THE INTERNATIONAL JOURNAL OF HUMANITIES & SOCIAL STUDIES

Traffic Gridlock Leadership:
What the Traffic Chaos Is Teaching Us in Business

Oladeji M. Olateju
MD, CEO, Newhall & Logistics Ltd., Nigeria

Abstract:
We all drive through traffic gridlock and are frustrated with it. The same is business challenges. Therefore, what are the parallels that could be drawn from the two situations? This paper attempts to relate driving in traffic gridlock and doing business in today's rapidly changing business environment.

Keywords: Traffic gridlock, leadership, equalizing factor

I was just out of a meeting in Ikoyi heading back to my house on the mainland with Roselyn who asked for a ride to a place nearby my house. For those who understand the unpredictability of Lagos road, a weekend ride is not a guarantee of traffic free road. At the end of the third mainland bridge precisely at '*Iyana Oworo*', we were stuck in traffic. I kept to the inner most lanes as usual. To my surprise, Roselyn asked that I changed to the outermost lane because according to her, this lane moved faster on the average than others. Arguments for and against ensued and eventually laying the foundation for this paper.

Working in Lagos comes with the challenging period at the wheels, except you belong to the emerging high-income upwardly mobile working class, you are sure to spend the average of four hours daily in traffic. Depending on your timing, the number of hours spent could vary significantly every ten kilometers from location to location. In fact, most working class dread Monday traffic most, which could actually be more traumatic adding at least one hour to journey time. On this day, average road users leave their homes at least an hour early than usual and in some cases two hours with the high probability of getting late into early morning meetings or miss it altogether. The road infrastructure is poor and there are no viable alternatives to road transportation, which is being congested daily as number of used vehicles shipped into the country from different parts of the world increase.

This background is to enable you appreciate the situation and the shortage of infrastructure and public utilities. Most of the roads are in poor state calling for urgent repairs and expansion to cope with the increasing number of vehicles on the roads. Alternative options such as water, rail or other mass transit systems are either not available, considered too risky or too expensive for average commuters so road transport is the only option.

When you have this high volume of vehicles on the road at the same time and in a situation where everybody seems to be in a hurry with little or no regard for traffic rules and with less enforcement of traffic rules, then the situation becomes chaotic. You may therefore remain static in a position for thirty minutes or more with direct cost on fuel consumption and car maintenance, which is apart from valuable time wasted. This situation sharpens the survival instinct of average drivers on the road. While some will choose the extreme option of recklessness driving against oncoming vehicles, most drivers tend to change from one lane they viewed as not moving fast enough to other lane presumed to be fast moving. In spite of the alignment of lanes and re-alignment from one lane to the other, experience has actually shown that hardly has any of the perceived fast moving lanes being truly faster than the other lane. The car right in your front that jumped to the other lane may eventually be seen about an hour later right by your side or at your back. The question is what is responsible for this phenomenon, which is hereby called *equalizing factor* (*e*). Thus the expected time of commuting (t) is:

$$t = e(d/s)$$

Where *d* is the distance to be covered and *s* is the average speed

The equalizing factor is dependent on various factors such as driving experience, knowledge of the road, patience of the driver, traffic rule enforcement, the state of the vehicles and presence of alternatives (roads and availability of other means of transportation).

The level of experience of the driver on a particular road over time enables him/her to know the fast moving lanes and reason for such movements. The same driving experience could have informed the driver that changing of lanes does not necessarily translate to getting to destination early rather previous experience has taught the driver that changing lanes and struggling for space could lead to accident, which could cause more delays and money. Such driver would therefore choose to remain on a particular lane throughout rather than moving from one end of the road to the other. A patient driver is conservative and has the pragmatic view that he will eventually get to his destination irrespective of the time, which is not necessarily later than the time spent by the reckless driver that

stands the risk of causing fatal accident, damaging other vehicles and wasting more time and money. This is the same situation for traffic rules enforcement.

If the traffic rules are enforced to the letter, then most drivers become conscious and drive with all sanity and so the chance is that everybody will use almost the same time to destination and factor *e* influence becomes negligible. In the same vein, when you are in such gridlock, the tendency is for the vehicle to overheat and breakdown thus increasing the level of *e* factor in our formula. Hence, the state of the vehicle and its ability to cope with the additional stress posed by the state of the road will determine the time spent on the road. The presence of alternative roads and faster means of transportation will help to lower the *e* factor too and will lower commuting time. Take for instance; transportation between two destinations linked by good roads, light rail and waterways is likely to take shorter time to complete than distance of inverse infrastructure.

Entrepreneurship is linked to this traffic gridlock tendency and the driver reaction approach to getting to destination faster. Destination in this case is the time it takes to reach a set goal of profitability, turnover or any financial or non-financial target set.

When an initiator of an idea moves it to the realm of implementation and creating market opportunities, the first start advantage makes him to create a unique product that sells at good profit margin. As more entrepreneurs venture into the line of business, duplicating the ideas and even improving on it, sales volume dwindle and margin begins to shrink until it is finally wiped off. So there must be an equalizing factor inbuilt into this process as well that ensures we all arrive at the same cost or price overtime which is tied to information at the disposal of the leader otherwise called experience and the cost of learning how to climb the rope.

