coordination, key account planning, external and internal relationship management, sales and profit responsibility, negotiation, multicultural teamwork.</td>
<td>One of the first articles to study various GAM aspects</td>
<td></td>
</tr>
<tr>
<td>Yip and Madsen (1996)</td>
<td>Globalization, global strategy of GAM</td>
<td>Case studies</td>
<td>• The use and performance effects of GAM are contingent on industry- and firm-specific factors.</td>
<td>Develops a framework linking globalization drivers and need for GAM with organization response, strategy, and implementation</td>
<td>Mainly qualitative and descriptive.</td>
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| Arnold, Birkinshaw, and Toulan (1999) | Organization and coordination of activities                           | Exploratory field research, 50+ interviews with executives from 15 companies in Europe and North America | • GAM structures are costly to implement.  
• Main obstacles: difficulties to align local and global organizations, GAM as a process develops faster than GAM as a form. GAM structures are mainly experimental and subject to re-design. | Suggests an agenda for implementing GAM structures, addressing three levels of issues: strategic, organizational, and marketing. | Qualitative research with a relatively small sample size.                                                                                                     |
| Montgomery, Yip, and Villalonga (1998a, 1998b); Montgomery and Yip (1999, 2000) | Drivers of GAM, managers, information, performance                      | Survey responses of 191 executives from 165 companies from four sources: mail survey and three convenience samples from executive education programs | • Significant relationship between customer globalization and demand for GAM.  
• Demand for GAM is increasing, and suppliers will make greater use of it in the future.  
• Global prices not the most demanded aspect; rather, consistency in service is.  
• The greater the customer demand, the greater its use by the supplier.  
• Suppliers provide a lagged response to GAM demand.  
• The most used tools of GAM are account managers and support teams.  
• The better the response to demand, the greater its effect on supplier performance. | First empirical measures and tests of GAM.  
Provides evidence of performance improvements.  
Tests the framework of Yip and Madsen (1996) and develops a model of GAM linking customers’ demand for GAM and suppliers’ responses. | Possible biases due to the choice of samples.                                                                                                               |
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<tr>
<th>Authors</th>
<th>Focus</th>
<th>Method and Sample</th>
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<tr>
<td>Senn (1999)</td>
<td>GAM implementation process</td>
<td>Framework development: survey of 87 Swiss business-to-business companies, 10 implementation projects. First test: survey responses from 18 managers of a Swiss manufacturing company.</td>
<td>• GAM implementation passes through three steps each including three key decisions: defining goals (business partners, products and services, people), aligning business processes (relationship management, task management, management structures), and installing learning processes (learning processes, success measurement, information management).</td>
<td>Combines two perspectives of GAM, the working levels and the working process, to create a dynamic and holistic framework for GAM implementation.</td>
<td>Development of the framework is at an early stage. Further possibilities to test and validate it.</td>
</tr>
<tr>
<td>Senn and Arnold (1999)</td>
<td>GAM implementation process</td>
<td>Survey responses from 200 managers in 6 companies; interviews and focus groups</td>
<td>• Customer satisfaction is positively related to nine fields on three levels (strategic, operational, and tactical).</td>
<td>Empirically tests and validates a model that allows taking an integrated approach to GAM implementation covering three process levels of importance.</td>
<td></td>
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<tr>
<td>Wilson (1999)</td>
<td>GAM program introduction, capability development, sustaining the effort</td>
<td>Panel presentation including short case studies of five companies.</td>
<td>• Identifies problems of initiating GAM program.</td>
<td>Describes best practices. Relates customer selection criteria to the stages of GAM development.</td>
<td>Studies a small number of companies. Relatively inconclusive findings that do not allow for generalizations.</td>
</tr>
<tr>
<td>Wilson, Croom, Millman, and Weilbaker (2000)</td>
<td>Global account selection, GAM competencies, strategic approaches to GAM, barriers to implementation</td>
<td>159 responses from a quantitative postal survey, 21 in-depth structured interviews, structured workshops, secondary data analysis, 5 longitudinal case studies</td>
<td>• Identifies problems of initiating GAM program.</td>
<td>Analyzes a broad range of issues. Provides a framework for analyzing the role of the global account manager.</td>
<td>Descriptive research, lack of more advanced quantitative support.</td>
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<td>Authors</td>
<td>Focus</td>
<td>Method and Sample</td>
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| Arnold, Belz, and Senn (2001)               | GAM knowledge management           | Exploratory, 4 case studies based on workshops and 70 interviews                 | • GAM drives knowledge transfers.  
• Knowledge management is partly developed. Main obstacles: insufficient use of common IT platforms worldwide, marketing information systems, and marketing know-how. | Guidelines for implementing the three knowledge processes: generation, dissemination, responsiveness.                                      | Small sample of companies.                                                   |
| Arnold, Birkinshaw, and Toulan (2001)       | Strategy and implementation of GAM; customer assessment. | Stage I: face-to-face interviews with 35 managers in 10 companies,  
Stage II: Survey responses from 107 global account managers, 55 national sales managers, and 10 executives in 16 companies. | • GAM leads to centralization of activities and downward pressure on prices and has no significant impact on sales growth.  
• It is important to clarify the role of the GAM team, introduce a realistic incentive structure, pick the right GAM, create a strong support network, and build customer relationships on more than one level. | • A model to assess balance of power and appropriate type of relationship.  
• Five lessons for GAM implementation success. | Does not provide complete research methodology and results. |
| Birkinshaw, Toulan, and Arnold (2001)        | Factors determining account performance | Survey responses from 106 global account managers from 16 companies.              | • Efficiency and sales growth predicted by both information-processing and resource-dependency variables (scope of account, support systems, communication, account centralization, customer dependence).  
• Partnership with customer is predicted by customer dependence and control variables (experience of account manager and firm dummy variables). | Takes a new approach to GAM by linking it to two organization theories—information processing and resource dependency. | All data collected from the same source (common-method bias). Only 16 companies; risk that responses are not independent. |
| Montgomery, Yip, and Villalonga (2001, 2002) | Demand and supply of GAM           | Survey responses of 191 executives from 165 companies from four sources: mail survey and three convenience samples from executive education programs | • Supplier’s industry globalization drivers determine customer’s degree of global purchasing.  
• Supplier’s industry globalization drivers determine customer demand for GAM.  
• Significant relationship between customer’s degree of global purchasing and demand for GAM.  
• The greater the customer demand, the greater the use by the supplier.  
• The better the response to demand, the greater the effect on supplier performance. | Adds to earlier frameworks. Provides quantitative evidence for performance improvements. | Possible biases due to the choice of samples. Use of the same data as previous studies. |
<table>
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<tr>
<th>Authors</th>
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<th>Method and Sample</th>
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</thead>
<tbody>
<tr>
<td>Birkinshaw and Terjesen (2002)</td>
<td>Organization design/structure</td>
<td>Case studies</td>
<td>• Customer-focused organizational structures are competing with and replacing traditional structures such as product division, area division, or product-area matrix.</td>
<td>An overview of the various types of customer-focused structures with their pros and cons.</td>
<td>Insufficient empirical support.</td>
</tr>
<tr>
<td>Homburg, Workman, and Jensen (2002)</td>
<td>Activities, managers, resources, structure</td>
<td>Numerical taxonomy based on survey responses from 264 German firms and 121 U.S. firms</td>
<td>• The main KAM dimensions are activities, actors, resources, and approach formalization.</td>
<td>• Consolidates previous research using a configurational perspective.</td>
<td>Static single-informant research design, which focuses on only one side of the seller–buyer dyad.</td>
</tr>
<tr>
<td>Toulan, Birkinshaw, and Arnold (2002)</td>
<td>Customer–supplier match</td>
<td>Survey responses from 106 global account managers from 16 companies.</td>
<td>• Efficiency and sales growth are predicted by strategic importance, activity configuration, and executive support fit.</td>
<td>Applies concepts that have not been studied in relation to GAM before.</td>
<td>Does not consider the customer perspective. Analyzes a limited number of fit aspects.</td>
</tr>
<tr>
<td>Harvey, Myers, and Novicevic (2003a)</td>
<td>GAM relationships</td>
<td>Conceptual</td>
<td>• Uses relational contracting theory to study the rationale and challenges of developing GAM relationships.</td>
<td>Develops a step-by-step GAM implementation plan.</td>
<td>Entirely literature based.</td>
</tr>
<tr>
<td>Harvey, Novicevic, Hench, and Myers (2003b)</td>
<td>Supply managers’ role adaptations/variations</td>
<td>Conceptual, theory-based</td>
<td>• The supply manager’s role is changing due to the demands of global customers.</td>
<td>First study to use relational contracting theory and the knowledge-based view in relation to GAM.</td>
<td>Entirely literature based.</td>
</tr>
<tr>
<td>Authors</td>
<td>Focus</td>
<td>Method and Sample</td>
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</table>
| Wilson and Millman (2003)    | Global account manager role  | Literature-based                                       | • Depending on the degree of the global account manager’s identification with the account and employer, there are four GAM roles: self-server, renegade, partisan, and arbiter.  
• The degree to which the GAM exercises political and entrepreneurial skills depends on the levels of organizational complexity and cultural diversity and the degree of organizational interdependence and integration. | Builds on the political entrepreneur model of Wilson et al. (2000) and relates different GAM roles to the Relationship Development Model of Millman and Wilson (1994). | Conceptual with limited empirical support.                                                                                                             |
| Workman, Homburg, and Jensen (2003) | Activities, managers, resources, structure | Survey responses from 264 German firms and 121 U.S. firms | • Intensity and proactiveness of KAM activities, top management involvement, and resources are positively related to KAM effectiveness.  
• KAM effectiveness is positively related to performance in market, which affects profitability.  
• KAM approach formalization is negatively related to KAM effectiveness.  
• Performance effects are moderated by market dynamism and competitive intensity. | • Develops a model that links specific capabilities to performance.  
• Tested empirically. | • Possible biases due to cross-sectional design with a single informant.  
• Interactions between constructs and moderators are not considered. |
| Shi, Zou, and Cavusgil (2004) | GAM capabilities             | Conceptual                                            | • Collaboration orientation, GAM strategic fit, and GAM configuration have positive effects on the dyadic competitive advantage and the joint profit performance.  
• Goal congruence and complementary resources have a positive effect on collaboration orientation, GAM strategic fit, and GAM configuration. | • Builds on earlier research to develop a broader model of GAM capabilities and performance.  
• Includes both sides of the buyer–seller dyad and their joint performance. | Conceptual, not tested empirically.                                                                                                                   |
## National and Key Account Management

