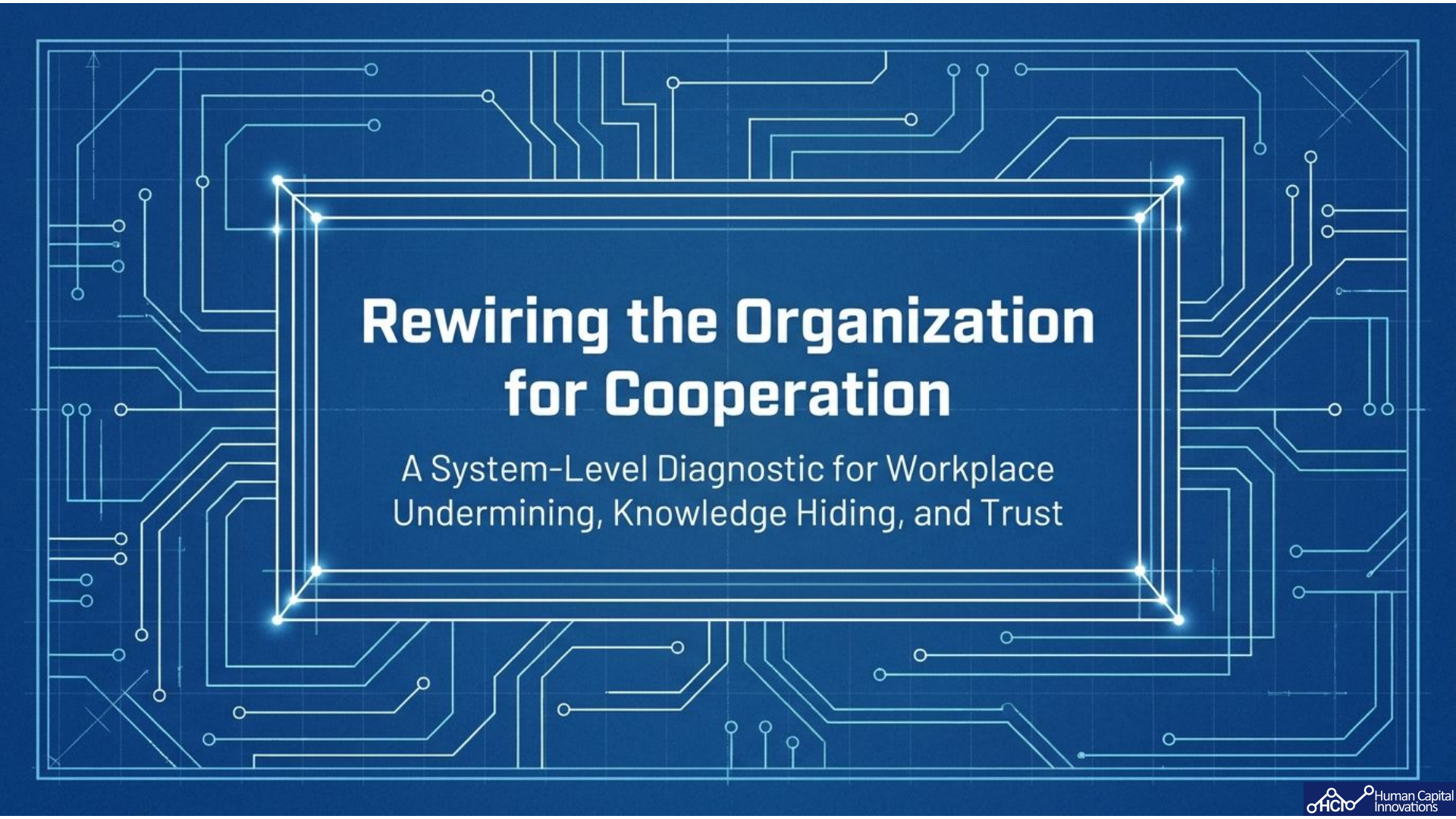
Rewiring the Organization for Cooperation
A System-Level Diagnostic for Workplace Undermining, Knowledge Hiding, and Trust
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The Current Threat Level: A System Under Pressure

Internal Symptoms



69% of U.S. workers experienced at least one form of workplace undermining in the past year.

77% consider intentional backstabbing common.

