

**BRINGING THE HONEY OUT OF PEOPLE:
HOW MANAGING ENVY HELPS THE ORGANIZATIONAL INNOVATION PROCESS**

Abstract:

Adopting a social interactionist perspective, this paper explores how envy emerges and is diffused during the process of innovating in organizations. We propose a model of envy recognition and management that translates the potential harmful effects of envy towards beneficial outcomes for organizational innovation. We theorize around the role of leaders--top and middle managers-- as shapers and implementers of the organizational context respectively. These leaders help structure and coordinate management actions that leverage naturally occurring envy for organizational innovation.

Organizational innovation (OI), defined as the generation, development and implementation of new ideas or behaviors within an organization (Hage, 1999; Damanpour, 1991), is a social interactional process that can arouse different emotions. The role of emotions in the OI process is in itself not new in organization studies. Scholars have suggested that positive mood states can enhance specific subprocesses of the OI such as decision making and problem solving (Isen, 1993; 1999) and creativity (e.g. Amabile, et al., 2005; Grawitch et al., 2005); negative moods can also facilitate creative problem solving (e.g. Kaufmann & Vosburg, 1997). More recent studies proposed job dissatisfaction, negative affect and positive moods as good predictors of innovation attempts when perceived recognition, support, and rewards for creativity were high (George & Zhou, 2002; 2007).

This stream of literature has mainly focused on the effects of moods and emotions on the intra-personal processes that foster individual-level creativity in organizations, but has under-investigated how emotions emerging from the social interactions of the OI process influence it. Some scholars have argued that the emotional experiences of appetitive social interactions (Heaphy & Dutton, 2008) can enhance the creation and adoption of an idea or behavior by the organization (e.g. Scott & Bruce, 1994; Tsai, 2002), moderate the sustainability of the innovation process, and produce novel combinations through new social connections (Obstfeld, 2005). Coordination, as a core social interaction mechanism of the OI process (Bartel & Garud, 2009), is also an emotional experience that can “oscillate between energizing and deenergizing” (Quinn & Dutton, 2005: 36) for individuals participating in the OI process. Although it may be intuitive that negative emotional experiences can harm the quality of the social interactions, we know much less how specific negative emotions could benefit organizational innovation (Barsade & Gibson, 2007) by facilitating and sustaining the innovation process.

One frequent and potent specific emotion that has remained under-investigated in the OI literature is envy. We chose envy for two reasons. First, by studying a specific social-interaction emotion (Smith & Kim, 2007) we give analytical depth to the emotional influence of the social interactions composing the OI process. Second, envy represents a prevalent emotion, which primarily has been associated with its harmful tendencies (Schoeck, 1969; Elster, 1996), thereby under-investigating its potential functional utility (Parrott, 2002) and motivational role (Kets De Vries, 1992) in the workplace. We focus the scope of our theorizing further by not investigating what has been called in the literature as illegitimate envy, which seems more caused by personal dispositional antecedents as expressed through low levels of core self-evaluations (Judge et al., 1997; Brown et al., 2007).

Envy refers to a negative valenced affective experience resulting from a social comparison the comparer carries out in a domain of self-relevance to him/her and when the comparison target appears superior and owning attributes or possessions which are close to the comparer's needs and goals (Smith & Kim, 2007; Salovey & Rodin, 1984). Appraisal theorists argue that the "relational theme for envy is wanting what someone else has" (Lazarus, 1991: 254), and that envy occurs when "the things one lacks is in a domain that is central to one's self-concept and the envious person perceives the envied person as similar to him or her" (Cohen-Charash & Mueller, 2007: 666). Envy is semantically distinctive from jealousy and longing (Smith & Kim, 2007), and its action tendency "is to seek and possess the positively valued" person's possessions (Lazarus, 1991: 257).

The presence and harmful effects of envy have been noted in the OI context. Walton (1975) observed that the emergence of intergroup envy led to a rejecting behavior by the envying groups toward change, preventing the adoption of innovation. Mui (1995) models the sabotaging

behavior of envious toward innovators. Edmondson (2002) identifies intergroup envy as an obstacle to the communication and sharing of knowledge among organizational groups, especially when some groups have been selected to institute new practices. Envy prevents the translation of team-level learning into organizational learning,

Our research seeks to theorize about a) both the harmful and beneficial effects of envy on OI, b) the social interactions among envious and the envied who are involved in the OI process (both at the interpersonal and the intergroup level), and c) how organizations (through the actions of leaders such as top and middle managers) can enhance their capability to perceive and manage envy that arises in the OI processes so as to benefit OI. Our inquiry is grounded in a social interactionist perspective (Hochschild, 1983; Côté, 2005), where we posit that the management of negative emotions in fostering an organizational process leverages the social function of negative emotions between their sender, their receiver (Frijda & Mesquita, 1994; Keltner & Haidt, 1999; Côté, 2005), and their observers (Hareli & Rafaeli, 2008), who are “inseparable from the experience that is managed” (Hochschild, 1983: 206). From this interactionist perspective, social factors may contribute positively in the codification, management and expression of negative emotions in fostering organizational outcomes.

Our research thus contributes to the intersection of the literatures on the management of emotion in organizations and organizational innovation by elaborating 1) the functional roles of specific negative emotions such as envy for organizational processes (Barsade & Gibson, 2007); 2) the social interactions comprising the OI processes which arouse emotions including envy that have been under-examined in the extant literature; 3) extending our knowledge on the recognition and management of the emotion at work; and 4) specifying the role that

organizational leaders (top and middle managers) can play in translating the potentially harmful effects of negative emotions such as envy into beneficial organizational outcomes.

The rest of the paper is organized as follows. First, we situate envy in the context of work events, the appraisal process eliciting this specific emotion, and the effects of envy on the OI process. We then propose how envy can be recognized and managed by top and middle managers based on the social interaction among the envious and envied others. We conclude with a discussion on the implications of our proposed model for theory and practice.

