



HUMAN PERFORMANCE

Avoiding a “me” versus “we” dilemma: Using performance management to turn teams into a source of competitive advantage

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Abstract Teams are pervasive in today’s world of work. Unfortunately, in many cases teams do not live up to their promise and, instead, lead to disappointing results. In this installation of Human Performance, we discuss how to design and implement performance management systems that include a good combination of both “me” and “we” considerations. We offer the following research-based recommendations: (1) use measures of individual and team performance, (2) use measures of processes and outcomes, (3) develop performance measures using input from inside and outside the team, (4) gather performance information using sources from inside and outside the team, (5) foster team learning and development, and (6) reward both individual and team performance. We discuss implementation guidelines for each of these recommendations that will help maximize individual and team performance as well as alignment among individual, team, and organizational goals. Implementing performance management systems following our recommendations will help organizations turn teams into an inimitable and sustainable source of competitive human capital advantage.

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1. Teams: Ecstasy or agony?

The 1980 U.S. Olympic hockey team was considered an underdog that was up against a perennial powerhouse, the Soviet Union hockey team. The Soviet Union team was comprised of highly skilled players who enjoyed undying support from their country. Not surprisingly, on the day of the Olympic semifinal game between the two teams, it was even said that

a miracle such as the melting of the ice on the skating rink would be needed for the U.S. team to win. Though the ice did not melt, a “Miracle on Ice” did, indeed, occur; the Davids beat the Goliaths. Later, Sports Illustrated named the U.S. team’s 1980 gold medal victory as the best sports moment of the 20th century (Sportsillustrated.cnn.com, 1999). How did this phenomenon come about?

The “miracle” was the product of an effective performance management system implemented by the U.S. team’s head coach, Herb Brooks (Colvin, 2006). Brooks’ first step in this process entailed trying out hundreds of hopefuls according to their

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physical and psychological attributes. Ultimately, he formed a team that was not comprised of the best individual players available; rather, he selected players who together would make up the best team (Colvin, 2006). Further, he used 60 pre-Olympic matches to implement a continuous process of identifying, measuring, and developing the performance of his players and aligning their performance with the strategic goals of the team (1980usahockeyteam.com, n.d.; Aguinis, 2013). This performance management system, including both individual and team considerations, allowed Brooks to form and manage a group of players that, as a team, outperformed the best individual hockey players in the world.

The benefits of managing teams effectively have not been forgotten since the 1980 Winter Olympics. Since that time, the use of teams in organizations has been regarded as a source of competitive advantage (Salas, Burke, & Fowlkes, 2006). This is true to such an extent that firms like Proctor and Gamble, a pioneer in team performance management, consider their use of teams a trade secret. Teams have become pervasive in firms of all sizes and industries, and are a daily reality of 21st-century organizational life (Cascio & Aguinis, 2008).

In spite of the potential payoff of teams epitomized so well by the 1980 U.S. hockey team, benefits of team performance are often not realized and, even worse, teams all too frequently fail miserably (Hackman, 1998). According to Salas et al. (2006, p. 245), there is a “mythical assumption that teams will automatically result in a competitive advantage for the organization by producing better outcomes more efficiently.” Also, simply putting a team of individual star performers together does not automatically lead to optimal organizational performance (O’Boyle & Aguinis, 2012). A good example of this phenomenon is what has been named the most disappointing Olympic team in history: the 2004 men’s U.S. basketball squad (MSN.foxsports.com, 2012). This group was formed via selection of the best individual players available in the United States; however, it only went on to obtain a disappointing bronze medal. The team’s head coach, Mike Krzyzewski, stated that its failure to take the gold resulted from a flawed performance management system (Krzyzewski & Spatola, 2010). Suboptimal performance at the team level usually occurs because organizations fail to design and implement a performance management system that considers both individual *and* team performance issues (Dierdorff & Wilson, 2003; Hackman, 1998; Meyer, 1994; Salas et al., 2006).

Our article focuses on the implementation of performance management systems in organizations where at least some of the work is done in the

context of teams—which is the majority of firms in today’s networked and interconnected world of work (Cascio & Aguinis, 2008). First, we discuss common ways in which teams can get out of control and cause harm (“go wild”) in the absence of a properly designed performance management system. Then, we provide six best-practice recommendations for the proper design of a performance management system that considers team performance explicitly and, hence, avoids a “me” versus “we” dilemma. Each of these general recommendations is accompanied by more detailed implementation guidelines that will help organizations more fully benefit from the use of teams.

