

Coercion and Long-Term Supplier Relationships

Dr. Stephane Bignoux

School of Management, Middlesex University
The Burroughs, Hendon, London, United Kingdom
Tel: 44-208-411-5842 E-mail: s.bignoux@mdx.ac.uk

Dr. David Gray

Department of Marketing and Management, Macquarie University
Balaclava Road, Marsfield, Sydney, Australia
Tel: 61-2-9850-8453 E-mail: david.gray@mq.edu.au

Received: January 26, 2011 Accepted: July 8, 2011 doi:10.5539/ijbm.v6n8p3

Abstract

This paper adapts intra-firm influence strategies to an inter-firm context. In the process it retests the relationship between coercive influence strategies and supplier performance. Qualitative data is drawn from interviews with managers in the Australian Recruitment Industry. Contrary to predictions, the findings show that suppliers use coalitions and upward appeals to improve their performance in inter-firm relationships. This suggests that prior influence studies are not completely correct in their prediction of a negative relationship between coercive influence strategies and performance in inter-firm relationships. And, it suggests that there may be two types of coercive influence strategies in inter-firm relationships. There are coercive influence strategies that hinder supplier performance and there are coercive influence strategies that aid supplier performance.

Keywords: Inter-Firm Relationships, Influence, Coercion

1. Introduction

This study responds to a call by inter-firm influence scholars to identify influence strategies found in other contexts and to apply these to the study of influence at inter-firm level (see Boyle, Dwyer, Robicheaux, & Simpson, 1992). The aim of this adaptation is to provide a unique perspective on influence use between firms.

As Table 1 shows, most inter-firm influence studies investigate influence using the six influence strategies devised by Frazier and Summers (1984). Interestingly, these six strategies are but a few of those found in the literature. Alternative sets of strategies exist within several disciplines including human resources and social psychology (Kipnis & Schmidt, 1985). These alternative strategies have been applied to the study of influence within firms (Yukl & Falbe, 1990) but have not, for the most part, been applied to the study of influence between firms.

The study contributes by adapting and applying these alternative influence strategies to the study of influence at an inter-firm level. In the process the authors question whether a negative relationship between coercive influence strategies and performance actually exists when one changes the influence strategies under investigation.

Contrary to predictions, our qualitative findings show that suppliers form coalitions between the focal firm and a department or senior manager in the buyer firm (coalition) and go over a (buyer) manager's head (upward appeals) to improve their performance in inter-firm relationships.

This suggests that prior influence studies are not completely correct in their prediction of a negative relationship between coercive influence and performance in inter-firm relationships. A more accurate description of influence use between firms would suggest that a negative relationship exists between Frazier and Summers' (1984) coercive influence strategies and supplier performance in inter-firm relationships, while a positive relationship exists between Yukl and Falbe's (1990) coercive influence strategies and supplier performance in inter-firm relationships. The findings suggest that there may be two types of coercive influence strategies at work in all inter-firm relationships. That is, there are coercive influence strategies that hinder supplier performance and there are coercive influence strategies that aid supplier performance.

The study is organized into five sections. The first reviews the literature on inter-firm and intra-firm influence strategies. These reviews are organized chronologically tracing developments from the early 1980's to the present day. The second identifies gaps in the literature and proposes a model to fill them. The third describes the methodology applied here: a discovery orientation to qualitative research. The fourth discusses the findings.

Contrary to predictions, the findings show that some coercive influence strategies are positively linked to supplier performance. We conclude with a discussion of the findings and their implications for theory and practice.

2. Literature Review

Inter-firm influence strategies are “the content and structure of the communications utilized by a source firm's personnel in their influence attempts with target firms” (Frazier & Summers, 1984, p.43). They are the compliance-gaining tactics that channel members use to achieve desired actions.

Much of the literature today, in terms of inter-firm influence strategies, has its foundations in the work of Frazier and Summers (1984). These scholars were the first to identify and empirically test six inter-firm influence strategies, which they labeled as: promises (source certifies to extend specific rewards contingent on the target's compliance), threats (source informs the target that failure to comply will result in negative sanctions), legalistic pleas (source contends that target compliance is required by formal agreement), requests (source asks the target to act with no mention of subsequent sanctions requested or rewards), information exchange (source supplies information with no specific action requested or otherwise indicated) and recommendations (source stresses that specific target action is needed for the latter to achieve desired outcomes). Frazier and Summers (1984) dichotomized these strategies into those that sought to change the target's perception (requests, information exchange and recommendations) and those that sought to change the target's behavior (promises, threats, legal action).

Insert Table 1 about here

As Table 1 shows, subsequent scholars built upon this framework by testing each of these strategies with dependent variables, such as performance. Early scholars (Frazier & Summers, 1986; Frazier & Rody, 1991) tested the effects of behavior changing (coercive strategies) and perception changing (non-coercive strategies) influence strategies on the performance of inter-firm relationships (including the likelihood of relationship dissolution and the presence of conflict). The findings of these studies show that supplier use of coercive influence strategies are negatively linked to buyer performance (Frazier & Summers, 1986) and relationship performance (Boyle & Dwyer, 1995), while being positively linked to relationship dissolution (Frazier & Summers, 1986) and relationship conflict (Frazier & Rody, 1991).

Insert Table 2 about here

Around the early to mid 1990s influence scholars moved away from general studies on inter-firm influence (Frazier & Summers, 1984), to studies on intra-firm influence, mostly between the buying centre/committee and a buying agent (Farrell & Shroder, 1996; McFarland, Challagalla, & Shervani, 2006). Inter-firm influence strategies are differentiated from intra-firm influence strategies by the fact that intra-firm influence strategies have mostly been applied to the study of influence within firms, i.e. between a manager, subordinate and co-worker, while inter-firm influence strategies have mostly been applied to the study of influence between firms, i.e. between two or more firms in an inter-firm relationship.

Intra-firm influence strategies can be divided into hard, soft and rational subsets (Kipnis & Schmidt, 1985). Hard intra-firm influence strategies include pressure (using demands, threats, frequent checking, or persistent reminders), legitimating (seeking to establish the legitimacy of a request by claiming the authority to make it), upward appeals (invoking the authority and power of higher management), exchange (explicit or implicit offers by an agent to provide a favor or benefit to a target in return for doing what the agent requests) and coalitions (enlisting the aid or endorsement of other people to influence a target). Soft intra-firm influence strategies include ingratiation or friendliness (seeking to get a target in a good mood before making a request), consultation (seeking a target's participation in planning a strategy, activity, or change for which the target's support and assistance are desired), personal appeals (appealing to the target's feelings of loyalty and friendship) and inspirational appeals (making a request or proposal that arouses enthusiasm by appealing to a target's values, ideals, and aspirations). And, finally, rational strategies include rational persuasion (using logical arguments and factual evidence to persuade a target that a proposal or request is worthwhile) (Kipnis & Schmidt, 1985).

As Table 2 shows, the findings of these studies show a non-significant link between a supplier's uses of hard influence strategies and manifest influence within the buying center. Manifest influence is defined as the changes in purchase decision-related opinions that result from the individual's participation in a buying centre (Farrell & Shroder, 1996).

Of interest here is the level of congruity between the two sets of literatures on Tables 1 and 2. While the inter-firm literature dichotomizes influence strategies into coercive and non-coercive strategies, the intra-firm literature divides influence strategies into hard, soft and rational strategies (Kipnis & Schmidt, 1985). Additionally, the findings of the inter-firm and intra-firm literatures are not contradictory. Also of interest to this research is the fact that these two sets of literatures appear recently to be converging. As Table 1 shows, two inter-firm studies have already adapted and applied rational and soft intra-firm influence strategies to an inter-firm context (see Payan & Nevin, 2006; Payan & McFarland, 2006). These show that reason (rational persuasion) and appeals to loyalty/friendship (personal appeal) are positively linked to compliance in

inter-firm relationships.

Problematically, an analysis of all the literature found on Tables 1 and 2 revealed two limitations in these studies. First, inter-firm influence scholars have not analyzed the effects of coercive and non-coercive influence strategies on the performance of suppliers. Second, most of the studies on Tables 1 or 2 did not collect data from a supplier. At a glance, the studies on Table 1 and 2 appear to provide supportive evidence of influence use based on the supplier's perspective. However, a review of each study's methodology revealed that only one study had actually interviewed a supplier (see McFarland et al., 2006). All of the evidence on Tables 1 and 2 was gathered from buyer agents, i.e. sales people or other boundary spanning agents, employed by the buyer firm. In these studies, buyer agents were asked to name the influence strategies used by a supplier. Suppliers were never asked to state which influence strategies they found to be of use. Each study advanced several reasons for this avoidance of direct supplier interviews. Chief amongst these was 'lack of access.' In effect, car dealers are more accessible than car manufacturers. Lack of access forced researchers to concentrate most of their research efforts on surveying middle-buyers (dealers and distributors).