EMERGENCE AND DIFFUSION OF ENVY AND ITS IMPACT ON THE OI PROCESS

OI processes involve both cooperation and competition inside the firm (Daft, 1978; Damanpour, 1991; Hage, 1996), produce perceived winners and losers, and this arouse intense emotions that could benefit or harm the outcomes of OI. We focus on three sets of social interactions among organizational members participating in the OI process: (a) *innovators* involved in various innovation initiatives or stages of the process, (b) *existing and new innovators* involved in various innovation initiatives, and (c) *innovators and non-innovators* (adopters) interacting within the same organizational context. These three sets of interaction involve different level of exposure and involvement of organizational members in the innovation process and different levels of interdependency among them.

Social comparison processes can be prominent among the participants in the OI process due to the high relevance of the potential changes at work for these individuals, amplifying their need for validating information regarding their performance (Gibbons & Buunk, 1999).

Competitive organizational settings increase the relevance of co-worker's performance.

Employees compare themselves with similar or dissimilar others, who are perceived to have

higher performance (upward direction) or lower performance than them (downward direction). Envy represents a possible affective consequence of social comparison.

We tend to envy those individuals who are relevant (Salovey & Robin, 1984), close and similar to us (Goethals & Darley, 1977; Mussweiler, 2003) for their tangible and intangible possessions and performance (Tesser, 1991; Salovey & Robin, 1984). Under the assumption of high levels of group membership and identification, envy is also experienced at the intergroup level as “events that harm or favor an in-group, by definition harm or favor the self, and the self might thus experience affect and emotion on behalf of the in-group” (Mackie et al., 2000: 603). Table 1 and Figure 1 outline how the changes in the relevance, similarity and proximity of the two parties in each set of interaction in the OI process may lead to envy.

Insert Table 1 and Figure 1 around here

As a social emotion, envy is targeted toward specific envied individuals or groups, sending powerful signals to its receivers (Frijda & Mesquita, 1994; Keltner & Haidt, 1999), affecting, besides the enviers', the envied individuals' and groups' cognition and behavior (Vecchio, 2005). We draw from the Affective Events Theory (Weiss & Cropanzano, 1996) to explore how affective events within the organizational context trigger the emotional states of “envy” and “feeling envied”, and how both emotions impact the OI process (Figure 2).

Figure 2 around here

How organizational context fosters the emergence of emotional events

Scholars have long stressed that a psychologically supportive climate for innovation contributes positively in developing an innovative behavior among organizational members (e.g., Scott & Bruce, 1994). Organizational members form interpretations of expected participation in the OI process, resulting in a categorization of various social groups (Hogg & Terry, 2000)

according to the relative influence of various groups of employees--existing innovators, new entrants in the OI process and the non-innovators--(Shetzer, 1993) which tend to accentuate the similarity of their in-group members. Through self-categorization members identify with the social identity attributes of their in-group to distinguish themselves from out-groups (Hogg & Terry, 2000) serving as their referent group. An organizational change caused by the introduction of an innovation could disrupt employees' membership of the innovation process, altering their perceptions and expectations of who participates in it. Such evaluation of participation elicits emotional reactions that underpin employees' motivation to engage in the innovation process and thereby the quality of their contribution (Shetzer, 1993).

Employees through social interactions also seek feedback on how their participation and that of their co-workers to the OI process would be rewarded. Concerns over the distribution of rewards may surface and influence employees' perceptions of organizational justice and fairness (Birkinshaw et al., 2009) and hurt their participation in the OI process. Norms regarding distributive (equity) (Adams, 1963) and procedural (equality) (Cohen-Charash et al., 2004) justice moderate the occurrence of envy within an organization (Cohen-Charash & Byrne, 2008). In this regard, researchers have found that perceived injustice and unfairness in matters such as top management's reward structures and retirement policies could elicit workplace envy (e.g., Mollica & DeWitt, 2000; Siegel & Hambrick, 2005).

The self-relevance of emotional events

We focus on three organizational events which likely elicit envy among employees involved in the OI process (Lazarus, 1991): (a) when the non-innovators perceive the move of the new innovators as a promotion (perceived absence of gain for the non-innovators), (b) when the existing innovators perceive the entry of the new innovators as a threat to their goals and

needs (loss of mastery), and (c) when innovators earn more and gain more recognition than other innovators (relative drop of their well-being). The higher the unexpectedness and relevance of these events for the self (Weiss & Cropanzano, 1996) and the higher the importance of the goal being challenged, the higher is the intensity of the non innovators' emotional reactions (Hareli & Rafaeli, 2008). Negative events often elicit stronger emotional reactions than positive ones (Taylor, 1991).

The enviers' appraisal process

The comparison between the non-innovators and the new innovators may appear meaningless (Gilbert et al., 1995), but non-innovators engage in this process as they fail to adjust their perceptions of similarity towards their colleagues (in t0) who in t1 (see Figure 1) have become innovators. The non-innovators perceive the change in the similarity and proximity between them and their ex-colleagues as a promotion for the latter. The discrepancy between the desired and the obtained outcome may produce the emotion of envy when the relevant others obtain the better outcome and the self feels rejected (Feldman, et al., 1997; Crosby, 1976).

The experience of envy leads to experiencing other negative emotions such as frustration and disappointment. In the case of the non-innovators the virtue of the similarity with the new innovators creates false expectations of deserved entitlement "in a sense that the outcomes or attributes enjoyed by the advantaged person could be the things that one should also have" (Smith & Kim, 2007: 51). People become frustrated to the extent that the event which caused envy is enduring and stable (Wiener, 1986) and seen as largely beyond their ability to remedy it: employees feel it is unlikely that they will also be promoted or their well-being will improve.

Existing innovators can also feel envy toward the new innovators as the latter introduce new practices in the OI process (e.g. technological or administrative innovation). Ford (1996)

argues that the presence of established conceptions of the “way things are done” is beneficial for employees’ work life as it provides stability in organizing their task activities and predicting their future performance. When this perceived stability is at risk, the existing innovators can display similar inertia as non-innovators in adjusting their perceptions on what constitutes desirable innovation in the organization. The appearance of new employees members can be experienced as a sudden and intense event, capturing existing innovators’ attention thanks to the novelty of the practices they introduce (Ellsworth & Scherer, 2003), and raising existing innovators’ concerns over their own performance and the norms of the domain in which they operate (Lewis & Seibold, 1993).

