

STAFF INFIDELITY AND STAKEHOLDERS' CONSPIRACY: THE CASE OF EMPEROR NIGERIA LIMITED

Dr. Livinus Okpara Onu

livinusonu@gmail.com

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Dr. Ama Aka Udu

Department of Business Management and Entrepreneurship Studies,
Ebonyi State University, Abakaliki.

uduama@yahoo.com

Abstract

The study evaluated how unethical workplace behaviors of employees, in collusion with other stakeholders, orchestrated business failure. A case study strategy anchored on stakeholder's theoretical framework and conceptualized Stakeholders' Criminal Conspiracy Model was adopted. Extant literatures revealed bias in adopting contingent/direct effect approach by scholars and researchers, ignoring configurational/stakeholders' perspective. The researcher chronicled the formation and operations of Emperor Nigeria Limited for twelve years (2001-2013). Data were obtained from company records and focused interview of various stakeholders. The relationship between the organization and among its critical stakeholders (shareholders, employees, customers, suppliers, consultants, competitors, government agencies, community and area boys) was elaborated. The result indicated that staff infidelity has a significant effect on stakeholders' conspiracy and its associated degraded business performance. The strategies the company adopted to mitigate these corrupt behaviors were clearly stated. The

implication is that management's inability to proactively deal with staff infidelity and stakeholders' conspiracy has the tendency to engender business failure. It is concluded that staff infidelity in organizations can only be minimized, but not totally eliminated.

Keywords: Business Failure, Emperor Nigeria Limited, Staff Infidelity, Stakeholder, Unethical Workplace Behaviour

1. INTRODUCTION

The rate at which Micro, Small and Medium Enterprises (MSMEs) fail, especially in emerging economies, is assuming frightening dimensions with tremendous consequences (Akinyemi, 2017; Tibon, 2015; Minello, Scherer and Alves, 2014; Ucbasaran, Shepherd, Lockett and Lyon, 2013). Asaju, Arome and Anyio, (2014); Zacharakis, Mayer and Castro (1999) and Bygrave and Zacharkis (1997) have raised concern concerning the consequences of unmitigated MSMEs' failure in critical production and services areas, which result in unemployment and general economic downturn. Many reasons have been adduced for this, bordering mostly on the socio-

econo-political regime prevalent in those countries (Arinaitwe, 2006; Salman, Friedrichs and Shukur, 2012). Reference is made, especially, to bad governance in those countries which has been implicated, as one of such factors responsible for such parlous economic situation (Asaju, et al., 2014; Allio, 2007). As it were, bad governance portends grave future consequences, as it is already dangerously pushing individuals and even organizations, out of desperation, to begin to “cut corners” in their dealings (Onu and Okafor, 2018; Iyoha, Gberville, Iruonagbe and Egharevba, 2015). Besides bad governance, there are other organizational external and internal factors noted to influence business failure. In identifying those causative factors, researchers have adopted two paradigms: a focus on either external or internal environmental variables. The external perspective focuses on abstract business-promoting instruments such as finance, market and the external operating environment (Williams and Vorley, 2014; Ubasaran, et al., 2013). Arguably, finance, market and the external operating environment of business are important, no doubt, but introduction of more funds, access to new credit and new legislations appear not to be yielding the desired result (Adom, Amakye, Doh and Anku, 2014; Magaji, 2014). It would therefore appear that such approach is not inclusive enough. It tends to only address complementary factors without adequate regard to the basic capricious human factor that can contrive and execute mindless actions that may be fundamentally detrimental to the survival and growth of any organization (Kaptein, 2008). On the other hand, the focus on internal environment singles out the

behaviour of employees. Kaptein (2008) argues that employee actions or inactions have the capacity to promote or undermine the best of systems engineered to drive any organization. For instance, the fundamental reason for the demise of Enron, WorldCom, etc. was ‘unprofessional behaviour’ (abuse of fiduciary relationship) by the executive management of those organizations (Dibra, 2016). For starters, these are employees, irrespective of their functional positions. Naturally, the market responded negatively when information regarding the malfeasance filtered to the public domain. The economic meltdown that followed is now history, but its catastrophic consequences are still reverberating in families and countries (Verick and Islam, 2010).

Be that as it may, there is the need to acknowledge the generalized views of Minello, et al., (2014); Minello, (2010) and Zacharakis, et al. (1999), to the effect that the success or failure of an organization may be related not only to aspects of the manager’s behaviour, but also to the elements internal to the organization as well as elements of the external environment. To that extent, an inclusive approach in discussing business performance is apt. Therefore, our attention is drawn to staff infidelity in collusion with other stakeholders, as a predictive factor in business failure discourse. This is an area much research has been scanty (Kaptein, 2008; Zińczuk, Cichorzewska, Walczewski, 2013).

Conceptually, organizational stakeholders are a group of people who affect and are being affected by the operations of an organization. Classical organizational

stakeholders include shareholders, employees, customers, suppliers, competitors, consultants, community and government. Many scholars have argued that business organizations and their stakeholders bear ethical responsibilities. The theoretical framework that ground these ethical responsibilities is stakeholder theory. As cited in Kaptein (2008); stakeholder theory was originally developed by Freeman (1984) and further expounded by Donaldson and Preston (1995), Jones and Wicks (1999), and Mitchell, Agle, and Wood (1997). The theory states that business organizations in its ecosystem have multiple relationships with individuals, groups and organizations. These people enter into a relationship with business organizations to protect or promote their interests. In regard to this interdependence, mutual expectations arise between both parties demanding that they manage each other's interests in an ethically responsible manner. By extension, these relationships are seen as implicit contracts. In fact, contractual business ethicists, such as Heugens, Kaptein and Van Oosterhout (2006), demonstrated the moral legitimacy of these expectations. As a result, business organizations bear an ethical responsibility to protect and promote the interests of their stakeholders and vice versa. To what extent the parties keep to this implicit contract, that is expected to be mutually beneficial, is arguable.