The fact that soft intra-firm influence strategies have been adapted and applied to the study of influence at inter-firm level but hard intra-firm influence strategies have not been adapted and applied to the study of influence at an inter-firm level combined with the fact that the supplier's perspective has not been given significant research attention leaves a gap for any researcher.

3. Conceptual Analysis

The following conceptual analysis fills these gaps in the literature and continues the process of adaptation. The aim is to provide a unique perspective on influence use between firms.

3.1 Intra-Firm Influence Strategies

From the outset, it is important to mention that several authors have put forward lists of intra-firm influence strategies. All of which are appropriate for this study. As Table 3 shows, Kipnis, Schmidt, and Wilkinson (1980) were the first to measure categories of influence behavior and common reasons for making influence attempts within organizations. They were the first to identify the intra-firm influence strategies that people use to 'get their way'. The fact that Yukl and Falbe (1990) repeated Kipnis et al.'s (1980) study with some minor changes to methodology and two additions to the number of intra-firm influence strategies provides us with some assurance that both Kipnis et al.'s (1980) and Yukl and Falbe's (1990) lists are appropriate for this study. Yukl and Falbe's (1990) list therefore provides the basis for the influence strategies mentioned in this study. Yukl and Falbe's (1990) list of hard strategies includes pressure, exchange, coalitions and upward appeals.

Insert Table 3 about here

3.2 Inter-Firm Relationships

This study examines influence within preferred supplier agreements. Within the context of these discussions preferred supplier agreements (known hereafter as PSAs) are defined as "relatively long term contractual commitment...often at arm's length and adversarial, pitting the customer against the vendor... (requiring) a buyer to maintain a list of qualified vendors...to attract maximum competition" (Webster, 1992, p. 7).

PSAs are based on competition. These agreements require buyers to maintain lists of qualified suppliers and for each supplier to bid for procurement. The idea is to attract as much competition as possible by pitting one supplier against all other suppliers on a supplier list (Corey, 1978; Spekman, 1988). With PSAs, the battle is strongly fought on price, although, quality, delivery and technical support are also factors taken into account when approving suppliers. Buyers sometimes prefer these agreements because it allows them to retain some of the benefits associated with partnerships, i.e. an understanding of the buyer's business, while at the same time retaining the buyer's choice (Webster, 1992; Druker & Stanworth, 2001).

3.3 Influence and Performance

As Table 1 shows, there is evidence of a link between influence and performance in inter-firm relationships (Frazier & Summers, 1986). However, performance is an elusive concept. There are many ways to assess performance. For example, performance can be assessed in terms of performance satisfaction (Mohr & Spekman, 1994; Krishnan, Martin, & Noorderhaven, 2006), financial outcomes (Lusch & Brown, 1996; Fryxell, Dooley, & Vryza, 2002), completion time (Woolthuis, Hillebrand, & Nooteboom, 2005) and continuity of relationship (Noordeweir, John, & Nevin, 1990).

This study uses satisfaction to assess the performance of suppliers in PSAs. For the purposes of this study, satisfaction is defined as "a positive effective state resulting from the appraisal of all aspects of a firm's working relationship with another firm" (Anderson & Narus, 1984, p. 66). Satisfaction is an affective judgment not an objective calculation. Satisfaction was chosen because it is a close proxy for many performance outcomes, including perceived effectiveness and lack of conflict/disagreement (Anderson & Narus, 1990). Disagreements between partners tend to block the achievement of relationship goals, eliciting frustration and thereby causing feelings of unpleasantness or lack of satisfaction among partners (Anderson & Narus, 1990). Satisfaction was also chosen because it is the performance measurement used by the majority of influence scholars investigating

influence and performance. As Table 1 shows there are only three empirical studies directly or indirectly investigating influence and performance in inter-firm relationships (Frazier & Summers, 1986; Frazier & Rody, 1991; Boyle & Dwyer, 1995). Of these three empirical studies, one uses satisfaction to assess performance in inter-firm relationships (Frazier & Summers, 1986), another uses the degree to which inter-firm exchange activities are successfully planned and executed (Boyle & Dwyer, 1995), while the final study uses satisfaction's proxy, conflict/harmony (Frazier & Rody, 1991) for the same purposes. Using satisfaction as a performance measurement allows us to replicate an important condition of these previous studies thus allowing some comparability between results.

3.4 Predictions

As the literature review shows, the literature currently contains two main limitations. First, scholars have not analyzed the effects of coercive influence strategies on the performance of suppliers. Second, prior inter-firm influence studies did not collect data from suppliers. Also, and at the same time, the literature is evolving. Intra-firm influence strategies are now being applied to the study of influence at inter-firm level.

These factors created a rather perplexing problem for this research. Since we have no data about supplier use of coercive influence strategies and supplier performance and we have no data on the application of hard influence strategies at inter-firm level, the main problem faced by this research is that the predictions made in this study cannot be based directly on prior research but rather are inferred from it.

3.4.1 Inter-Firm Studies

There are three empirical studies assessing the performance of firms in inter-firm relationships. The first was conducted in the late 1980s. Using a partial correlation analysis and a sample of 300 distributors, Frazier and Summers (1986) investigate the relationship between a dealer's perception of their manufacturer's power and the manufacturer's use of coercive and non-coercive influence strategies within the context of an automobile distribution channel. The findings show that a manufacturer's (supplier's) use of coercive influence strategies (promises, threats and legalistic pleas) has a negative effect on a dealer's (buyer's) performance. Performance is defined as the level of satisfaction exhibited by the dealer in the inter-firm relationship. The researchers also find that a manufacturer's use of coercive influence strategies has a positive effect on the likelihood of relationship dissolution. The findings indicate that the use of coercive influence strategies can lead to several problems in the relationship including, retaliation by the target, perceptions of the source as exploitative and target dissatisfaction with the exchange relationship prompting to a predisposition towards dissolving it.

The second study was conducted in the early 1990s. Using a multivariate analysis and a sample of 300 distributors, Frazier and Rody (1991) investigate the relationship between non-coercive and coercive strategies and inter-firm power, latent conflict, manifest conflict and conflict resolution constructs within the context of an industrial products channel. The study shows that a supplier's and a distributor's use of coercive influence strategies (promises, threats and legalistic pleas) are positively linked to latent inter-firm conflict. Latent inter-firm conflict is defined as the extent to which the distributor agreed or disagreed with the supplier's point of view on important distributor decision issues. The study's findings indicate that tolerance for the use of coercive influence strategies among suppliers and distributors is low. Moreover, the use of coercive influence strategies by one firm is likely to be met by the use of coercive strategies by the other. And, the use of coercive strategies heightens the underlying state of incompatibility between the firms.

The third study was conducted in the mid 1990s. Using a series of structural equation models and a sample of 314 distributors, Boyle and Dwyer (1995) investigate the relationship between influence use and relationship performance within the context of an industrial distribution channel. The findings show that non-coercive influence strategies (information exchange) have a positive effect on relationship performance, while coercive influence strategies (requests, legalistic pleas and threats) have a negative effect on it. Performance is defined as the degree to which inter-firm exchange activities are successfully planned and executed. The findings indicate that the use of coercive influence strategies tends to hinder the long-term performance of channel relationships.

3.4.2 Intra-Firm Studies

There is only one empirical study assessing the effectiveness of intra-firm influence strategies. That study was conducted in the mid to late 1990s. Using a mix of correlation and factor analyses and a sample of 150 purchasing decisions, Farrell and Schroder (1996) investigate the effectiveness of seven intra-firm influence strategies in influencing the purchasing decision outcomes of a buying centre. The findings show that soft influence strategies (inspirational appeal and consultation) and rational influence strategies (rational persuasion), as used by advertising agencies, are positively linked to manifest influence within the buying centre, while hard influence strategies (coalitions, exchange, personal appeal and pressure), as used by advertising agencies, are non-significantly linked to manifest influence within the buying centre. Manifest influence is defined as the changes in purchase decision-related opinions that result from the individual's participation in a buying center. In line with previous studies, the findings indicate that strategies that attempt to intimidate, solicit or 'buy out' others tend to be ineffective in influencing others.

