Equifinality in Global Account Management: A Cross-Cultural FsQCA Analysis of India and Germany

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Abstract:

This study leverages complexity theory to assess Global Account Management (GAM) performance using Fuzzy-set Qualitative Comparative Analysis (FsQCA) of 130 survey responses, 64 from India and 66 from Germany. Key factor combinations that enhance Global Account (GA) performance in each country's unique cultural and operational circumstances are identified. The research reveals five important configurations for each country. Product quality, pricing, cultural fit, and strategic alignment are among the factors weighed in Germany, whereas relationships, product quality, pricing, and network support hold significance in India. The research enhances understanding of GAM by emphasizing the importance of tailored strategies that account for the cultural and operational complexities of India and Germany. The limitations are acknowledged, and further research is recommended.

Keywords:

Global Account Management, B2B Marketing, Fuzzy-set Qualitative Comparative Analysis, Germany, India, Cross-cultural Study

1. Introduction

In international business, GAM has become an essential framework for multinational firms to manage their key global customers, often known as GAs. Montgomery, Yip, and Villalonga (1999, pp. 5–6) define GAM as "an organizational form and process by which the worldwide activities serving a key multinational customer are centrally coordinated by one team or individual within the supplier company." Global suppliers adopted GAM programs in the early 1990s to better serve the complex demands of their multinational customers, improve GA coordination, and foster deeper relationships (Shi et al. 2010). Over time, these relationships evolved from being "purely transactional", focused on meeting immediate needs, to becoming more "relational," centered on trust, collaboration, and mutual long-term strategic goals.

According to the Federal Foreign Office (2024), Indo-German relationships have deepened, marked by a threefold increase in German companies operating in India since 2010 and generating 24 billion euros in trade by 2022, with Germany now being India's largest trading partner in Europe. This underscores the growing importance of understanding the cultural and operational nuances of these markets. Beyond the world of economics, the social and cultural connections between the two nations have solidified a longstanding partnership, making the Indo-German relationship a valuable case for exploring the role of culture in GAM success.

Despite the growth in trade, existing research lacks a comprehensive examination of how country-specific cultural and business practices shape GAM outcomes (Homburg, Workman, and Jensen 2002), especially in the context of these two markets. Therefore, this study aims to address this gap by identifying key configurations that drive optimal GA performance in India and Germany. Specifically, it explores how distinct business practices and cultural factors influence stakeholder relationships and decision-making processes in GAM. There are two key Research Questions (RQ) for this study:

> RQ1: What are the critical factor combinations that lead to optimal GAM performance in the distinct cultural contexts of India and Germany?
>
> RQ2: How do cultural and operational differences between India and Germany influence the configurations of GAM success, as identified through the FsQCA method?

To achieve these research questions, the following research objectives are defined:

> Objective 1: Identify the key factors affecting GAM performance.
>
> Objective 2: Collect insights from executives involved in GAM across both countries.
>
> Objective 3: Apply FsQCA analysis to identify the causal pathways for each country.

By examining these cultural nuances, the study provides actionable insights for global companies looking to customize their GAM strategies to address the specific complexities of the Indian and German contexts. This research offers valuable contributions to both academia and practice, advancing the understanding of GAM and the impact of culture on its success.

2. Literature Review and Conceptual Model

GAM performance is a multidimensional construct that extends beyond traditional financial metrics, encompassing various interconnected dimensions. To evaluate GAM effectiveness, it is crucial to adopt a holistic approach that considers both financial and non-financial aspects of a company's interactions with its GAs. Montgomery et al. (2001) highlight customer satisfaction, revenue, and profit as central to GAM performance, emphasizing quantifiable outcomes aligned with traditional business metrics. In contrast, Birkinshaw et al. (2001) advocate for a broader view, incorporating internal efficiency and external collaboration to strike a balance between optimizing internal operations and maintaining strong customer relationships. Atanasova (2007) underscores the interconnected yet distinct nature of financial and relational dimensions, using both qualitative and quantitative methods to illustrate their importance. Wendt (2015) introduces the concept of alignment, suggesting that strategic, structural, and cultural coherence between a supplier and its GAs significantly impacts overall performance, reinforcing the need for consistency across various organizational dimensions. Shi et al. (2010) identify several key configurations for successful GAM, including strategic priority, globalization, cross-national coordination, standardized marketing operations, and global integration. This highlights the intricate relationship between strategic and operational elements in determining GAM effectiveness.

