

**Boundary Spanner Turnover in Professional Services:
Exploring the Outcomes of Client Retention Strategies**

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Abstract

Studies suggest that the termination of the interpersonal relationship between boundary spanners at buyer and seller firms can have a damaging effect on the interorganisational relationship. Few studies have addressed this issue in detail, but those that do, advise supplier firms to implement strategies such as service teams and boundary spanner rotation to lessen the negative effects of boundary spanner turnover. By creating multiple bonds between the two firms, dispersing client-specific knowledge widely throughout the supplier firm, and preventing the development of a close bond between buyer and seller boundary spanners, individual interpersonal relationships become less important. However, a review of relationship literature on trust, commitment, social bonds, and knowledge suggests the potential for negative outcomes from the implementation of the strategies. Using case studies and one-to-one interviews with design buyers and their agencies, this paper explores the outcomes, and the contexts in which these outcomes occur, of the two strategies. Adopting a critical realist approach, findings are presented in the form of context-mechanism-outcome models. Agency size, agency culture, client experience, and boundary spanner autonomy are amongst the contexts that influence the outcome of strategy implementation.

Keywords

Boundary Spanner, Turnover, Relationship, Team, Rotation

Biography

Mario Vafeas began his career in FMCG brand management before moving into the design industry. Since 1994, he has worked as client services director for Red Strategic Design, a graphic design agency in Bristol. A Fellow of the Chartered Institute of Marketing, he gained his MBA and PhD from Bristol Business School. Concurrently with his role at Red Strategic Design, he held the post of visiting lecturer in marketing communications for several years at Bristol Business School.

INTRODUCTION

Several studies (Bendapudi and Leone 2002; Lovett et al. 1997; Paulin et al. 2000; Perrien et al. 1995) suggest that the termination of an interpersonal relationship, of the type often formed between individual boundary spanners at buyer and seller firms, can have a damaging effect on the interorganisational relationship, supporting Lambert et al.'s (1997) view that the role of boundary spanning personnel is critical in relationship marketing. Despite this recognition, Ferguson et al. (2005) bemoan the fact that “*the influence of boundary spanners in business alliances has been virtually ignored*” (p. 222). Accepting that staff turnover is inevitable, a small number of studies in marketing and human resources literature recommend strategies to lessen the negative effects of boundary spanner turnover (Bendapudi and Leone 2002; Harrison-Walker and Coppett 2003; Lovett et al. 1997). Common to all these studies is the recommendation to create a team at the supplier firm. The logic behind a service team is twofold. First, it encourages the formation of multiple relationships between employees of the service firm and the client, with the result that each individual interpersonal relationship is less critical and less likely to damage the interorganisational relationship should it terminate. Second, knowledge of the client will no longer be the sole preserve of one individual who might leave the supplier firm at any time. In addition, Bendapudi and Leone (2002) recommend a strategy of boundary spanner rotation at the supplier firm. Rotation works in much the same way as the service team, ensuring that more than one individual at the supplier firm has client-specific knowledge. It also prevents the development of a strong attachment between boundary spanners at the supplier and buyer firms.

However, what has not yet been addressed is the influence of context on the implementation and outcomes of these strategies. Social exchange theory recognises the existence of relational bonds such as trust, commitment, loyalty, friendship, and knowledge between buyer and seller. A review of the literature relating to these bonds reveals circumstances in which these two client ‘retention’ strategies might produce unintended outcomes. The aim of this paper therefore is to explore the potential

outcomes of strategies aimed at maintaining business-to-business interorganisational relationships after a change of boundary spanner and the contexts in which these outcomes occur. The research makes an important contribution to “*an increasingly important and rarely studied marketplace phenomenon*” (Bendapudi and Leone 2002 p. 98). There are two specific research questions:

1. in what circumstances might strategies aimed at protecting interorganisational relationships from boundary spanner turnover be effective?
2. why and in what circumstances might unintended outcomes result from the implementation of these strategies?

This paper is structured as follows. The context for the study is described, followed by the role and significance of the account manager. A review of relationship bonds pertinent to client-agency relationships is explored together with the potential impact on these of the two retention strategies. The research methodology is described and is followed by the findings, conclusions and contribution to literature. The paper ends with managerial implications, research limitations, and recommendations for future research.

THE STUDY CONTEXT

The chosen context for the study is the business-to-business, professional service sector, and in particular, client-design agency relationships. Very little research has been carried out in the design industry; most primary research in marketing services investigates design’s sister industry, advertising, which has very similar characteristics. As with advertising, design can be classed as a knowledge-intensive industry (Halinen 1997) where most work is of an intellectual or creative nature carried out by well-educated, qualified staff (Swart and Kinnie 2003). It is a ‘high-contact’ professional service, where clients are actively involved with service organisation personnel during service delivery (Lovelock 1996). Contact between exchange partners in professional services is

characterized by a continual stream of often one-on-one interactions between respective boundary spanners (Harrison-Walker and Coppett 2003) such that interpersonal relationships can take on great importance, particularly given the limited scope for structural or financial bonds (Lambe et al. 2001). There is a greater reliance on human rather than physical capital. Its suitability for this study is also based on the intense competitiveness of the industry and the common phenomenon of a small number of clients contributing a substantial proportion of a design agency's turnover, making client retention of paramount importance. In addition, marketing services industries such as design and advertising are well known for their high turnover of staff (Hotz et al. 1982) providing a suitable context for the exploration of boundary spanner turnover.