A stakeholder's perspective in staff infidelity discourse indicates a situation where employee (s), in addition to their internal 'deals', also collude with outsiders to further engage in activities that are detrimental to their organizations. The stakeholder's perspective is inclusive, and

embeds both the internal and external stakeholders of the organization. Employees are just one of the internal stakeholders. In Nigeria's business ecosystem, other external stakeholders may include customers, suppliers, competitors, consultants, community, government and its agencies and even the pugnacious area boys (Agberos). However, the employee is at the centre of the scam. Every other stakeholder becomes an accessory (moderating variable) to the crime-conspire to work against the interest of the financier stakeholder (shareholder, investors and creditors).

A plethora of studies on issues relating to unethical behaviour by employees in organizations has been carried out. Though, many of such studies adopted a range of other synonymous constructs as cited in Kaptein (2008:980): corruption (Ashforth and Anand, 2003); sabotage (Analoui, 1995); counter-productivity (Mangione and Quinn, 1975); criminal behavior (Southerland, 1940) and rule breaking (Tyler and Blader, 2005). The salient feature of all these are that the intention is injurious to the organization, no doubt, but engineered and executed by an employee (s) within the organization. Impliedly, therefore, most of these studies adopted contingent/direct effect approach as against this study's configurational/stakeholder perspective (Kaptein, 2008; Zińczuk, et al. 2013). The effects of employee infidelity are not diminished whether they acted alone or in connivance with outsiders. However, it stands to reason that the more the number of stakeholders involved, the likely more devastating the effect on the organization.

Thus, other stakeholders' criminal complicity (configurational or environmental approach) has received limited attention. Only Kaptein (2008) has adopted a stakeholder's approach in developing a measure of unethical behavior in the work place. But the distinct objective of that study was the effects of the unethical behavior on each stakeholder's group. Others; Newstrom and Ruch (1975), Cardy and Selvarajan (2004) cited in Kaptein, (2008) developed a measure of unethical behavior in the workplace from a unidimensional perspective. They investigated those employee behaviours and their effects on the organization from a self-reporting perspective. The adoption of a stakeholder's perspective brings to the fore the insidious consequences of criminal conspiracy so that any proffered solutions may become more far-reaching and effective in the survival and growth of MSMEs.

Therefore, the objective of this study is to use the Case Study of Emperor Nigeria Ltd., through a conceptualized Stakeholders' Criminal Conspiracy Model (SCCM), to succinctly describe the influence of employees' infidelity in collusion with other stakeholders on business failure. The proximal research questions are: what is the nature of the relationship between different categories of employees and other stakeholders? How do employees and other stakeholders collude to defraud an organization? What are the consequences of criminal collusion between employees and other stakeholders on an organization's performance? What actions and interventions are necessary in managing staff infidelity?

2. METHODOLOGY

The study adopted a case study approach using Emperor Nigeria Ltd., producers of Livcord Table Water. The research chronicled the formation and operations of the company for 12 (Twelve) years (2001-2013), highlighting the relationship between the organization and among its critical stakeholders within the environmental ecosystem. Data were obtained from researcher's firsthand experience, company records and focused interview of various stakeholders. Subsequently, the strategy employees adopted in colluding with other stakeholders and its consequences for the organization were analyzed. Finally, the study highlighted actions and interventions adopted to manage staff infidelity exacerbated by collusion with other stakeholders.

2.1 Profile of the Company

Emperor Nigeria Limited (ENL) is a private limited liability company registered with Corporate Affairs Commission (CAC) in September 1993, under the Companies and Allied Matters Act, 1990 as amended. One of its object clauses is to carry out the business of producing and packaging of Table Water. Its Directors are family members. In the year 2000, the company registered a trade name, "LIVCORD AND DERIVATIVES" with the Federal Ministry of Industry, Trade and Investment. In the third quarter of the same year, the company applied to the National Agency for Food, Drugs Administration and Control (NAFDAC) to be licensed to produce Table Water in Sachets of 50cl, Pet Bottles of 50cl and 75cl and 19- Litre Jar. After due inspection and meeting all NAFDAC

regulatory requirements for Good Manufacturing Practice (GMP), a provisional licence was received in March, 2001 and the company commenced operations in October of 2001. As at then, the total assets of the company, excluding land, was valued at about N4.5 Million Naira, and fully funded by owner's personal savings.

2.2 Management and Employees

2.2.1 First Phase of Management

The pioneer General Manager (GM) was a family friend and a relation. An engineer by profession, though much older than us, he was considered good for the job, based on his antecedents of transparent honesty. The production supervisor was my nephew. He was honest but gullible (inexperienced). The other thirteen (13) pioneer employees included: Admin/Finance= (1); Drivers= (2); Machine Operators= (2); Baggers= (2); Packers= (2); Motor Boys= (4). They were employed by the GM. In line with industry practice, they were all casual staff and no contractual agreement was in place, neither were there reference letters requested and obtained for any staff. It was a roller coaster-you work in and work out at your pleasure.