The work of previous researchers underscores the importance of both internal competencies and external alignment in achieving optimal outcomes. In summary, GAM performance is a heterogeneous construct composed of various factors which are highlighted in Table I.

Table I: GA performance constructs

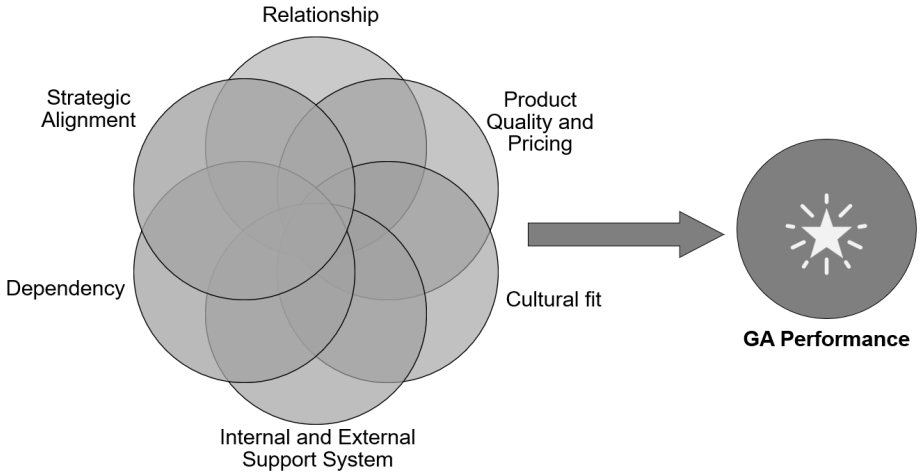
Source: Created by the author, based on original research and analysis.

Constructs	Operational definition	Sources
Relationship with GA	The degree and quality of the interaction and collaboration between the supplier and GA	Yip and Madsen (1996)
Product quality and pricing	The competitiveness of the supplier's pricing and the perceived quality of their products or services.	Shi et al (2010)
Cultural fit between supplier and GA	The level of congruence and harmony in values, beliefs, and practices between the supplier and GA.	Kadam, Niersbach, and Ivens (2023)
Internal and external support system	The accessible support methods and resources made available by the supplier organization and external partners or stakeholders.	Birkinshaw, Toulan, and Arnold (2001)
Dependency of GA	The level of reliance or necessity that GA has on the supplier for products, services, or support.	Montgomery, Yip, and Villalonga (1999)
Strategic alignment between supplier and GA	The alignment of long-term goals, objectives, and strategies between the supplier and the GA.	Wilson and Weilbaker (2004)

Successfully managing these interconnected elements is essential for leveraging GA relationships to gain sustained competitive advantage. This literature review applies complexity theory, with a focus on the principle of equifinality, to explore GAM performance. Equifinality suggests that multiple pathways can lead to the same outcome (Pappas and Woodside 2021). Applied to GAM, this means that success can be achieved through various combinations of factors, such as relationship quality, product quality and pricing, cultural fit, support systems, and strategic alignment, rather than through a single approach, illustrated by the conceptual model in Figure 1.

Figure 1: Conceptual model

Source: Designed by the author. Illustration idea inspired by Leischnig, Ivens and Henneberg (2015).



Strategic alignment ensures shared goals between the supplier and GA, while relationship management builds trust for long-term success. Dependency reflects the GA's reliance on the supplier, affecting relationship dynamics. Internal and external support systems provide the necessary resources for effective GAM, while product quality and pricing directly influence satisfaction. Cultural fit aligns business practices with local norms, which is particularly critical in cross-national contexts such as India and Germany. This conceptual model, based on the principle of equifinality from complexity theory, emphasizes that different combinations of these factors can lead to optimal GA performance, highlighting the interconnected nature of these elements.

