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Intercompany mobbing: the effects of company growth

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Abstract Exploring the concept of mobbing, we have conducted a study of small and middle sized enterprises (commonly referred to as SMSE). In this study we observed corporate policies of repression and intimidation while taking into consideration the aim of these policies and their possible consequences. The ultimate purpose of this work is to shed light onto forthcoming academic studies of the same topic. Our focus has been the effects of the various presses, forms of harassment and market entry prevention carried out by companies that dominate the market against those companies entering the market and those already competing in the market. To determine these effects on 150 companies that conduct business in Turkey, we created a survey consisting of 15 categories. The results have been depicted with charts and graphs. The conclusion of the investigation has found that many of the attitudes which comprise of mobbing acts can be seen in the mutual behavior of the companies that work in the Turkish labor market. Although there are a number of reasons for the prevalence of the mobbing culture in Turkish business, it's our belief that the Turkish labor market codes of conduct and regulations influence the perpetuation of ruthless behaviors between different companies.

Keywords Mobbing · Mobbing in market · Bullying on weak companies · Intercompany mobbing

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1 Introduction

In recent years, a workplace-related psychological problem has been discovered, the existence and extent of which was not known before. This phenomenon has been referred to as "mobbing", "ganging up on someone", "bullying", or "psychological terror". In this type of conflict, the victim is subjected to a systematic, stigmatizing process and encroachment of his or her civil rights (Leymann 1996, p. 165).

The origin of the mobbing concept relies on the surveys and research made during the 1960s. Nowadays it reflects the malicious harassment and negative attitudes that people and corporations commit towards one another in the business world. Within mobbing there are various types which may be committed. Deterrence, harassment and similar attitudes that counterparts do to each other are the most common forms while the mobbing that superiors do to their subordinates or that subordinates do to their superiors is the next most popular behavior.

Mobbing behaviors create a number of problems for both people and corporations. It generally causes psychological damages for humans along with possibly damaging the reputation and material interests of a corporation.

2 Definition and measure of mobbing

2.1 What is mobbing?

Mobbing is a concept that was first described in the 1960s. Afterwards, in the 1980s, Heinz Leymann used mobbing concept to describe the acts of force, violence and deterrence in the business world. Leymann, an arbiter in this area and who has made important studies in its field, defines mobbing as the following (Leymann 1990, p. 120):

> Psychological terror or mobbing in working life means hostile and unethical communication which is directed in a systematic way by one or a number of persons mainly toward one individual.

As described by Leymann, mobbing has to happen *in* the workplace. Furthermore, an attitude that is assumed as mobbing has to be done *systematically* with the aspiration of removing an individual from the workplace. Without these two characteristics this attitude is assumed to only be an isolated event at a particular moment.

Mobbing was conceptualized as an attempt to force a person out of the workplace through unjustified accusations, humiliation, general harassment, emotional abuse and terror (Davenport et al. 2003). Conceptually, mobbing is defined as psychological violence, pressure, bullying, harassment and disturbance (Tigrel and Kokalan 2009, p. 716).

2.2 The reasons and the results of mobbing

There isn't any one reason in particular for psychological violence in the workplace; rather various factors can cause mobbing. In the beginning there may be a disagreement between the two sides; because the target person refuses to submit, the mobber gets angry and becomes rude or hostile to the one who resists control. From now on there is a focus on one target and one purpose which is to make the victim an outcast within the workplace and if possible make them leave their work altogether.

If the victim outshines with his talents and character, this threatens the mobber because the talent of the subject, undermines their own status which may be based on lies. In such conditions the mobber proceeds to attack the hardworking, honorable and honest victim. The basic incentive behind the mobber's attitudes and behaviors is jealousy that he can never overcome (Tutar 2010). It should never be forgotten that the occurrence of deterrence isn't based on only one reason. The deterrence is created when a number of factors come into interaction with each other (Davenport et al. 2003): These factors are the character and the psychology of the mobber, the character and the psychology of the one who is exposed to mobbing, the conditions within the organization where mobbing is taking place, environmental factors and a triggering event.

Research has shown that people who were subjected to mobbing had psychological problems like depression, anxiety, psychosomatic disabilities and physiological problems such as dermatologic damages, cardiovascular diseases and a tendency to be more depressed than others who were not subjected to mobbing.