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<thead>
<tr>
<th>Authors</th>
<th>Focus</th>
<th>Method and Sample</th>
<th>Findings</th>
<th>Contributions</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stevenson (1981)</td>
<td>Benefits of NAM</td>
<td>Interviews with 34 executives in 33 companies</td>
<td>The main benefits of introducing national account management are increased share of sales, improved profitability, and improved two-way buyer–seller communication. Additional advantages include maintaining position at the account, participating in presumed growth at the account, and improved new product acceptance.</td>
<td>Finds evidence of positive performance effects.</td>
<td></td>
</tr>
<tr>
<td>Shapiro and Moriarty (1984)</td>
<td>NAM structures</td>
<td>Field research of 19 companies</td>
<td>The major organizational options are no NAM program, part-time program, full-time program at operating unit level, corporate-level program, and national account division. However, there is no perfect solution, and the most appropriate structure depends on the environment. Related issues are the amount of support by the sales force, the integration of sales-related functions, location and role of staff specialists, career paths, power, and authority.</td>
<td>Very detailed analysis of structural alternatives with their advantages and disadvantages.</td>
<td>Mostly conceptual.</td>
</tr>
<tr>
<td>Colletti and Tubridy (1987)</td>
<td>Program structure, the account manager, measurement</td>
<td>Survey of 105 NAMA member companies</td>
<td>Identifies the most common patterns in organization structure and job definition, time allocation, account manager skills required, compensation, and measurement arrangements.</td>
<td>Provides an overview of the account manager role supported by empirical results.</td>
<td>Based on responses only from NAMA members.</td>
</tr>
<tr>
<td>Wotruba and Castleberry (1993)</td>
<td>NAM manager</td>
<td>107 survey responses from NAMA members</td>
<td>Most firms conduct formal job analysis and recruit NAMs from within their own firm. Performance of NAMs is affected by length of tenure, age of program, and time devoted to key accounts. The key accountization process is a result of adaptation to various actors. The key account relationship develops over time going through four phases: naivety, awareness, consolidation, and fine-tuning.</td>
<td>Detailed analysis of all aspects of NAM HR practices.</td>
<td>Service and consumer goods companies underrepresented in the sample.</td>
</tr>
<tr>
<td>Pardo, Salle, and Spencer (1995)</td>
<td>Key account adaptation process</td>
<td>Case study of a telecom company, including 10 interviews</td>
<td>Combines elements of the Interaction Model (Hakansson, 1982) and the network approach to explain the evolution of KAM relationships over time.</td>
<td></td>
<td>Single case study.</td>
</tr>
<tr>
<td>Authors</td>
<td>Focus</td>
<td>Method and Sample</td>
<td>Findings</td>
<td>Contributions</td>
<td>Limitations</td>
</tr>
<tr>
<td>-------------------------------</td>
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<td>---------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>Lambe and Spekman (1997)</td>
<td>NAM alliances</td>
<td>Survey responses from 118 managers, mostly U.S. based</td>
<td>• Classifies NAM relationships on basis of degree of collaboration.</td>
<td>First study to compare NAM collaboration with other forms of relationships and draw implications.</td>
<td>Exploratory study, further empirical work is needed.</td>
</tr>
<tr>
<td>McDonald, Millman, and Rogers (1997)</td>
<td>KAM relationships and process, challenges</td>
<td>In-depth interviews with 11 customer–supplier dyads</td>
<td>• The most common customer selection criteria are volume-related factors, potential for profit, and status-related factors.</td>
<td>Provides some support for the Relationship Development Model of Millman and Wilson (1994).</td>
<td>One of the few studies to address both the customer and supplier sides of the relationship.</td>
</tr>
<tr>
<td>Napolitano (1997)</td>
<td>Evolution of KAM relations, KAM strategy</td>
<td>NAMA survey among Fortune 1000 companies, sample not specified</td>
<td>• The number of NAM programs and managers tripled in the period 1992–1996.</td>
<td>Provides evidence for the increasing importance of NAM.</td>
<td>Sample and method not disclosed.</td>
</tr>
<tr>
<td>Pardo (1997)</td>
<td>Customer perception</td>
<td>20 interviews with key accounts of electricity and telephone companies</td>
<td>• Key accounts perceive KAM in three ways according to the added value: disenchantment, interest, and enthusiasm.</td>
<td>One of the few studies to focus entirely on the customer perspective.</td>
<td>Exploratory study, further empirical work is needed.</td>
</tr>
<tr>
<td>Authors</td>
<td>Focus</td>
<td>Method and Sample</td>
<td>Findings</td>
<td>Contributions</td>
<td>Limitations</td>
</tr>
<tr>
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<td>---------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
</tbody>
</table>
| Sengupta, Krapfel, and Pusateri (1997) | Switching costs             | Survey of 176 NAMA member companies      | - The greater the adaptation undertaken by the selling firm, the incentives offered by the selling firm, and the customer’s relationship-specific investment, the greater the customer switching costs.  
- The greater the customer switching costs, the higher the objective and subjective performance of the key account manager. | Demonstrates the importance of customer switching costs in KAM relationships.                      | Sample covers only one supplier industry and one respondent per company.  