Then competition was not very stiff. The culture of drinking purified water (as against water from unregulated sources) was just catching up, eight years (2001) after NAFDAC began to licence Table Water companies in 1993. Turnover was impressive but it did not translate into profit. Surprisingly, within the first one year of operation, no profit was made and staff salaries were paid from the personal savings of the owner. Our concerns were usually allayed that such was typical of the industry;

that we will soon start making profit. Meticulous book keeping was in place. But cash inflow was never sufficient to meet expenditure. Why? There were increasing costs on vehicle maintenance, fueling the trucks, fines to Federal Road Safety Corps (FRSC), Nigeria Police Force (NPF), Vehicle Inspection Officers (VIOs) and Lagos State Transport Management Authority (LASTMA). Further, a great deal of sales was booked as credit. On three occasions we saw a driver push his truck into the factory. Reason: the diesel in the truck had finished. On investigation it was discovered that drivers were wont to siphoning the diesel in their trucks close to the factory and sell the diesel at black market, while the driver and his motor boys will gingerly push the truck to the factory. Since the situation did not change for better, we shut the factory in October, 2003, and sacked all the staff without consequences. All staff left as they came-walk-in and work-out.

2.2.2 Second Phase of Management

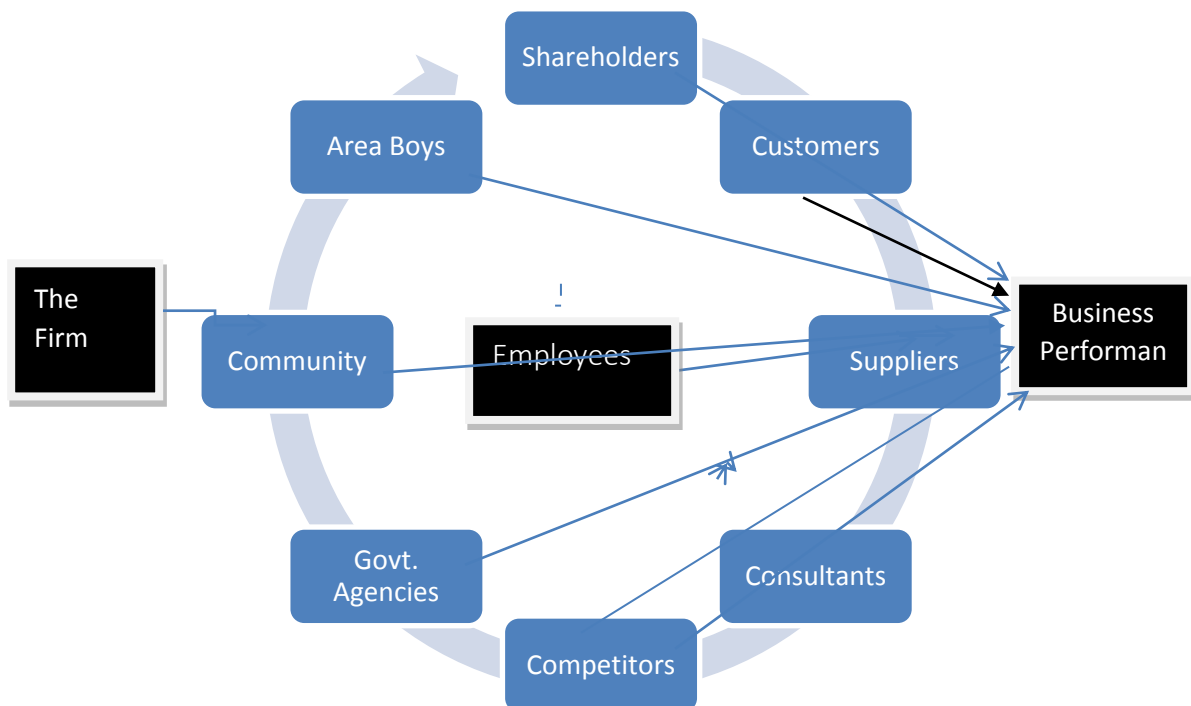
The factory remained closed until February 2005 when my wife resigned from paid employment from Champion Newspapers as Deputy Editor, Daily Champion. She spent the greater part of 2005 tooling-up and assembling new staff. We sold the Volks Wagon trucks and bought Mercedes Benz (508 and 608) trucks which were more fitted for carrying heavy load like water. I joined her in January, 2006 after my services were no longer required by Fidelity Bank Plc after its merger with, or more appropriately acquisition of, Manny Bank Plc, where I was a Senior Manager. Yes, management changed hands, but the character of the managed remained the same. Under our

watch, customers started buying goods on 'credit'... In fact, the old practices resurfaced! One pathetic incident was a temporary driver who siphoned the diesel in his truck, sold the diesel and bought kerosene into the truck, and the truck engine knocked. The unfortunate aspect of this was that the company just assisted in paying the temporary driver's school fees, and decided to temporarily employ him as a way to further assist him in his educational pursuit, since his parents were very poor. The strategies we adopted to counter/checkmate some of these fastidious ways of life are discussed after reviewing the nature of the relationships between employees and other stakeholders, the collusion process and its consequences.

2.3 Relationship between the Employees and other Stakeholders

We begin to describe the relationship between the employees and other stakeholders by developing Stakeholders' Criminal Conspiracy Models (SCCM), in Figures 1(a), 1(b) and 2. Figure 1(a) puts the firm employees at the centre of the firm and links them globally with external stakeholders. Figure 1(b) further divided the employees into the functional departments of Marketing, Production, Administration and Finance and links them with the external stakeholders, earlier identified. Finally, Figure 2 showed the interface between each group of employees and corresponding stakeholders. These progressive and intimate levels of interactions create opportunity for collusion.