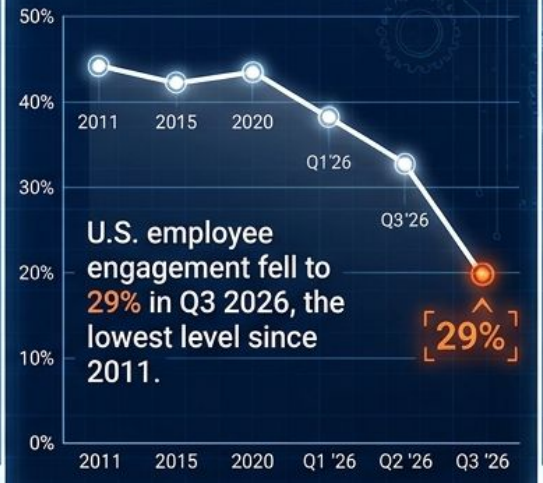
External Macro-Threats



617,189 U.S. job cuts announced through Oct 2026.

Artificial Intelligence (AI) cited in 121,401 (1 in 5) of those cuts.

System Integrity



U.S. employee engagement fell to 29% in Q3 2026, the lowest level since 2011.

Key Insight: When macro-economic pressure meets record-low engagement, self-protection becomes the default operating system.

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Identifying the Short Circuits in Daily Operations

Knowledge Hiding
(The Ambiguous Defense)

Intentional withholding of requested knowledge.

Takes three forms: evasive hiding, rationalized hiding, and playing dumb.

Social Undermining
(The Relational Tax)

Behavior intended to hinder another's success and reputation over time.

Crucial Note: Support from one colleague does not neutralize the damage of undermining from another.

Knowledge Theft
(The Credit Grab)

Appropriation of ideas without acknowledgment.

Distinct from aggression; directly teaches victims to become knowledge hiders themselves.

Low Visibility / High Ambiguity → High Visibility / Explicit

Most of these behaviors thrive on plausible deniability.
Traditional misconduct policies cannot catch them.

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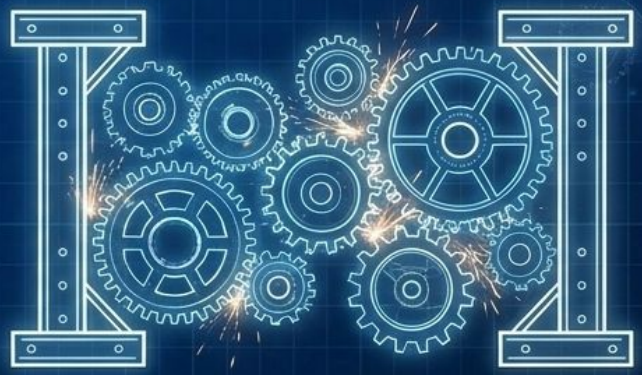
The Paradigm Shift: Character vs. Architecture

The Bad Apple Myth



Workplace undermining is an interpersonal problem caused by toxic personalities and individual character flaws.

The Bad Architecture Reality



When goals are negatively linked—where one person's progress comes at another's expense—people predictably compete and obstruct.

The Zero-Sum Construal: Economic downturns and internal scarcity promote a belief that the pie is shrinking. Helping a colleague feels like giving away one's own slice.

Takeaway: **You cannot lecture people out of self-protection. You must redesign the systems that make undermining feel like the rational choice.**