3. Research Method

This study applies FsQCA, a method proven effective across fields like e-commerce, social media, and education (Pappas and Woodside 2021). Initially introduced the concept of FsQCA by Rihoux and Ragin (2009), its relevance to GAM is underscored by Shi et al. (2010), who identified critical factors like global strategic priority and globalization impacting GAM performance. The FsQCA framework follows guidelines by Pappas and Woodside (2021), ensuring rigorous and transparent analysis. FsQCA allows for the examination of interdependencies between factors such as relationship quality, product offerings, cultural fit, support systems, and strategic alignment.

Data were collected via a structured survey distributed using Google Forms, with responses from a diverse range of professionals: global and key account managers (63%), sales and

marketing roles (13%), technical support or service roles (13%), senior management positions (5%), and various other functional areas (6%). The survey focused on seven key factors: relationship with GA, product quality and pricing, cultural fit, support systems, GA dependency, strategic alignment, and GA performance. These factors were measured using a seven-point Likert scale (1 = completely disagree, 7 = completely agree). A targeted sampling strategy recruited 130 participants, ensuring compatibility with FsQCA's flexible sample size requirements (Pappas and Woodside 2021).

The dataset was divided into two groups (India and Germany) for independent FsQCA analysis. Cronbach's Alpha (CA) was used to assess reliability, with both samples exceeding the 0.7 threshold (Germany: 0.84, India: 0.74). Data were calibrated using FsQCA software, with thresholds for full membership (n1=6), crossover (n2=4), and non-membership (n3=2), which is based on a seven-point Likert scale. A truth table was generated, with a frequency threshold of 1 and a consistency cut-off of 0.8, as recommended by Rihoux and Ragin (2009). These values ensure robust analysis while accommodating the complexity of GAM in different cultural contexts.

4. Research Outcomes

The findings from this study reveal distinct pathways to achieving optimal GAM performance in both the Indian and German contexts, highlighting the influence of cultural and operational complexities on key success factors.

4.1 FsQCA Configurations in the Indian Context:

In the Indian context, multiple configurations emerge, highlighting diverse pathways to GA success. One prominent path emphasizes autonomy, support, and independence.

Table II: FsQCA configurations in the Indian context

Source: Created by the author, based on data analysis conducted with FsQCA software.

Configurations	Raw coverage	Unique coverage	Consistency
Ri * IESi * ~Di	0.416344	0.0590834	0.975421
Ri * PQPi * Ci * IESi	0.657096	0.052089	0.998322
Ri * Ci * IESi * SAi	0.571876	0.00773054	1
Ri * PQPi * Di * SAi	0.579975	0.0473035	1
Ri* ~PQPi *~Ci * IESi * ~SAi	0.153874	0.00920296	0.975496
Solution Coverage: 0.82367 Solution Consistency: 0.983084			

A strong relationship with the GA (Ri), coupled with a well-established internal and external support system (IESi) and minimal GA dependency (Di), leads to a balanced and successful approach. This configuration, with a raw coverage of 0.416 and a high consistency of 0.975, demonstrates the effectiveness of fostering relational ties while maintaining independence. Another significant pathway is a multifaceted approach, combining strong relationships (Ri), high product quality and pricing (PQPi), cultural fit (Ci), and robust support systems (IESi). This solution stands out as the most prevalent route, with a raw coverage of 0.657 and near-perfect consistency (0.998), showing the importance of integrating operational, relational, and cultural dimensions. Additionally, pathways emphasizing strategic alignment and collaboration

(SAi), managing dependency wisely, and prioritizing relationships and support over other factors further highlight the various routes to success in India, where relational ties and support systems play critical roles in performance.

4.2 FsQCA Configurations in the German Context:

In the German context, the configurations highlight the importance of product quality and pricing (PQPg), cultural fit (Cg), and strategic alignment (SAg).