3.4.3 Summary

To summarize, this review finds that supplier use of coercive influence strategies is negatively linked to buyer performance (Frazier & Summers, 1986) and relationship performance (Boyle & Dwyer, 1995), while being positively linked to relationship dissolution (Frazier & Summers, 1986) and inter-firm conflict (Frazier & Rody, 1991), while, agent use of hard influence strategies is non-significantly linked to manifest influence (Farrell & Schroder, 1996). Based on this evidence, we predict that supplier use of hard/coercive influence strategies is negatively linked to supplier performance. This prediction is summed up in the set of propositions found on Table 4. Table 4 contains a summary of the above and also a list of all hard/coercive influence strategies, their definitions and predictions based on these classifications.

Insert Table 4 about here

3.5 Model of Influence Strategies

Figure 1 proposes a negative relationship between hard/coercive influence strategies and supplier performance satisfaction.

Insert Figure 1 about here

4. Methodology

This study adopts a discovery orientation approach (Creswell & Plano-Clark, 2006). The discovery orientation is a phenomenological approach that allows researchers to uncover patterns not previously studied in confirmatory oriented research. The discovery orientation was selected because it allows researchers to explore the types of influence used by suppliers, while simultaneously gathering an understanding of why suppliers use some forms of influence and why they do not use others.

The Australian Recruitment Services Industry provides the setting for this research. The Australian Recruitment Services Industry, of which labor hire is a major element, includes more than 2700 organizations with offices at 5547 locations across Australia. The industry generates an income of more than AUD\$10 billion contributing some 1.3 per cent to Gross Domestic Product (Hall, 2006).

The recruitment industry was selected as the setting of this study because: (1) researchers have characterized this industry as relationship oriented (Purcell & Purcell, 1998; Lanza, Maryn, & Elders, 2003; Kosnik, Wong-Mingji, & Hoover, 2006). Traditionally these supply relationships had been short-term. However, more recent developments point to a range of long-term relationships between agencies and clients, including PSAs (Druker & Stanworth, 2001; Lanza et al., 2003; Kosnik et al., 2006). Additionally, (2) accessibility was of high importance. As mentioned in the literature review, a major problem faced by prior researchers was 'lack of access.' The recruitment industry was selected to circumvent this problem. The probability of gaining access to suppliers in this industry was significantly higher than the probability of gaining access to suppliers in most other industries - there are thousands of recruitment firms in Australia.

Potential participating firms were selected using an online database operated by the Recruitment and Consulting Association of Australia (RCSA), an industry body representing over 90% of recruitment firms in Australia (www.RCSA.com.au).

Contact with potential participants was made in August 2007, by mail, with each potential respondent firm on the RCSA database sent an invitation letter. In total, 320 letters were sent out with each letter requesting the participation of the recruitment firm and also a meeting with the general manager of each firm. In total, 106 letters were returned representing 33% of potential participants. Out of those 106 returned letters, 20 letters or 19% were unopened - return to sender - either the business had closed down or had moved address, 26 letters or 24% were outright rejections and 60 letters or 57% offered tentative acceptances from office assistants. All potential participants - firms indicating tentative acceptances - were followed-up by phone. Meetings between the researcher and the general manager, managing director or service manager of each firm took place in October 2007.

The selection process of participating firms was as follows. Supplier firms operating only ad hoc structures (36 firms) were immediately eliminated from the pool of potential participants. Ad-hoc recruitment is a low volume decentralized form of recruitment, resembling the spot market for labor. It is a trading agreement not a relationship (Webster, 1992). The remaining suppliers (24 firms) were sorted according to the following criteria: (1) the supplier firm must have been in operation for at least 5 years, (2) the supplier agreement must have been in continuous operation for at least the last 2 years, and (3) availability. In total, 5 firms met the criteria with all 5 firms selected as participants.

Key informants within each participating firm were selected by the general manager, managing director or service manager with instruction from the researcher that informants should (1) have special knowledge of the issues being researched and (2) be able and willing to communicate with the researcher (John & Reve, 1982). In total, 17 informants were selected. Out of the 17 informants interviewed, 8 interviews were used to construct this study. Selectees included 2 managing directors, 2 general managers, 2 account managers, and 1 consultant.

In-depth semi-structured interviews were conducted with all participants. Semi-structured interviews required

the interviewer to ask preset questions and then to probe the respondent using follow up questions. Follow up questions were not prepared in advance. Instead, these questions were asked in response to specific interviewee comments and cues. Respondents were asked pre-set questions of the following type: has your agency ever used pressure, e.g. by making demands, threats, frequent checking or persistent reminders, as a strategy to influence buyers? If yes, what aspect(s) of this strategy did you use? If no, why are you unable to use pressure to influence buyers? If yes, did the use of pressure as an influence strategy increase your level of satisfaction with the PSA? Please share an example. Follow up questions were mainly 'what if' questions and other types of probing questions. For example: What if your agency had tried to use pressure, e.g. by making demands, threats, frequent checking or persistent reminders, as a strategy to influence buyers? What would have been the end result? Each of the preset questions was varied to include the variables shown on Table 5. The variables on Table 5 are based on the definitions found in the conceptual analysis (see Table 4, column 2).

Data was collected solely from the recruitment firm's point of view since the unit of analysis, in this study, is the supplier firm. Each interview was conducted over an average period of one and a half hours. Interviews were tape recorded and transcribed. The raw data was then gathered for analysis.

Data analysis involved placing a cross section of questions and their responses onto a matrix. Content analysis was then used to elicit the main themes and sub-themes. Responses were compared, contrasted and related with similarities and differences in answers notated and positives and negatives identified, i.e. when the respondents said something and when they did not, in what context the respondents made a response and the nuances, if any.

Insert Table 5 about here

A frequency analysis was then applied to the data which recorded the number of times or 'hits' each influence strategy variable, as shown in column 2 of Table 5, is directly observed, inferred or not observed by any of the respondents. For the purposes of this research a variable is directly observed when the respondent answered 'yes' to a question asking whether or not they had used an influence strategy to increase their satisfaction in PSAs. A variable is inferred if the respondent mentions that they had used an influence strategy outside the context of the specific question asked but within the context of the general interview. Conversely, a variable is not observed or inferred when respondents indicated that they were unable to use an influence strategy to increase their satisfaction in PSAs. The results of the analysis can be found on Table 6, in the following section.

5. Findings

Table 6 provides a summary of the findings. As it shows, suppliers form coalitions between themselves and one department or senior manager in the buyer firm (coalitions); and go over the (buyer) manager's head (upward appeal) to improve their performance in PSAs.

Insert Table 6 about here

5.1 Pressure

The findings indicate that preferred suppliers do not use pressure strategies. More precisely, none of the respondents interviewed had ever used threats, demands or frequent checking to increase their performance in PSAs and only three respondents mentioned that they had used persistent reminders for the same purposes. Suppliers mentioned that pressure strategies often resulted in a negative outcome for the supplier. Threats, demands and frequent checking decrease the buyer's and supplier's satisfaction with the PSA. This finding is consistent with the literature. Several scholars have commented on the fact that threats intensify conflict (Cadotte & Stern, 1979; Frazier & Rody, 1991) and have a negative psychological impact on the target reducing the target's dependence on the source and increasing its probability of leaving the relationship (French & Raven, 1959; Bacharach & Lawler, 1980). As an account manager from one of the suppliers mentioned:

I would be hesitant in using that sort of approach, as I feel that you may end up getting your way but you're not going to get any further business from that side of things...The moment you start threatening, the relationship will start to unravel.

The respondents mentioned that they were more inclined to use softer options based on social exchanges and mutual understanding. Social exchanges are based on social ties, trust, reciprocity and rewards (Blau, 1964). According to respondents, these options were more likely to work as they build the relationship. As a consultant from one of the suppliers mentioned:

I would take it upon myself that if somebody is not using our services to win them over rather than forcing them to respect me. Does that make sense? You need to mend the relationship rather than put pressure on it.

Overall, we find support for proposition 1. Pressure applied by suppliers is negatively linked to supplier performance.

5.2 Exchange

Before discussing these findings, it is important to mention that exchange, in this article, refers to a trade between two or more parties involving a time delimited quid pro quo. Exchange is a form of specific reciprocity - time bound, occurring in sequence, with items of close value (Keohane, 1986).