| Sharma (1997)                   | Buying behavior              | 109 telephone questionnaires of buyers of telephone equipment | - Customers’ preference for KAM programs depends on levels involved in purchasing, functions involved in purchasing, and time taken for purchasing. | Provides implications for key account selection.                                                | Sample covers only one supplier industry and one respondent per company.  

| Weeks and Stevens (1997)        | NAM training, NAM skills/abilities | Survey of 133 NAMA member companies | - NAMs are not satisfied with NAM sales training programs.  
- Companies are not adequate in addressing 13 out of 21 skills/abilities required for the NAM role. | A focused investigation of NAM training needs.                                                   | Extensive literature review.  

| Weilbaker and Weeks (1997)      | Evolution of KAM process      | Content analysis of existing literature  | - The evolution of the national account management process closely resembles the product life cycle and/or the adoption curve. |                                                                                                  | Extensive literature review.  

| Dishman and Nitse (1998)        | Characteristics of national accounts | 27 interviews with NAMA members | - Provides descriptives of the number and size of key accounts and sales force in the studied companies.  
- The most common organization model is multinational accounts serviced by single-tiered sales force. | Identifies some significant differences to previous research.                                  | Exploratory study.  

| Kempeners and van der Hart (1999) | Account management structures | Seven case studies of different companies | - Designing KAM programs requires 15 decisions in the areas of positioning of KAM program, positioning of account managers, levels of account managers, and organization of account teams. | Builds on Shapiro and Moriarty (1984) to create a decision-making model for developing KAM structures. | Exploratory study.  

