

Effects of a Rival's Perceived Actions on Constructive Competition

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Abstract

Previous work on constructive competition has focused on competitors' own motives and strategies; however, competition is an interactive process that is affected by both the competitor and the rival. Based on the competitive dynamics perspective, this study examines the impact of a perceived rival's actions on the constructiveness of competition. The results of a survey of 521 employees from 25 companies in the banking and insurance industry in Taiwan revealed that the perceptions of rivals' actions (damage, consideration, fair-play) significantly affected the constructiveness of competition. Based on the research findings, implications and limitations are discussed.

Introduction

Teamwork has become a new trend in the organization (Katzenbach & Smith, 1993), and members are assumed to cooperate with each other; however, competition among individuals is prevalent and widespread in most societies (Johnson & Johnson, 1989, 2000). Even within an organization, members often have competitive relationships (Tjosvold, 2008), for example, a person competes with other sales clerks to win a promotion. Hence, it is very important to understand the effect of competition on interpersonal interaction within an organization. Plenty of studies have shown that competition has a destructive effect, such as high anxiety (Wilder & Shapiro, 1989), low productivity (Miller & Hamblin, 1963; Stanne, Johnson, & Johnson, 1999), poor relationships (Deutsch, 1962), and lack of intrinsic motivation (Deci, Betley, Kahle, Abrams, & Porac, 1981; Vallerand, Gauvin, & Halliwell, 1986). However, researchers have begun to pay attention to positive outcomes of competition, including more effort to achieve, positive interpersonal relationships, and psychological health (Chan & Lam, 2008; Houston, Farese, & La Du, 1992; Ryckman, Hammer, Kaczor, & Gold, 1996; Tjosvold, Johnson, Johnson, & Sun, 2003, 2006, Walsh, 2010).

How can constructive competition be increased in an organization? Previous researches have focused on two categories of antecedents for constructive competition:

characteristics of competition events and competitors' behavior (e.g. Johnson & Johnson, 1989, 1999; Tjosvold et al., 2006). However, according to social interdependent theory (Deutsch, 1962) competition is an interactive process which should be affected by both the competitor and the rival. For example, Kilduff, Elfenbein, and Staw (2010) empirically proved that competitors' relationships, determined by their proximity, attributes, and prior competitive interactions, influence the subjective intensity of the rivalry between them, which in turn affects their competitive behavior. Chang and Chen (2012) also empirically proved that the perception of a rival's motives is indeed an important antecedent in predicting constructive competition. Besides, according to the empirical evidence of research studies on firm-level competition, the influences of rivals are noteworthy. Rival analysis is central to strategy and organizational research (Hitt, Ireland, & Hoskisson, 2005; Porter, 1980). Base on the competitive dynamics (CD) perspective (Chen, 1996, 2009; Chen & Miller, 1994), the characteristics of an action (Ferrier, 2001) and the threat of an attacker (Chen & MacMillan, 1992) and defender (Smith, Grimm, Gannon, & Chen, 1991) are related to the probability and speed of a response. Chen, Smith, and Grimm (1992) indicated that action characteristics were predictors of competitive response, which included competitive impact, attack intensity, implementation requirement, and type of action.

To sum up, previous work on constructive competition focused on competitors' motives and strategies but ignored the effects of rivals' characteristics. However, the nature of competition is an interactive process that should be affected by both the competitor and the rival. Base on the CD perspective, Chang and Chen (2012) have investigated the impact of perceived rival's motives on constructive competition; the present study would like to further examine the effect of perceived rival's actions on the constructiveness of competition.

Theory and Hypothesis

Constructive Competition

Individual competition has been defined as a "situation of negative interdependence among the participating individuals, so that the probability of one individual attaining a goal or receiving a reward is reduced by the presence of more capable individuals" (Ames, 1984). Even competition can result in destructive or constructive outcomes; social interdependence theory has expanded in the past few decades to include the conditions under which competition can be constructive (Chan & Lam, 2008; Johnson & Johnson, 1974; 1999; Stanne, et al., 1999; Walsh, 2010). Johnson and Johnson (1974, 1999) indicated that constructive competition may be reflected in (a) the experience of engaging in competition and (b) the consequences of the competition. Based on Johnson and Johnson's work, Tjosvold et al. (2003, 2006) defined constructive competition as a positive, enjoyable experience that results in more effort to achieve, positive interpersonal relationships, and

psychological health and well-being.

