

# Individual rewards can boost team performance at work

March 11 2016, by Matt Shipman

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Conventional wisdom has held that boosting team performance in the workplace should focus on rewarding entire teams that perform well – and that rewarding individuals increases competition rather than helping team performance. But new research published in the *Journal of Applied Psychology* finds that rewarding individual workers can boost performance both for other workers and for the team.

"Our findings are based on laboratory and field experiments in China, and those findings tell us that recognizing individual team [members](#) can supercharge [team performance](#)," says Bradley Kirkman, co-author of a paper on the work, General Hugh Shelton Distinguished Professor of Leadership and head of the Department of Management, Innovation and Entrepreneurship in North Carolina State University's Poole College of Management. The paper was co-authored by researchers at the University of Iowa, Texas Christian University and Tsinghua University.

In lab experiments, the researchers had 256 students at a large Chinese university perform individual tasks (making small boxes), and then combine into groups to perform a team task (building the boxes into towers). The researchers then praised the top performer in half of the [teams](#), and repeated the individual and team tasks. In this second round, teams whose top performer had been praised improved significantly at both the individual and team tasks – there was no improvement among teams lacking a praised team member.

The researchers then tested these findings among workers at a large

manufacturing company in northern China. Some divisions of the company adopted "employee of the month" programs to recognize top performers on teams, and other divisions did not. The results were similar: only those divisions that singled out top performers saw improvements in both individual and team performance.

"In contrast to much of the [conventional wisdom](#) that recognizing individuals might somehow hurt the success of the team, we found that recognizing individual team members helps teams in two important ways," Kirkman says. "First, team members observe one another's behavior and set out to emulate the success of their team's top performer. Rather than stimulate resentment in a team – as might be the case with financial rewards – public recognition of high performers actually motivates a strong desire to succeed in the rest of the team members. We call these 'recognition spillover effects' because they transfer from one team member to another.

"Second," Kirkman adds, "because each team member is changing his or her behavior to match the actions of the most successful team member, the performance of the whole team rises. And we found that these spillover effects are magnified if the reward recipient is someone who is central to the team – i.e., someone that other team members often turn to for assistance."

However, Kirkman does have two warnings for businesses aiming to implement the findings.

"First, make sure that all team leaders in the company are using these reward programs," Kirkman says. "We found that when only some teams have a reward program, performance actually drops in teams that don't have the program.

"Second, make sure that team leaders are fair when deciding which team

members to recognize," Kirkman says. "All of the positive benefits of recognizing individual [team members](#) are likely to disappear if the awards are based on arbitrary, non-work factors or the rewarding of 'teacher's pets.'"

**More information:** Ning Li et al. Recognizing "Me" Benefits "We": Investigating the Positive Spillover Effects of Formal Individual Recognition in Teams., *Journal of Applied Psychology* (2016). [DOI: 10.1037/apl0000101](#)

Provided by North Carolina State University

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