



Rewarding teamwork in a lone-wolf world

OUR COUNTRY has a proud and long-standing history of honoring the individual. Not surprising, given that it was founded upon the principles of individual freedom and rights. Individualism has crept into many facets of our lives and culture, including the ways we manage, measure and pay people.

But organizational life has changed. Our companies are no longer stand-alone, hierarchical entities. They are built on layers of connections. On the outside, they are part of a bigger web of partnerships, networks, strategic alliances and outsourcing relationships. On the inside, they are increasingly made up of ad-hoc committees, project

teams and matrix relationships.

Organizational structures are becoming more fluid and flexible, as companies position themselves to adapt and innovate in today's world. Responding effectively to the overwhelming amounts of information and ever-shortening response times in business today requires groups of people who can bring diverse backgrounds, skills and perspectives to the table. As a result, collaboration — the act of working together — has become a key competency for today's growing business.

- [tips]** 1 | Companies full of rhetoric about teamwork send conflicting messages when they reward only individual achievements. Most of us pay greater attention to the messages that are directly wired to our paychecks.
- 2 | A group incentive plan should have two to four measures, not 12 to 14. After all, effective plans communicate company priorities and focus employee attention.
- 3 | Watch for unintended negative consequences. For example, offering incentives based solely on financial performance may hurt customer service or quality.

But while collaboration has emerged as a critical capability for business success and survival, far too many companies rely on compensation approaches that only recognize the efforts and accomplishments of the lone individual. There is nothing fundamentally flawed about individual reward. The problem arises when the scale is completely tipped toward individual performance with no recognition of group results.

Money talks

Companies full of rhetoric about teamwork and cooperation send conflicting messages when they talk collaboration but reward only individual achievements. All things being equal, money talks. Most of us pay greater attention to the messages that are directly wired to our paychecks.

Today's growing companies must develop a clear understanding of the