Mobbing behaviors lead to post-traumatic stress disorder which damages the social networks and marriages of the victim. Mobbing destroys not only the victim but also the organization but the affect on each side differs. Mobbing can be applied by the organization consciously because for a number of reasons such as to eliminate someone for downsizing or to get rid of anyone in the organization. However, either consciously or not, mobbing influences the organizations, the society and even the national economy. The damages for the organizations are usually economic and realized through absenteeism, high turnover, increasing number of sick leaves, the loss of skilled workers, the cost of new workers' training, decline in productivity quality and motivation, compensation payments and early retirement payments (Tigrel and Kokalan 2009, p. 719).

2.3 Intercompany mobbing

In today's changing market environment it is important to realize that employee/employer relations are different and have their own intrinsic conditions. However it is also important that their goals are in harmony with one another for the continued vitality of the corporation as a whole.

Another legitimate concern for small companies is the problem of existing and surviving in the market place. This position is especially difficult for the small and middle sized enterprises (SMSE) that is trying to work in market places that have already got well established companies who have been there for a long time. Although, according to law, large companies must indulge players who are just entering into the marketplace, the situation is no way like this in practice. Large companies are not pleased with small companies that are in the market place as they run a risk of losing market share. Typically, small companies are much more flexible and proactive than their larger counterparts and have got a huge desire to produce innovation. This also gives small companies the ability to reply to the customers' wishes sooner and as a result they can easily raise their market share in a short time. Therefore the large companies may be inclined to make oppressive and damaging attempts against new entrants in an attempt to eliminate this danger from the beginning.

As we can see, small companies may suffer losses due to both being treated as a threat or by the corruption of competition among large corporations against small firms. Mobbing in the company and mobbing between companies has the same qualities. Therefore, the results of mobbing that *people* do to each other and mobbing that *companies* do to each other basically have the same characteristics.

2.4 The patterns and the results of intercompany mobbing

Similar strategies are used by the companies in mobbing positions against their opponents. There are some positions that are specific to mobbing used between companies. Some of them are;

- Impropriety at auctions
- Damaging the reputation of the victim companies in the marketplace
- Economic oppression done by large companies against small companies
- Oppression of the victim company through the use of mergers and agreements

Alongside these types of acts there may be actions that are complementary to the creativity of the company and the position that they are in.

It is clear that the result of mobbing *between* the companies becomes as destructive and damaging as mobbing *inside* the company. Just as people who are exposed to mobbing done inside the company experience psychological trauma, so do the companies. They will also come up against problems that are difficult to solve.

Leymann divided this process into five phases in order to make a more detailed analysis because as told earlier mobbing is a very complicated and difficult phenomenon to understand, both for the victim and other people in the organization (Tigrel and Kokalan 2009, p. 717).

According to Leymann's description that he gave to explain that period, it's possible to compare mobbing that people experience and the mobbing that companies experience. Leymann has explained the stages like this (Leymann 1996, p. 170):

1. Effects on the victim's ability to communicate effectively: The communication channels used by small companies will be limited by large companies to prevent their ability to convey their messages to customers and among other companies. This tactic of isolation prevents them from being understood completely by other institutes.
2. Effects on the victim's potential to maintain social contacts: Based on the previous one; when the communication of the companies is prevented their social relationships will also be damaged.
3. Effects on the victim's ability to maintain their reputation: All nocuous acts towards the credibility and reputations of firms are considered to be depreciatory behaviors conducted within a target company's business circle, spreading bad publicity in potential markets or actions taken to weaken the company's reputation in the eyes of banks and other investment companies.
4. Effects on the victim's occupational situation: Direct attacks on the economical positions of the institution.
5. Effects on the victim's physical health: It includes direct attacks to the institution's existence and the actions made towards causing its abolishment.

2.5 The relationship between mobbing and the competition

Although it isn't called mobbing in competition law, there are some behaviors and attitudes that can be described as mobbing. The prevention of harmful acts conducted between companies should be the main responsibility of lawmakers. It is for the benefit of the consumers that the market is not dominated by large firms. Small and midsize companies enable the market to be more competitive with respect to the large companies and provide advantage for the consumers.

