Activity 12.1   What does 'influencing' mean in management?

Before reading the chapter, write some notes on what you think 'influencing' means in management.

Choose the organisation or people who may be able to help you learn about the topic. You may find it helpful to discuss the topic with a manager you know, or reflect on an activity you have managed.

- Identify a situation in which someone tried to influence others, and describe it briefly.
- How did those involved try to persuade others to act in a particular way?
- Did they consciously alter their approach to suit the situation?
- What sources of power did they use?

Keep these notes as you will be able to use them later.

12.1   Introduction

When the late Steve Jobs and Steve Wozniak founded Apple they faced more than technical challenges. They also had to persuade staff to leave good jobs to work for an unknown company, investors to risk their money, suppliers to deliver components – and above all the public to buy the new machines. Clearly they did all of this – but not by accident: they did it by successfully influencing other people to support the business and ensure it survived, while many others failed.

That pattern has continued, though with interruptions – notably when other senior managers opposed what Jobs was doing, and persuaded the board to dismiss him in 1986. Events took another turn, and Jobs returned to the company in 1997, since when it has had many successes – due to the way Jobs and others influenced staff, competitors, customers and suppliers.

All managers have to influence others. Crossrail managers (Chapter 6) successfully influenced many interest groups – local and national politicians, business leaders, financial institutions, Network Rail – to secure approval for the project in 2009. As construction began the following year, they continued to exert influence – now focused on contractors, financiers, residents affected by construction work – to deliver the new line. Those in charge of Mid Staffordsire NHS Trust (Chapter 17 case study) will have had to influence staff to work in different ways after the revelations of poor patient care.

Whatever their role, people add value to resources by influencing others. The tasks of planning, organising, leading and controlling depend on other people agreeing to co-operate within a web of mutual **influence**. Senior managers influence big investors to retain their support, sales staff influence customers, someone designing a new product influences others to back it. Everyone's performance depends on how well they do this, and the targets of their influence are often in more senior positions.

Influence is the process by which one party attempts to modify the behaviour of others by mobilising power resources.

In that sense, the work of the manager is not that of the careful analyst, working out the ideal solution. It is closer to that of an entrepreneur who is determined to get things done in a hostile or indifferent setting. Managers typically operate across functional or departmental boundaries, working with people with other priorities and interests.

This chapter begins by clarifying the purposes of influencing in organisations, and the targets of influence: it also shows four possible outcomes of influence, some of which are better for the influencer than others. It then summarises three 'interpersonal' perspectives – trait, behavioural and contingency theories. A different perspective shows how people use power to influence others, drawing on both personal and organisational sources. In deciding how to influence others, people draw on their (perhaps implicit) knowledge of these theories, and their personal preferences, to devise both interpersonal and power-based methods. The organisational context also affects (and is affected by) the outcomes of an influence attempt. Figure 12.1 shows these themes.

Figure 12.1
Themes of the
chapter

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External environment
    Organisation
       Tasks in
       Influencing

   Knowledge
      and          Using
   preferences    positional
                    power
          Influencing

              Using
          interpersonal
              skills

           Feedback
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Outcomes
- Resistance
- Compliance
- Identification
- Internalisation

12.2   Purposes, targets and outcomes

Managing and leading

Research and commentary on influencing use the terms 'manager' and 'leader' (and their derivatives) interchangeably, as there is no definitive distinction. It is worth briefly clarifying the meanings which some attach to them.

Chapter 1 defined a manager as someone who gets things done with the support of others. Most commentators view an 'effective manager' as one who 'gets things done' to ensure order and continuity. They maintain the steady state – keeping established systems in good shape and making incremental improvements. People generally use the term 'effective leader' to denote someone who brings innovation, moves an activity out of trouble into success, makes a worthwhile difference. They (like Julian Metcalf at Pret A Manger – see the Management in Practice feature) see opportunities to do new things, take initiatives, inspire people.

Management in practice   Julian Metcalf, founder of Pret A Manger   www.pret.com

Commenting on the leadership of Julian Metcalf, who founded Pret A Manger in 1986 (it now has about 225 shops), one of his directors said:

Pret has always been very innovative because our founder, Julian Metcalf, is a true entrepreneur: he is here most days and he is really the spirit for all things entrepreneurial here and that is fantastic. The benefit of that is that we don't spend months and months and months developing new products, we're very quick to turn things around and it's very fast paced here. We have lots of new products and upgrades to our ingredients going on month in month out. And people comment when they come here, in terms of the pace of change, sometimes it can be hard to keep up with, but it's exciting, and makes us feel like a small organisation when, in fact, we're not.   (Interview with the director)

Case study   Apple Inc.   www.apple.com

When Apple launched the iPad in 2010 it added a further product to a range that already included Mac computers, iPods, iPhones and the Apple stores. Some saw it as a bold attempt by Apple to merge the netbook, phone and mobile entertainment sectors, with the iPad bridging the gap between laptops and smartphones. The full-colour, touch-screen enables users to watch movies, surf the internet, listen to music, view photos and read digital versions of books and newspapers.

The company had signed deals with several major publishers, including Penguin and HarperCollins, and hoped other publishers would make their content available on the platform. As an example, a *New York Times* application allows readers to view videos embedded within online articles, which look and feel like the print edition. Applications and games available in the App Store can be used on the iPad, and developers will be encouraged to build software specifically for the larger-screen device.

With successive products Apple's influence has grown – the iPod represents more than 70 per cent of the mp3 market, and the device has helped to reshape the music publishing industry. The similar success of the iPhone meant that every manufacturer has followed Apple's lead, and now offers a touch-screen smartphone. Apple has the power to reshape markets and influence competitors.