The findings for this influence strategy are inconclusive. More precisely, half of the respondents interviewed mentioned that had used exchange to influence buyers, while the other half mentioned that they had never used it. The respondents did not provide a clear explanation for this divide. However, the literature does state that exchange can have some undesirable side effects if it appears manipulative or encourages people to expect incentives when asked to do things in the future (Yukl, Chavez, & Seifert, 2005).

The respondents who had used exchange were supportive of exchanges that combined work and personal favors/benefits. They believed that combining work and personal favors/benefits helped them to increase their performance in PSAs. Work related favors included the provision of statistics and other industry information. Personal favors included the provision of various personal favors, such as offering the client some help outside the recruitment process. As a consultant from one of the suppliers remarked:

I have used it (personal favors) before to try and develop a relationship. So offering help outside of just the general recruitment like for example where a South African client had a mother coming across into Australia and they're not sure about the chances of whether she'll get a job here in Sydney and so forth and therefore passing over information in regards to that likelihood and so on and so forth...

These respondents mentioned that personal favors/benefits helped them develop a relationship with buyer agents. The relationship that developed between supplier and buyer as a result of the personal favors/benefits increased the supplier's satisfaction with the inter-firm relationship.

Interestingly, the respondents from two supplier firms (out of the five firms in our sample) mentioned that their firms had implemented frequent user programs to reward buyer managers that were using the supplier's services and also to reward the accounts payable department for prompt payment. In that case, gifts, for example an IPOD, were exchanged for usage and prompt payment. This finding is consistent with the literature. Prior literature has found that rewards possess some subtle coercive qualities (John, 1984; Shaw & Condelli, 1986; Keith, Jackson, & Crosby, 1990). Once buyer agents become used to an exchange involving personal rewards, it becomes difficult for them to switch to another supplier.

The remaining respondents, i.e. the one's that reported that they had never used exchange to influence buyers, mentioned that they had ethical objections to exchanges. These respondents mentioned that their firms did not provide additional services outside the supply/recruitment process. They thought that providing high quality at a reasonable price was sufficient to satisfy the buyer. As the managing director of one of the suppliers remarked:

I think managers deal with us because they like us, they trust us, they think we're going to do a good job, not because they think they're going to get anything out of it.

The findings relating to this influence strategy are not conclusive. Therefore we do not find support for proposition 2.

5.3 Coalitions

The findings indicate that preferred suppliers form some types of coalitions. The respondents interviewed mentioned that they would never consider setting up coalitions between themselves and other suppliers. Competition is too fierce for that to ever happen. They mentioned that they were worried that coalition members would use the information they gathered to undermine them in the market. As such, these types of coalitions are never associated with increased supplier satisfaction. As an account manager from one of the supplier firms reported:

You'd think about doing that but you'd never do it, just because you don't want to share that sort of confidential information with another supplier. You don't know how much you can really trust them. Because at the end of the day, they are still a competitor. And I think what goes on between us and our clients should stay just that.

Coalitions between suppliers were definitively out of the question. However, coalitions between supplier agents and one department in the buyer firm or coalitions between supplier agents and one person in the buyer firm were quite common. According to the respondents this was one of the most effective ways of influencing managers within the buyer firm. Buyer managers were likely to ignore requests that came direct from the supplier but they were unlikely to ignore requests that came from a senior manager inside their organization. The respondents mentioned that influence over a senior buyer manager increased their satisfaction with the PSA. As the managing director of one of the supplier firms reported:

We have a big client- BUYER Y, in procurement there is a lady by the name of XX who almost acts as a bit of a SUPPLIER Z insider. And I say that in a very ethical way. But she's someone that we have a longstanding relationship with. And if there is a non-compliant manager at BUYER Y, we'll explain that to XX and XX will then spend time with that manager and talk to them about the benefits of using SUPPLIER Z and complying with the arrangement.

Based on the evidence, we find partial support for proposition 3. Coalitions initiated by suppliers (between a supplier and a buyer manager/department) are positively linked to supplier performance.

5.4 Upward Appeals

The findings indicate that preferred suppliers undertake upward appeals. According to the respondents interviewed, upward appeals are an effective influence strategy. Suppliers associated the use of upward appeals with increased supplier satisfaction. The respondents mentioned that, without the threat of an upward appeal, buyer managers would ignore the supply process and follow their own way. As the managing director of one of the supplier firms mentioned:

There's no question in my mind that the way to appeal, the best way to get through, is by not imposing or reinforcing the rule directly from the supplier to the [buyer] manager. I think the [buyer] manager is in a position of power over the supplier, because they're the client. So I think the best way to get that message across is to go to the more senior manager. Then use that person to influence the manager.

However, suppliers were cautious of using this strategy. Suppliers were aware that the relationship between themselves and the buyer was quite weak and that the use of upward appeals could have serious consequences for the inter-firm relationship. As the general manager of one of the supplier firms mentioned:

When my consultants are not getting the outcome from that manager's direct reports, then you've got to be careful about going over their heads. Cause when it comes back, they get a bollocking for not doing the right thing. The source of that bollocking is abundantly clear, and then that can cause you a bigger problem...

This finding has some parallels in the intra-firm influence literature. The intra-firm literature mentions that threats to go over the target's head and overt attempts at upward bypassing are likely to have unfavorable repercussions for future relationships (Yukl & Falbe, 1990).

The respondents mentioned that buyer managers on the receiving end of an upward appeal could make their lives difficult in ways that could not be easily detected or easily reported. For the supplier, the negative consequences of an upward appeal were often greater than the gains obtained by the appeal. These negative consequences decreased the supplier's satisfaction with the inter-firm relationship.

We therefore found no support for proposition 4. Upward appeals undertaken by suppliers are positively linked to supplier performance.

6. Discussion

For two decades now scholars have researched the effects of influence within the context of inter-firm channel relationships. The evidence gathered so far suggests that non-coercive influence is positively linked to relationship performance, harmony, stability and continuity, while coercive influence is negatively linked to the same. The consensus among scholars is that strategies that tend to intimidate, solicit or 'buy out' others are ineffective in influencing others (Farrell & Shroder, 1996; Frazier & Summers, 1986). These strategies increase the likelihood of conflict and relationship dissolution and can lead to several problems in inter-firm relationships including, retaliation by the target (those on the receiving end of the influence attempt), perceptions of the source (firms making the actual influence attempt) as exploitative and target dissatisfaction with the exchange relationship (Boyle & Dwyer, 1995; Frazier & Rody, 1991; Frazier & Summers, 1986). Based on this evidence, scholars have advised practitioners to maximize the use of non-coercive influence strategies and to minimize or even avoid the use of coercive influence strategies within the context of their inter-firm relationships.

This study is very different because it finds the opposite. In this study we find that some hard/coercive influence strategies, i.e. coalitions between the focal firm and a department or senior manager in the buyer firm (coalition) and the act of going over a (buyer) manager's head (upward appeals) are positively linked to supplier performance in PSAs.

These findings are based on some unconventional research undertaken by the researchers. The unconventionality of this research focuses on the following two points. First, we adapt a set of hard intra-firm influence strategies to an inter-firm context. These alternative strategies are found in many disciplines, including but not restricted to, human resources and social psychology, and are commonly used to analyze influence attempts within firms. That is, influence attempts between a manager/team leader, peer and subordinate/employee. Second, we provide evidence that some of these influence strategies (that is, coalitions and upward appeals) are positively linked to supplier performance in inter-firm relationships. We show that these influence strategies increase supplier satisfaction in inter-firm relationships. Further, our findings imply that the use of these influence strategies increases relationship harmony, stability and continuation. The evidence presented here suggests that prior scholars may have given practitioners an incomplete picture of influence use between firms. To suggest that coercive influence is negatively linked to performance in inter-firm relationships is at best incomplete. A more accurate description of influence use between firms would suggest that a negative relationship exists between the following influence strategies: promises, threats and legalistic pleas and supplier performance in inter-firm relationships, while a positive relationship exists between the following influence strategies: coalitions and upward appeals and supplier performance in inter-firm relationships (PSAs).

These findings do not deny the validity of previous studies rather they suggest that strategies are more heterogeneous than previously reported in the literature. That is, there are coercive influence strategies that

hinder supplier performance in inter-firm relationships and there are hard/coercive influence strategies that aid supplier performance in inter-firm relationships. Based on these findings, we suggest that the dilemma for suppliers is one of choice. Suppliers must choose the influence strategies that aid their performance and avoid the strategies that hinder their performance. This suggestion will be of significant interest to managers and other practitioners working within the context of an inter-firm relationship. In effect, we provide managers with a road map or prescription for success based on an analysis of the hard/coercive influence strategies that work and do not work in inter-firm relationships.

