



Tainted Knowledge vs. Tempting Knowledge

Rivalry, Self-Esteem, and Patterns of Learning

Research by Tanya Menon | By Jessamine Chan

New research compares how learning occurs between internal and external rivals.

People want to have positive views of themselves and organize much of their lives around maintaining, enhancing, and protecting their self-esteem. One's self-esteem may become threatened by simply comparing oneself to more successful rivals. These comparisons are particularly intense in the business world when rivals are members of the same company—such as competitors for organizational rewards and promotions—as opposed to rivals from other firms.

The subtleties of internal and external rivalry are the subject of the study “Tainted Knowledge vs. Tempting Knowledge” by assistant professor **Tanya Menon** and Hoon-Seok Choi and Leigh Thompson of Northwestern University's Kellogg School of Management.

The study examines how these comparisons affect the way in which people react to ideas that come from internal or external rivals. Using four different surveys, the authors show that employees engaged in internal competition often respond defensively and tend to ignore the ideas of their rivals (i.e., they see these ideas as tainted),

while employees engaged in external competition pay vigilant attention to ideas from outside the organization (i.e., they find the ideas tempting).

“When people encounter ideas from within their organization or from the marketplace, they are not objective judges of whether those ideas are worthwhile,” says Menon. “An idea looks very different when coming from a rival within the same company versus a rival at a competitor firm.”

Copying vs. Benchmarking

One reason why managers evaluate internal and external ideas differently is because of the attributions other people make about the act of learning from those two sources.

In a business era that celebrates anything creative, novel, or that demonstrates leadership, “borrowing” or “copying” knowledge from internal colleagues is often not a career-enhancing strategy. Employees may rightly fear that acknowledging the superiority of an internal rival's ideas would display deference and undermine their own status.

By contrast, the act of incorporating ideas from outside firms is not seen as merely



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copying, but rather as vigilance, benchmarking, and stealing the thunder of a competitor. An external threat inflames fears about group survival, but does not elicit direct and personal threats to one's competence or organizational status. As a result, learning from an outside competitor can be much less psychologically painful than learning from a colleague who is a direct rival for promotions and other rewards.

Charting Threat and Affirmation

Menon, Choi, and Thompson base their findings on four surveys comparing the dynamics of internal and external rivalry. M.B.A. students who participated in the surveys were asked to write about their own experiences with rivalry and rate their response to a variety of scenarios. In addition, participants were asked how much time and money they would devote to learning from a rival and how likely they would be to use a rival's ideas.

The surveys examined two key responses of employees facing internal or external rivals: (1) the threat that their rival's knowledge provokes, and (2) the degree to which the employees are willing to learn from their rival. The authors measured the first issue by asking survey participants to rate their emotional reactions after writing about the rival. They measured the second issue by asking participants to allocate financial resources and time to learning about particular ideas.

The authors find that internal rivalry is more personally threatening to one's status than external rivalry. In contrast, external rivalry is less threatening, presumably because it does not evoke interpersonal comparisons and does not threaten one's status in the firm.

Threat has different implications for learning in situations of internal and external competition. The authors find that the more an employee experiences threat from an internal rival, the more he or she avoids that rival's knowledge. However, the more employees experience threats from an external rival, the more they pursue that rival's knowledge.

In their final survey, the authors considered how they might alleviate or even reverse these patterns. They did so by giving participants an opportunity for self-affirmation by asking them to write a few sentences describing a quality they valued about themselves. The participants then evaluated ideas coming from insiders or outsiders.

The survey results showed that this simple act of self-affirmation reduced participants' defensiveness toward internal rivals and enabled them to acknowledge the ideas

of their coworkers. At the same time, the comfortable reassurance of self-affirmation also made them feel safer and less motivated to seek ideas from outsiders.

According to the authors, "The 'affirmed self' and the 'threatened self' construe learning through different lenses. The threatened self sees learning from an internal rival as a status risk, and the affirmed self is more secure in its status and is able to learn more freely, despite these status costs. The threatened self sees external learning as a matter of survival, and the affirmed self sees this kind of learning as less crucial. The self, in the process of maintaining, protecting, and affirming, alters the meaning of the act of learning."

What Can Managers Do?

Menon, Choi, and Thompson's study highlights the difficulty of creating and managing a learning organization. In particular, they outline how such psychological processes as interpersonal comparisons, ego-threat, and self-affirmation can affect the ways decision makers assess the act of taking and using knowledge and, consequently, how knowledge flows through organizations and markets.

The study also reveals some unintended consequences of incentives in organizations. Interestingly, many organizations focus on encouraging people to take risks and be creative—to be knowledge creators. In the process, these incentives underemphasize the importance of employees acting as recipients of knowledge—as learners.

The result is a bias toward knowledge from outsiders, such as consultants or competitors, which can become very costly, especially when identical knowledge is available internally. Employees seeking ideas outside may be spending company resources to further their individual careers, rather than for the good of the company as a whole.

"The originator of the idea deserves credit, but so does the coworker who felt comfortable and confident enough to learn from a peer rather than going outside the organization and reinventing the wheel," says Menon. ■



This article was originally published in the fall issue of Capital Ideas, a publication highlighting faculty research at Chicago GSB. For more information or to request a copy of Menon's paper, visit gsbwww.uchicago.edu/news/gsbchicago/facultylinks.html.