

TEAMS vs INDIVIDUALS REWARDS

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AGENDA

- Background
- Rewards Management
- Forms of Rewards
- Teams vs Individuals
 - ✓ Individual Rewards
 - ✓ Team Rewards
- Critical Factors to consider when awarding team rewards
- Conclusion



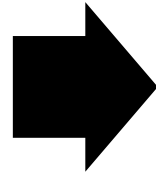
BACKGROUND

- ✓ Challenge of Attraction
- ✓ Challenge of Retention
- ✓ Challenge of Motivation
- ✓ Challenge of Loyalty
- ✓ Challenge of Alienation
- ✓ Challenge of Attention



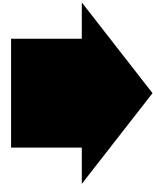
REWARDS

Rewards



Motivation + Retention

Rewards

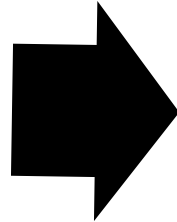


Improves Performance



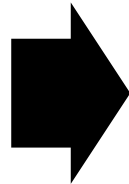
MOTIVATION QUESTION

PRODUCTIVE



SATISFIED?

SATISFIED



PRODUCTIVE?



THREE MOTIVATIONAL FACTORS

AUTONOMY

MASTERY

PURPOSE

Daniel Pink TED Talk on Motivation



REWARDS MANAGEMENT

- ✓ Appreciation of good performance.
- ✓ Rewards are usually over and above the standard monthly salaries and benefits.



FORMS OF REWARDS

✓ **Monetary**

Financial based rewards that are paid to employees, over and above their regular periodic salary.

✓ **Non Monetary**

Not in monetary form that are given to employees in recognition of their individual contribution to performance targets.



TEAMS vs INDIVIDUALS



The reality is, rewarding both teamwork and individual performance is essential to the workplace success.

Observation and experience, a well-balanced performance reward program consists of 75% emphasis on individual performance and 25% on team performance.

Should we consider rewarding teams more?



INDIVIDUAL REWARDS

Rewarding individual employees in appreciation and recognition of their individual effort in performance, which has resulted in achieving and/or exceeding set individual targets.




Why Individual Rewards

- ✓ Recognize individual effort in achieving particular set performance target.
- ✓ Appreciating individual effort made in a particular task/project.
- ✓ Recognize outstanding individuals in the work environment – performance, behaviour, their effectiveness, support to others.
- ✓ Create a competitive environment in the workplace.



Why Encourage Individual Work

- ✓ Allow independence to think things through on individual basis.
 - ✓ Improve employee confidence in working to achieve individual set performance targets.
 - ✓ Enable employees to work at their own level, rather than having to adapt to suit their group members.
 - ✓ Enhance self-control in staying focused on the task at hand.
 - ✓ Promotes creativity and innovation at individual level.
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Disadvantages of Individual Rewards

- ✓ May demotivate those not rewarded, especially if they feel their team contribution to the individual's success was not recognized.
- ✓ Risk of demotivating the rewarded employee, especially if the employee feels the reward is not commensurate to the effort made to achieve the set target.
- ✓ Risk creating an imbalance in the salary & grading structure due to individual promotion or huge salary increases.
- ✓ May create jealousy leading to poor working relationships among employees.



Types of Individual Rewards

✓ **Monetary**

- Individual Bonuses
- Commission
- Extra month's salary
- Shopping Vouchers



Types of Individual Rewards

✓ **Non Monetary**

- Recognition Certificates
- Verbal recognition
- Holidays
- Promotion to a high job grade
- Periodic Awards – employee of the month/quarter/year
- Education scholarship



TEAMS

**“None of Us is as Smart
as All of Us”**



–Kenneth Blanchard,
Leadership Expert.



TEAM REWARDS

It is the process of compensating a group of employees based on their combined contribution to a particular project, goal or organization performance.