Law 4054 outlines the protection of competition within the marketplace. The aim is to prevent the degradation of competition in the merchandise and services markets by regulating destructive or limiting agreements, and to circumvent any attempts that are made to dominate the market and to misuse that domination. This law is meant to create the provisions for upholding the necessary regulatory standards which will enable healthy competition in the marketplace (Turkish Ministry of Justice 2010).

To better understand the purpose of the Law it's possible to separate its provisions into three different categories:

- Provisions against restrictive agreements, practices and decisions that disrupt the balance of competition between firms operating in the goods/services markets or attempting to market itself within the borders of the Republic of Turkey.
- Provisions monitoring the attempts to monopolize the market or misuses of dominance.
- Provisions controlling the companies that are in a dominant position and to restrict their ability to reduce competitiveness within a market.

Again, according to the European competition laws, restricting agreements and abuse of the dominant position is prohibited (European Commission 2010). Consequently, the companies cannot sign agreements that are intended to hinder other companies from entering into the market and are intended to keep the prices at a certain level. These types of agreements have been banned whether they exist in reality or not. These agreements have been forbidden in the European Union because they damage the integrity of competition and are harmful to various managers in the market.

When a company is in an economic position which enables it to operate regardless of the reactions from its competitors or consumers, it is then consider to be in the dominant position within the market. The company that is in the dominant position, in these conditions can try to misuse its position, to increase income, to strengthen its supremacy in the market by weakening its competitors and by not allowing new entries into the market. For example, by implementing unfair buying and selling prices or by providing different benefits to certain customers, they can create an unfair situation for the other companies that are in the market. These applications hinder the competition. The commission can take measures against these actions and can make the companies who implement them pay heavy penalties (European Commission 2010).

The unfair competition concept that is envisaged in TTK article 56 is:

> Any deceptive act or other violation of the rules of good faith that causes the abuse of all kinds of economic competition…

In this context, unfair competition covers all acts including product and brand imitations, unfair working conditions, deceptive advertising, production and marketing of non-standard goods, allocation of political or administrative favoritism encouraged through a system of incentives, unfair competition through foreign trade, unfair competition caused by state-owned enterprises and non-compliance with obligation in contracts (Türkkan 2010).

3 Methodology

3.1 The working purpose

The purpose of this study is to determine if the SMSE is exposed to mobbing by large companies and if they are what is the degree to which they are and what are the reactions and damages to the SMSE after being mobbed.

Table 1 Company sectors

	Percentage	Frequency
Logistic	14.70	22
Sanitary	14	21
Tourism	12	18
Textile	11.30	17
Food	10	15
Service	9.30	14
Machinery	8.70	13
Architecture	7.30	11
Furniture	7.30	11
Metalic	5.30	8

3.2 Data collection

The study population was taken from the SMSEs that currently work in Turkey. If we consider that the SMSE population is over 2 million, it's clear that reaching each company one by one is not possible. Therefore from this population we chose a simple random sample of candidates functioning in Antalya and in different business sectors. Out of these companies we were able to create a sample of 150 companies. To collect the data we created a survey which contained 15 titles consisting of 5 demographic questions, 10 Likert scale expressions, 6 dichotomous questions, 2 open-ended questions and remaining questions were multiple-choice. There also wasn't any loss case in our data on file.

3.3 Data analysis

We processed our data with SPSS 17.0 computer program. To determine the reliability of the data collected, they are initially subjected to the reliability analysis. Our reliability test is an analysis, that as a result of applying the survey to the same attendees, gives us results about whether the results will be consistent or not. If the resulting ratio is bigger than 0.40 it means that we can trust the results of our survey. The result of our survey was 0.73. To determine the types of analysis that could be applied to our data, tests of normality have been applied. In the end none of our variables' dispersions have been found suitable for normal distribution. Accordingly only the nonparametric tests can be applied to our data.

3.4 The findings

The scope of the study, as mentioned before, has been limited to 150 companies around the Antalya region. The sectors of these companies are shown in Table 1. The top three most prominent sectors were assigned as Logistic (14.7%), Sanitary (14%) and Tourism (12%).

