



Hamilton-Chase Consulting

(312) 787-9620
www.hamiltonchaseconsulting.com

applying
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All For One - One For All What's the best way to reward team members?

Businesses today rely increasingly on teams to accomplish complex tasks that require multi-specialty input and creative collaboration. With such an interdependent mix of people, how do you best motivate team members and reward good performance? Should the rewards be shared or individual? There are pros and cons to each. Shared rewards encourage collaboration and interaction among team members, but they can also lead to a reduced sense of personal accountability and effort. Individual rewards can be highly motivating for any given person, but they don't give employees much incentive to help their teammates.

An interesting study published in the January 2010 issue of the Journal of Applied Psychology suggested that for highly interdependent teams, a hybrid approach is the best way to optimize the reward structure. By including both shared and individual rewards, you'll maximize the benefits derived from each approach while limiting the downside. So what would a hybrid approach look like? Let's imagine that you have a team responsible for maintaining and upgrading your website. A collective, shared reward could be given if certain deadlines are met and if web traffic to your site increases. Individual rewards could also be given to those team members whose contributions are particularly valuable. For example, your analysis might show that a specific new feature of the site appeared to be driving more sales; the employee who devised the new feature could receive an additional individual reward.

-Larry Gard, Ph.D.