Rival Analysis of Interpersonal Competition: Casual Attribution

Martinko and Zellars (1998) proposed a hostile attribution style, referring to individuals' tendencies to attribute negative outcome to factors that are external, stable, controllable, and intentional. The results of several studies support the view that hostile attributional style affected people's negative reactions to being mistreated, such as workplace aggression (Douglas & Martinko, 2001; Martinko, Douglas, & Harvey, 2006) and employee deviance (Chiu & Peng, 2008). Hostile attribution style emphasizes individuals' tendency to attribute "negative outcome"; the present study focuses on other-attribution, especially on attribution to "negative event" We propose that a competitor would feel less constructive in competition if his/her assumptions about a rival's actions are hostile. On the other hand, a competitor would be more constructive if he/she perceived that the rival was non-hostile in competition.

Competitor's Perception of a Rival's Actions

Competitive actions that have been identified with competition include acting to obstruct a competitor's efforts to win, being considerate, and acting fairly to ensure that all participants have the opportunity to win (Tjosvold et al., 2006).

Fearing that they may lose and trying to win, protagonists use threats and tough demands (Tjosvold, Hui, & Sun, 2004). Damaging strategy is related to two dimension of organizational politics behavior. One is general political behavior included members contest the limited resources in the organization by cheating (Drory & Romm, 1990).The other is pay and promotion which means some member's political behaviors lead to unfair decisions of pay and promotion to other employee in the organization. Ferris, Russ, and Fandt (1989) indicated the perception of political behaviors will influence the member's behaviors and psychology include the job involvement, job anxiety, job satisfaction, and organizational withdrawal behavior and so forth. Thus, the competitors would obviously consider the rival's damaging action to be hostile.

Hypothesis 1: The greater the perception of the rival's damaging action, the less constructive competition will be.

Traditionally, during competitions participants are supposed to demonstrate consideration for the other competitors (Johnson & Johnson, 1989, 1999). Tjosvold et al. (2006) illustrated that consideration is using good manners and treating competitors with respect and concern. In everyday language, confirmation in conflict involves showing respect to people in that their positive image as capable, strong persons is accepted whereas disrespect is a disconfirmation of face that communicates a rejection that the other is capable

and strong (Ohbuchi, Chiba, & Fukushima, 1996).

When the competitor feel the rival used consideration strategies to compete with him/her such as encouraged him/her do his or her best, keep the personal relationship with him, the competition situations tends to give participant' the confidence to try do their best and it increases their self-worth after they have done their best. In addition, if the rival competed by consideration strategies, the winning is less important than maintain the relationship. As one protagonist confirms the face of the other, the other is more likely to reciprocate with confirmation of face. Thus, the competitors would consider the rival's consideration action to be non-hostile.

Hypothesis 2: The greater the perception of the rival's consideration action, the more constructive competition will be.

Playing fair is the most powerful predictors of constructive competition (Johnson & Johnson, 1999). Also, Tjosvold et al., (2006) suggested that the more participants play fair, the more constructive competition will be since playing fair may be related to procedural justice, which is the perception that outcomes are fairly decided.

Furthermore, according to the reciprocal principle, we will do the same way that the other does to us. On the basis of theses researches, when the competitor consider that the rival used playing fair strategy, the competitor maybe use the same strategy and feel the competition is fair. Thus, the competitors would consider the rival's fair-play action to be non-hostile.

Hypothesis 3: The greater the perception of the rival's playing fair, the more constructive competition will be.

