

Not Invented Here (NIH)

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1. Core Definition

The **Not Invented Here** (NIH) syndrome is a pervasive and often detrimental bias prevalent in organizational and institutional settings, characterized by an irrational aversion to adopting or utilizing existing products, research, standards, or knowledge due to their external or "foreign" origin. This deeply ingrained mindset leads individuals, teams, or entire organizations to actively eschew perfectly viable and often superior external solutions, preferring instead to develop analogous, albeit frequently inferior or more costly, internal alternatives. The underlying premise of NIH is a profound distrust or skepticism regarding the capabilities and innovations originating from outside one's own immediate sphere, whether that sphere is a different department, another company, or an external nation.

At its heart, NIH is a manifestation of cognitive biases that prioritize internal efforts and achievements while simultaneously devaluing external contributions. This bias is not merely a preference for internal development but an active avoidance rooted in a stubborn refusal to acknowledge the efficacy or potential superiority of external ideas. It often stems from a combination of factors including organizational pride, a desire for complete control, fear of losing intellectual property, or even a subconscious belief in the inherent superiority of one's own group. The consequence is a systemic rejection of knowledge transfer, duplication of effort, and a significant impediment to progress and efficiency across national, corporate, and individual endeavors.

Understanding NIH requires recognizing its distinction from legitimate strategic decisions to develop internal capabilities for competitive advantage or proprietary reasons. While a company might strategically choose to build a component internally to maintain a trade secret or tailor it precisely to unique needs, NIH is characterized by the *bias* against external solutions even when they are demonstrably better, cheaper, or faster to implement. It represents a psychological barrier to open innovation and collaborative advancement, fostering an insular environment that often results in suboptimal outcomes, increased costs, and missed opportunities for leveraging collective intelligence.

2. Etymology and Historical Development

While the phenomenon of rejecting external ideas is as old as human tribalism, the specific term "Not Invented Here" (NIH) gained prominence in the modern business and engineering lexicon during the mid-20th century. Although its precise origin is debated, it is widely attributed to the

engineering culture at Hewlett-Packard (HP) in the 1970s and 1980s, where engineers often preferred to design solutions from scratch rather than integrate components or software developed by other teams or external vendors. This cultural tendency, initially observed in the burgeoning tech industry, encapsulated a broader issue of organizational resistance to external knowledge and innovation.

However, historical examples of the NIH bias predate the coining of the term. A salient and tragic instance, as highlighted in the source material, can be found in Nazi Germany before and during World War II. During this period, scientific and technological advancements were severely hampered by a pervasive distrust of "Jewish science" and academics. This ideologically driven rejection of ideas originating from certain ethnic or political groups, irrespective of their scientific merit, led to significant setbacks in crucial research areas, including nuclear physics and rocketry, despite Germany's initial strong scientific base. This illustrates how deep-seated biases, whether political, nationalistic, or corporate, can override rational decision-making and impede critical progress.

Over time, the concept of NIH has been recognized as a significant challenge in various domains, from software development and engineering to corporate strategy and public policy. Its recognition as a distinct cognitive bias and organizational pathology has led to its inclusion in academic discourse on topics such as innovation management, organizational psychology, and knowledge transfer. The continuous evolution of globalized markets and increasingly complex technological landscapes has further underscored the importance of overcoming NIH to foster collaboration, accelerate innovation, and maintain competitive advantage in an interconnected world.

3. Key Characteristics

Active Avoidance of External Solutions: A fundamental characteristic of NIH is the deliberate and often irrational choice to avoid adopting or integrating existing solutions, technologies, or ideas developed outside the immediate organizational boundary. This avoidance is not based on a thorough cost-benefit analysis but rather on a preconceived notion that internal solutions are inherently superior or more trustworthy.

Distrust and Skepticism Towards External Origins: Organizations or individuals exhibiting NIH often harbor a deep-seated distrust or skepticism regarding the quality, reliability, or intellectual rigor of anything originating externally. This can manifest as an automatic dismissal of external research findings, a reluctance to license third-party technologies, or a general unwillingness to engage with external experts. The origin (e.g., national, corporate, or even departmental) becomes a disqualifying factor.

Belief in the Superiority of Internal Capabilities: A strong sense of internal pride and an inflated perception of one's own capabilities often fuel NIH. There is an implicit, sometimes explicit, belief that "we can do it better" or that "our way is the only right way." This self-aggrandizing view can

prevent objective evaluation of external alternatives, leading to a closed-off mindset that prioritizes internal effort over optimal outcomes.

Reinforcement by Organizational Culture and Ego: NIH can become deeply embedded within an organization's culture, particularly in highly successful or insular environments. Leaders and teams may unconsciously or consciously reinforce this bias, linking the development of internal solutions to personal or collective ego, status, and recognition. This cultural reinforcement makes it difficult to challenge the status quo and introduce external ideas without significant resistance.

Resistance to Knowledge Transfer and Collaboration: The bias actively hinders effective knowledge transfer, not only from external entities but also often between different internal departments or silos. It discourages cross-functional collaboration and open dialogue, as sharing or adopting external knowledge is perceived as an admission of internal deficiency or a threat to internal intellectual ownership. This creates barriers to learning and synergistic development.