The company has a tradition of innovations, going back to the first Apple computers in 1976, followed by the Macintosh in 1984 – the first commercially successful PC that allowed users to point and click with a mouse. Steve Jobs (the company's co-founder, who died in 2011) saw that this technology would make computers easier to use.

Mr Jobs' success with the Macintosh was soon followed by a major difficulty. He was chairman of the business he had founded with Steve Wozniak in 1976, and Mike Markkula, who had joined the company at the start, was chief executive. Markkula had never intended to stay as CEO, and now wished to leave. The board (including Jobs) decided to appoint John Sculley, an executive from Pepsi-Cola, to the post. The two men frequently disagreed and in 1987 Sculley persuaded the board to dismiss Jobs (then aged 30).

He then entered what he regards as one of the most creative periods of his life – typified by his purchase of Pixar. The company struggled until Mr Jobs
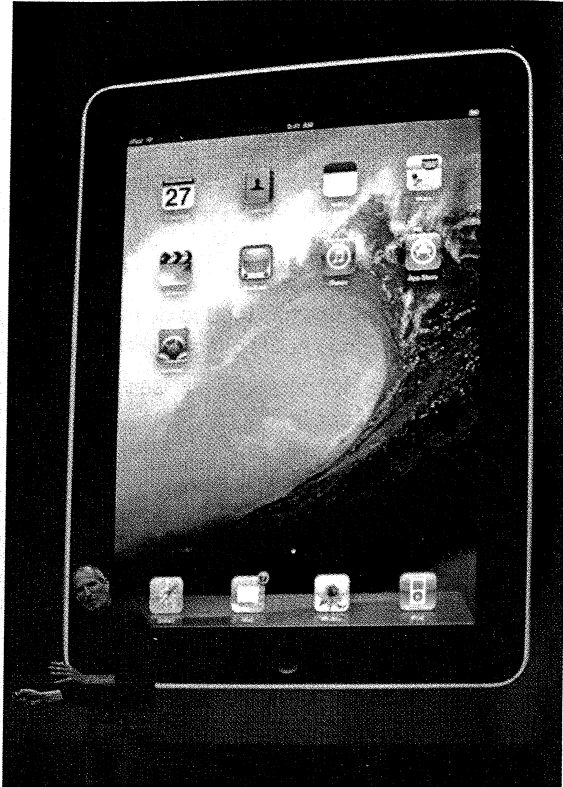
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struck a deal with Walt Disney in the 1990s. Using Pixar's creative flair and Disney's marketing and distribution power, Mr Jobs oversaw an uninterrupted string of blockbusters, starting with 'Toy Story' in 1995.

Jobs returned to Apple in 1997 since when the company has continued to grow. His management style was distinctive – but the company stressed that he had built a strong executive team to ensure the continuity of the business.

Apple is credited with putting Silicon Valley on the map, and creating Silicon Valley's hard-working yet corporate-casual environment. Even as the company grew, Jobs worked hard to maintain Apple's rebel spirit.

Apple's corporate culture is characterised by its intense work ethic and casual dress code. Staff surveys regularly refer to a 'relaxed', 'casual', 'collegial' environment with 'long hours, weekends included' and 'no end to challenges and cool projects'.

Michael Moritz, who had observed Jobs for many years noted in 2009:

> Steve is a founder of the company [and the best founders] are unstoppable, irrepressible forces of nature. . . Steve has always possessed the soul of the questioning poet – someone a little removed from the rest of us who, from an early age, beat his own path. [He has a sharp] sense of the aesthetic – that influence is still apparent in all Apple products and advertising. Jobs's critics will say he can be wilfull, obdurate, irascible, temperamental and stubborn [which is true, but he is also a perfectionist]. There is also... an insistent, persuasive and mesmerising salesman.

In the early years of John Sculley's time as CEO, Apple appeared to perform well, since the existing products were being sold into the rapidly growing personal computer market. But there were no significant innovations and the company gradually fell victim to stronger competitors like IBM and Microsoft, which made its successful operating system available to any computer company. This weakness eventually became clear, and Sculley left the company in 1993.

In 1997 Jobs re-joined, initially as acting CEO, and then took over as CEO. He found that much of the creativity had gone, and set about re-building it:

> He forced the company to act differently, cutting costs, making many staff redundant, and scrapping product lines he deemed worthless or undistinguished. He brought in new senior managers whom he had worked with, and replaced the increasingly dysfunctional board – which Sculley and his successors had built – with practical members whom he could trust.

The clearest example of the rejuvenation of the company came in 2001 when Apple launched iPod – which went from conception to being on the shelves in eight months. The device contained an operating system which meant that it had as much computing power as many laptops at the time. Moritz (2009) writes:

> Jobs' achievement... was to ensure that a technology company employing tens of thousands of people could make and sell millions of immensely complicated yet exquisite products that were powerful and reliable, while also containing a lightness of being. . . [the achievement] is to steer, coax, nudge, prod, cajole, inspire, berate, organise and praise – on weekdays and at weekends – the thousands of people all around the world required to produce something that drops into pockets and handbags or... rests on a lap or sits on a desk. (pp. 339–40)

The company has tight control over the retailing end of the business – the Apple network of dealers and its own Apple Stores ensure that the image of the brand is closely dovetailed with the products themselves. The App Store has exceeded expectations, with thousands of software developers offering their products on the site. The iPad, launched in 2010, continues the stream of successful innovations from the company.

Questions

1 What examples are there of managers influencing others? (See Section 12.2.)

2 What examples of the Big 5 traits can you identify in Jobs' personality from the case study? (See Section 12.3.)

3 What features of the transaction and transformational leader did Jobs display? (See Section 12.3.)

4 Which of the sources of power in Table 12.4 did Steve Jobs use?