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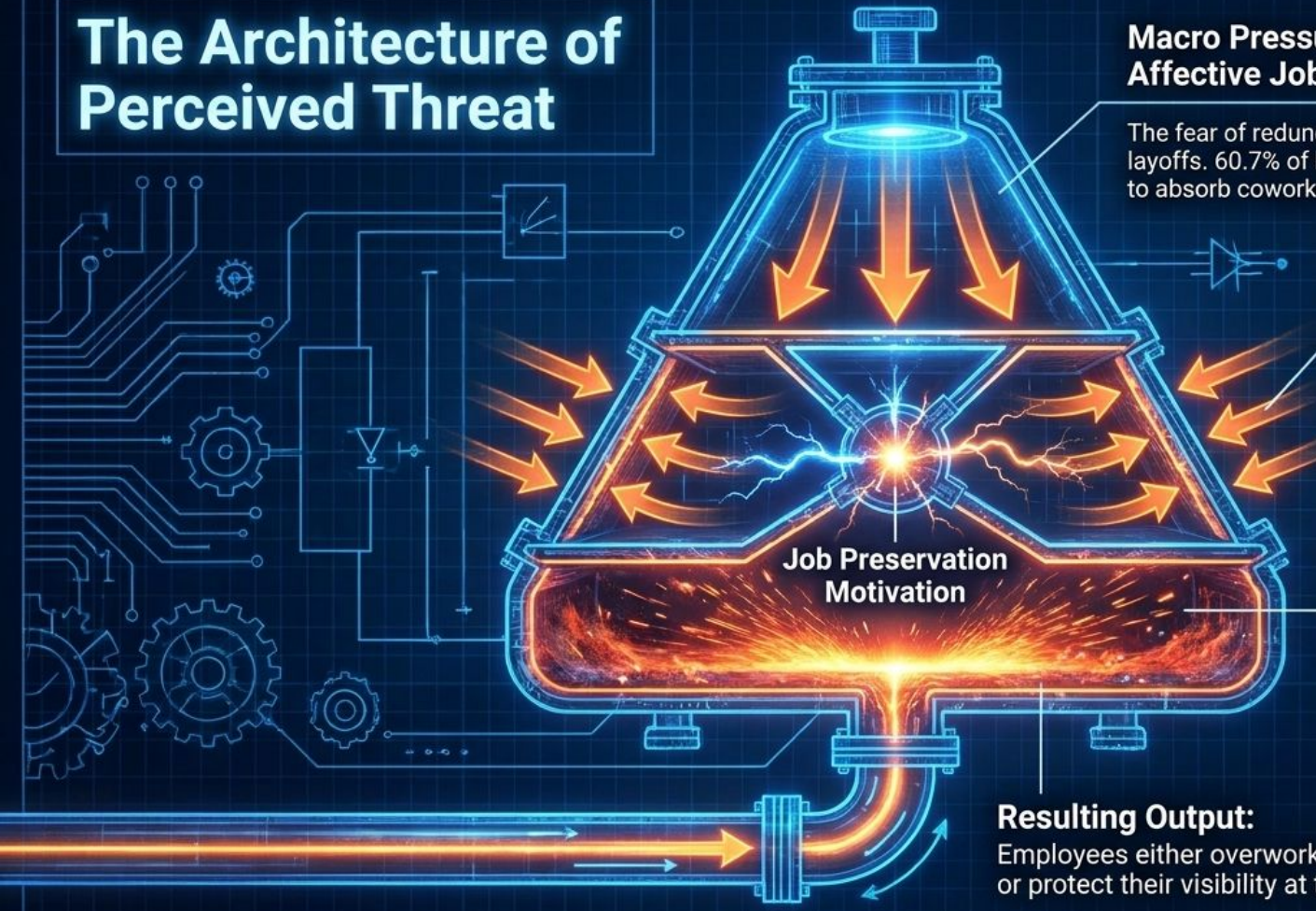
The Architecture of Perceived Threat



Macro Pressure: Affective Job Insecurity

The fear of redundancy driven by AI integration and layoffs. 60.7% of highly anxious workers secretly use AI to absorb coworkers' tasks to appear indispensable.

Structural Pressure: Winner-Take-All Evaluation

Forced distributions and relative ranking systems where a colleague's high rating mathematically requires another's low rating.

Cultural Pressure: Permissive Norms

Environments that tolerate brilliant jerks and allow envy to undergo moral disengagement.

Resulting Output:

Employees either overwork to appear vital, or protect their visibility at their peers' expense.

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The Reciprocal Distrust Loop



The Cost to the System

- Reduced output
- Distorted talent evaluations (promoting the best saboteur)
- Compromised safety (medical errors when staff fear speaking up)

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Diagnostic Matrix: Flawed vs. Cooperative Architecture

	Traditional Systems	Cooperative Architecture
Evaluation	Stack ranking & forced curves	Measured contribution to the team
Attribution	Self-advocacy & claiming credit	Managerial duty to name originators
Layoff Criteria	Peer-relative survival & low performer labels	Role-based business needs & shared pain
Conduct Rules	Tolerating brilliant jerks	Universal norms regardless of status
Knowledge	Purchasing tech platforms to force sharing	Building mastery climates and psychological safety

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Circuit Breaker 1: Redesign Evaluation & Rewards

The Research
Tournaments and relative evaluations create incentives for sabotage. The most able candidates often attract the most undermining (Chen, 2003).

The Upgrade
Weight collective contribution equally with individual output. Retire forced distributions.

Performance Climate
(Zero-Sum)





Mastery Climate
(Expanding Pie)

Real-World Benchmarks

- Microsoft: Ended its infamous stack ranking in 2013 to focus on team contribution.
- Atlassian: Rates employees equally on role expectations, team contribution, and values.
- Nucor: Pays weekly bonuses based on the entire work team's quality output, not individual piece rates.