Duplication of Effort and Increased Costs: A direct consequence of NIH is the repeated reinvention of the wheel. Teams spend valuable resources (time, money, personnel) developing solutions that already exist elsewhere, often in more refined or cost-effective forms. This duplication of effort leads to inflated research and development costs, delays in project completion, and an inefficient allocation of resources that could otherwise be directed towards genuinely novel innovations.

4. Significance and Impact

The significance of the Not Invented Here (NIH) bias lies primarily in its profound and often detrimental impact on innovation, efficiency, and competitiveness across various sectors. Organizations afflicted by NIH suffer from systemic inefficiencies, as resources are repeatedly allocated to replicating existing solutions rather than advancing truly novel ones. This unnecessary duplication of effort leads to inflated costs for research and development, prolongs development cycles, and diverts critical talent from more impactful initiatives. In a rapidly evolving global economy, such inefficiencies can severely undermine an organization's ability to compete effectively, leading to stagnation and a loss of market share.

Beyond economic costs, NIH significantly hampers the pace of innovation. By fostering an insular culture that resists external knowledge, organizations deny themselves access to a vast pool of diverse ideas, technologies, and methodologies that could accelerate their progress. This closed mindset prevents the cross-pollination of ideas, which is often the catalyst for breakthrough innovations. In fields like software development, where open-source contributions and external libraries are crucial for rapid iteration and quality, NIH can lead to the development of proprietary, often inferior, systems that are difficult to maintain and integrate with broader ecosystems, thereby limiting future growth and adaptability.

A striking historical illustration of NIH's severe consequences is evident in the scientific landscape

of Nazi Germany. The regime's ideologically driven contempt for "Jewish science" and "degenerate art," coupled with an extreme nationalistic pride, led to the deliberate marginalization and expulsion of many leading scientists and intellectuals. This self-imposed intellectual isolation resulted in a significant brain drain and hampered crucial research, notably in areas like nuclear physics. While other nations leveraged diverse talents and collaborative efforts, the Nazi regime's NIH bias, rooted in racial and political prejudice, severely undermined its own scientific and technological capabilities, ultimately contributing to its downfall by limiting access to critical advancements that could have altered the course of the war.

In contemporary contexts, NIH continues to pose challenges for multinational corporations, government agencies, and even academic institutions. It can create silos that prevent effective collaboration, leading to disjointed strategies and fragmented knowledge bases. Furthermore, it can negatively impact employee morale and talent retention, as individuals passionate about leveraging the best available tools and ideas may become frustrated by the internal resistance to adopting externally validated solutions. Addressing NIH is therefore not merely an operational concern but a strategic imperative for fostering a culture of continuous learning, adaptability, and open innovation crucial for long-term success and societal progress.

5. Debates and Criticisms

While generally viewed as a negative bias, the concept of Not Invented Here (NIH) occasionally surfaces in debates regarding the optimal balance between internal development and external acquisition. Some argue that a certain degree of internal focus, often mistaken for NIH, can foster a strong internal culture, build unique core competencies, and protect proprietary intellectual property. However, critics counter that this perspective often blurs the line between strategic internal development and the irrational rejection that defines NIH. True strategic development involves a clear, objective assessment of build-versus-buy, whereas NIH is characterized by a pre-emptive, biased dismissal of external options regardless of their merits. The challenge lies in distinguishing between a legitimate strategic decision to cultivate unique internal capabilities and a culturally ingrained aversion to anything not originating from within.

Another area of debate revolves around the mechanisms of mitigation. While the harmful effects of NIH are widely acknowledged, implementing effective countermeasures often proves difficult due to its deep roots in organizational psychology and culture. Proposed solutions include fostering a culture of open innovation, promoting inter-departmental collaboration, incentivizing knowledge sharing, and establishing clear metrics for evaluating external solutions objectively. However, changing deeply entrenched mindsets and powerful organizational norms requires consistent leadership, substantial cultural shifts, and often, a willingness to challenge long-standing traditions. The resistance to adopting external solutions can often be a symptom of deeper organizational issues, such as internal power struggles, lack of trust, or poor communication channels, making

the "cure" for NIH multifaceted and complex.

Furthermore, there is a nuanced discussion about whether NIH is always an active rejection or sometimes a passive failure to discover external solutions. While active rejection is a core characteristic, many instances of "reinventing the wheel" might stem from a lack of awareness of existing alternatives rather than an intentional bias against them. However, even in such cases, the underlying organizational culture that fails to promote external scanning, knowledge acquisition, and integration can be seen as having an indirect NIH effect. The debate extends to how organizations can foster a "proudly found elsewhere" mentality, where actively seeking and celebrating external innovations becomes a competitive advantage, thereby directly countering the destructive tendencies of NIH and paving the way for more collaborative and efficient progress.

Further Reading

[Not Invented Here - Wikipedia](#)

[Open Innovation - Wikipedia](#)

[Organizational Culture - Wikipedia](#)

[Cognitive Bias - Wikipedia](#)

[Not Invented Here Syndrome Is Not the Problem; Not Sold Here Is - Harvard Business Review](#)