Effective Teams have at least 6 characteristics

(Michael Hensey)

1. Purpose is understood by all
2. Communication is open and direct
3. Sufficient leadership is available e.g. coaching
4. To a certain degree, the team has a structure
5. Adequate resources exist
6. Achieve synergy – team greater than the sum of its part



Team Types

1. Multi-disciplinary Teams

- ❖ Increase workers awareness
- ❖ Aid coordination between different function areas
- ❖ Help to generate solutions to problems



Team Types

2. Multi-skilled Teams

- ❖ Brings together a number of individuals with skills to perform any of the team tasks
- ❖ Tasks are shared – more flexibility
- ❖ Cornerstone of empowerment – beyond JD



Team Types

3. Virtual Teams

- ❖ Facilitates teams working in remote locations
- ❖ Ideally suited for the millennials and networked employees
- ❖ Utilization of ICT platforms




Selection of members in teams is critical,
always strive to ensure a balance

(Belbin's 9 team roles)



Why Team Rewards

- ✓ Share the success – all team members receive a reward for having contributed to and achieved the team's target.
 - ✓ Appreciate team effort made to achieve the required success.
 - ✓ Increase impact of employee motivation – star performances motivate and engage other employees in the organization.
 - ✓ Enhance teamwork through team recognition, cooperation and bonding.
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Why Encourage Teamwork

- ✓ Enhances multidimensional thinking through team members contributing ideas and listening to each other. This allows more creativity, innovation and enhanced performance.
- ✓ Allows for delegated responsibilities through shared knowledge and team abilities for problem solving.
- ✓ Allows for joint accountability from all team members, mutual monitoring and provision of performance feedback to team members.
- ✓ Encourages peer cooperation and information sharing which increases team knowledge.

Disadvantages of Team Rewards


- ✓ Though all team members are rewarded equally, not all team members contributed equally in achieving the team's targets.
- ✓ Social loafing – individual's will to cooperate and work together as a team reduces, their effort and outcome is less compared to when working individually.
- ✓ There is a risk of individuals in a team losing their sense of how each one of them are contributing to reach the team goal. This may affect individual performance.
- ✓ In rare circumstances, team rewards may be counter-productive and cause competition instead of cooperation.

Types of Team Rewards


✓ **Monetary**

- Team Bonuses
- Team Commission
- Shopping Vouchers for each team member

✓ **Non Monetary**

- Team Celebration - gate-away bonding activity, team dinner, tickets to a sports event etc.
 - Team trip/holiday – may include spouses
 - Team Merchandise - Team jacket, pin, emblem to build team identity
 - Recognition Certificates
 - Team Recognition Award – public mention and appreciation
 - Team time off away from work
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Critical to Consider When Awarding Teams

- **Criteria for Reward** – What criteria is used to give a team reward? - performance metric, outcome, milestone, team behavior.
 - **Size of Reward** – is large enough for individual distribution or small enough for a team activity?
 - **Eligibility** – Are all team members eligible for the reward? How is it to be distributed – equally or at a ratio?
 - **Purpose** – What is the purpose of giving team rewards?
 - **Frequency of reward** – is it a one reward or will it be recurring?
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Reward Schemes

- **Profit Sharing Schemes** – based on the distribution of a pool of cash related to profit achieved.
- **Gain Sharing Schemes** – using a formula related to a notable KPI e.g. added value or wastage reduction.
- **ESOP** – giving employees a right to acquire shares in the company at an attractive price.



Teams Vs Individuals Rewards

- Team based rewards may be used to encourage cooperation and mutual accountability.
- Individual performance rewards may act against team cooperation and performance as:
 - ❖ They emphasise individual rather than team performance.
 - ❖ They encourage team leaders to think of team members ONLY as individuals rather than relating to them as a team.



Teams Vs Individuals Rewards

- Team rewards to be effective, the team must have certain characteristics:
 - ❖ Distinct roles, targets/metrics, goal(s) are clear
 - ❖ Significant autonomy, have influence over performance
 - ❖ Maturity and stability
 - ❖ Cooperation
 - ❖ Interdependence of team members



Conclusion

- Is there need to think more of team rewards
- Current disruption in HR includes:
 - High turnover
 - disloyal employees
 - restlessness
 - Impatience
 - Highly transferable skills

Will moving towards team rewards assist in strengthening synergy, sense of ownership and participation, sense of purpose, empowering and managing the restlessness?



A WINNING TEAM



THANK YOU