Method

Sample and Procedure

Data were collected in Taiwan. Participants were drawn from several sectors, including insurance, finance, and manufacturing. We administered the survey at company locations, and participates returned the questionnaires in sealed envelopes directly to one of the investigators. Following previous studies (Chang & Chen, 2012; Tjosvold et al., 2003, 2006), we also used the Critical Incident Technique (CIT) (Flanagan, 1954), developed to study complex interpersonal phenomena (Walker & Truly, 1992) by generating a description complete enough to permit inferences to be made (Bitner, Booms, & Tetreault, 1990). According to CIT, when respondents report on specific events, there tends to be less distortion and bias than when they answer questions asking for generalizations (Podsakoff & Organ, 1986; Schwartz, 1999). In the first part, respondents were asked to describe a specific situation in which they competed with a colleague in their organization as completely,

honestly, and accurately as possible. They were asked to describe what led to the situation, with whom they were working, and what happened. In the second part, they were asked to rate on a 7-point Likert-type scale the factors that they believed had affected the competition and its outcomes.

A total of 880 questionnaires were distributed in 25 companies, and 578 questionnaires were declared valid by the two investigators and were used in the present study, a response rate of 65.7%. Of 521 completed forms, 155 came from managers and 366 from subordinates, 216 were male, 298 were female, and 7 did not indicate gender. Most respondents were under 40 years old ($M=33$; $SD = 7.73$), and they had been working for the same businesses for an average of 4.82 years ($SD = 5.65$).

Measurement

Perceived rival's actions. The measures of the competitor's perception of the rival's actions were based on 15 items developed by Tjosvold et al. (2006). The original items were developed to measure the respondents' competitive strategies; we modified the items to measure the competitors' perception of the rival's strategies. A modified example is as follows: "I was trying to collect information on the other's competition strategy" was changed to "I thought that the rival trying to collect information on my competition strategy to compete with me." A Likert-type scale ranging from 1, "totally disagree," to 7, "totally agree," was used. The result of CFA showed that all items loaded clearly on their intended latent construct. The overall fit for the hypothesized three-factor model was acceptable ($\chi^2 = 396.2$; $df=86$; $CFI=0.90$; $GFI=0.88$; $RMSEA=0.09$).

Constructive competition. Based on the scale developed by Tjosvold et al. (2003), Chang and Chen (2012) reconstructed the measurement of constructive competition into two higher-order variables. Accordingly, to take advantage of reconstruction, we adopt the second-order structure composed by affectivity and effectiveness in the following analysis. The overall fit for the hypothesized two-factor model was acceptable ($\chi^2 = 443.82$; $df = 80$; $CFI = .94$; $GFI = .92$; $NNFI = .92$; $SRMR = .06$; $RMSEA = .08$).

Result

Means, standard deviations, Cronbach's alpha reliabilities, and correlations of all variables are listed in Table 1. Multiple regression was used to test the hypotheses. In the regression models, we adopted gender, age, education, and sex-difference (0: same sex between competitor and rival; 1: different sex between competitor and rival) as control variables. Besides, different industries might have very different organizational structures and incentive systems. The internal organization of a firm and the compensation schemes used for its management affect the incentives that guide employees' decision making (Vroom, 2006).

Thus, we added industry as an additional control variable.

Table 1: Means, standard deviations, and correlations for key study variables ^a

	Mean	s.d.	1	2	3	4	5
1. Damage	4.08	1.23	(.89)				
2. Consideration	4.40	1.25	-.32**	(.75)			
3. Fair-play	4.96	1.20	-.31**	.65**	(.83)		
4. Affectivity	4.42	1.08	-.28**	.63**	.64**	(.91)	
5. Effectiveness	4.84	.87	.03	.39**	.33**	.59**	(.90)

^a :n=521. Coefficient alpha reliabilities are on the diagonal in parentheses.

* p < .05; ** p < .01.

As shown in Table 2, the results revealed that the damaging action had a significant positive relationship with affectivity ($\beta = -.08$, $p < .05$) but no significant relationship with effectiveness ($\beta = .01$, $p > .05$). Thus, Hypothesis 1 is partially supported. Hypothesis 2 predicted that the consideration action would have a positive relationship with constructiveness of competition; as predict, the results showed that consideration action had significant relationship with both affectivity ($\beta = .43$, $p < .01$) and effectiveness ($\beta = .40$, $p < .01$). Hypothesis 2 was supported. Fair-play also had significant positive relationship with both affectivity ($\beta = .29$, $p < .01$) and effectiveness ($\beta = .13$, $p < .05$). Thus, Hypothesis 3 was supported.