The service capacity of the companies, in their operational markets, has been assigned as 4–6 years. However when there has been made a new permutation, regardless of the excess values, the service capacity of the companies becomes about 3–4 years.

When analyzing the investment sources of the companies it is found that the majority use shareholders' equity instead of other investment sources (Table 2). After shareholders' equity (61.3%) is Bank credit (60%) and The KOSGEB credit (42.7%). KOSGEB is the administration of development and support for small and medium-sized enterprises operating in Turkey.

Table 2 Investment sources of the companies

	Percent	Frequency
Shareholders' equity	61.30	92
KOSGEB credit	42.70	64
Bank credit	60	90

Table 3 Basic investment financing problems

	Percent	Frequency
Limit of shareholders' equity	56	84
Inability to obtain credit from KOSGEB because of the managerial and financial position	56	84
Inability to obtain credit as a result of competitor's and business network's effect on the KOSGEB	52	78
Inability to obtain BANK credit because of managerial and financial position	51.30	77
Inability to obtain credit as a result of your competitor's and business network's effect on the BANK	54.70	82

Table 4 Common banks used

Bank	Percent	Frequency
Halk Bank	31.30	47
Vakıf Bank	29.30	44
Ziraat Bank	26	39
YKB	25.30	38
Finans Bank	24.70	37
TEB	24	36
Anadolu Bank	24	16
Ak Bank	22.70	34
İş Bank	17.30	26
Şeker Bank	14	21
Garanti Bank	12.70	19
Fortis Bank	10	15
HSBC Bank	5.30	8
Asya Bank	4	6

The basic problems of investment finance are given in Table 3. The most important problems that companies face are the limit of shareholders' equity, the inability to obtain a line of credit from the KOSGEB and the inability to get a line of credit from a bank due to its competitors and business network giving evidence against them and damaging their reputation. At least 40.7% of the companies have indicated that they are too often faced with financing problems.

Table 5 Mobbing statements

	Percent
Are there any offensive behaviors made towards your company by your competitors?	70
Have there at any time been incorrect gossips or slanders circulating about your company?	83.30
Has there ever been an instance of an operation that was given to your company being revoked?	70
Has there ever been an instance of your company operations being hindered deliberatively?	82
Have you ever received verbal, written or physical threats from your competitors?	72.70
Have there ever been any acts to endanger the regularity of your company by your competitors?	74

When we look at the range of banks that the companies work with (Table 4) it's seen that they work with Halk Bank the most with Vakif Bank, Ziraat Bank and YKB following.

Many of the questions within the survey referred to whether the participative companies were exposed to the behaviors that are considered to be mobbing. Table 5 shows the gatherings and finding of these questions. The findings of these questions show that the great majority of them are victims of mobbing by their competitors and other entities within their business network.

Each company was given 10 expressions containing mobbing attitude and were required to evaluate these on a scale of 1–5, 1 being "never happens" and 5 being "happens too often." Those companies answering between 3 and 5 are shown to have an exposure to mobbing. According to the results (Table 6), the frequency of experiencing mobbing appeared to be above average. Accordingly, it's clear that companies have been frequently exposed to mobbing.

No doubt that these conditions will affect the companies in a negative way. As a consequence of this condition there will occur some losses and various damages in the companies. We have incorporated some of these losses and damages into our survey. Accordingly the losses and damages that the companies exposed to are given in Table 7. As it is shown in the table, the majority of the companies experience market losses. At the same time they face bid losses, downsizing and in the end various economic losses are the main problems that companies come up against.

Participative companies were asked if they experienced, within the banks that they worked with, any ill effects as a result of their competitors. So as it can be seen in Table 8 below that in the three large state banks and credit companies there is a considerable amount of ill effects experienced by companies because of negative propaganda spread by competitors. As a result of this propaganda companies often end up failing to obtain credit.

The cross-sector range of mobbing is given in Table 9. In this question the mobbing factor is evaluated on a scale of 1–5, the opinions that are evaluated higher than 3 are showing the exposure of a mobbing condition. It was found that the companies having the highest exposure to mobbing are companies within the logistic sector.

The types of mobbing that are experienced in the logistic sector mainly involve competitors affecting the regulatory authority to not tolerate these companies. Other notable acts include attempts at removing the companies from the market and the general harassment committed by competitors.