| Millman and Wilson (1999a)       | KAM processes                | Conceptual, based on sources such as formal research projects, studying buyer/seller dyads, industry surveys, and observations from workshops and consulting projects | - The KAM process is unlikely to succeed without senior management involvement.  
- Traditional views on buyer/seller relationships and cultural barriers must be replaced.  
- The process involves “total” supply chain management.  
- The process must facilitate “real” involvement with the customer. | Identifies and analyzes eight key KAM process elements.                                     | Unclear data sources.  

| Weilbaker (1999)                 | Evolution of KAM process      | Content analysis of existing literature  | - The evolution of the national account management process closely resembles the product life cycle and/or the adoption curve. |                                                                                                  | Extensive literature review.  

| Millman and Wilson (1999a)       | KAM processes                | Conceptual, based on sources such as formal research projects, studying buyer/seller dyads, industry surveys, and observations from workshops and consulting projects | - The KAM process is unlikely to succeed without senior management involvement.  
- Traditional views on buyer/seller relationships and cultural barriers must be replaced.  
- The process involves “total” supply chain management.  
- The process must facilitate “real” involvement with the customer. | Identifies and analyzes eight key KAM process elements.                                     | Unclear data sources.  

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Appendix B: Organizational Team Models


INPUTS

GROUP LEVEL
- GROUP COMPOSITION
  - Adequate Skills
  - Heterogeneity
  - Organization Tenure
  - Job Tenure
- GROUP STRUCTURE
  - Role & Goal Clarity
  - Specific Work Norms
  - Task Control
  - Size
  - Formal Leadership

ORGANIZATIONAL LEVEL
- RESOURCES AVAILABLE
  - Training & Technical Consultation
  - Markets Served
- ORGANIZATIONAL STRUCTURE
  - Reward for Group Performance
  - Supervisory Control

PROCESS

GROUP TASK
- Task Complexity
- Environmental Uncertainty
- Interdependence

GROUP PROCESS
- Open Communication
- Supportiveness
- Conflict
- Discussion of Strategy
- Weighting Individual Inputs
- Boundary Management

GROUP EFFECTIVENESS
- Performance Satisfaction

OUTPUTS

MATERIAL RESOURCES
- Sufficiency of material resources required to accomplish the task well and on time

GROUP EFFECTIVENESS
- Task output acceptable to those who receive or review it
- Capability of members to work together in future is maintained or strengthened
- Member’s need are more satisfied than frustrated by group experience


**INPUTS**

Group Structure
- Size
- Ability
- Personality
- Gender
- Race

Group Strategies
- Leadership
- Reward Allocation

**PROCESSES**

Influence
- Facilitation
- Social Impact
- Loafing

Development
- Identification
- Team Development

Decision Making
- Participation
- Alternative/Information Generation
- Alternative Evaluation
- Consensus Building
- Total Process

**OUTCOMES**

Group Performance
- Quantity
- Quality
- Timelines

Quality of Work Life of Group Members

Capability of Working Independently in the Future

Task Characteristics

Source: Cohen and Bailey (1997).

Task Design
- e.g. autonomy, interdependency

Group Composition
- e.g. size, tenure

Organizational Context
- e.g. Rewards, supervision

Environmental Factors
- e.g. turbulence, industry characteristics

Internal Processes
- e.g. conflict, communication

External Processes
- e.g. conflict, communication

Group Psychosocial Traits
- e.g. norms, shared mental models

Effectiveness
- Performance Outcomes
- e.g. quality, productivity
- Attitudinal Outcomes
- e.g. job satisfaction, trust
- Behavioral Outcomes
- e.g. turnover, absenteeism
Source: Campion, Medsker, and Higgs (1993).
Appendix C: Selling Team Models


Situational Dimensions → Structural and Process Dimensions → Outcome Dimensions

Source: Smith and Barclay (1993).