Table III: FsQCA configurations in the German context

Source: Created by the author, based on data analysis conducted with FsQCA software.

Configurations	Raw coverage	Unique coverage	Consistency
PQPg * Cg * SAg	0.799249	0.218216	0.981097
PQPg * IESg * Dg * SAg	0.599624	0.0261033	0.975558
~Rg * ~PQPg * ~IESg * ~Dg * ~SAg	0.104413	0.0052582	0.852761
Rg * PQPg * IESg * ~Dg * ~SAg	0.220094	0.0253522	0.965404
Rg * ~PQPg * ~Cg * IESg * ~Dg * SAg	0.13277	0.0078873	0.961905
Solution Coverage: 0.874178 Solution Consistency: 0.951359			

The most common pathway combines these elements, reflecting Germany's focus on quality, efficiency, and alignment with long-term goals. With the highest raw coverage (0.799) and a consistency of 0.981, this configuration shows that success in Germany relies heavily on synergy between product excellence, cultural understanding, and strategic coherence. Other pathways, such as leveraging support systems and managing GA dependency (Dg), emphasize the importance of internal and external support structures (IESg) in fostering success, though they often operate alongside other conditions. Less frequent pathways, such as unconventional success and relationship-driven performance, illustrate that even in the absence of strategic alignment or dependency, strong relationships and support systems can lead to positive outcomes. These findings highlight the structured, quality-focused, and process-oriented nature of the German business environment.

4.3 Cultural Reflections on FsQCA Findings:

The FsQCA results reflect the distinct business cultures of India and Germany. In India, where relationships, personal connections, and flexibility are paramount as identified in the pioneered research from Hofstede (2011), the configurations that emphasize relational ties (Ri), support systems (IESi), and product quality (PQPi) align with the high-context, network-driven nature of Indian business culture. India's business landscape thrives on adaptability and the importance of community and support, making relationship-building and flexibility essential for success. Conversely, the German results underscore a low-context, precision-driven business culture, where success is often rooted in product excellence, cultural fit, and strategic alignment. Germany's focus on meticulous planning, long-term strategic goals, and adherence to high-quality standards is reflected in the dominant configurations, emphasizing structure, efficiency, and alignment with well-defined processes. Understanding and adapting to these cultural nuances is key for navigating the complexities of GAM in these diverse markets.

5. Research Implications and Limitation

This FsQCA study highlights key theoretical aspects of GAM, showing how cultural contexts in India and Germany affect performance. It emphasizes the need for country-specific GAM strategies, supporting context-driven approaches and challenging the efficacy of universal models. In India, findings suggest non-linear effects in relational dynamics, calling for a reassessment of relationship management models in culturally diverse settings. German results underscore the importance of product quality, cultural fit, and strategic alignment, supporting the notion that these factors, while not directly influential, create a foundation for success. The study bridges cultural studies and strategic management, stressing the need to integrate cultural insights into GAM strategies. Future research should use larger samples and varied methodologies to refine these culturally nuanced models and enhance global business management frameworks.

For managers, the FsQCA study provides actionable insights for handling GAs in diverse markets like India and Germany. In India, product quality and pricing are crucial, but managers should avoid overinvesting in support systems and focus on high-quality, strategically integrated relationships. In Germany, maintaining high product standards and aligning with structured planning are essential. Managers should use the FsQCA approach to identify optimal factor combinations and tailor GAM strategies to cultural and operational characteristics. Continuous adaptation to market shifts and emerging research is vital for sustained success.

The study faces limitations including cross-cultural measurement issues, and possibly oversimplification by FsQCA's Boolean algebra. The sample size, though adequate, might not fully represent diverse GAM practices, and industry-specific nuances might be overlooked. Future research could benefit from advanced quantitative methods like segmented regression and hierarchical modeling, as well as qualitative approaches such as interviews and longitudinal studies, to better understand and enhance GAM strategies across varied cultural contexts.

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