As existing innovators receive signals from the organizational context that (a) they lost exclusivity over their virtue “mastery” (Ashford & Cummings, 1983) in the OI process, (b) that the performance of the new innovators is superior than theirs, and (c) that the new innovators are rewarded higher than them, then envy surfaces. The existing innovators appraise their well-being as inferior to those of the new entrants and lower their motivation to participate in the OI process (Lazarus, 1991). They feel frustrated that the performance of the new innovators obstructs the attainment of their goals.

Affective reaction and resulting behaviors of envious

It is well established in the social psychology literature that affect-driven attitudes are stronger than cognitive-driven attitudes (Brief & Weiss, 2002) and represent better predictors of subsequent behavior (Millar & Millar, 1996). The action tendencies of negative emotions such as envy are to focus people on dealing with immediate problems so that they can improve their odds of survival and improve their wellbeing in the long term (Cosmides & Tooby, 2000). The action tendencies of the envious toward the envied others depends on whether the envious appraise--

during the secondary appraisal process (Lazarus, 1991)--that they can change the goal incongruence which causes envy and/or will be able to acquire the envied others' possessions (Ellsworth & Scherer, 2003).

The secondary appraisal of enviers elicits another set of emotional states, which if negative, can motivate behavior harming the envied others. Harmful behaviors may involve a desire to destroy (Lazarus, 1991) or degrade the object of envy (their character and/or performance) (Solevey & Robin, 1984); retaliation toward the object of envy (Mui, 1995), rivalry and competition (Lehmann, 2001). These behaviors, however, tend not to increase enviers' own happiness (Schoeck, 1987). Enviers tend to develop dissonance reduction mechanisms to blame someone else (the envied) for their situation or to explain the envied individual's superiority (Elster, 1996). Enviers dislike the envied (Schaubroeck & Lam, 2004) or feel pleasure (*schadenfreude*) when a misfortune befalls the envied person (Smith et al., 1996). In contrast, when enviers are highly aware of their emotion of envy and have a positive self-image and well-adjusted sense of self-entitlement, they are more likely to engage in self-actualization by developing or displaying new capabilities that envied others do not have or emulate them by striving to equal or surpass the envied others' capabilities (Berman, 2006).

In detail, non-innovators are potential users of the ideas developed by the new innovators, and the experience of envy may also harm their interactions with the new innovators (Lewis & Seibold, 1993). The enviers degrade the performance of the innovators to send signals of rejection of the new idea (Lewis & Seibold, 1993). The quality of collaboration and sharing of knowledge among the two parties is thus jeopardized, reducing the success of the OI process. Similarly, envious existing innovators and non-innovators display hostile behaviors towards the new innovators by, for instance, derogating the envied through spreading gossips and skepticism

(Wert & Salovey, 2004). They dislike collaborating and learning from their envied colleagues (Miner & Mezas, 1996), and experience reduced job satisfaction (Forgas & George, 2001). The OI outcome is undermined because the effectiveness of the innovation process depends on the coordination of efforts among new and existing innovators (Bartel & Garud, 2009) and integration of activities across domains of knowledge and expertise (Iansiti, 1998) to facilitate the transformation of ideas and their adoption (Latour, 1994).

On the other hand, envy may also act as a motivation for the envious to regain the lost utility of their well-being. Smith and Kim (2007) argue that the hostile reaction to the superiority of others acts as a defense mechanism protecting the self from harm, and envy may act as a motivator for the envious to seek opportunities for self-assertion. Self-regulation mechanisms of motivation and socio-cognitive functioning can influence the impact of social comparisons (Bandura & Jourden (1991). These mechanisms involve people's ability to mobilize their motivation to exercise self-influence by overcoming personal challenges, to self-regulate their envy by fulfilling valued goals (self-actualization) or by intensifying their efforts to match or surpass the attributes of the envied (emulation). While this process can be demanding for the envious, it can make him/her hopeful that his/her well-being may improve. Having discussed the envious' emotion-laden responses and how these impact the OI process, we now turn to those of the envied.

The envied innovators' affective appraisals and resulting behaviors

The envious' expression of envy and subsequent behaviors compose an affective event for the envied colleagues (Weiss & Cropanzano, 1996), triggering the emotion of "feeling envied" for the latter. This initiates an emotion cycle in which both envious and envied others' emotions influence reciprocally one another (Hareli & Rafaeli, 2008). We start with the assumption that

envied employees make sense of emotion-laden cues (verbal and non-verbal) they receive from others and recognize accurately envy as the key emotion underpinning these cues. Accuracy in recognizing envy likely helps the envied others adjust to the extent that the enviers' intentions are perceived as relevant to the task the envied others perform, the enviers' behavior is aligned with the task to be performed by both parties, and when both parties are free to alter their behavior (Steiner, 1955).

Emotion recognition is important in interpersonal and intergroup social interactions, as it allows the perceiver of the emotion to “backtrack and reconstruct” the sender's apparent emotion process (Elfenbein, 2007: 356), providing feedback to the former about their position in the environment, and the beliefs and future behaviors of the latter. A social emotion-laden interaction among the enviers and the envied others likely ensues altering the behavior of the enviers toward the OI process. For instance, envied employees may also regulate the expression of envy at work by not allowing “themselves to register or respond to” their decoding of the envier's expressive cues (Elfenbein, 2007: 360) if doing so is in their best interest. Envied employees may fear the enviers and take actions to minimize their vulnerability such as concealing and denying the importance of their performance and possessions, or sharing them with their enviers (Foster, 1972). Envied employees may also reduce the level of their innovative performance or distance themselves from other innovators to avoid sharing of their new innovation.