Source: Perry, Pearce and Sims (1999).
## Appendix D: List of Interviews

<table>
<thead>
<tr>
<th>Company</th>
<th>Name</th>
<th>Position</th>
<th>Date</th>
<th>Place</th>
<th>Industry</th>
<th>Total sales (2005)</th>
<th>Age of GAM program</th>
<th>No. of global accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss International Airlines</td>
<td>René Kamber</td>
<td>Global Key Account Manager</td>
<td>04.05.2006</td>
<td>Zurich, Switzerland</td>
<td>Airlines</td>
<td>CHF 3.6bn</td>
<td>4 years</td>
<td>34</td>
</tr>
<tr>
<td>Wacker</td>
<td>Dr. Rainer Fischer</td>
<td>Key Account Manager</td>
<td>09.05.2006</td>
<td>Munich, Germany</td>
<td>Chemicals</td>
<td>€ 2.8bn</td>
<td>9 years</td>
<td>10</td>
</tr>
<tr>
<td>Clariant</td>
<td>Mauro Bergamasco</td>
<td>Head Global Key Account Management</td>
<td>11.05.2006</td>
<td>Basel, Switzerland</td>
<td>Chemicals</td>
<td>CHF 8.2bn</td>
<td>1.5 years</td>
<td>11</td>
</tr>
<tr>
<td>SAP</td>
<td>Thomas Mollet</td>
<td>Senior Global Account Executive</td>
<td>17.05.2006</td>
<td>Regensdorf, Switzerland</td>
<td>IT</td>
<td>€ 8.5bn</td>
<td>7 years</td>
<td>50</td>
</tr>
<tr>
<td>Coca-Cola Co.</td>
<td>Robert Leechman</td>
<td>Head Global Account Management</td>
<td>25.05.2006</td>
<td>London, UK</td>
<td>Consumer goods</td>
<td>$ 23bn</td>
<td>10 years</td>
<td>30</td>
</tr>
<tr>
<td>Citigroup</td>
<td>David Bowerin</td>
<td>Head of Strategic Marketing, Global Banking</td>
<td>26.05.2006</td>
<td>London, UK</td>
<td>Financial services</td>
<td>$ 83.6bn</td>
<td>20 years</td>
<td>1700</td>
</tr>
<tr>
<td>Siemens</td>
<td>David Macaulay</td>
<td>President, Corporate Accounts Information &amp; Communications</td>
<td>09.06.2006</td>
<td>Munich, Germany</td>
<td>Diversified</td>
<td>€ 75.4bn</td>
<td>n.a.</td>
<td>30</td>
</tr>
<tr>
<td>Company</td>
<td>Name</td>
<td>Position</td>
<td>Date</td>
<td>Place</td>
<td>Industry</td>
<td>Total sales (2005)</td>
<td>Age of GAM program</td>
<td>No. of global accounts</td>
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</tr>
<tr>
<td>DHL</td>
<td>Tim Harford</td>
<td>Regional Sales Director, Global Customer Solutions</td>
<td>04.07.2006</td>
<td>Horn/ St. Gallen, Switzerland</td>
<td>Express and logistics services</td>
<td>Ca. € 25bn</td>
<td>12 years</td>
<td>100</td>
</tr>
<tr>
<td>Coca-Cola Hellenic Bottling Company</td>
<td>Dieter Kotlowski</td>
<td>Key Account Services Director</td>
<td>05.07.2006</td>
<td>Horn/ St. Gallen, Switzerland</td>
<td>Consumer goods</td>
<td>€ 4.8bn</td>
<td>n.a.</td>
<td>21</td>
</tr>
<tr>
<td>Hewlett-Packard</td>
<td>Charles Bellaiche</td>
<td>Global Services Principal</td>
<td>05.07.2006</td>
<td>Horn/ St. Gallen, Switzerland</td>
<td>IT</td>
<td>$ 86bn</td>
<td>25 years</td>
<td>100</td>
</tr>
<tr>
<td>IBM</td>
<td>Christine Lancrenon Chatelard</td>
<td>International Sales and Operations Executive, EMEA</td>
<td>06.07.2006</td>
<td>Horn/ St. Gallen, Switzerland</td>
<td>IT</td>
<td>$ 47.4bn</td>
<td>15-20 years</td>
<td>60</td>
</tr>
<tr>
<td>Henkel</td>
<td>Franz Speer</td>
<td>Director International Key Account Management</td>
<td>06.07.2006</td>
<td>Horn/ St. Gallen, Switzerland</td>
<td>Consumer goods</td>
<td>€ 10.6bn</td>
<td>8 years</td>
<td>12</td>
</tr>
<tr>
<td>Wacker</td>
<td>Dr. Peter Neumann</td>
<td>President and Key Account Manager</td>
<td>06.07.2006</td>
<td>Horn/ St. Gallen, Switzerland</td>
<td>Chemicals</td>
<td>€ 2.8bn</td>
<td>9 years</td>
<td>10</td>
</tr>
</tbody>
</table>
Appendix E: Interview Questionnaire

Interview questionnaire

Meeting with Mr./Ms. XXXX, COMPANY, XX.XX.2006

1. Global account management activities at COMPANY
Please describe briefly the current set-up of global account management at COMPANY:
• How many customers have special status as global key accounts? How many people at COMPANY are dedicated to these customers?
• What share of COMPANY’s total sales is generated by global accounts?
• How is the GAM program integrated into the organization? Is it a separate organizational unit? How dispersed is it geographically? Who has the profit-and-loss responsibility for the global account?

2. GAM team characteristics
Please describe the structure and responsibilities of a typical GAM team at COMPANY:
• How many GAM teams does COMPANY have, and what is the average number of team members?
• What are the key responsibilities of each team?
• Where are the teams positioned in the organization? To whom do they report?
• Where are the teams usually based geographically? Do team members work close to one another?
• How are the teams structured? How many hierarchical levels and functions are represented? Why?
• How diverse are the teams in terms of nationality, background and international experience? What is the significance of these characteristics?

Please describe the factors that determine the structure and composition of a team:
• What are the most important decisions to be made when a team is formed? What is COMPANY looking for in a GAM team?
• To what extent do the customer organization and customer requirements influence the design of the team? Does the team structure reflect the customer organization?
• To what extent do the existing organizational arrangements at COMPANY influence the design of the team?

3. GAM team processes
Please describe the most important aspects of teamwork and the factors that facilitate and hinder it:
• How do team members communicate with one another, and how often do they meet?
• What mechanisms do they use to coordinate work within the team and with people outside the team? Any support systems?
• How does COMPANY ensure commitment and collaboration within the teams; between the teams and other parts of the organization; between the teams and the customers?
• What are the most common types of conflicts/problems? Why do they arise? How are they usually resolved?
• How does a team’s structure and composition influence its ability to perform its tasks effectively?
• What are the key factors facilitating team functioning?
• What are the key factors hindering team functioning?

4. Performance criteria
Please describe the most important team performance criteria:
• Does COMPANY measure team performance? How (key performance indicators)?
• How are team members rewarded (incentive/remuneration systems)?
• What does a high-performing team look like?
• What does a low-performing team look like?

Note:
We would greatly appreciate any additional soft- or hardcopy materials that would extend and inform the research process. All information provided during interviews or in any other form will be treated as strictly confidential.

Thank you for your valuable support!
Dear colleagues,

Thank you for taking the time to complete this survey. Your contribution is very important.

**The purpose of this survey**
As part of our commitment to continuously improving our global customer relationships, we are conducting this study, together with the University of St. Gallen (Switzerland), to evaluate the factors that can enhance the performance of global account management (GAM) teams.

**Benefits**
Your responses to this questionnaire will provide us with valuable feedback about how to optimize our GAM team processes and achieve higher levels of customer excellence. Furthermore, as you reflect on the questions, you likely will obtain new ideas to improve your own daily work with global customers.

The information you provide will be treated as strictly confidential. All analyses will be conducted on an aggregate level with no reference to individual responses.