THE AGENCY ACCOUNT MANAGER

The account manager is the boundary spanner who links the agency with the client organisation. Walter (1999) says that the boundary spanner “*represents the perceptions, expectations, needs, and ideas of each side to the other*” (p. 538). Customers expect the account manager to understand their business (Blanchard 2000) and to demonstrate integrity (Abratt and Kelly 2002), competence and likeability (Doney and Cannon 1997). It is generally, though not universally acknowledged, that the interpersonal element in interfirm exchange is important, enhancing and facilitating interorganisational exchange (Tyler and Stanley 2001; Weitz and Jap 1995). In fact, the interpersonal relationship between buyer and seller boundary spanners can develop to the point where the buyer demonstrates greater loyalty to a key contact at the supplier firm than to the firm itself (Beatty et al. 1996). The full significance of the interpersonal relationship becomes apparent if the boundary spanner leaves. When this occurs, it is suggested there is a strong possibility, particularly in a ‘people business’ (Karantinou and Hogg 2001) that the buyer will terminate the relationship with the service provider firm, either because the buyer follows the key contact to his new firm, or else because it acts as a catalyst for the buyer to re-evaluate the seller firm (Lovett et al. 1997).

RELATIONSHIP BONDS

Blois (1997) characterises relationships as “*exchanges whose distinguishing feature is the mutually recognised acceptance of goal interdependence based upon trust and commitment*” (p. 378). Trust is frequently dimensionalised as reliability and integrity (Morgan and Hunt 1994; Zaltman and Moorman 1988). Reliability refers to the expectation that a partner will fulfil obligations consistently and competently, while integrity implies honesty and benevolence. Commitment is defined as “*an enduring desire to maintain a valued relationship*” (Moorman et al. 1992 p. 316). In addition to the key characteristics of trust and commitment, relationship bonds most relevant to client-agency relationships are social bonds (Halinen 1997; Laing and Lian 2005), which Wilson (1995) describes as friendship and liking, and knowledge bonds (Gummesson 1978). Furthermore, relationships can exist at several levels simultaneously – individual-to-individual, individual-to-firm, and firm-to-firm (Iacobucci and Ostrom 1996), the latter defined by Haytko (2004) as a collection of personal relationships existing at various levels of seniority.

Wilson (1995) highlights the fact that several of these variables and bonds take time to develop. Trust, for example, requires frequent interaction and demonstrations of competence and benevolence from the service individual (Sheaves and Barnes 1996). With reference to the development of commitment, Tellefsen and Thomas (2005) say that “*service firms may be able to build stronger interorganisational bonds with their buyers by maintaining longer personal relationships between particular representatives and buyers*” (p. 34). Lam (2000) suggests that in organisations that deliver non-standardised, creative, problem-solving services, there is likely to be greater emphasis on tacit knowledge that resides with individual knowledge workers. Changes of boundary spanner can be irritating to buyers since they have to “*spend time and energy educating a new salesperson about their firms*” (Johnson et al. 2001 p. 410).

Based on these assertions, the policy of rotating boundary spanners seems counter-intuitive since it destroys relationship bonds between buyer and agency boundary spanner that will have taken

considerable time to develop and which contribute to the success of the interorganisational relationship. Clients who have developed a close personal friendship with their boundary spanner (Price and Arnould 1999) may resent the agency artificially terminating the relationship by rotating boundary spanners.

However, there are those who are less convinced of the pivotal role of the boundary spanner. Zaheer et al. (1998) argue that the importance of boundary spanners may be overstated: “*the stability of interfirm exchange is not created and maintained solely by boundary spanning individuals, but rather is institutionalised in the interorganisational relationship*” (p. 156). Fullerton and West (1996) and Wathne et al. (2001) argue that the personal dimension between the individual buyer and seller has been exaggerated. Haytko (2004) found examples of client-account manager relationships in the advertising sector that had little in the way of close personal friendship. Perrone et al. (2003) suggest that firms can ‘encourage’ the development of a stronger bond of trust at the interorganisational level by limiting a boundary spanner’s autonomy and his ability to display discretionary and competent behaviour. Commitment too may never surface in a relationship. Moorman et al. (1992) were unable to find commitment from marketing managers (buyers) towards their market research agencies. The authors suggest this may be because relationship longevity is a breeding ground for familiarity and boredom and a desire amongst clients for new ideas.

In instances where the bond between boundary spanners never attains a real depth of closeness, a rotation strategy may be feasible and less likely to cause upset. Clients may also welcome the implementation of a service team and a limit on the boundary spanner’s autonomy in order to reduce the risk of complacency.

Relationships between employees of the service provider need to be considered too. Rangarajan et al. (2004) maintain that some organisational cultures are more receptive to team approaches than others. Where there is a culture of cohesion and trust amongst employees, teamwork is likely to flourish. If, on the other hand, the culture exhibits individualism and autonomy, there may be resistance to

working in teams. Lovett et al. (1997) warn that “*many good salespeople are simply accustomed to being the organisation’s only link to a customer, and cannot be expected to learn ‘to share’ customers overnight*” (p. 417). The result, unless handled carefully, is role ambiguity that can manifest itself as uncertainty over an individual’s responsibilities (Maund 1999) and levels of autonomy (Rhoads et al. 1994). Role ambiguity can be damaging to client and agency alike, negatively affecting service quality and employee motivation (Brown and Peterson 1993).

The aim of the primary research was to investigate the potential outcomes of the two strategies together with the contexts on which these outcomes are contingent.

METHODOLOGY

The research adopted a critical realist position. Critical realism has several advocates in management and marketing literature (e.g. Easton 2002; Hunt 1994; Johnson and Duberley 2000) while Pawson and Tilley (1997) have been instrumental in broadening its appeal as a philosophy for ‘real world’ social research, particularly for the purpose of evaluating program implementation. They propose that explanation takes the form of CMO configurations where a mechanism (M) is responsible for generating an outcome (O), but is contingent on context (C). Contexts can include rules, norms, values and interrelationships, all of which can limit the efficacy of a program by enabling or disabling the intended mechanisms of change.