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Circuit Breaker 2: Visible Attribution

The Research:
Egocentric bias causes people to legitimately overestimate their own contributions. Theft thrives in unrecorded ambiguity.



Protective Shields (Fixes)

Prompt Others First: Require contributors to describe their peers' inputs before project reviews.

Visible WIP: Traceable origin of ideas removes the need for self-advocacy.

Prompt Public Repair: Address credit-taking publicly to restore the record, which immediately reduces victim anger.

Benchmark: Pixar's Braintrust. Built around the open sharing of unfinished work, making contributions visible early and removing disputes over authorship.

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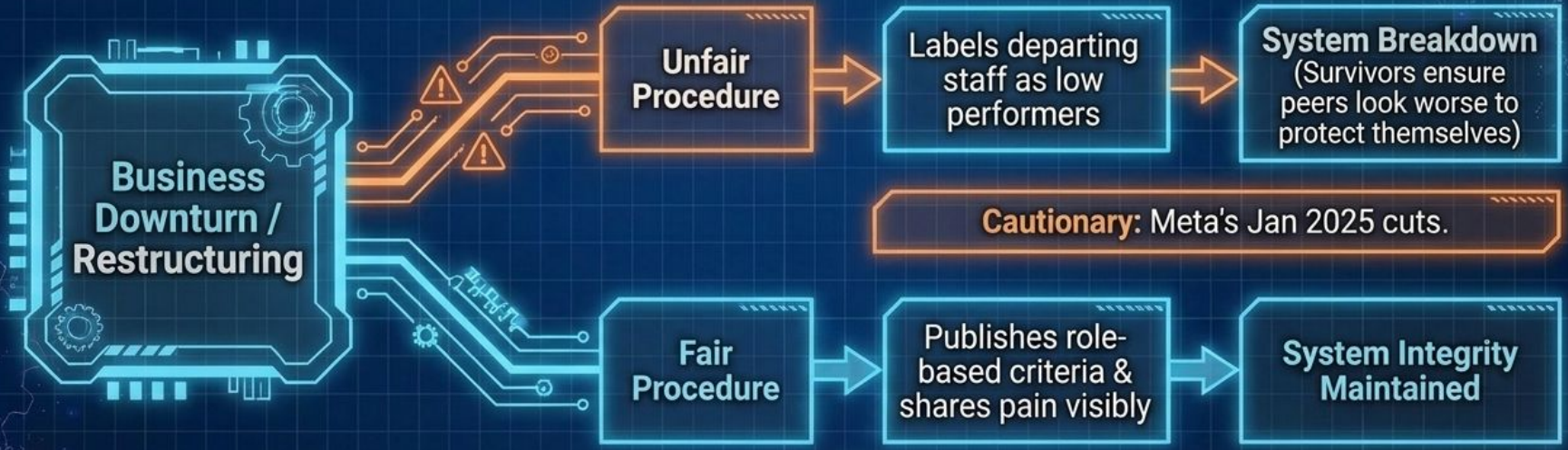
Circuit Breaker 3: Defusing the Threat of Uncertainty

The Research: When procedures are perceived as fair, the severity of a layoff barely impacts negative reactions. Unfair procedures multiply the damage (Brockner et al., 1994).

The Upgrade: Publish evaluation criteria before decisions. Reject peer-relative layoff rules.



Cooperative: Nucor's historical practice of reducing production days and cutting executive pay first.

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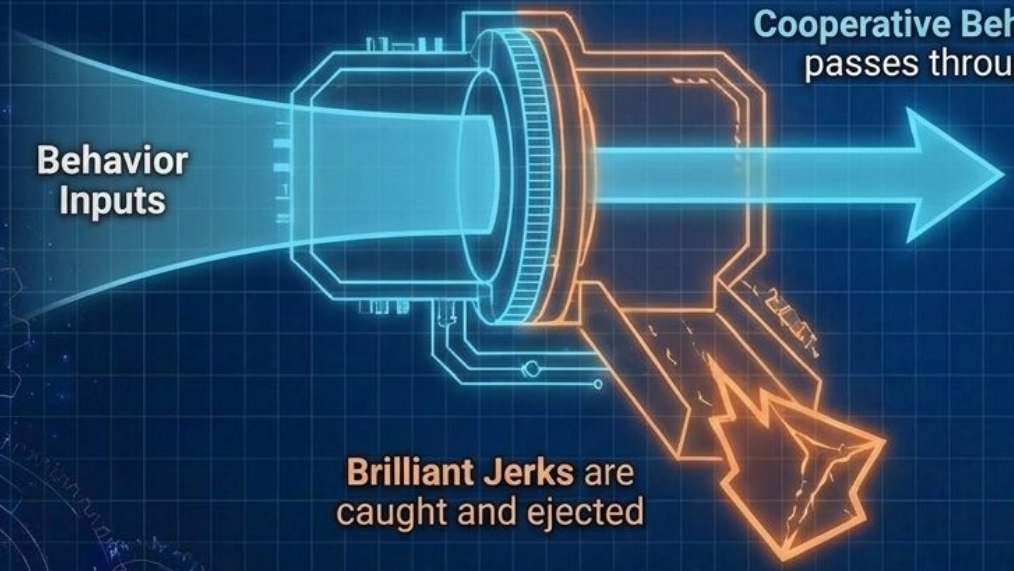
Circuit Breaker 4: Enforcing Universal Conduct Norms