Recognition of envy by third parties within the organization

Hareli and Rafaeli (2008) suggest that emotion cycles may also involve third parties which do not participate in the initial exchange of emotions between the sender and the receiver, but see the emotion exchange or hear about it through “secondary social sharing” (Rime et al.,

1998). Rime et al. (1998) suggest that around two thirds of the time negative events are shared a second time. Foster (1972) argues that envy can take symbolic forms such as compliments, moral indignation and gossips, which in the surface are not necessarily associated with envy, but are at a deeper psychological level. Organizational gossip--information shared by third parties--can be a powerful transmitter of the emotion-laden experiences at work and represents a subtle form of collective sanctions (Jones et al., 1997). Furthermore, through emotional spillover the initial emotion can be transferred from the envious to other employees (Felps et al., 2006). Through these mechanisms middle and top managers can become aware of the existence of envy at work, identify the envious and the envied individuals and groups, and attempt to manage such envy in ways that benefit the OI process.

MANAGING ENVY TO BENEFIT THE OI PROCESS

In this section, we theorize on how organizations, through actions performed by its influential leaders including top and middle managers can perceive envy that arises in OI processes and manage envy for the benefit of OI outcomes. Based on a social interactionist perspective, we suggest that recognizing and managing envy is not a dominantly intrapersonal process but rather an organizationally embedded process of mutual influence (Bandelj, 2009), in which envied employees and top and middle management can channel envious' emotions toward beneficial OI outcomes by encouraging envious towards self-actualization and emulation.

We propose a stage model of recognizing and managing envy, in which the envied employees provide information to the organizational leaders (top and middle managers), who in turn shape the organizational context (role of top managers) and implement norms (role of middle managers) to manage envy, restoring the quality of the social interaction of employees participating in and are affected by the OI process.

Our model is premised on a clear division of roles among top and middle managers, although we acknowledge that in some actual contexts some overlap may exist. Top management has a role in a) acknowledging envy as a constructive, legitimate emotion within the organizational context and b) shaping the overarching organizational context (designing rules and rewards; settings values and norms); selecting and retaining (or not) middle managers to channel envy toward constructive OI outcomes. Middle management has a role in a) adapting general norms established by top managers to their local work context in managing envy and b) balancing the relationship between envious and envied by observing, monitoring and coaching them. The three stages of managing envy involve 1) interpretation of envy as a positive contributor to the OI process, 2) moderation of organizational context to utilize envy and 3) restoration tactics to channel envy towards constructive OI outcomes (Table 2).

Insert Table 2 around here

Recognizing and interpreting envy in the OI process: A bottom up approach

Envied new and outperforming innovators. The envied individuals and groups have an important role in recognizing accurately envy and transmitting this information to supervising middle managers by utilizing emotion decoding rules (Elfenbein, et al., 2007). As there is limited research on emotion decoding rules in the organizational context (Elfenbein, 2007), we draw insights from child developmental processes (Saarni, 1984) to suggest that envied employees can learn these rules over time and employ them when a) there is awareness within the organization of rules regarding the expression of envy and what constitutes an appropriate reaction to it, b) they are able to regulate their reaction to envy and c) they are motivated to react appropriately to envy within boundaries defined by the organizational norms. To the extent that the organization fosters norms of emotional display freedom that encourage the authentic display of emotions at

work while respecting others' sensitivity (Huy, 1999; 2002), employees are more able to decode accurately expressions of envy directed at them.

When envy is expressed relatively openly thanks to norms of display freedom of emotions, the envied employees are more quickly informed of the enviers' emotions related to the OI process and could consider behavioral adaptation that may improve the quality of their social interactions with the enviers. For example, the envied employees may consider more sharing of their motivations and knowledge with their enviers, as opposed to distancing themselves or reducing their performance because they fear of being envied. In an organizational context that encourages a high freedom to display emotions, the envied employees can more accurately and rapidly report to supervising middle managers various emotional episodes of envy towards them. This process is facilitated when the envied employees are motivated to adopt a constructive behavior when they recognize that they are being envied by other colleagues. Top managers may increase such motivation by designing rewards and compensation systems (Ashkanasy & Daus, 2002) or by recruiting individuals based on their constructive reconciliatory dispositions.

Proposition 1: *The higher the freedom to express emotions within an organization, the more rapidly the organization can put in place norms and procedures to motivate employees to deal with envy and facilitate the OI process.*

Middle management. Middle management has better access than top management to information about their employees' emotional cues at work because they are typically closer--physically or functionally--to their subordinates and have fewer employees to supervise (Huy, 2002). Middle managers mediate the accuracy and the type of information the top management receives with regards to the existence of strong negative emotions. To the extent that the emergence of envy during the OI process is a potential threatening situation to overall

organizational performance, middle managers likely draw top managers' attention to it.

Differential middle managers' attention to dealing with envy at work can be explained in part by variance in their individual regulatory foci.

Regulatory focus theory argues that self-regulation operates differently when serving different needs: nurturance and security. Nurturance social regulation prompts individuals to focus on the presence and absence of positive outcomes (promotion focus), while security social regulation engenders individuals to focus on the presence and absence of negative outcomes (prevention focus) (Higgins, 2002). Consequently, middle managers driven by a promotion focus will tend to concentrate on the presence and absence of positive emotions, while those driven by a prevention focus tend to be more alert to negative emotions (Higgins et al., 1997), as emotions likely represent the early outcomes of the OI process before actual envious' harming actions. Middle managers' prevention regulatory focus likely motivates them to promptly convey their concerns about and draw top management's attention to the occurrences and potential harmful effects of envy on OI outcomes.

Proposition 2: *The higher the middle manager's prevention regulatory focus, the more rapidly s/he will report the emergence of envy in the OI process to top management.*

Top management. Ashkanasy and Daus (2002) have argued that top management has a critical role in shaping a regulative emotional climate at work. However, this assumes that top management are able to recognize emotions and appreciate the potential effectiveness of various emotion management actions that can be used in an organizational context to realize major change, for example (Huy, 1999). The ability to recognize emotions is important because employees are unlikely to openly admit that they experience envy, which is perceived as an organizationally illegitimate emotion especially in cooperative work contexts (Foster, 1972;

Schoeck, 1969; Sabini & Silver, 1986). Moreover, top management tends to favor unity and consensus thereby suppressing other viewpoints (Morrison & Milliken, 2000). Driven by their quest for organizational consensus, top management may not be disposed to recognize envy and can even deny its existence. To overcome this limitation, top management may need not only to gather various informational cues to validate the presence of envy, but also to allocate sufficient attention to deal with them in a meaningful way (Hansen & Haas, 2001). Fiol and O'Connor (2003: 58) propose mindfulness as a state of alertness leading “to the continuous creation of new categories, openness to new information and an implicit awareness of more than one perspective’ (Langer, 1997: 4).” Mindfulness over emotional cues from employees would allow top management to actively search for such cues, to recognize both positive and negative emotions, and to reflect about dealing with envy as an inevitable social fact in a constructive way.