**Definition**
For the purposes of this questionnaire, we define a global account management team as all persons involved in developing and maintaining relationships with one or a few related key customers on a worldwide basis. The team may include a core team fully dedicated to the customer as well as an extended team whose members participate on a part-time basis for specific support tasks.

**Instructions**
- Please answer all questions with reference to your own GAM team. If you are not dedicated to a single team, please consider the team with which you work most often or are most familiar.
- The whole process will take you about 15 minutes. Please note that you cannot save your answers and come back, so please be prepared to finish the survey in one sitting.
- If you have any questions regarding the questionnaire, please contact Yana Atanasova (E-mail: yana.atanasova@unisg.ch, Phone: +41 76 389 2262, Fax: +41 71 224 2447; University of St. Gallen, FIM-HSG, Dufourstrasse 40a, 9000 St. Gallen, Switzerland).

Thank you for your cooperation!
Team information

Please answer all questions with reference to your own GAM team. If you work with more than one team, please consider the team with which you work most often or are most familiar.

Which account team are you evaluating?  
(Please indicate the name of the customer or the team leader)

<table>
<thead>
<tr>
<th>1. Structure and tasks</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Our GAM team has well-defined goals and objectives related to our global customers.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 Our team’s goals and objectives are well aligned with our overall corporate strategies.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3 Team members’ individual objectives and targets are linked to GAM team objectives.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4 The roles and responsibilities of team members are clearly defined.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5 The roles and responsibilities of team members are understood across the organization.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.6 The team has a workable structure and clear reporting lines.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.7 The team is well positioned and integrated in the overall organizational structure of COMPANY.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.8 The team structure provides appropriate cross-geographical coverage for our customers.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.9 The team structure provides appropriate cross-functional coverage for our customers.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.10 The team structure provides appropriate cross-divisional coverage for our customers.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.11 Our team has sufficient authority to make important decisions about our customer business.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.12 Our team has sufficient authority to change organizational routines to achieve better results for our customers.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.13 Our team has the resources required to innovate and develop our global customer relationships continuously.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.14 The number of people in our team is sufficient for our customer business to be developed efficiently.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Skills, competencies, and leadership

<table>
<thead>
<tr>
<th>2.1 Team members vary widely in their areas of expertise.</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2 Team members have a variety of backgrounds and experiences.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Team members have complementary skills and abilities.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The account/sales managers on our team</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4 ... are capable of building strong and trusting relationships.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5 ... have a good understanding of our customer’s business and organization.</td>
<td>☐ ☐ ☐ ☐ ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2.6 ... have a good understanding of our business and the internal capabilities of COMPANY.
2.7 ... are able to think and work in an interdisciplinary way.
2.8 ... are able to coordinate complex networks and activities.
2.9 ... are able to think creatively to deliver value to the customer.
2.10 ... are able to work in a diverse and multicultural environment.
2.11 ... employ strategic, long-term thinking.
2.12 ... possess powers of persuasion.

Our team leader
2.13 ... has substantial influence in the organization (even when he/she has no formal authority).
2.14 ... has a strong relationship with top management.
2.15 ... is able to motivate team members and create synergies within the team.

3. Organizational context

3.1 Our top management is actively involved in the team’s efforts to develop profitable, long-term relationships with global customers.
3.2 Our top management is committed to deploy the necessary resources to make our global customer operations succeed.
3.3 Our top management publicly promotes our team’s GAM activities to others in the organization.
3.4 Team members’ contributions to developing global customers are measured in a systematic and transparent manner.
3.5 Our compensation system promotes a global collaboration mindset by appropriately rewarding contributions to the GAM team.
3.6 Many professional rewards (e.g., pay, promotions) are determined in large part by team members’ performance on the GAM team.
3.7 The company provides adequate global selling and negotiation training for our team.
3.8 The company provides adequate team skills training for our team (e.g., communication, organization, interpersonal).
3.9 The company provides adequate technical training for our team.

4. Processes and behaviors

4.1 Our team regularly exchanges best practices and market knowledge with other GAM teams.
4.2 Team members communicate proactively on issues related to our GAM activities across boundaries and hierarchical levels in the entire organization.
4.3 Our team has difficulty obtaining support from other parts of the organization.
4.4 Communication in the team is effective, despite the geographical distance of team members.
4.5 Team members keep one another updated about their activities and key issues affecting the business.
4.6 Team members are good at coordinating their efforts to serve the customer efficiently.
4.7 Team members collaborate to achieve our global goals.

4.8 Disputes between the different units represented on our team make it difficult to do our work.

4.9 Our team is able to identify and resolve conflicts in a timely and effective manner.

4.10 Our team can easily send problems up the chain of command (escalate to senior management) when they cannot be resolved within the team.

4.11 The negative politics within the team are minimal.

4.12 Team members proactively cultivate new business opportunities.

4.13 Our team is not afraid to challenge the status quo to improve our customer relationships.

4.14 The team is a powerful force for constructive change in the organization.

<table>
<thead>
<tr>
<th>5. Outcomes</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
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<tr>
<td>5.1 Our team is characterized by strong and harmonious long-term relationships with global customers.</td>
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<td>5.2 Our customers are satisfied with the overall performance of our team.</td>
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<td>5.3 Our team provides real value to our customers.</td>
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<td>5.4 Our team has successfully learned some critical skills or capabilities from our customer relationships.</td>
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<td>5.5 COMPANY’s competitive position has been enhanced due to our team’s GAM achievements.</td>
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<td>5.6 Our team achieves its goals and objectives.</td>
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How has your team, over the past three years, performed with respect to...

5.7 ... growth in sales? ☐ ☐ ☐ ☐ ☐
5.8 ... profitability? ☐ ☐ ☐ ☐ ☐
5.9 ... growth in the share of your global customers’ wallets? ☐ ☐ ☐ ☐ ☐
Background information

What is your position at COMPANY?