7. Conclusions

Our study was based on two premises. First, intra-firm influence strategies are adaptable to an inter-firm context and second, supplier use of hard/coercive influence strategies is negatively linked to supplier performance. Our findings can support the first premise but cannot support the second. We provide supportive evidence of a positive link between supplier use of some hard/coercive influence strategies and supplier performance. This finding suggests that strategies are more heterogeneous than previously reported in the literature. There are coercive influence strategies that hinder supplier performance in inter-firm relationships and there are hard/coercive influence strategies that aid supplier performance in inter-firm relationships. The coercive influence strategies that hinder supplier performance are promises, threats and legalistic pleas. The hard/coercive influence strategies that aid supplier performance are coalitions and upward appeals. The dilemma for suppliers is one of choice. Suppliers must choose the influence strategies that aid their performance and avoid the strategies that hinder their performance.

8. Further Research

As the literature review showed, a gap was apparent in the literature. That is, soft intra-firm influence strategies have been adapted and applied to an inter-firm context but hard intra-firm influence strategies have not been adapted and applied to the same context. This study filled this gap by adapting and applying hard intra-firm influence strategies to an inter-firm context. Since the current research is based on a qualitative analysis of influence between firms, an interesting area of further research could involve a quantitative test of the model developed here. This test would quantitatively examine the role of intra-firm influence strategies on buyer/supplier/inter-firm performance.

References

- Anderson, J.C., & Narus, J. (1984). A model of the distributor perspective of distributor manufacturer working relationships. *Journal of Marketing*, 48, 62-74.
- Anderson, J.C., & Narus, J. (1990). A model of distributor firm and manufacturer firm working partnerships. *Journal of Marketing*, 54, 42-58.
- Bacharach, S., & Lawler, E. (1980). *Power and politics in organizations*. San Francisco: Jossey-Bass.
- Blau, P. (1964). *Exchange and power in social life*. New York: John Wiley & Sons.
- Boyle, B.F., & Dwyer, F.R. (1995). Power, bureaucracy, influence, and performance. *Journal of Business Research*, 32, 189-201.
- Boyle, B.F., Dwyer, F.R., Robicheaux, R.A., & Simpson, J.T. (1992). Influence strategies in marketing channels: Measures and use in different relationship structures. *Journal of Marketing Research*, 29, 462-473.
- Cadotte, E., & Stem, L.A. (1979). Process model of inter-organizational relations. In J. Sheth (Eds.), *Research in marketing*. Greenwich: JAI Press Inc.
- Corey, E.R. (1978). *Procurement management: strategy, organization and decision-making*. Boston: CBI Publishing Co. Inc.
- Creswell, J., & Plano-Clark, V. (2007). *Designing and conducting mixed methods research*. Los Angeles: Sage Publications.
- Druker, J., & Stanworth, C. (2001). Partnership and the private recruitment industry. *Human Resources Management Journal*, 11, 73-89.
- Erez, M., Rim, Y., & Keider, I. (1986). The two sides of the tactics of influence: Agent v/s target. *Journal of Occupational Psychology*, 59, 25-39.
- Falbe, C.M., & Yukl, G. (1992). Consequences for managers of using single influence tactics and combinations of tactics. *Academy of Management Journal*, 35, 638-652.
- Farrell, M.A., & Schroder, W. (1996). Influence strategies in organisational buying decisions. *Industrial Marketing Management*, 25, 293-303.
- Frazier, G., & Rody, R. (1991). The use of influence strategies in inter-firm relationships in industrial product channels. *Journal of Marketing*, 55, 52-69.
- Frazier, G., & Summers, J. (1984). Inter-firm influence strategies and their application within distribution channels. *Journal of Marketing*, 48, 43-55.

- Frazier, G., & Summers, J. (1986). Perceptions of inter-firm power and its use within a franchise channel of distribution. *Journal of Marketing Research*, 23, 169–76.
- French, J., & Raven, B. (1959). The bases of power. In D. Cartwright (Eds.), *Studies in social power* (pp.150-167). Ann Arbor: University of Michigan Press.
- Fryxell, G., Dooley, R., & Vryza, M. (2002). After the ink dries: The interaction of trust and control in US-based international joint ventures. *Journal of Management Studies*, 39, 865- 886.
- Hall, R. (2006). Temporary agency work and HRM in Australia: Cooperation, specialization and satisfaction for the good of all? *Personnel Review*, 35, 158-174.
- John, G. (1984). An empirical investigation of some antecedents of opportunism in a marketing channel. *Journal of Marketing Research*, 84, 278-89.
- John, G., & Reve, T. (1982). The reliability and validity of key informant data from dyadic relationships in marketing channels. *Journal of Marketing Research*, 19, 517–524.
- Keith J., Jackson, D., & Crosby, L. (1990). Effects of alternative types of influence strategies under different channel dependence structures. *Journal of Marketing*, 54, 30–41.
- Keohane, R. (1986). Reciprocity in international relations. *International Organization*, 40, 1-27.
- Kipnis, D., & Schmidt, S.M. (1985). The language of persuasion. *Psychology Today*, April, 40-46.
- Kipnis, D., Schmidt, S., & Wilkinson, I. (1980). Intra-organizational influence tactics: Explorations in getting one's way. *Journal of Applied Psychology*, 65, 440-452.
- Kosnik, T., Wong-Mingji, D., & Hoover, K. (2006). Outsourcing vs insourcing in the human resource supply chain: A comparison of five generic models. *Personnel Review*, 35, 671-683.
- Krishnan, R., Martin, X., & Noorderhaven, N. (2006). When does trust matter to alliance performance? *Academy of Management Journal*, 49, 894-917.
- Lanza, B., Maryn, M., & Elders, R. (2003). Legal status of contingent workers. *Compensation and Benefits Review*, July/August, 47-60
- Lee, D., & G. Bohlen (1997). Influence strategies of project managers in the information technology industry. *Engineering Management Journal*, 9, 7-14.
- Lusch, R.F., & Brown, J.R. (1996). Interdependency, contracting, and relational behavior in marketing channels. *Journal of Marketing*, 60, 19–38.
- McFarland, R., Challagalla, G., & Shervani, T. (2006). Influence tactics for effective adaptative selling. *Journal of Marketing*, 70, 103–117.
- Mohr, J., & Spekman, R. (1994). Characteristics of partnership success: Partnership attributes, communication behavior, and conflict resolution techniques. *Strategic Management Journal*, 15, 135–152.
- Noordewier, T., John, G., & Nevin, J. (1990). Performance outcomes of purchasing arrangements in industrial buyer-vendor relationships. *Journal of Marketing*, 54, 80-93.
- Payan, J., & McFarland, R. (2006). Decomposing influence strategies: Argument structure and dependence as determinants of the effectiveness of influence strategies in gaining channel member compliance. *Journal of Marketing*, 69, 66–79.
- Payan, J., & Nevin, J. (2006). Influence strategy efficacy in supplier-distributor relationships. *Journal of Business Research*, 59, 457-465.
- Purcell, K., & Purcell, J. (1998). In-sourcing, outsourcing and the growth of contingent labour as evidence of flexible employment strategies. *European Journal of Work and Organizational Psychology*, 7, 39-59.
- Shaw, J.I., & Condelli, L. (1986). Effects of compliance outcome and basis of power on the powerholder- target relationship. *Personality and Social Psychology Bulletin*, 12, 235-246.
- Spekman, R.E. (1988). Strategic supplier selection: Understanding long-term buyer relationships. *Business Horizons*, 31, 75-81.
- Venkatesh, R., Kohli, A., & Zaltman, G. (1995). Influence Strategies in Buying Centers. *Journal of Marketing*, 58, 71–82.
- Webster, F.E. (1992). The changing role of marketing in the corporation. *Journal of Marketing*, 56, 1-17.
- Woolthuis, R., Hillebrand, B., & Nooteboom, B. (2005). Trust, contract and relationship development. *Organization Studies*, 26, 813–840.
- Yukl, G., & Falbe, C. (1990). Influence tactics and objectives in upward, downward and lateral attempts. *Journal of Applied Psychology*, 75, 132-140.
- Yukl, G., Chavez, C., & Seifert, C. (2005). Assessing the construct validity and utility of two new influence tactics. *Journal of Organizational Behavior*, 26, 705-725.