High levels of mindfulness help extend the use of scanning mechanisms and foster a richer and context-relevant interpretation of the information that is collected (Weick et al., 1999; Langer, 1989). Mindfulness can enable top management to employ their emotional intelligence and assess the emotional impact of work tasks (Ashkanasy & Daus, 2002) and to actively seek for alternative channels to acquire information about the existence of envy (e.g., utilization of organizational gossip). Envy may represent a taboo emotion to be avoided by top managers but mindfulness allows them to reconsider it as a valid new emotion and a natural organizational occurrence (alternative perspective). Mindless top management likely emphasizes the harmful consequences of envy and follows common wisdom to isolate the enviers.

In addition, mindfulness over emotions in the organization context can foster the use of emotional aperture-- the ability of organizational members to perceive various shared emotions

that exist in a collective (Sanchez-Burks & Huy, 2009). Emotional aperture in turn enables the broadening of leaders' attention seeking for hitherto taboo emotions such as envy at work.

Holistic cognition can also be important for the top management to capture emotional cues at the collective level as opposed to the individual level (Sanchez-Burks & Huy, 2009). The higher the holistic (as opposed to analytic) cognition of top managers toward envy, the higher their ability to notice a wide variety of emotions at work including envy and approach it as an important issue affecting not only some individuals but the whole organization. The ability to distinguish between individuals episodes of envy and shared collective envy and assessing the scope of envy and its frequency at work likely determines how top management deals with envy. Isolated episodes of envy can be managed, for example, through local job redesign and targeted training or rearrangement of job tasks (Ashkanasy & Daus, 2002) whereby top management can delegate this task to middle managers. In contrast, recognition of widespread collective envy at work may require more comprehensive approaches such as change in organizational reward systems and norms and emotional climate using a combination of emotion management actions (Huy, 1999) and change interventions approaches such as commanding, teaching, engineering, and socializing (see Huy, 2001).

The amount of attention that top managers allocate to envy is consistent with the cognitive effort (McMullen et al., 2009) that they allocate to continued consideration of a specific emotion such as envy alongside other positive and negative emotions. Following the analogy of adjusting aperture in photography used in the concept of emotional aperture, the level of attention that top managers pay to a specific emotion determine in part the range of organizational actions used by top management to deal with envy. Considerable attention on envy maintains the emotion under organizational scrutiny and informs managerial action (Fiol & Huff, 1992). The more top

management focuses on envy, the more cognitive effort they devote to make sense--backward and forward-- the enviers' emotional process (Gavetti & Levinthal, 2000), to collect and validate information about the causes of envy and reflect upon various organizational factors that might have encouraged negative social comparison.

Proposition 3: *The greater top management's mindfulness and emotional aperture in perceiving a wide range of emotions at work, the faster they will recognize the importance of envy and increase effort in managing it to facilitate the OI process.*

The regulatory focus theory implies that individuals driven by a prevention focus will tend to emphasize the harmful aspects of envy, whereas individuals driven by promotion focus will highlight its beneficial aspects. Top management, as receivers of organizational gossip and formal information from middle management, thus need to weigh the degree of accuracy about the assessment of harm caused by envy to the OI process as conveyed by middle managers. Top managers who are driven by a promotion regulatory focus likely see that envy can be beneficial, as this emotion conveys a) important signals to pay urgent increased attention to the quality of relationships among various groups, b) potential problems of imbalance and inequity in the organization's allocation of resources for OI and its associated incentive systems, and c) how the overall OI process can be improved. In other words, these top managers construe the occurrence of envy more as an opportunity for urgent organizational improvement rather than a threat to OI that is difficult to address (Dutton & Duncan, 1987).

Proposition 4: *The higher the top manager's promotion regulatory focus, the more rapidly s/he will act to improve the organization's organizing systems and relationships to reduce the harmful effects of envy on OI processes.*

Managing envy: A top down approach

Top management. Having acknowledged envy as a natural organizational occurrence, top managers can initiate the shaping of the organizational context to manage the enviers and the envied new and outperforming innovators. Top managers can orchestrate the restoration of the disrupted social interactions in the OI process and reduce perceptions of inequalities and unfairness. They focus their attention on matters such as: improving the emotional climate and the organizational ability to manage negative emotions at work (e.g., Huy, 1999); amending work-related characteristics and organizational performance pressures to decrease enviers' uncertainty and discomfort; increasing work discretion for enviers to identify new areas to excel at; encouraging the personal development of enviers through training; rewarding enviers for identifying new capabilities; giving equal opportunities for innovation; or rewarding non-innovators to participate in the OI process to encourage them to emulate the new innovators. As noted, top managers have the responsibility to select middle managers who have the skills to implement these actions. Such selection may involve assessing middle managers' emotional abilities including their prior experience in managing negative emotions in challenging times.

Middle management's emotional balancing. Accurate recognition of the causes of envy can help middle managers act as intermediaries in managing envy, in a similar role suggested by Burgelman (1983) whereby middle managers translate the relatively abstract emotion vision (Ashkanasy & Daus, 2002) of top management to front line employees; negotiate between various groups of employees that are affected by the emergence of envy in the OI process (enviers and envied others); and restore perceived injustice within the organization. Middle managers can further perform emotional balancing of both parties (Huy, 2002). That is, middle managers can improve the quality of social interactions in the OI process by reducing the fears

and frustrations of the enviers, and eliciting enthusiasm and pride among the envied new entrants and outperforming new innovators.

