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Winning the Influence Game: What Every Business Leader Should Know About Government

Carol M. Sanchez

Grand Valley State University, sanchezc@gvsu.edu

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In 20/20 Foresight: Crafting Strategy in an Uncertain World, Hugh Courtney's efforts to help managers increase the margin of predictability within an intrinsically unpredictable world are persuasive and convincing. Managers and strategy consultants will benefit from Courtney's insight. In addition, management scholars should find this book to be a useful reference and valuable supplement for strategic management courses at the executive, graduate, and advanced undergraduate levels. Courtney has opened a new chapter in strategy practice and research, one that will undoubtedly serve as a catalyst for innovative approaches in the boardroom and the classroom.

Winning the Influence Game: What Every Business Leader Should Know About Government


Reviewed by Carol M. Sánchez, Grand Valley State University

In Winning the Influence Game, authors Michael Watkins, Mickey Edwards, and Usha Thakrar effectively explain how managers of companies can improve their relationships with government. Watkins and Thakrar from the Harvard Business School and Edwards, a former member of Congress now teaching at the Kennedy School of Government, provide excellent perspective and guidance through several helpful frameworks that companies may use as they try to understand and navigate through their encounters with public-sector officials. The book is especially useful for leaders of small and medium-sized companies who may not be completely familiar with the practice of dedicating company resources to influencing government.

The authors of Winning the Influence Game argue that government is often an obstacle that creates problems for business. Like many economists, the authors hold that when governments get involved in business, they tend to make things worse. The authors provide many examples to show that government involvement is increasing, through laws that oversee mergers and acquisitions, control exports, monitor access to information, and enforce tax collection. In addition, they suggest that governments tend to burden business with environmental laws, product liability lawsuits, antitrust complaints, and assorted laws, such as the Family Leave Act. They cite the impact of globalization and more sophisticated communication processes on the increasing rate at which government is affecting business decisions. The authors' principal point is that U.S. companies wishing to expand in the global age of information technology must understand and be able to shape governmental rule-making processes anywhere they do business. "Both to gain a competitive advantage and to avoid harm, " they write, "businesses must know how to influence government."

Given the events of September 11, 2001, and the announcement that the Nobel Prize in Economic Science was awarded to three U.S. economists who subscribe to less than laissez-faire economic principles, the message contained in Winning the Influence Game is more relevant than ever. The Nobel Prize winners' theory of asymmetric information holds that buyers and sellers often lack the complete information needed for the economy to operate efficiently. They reason that because some markets are inefficient, the government may properly intervene with regulations designed to fix the distortions brought on by asymmetrical or imperfect information. Furthermore, as a consequence of the September 11th events, business leaders and the public are placing new and exigent demands on government to intervene in several market areas. Government is being asked to guarantee increased airline security, provide emergency financing for airline companies, support displaced airline workers, rebuild damaged areas of New York City, and pass anti-terrorism legislation. All of these actions will increase the role of government in markets and society. Perhaps now more than ever before in recent history, business leaders must realize the importance of cultivating relationships with the governmental organizations that affect their firms.

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Winning the Influence Game assures readers that business leaders have a right and an obligation to help governments shape their decisions and rules. According to the authors, “Shaping government decision making...calls for knowing where, when, and how to exert influence.” The book tries to help business leaders “slash [their] way through the thicket” of government rules and regulations, and to “avoid damaging rules and laws” that may obstruct the pursuit of business activity. For example, the authors emphasize the importance of building relationships with elected and appointed government officials, regulators, and other players in the public sector. They encourage businesses to create coalitions with stakeholders, who may be suppliers, buyers, public interest organizations, and even competitors. The authors note that relationships and coalitions are fluid, and they will change depending on the issue a business is attempting to influence. Business leaders should keep a clear focus on the numerous networks of relationships and coalitions required to assure that the company is leveraging its government relations well.

The authors provide some beneficial charts and worksheets that business leaders can use to map their strategies and actions for managing government relations. They provide a lucid outline of the legislative, judicial, and regulatory structures that may serve as leverage points for businesses trying to influence various issues. For example, the book describes the Telecommunications Act of 1996 in detail, with emphasis on how firms in the industry tried to influence the law at various leverage points in the rule-making process.

Watkins, Edwards, and Thakrar also discuss the importance of campaign contributions and the role of the Internet in monitoring and mobilizing support for a company’s key issues. One discussion about soft-money contributions is worthy of special attention. The authors suggest that whether to make soft-money contributions is a moral and ethical decision, as well as a business decision. That is, donating money with the intent of influencing decisions has ethical considerations for the business and its stakeholders. The authors cite the concern that soft money may circumvent the intent of campaign finance laws by giving the richest donors disproportionate impact on electoral outcomes. However, rather than pursue this important decision-making issue further, the authors simply note that “as long as the laws permit such contributions, and as long as competing interests make substantial contributions, the case for doing so will remain a strong one.” Such a utilitarian approach is insufficient for addressing this critical issue that haunts the effective management of business and government relations.

The authors suggest that whether to make soft-money contributions is a moral and ethical decision, as well as a business decision.

Winning the Influence Game will be of great interest to middle-market business leaders who may not have fully realized the importance of creating and managing relationships with various levels of government. While very large firms such as Microsoft, AT&T, and General Motors tend to have well-established government relations staffs, medium-sized companies may not and may instead require a different approach. This book may help managers of these firms craft a strategy for influencing government in a way that is appropriate to their resources and size.

Creating Corporate Reputations: Identity, Image, and Performance

By Grahame Dowling.
319 pages, hard cover, $45.00.

Reviewed by Patrick M. Kreiser, The University of Alabama

Have you ever wondered how companies such as Microsoft, Dell, and Wal-Mart have been able to build a strategic advantage over their competitors? In Creating Corporate Reputations, Grahame Dowling explains that these companies have in large part built their dominant market share through the development of an excellent corporate reputation. The primary focus of this book is the belief that strengthening your corporate image and reputation “can always be used to support the