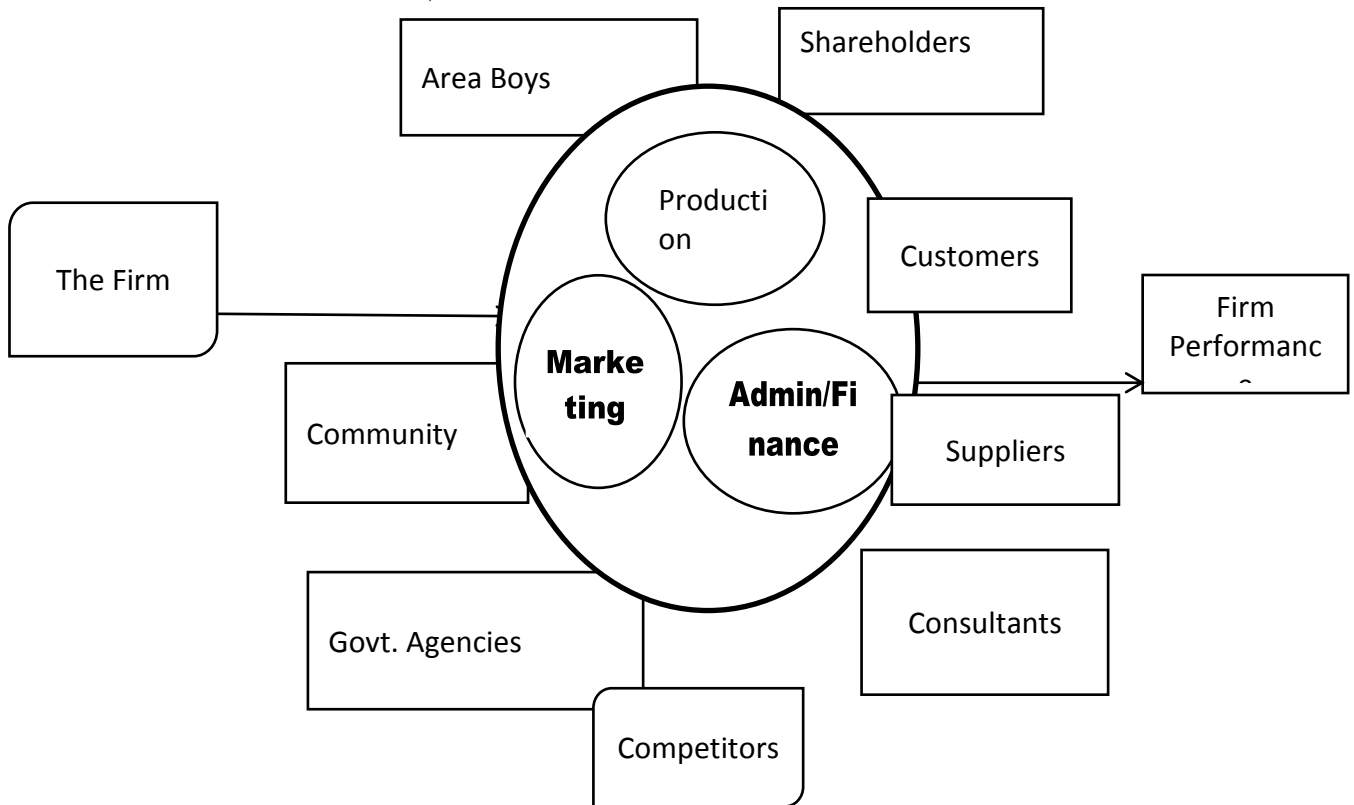
Figure 1(a): Stakeholders' Criminal Conspiracy Model (Employees at the Centre)



Source: Conceptualized by the Author

Figure 1(a) depicts organizational ecosystem made up of four compartments-the Firm, External Stakeholders, the Employees and Business Performance.

Figure 1 (b): Stakeholders' Criminal Conspiracy Model (Functional Departments' Interface with Stakeholders)