The equalizing factor *e* in entrepreneurship is interlinked with that of the traffic gridlock and it is dependent on various factors such as the experience of owner/manager, patience of the owner or perseverance, enforcement of property rights and other trade laws, product quality consistency, knowledge of events within and outside industry and presence of substitute or alternatives. There is also a direct relationship between the *e* factors in traffic situation and speed of achieving set goals or business success as follows:

$$t = e \, (d/s)$$

Where *t* is the time required to attain a set business goal, *d* is the difference between the present level of performance and target performance level and *s* is the estimated average performance level.

A manager well experienced in the land mine of the business cycle will most likely navigate better those land mines and attain the desired result at a better speed. Leadership qualities thus play an important role in the computation of the *e* factor. State of the vehicle determines its ability to endure the rigors of the road and its performance in the face of the challenges. This in business could therefore be likened to perseverance. A business driven by someone that is conservative (fragile) and who could not cope with the competition is most likely to be discouraged early and close shop. Whereas owner/manager that is patient with strong inner belief of success of his/her actions will persevere the more and eventually be successful in his/her undertaking.

You have seen entrepreneurs that cut corners in quality of products, size or even in pricing doing well. This calls this framework to question and will tend to support the argument that drivers that jump from one lane to the other do gets to destination earlier than those that remain on a single lane throughout the journey. Cutting corners appears to make the journey faster and make a venture profitable quicker. The answer here is that consumers cannot be fooled all the time. Once consumer realized that the product is substandard in any form, they do not only stop their patronage but also inform other consumers and overtime the market share of the product dwindle and eventually led to closure of the business. This phenomenon probably explains the reason why counterfeiters always target popular brands. They ride for a long period on the goodwill of the genuine products and its marketing budget to cheat on consumers for a much longer period than using less popular brands.

The presence of substitutes and alternative products are both products of alternative routes and means of transportation. A product with higher number of substitutes stands a high risk of failure. The alertness of entrepreneur to trend within and outside his business space, the likely impact of such trend on his business and his response will determine success. A total ban of a product will eventually lead to increase in demand of substitutes and vice versa. While this sort of example, seems simple and direct, gradual changes in the cultural and socio-economic circumstances of the target market will probably have the same impact in the end. Health issue is having impact on consumption. Improved awareness and government legislation is affecting the consumption of sugar and junk food. Investing on alternatives that will reduce caloric intake and yet maintain taste may likely lead to success.

Lack of enforcement of traffic rule is precipice for chaos on the road, the enforcement of the property right is the alternative in business. Counterfeiting and faking prosper where there is lack of enforcement of property right. When rules are made but not enforced, it creates avenue for others to reap where they did not sow. The confusion and litigation on patents in the Smartphone industry is a good example. In this case, a company bankrolled all research and development but other companies are using the result with almost zero investment.

The *equalizing factor* (e) could be determined by:

e = f (years in operation; perseverance; enforcement of property right; consistency in product quality; knowledge of events within & outside industry; substitute & alternatives)

The relationship of these factors in the determination of *e* factor will vary from industry to industry and will require some serious data analysis which subsequent work in this area will help to solve. Appendix A shows relationship using pilot data. The lower the equalizing factor *e* the higher the predictability of events in the industry or in the business and the more likely the chances of goals set being met with accuracy.

In small and medium enterprises where ownership is not separated from management, the impacts of the equalizing factor become more apparent. The owners/managers are in charge of affairs and run the business to his/her best ability. As the business grows and the leader could not cover all the critical areas of business for both efficiency and effectiveness, the ability of the leaders to balance cost of control and business growth will determine what value the equalizing factor is and so determine the time it will take the

organization to reach each level of milestone. The command and control management structure portrayed in most small businesses will explain why most stagnate after the initial burst of growth and more importantly, why they fail by ignoring the cost of control on business growth. In this case, either managers fail to delegate or when they do, it was done poorly to individual that lacked capacity to cope with the business growth and complexity of the business environment, which always proved fatal as well.

There is need to determine the most efficient value of equalizing factor as determined by balancing the milestone that a business is expected to attain at a time 't' and cost of control determined by the level of experience of management.

Appendix A: Determination of the *e* Factor.

e = *f* (X1; X2; X3; X4; X5; X6)

Where:

- X1 = knowledge of events within and outside industry
- X2 = perseverance
- X3 = enforcement of property right
- X4 = consistency in product quality
- X5 = substitute & alternatives
- X6 = years in operation

Determinant of e in traffic gridlock	Determinant of e in business growth
Experience of driver in a route	Leadership knowledge of events within and outside industry
Alternative means of transportation/routes	Availability of substitutes
Traffic rule enforcement	Property right enforcement
State of vehicles	Leadership perseverance
Changing lanes (patience of driver)	Consistency in product quality
Years of experience of driver on a route	Years of operation in the industry