Although these two types of emotional balancing actions might appear contradictory, they could promote constructive behavior by both parties following the emergence of envy. By empathizing with the enviers and calming their fears and frustrations, middle managers help enviers pursue the path of self-actualization by developing and excelling at new capabilities so as they display comparable performance with that of their enviers. The enviers feel comforted and reassured as they take note of supervising middle managers' caring about their negative emotional experiences and thus likely reduce their resistance to cooperate with the envied colleagues in the OI process. Put differently, they are motivated to create positive emotions through alternative means such as self-actualization (Bandura & Jourden, 1991). Enviers cooperate with the disruptive internal change caused by OI to the extent that they experience hope that such cooperation would restore or even improve their well-being (Huy, 1999).

On the other hand, by rewarding the envied employees and eliciting their pride and enthusiasm, middle managers signal to new entrants and the outperformers in the OI process that their behavior and achievement are highly appreciated and encouraged within the organization. The envied employees thus feel more secure over their participation and performance in the OI process, while understanding that their innovative actions likely elicit natural reactions from the enviers but can be managed constructively with the help of middle and top managers. This realization might motivate them to increase their effort in improving the quality of their social interaction with the existing and non-innovators by sharing their resources and capabilities, for example, and to refrain from certain actions that might unnecessarily exacerbate envy such as extreme public displays of pride and gloating in front of their envied colleagues.

Proposition 5: *The more middle managers engage in emotional balancing with the envious and envied employees, the less the harmful effects of envy on OI outcomes.*

DISCUSSION

Our proposed model of perceiving and managing envy to benefit organizational innovation (OI) illustrates the need for an integrated and coordinated approach in managing a specific negative emotion to enhance or support an organizational process. The social interactions among the different levels of management and between the envious and envied others constitute the core feature of our model. Each type of interaction produces distinct social-emotional dynamics informing each party about the emotional experience of the others and motivating actions toward reinforcing the emotional capability of the organization (Huy, 1999).

The emergence of envy within an organization can present an opportunity for its leaders to revise its practices and norms in dealing with negative emotions so that the resulting emotional climate and employee behaviors can benefit the OI processes and outcomes. Furthermore, systematic management of envy in daily practice provides the critical learnings for the formation of emotion management routines that help the OI process. These routines are coordinated by middle managers and involve activities such as rewarding the sharing behavior of the envied employees and encouraging self-actualization or emulation by the envious. Not all companies have routines to deal with envy at work, and our model links recognition and reporting of emotional episodes at work that inform managerial cognition and action to perform emotion management actions that deal with envy at work in a way that benefits OI.

Our proposed model draws from insights from the literatures on social interaction (e.g., Hochschild, 1983; Côté, 2005), emotional capability (e.g., Huy, 1999, 2002), social influence of emotions among senders and receivers (e.g. Frijda & Mesquita, 1994; Keltner & Haidt, 1999)

and their observers (e.g., Hareli & Rafaeli, 2008), regulatory focus theory (e.g., Higgins, 2002) and mindfulness (Fiol & O'Connor, 2003) to draw out the links among the management of envy and various personal capabilities including mindfulness, holistic perception, emotional aperture and integrated emotion management actions such as emotional balancing by middle managers.

Our research contributes to the literature on perceiving and managing emotions in organizations to influence organizational outcomes (e.g., Huy, 1999, 2002; Rubin, Munz, & Bommer, 2005; Sanchez-Burks & Huy, 2009). While previous studies tended to explore many emotions and moods as general constructs, we have focused on a specific discrete emotion, envy. Contrary to the common wisdom that envy would lead to harmful consequences for the organization, we have theorized how an organization can actively perceive and manage envy that surfaces from the OI process to produce beneficial outcomes. We contribute to the positive organizational scholarship literature (e.g., Cameron, Dutton & Quinn, 2003) by proposing a model that highlights social interactions surrounding the emergence of envy during OI processes, the conditions that foster the recognition of envy at work, and how leaders can shape an organizational context that translates the potential harm of envy into benefits for OI.

We have dwelled into the specific roles of top and middle management in shaping an organizational context that facilitates the perception and management of envy in OI among different constituent groups including enviers and envied others; existing and non-innovators and new and outperforming innovators. In doing so, we contribute to the intersection of the OI process literature and management of emotions in organizations through the lens of social-emotional interaction. Our proposed model is built upon the emotion cycle of envy involving the enviers, the envied others and the observers of the emotional exchange between the two (Hareli & Rafaeli, 2008). This treatment represents a novel contribution to the envy literature which until

recently (e.g., Smith & Kim, 2007) has primarily focused its attention on the emotional experience of the envier (individual or group), neglecting the influence of envy on its recipient as well as on the broader social context that has an important influence.

Lastly our research also contributes to the leadership literature by articulating how organizational leaders shape the organizational context to recognize and manage potentially harmful emotions such as envy. We contribute to an emotion-based view of leadership (e.g., Huy, 1999; 2002; Ashkanasy & Daus, 2002; Ashkanasy & Tse, 2000) describing how leaders can actively transform potentially harmful behavior to organizational performance to beneficial ones.

The proposed model is obviously not exhaustive about the ways in which organizations manage emotions that could potentially harm organizational effectiveness. However, it provides us with the beginning of a footprint about how top management pays attention to emerging emotions at work and takes action to manage them. Articulating the underlying mechanisms reveals that shaping an organizational context to perceive and manage envy requires creating customized organizational norms and routines around understanding the causes of specific emotions and performing integrated emotion management interventions such as emotional balancing. Future research could benefit by exploring the existence of similar or other organizational processes to perceive and manage other emotions that are potentially harmful to specific organizational processes and outcomes such as anger and frustration. Both positive (e.g., extreme pride and hope) and negative emotions (e.g., anger, frustration) could cause harmful organizational outcomes if left on their own. Future research could benefit by comparing the management process of other specific emotions and identify processes or conditions that underpin the perception and management of emotions at work.