Table 2: Results of regression analysis for the effect of actions on constructive competition ^a

Variables	Constructive Competition	
	Affectivity	Effectiveness
Control ^b		
Gender	.11	.07
Sex-difference	.01	.06
Age	-.01	.07
Education	.07	.08
Industry dummy 1(finance)	.01	-.06
Industry dummy 2 (manufacturing)	-.01	-.02
Action		
Damage	-.08*	.01
Consideration	.43**	.40**
Fair-Play	.29**	.13*
Adjusted R square	.49	.25
F value	37.55**	13.47**

^a: n=521. ^b: Gender, 0 = female, 1 = male; Sex-deference, 0 = same sex between competitor and rival, 1= different sex between competitor and rival; Education, 0 = Bachelor's Degree, 1 = Master's Degree; Industry, 0= insurance.

* p < .05; ** p < .01.

Discussion

Based on the CD perspective, the main purpose of this research was to investigate the impact of a perceived rival's actions on the constructiveness of competition. Our results indicate that the perception of a rival's actions is indeed an important antecedent in predicting constructive competition. Per the results of Chang and Chen's (2012) work, we strongly conclude that rival analysis is indeed suitable and worthy to be applied to individual-level constructive competition.

Theoretical Contributions

The results of the study reported here make a theoretical contribution to at least three primary areas of importance. First, Chang and Chen (2012) extended Tjosvold et al.'s (2003, 2006) works and filled the theoretical gap with respect to individual constructive competition by introducing a rival-analysis perspective. The present study further extends Chang and Chen's (2012) work by examining the effects of a rival's perceived actions on constructive competition. To increase the constructiveness of individual competition, we prove that not only unilateral motives and behaviors but also the perception of the rival must be taken into consideration.

Second, this study contributes to individual-level competition and intra-organization competition. More and more, researchers have begun to pay attention to the positive outcomes of competition; many have investigated an individual's response under certain competitive situations (environment/climate) (e.g., Chan & Lam, 2008; Walsh, 2010) instead of dyad-competition. By introducing the CD perspective, the present study extends the methodology to individual-level competition research. Through the pair-wise analysis of competitors, further researchers could possibly examine the phenomenon of competition more precisely.

Third, the present study also contributes to the CD perspective. Indeed, the CD perspective has been widely applied to a variety of issues on firm-level (business-level) competition (see Chen, 2009). However, the present study extends its application to intra-organization competition. This extension greatly improves the application domain of the CD perspective.

Limitations and Suggestions for Further Research

This study has several limitations. First, our findings were based on cross-sectional and self-reported data that clearly pose a threat to causal inferences and common method variance. Although a rationale is provided for the causal direction of the hypotheses, testing the relationships using cross-sectional data diminishes the ability to make firm causal conclusions. In addition, Harmer's one-factor test, often used to investigate the prevalence of method effects (Podsakoff & Organ, 1986), suggested that a single common-method factor is not driving the results. Although this test can increase confidence in interpretations, since, in

this case, it ruled out the extreme cases of common method variance, the existence of common method variance cannot be ruled out (Podsakoff et al., 2003). Thus, caution is warranted in drawing causal conclusions, and future research would benefit from studies using an experimental design and longitudinal data.

Second, the results from a Taiwan sample may not generalize across borders, especially to countries such as the United States, which differs from China in a number of cultural values. Chinese people are expected to avoid conflict and to refrain from handling conflict aggressively to avoid losing face in society (Leung, 1997).

Third, it was, of course, not feasible to include all possible antecedent and moderating factors of constructive competition in our study. While our study appears to have strong theoretical and empirical impact, there are a number of other potential antecedents and moderators of constructive competition. For example, the characteristics of the competitor (e.g., trait competitiveness), characteristics of the rival (e.g., capability), and characteristics of the event (e.g. intensity of competition) influence constructive competition; future research is, thus, needed regarding potential antecedents and moderators of constructive competition.

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