Table 1. Overview of prior literature on inter-firm influence strategies (Studies on influence and performance)

Author/year/ discipline ¹	Sample ² (Number of companies/number of informants/industry/ relationship type)	Metho dology ³	Independent variable(s) / support factors	Dependent variable(s) / outcomes	Moderating variable (s) / contextual factors ⁵
			(Empirical Findings ⁴)		
Boyle/Dwyer/ 1995/ORG	N=747/M=314/ I= Industrial products/ R.T. = Supplier-distributor relationships	CORR	Legalistic plea (as used by the supplier)	Relationship performance (-) (the degree to which inter-firm exchange activities are successfully planned and executed)	Moderate dependence
			Request		
			Threat	Relationship performance (+)	
			Information exchange	Relationship performance (+/-)	
Frazier/ Summers/1986/ MARK	N=944/M=435/ I=Car dealerships/ R.T.= Manufacturer-car dealer relationships	CORR	Manufacturer use of coercive influence strategies - promises - threats - legal	Dealer's performance satisfaction (-)	High mutual dependence
				Likelihood of dissolving the inter-firm relationship (+)	

Studies on influence and conflict

Frazier/Rody/ 1991/MARK	N=930/M=300/ I=Industrial products/ R.T.=Distributor -supplier relationships	MANOVA	Supplier/ distributor use of coercive influence strategy	Latent inter-firm conflict (+) (the extent to which the distributor agreed or disagreed with the supplier's point of view on important distributor decision issues)	Moderate dependence
			Supplier/ distributor use of non-coercive influence strategy	Latent inter-firm conflict (-)	
			Supplier/distrib utor use of coercive and non-coercive influence strategy	Manifest conflict (+) (Manifest conflict includes the overt behaviors that take place when one channel member is seen to be impeding another channel member's attempts to reach its goals)	
Frazier/ Summers/198 4 /MARK	N=400/M=184/ I=Car dealerships/ R.T. =Manufacturer-c ar dealer	CORR	Information exchange	Inter-firm disagreement (-)	High mutual dependence

Studies on influence and structure

Boyle/Dwyer/1995/ORG	N=747/M=314/ I= Industrial products/ R.T. = Supplier-distributor relationships	CORR	Bureaucratic structure - Formal supplier structure - Centralized supplier decision making	Frequency of influence use (+) (supplier use)	Moderate dependence
			Formal supplier structure	Information exchange (+) (supplier use) Recommendation (+) Legalistic plea (+) Promise (+/-) Request (+/-) Threat (+/-)	
Boyle/Dwyer/Robicheaux/Simpson/1992/MARK	N=2100/M=686/ I=Automobile replacement tires/R.T.=Manufacturer-tire dealer	CORR RA	Corporate (governance) systems (Dealers who were either wholly or partially owned by a supplier) Franchise (governance) systems Aligned (governance) systems (Dealers who indicated that both their identity and their loyalty were tied to a particular supplier's brand) Market (governance) systems (Dealers who were not aligned closely with any one supplier's brand)	Recommendations (+) (as used by the manufacturer) Information exchange (+) Promise (+) Request (+) Legalistic pleas (+) Threats (+) Recommendations (+) Information exchange (+) Promise (+) Request (+) Legalistic pleas (+) Threats(+) Recommendations (+) Information exchange (+) Promise (+/-) Request (+/-) Legalistic pleas (+) Threats(+) Recommendations (+) Information exchange (+) Promise (+) Request (+/-) Legalistic pleas (-) Threats(+/-)	N/A

Studies on power and influence

Boyle/Dwyer/ 1995/ORG	N=747/M=314/ I= Industrial products/ R.T. = Distributor -supplier relationships	CORR	High supplier power	Supplier use of non-coercive influence strategies (+) - Information exchange - Recommendation	Moderate dependence
Frazier/Rody/ 1991/MARK	N=930/M=300/ I=Industrial products/ R.T.=Distributo r-supplier relationships	MANOVA	High supplier power	Distributor/supplier use of non-coercive influence strategy (+) - information exchange - discussion - requests -recommendations	Moderate dependence
			High supplier power	Distributor use of coercive influence strategy (-) - promises - threats - legal	
Frazier/ Summers/1986/ MARK	N=944/M=435/ I=Car dealerships/ R.T.= Manufacturer-c ar dealer relationships	CORR	Manufacturer's perceived power	Manufacturer's use of coercive influence strategies (-) - promises - threats - legal	High mutual dependence
			Manufacturer's perceived power	Manufacturer's use of non-coercive influence strategies (+) - information exchange - requests	

Studies on influence and compliance

Payan/Nevin/ 2006/ORG	N=1038/M= 356/ I= Fasteners-in dustrial wholesalers/ R.T.= Supplier - distributor relationships	RA	Promise (as used by the supplier)	Compliance (+) (of the distributor)	N/A
			Reason		
			Direct request		
			Appeal to loyalty and friendship		
			Threats	Compliance (-) (acting in accordance with an influence attempt)	
Payan/ McFarland/ 2006/MARK	N=1038/M= 363/ I= Fasteners-in dustrial wholesalers/ R.T.= Supplier - distributor relationships	CORR RA	Rationality (as used by supplier)	Compliance (+) (of the distributor)	Low target dependence
			Requests	Compliance (+) (acting in accordance with an influence attempt)	
			Information exchange	Compliance (+/-)	
			Recommendations	Compliance (-)	
			Threats	Compliance (+/-)	

			Promises	Compliance (+/-)	
			Threats	Compliance (+)	High target dependence
			Promises	Compliance (+)	
			Distributor dependence	Distributor compliance (+) (with supplier requests)	N/A

Studies on reciprocal use of influence

Frazier/Rody/1991/MARK	N=930/M=300/ I=Industrial products/ R.T.=Distributor-supplier relationships	MAN OVA	Supplier use of coercive influence strategy - promises - threats - legal	Distributor use of coercive influence strategy (+)	Moderate dependence
			Supplier use of non-coercive influence strategy - information exchange - discussion - requests - recommendations	Distributor use of non-coercive influence strategy (+)	
Frazier/Summers/1986/MARK	N=944/M=435/ I=Car dealerships/ R.T.= Manufacturer-car dealer relationships	CORR	Dealer use of coercive influence strategies - Promises - Threats - Legal	Manufacturer use of coercive influence strategies (+) - Promises - Threats - Legal	High mutual dependence
			Manufacturer increase use of non-coercive influence strategies - information exchange - requests	Dealer use of coercive influence strategies (-)	

Foundational works

Frazier/Summers/1984/MARK	N=400/M=184/ I=Car dealerships/ R.T. =Manufacturer-car dealer	CORR	Information exchange (as used by manufacturer)	Ability to achieve influence objectives (+)	High mutual dependence
			Request (as used by the manufacturer)	Ability to achieve influence objectives (+)	
			Information exchange	Promises (-)	
				Threats (-)	
				Legalistic pleas (-)	
			Request	Promises (-)	
				Threats (-)	
Legalistic pleas (-)					
Use of information exchange strategy (as used by the manufacturer)	Use of request strategy (+)				

			Use of promises strategy (as used by the manufacturer)	Use of threats strategy (+)	
			Information exchange	Inter-firm disagreement (-)	

1) ENG=Engineering; HR = Human Resources; MAG = Management; MARK = Marketing; ORG =Organization science; PSYCH = Psychology

2) N = Number of companies in the sampling frame; M = Number of informants; I = Industry; R.T. = Relationship type; ___* = information not provided

3) CA =Cluster analysis; CORR = Correlation Analysis; CS = Case Study; FA= Factor Analysis; MANOVA = Multivariate Analysis; MRT = Multi Range Tests; LSM = Least Squares Method; RA = Regression Analysis; SEM = Structured Equation Modeling