A qualitative methodology and case study strategy were judged most appropriate for the research because of their suitability for exploring social actors’ perspectives and experiences, the holistic context in which phenomena occur, social processes, and the dynamics of social relationships (Blaikie 2000; Patton 2002). Purposive sampling was deemed appropriate: “*sample units are chosen because they have particular features or characteristics which will enable detailed exploration and understanding of the central theme and puzzles which the researcher wishes to study*” (Ritchie, Lewis

& Elam 2003 p. 78). Eisenhardt (1989) says that cases can be purposefully chosen to fill theoretical categories and provide examples of polar types. The intention, therefore, was to locate two case types:

case type A: where the implementation of the retention strategy/strategies, followed by account manager turnover, produced, as its outcome, client retention (the intended outcome);

case type B: where the implementation of the strategy/strategies, with or without subsequent account manager turnover, produced, as its outcome, client or agency staff dissatisfaction (unintended outcomes).

The intention was also to study matched client-agency pairs. Although harder to recruit, it was considered a more effective means of obtaining an holistic account of relationship dynamics. A process of self-selection was used to find the sample, since there was no means of independently identifying clients who had experienced, or agencies that had implemented, retention strategies. A list of 125 companies was compiled from the FMCG (Fast Moving Consumer Goods), financial and retailing sectors – all heavy users of graphic design. A letter was sent to the Marketing Director of each company to ask if any individual in the marketing department had experienced the implementation of rotation or service team strategies and would be willing to participate in the study.

The response rate was low; 24 companies responded, of which six agreed to participate. The commonest reason for non-participation was that company policy did not permit involvement in research of this type. Further attempts to recruit more participants were unsuccessful. As a result, it was not possible to select the precise split of cases that had been hoped for. However, as the findings will demonstrate, the sample was *“large enough to make meaningful comparisons in relation to... research questions”* (Mason 2002 p. 136). For example, in instances where a client had not experienced account manager rotation, his attitude to the potential implementation of such a policy was discussed. All six clients provided contact details for their design agencies so that the researcher could ask for their participation. All the agencies agreed to participate. Table 1 shows contextual information for each case.

TABLE 1 Contextual information for the six cases

Case	1	2	3	4	5a	5b	6
Context							
Client Company	Large retailer with annual turnover of £34bn.	Large UK insurance company with annual turnover of £1.5bn.	Large DIY retailer with annual turnover of £1.4bn. Uses two agencies for own-label packaging.	Manufacturer of dairy products with annual turnover of £40m.	Manufacturer of tobacco products with annual turnover of £22bn.	As 5a	As 5a
Client Contacts	Client 1a, design director, very experienced. Client 1b, design manager, very experienced. Use several agencies.	Client 2, brand manager, moderately experienced design buyer.	Client 3, packaging design manager, inexperienced design buyer.	Client 4a, commercial director, experienced design buyer. Client 4b referred to by agency respondent but client unavailable for interview.	Client 5, senior product manager, inexperienced design buyer.	As 5a	Client 6, marketing manager, very experienced design buyer. Uses four agencies.
Agency	Large (100 staff) London branch of international agency.	Medium-sized, south coast agency with 50 staff. Family-run.	Small London agency with reputation for strategic expertise and highly creative design.	Small southwest agency with 12 staff.	Large London agency (the researcher was not permitted to interview anyone at this agency).	Small London agency.	Small London agency.
Agency Contacts	Account director 1, very experienced. No account manager.	Account director 2, very experienced. Account manager 2, recently moved off this account by the agency.	Account director 3, very experienced. Account manager 3, moderately experienced.	Account director 4 (managing director of the agency). Account manager 4, limited experience.	Account director 5a, very experienced. After his departure, an account manager, followed by the client services director, followed by an account manager.	Account director 5b, very experienced. Account manager 5b inexperienced.	Account director 6 (managing director of the agency). Account manager 6, moderately experienced.
Retainer	No	12-month retainer	No	No	No	No	No
Length of Client-Agency Partnership	9 months	8 years	2 years	7 years	12 months. Terminated by the client	2 years	2 years
Team	Cross functional	Cross functional and multi-hierarchical	Cross functional and multi-hierarchical	Cross functional and multi-hierarchical	No	Cross functional and multi-hierarchical	Cross functional and multi-hierarchical
Rotation	No	Yes	No	No	Yes, after the departure of the account director.	No	No
Boundary Spanner Turnover	Three boundary spanners in 9 months.	Several changes in account manager over 8 years.	One change in account manager in 2 years.	Two changes of account manager in 7 years.	Account director left the agency after 9 months.	The current account manager is the third in 2 years.	One change of account manager in 2 years.

Three one-to-one interviews, lasting between 30-45 minutes, were carried out for each case. In all but one case, interviews were carried out with a senior manager (account director or managing director) and an account manager from the agency, and the client. The interview was judged to be the most appropriate research method since it provided the depth, nuance, and complexity (Mason 2002) needed to answer the research questions. Given the strong sense, in advance, of the issues that needed to be explored (Arthur and Nazroo 2003), a semi-structured approach was used. Interview guides detailing topics to be covered and prompts for questions were used, although the intention was to remain flexible so that, should unexpected themes surface during data collection, they could be explored. There were separate interview guides for client, account manager and agency senior manager. Given that the study investigates the implementation of strategies and is process-based, the order of questions was, for the most part, chronological, although the overall intention was to move from the general and less contentious, in which contextual information was gathered, to the specific, exploring attitudes, emotions, and behaviour. Interviews were recorded to ensure that a complete and accurate record was preserved. The researcher personally transcribed each interview so as to increase familiarity with the data. A word-count of about 3,000 was typical for each transcript.