What is your position/role within the GAM team?

How long have you been involved in this team?

How long have you been working at COMPANY (in years)?

What is your functional background?

☐ Sales
☐ Marketing
☐ Service
☐ General Management
☐ Manufacturing / Operations
☐ Engineering
☐ Research and Development
☐ Finance
☐ IT
☐ Purchasing
☐ Other

In which country are you based?

What is your gender?

☐ Female  ☐ Male

How old are you?

☐ 30 or less  ☐ 31-40  ☐ 41-50  ☐ 51-60  ☐ Above 60

Additional comments/suggestions for improvement
## Appendix G: Means, standard deviations and correlations

| Variable | Mean SD | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 1.9 | 2.0 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 | 2.7 | 2.8 | 2.9 | 3.0 | 3.1 | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 |
|----------|--------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1.1 Goals and roles 1 | 1.00 | 0.10 | 0.16 | 0.29 | 0.36 | 0.44 | 0.52 | 0.60 | 0.67 | 0.74 | 0.81 | 0.88 | 0.95 | 1.02 | 1.09 | 1.16 | 1.23 | 1.30 | 1.37 | 1.44 | 1.51 | 1.58 | 1.65 | 1.72 |
| 1.2 Goals and goals 2 | 1.30 | 0.16 | 0.18 | 0.22 | 0.25 | 0.28 | 0.31 | 0.34 | 0.37 | 0.40 | 0.43 | 0.46 | 0.49 | 0.52 | 0.55 | 0.58 | 0.61 | 0.64 | 0.67 | 0.70 | 0.73 | 0.76 | 0.79 | 0.82 |
| 1.3 Goals and roles 3 | 1.20 | 0.16 | 0.18 | 0.22 | 0.25 | 0.28 | 0.31 | 0.34 | 0.37 | 0.40 | 0.43 | 0.46 | 0.49 | 0.52 | 0.55 | 0.58 | 0.61 | 0.64 | 0.67 | 0.70 | 0.73 | 0.76 | 0.79 | 0.82 |
| 1.4 Goals and roles 4 | 0.86 | 0.12 | 0.18 | 0.22 | 0.24 | 0.27 | 0.30 | 0.33 | 0.36 | 0.38 | 0.41 | 0.43 | 0.45 | 0.48 | 0.50 | 0.53 | 0.55 | 0.57 | 0.59 | 0.61 | 0.63 | 0.65 | 0.67 | 0.69 |
| 1.5 Goals and roles 5 | 0.60 | 0.10 | 0.13 | 0.16 | 0.19 | 0.21 | 0.24 | 0.27 | 0.30 | 0.32 | 0.35 | 0.37 | 0.40 | 0.42 | 0.45 | 0.47 | 0.49 | 0.51 | 0.53 | 0.55 | 0.57 | 0.59 | 0.61 | 0.63 |
| 1.6 Structure 1 | 1.34 | 0.18 | 0.24 | 0.29 | 0.34 | 0.39 | 0.44 | 0.49 | 0.54 | 0.59 | 0.64 | 0.69 | 0.74 | 0.79 | 0.84 | 0.89 | 0.94 | 0.99 | 1.04 | 1.09 | 1.14 | 1.19 | 1.24 | 1.29 |
| 1.8 Structure 2 | 1.36 | 0.18 | 0.29 | 0.34 | 0.39 | 0.44 | 0.49 | 0.54 | 0.59 | 0.64 | 0.69 | 0.74 | 0.79 | 0.84 | 0.89 | 0.94 | 0.99 | 1.04 | 1.09 | 1.14 | 1.19 | 1.24 | 1.29 | 1.34 |
| 1.9 Structure 3 | 1.40 | 0.16 | 0.22 | 0.28 | 0.34 | 0.40 | 0.45 | 0.51 | 0.57 | 0.63 | 0.69 | 0.75 | 0.81 | 0.87 | 0.93 | 0.99 | 1.05 | 1.11 | 1.17 | 1.23 | 1.29 | 1.35 | 1.41 | 1.47 |
| 1.10 Structure 4 | 1.42 | 0.14 | 0.21 | 0.27 | 0.34 | 0.40 | 0.46 | 0.53 | 0.59 | 0.65 | 0.72 | 0.78 | 0.84 | 0.90 | 0.97 | 1.03 | 1.09 | 1.15 | 1.21 | 1.27 | 1.33 | 1.39 | 1.45 | 1.51 |

Note: Correlations of .16 are significant at the .05 level (two-tailed). Large correlations (> .50) are indicated in bold.

211
Means, standard deviations and correlations (continued)

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Note: Correlations of .16 are significant at the .05 level (two-tailed). Large correlations (> .50) are indicated in bold.
Appendix H: CFA results for the first-order constructs