4) (+) = Positive effect; (-) = Negative effect; (+/-) = No significance

5) N/A= Study does not use a moderating variable

Table 2. Overview of prior literature on intra-firm influence strategies

Author/year/ discipline ¹	Sample ² (Number of companies/ number of informants/ industry/relations hip type)	Metho dology ³	Independent variable(s) / support factors	Dependent variable(s) / outcomes	Moderating variable(s) / contextual factors ⁵
			(Empirical Findings ⁴)		
McFarland/ Challagalla/ Shervani/2006/ MARK	N=400/M=193/I= Industrial retail agriculture equipment /R.T.=Individual dyadic buyer-seller relationship	RA CA MANOVA	Information exchange	Ability to achieve influence objectives (+)	Buyer’s task focus (buyers with a higher level of task orientation)
			(as used by the supplier)	(Supplier’s influence objectives)	
			Recommendations	Ability to achieve influence objectives (+)	
			Threats	Ability to achieve influence objectives (-)	
			Promises	Ability to achieve influence objectives (+/-)	
			Ingratiation	Ability to achieve influence objectives (+/-)	
			Inspirational appeal	Ability to achieve influence objectives (-)	Buyer’s engagement focus (buyers with a higher level of task and interaction orientation)
			Information exchange	Ability to achieve influence objectives (+)	
			Recommendations	Ability to achieve influence objectives (+)	
			Threats	Ability to achieve influence objectives (+/-)	
			Promises	Ability to achieve influence objectives (+/-)	
			Ingratiation	Ability to achieve influence objectives (+)	
			Inspirational appeal	Ability to achieve influence objectives (+/-)	
			Information exchange	Ability to achieve influence objectives (+)	
Recommendation	Ability to achieve influence objectives (+/-)				

			Threats	Ability to achieve influence objectives (+/-)	level of self orientation)
			Promises	Ability to achieve influence objectives (+)	
			Ingratiation	Ability to achieve influence objectives (+)	
			Inspirational appeal	Ability to achieve influence objectives (-)	
Farrell/ Schroder/1996/ MARK	N=453/M=150/ I=Advertising services/ R.T.= Buying centre (committee) - purchasing agent (Intra-firm)	CORR FA	Rational persuasion (as used by the supplier)	Manifest influence (+) (on the buyer) Manifest influence: “changes in purchase decision-related opinions that result from the individual's participation in a buying center”	N/A
			Inspirational appeal		
			Consultation		
			Coalitions	Manifest influence (+/-)	
			Exchange		
			Personal appeal		
			Legitimate pressure		
Venkatesh/ Kohli/Zaltman/ 1995/MARK	N=461/M=187/I= Various/ R.T.= Buying centre (committee) - purchasing agent (Intra-firm)	RA	Referent power	Requests (+/-)	N/A
				Threats (-)	
				Legalistic pleas (+/-)	
			Information power	Information exchange (+)	
				Threats (+/-)	
				Legalistic pleas (+/-)	
			Expert power	Recommendations (+)	
			Reinforcement power	Requests (+)	
				Information exchange (+/-)	
				Promises (+)	
				Threats (+)	
			Legitimate power	Requests (+/-)	
				Information exchange (+/-)	
Legalistic pleas (+)					

1) ENG=Engineering; HR = Human Resources; MAG = Management; MARK = Marketing; ORG =Organization science; PSYCH = Psychology

2) N = Number of companies in the sampling frame; M = Number of informants; I = Industry; R.T. = Relationship type; __* = information not provided

3) CA=Cluster analysis; CORR = Correlation Analysis; CS = Case Study; FA= Factor Analysis; MANOVA = Multivariate Analysis; MRT = Multi Range Tests; LSM = Least Squares Method; RA = Regression Analysis; SEM = Structured Equation Modelling

4) (+) = Positive effect; (-) = Negative effect; (+/-) = No significance

5) N/A= Study does not use a moderating variable

Table 3. Summary of intra-firm influence strategies

Kipnis, Schmidt, & Wilkinson (1980)	Erez, Rim, & Keider (1986)	Yukl & Falbe (1990)	Falbe & Yukl (1992)	Lee & Bohlen (1997)
Assertiveness	Assertiveness	Pressure	Pressure	Assertiveness
Ingratiation	Ingratiation	Ingratiation	Ingratiation	Ingratiation
Rationality	Rationality	Rational persuasion	Rational persuasion	Rational reasoning
Exchange	Exchange	Exchange	Exchange	Bargaining
Coalition	Coalition	Coalition	Coalition	Coalition
Sanctions	Sanctions	N/A	N/A	Sanctions
Upward appeals	Upward appeals	Upward appeals	N/A	Higher mgt support
Blocking	Blocking	N/A	N/A	N/A
N/A	N/A	Inspirational appeal	Inspirational appeal	Inspirational appeal
N/A	N/A	Consultation	Consultation	Consultation
N/A	N/A	N/A	Legitimizing	N/A
N/A	Personal benefits	N/A	Personal appeals	N/A

- N/A = Not Measured

Table 4. The prediction matrix

Construct ¹	Definition ²	Predictions/propositions ³
Pressure	With pressure strategies, an agent “uses demands, threats, frequent checking, or persistent reminders in an attempt to influence a target to carry out a request” (Falbe & Yukl, 1992, p. 642).	P1. Pressure applied by suppliers is negatively linked to supplier performance.
Exchange	Exchange strategies involve “explicit or implicit offers by an agent to provide a favor or benefit to a target in return for doing what the agent requests” (Falbe & Yukl, 1992, p. 642).	P2. Exchange initiated by suppliers is negatively linked to supplier performance.
Coalitions	With coalition strategies, an agent “enlists the aid or endorsement of other people to influence a target to do what the agent wants” (Falbe & Yukl, 1992, p. 643). <i>At the outset, it is important to mention that in this context there is no literature detailing the precise makeup or content of a coalition. As such, the following is based on logical deduction. Coalitions can take place between firms or people. A coalition can take place between a focal supplier and another (outside) supplier and/or between focal supplier (employees or managers) and a faction (employees or managers) within the buyer firm. Alternatively, a coalition may take another form unforeseen at this juncture.</i>	P3. Coalitions initiated by suppliers are negatively linked to supplier performance.
Upward Appeals	Upward appeals are an attempt to invoke the authority and power of higher management by (a) telling the target you are acting on behalf of higher management, (b) threatening to go over the target's head or (c) directly asking superiors to help you influence the target (Yukl & Falbe, 1990, p. 135).	P4. Upward appeals undertaken by suppliers are negatively linked to supplier performance.

1. List of influence strategies based on Yukl & Falbe (1990)
2. Definitions of influence strategies based on Falbe & Yukl (1992)
3. List of predictions/propositions based on the literature review

Table 5. Summary of variables examined

Influence Strategy ¹	Influence Strategy Exercised ²	Source ³
Pressure	Demands	(Falbe & Yukl, 1992, p. 642)
	Threats	
	Frequent Checking	
	Persistent Reminders	
	Other	
Exchange	Benefit	(Falbe & Yukl, 1992, p. 642)
	Favor	
	Other	
Coalition	Focal Supplier – Other Supplier	(Falbe & Yukl, 1992, p. 643)
	Focal Supplier – Buyer Faction	
	Other	
Upward Appeals	Going over the Manager’s head	(Yukl & Falbe, 1990, p. 135)
	Other	

- 1) List of generic influence strategies
- 2) Breakdown of each influence strategy
- 3) Empirical source

Table 6. Summary of findings

Propositions ¹	Influence Strategy ²	Influence Strategies used to improve performance in PSAs ³
P1	Pressure	N/A
P2	Exchange	N/A
		N/A
P3	Coalition	Focal Supplier – Buyer Faction
P4	Upward Appeals	Going over the Manager’s head

- 1) List of propositions
 - 2) List of generic influence strategies
 - 3) Summary of findings
- N/A = Influence is not exercised by the majority of suppliers

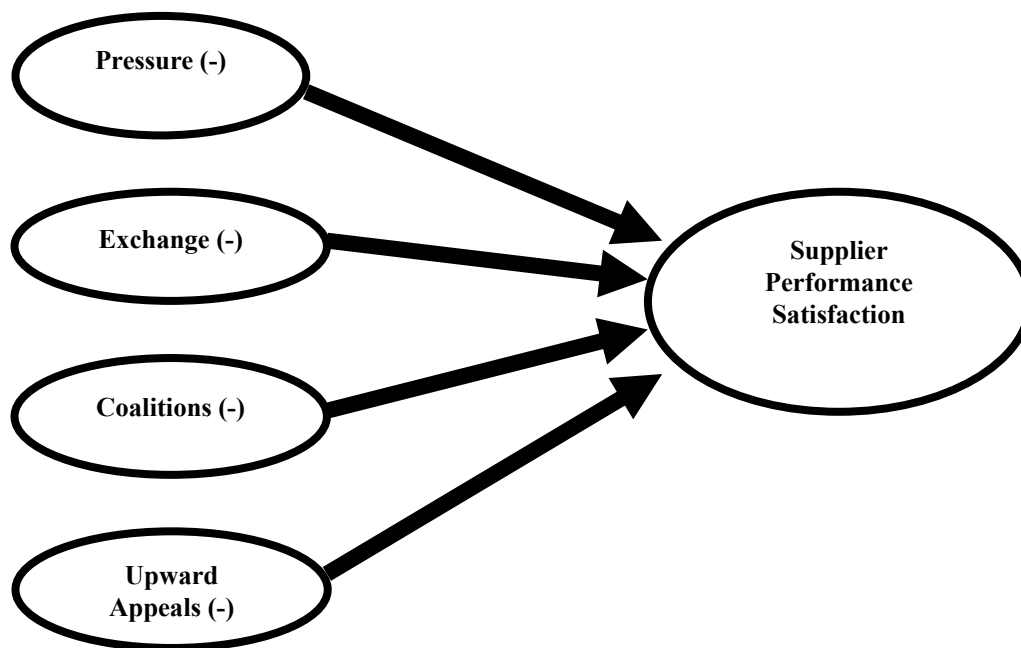


Figure 1. Theorized negative relationship between hard/coercive influence strategies and supplier performance satisfaction