The data were analysed using 'Framework', developed by Ritchie and Spencer (1994) and refined by Spencer, Ritchie, and O'Connor (2003). It is a matrix-based approach to facilitate within- and cross-case analysis and has three stages: data management, descriptive accounts, and explanation. The first stage involved the identification of themes or concepts in the transcripts that were then applied across the data set as a means of creating clusters of data with similar content. This list of themes was used to construct a classification framework, consisted of six core categories and 33 subcategories, which was used to conduct a more formal and systematic coding process using Nvivo. Once coding was complete, data were sorted into thematic matrix charts so that material with similar content was located together, making comparison by respondent much easier. Each core category and its associated subcategories were plotted on a separate chart, with each subcategory allocated a separate column and each respondent a separate row. The second stage moved from the synthesised text in the thematic matrices to classes of a higher level of abstraction. The third stage involved a search for links

or connections between two or more phenomena and the explanation for this link. Simultaneously, the researcher looked for patterns occurring within particular subgroups (e.g. small agencies; experienced buyers; etc.).

FINDINGS

Since this study adopts a critical realist philosophy, the intention is to understand the combinations of mechanisms and contexts that produce outcomes. However, because of the multiplicity of potential alternative contexts, it must be remembered that the intention is not to predict, but rather to understand, explain, and suggest tendencies. The findings are presented according to the contexts that were found to influence the outcome of team and/or rotation implementation.

Context of agency size

All the agencies, except for agency 1 and agency 5a are small with less than 50 employees. The location of staff within each building encourages close contact, all working within one open-plan office. Communication between team members is frequent and informal. As a result, information is continually dispersed and shared. Thus team members and, to a considerable extent, all members of the agency have a high degree of awareness of the status of on-going projects. Account director 6 makes the point that it is almost impossible not to know what is going on:

“There’s a neural network within the agency. Just by being here you absorb what’s going on. We all sit together. You overhear every conversation. You never not know what’s going on unless you’re out of the office for a few days” (Account director 6).

In this type of environment, service teams are more likely to function efficiently and effectively.

Agencies 1 and 5a are the exception with a little over 100 employees each. At both agencies, communication between staff is less frequent and less effective. Account managers/directors and designers are physically separated at agency 1 and there is evidence that communication between the two groups is hindered as a result. Account director 1 talks of conversations between designers and clients that are not relayed to him or his account management colleagues. Despite having a team dedicated to client 1, its members are dispersed throughout a large building, contributing to a lack of cohesion between members; something that is apparent to the client contacts. Although there is no data directly from agency 5a, client 5 comments on the complete lack of client-specific knowledge amongst the team members who replaced account director 5a. They were completely unfamiliar with the client's business and brand: *"it was just like we were at the beginning of the learning curve again"* (client 5).

As well as a lack of effective internal communication, larger agencies also struggled to establish multiple contacts with the client. Agencies 1 and 5a were impersonal and remote from their clients.

Context of agency culture

Frequent ad hoc communication that leads to knowledge sharing appears not just to be the result of office layout, though it is clearly facilitated by physical proximity. It also appears to be encouraged by an agency's culture. Once again, it is the smaller agencies that seem to possess a culture and sense of purpose that encourage close cooperation and effective teamwork between staff, and in particular, between account managers/directors and designers, leading to a willingness to share knowledge. In several cases, it was not just staff that commented on this but also their respective clients. For example:

"I mean, they've all got different personalities but they are all in the [agency 3] mould of being passionate about what they do and caring about what they do" (client 3).

The culture appears to be the result of careful recruitment and training, coupled with strong leadership from senior management. In one instance (case 2), the agency is a family-run firm. Both account manager 2 and client 2 comment on their perception of the agency as one big family. Furthermore, a positive agency culture seems to reduce staff turnover. Agency 3 has designers who have been with the agency for more than 10 years. Client 5 comments on agency 5b's reputation for low staff turnover. Similarly, account director 6 comments on his agency's low staff turnover and strong staff loyalty, such that he has never had to deal with an ex-account manager trying to take business from his agency. Longevity of service is likely to encourage trust between members of staff and so lead to more effective team performance. In stark contrast, agency 1, one of the two larger agencies, demonstrates competitiveness and hostility. Account director 1 describes a struggle for influence between designers and account managers, even referring to the designers as renegades that can't be trusted. There is little evidence of teamwork but rather two opposing sub cultures. The account director appears to feel under threat. The atmosphere of tension, hostility and competitiveness may be responsible for high staff turnover (three boundary spanners in nine months) and the apparent lack of knowledge sharing. Similarly at agency 5a, the second of the large agencies, the fact that the client was never introduced to any other contact at the agency, not even when the account director was on holiday, suggests little in the way of a collaborative culture.

Interestingly, at agencies 2, 3, and 5b – all identified by their clients as having a strong culture – the strongest relationship seems to be between the client and the agency as a whole, rather than between the client and any one individual. All three clients perceive their respective agency as a single unit, with the entire unit responsible for the quality of the output.

Context of team management and team member roles

Where there is an environment of strong leadership and clearly defined responsibilities, teams function efficiently:

“There’s a model of best practice that they expect us to follow...we have regular status meetings to make sure we’re not doing things twice” (account manager 2).

“There’s a very clear policy that everything is copied to everyone, so we all know what’s going on. And we often do conference calls. We also have weekly status meetings which we use as a catch-up” (account manager 3).

“He [client 5] just wants clarity; Jane’s doing this, Rosie’s doing that...we have a really clear structure as to who he talks to and when” (account manager 5b).