Future research could also test the propositions of our model and validate their predictions in different contexts including national cultures that influence differential causes and behaviors of emotions (Elfenbein et al., 2007). The use of both qualitative and quantitative methods is highly recommended and can reveal new insights on the role of middle and top managers, and the social emotional dynamics among enviers and envied others, innovators and non-innovators.

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APPENDIX

Table 1: Social interactions generating envy in the OI context

Type of social interaction (dyadic)	Relevance	Proximity	Similarity	Dimension of comparison	Envied individual or group
Organizational members or groups participating in the OI process -Innovator A-Innovator B -Innovation group A- Innovation group B	Both members and groups are colleagues at the same organizational function	Both members and groups work close to each other, on highly interdependent tasks and have access to accurate information about the performance of the other party	Both members and groups have similar work tasks, educational backgrounds and are involved in the same organizational process	Monetary: salary, bonus, job status Non-monetary: recognition and distinctiveness within the organization	Innovator A: The organizational member or group who achieve higher monetary and non-monetary possessions than the other participants in the OI process)
Existing organizational member or group participating in the OI process and organizational member or group recently involved in the OI process -Innovator A-New Innovator C -Innovation group A-New Innovation group C	Both members and groups are colleagues at the same organizational function	Both members and groups work close to each other, on highly interdependent tasks and have access to accurate information about the performance of the other party	Both members and groups have similar work tasks, educational backgrounds and are involved in the same organizational process	Monetary: salary, bonus, job status Non-monetary: recognition and distinctiveness within the organization	New Innovator C: The new organizational member or group who disrupts pre-existing assumptions regarding the participation in the OI process and achieves higher monetary and non-monetary possessions than the existing participants in the OI process
Organizational member or group recently involved in the OI process and adopters of the innovation - New Innovator C - Non innovator D - New Innovation Group C - Non innovation group D	Both members and groups are members of the same organization	Both members and groups work used to work closely to each other, on highly interdependent tasks and have access to accurate information about the performance of the other party	Both members and groups have similar tenure process and development within the organization, until when in t1 one individual or group decides to participate in the OI process	Monetary: salary, bonus, job status Non-monetary: recognition and distinctiveness within the organization	New Innovator C: The new organizational member or group who participated in the OI process as their participation is considered as promotion from their previous colleagues and achieve higher monetary and non-monetary passions than their previous colleagues (non innovators)

Figure 1: Representation of social interactions generating envy in the OI context

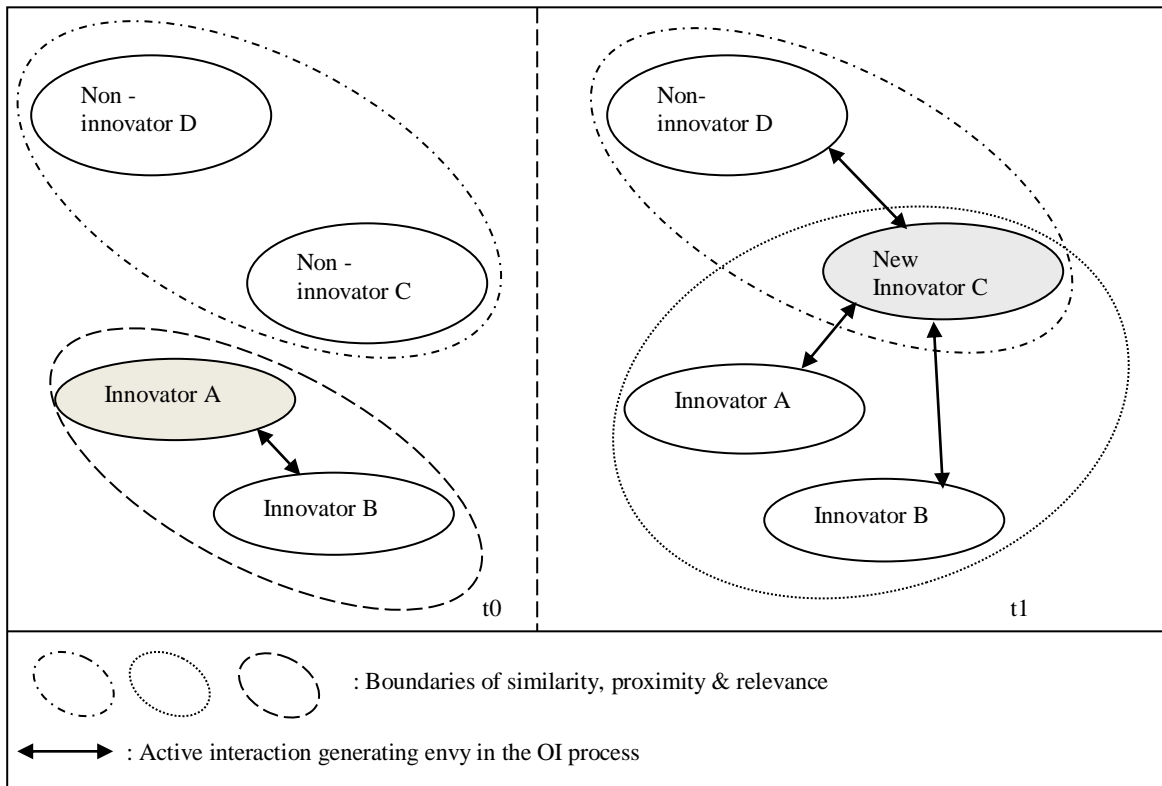


Figure 2: Diffusion of envy in the OI process – appraisal processes of enviers and envied others