Appendix A:

Table 7. Additional quotes from respondents in PSAs

Influence Strategies ¹	Quote A	Quote B	Quote C	Quote D
Pressure	Not overtly, no. I think if you get too aggressive, too threatening, then you won't achieve any kind of outcome. Sure, you can do it subtly in terms of ongoing, periodic reminders. And that could be making sure that interview feedback SLAs are adhered to...[or] just constant affirmation of the reason why the PSA is providing you with the right kind of quality and assurance...but, you couldn't go much further than that...	Oh see pestering in our industry can often have the reverse effect. I mean you could do that but I wouldn't do it.	It wouldn't be in an aggressive manner, no. It's just more on general day to day pestering... [Interviewer: Under what circumstances would you pester them?] Well you get told there's a turnaround and you know that something is urgent and you're sending them resumes. In such cases, yeah I'd pester them.... [Interviewer: Do you get the desired response?] Yeah, you get the desired response. As long as you're making them aware of the reason behind it you're not just pestering them just because. You're pestering them for a very good reason. The candidate is very strong they're out in the market, they're going to be gone you know they might have final interviews with three other companies. So as long as there's a good rationale behind it or a legit reason as to why you're pestering them.	Have I used it? Probably not, no. I don't pressure my clients. It's more persuading them to see things from my perspective than pressuring them...I mean I'm not a hardnosed recruiter that cites the terms and conditions every time something doesn't go my way. I'm just more of a consultative recruiter
Exchange	I don't think it would work. Do you? ... [Interviewer: Why?] I think managers deal with us because they like us, they trust us, they think we're going to do a good job, not because they think they're going to	A favour? What like reducing the rate, or taking them out on a boat and lunching them? Taking them out for drinks? [Interviewer: I guess any form of exchange involving benefits and favours]	It could be in any number of areas. It could be some [unclear] leadership material that you're working on or your business is working on. We'll make sure that no cost [is incurred], we can	Yeah. Well we do that with frequent user rewards. That's what it's there for. [Interviewer: Do you provide any other sort of benefits or favours?] Well there's the boat now. [Interviewer: Is there

	<p>get anything out of it. The only thing they're going to get out of it is finding the right people. Less of a headache in that case. I think that's it.</p>	<p>What about exchange of information, if they ask for salary surveys? [Interviewer: Yeah, that could be part of it] It helps build a relationship when they ask you for a favour, and we give them a salary survey and it helps them out with whatever they're doing internally, yes. You have to define favour though. That sounds really seedy. [Interviewer: Are there any other benefits or favours that you can think of?] Yeah, I mean sometimes if they're writing up job specs and they don't know how to write up their own job spec, and they've asked me to give some input as to how other organisations put together job specs, I'll help them out that way. I suppose it's building the relationship, being friendly. I think you can help them out in some ways.</p>	<p>keep you apprised of the recruitment trends and the [unclear] demographics and stuff. Could be any number of things. But again, for me that would all come back to a good, productive, meaningful business relationship. [Interviewer: Do you get the desired response?] Some managers it won't influence at all. They'll take it and keep doing the same thing. Others will value that relationship and the value that you provide. So they'll probably be more inclined to comply with the strict letter of the PSA.</p>	<p>anything else?] No. There are some agencies that do that but we're not one of them.</p>
<p>Coalitions</p>	<p>I guess you can, particularly with a person within a firm. Unlikely between inter-agencies. It's almost like a cartel in many ways, and you've got to be careful of price fixing and stuff like that. But getting allies within an organisation is critical. If you get someone who's a really strong advocate</p>	<p>No. [Interviewer: Why haven't you tried forming coalitions?] I think rivalry's probably too strong, between ourselves and the other agencies in the market. [Interviewer: What about between yourselves and certain individuals within the client firm?] Sorry, I'd taken it as other agencies, not</p>	<p>I'm going to say yes to that question. Now you're going to ask me for an example.... Coalition sounds so official. It's never that formal. It's normally just a call to somebody else that you know within that organisation that can help you sort out any misunderstanding or issue [Interviewer: So it's informal] Yes,</p>	<p>Well coalitions sorry and I'm just thinking of a case in point right now which would be that guy who I was talking about before who the general manager spoke to. So he didn't use us despite the fact that there's a PSA in place. So what's happened there is the consultant who's looking after that</p>

	<p>for you and your business in a position of influence within the client, absolutely. That's a great way to influence. And that happens a lot. But you don't get too many of those coalitions between separate recruitment firms. It's very rare.</p>	<p>individuals in a client firm. Within the client firm itself, sometimes we can yeah. I think if you've got a strong relationship with certain managers you can use them as a coach within the business, as to how do I get more business out of your company, who should I speak with, can you speak with this person for me?</p>	<p>it's informal [Interviewer: Do you get the desired result?] Yeah, I mean when you can get another line manager on side and get them to see your perspective in regards to what the other line manager has done, they might be able to pull them aside and say look, that's not how we do things... Hearing it from a colleague as opposed to an outsider probably makes a big difference.</p>	<p>account has made an appeal to another one of the managers in there that this guy plays football with and so they're sort of trying to influence him that way. Yep so yes it does happen. [Interviewer: Okay so it would be a coalition between your agency and..?] And a member of their management team... I can think of many occasions where we've done that in order to try and get into a company to get them to start using us and yes an alliance has been formed with you know someone over here who's good mates with the person in HR. Yes that has happened.</p>
<p>Upward Appeals</p>	<p>When my consultants are not getting the outcome from that manager's direct reports, then you've got to be careful about going over their heads. Cause when it comes back, they get a bollocking for not doing the right thing. The source of that bollocking is abundantly clear, and then that can cause you a bigger problem. [Interviewer: So in other words, you can do it but there are going to be repercussions?] There can be repercussions. So that particular manager then has</p>	<p>In extremists, yes. Yeah. [But] You've got to be careful. It's like any kind of relationship thing. If you're perceived to be going behind someone's back or above them, then the repercussions of that can be less than optimal. So it's only if you're really hamstrung or you've got no choice, then you have to go above them to the manager.</p>	<p>Yeah, sometimes. It's usually going to HR...and trying to get influence through HR. But there have been other times when we have gone above the manager's head to a more senior manager as well, if we've got a stronger relationship with a more senior manager than we do with the immediate client manager.</p>	<p>I'll try and think of an example that I know of... as far as the relationship with new team leaders coming in.... With new team leaders coming in they have relationships from previous organizations [recruiters]...and therefore the conversation we've had with the actual manager [is as follows], we say I don't think you realise this is happening. Our relationship has been very strong and we've provided you with staff very well. [Interviewer: So you're appealing to the upper manager's</p>

	<p>discussions with their direct reports. Then they can actually make life as difficult in other ways for the consulting staff. Again, it comes back to if the relationship is not solid, and all the agendas are on the table. Ideally, it should be that everybody's working towards the same outcome. Sometimes that's not quite the case, so escalating can get the right outcome, but it needs to be properly thought through before going down that path.</p>			<p>sense of loyalty. Did that work? Did you get the desired result?] I think it depends on the relationship between the two managers [the upper manager and the team leader] if that makes sense. Generally I have seen it being effective so it would happen ten times and probably seven times I've seen it have a positive effect.</p>
--	---	--	--	---

1. List of generic influence strategies (Yukl & Falbe, 1990)