In contrast, examples emerged of unintended outcomes from poorly managed service teams. The account manager at agency 4 describes her experience of working in a team while servicing client 4b (unavailable for interview). She describes a team that was leaderless and unsure how best to function:

“We didn’t really know how to do it. It didn’t really work...I don’t think we understood how we could make it work” (account manager 4).

Internally, the overlap of responsibilities between the account manager and a senior account manager led to role ambiguity. The result was that some tasks were carried out twice while others were not carried out at all. The senior account manager appears to have felt her autonomy sufficiently under threat to attempt to bypass the junior account manager altogether. Blame and recrimination led to resentment and hostility between the two agency contacts. Predictably, service quality was adversely affected, resulting in client dissatisfaction. The account manager accused the account director of failing to offer operational guidelines for the team.

Despite the implementation of a team at agency 1, clients 1a and 1b still rely entirely on one individual, in this case the creative director. Although the agency set up a cross-functional and multi-hierarchical team when pitching to win the business, having won the account, most members of the

team faded into the background and failed to maintain contact with the client. This, coupled with the agency's inability to retain an account manager on the account for more than three months at a time, encouraged the client contacts to rely on the creative director, the one element of continuity at the agency. The inability of the agency to establish an effective team, coupled with the inability of the account director to establish a distinctive and credible role for himself, encouraged the client contacts to depend entirely on the creative director. They admitted that, were the creative director to leave the agency, they would switch their business to his new agency.

In almost all cases, the implementation of a team is combined with a restriction in the autonomy of the account manager. As a result, instances of boundary spanner rotation or naturally-occurring turnover either have no damaging effects or cause little more than a hiccup in the client-agency partnership, because clients are reassured by the fact that there are senior managers working on the team who understand their business and who have maintained contact with the client, albeit at a lower intensity than the account manager:

“Maggie [account director 3] could have done the day-to-day work until such time as they found someone to replace Bill [the departing account manager]. Having more than one point of contact meant there was continuity” (client 3).

In all instances, account directors and/or managing directors maintain control over key areas of client servicing such as strategic planning and financial issues, also acting as problem-solvers and arbiters when problems arise that the client and the account manager are unable to resolve. Senior managers also make a point of attending important meetings with the client:

“Alan [account director 6] is always at every client meeting. It's the agency promise that a director will always be present” (account manager 6).

Designers frequently attend such meetings too:

“The client likes to see creative people, and they like being there” (account director 5b).

In teams where boundary spanner autonomy is restricted, where senior managers maintain a visible presence on the account and where several team members interact with the client, the account manager’s departure does not represent a critical event in the client-agency relationship. The client’s satisfaction is not dependent on the continued presence of one individual.

Context of client experience

Clients 1a, 1b, and 6 are all very experienced design buyers. They are senior managers who insist on dealing only with a senior manager at the agency. Despite a well-organised agency team, client 6 prefers to deal directly with the managing director: *“it’s Alan that I buy”* (client 6). She said that, were he to leave (unlikely given that he owns the business), she would almost certainly switch agency. She could not even remember her account manager’s name. Both clients 1a and 1b prefer dealing with the creative director rather than their account director:

“He’s [account director 1] not someone who’s going to give me the answer. He’s going to go and ask the question and I’d much rather call the person who’s going to give him the answer”
(client 1b).

Conversely, clients 3 and 5 are inexperienced and admit to being very dependent on their respective agencies. Both clients say they are under-resourced within their own company, forcing them to rely heavily on their agency. These two clients both show signs of vulnerability. Client 3 expresses her nervousness at being a buyer and her unease with the burden of responsibility, while client 5 lacks confidence in marketing planning and relies on agency 5b for advice. A facet of the dependency of clients 3 and 5 is their hostility to the principle of rotation. Despite the absence of close interpersonal relationships, the prospect of the agency forcing boundary spanner changes upon them is

unacceptable: *“I would hate that. I would hate it”* (client 3). Naturally occurring change would be tolerated, but not change that is ‘engineered’ by the agency. Client 5, who experienced two instances of account manager rotation at agency 5a after the departure of his account director, resented the disruption and felt it left a void of knowledge at the agency. Where a client values stability and continuity because of his vulnerability, rotation is best avoided.

Context of rotation implementation process

The issue of how an agency manages account manager change is important and has a bearing on the client’s reaction to change. By way of example, agency 5b consulted the client closely when recruiting a new account manager, seeking the client’s opinion on how to structure the account team and share responsibilities. Similarly, client 2 is always informed in advance of any proposed rotation, together with the reasons for the change. She trusts her agency to rotate one account manager with an equally competent replacement. Core service delivery isn’t affected by rotation. She is perfectly relaxed about a policy of rotation providing it is not a frequent occurrence (more than once a year). Her acceptance may also be explained by the fact that agency 2 presents rotation as necessary for the personal development of its staff:

“We kind of sold it to them. We had an account executive on [client 2] who was absolutely brilliant and they loved her. But we sold it to them that, just like their graduate scheme, we told them that Jill was moving on to get different experience, and they were fine” (account director 2).

In contrast, client 5 resented the frequency of change at agency 5a after the departure of his account director. Justification for rotation was never communicated, there was no obvious hand-over from one contact to the next, and there was never sufficient time for each boundary spanner to learn about the client and the client’s business.