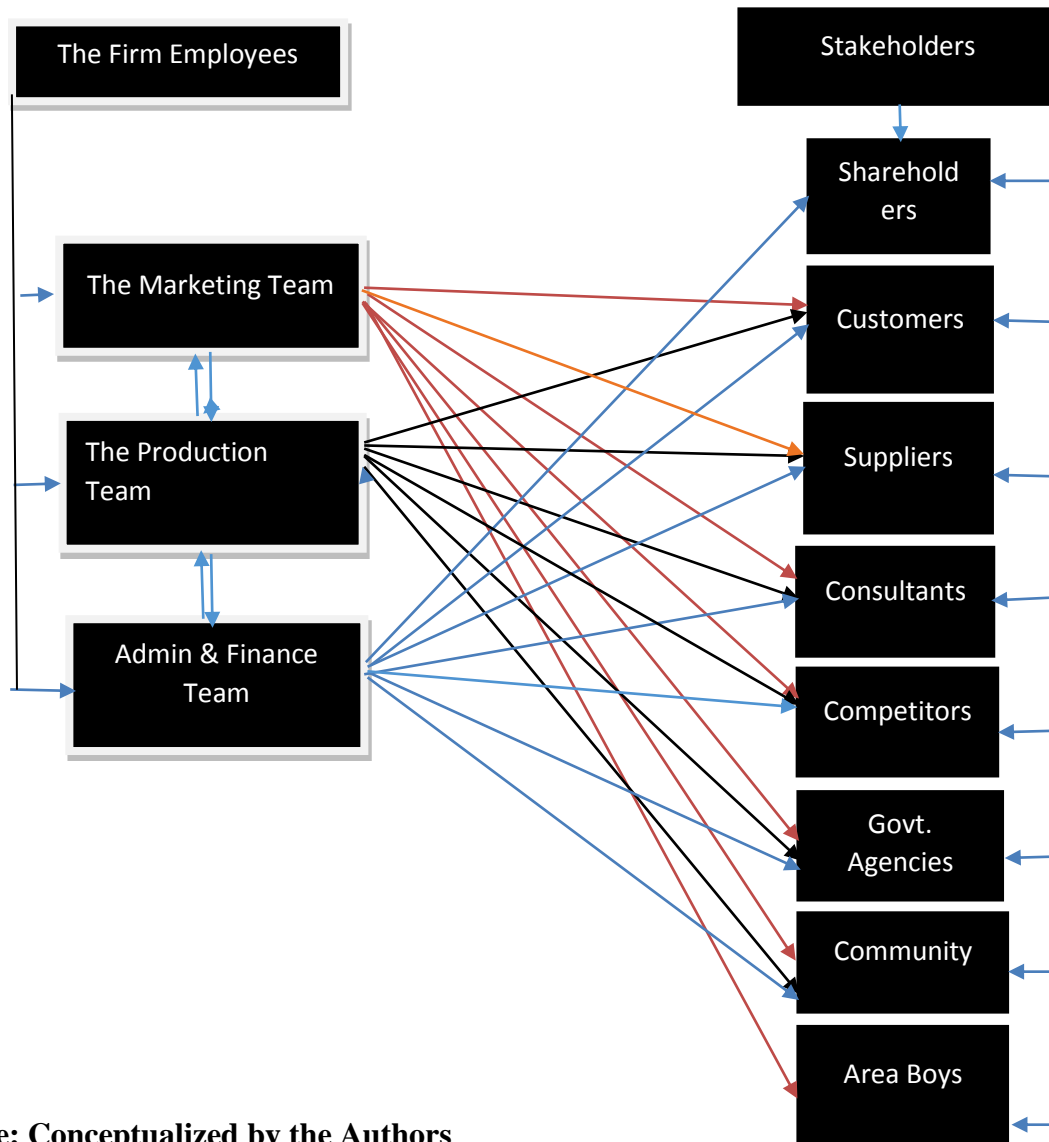
Source: Conceptualized by the Authors.

The model (Figure 1(b)) is also divided into four parts. The firm, external stakeholders, internal stakeholders (employees split into their functional areas of Marketing, Production and Administration and Finance) and the resultant firm performance.

Nine stakeholders are identified whose activities for good or bad affect the operations of the firm and its final performance. External stakeholders include

Shareholders, Customers, Suppliers, Consultants, Competitors, Government Agencies, Community and Area Boys (Agberos). Then inside the firm in Figure 1(b), are employees who are categorized into functional areas of marketing, production and administration and finance. The level of interaction with other stakeholders is a function of the employee's functional department as depicted in Figure 2.

Figure 2: Stakeholders’ Criminal Conspiracy Model (Employees’ Interaction with External Stakeholders)



Source: Conceptualized by the Authors

The employees in Figure 2 above have strategic areas of interface with other stakeholders as they perform their duties. However, these interactions are not cast in stone, and of course not exhaustive.

2.4.1 The Interaction Process (Figure 2)

The marketing team interacts with customers either as distributors or retailers; consultants (e.g. vehicle mechanics); competitors’ sales staff in the market or visit their friends who work in other factories; collect raw materials from suppliers; get

contravened by government agencies such as Police, Road Safety Corps, Vehicle Inspection Officers (VIOs), staff of Lagos State Transport Management Authority (LASTMA), NAFDAC Task Force Officials; Local Government Officials and the Community whose road they ply and

mingle with other road users. They also interface with Area Boys (Agberos), who are outlaws and miscreants, when their vehicles break down or are off-loading.

The production team interfaces with consultants (machine technicians), suppliers of raw materials and spare parts, NAFDAC officials, Government Agencies and the Community.

The administrative and finance staff directly relate with consultants (e.g. retained hospitals, fumigation companies, etc.), Government Agencies in areas of tax and rates, staff matters and environmental issues; the shareholders through policy formulation and financial reports and other interpersonal matters. They also manage community relations.

Of course, employees interact among themselves within and outside the firm. It is this cocktail of interactions that facilitates collusion, with the employees at the centre. The last box, which is the firm's performance is the outcome of the milieu of the interactions within and outside the firm. The criminal operational processes are explained below.

2.5 The Collusion Process

The proverb that it is the house-rat that usually informs the bush-rat that there is fish in the kitchen basket is quite apt. Except for among themselves, it is the employees that seek out the collaboration of other stakeholders to commit crime. The collusion process is described as indicated in Figure 2.

2.5.1 Collusion among the Employees

Marketing Team and Production: A member(s) of the marketing team would approach the factory supervisor to allow them overload the truck at the point of loading with the understanding that the 'booty' will be shared. Trucks that were meant to officially carry, say 100 bags for sale, will be loaded 120 bags. The sales book will carry 100 bags. The proceeds from the sale of the additional 20 bags is shared among the clique. Once established, the process continues, except discovered.