Table 6 Frequency of mobbing

	Never happens %	Rarely happens %	Sometimes happens %	Often happens %	Very often happens %
Has your ability to express yourself been hindered by competitors or the regulatory authority in the sector?	18.7	48	12	9.3	12
Has your working performance or work ever been criticized by your competitors or the regulatory authority?	5.3	13.3	32	23.3	26
Have you ever gotten verbal or written threats from competitors or the regulatory authority?	0.7	18.7	47.3	18	15.3
Are you able to contact your competitors and regulatory authority without creating repercussion or humiliating acts?	2.7	11.3	11.3	48	26.7
Do you think your ability to contact with market agencies is hindered?	0	13.3	14.7	58.7	13.3
Do you think the market agencies' ability to contact you (your company)is hindered?	0.7	15.3	13.3	53.3	17.3
Do you think you are discounted in the market or treated like you (your company) don't exist?	0	8	8.7	52	31.3
Do you think there is gossip being circulated about your company?	0	5.3	8	43.3	43.3
Do you think the heads of your company are objects of derision in the market concerning their religion, political opinion, private life and other such subjects?	0	2.7	10.7	52.7	34
Do you have problems like comments that contain humiliating implications or nicknames?	0	2.7	20	42	35.3

Table 7 Losses and damages of mobbing

Consequences of mobbing	Percent	Frequency
We had economic losses	6.70	10
We had to downsize our company	13.30	20
We had loss of market share	30.70	46
We had bid losses	23.30	35

Table 8 Effects of competitors in the banks

Bank	Frequency	Percent
Halk Bank	47	31.3
Vakİf Bank	44	29.3
Ziraat Bank	39	26
YKB	38	25.3
Finans Bank	37	24.7
TEB	36	24
Ak Bank	34	22.7
Is Bank	26	17.3
Anadolu Bank	24	16
Seker Bank	21	14
Garanti Bank	19	12.7
Fortis Bank	15	10
HSBC Bank	8	5.3
Asya Bank	6	4

Table 9 Cross-sector range of mobbing

	Architecture	Furniture	Textile	Logistic	Sanitary	Tourism	Service	Food	Machinery	Metallic
Frequency (%)	7.3	7.3	11.3	14.7	14	12	9.3	10	8.7	5.3

4 Conclusion

At the end of our survey we wanted our attendees to share their mobbing experiences with us and from this we gathered some results. Although these results vary they can be separated under three categories:

(1) At times of financial shortage, there have been rumors spread by the competitor companies saying that the company has gone bankrupt and which in turn damages the financial standing of the company.
(2) Competitors win bids for work through methods such as receiving insider information to help underbid or by making a bargain prior to the bid to keep the rate at an agreed upon level.
(3) Disparagement of products and services in the market resulting in the rejection by customers.

The hypothesis suggested prior to conducting this study has indeed been upheld by the results of our survey. It is clear that companies are exposed to mobbing done through various methods by their competitors.

Also our survey supports Leymann's 5 degree theory substantially. When we look at Table 6 it is especially clear that the attacks against the credibility of the company become prominent. Of course the intended results of these negative attitudes towards the companies are all clear. The company suffers a loss of market share, damaging the reputation of the company.

Unfortunately, all of this happens in front of the eyes of the people who are responsible for market regulation and management. Sometimes the companies are directly exposed to

mobbing by these managers. In the face of these trials the victim companies have to be braver. When it is thought that they are harassed, this has to be shared with the necessary entity and not be shied away from so that many of the problems may be solved before they begin.

The current laws and regulations that have been applied during the EU adaptation process should have a positive effect on the market system. In the end the problems come from the lack of proper enforcement of the laws and create situations for mobbing to flourish. It must be possible to prevent these kinds of conditions by creating laws that will influence proactive management of the market. However, for the government to enable this, they have to keep in step with the rapidly growing market take measures that ensure its perpetuation. In fact recently we have seen certain steps towards this type of operation, most notably in the chancery of various lower level courts and even through the lawsuits filed against government agencies. Although laws specifically dealing with mobbing haven't yet been created, it can be seen that the degree of awareness within the various government agencies has increased.

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