Context of relationship bonds

The issue of social bonds was highlighted above as potentially important, since a rotation of boundary spanners might be damaging if a client values his personal relationship with the agency contact. In all cases, clients acknowledge the existence of liking towards at least one member of the agency team. However, all of the client contacts resist using the word ‘friendship’. In fact, client 1a says she positively disapproves of friendship with suppliers because it can make it difficult to confront them when problems arise: *“I don’t like those cosy relationships that they [agencies] are trying to develop”* (client 1a). Likewise, client 6 is uninterested in developing a close friendship with any of her agency contacts. Both these clients are experienced design buyers, adding weight to the view that experienced buyers place less emphasis on close personal relationships (Wagner et al. 2003). Aside from client 2, clients only socialise with agency contacts during working hours, and even then, the primary purpose of any social event is to discuss work issues. The account director at agency 2, while recognising the need for agency staff to be friendly and helpful, suggests that liking rarely develops into true friendship:

“It’s a bit fake really. In an account management role, you’ve got to be friendly. But perhaps when you evaluate those friendships, they’re not really friendships” (account director 2).

Perhaps the most illuminating response is that of the account director at agency 6 who recounts a conversation with a client in which the client muses that, no matter how close a client and a service provider become, there will always be a difference between business friendship and personal friendship.

Two account managers had a very different view of the importance of their personal relationships with their clients. Both valued their relationships and valued the client-specific knowledge they had built up over time. As a result they were both hostile to the policy of rotation. Asked how she would feel about changing client, account manager 2, who had changed account once already, replied:

“gutted...it would quite seriously impact my working life here. If they pulled me off it, I would have to think about my position here” (account manager 2).

She explained that, if moved, she would have to spend several months building up her knowledge base and building a relationship with the new client. This would hamper her efforts to deliver a quality service to the client. Tasks that she would previously have carried out quickly and with ease would require more effort. She would feel a sense of vulnerability and insecurity and a reduction in job satisfaction.

Account manager 5b expressed similar concerns saying she would feel:

“anxious, because it would be new clients, new ways of working, whereas I feel comfortable now. I wouldn’t want to move because I’d have to go through the whole learning process all over again” (account manager 5b).

A potential outcome of rotation, therefore, in instances where the account manager values the client-specific knowledge and personal relationship that he has developed, is account manager dissatisfaction and even resignation.

With regard to trust and commitment, the former was evident in all cases (except in case 5a after the departure of the account director). All clients mentioned some combination of honesty, competence, reliability and benevolence (caring) as attributes, either at the level of the agency (in cases 2, 3, 4, and 5b) or the level of the individual (cases 1 and 6). But trust did not necessarily lead to the development of commitment. More experienced clients such as clients 1, 4, and 6 were keen to stress the fact that they felt no commitment and suspected that, were they to show commitment, it would encourage agency complacency. All these clients were sufficiently confident in their design buying and design evaluation skills to buy design from other agencies. Clients 3 and 5, on the other hand, said they

intended to continue buying design only from their existing agencies. Their lack of experience and reliance on their respective agencies' experience and knowledge encouraged commitment. Fortunately for the agencies, their commitment was directed towards the agency as a whole rather than their account manager.

CONCLUSIONS AND CONTRIBUTION TO KNOWLEDGE

Figures 1 and 2 depict the combinations of contexts, mechanisms and outcomes for each of the two retention strategies as revealed in the research. Figure 1, implementation of a service team, shows four contextual categories that were found to be significant: agency size, agency culture, team management, and client experience. The first three categories were important not just in terms of their effect on knowledge sharing, but also in terms of their influence on the establishment of multiple bonds with the client. Communication between team members was shown to be more frequent in smaller agencies where there was close physical proximity, while cohesion was found to flourish in a climate of mutual trust and where there was a common belief in the aims and objectives of the agency. Communication and cohesion were the catalysts for knowledge sharing which in turn protected agencies from the potential negative effects of boundary spanner turnover. Furthermore, the research revealed that clients seemed to develop a relationship more easily with smaller agencies and with agencies where staff were perceived to have a common purpose. This led to a network of bonds between the client and agency staff, underpinned by client trust in the agency as a whole rather than in any one individual. Conversely, larger agencies struggled to establish effective internal communication and cohesion, and multiple bonds with the client. The result was client dependency on one individual rather than on a team. An important finding was the influence of experience on a client's propensity to accept or reject a team. Whereas clients with limited or moderate experience were prepared to work with a team, appreciated the benefits of a team, and consequently came to regard several agency staff as responsible for the agency's output, experienced clients preferred to work with a single individual of equal status and experience. As a result, their trust was placed in the agency 'expert' rather than the agency as a whole.

FIGURE 1 Context-mechanism-outcome configurations for the implementation of a service team