The Research: Envy only turns into active undermining when local team norms tolerate it. Leaders set the default by what they excuse.

The Upgrade: Explicitly define knowledge hiding and credit theft in codes of conduct. Establish non-punitive, tiered peer feedback channels.



Netflix: Explicitly states in its culture memo that brilliant jerks have no place, regardless of output.

Uber (2017): Rewrote cultural values to remove toe-stepping, which had rationalized harming colleagues.

Vanderbilt Medical Center: CORS data showed 9.1% of physicians received a peer report, but <1% received multiple—proving a small minority drives repeated concerns.

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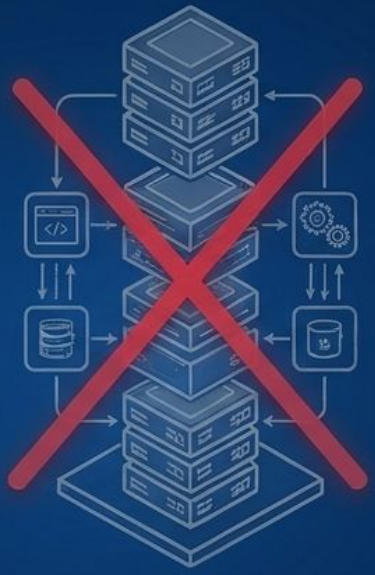
Circuit Breaker 5: Trust-Based Knowledge Systems

The Research: A positive culture reduces knowledge hiding; simply implementing knowledge management software has zero effect without trust (Serenko & Bontis, 2016).

The Upgrade: Separate system failure from individual fault. Make problem-reporting blame-free.

The Tech Stack
(Flawed assumption)



Purchasing software to force sharing.

The Trust Stack
(Evidence-based)



Psychological safety and mastery climates.

Toyota: The Andon Cord. Anyone can stop the line to fix a defect immediately, making problem-surfacing expected rather than stigmatized.

Virginia Mason: Patient Safety Alerts. Executives promised no individual blame for systemic errors, directly countering the urge to shift blame.

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The System Redesign Playbook

System Lever	Common Pitfall (Warning)	Evidence-Based Fix (Upgrade)	Real-World Benchmark
Rewards	Forced ranking	Rate team contribution	Atlassian
Attribution	Self-advocacy	Visible work-in-progress	Pixar
Uncertainty	Low performer layoff labels	Transparent role criteria	Nucor
Norms	Vague respect values	Hold stars accountable	Netflix / Vanderbilt
Knowledge	Buying software to force sharing	Blame-free problem reporting	Toyota

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Long-Term Cooperative Capabilities

Sustained Cooperative Capability



Promote Multipliers

Make contribution to others a prerequisite for leadership, not a tiebreaker. If the high-performing saboteur is promoted, the entire organization learns the real rules.



Measure the Social Climate

Engagement surveys are insufficient. Track specific behavioral data: information access, fair attribution, and the safety to admit mistakes.



Renew the Relationship

Address the broken sense of mutual obligation. Rebuild social exchange by investing in employability and sharing the gains/losses of AI restructuring visibly.

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The Leader's Diagnostic Checklist

Employees are not bad apples; they are rational actors. To rewire your organization, ask these five questions today:

- [ ] Does one employee's top rating mathematically require another's low rating?
- [ ] Is attribution of credit left to whoever speaks the loudest?
- [ ] Do restructuring communications rely on vague reassurance rather than transparent procedure?
- [ ] Do top performers receive immunity from conduct standards?
- [ ] Are we trying to solve a lack of trust by purchasing knowledge management software?

You cannot control the macro-economic threats. You can control whether your internal systems amplify that threat or contain it.

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