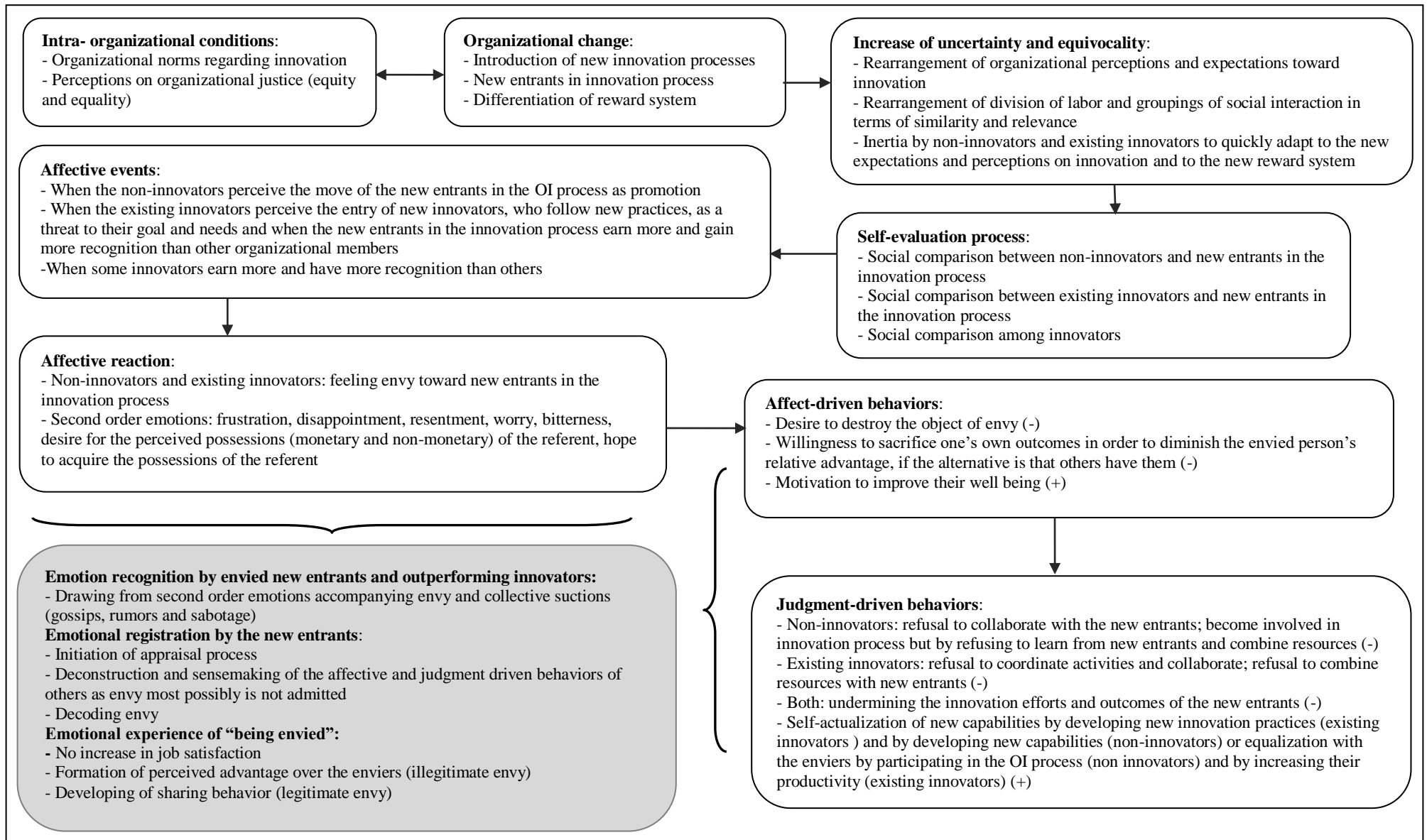


Table 2: Recognizing and managing constructively envy in the OI process: A stage model

	Stage 1: Interpreting envy	Stage 2: Moderating organizational context	Stage 3: Restoring social interactions	Outcomes
Top management (their actions are contingent upon level of attention to envy, emotion mindfulness, emotional aperture and their promotion focus)	<ul style="list-style-type: none"> - Recognizing envy - Interpreting envy as constructive emotion 	<ul style="list-style-type: none"> - Shaping organizational context to recognize and manage envy (designing rewards and social justice rules; selecting middle managers to be manage envy) 	<ul style="list-style-type: none"> - Orchestrating restoring strategy (changes in the organizational culture, emotional climate and organizational justice system) - Adoption of excellence orientation 	<ul style="list-style-type: none"> - Restoration of the emotion climate and formation of emotional management routines - Increase of the aggregated OI effort and of the productivity of the OI process
Middle management (their actions are contingent upon their prevention focus)	<ul style="list-style-type: none"> - Informing top management - Distinguishing between legitimate and illegitimate envy 	<ul style="list-style-type: none"> - Adopting rules crafted by top managers to manage envy - Emotion balancing between enviers and envied individuals and groups 	<ul style="list-style-type: none"> - Negotiating interactions between enviers and envied individuals and groups - Rewarding sharing behavior by envied others - Coaching the self-actualization and emulation process of enviers 	<ul style="list-style-type: none"> - Implementation of emotional management routines: Assessment and management of negative social interactions in the OI process
Envied individuals and groups (their actions are contingent upon their accuracy of envy recognition and organizational emotion climate)	<ul style="list-style-type: none"> - Decoding envy - Social sharing of emotional episodes of envy with middle managers 	<ul style="list-style-type: none"> - Developing adaptive behavior <ul style="list-style-type: none"> a) socializing their capabilities as new entrants and outperformers in the OI process b) assessing their social coordination with other parts of the organization 	<ul style="list-style-type: none"> - Sharing of knowledge and best practices with enviers - Feeling proud of their performance - Restoring fairness perceptions around their activities 	<ul style="list-style-type: none"> - Maintain commitment in the OI process - Increase in their innovation effort
Enviers (their actions are contingent upon organizational emotional climate and performance orientation)	<ul style="list-style-type: none"> - Experiencing and expressing envy 	<ul style="list-style-type: none"> - Developing adaptive behavior <ul style="list-style-type: none"> a) Self actualization of new capabilities b) Emulation toward the capabilities and performance of the envied others 	<ul style="list-style-type: none"> - Employment of new capabilities in the OI process -Improving their performance and coordination with other members and contributing to OI productivity 	<ul style="list-style-type: none"> - Non innovators may join the OI processes increasing the aggregated OI effort - Non innovators: contribute in the organization with new capabilities - Existing innovators: increase of their OI productivity - Existing innovators: creation of new innovation practices