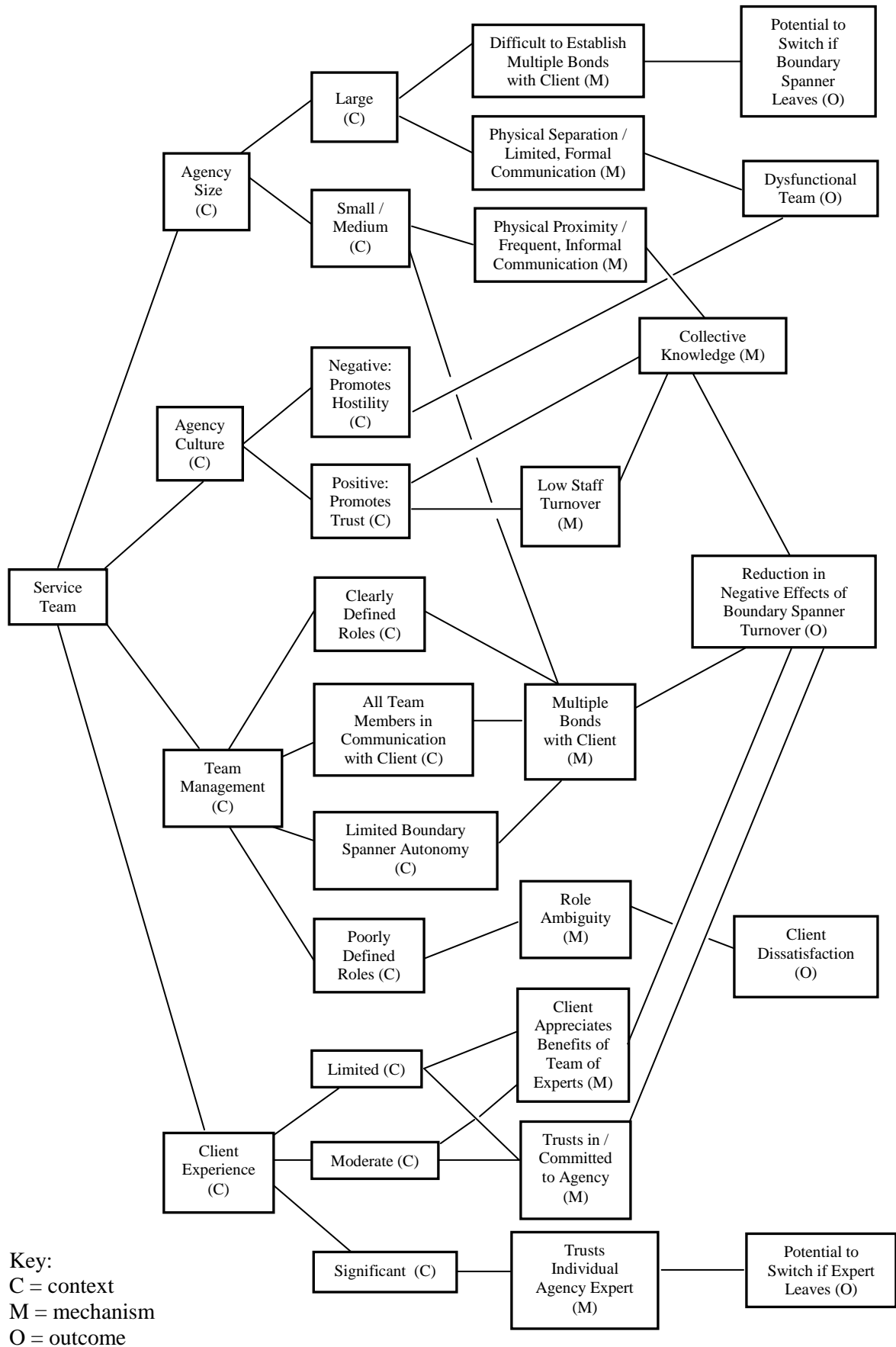


FIGURE 2 Context-mechanism-outcome configurations for the implementation of rotation