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<tr>
<td>Empowerment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.11 Our team has sufficient authority to make important decisions about our customer business.</td>
<td>.884</td>
<td>9.233</td>
</tr>
<tr>
<td>1.12 Our team has sufficient authority to change organizational routines to achieve better results for our customers.</td>
<td>.766</td>
<td>8.562</td>
</tr>
<tr>
<td>1.13 Our team has the resources required to innovate and develop our global customer relationships continuously.</td>
<td>.705</td>
<td>-</td>
</tr>
<tr>
<td>Heterogeneity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Team members vary widely in their areas of expertise.</td>
<td>.671</td>
<td>-</td>
</tr>
<tr>
<td>2.2 Team members have a variety of backgrounds and experiences.</td>
<td>.954</td>
<td>3.376</td>
</tr>
<tr>
<td>Adequate skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The account/sales managers on our team</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4 … are capable of building strong and trusting relationships.</td>
<td>.695</td>
<td>10.422</td>
</tr>
<tr>
<td>2.5 … have a good understanding of our customer’s business and organization.</td>
<td>.645</td>
<td>9.688</td>
</tr>
<tr>
<td>2.7 … are able to think and work in an interdisciplinary way.</td>
<td>.676</td>
<td>10.186</td>
</tr>
<tr>
<td>2.9 … are able to think creatively to deliver value to the customer.</td>
<td>.724</td>
<td>10.868</td>
</tr>
<tr>
<td>2.10 … are able to work in a diverse and multicultural environment.</td>
<td>.622</td>
<td>9.408</td>
</tr>
<tr>
<td>2.11 … employ strategic, long-term thinking.</td>
<td>.763</td>
<td>11.396</td>
</tr>
<tr>
<td>2.12 … possess powers of persuasion.</td>
<td>.712</td>
<td>-</td>
</tr>
<tr>
<td>Leadership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.13 Our team leader has substantial influence in the organization (even when he/she has no formal authority).</td>
<td>.958</td>
<td>-</td>
</tr>
<tr>
<td>2.14 Our team leader has a strong relationship with top management.</td>
<td>.722</td>
<td>7.202</td>
</tr>
<tr>
<td>Top management support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Our top management is actively involved in the team’s efforts to develop profitable, long-term relationships with global customers.</td>
<td>.721</td>
<td>10.570</td>
</tr>
<tr>
<td>3.2 Our top management is committed to deploying the necessary resources to make our global customer operations succeed.</td>
<td>.762</td>
<td>10.971</td>
</tr>
<tr>
<td>3.3 Our top management publicly promotes our team’s GAM activities to others in the organization.</td>
<td>.763</td>
<td>-</td>
</tr>
<tr>
<td>Rewards and incentives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4 Team members’ contributions to developing global customers are measured in a systematic and transparent manner.</td>
<td>.681</td>
<td>10.241</td>
</tr>
<tr>
<td>3.5 Our compensation system promotes global collaboration by appropriately rewarding contributions to the GAM team.</td>
<td>.809</td>
<td>11.594</td>
</tr>
<tr>
<td>3.6 Many professional rewards (e.g., pay, promotions) are determined in large part by team members’ performance on the GAM team.</td>
<td>.757</td>
<td>-</td>
</tr>
<tr>
<td>Training</td>
<td>.704</td>
<td>9.513</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------</td>
<td>-------</td>
</tr>
<tr>
<td>3.7 The company provides adequate global selling and negotiation training for our team.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.8 The company provides adequate team skills training for our team (e.g., communication, organization, interpersonal).</td>
<td>.889</td>
<td>9.683</td>
</tr>
<tr>
<td>3.9 The company provides adequate technical training for our team.</td>
<td>.647</td>
<td></td>
</tr>
<tr>
<td><strong>Communication and collaboration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Our team regularly exchanges best practices and market knowledge with other GAM teams.</td>
<td>.440</td>
<td>6.353</td>
</tr>
<tr>
<td>4.2 Team members communicate proactively on issues related to our GAM activities across boundaries and hierarchical levels in the entire organization.</td>
<td>.660</td>
<td>9.421</td>
</tr>
<tr>
<td>4.4 Communication in the team is effective, despite the geographical distance of team members.</td>
<td>.580</td>
<td>8.285</td>
</tr>
<tr>
<td>4.5 Team members keep one another updated about their activities and key issues affecting the business.</td>
<td>.647</td>
<td>9.204</td>
</tr>
<tr>
<td>4.6 Team members are good at coordinating their efforts to serve the customer efficiently.</td>
<td>.676</td>
<td>9.628</td>
</tr>
<tr>
<td>4.7 Team members collaborate to achieve our global goals.</td>
<td>.727</td>
<td></td>
</tr>
<tr>
<td><strong>Conflict management</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.8 Disputes between the different units represented on our team make it difficult to do our work. (reverse coded)</td>
<td>.438</td>
<td>5.240</td>
</tr>
<tr>
<td>4.9 Our team is able to identify and resolve conflicts in a timely and effective manner.</td>
<td>.660</td>
<td>6.484</td>
</tr>
<tr>
<td>4.11 The negative politics within the team are minimal.</td>
<td>.610</td>
<td></td>
</tr>
<tr>
<td><strong>Proactiveness</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.12 Team members proactively cultivate new business opportunities.</td>
<td>.664</td>
<td>8.077</td>
</tr>
<tr>
<td>4.13 Our team is not afraid to challenge the status quo to improve our customer relationships.</td>
<td>.701</td>
<td>8.294</td>
</tr>
<tr>
<td>4.14 The team is a powerful force for constructive change in the organization.</td>
<td>.652</td>
<td></td>
</tr>
</tbody>
</table>

Notes: All factor loadings are significant at the .01 level.
- indicates a fixed parameter.
Appendix I: Full structural path model

Note: ns = not significant. All other coefficients are significant at the .01 level.
Curriculum Vitae

Name           Yana Atanasova
Date of Birth   5 January 1979
Nationality    Bulgarian

Education

2003-2007       University of St. Gallen, Switzerland
                 Doctor of Business Administration
2001-2003       University of St. Gallen, Switzerland
                 Master of International Management
2002            George Washington University, USA
                 MBA Exchange Semester
1997-2001       Sofia University, Bulgaria
                 Bachelor of Business Administration
2000            Copenhagen Business School, Denmark
                 Academic year abroad

Work Experience

2007 – now       Credit Suisse, Zurich, Switzerland
                 Corporate Development, Assistant Vice President
2002-2006       Account Management Center, Zurich, Switzerland
                 Various consulting and research projects in the area of global
                 account management, some of which in cooperation with the
                 Research Institute for International Management, University of St.
                 Gallen
2005-2006       Rieter AG, Winterthur, Switzerland
                 Corporate Development, Part-time analyst
2004            Lehman Brothers, Zurich, Switzerland
                 Investment Banking Division, Intern
2002            George Washington University, USA
                 Vice President and Treasurer’s Office, Intern