A case in point was when, by special arrangement, a third party brought in a 911 Mercedes truck to be used by our own driver to sell water for them. The profit from the sales was to be shared between the owners of the truck and the company. The truck was officially meant to be carrying 400 bags of sachet water for sale. However, between the marketing and production teams, the vehicle was being loaded 550 bags on each trip. This gave an overload of 150 bags. The unfortunate thing was that the head motor boy behind this racket was a relation who was living with us. Each time the vehicle went out, it broke down on the road. Expenses were made to clear the vehicle off the road from LASTMA and area boys. Parts were purchased and a mechanic mobilized to the site to repair the truck. On two occasions, LASTMA toed the truck to their yards at Anthony and Oshodi. In each case, a fine of N30000 (Thirty Thousand Naira) including demurrage of N1000 (One Thousand Naira) for each day the vehicle slept in their yard, was paid through the bank to retrieve the truck. The financial drain on the company was unbecoming. In each trip the company lost

N7500 (N50.00 x150 bags) outside other expenses. The company was losing cash on daily basis but we could not put our finger on the source of the loss. At times when my wife wanted me to monitor the truck loading, I would retort that Isaac (our relation) is there! It got to a point we began to find it difficult to re-order for finished raw materials.

The company was going down! It took the prayers and vigilance of my wife to discover the source of the problem. One day she noticed the bulging belly of that truck after loading, and called my attention to it. We insisted that the water be off-loaded and recounted. Not to be beaten to his game, my 'altruistic' relation asked us not to worry, that he would return any excess water after sales. Secretly, he had planned with the driver to drive the truck out of the factory premises before we would wake. But unknown to him, my wife was not sleeping. We accosted them and ordered the off-loading of the truck. That was the only time the racket was smashed. Because other marketing teams were aware of what was going on, from 'our relation', they joined and nobody amongst them had the moral courage to check one another.

The implications of this included non-coverage of cost of production, increased wear and tear on the truck as a result of overload thereby increasing cost of maintenance, added pressure on the packaging machines in order to cover the required quantity for overload while meeting production target. Because the production supervisor had overarching influence on the production team, nobody dared to report the malfeasance. Besides, he tips his boys

occasionally. Were it not for an existing long-term relationship with the truck owners, that relationship would have been irretrievably damaged on account of financial losses sustained on the investment.

Marketing Team and Consultants: As part of the innovations we introduced, the company had a retained mechanic. The driver(s) 'arranged' with him to put claims for phantom maintenances. The money collected for buying parts is shared between them. Other areas of collusion were in buying new parts and not using them and subsequently returning same to the seller and collecting back the money, even if at a discount and removing good parts from the truck, selling them and replacing them with junk. In all these, there was no value for money spent even as maintenance costs rose.

2.5.2 Collusion between Marketing Team and Customers

There were key customers (distributors) in each market who usually buy one full truck or several truck-loads of pure and bottled water. Often, they do not have cash to fully pay for all the supplies. Because of their size and volume of operation, management usually obliged their credit requests. The marketers would now latch on this and begin to book most sales, including cash sales, as 'credit' and pocket the cash. Recall that it had been indicated that there was a captive (ownership) relationship between these customers and the marketers. Even where the customer suspected such infraction, they would keep mute. At times they are actually aware, but claim they 'pity the boys' because of their usual pathetic stories: How the company is making a lot of

money and paying them pittance. In other times, they plead with the customer to consider it as a loan to them which they promise to pay to the company, which they never did.

As comrades in crime, what they (customers) do is once in a while, to dispute some genuine debts. They will claim that the money was paid to the driver or motor boy. Those ones would not be vehement in pursuit of the debt recovery because it was time to reciprocate previous 'coverings.' As a result of the permissiveness in staff engagement in the industry, some would just accumulate these debts, and when the heat was on to recover them, resign from the company. You would be left with the option of either involving the police, which often turned fruitless, or just lick your wound. We had a case of accumulated debt of over N300,000.00 against a marketing team, which could not be recovered because between the customers and the marketing team, actual culpability could not be established, given the level of complicity existing between them.

In fact, there were some 'toxic' customers, in different markets, who would either force the driver to drop water for them and refuse to pay using the area boys, or request for the product and ask you to come back for your money. By the time you go for your money, is either 'she is not available', or 'too busy to see you' or the area boys who guard her will chase you away; that you are disturbing 'Mama'. Oshodi market alone accounted for three such toxic customers. You have one each in Mushin, Apongbon and Ikeja Traffic Light. By the time you stop supplying them, they quickly switch to other new products in

the market, who usually are desperate to get new customers. Their catch is that they are market makers and very influential in those markets. In fact, they are also outlaws. If you attempt to be too hard on them, your trucks will never be allowed into that market again by the area boys.

2.5.3 Collusion between Marketers and Government Agencies

The law enforcement agencies (NPF, TWC, FRSC, VIOs, LASTMA) operate on the road and at different markets and suppliers' routes. They contravene vehicles and drivers for various traffic offences. With time, a marketing team will become familiar with a particular law enforcement team on their route. How do they do that? There is always a provision, right from the factory, for two or three bags of water for Public Relations (PR) to law enforcement agents on the load. As they collect this water on daily basis, the company staff become acquainted to them. Over time a chummy relationship develops between them. When in need, either party will seek the other's assistance. If the law enforcement agents request for money, our boys will be willing to oblige them, but at the expense of the company. They tell their 'friends' how the company has no such provisions and how they will be punished if they fail to fully account for their sales money. But will quickly inform them there is a way to meet their request: to call the office pretending to be arrested with a promise to be released on payment of a stated amount. The amount, of course, will be greater than what the law enforcement agents are asking for. Being a win-win deal, they oblige them. They will call the manager in the factory and narrate their story and seek for authority to spend the

money. Some of these calls are often at odd hours or a claim of being in remote and dangerous locations. Considering staff risk and alternative cost of going there, the manager may have no choice but acquiesce to their request.