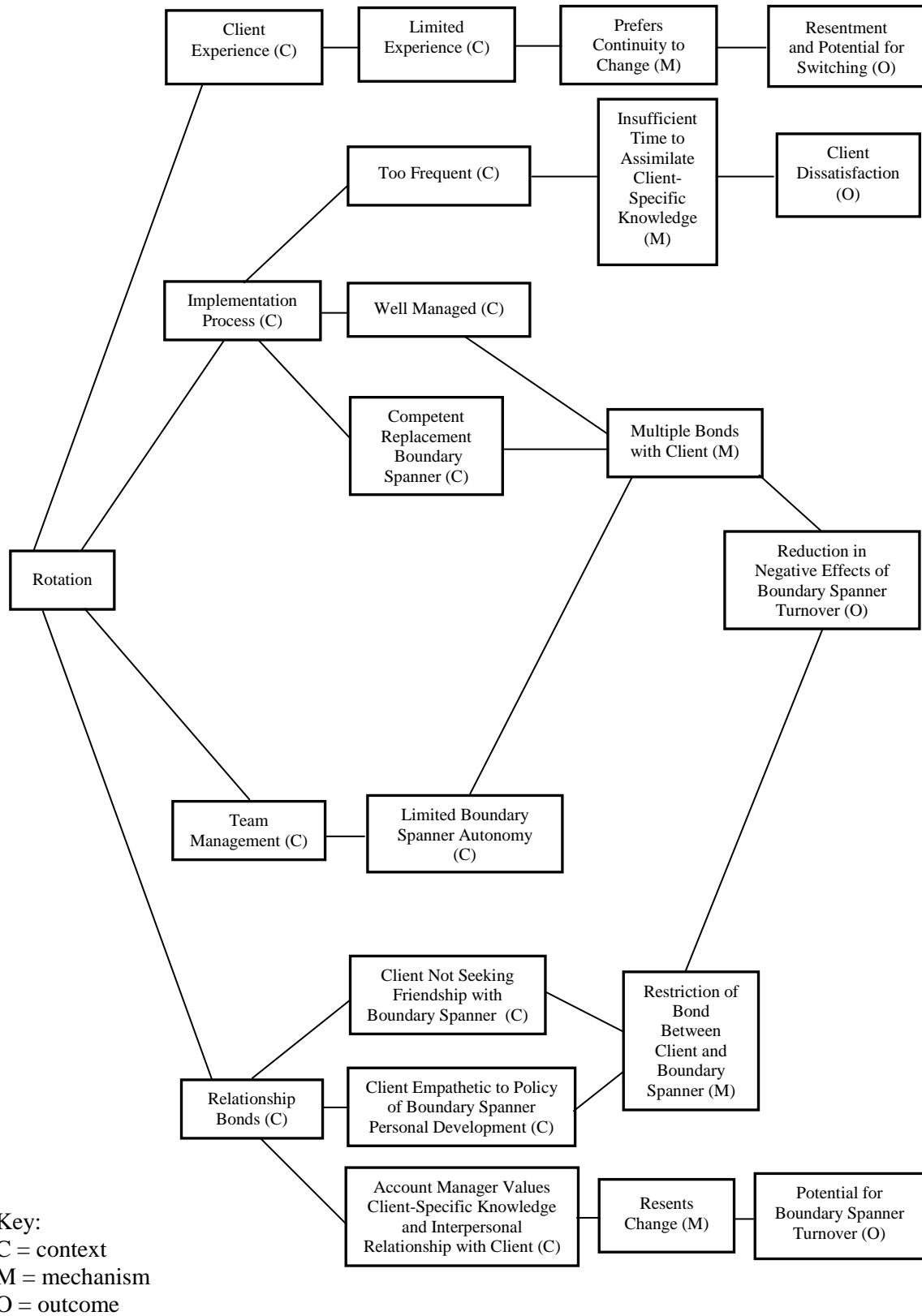


Figure 2 shows contexts that influence the effectiveness of a rotation policy. As with service teams, experience was again shown to be important in its influence on client attitudes to rotation. Inexperienced clients resented rotation, preferring consistency to change. They recognised the vulnerability of their position and so valued stability within their agency team. The process of rotation implementation was important too. Frequent change prevented the development of client-specific knowledge, resulting in a reduced service to the client.

From the client perspective, friendship and commitment were not found to be a hindrance to rotation. The former was never sufficiently strong to act as a deterrent, while commitment, where it existed, was directed towards the agency as a whole rather than the account manager. However, an important finding was the negative attitude of some boundary spanners to rotation. Far from perceiving rotation as a vehicle for personal development, some account managers regarded it as unsettling and destructive. Account managers valued the client-specific knowledge and the client relationships they had developed, and resented senior managers dismantling both of these.

This study makes a positive contribution to an under-researched area of relationship marketing by presenting empirically-grounded models that are a logical extension to the work of Bendapudi and Leone (2002). Bendapudi and Leone (2002) acknowledge the need for further research into the implementation of their retention strategies: *“additional research should address how individual employees might respond to these efforts...customers’ responses to these initiatives also must be addressed”* (p. 99). The study identifies contexts in which their recommended retention strategies are likely to result in intended or unintended outcomes, and identifies what these outcomes might be. This knowledge is vital if supplier firms are to avoid implementing retention strategies in inappropriate circumstances.

The study also contributes to knowledge of buyer-seller relationships. Friendship was shown to be a rare bond between client and agency staff. While liking was essential for successful working relationships, the threshold for the development of friendship was never crossed. To many, the idea of

a personal friendship with their agency partner was either unrealistic or positively frowned upon. While trust was evident in all six cases, commitment was less common. Clients with greater experience are less likely to be committed. This is because they do not wish to encourage agency complacency. Their buying experience gives them the confidence to share their work across several agencies. Less experienced clients are more likely to become dependent on, and committed to, their agency.

MANAGERIAL IMPLICATIONS

Reassuringly, agencies can take precautions to guard against the negative effects of boundary spanner turnover. The implementation of a service team that includes the visible presence and regular involvement of a senior manager acts as a knowledge-sharing mechanism and cushions the client-firm relationship from the negative impact of account manager turnover. Fundamentally, agencies need to demonstrate to clients that key decisions regarding design strategy and finance are made at senior level and that, in the event of account manager turnover, there is someone within the agency who can effortlessly take over the running of the account.

However, implementing a team is not sufficient in itself. Its success requires strong leadership from senior management who must ensure that clients and team members are aware of lines of communication, roles and responsibilities. Many small agencies will find their size an advantage in that internal communication will be more efficient and effective. Larger agencies will need to set up mechanisms for ensuring all team members are informed of a project's status on a regular basis.

Agencies may not feel the need to rotate staff if, as is common in the agency world, there is a frequent, natural turnover of staff. If agencies decide it is a necessary strategy, they will need to consider whether there are account managers or clients who are likely to be hostile. The research suggests that clients who are less experienced are more likely to feel vulnerable, preferring continuity

to change. In any case, agencies must ensure rotation is well managed. They may also want to consider presenting it to clients as part of a staff career development plan.

Agency owners need to remain vigilant of too strong a bond developing between senior managers and clients. Although turnover of senior managers is likely to be less frequent than that of account managers, when they do leave the agency, their departure could be far more disruptive than that of an account manager. In smaller firms, this is less likely to be an issue because managing directors tend to ‘double up’ as account directors. However, in larger agencies there is a greater risk that agency owners will be remote from clients. Owners should strive to maintain regular contact with clients and demonstrate involvement in the running of the account.

Finally, agencies should strive to create a culture that is strong, positive and visible to clients. The research shows that, where clients perceive the agency to be a collective of like-minded people who are passionate about design, they are more likely to form a relationship with the agency as a whole.

STUDY LIMITATIONS AND FUTURE RESEARCH

The limitations of the study present opportunities for further research. It was unfortunate that only two clients were able to discuss the issue of boundary spanner rotation firsthand. Whether this is because it is not a common strategy amongst design agencies or whether agencies using the strategy were not captured during the sample recruitment process is not clear. More research could be conducted in this area.

Only one of the client companies could be described as ‘small’. It would be useful to investigate small- to medium-sized client companies (in relative terms) given the impact that organisational culture has on attitudes and behaviour. Conversely, most of the agencies in the study were small. Given the differences in culture and processes between large and small agencies and their effect on team effectiveness, future studies could focus on larger agencies with 50 or more employees.

Finally, the study concentrated on a narrow and idiosyncratic industry setting. Future research could carry out similar studies across a wider variety of professional business service sectors to see if the CMO configurations still apply.

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