

Spotlight on Excellence

HIGHLIGHTING RESEARCH INNOVATION AT SCHULICH

Competition vs. Cooperation Motivating Groups in Base-of-the-Pyramid Markets

Professor Kistruck's paper "Competition vs. Cooperation: Motivating Groups in Base-of-the-Pyramid Markets" won the prestigious *Carolyn Dexter Award* at the 2014 Academy of Management meeting. The paper details a multi-year study undertaken in partnership with a nonprofit organization (NPO) seeking to improve education within rural Sri Lanka.

Professor Geoffrey Kistruck, who holds the Ron Binns Chair in Entrepreneurship at the Schulich School of Business, and also serves as the Director of the Social Impact Research Lab, received the prestigious *Carolyn Dexter Award* at the 2014 Academy of Management meeting. The Award recognizes the best international paper out of the approximately 6,000 papers submitted for presentation at the annual conference.

The research project was driven by a very practical problem. In conducting an analysis of the schools previously built by the NPO, it was discovered that the buildings had not been properly maintained. The reason for this seemed to be that the local communities had failed to attain a sense of ownership over the school buildings. To redress this problem, the NPO had put in place a new 'Challenge Model' in which communities did not simply receive the school for free, but rather were tasked with contributing a small portion of the total construction costs themselves – either by way of cash, raw materials, or volunteer labour. However, this brought about a new challenge; although the communities showed enthusiasm for contributing in the early stages of construction, it rapidly waned over the 12-month timeframe required to complete the school.

To explore a potential solution to this challenge, Professor Kistruck's team designed a field experiment grounded within social interdependence theory. The theory suggests that a group's level of motivation to complete a task can be increased through social comparisons with other groups. However, such comparisons can take two forms:

- (1) cooperative goal structures in which two groups are jointly rewarded when they both achieve their assigned tasks
- (2) competitive goal structures where only one group is rewarded for outperforming the other group.

To test which sort of structure would be more effective within a resource-scarce context such as Sri Lanka, a total of 44 communities were paired with one another, and randomly assigned to one of these two conditions. The results of the study suggest that competition is generally more motivating than cooperation within such contexts. However, cooperation can be just as effective as competition when the communities are unfamiliar with one another prior to being paired.



Professor
Geoffrey Kistruck



Schulich Research Team with a construction committee



Schulich Research Team talking to students
in one of the old buildings

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