This ploy became an easy source of money for the 'boys' such that on the few occasions the manager instructed them to wait for him, no sooner did they call that they have been released. Coincidentally, the day the manager actually went, he ended up spending more than being requested. At times, you just discovered that half or more of the cash sales was claimed to be spent on the road. If it was not to law enforcement agents, it would be for vehicle maintenance or to agberos.

Some other days, the narrative would be that NAFDAC or SON was on market raid. That our truck was impounded with its load, and in the process of being taken to their office. The request would be to authorize them to 'settle' the relevant officials to avoid uncalculated loss to the company. More often than not, it was difficult to establish the veracity of their claim, but it was always safer to err on the side of caution.

Agberos (Area Boys) are law unto themselves. Lagos comes along with a hue of the ugly and the beautiful. Agberos are made up of street urchins, hardened criminals on the prowl, drug addicts who must satisfy their cravings. They lurk around, day and night, looking for opportunity to strike. When they meet hapless motor boys offloading water, they forcefully carry some bags to go and sell for pittance. At times, they would orchestrate a

fight and rob the motor boys of all the money on them. They may even carry away a vehicle's jack or fire extinguisher. In times of 'need', a marketing team would rob the company of any valuable and put it on the agberos. Even when they sold their spare tyre, it would be the area boys that were responsible. That way the company was exposed to series of unaccounted for losses of valuables which were necessary for road safety purposes.

2.5.4 Collusion between Marketing/Production Staff and Competitors

Marketers interact with competitors' staff either through meeting them in the market place or visits to their factories. Production staff also visit their friends in other factories. Either way, they exchange views in the area of staff welfare and general condition of service. It is usually on some of such meetings some staff would be poached, they often leave their company without notice which may result in product distribution/production disruptions. We had a sad experience where two of our drivers were simultaneously poached by competitor companies. Our sales architecture collapsed, we were unable to service our customers, who were immediately taken over by the drivers. Production was adversely affected as well as cash flow. Industry espionage also goes on as your staff divulges your trade secrets to the competitor.

But a more insidious and perfidious situation was a case where a competitor surreptitiously hired a competitor's production staff to introduce a foreign object in the competitor's production line, thereby contaminating that product batch.

As prearranged, an agent of the competitor bought some of the offending sachet water and took to NAFDAC to the effect that the producer's water was not fit for consumption. NAFDAC promptly sealed the factory of the offending company. On thorough investigation, the truth was revealed. Be that as it may, the company's image has been impugned and many business weeks lost.

2.5.5 Collusion between Production Staff and Customers

Collusion also occurs in area sales. Customers within the vicinity of the factory often buy directly from the factory. There were also cases where production staff use barrow to supply these contiguous customers. There was a case of a woman who has a shop in front of the factory and whose son was a production staff. Each time the mother needs water, the son will quickly come to the factory in the morning and supply her 30 bags of sachet water. Later the mother would claim that she bought only 10 bags and pay accordingly. This was going on until her competitors reported to the Administrative Manager. They discovered she was undercutting them by selling at a reduced price, in the process diverting their customers.

Other infractions in the interaction conundrum were essentially self-serving rather than conspiratorial. Below are some examples.

When production staff supplied product with barrow, some will come back and record that some customers were owing, only for the debt to be disputed at a later date. Possibilities were that they either

bought in cash, but more likely that the staff who supplied had gone back and collected the debt and pocketed same.

When the production supervisor goes to the market to buy spare parts, he either buys inferior quality at a cheaper price with a claim that the one he wanted was not available, or inflated the price of the part and get a commensurate receipt. On one occasion, we picked a payment receipt for 'Teflon' bought at a shop in Alaba International Market. We were going to Alaba market and wanted to use the opportunity to replace the servicing part that was exhausting. When we checked in the same shop for same product, the price was four times less than what was on the production supervisor's receipt. The seller informed us he usually writes whatever price the buyer wanted him to write. When we confronted him (the production supervisor), he claimed that the seller may have bought a new stock.

Like a pride of lion on an elephant, the company can only resist these cumulative vicious and savagery bites for a while, before it gets asphyxiated. But, trust, the company did not go down without a spirited fight to survive. After the incident of using kerosene as fuel and knocking the truck engine by an employee, we decided to adopt a new management strategy. We decided to have personal relationship with our major customers. This was a deviation from the old practice where those customers were captive owners of the drivers and motor boys. The marketing teams resisted it, but we insisted. It reduced the practice of compulsive lying against those customers since the company can call or visit to

confirm. The second strategy was to begin to give measured quantity of diesel to drivers. Based on work study, experience and negotiation with drivers, we determined the quantity of diesel appropriate for all the market routes. It was agreed that they could sell the remainder, if any, but must ensure that the trucks were not bled and truck engines safe. It was a-win-win deal, and it worked. The company tried to establish strategic alliances with the offices of each law enforcement agencies close to the factory and on the market routes. Not much was achieved since those on the road would appear to be working for ‘everybody’, if not trying to meet a target set by the ‘Oga’ in the office.

The most ambitious and radical of the strategies was to discontinue day operations by the trucks and to begin plying in the night. We had arranged with the major customers most of whom receive their water in their houses. The intention was to cut-off government agencies that do not operate in the night. Prior to this period, LASTMA officials had become a terror on the road such that if your truck has a flat tyre, you would not be allowed to change the spare except you pay N2000. Alternatively, they will toe your truck to their nearest yard with its consequences. Only Police was left and dealing with them was always easier. Not to be out-smarted, the marketing teams started using the police and Agberos more effectively. Jacks, Fire Extinguishers and Spare Tyres would be removed and Agberos were said to be responsible. To further ‘punish’ us for the measure, they learnt to call at very odd hours to report vehicle breakdown or police contravention at lonely and dangerous locations. The marginal

benefit we seemed to have gained in cash outflow, we lost in emotional stress due to lack of sleep and risk taking, being on the road at very odd hours. It is sad to report that we did not succeed meaningfully in curbing the menace of staff infidelity and collusion with other stakeholders to pillage our company.

In frustration, in 2010, we decided to seek another career (academic), and consequently, leased the factory for two years. Unfortunately, the lessee was not willing to learn from the experiences of those who had been there. Predictably, the business was not profitable and its operations suspended. Of course, it adversely affected existing relationship. At the expiration of the lease in 2012, we finally sold the property with the business. We discuss below, in some detail, the structure and responses of the focused interview of other stakeholders, which substantially corroborated the plight of Emperor Nigeria Ltd. over these 12 years.

2.6 Focused Interview

The interview was a posteriori, based on our experience and intimate relationships with the stakeholders. The interviewees were our personal friends and knew we were no longer in water business. They were duly informed that the focused interview was for academic purposes and will remain confidential. As is classical of focused interview, a means of collecting qualitative data, the respondents were allowed the time and scope to talk about their opinions on a particular subject. The strategy is to ask some members of a particular stakeholder group some question (s) and summarize their responses.

2.6.1 Producers/Managers of similar firms

Question: How honest are your staff in their relationship with their fellow staff, customers, suppliers, mechanics, government agencies (FRSC, NPF, V.I.O., LASTMA, LGA Officials, Agberos), etc.?

Those interviewed were owners of Sony Water, Evans Water and Kamok Water. Evans and Kamok Water factories are still operating in Lagos, while Sony Water has relocated to Benin City, Edo State. Their responses which were, in most cases, unanimous are; that employees are comrades in crime; that employees, especially the marketing groups, are all 'rogues' who never meant well for their company. They described how they shortchanged them in bringing back sales proceeds. Kamok lamented how two of his drivers used his money to rent two-bedroom apartment for their girlfriends. They singled out some of their drivers as being extremely wicked and callous. To the extent they could divert a full truck-load of water and not account for its sales proceed. To some of them, overloading of their trucks, in connivance with the production people, is no longer news. They argue that their employees use the other stakeholders as cover-up or conspirators in their nefarious activities, though they too are dishonest. Opinion was divided on customers: Sony commended them for being there for him when his company had financial challenges. No doubt, they described some customers as 'toxic' and destructive. In unison, they described government agencies as 'thieves in uniform'. But noted they cannot harm their companies without the connivance of

their staff. However, they are quick to add that few, a negligible few, of the staff are honest.

2.6.2 Customers

Question: Our drivers and motor boys often allege that when they are broke, you usually help them to use some 'means' to get money from the company, such as giving them some of the sales proceed as loan with a promise to pay the company later? How do they show appreciation? They generally stated they often sympathize with the boys because off-loading of water is not easy. On their own, they at times give them food, and expressed the view they too have families to cater for. Therefore, it becomes difficult to refuse their passionate request to lend them money from the sales with a promise to replace the money for the company. What they cannot confirm is whether they usually fulfil their promise. As shrewd market women they are, they parried the second question and wondered what kind of appreciation to expect, except supplying them water promptly. They avoided scenarios where they often dispute some debts, and the marketing team will look the other way. However, their body language may not pass a lie detector.

2.6.3 Government Agencies

Question: Our drivers and motor boys often allege that when they are broke, you usually help them to use some 'means' to get money from the company, such as feigning being arrested by you? They also allege that it is usually a win-win game-you rob my back; I rob your own?

Members of FRSC, V.I.O., LASTMA and NPF all denied the allegation. They claimed they know the law which prohibits law

enforcement officers from abating or committing crime. But on a lighter note, they consented that they often help ‘your boys’ when they complain of lack of money. The manner through which they help them, was not succinctly disclosed. It would appear they were evasive and dodged the question. But when reminded the purpose for which the interview is meant for; everyone of them reminded me of the economic situation in the country and their primary responsibilities to their families. Do I need to say more! On the other hand, NAFDAC and SON interviewees shrugged the questions indicating that their market raids were mostly on tip-off and often far flung. This answer still does not completely vitiate the fact that if your product is ‘captured’ on any of the operations days, your boys will not ‘settle’.

3.0 SUMMARY/CONCLUSION

Business failure has remained an impediment to economic development. It has also been noted that unethical behaviors in organizations engender business failure. Organizational misbehavior come in different ways, and many of them have been researched, but from unidimensional perspective. A configurational approach which this study adopts is not yet a beaten path. Adopting a stakeholder’s framework and a case study of Emperor Nigeria Ltd., over a 12 -year period; it has been found that staff infidelity and stakeholders’ collusion is embedded in SMEs. The consequence of staff infidelity and stakeholder’s collusion is akin to a pride of lion preying on an elephant with vicious and savagery bites. It is just a matter of time before they asphyxiate the elephant. The practice can only be managed but not completely

eradicated. This woeful prediction is predicated on the parlous economic situation in the country which is putting pressure on people, for self-help, to meet urgent family needs.

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