2. Unmanaged teams gone wild

Teams “go wild” and undesirable outcomes occur when team performance is not managed effectively and proactively. Three common problems are that organizations: (1) place too much emphasis on individual performance and not enough on team performance, or vice versa; (2) do not maintain a proper balance between giving authority to teams and holding it from them; and (3) fail to provide adequate resources for the successful implementation of a performance management system that includes team considerations.

First, although work in the majority of organizations is done in the context of groups, performance management systems usually focus exclusively on individual performance and do not include team-level considerations. An over-emphasis on individual-level performance at the expense of team-level performance leads to the folly of hoping for excellent team performance, while mostly encouraging individual performance exclusively (Kerr, 1975). An example of an industry in which this commonly occurs is professional sports. Professional sports teams have to walk the fine line of balancing their emphasis on team performance versus individual performance. In the case of basketball, performance is often measured at both the individual (e.g., points, rebounds, assists) and team (e.g., wins, team’s points, opponent’s points) levels, yet the majority of rewards are given at the individual level. Specifically, players’ salaries are almost totally a result of their individual performance, and they often receive bonuses for reaching personal milestones or goals. Such individual performance-focused incentive systems commonly result in poor team performance because an excessive emphasis on individual performance fosters internal competition and encourages employees to work purely for their own gain (Barnes, Hollenbeck, Jundt, DeRue,

& Harmon, 2011; Pearsall, Christian, & Ellis, 2010). On the other hand, an over-emphasis on team performance at the expense of individual performance leads to the undesirable outcome of social loafing. *Social loafing* refers to the problem where a team member puts forth less effort when working in a team than when working individually, and this problem can undermine the entire purpose of establishing a team structure. When left unaddressed, social loafing can spread among other team members, including high-performing members who are particularly sensitive to individual recognition (Scott & Einstein, 2001).

Second, managers of teams commonly fail to find a proper balance between giving authority to teams and holding it from them (Hackman, 1998). It is common for managers to delegate either too much or too little authority. Delegating too much authority can cause the team to go in unwanted directions, which is frequently observed in self-managed teams (Langfred, 2004); on the other hand, reserving too much managerial authority can cause team members to lose ownership of and accountability for the team's goals and objectives, leading to suboptimal problem solving, process improvement, and flexibility in responding to challenges. In the context of a performance management system, if the level of authority is not properly balanced, likely outcomes include poor team performance, cohesiveness, and satisfaction (DeNisi, Randolph, & Blencoe, 1983). For example, if a manager uses her authority to set the team's goals, develop performance measures, and evaluate performance based upon those measures, team members may not feel enthusiastic toward or responsible for their work because they did not have a voice in these important components of the performance management system.

Third, organizations frequently fail to provide adequate resources for the proper implementation of performance management systems (Hackman, 1998). A successful performance management system requires an investment of time and support, particularly from team and organizational leadership. Such resources are necessary for the proper design of performance measures, performance evaluations, feedback, and rewards, each of which should be managed at two different levels: the individual level and the team level. Each of these performance management components is necessary to align the goals of the individuals with those of the team and organization, ensure perceptions of fairness, provide opportunities for development, and foster motivation for improved performance (Aguinis, 2013; Aguinis, Joo, & Gottfredson, 2011). In fact, the 2004 U.S. basketball team did not have sufficient time to adequately prepare for

the Olympic Games. It was precisely this lack of resources that led Coach Krzyzewski to state that the group's team performance management system was flawed (Krzyzewski & Spatola, 2010).

In summary, a well-designed and implemented performance management system should include both an individual and a team component, delegate the appropriate level of authority to teams, and have sufficient resources to help achieve the goals of maximizing individual, team, and organizational performance. Next, we offer research-based recommendations that will help organizations design and implement such a system.

3. Turning teams into a source of competitive advantage: Best-practice recommendations

Our six research-based recommendations are to: (1) use measures of individual and team performance, (2) use measures of processes and outcomes, (3) develop performance measures using input from inside and outside the team, (4) gather performance information using sources from inside and outside the team, (5) foster team learning and development, and (6) reward both individual and team performance. Table 1 includes a summary of each of these recommendations, as well as implementation guidelines.

Recommendation #1: Use measures of individual and team performance

The first recommendation is to use measures that assess both individual and team performance (Scott & Einstein, 2001). The reason is that each type of performance measure provides information that will help improve team performance via two different mechanisms. First, individual performance measures provide information that will help improve the performance of each individual team member by preventing social loafing (Barnes et al., 2011; Pearsall et al., 2010). Second, measuring performance at the team level provides information that helps foster desirable teamwork behaviors such as coordination (i.e., integration across team members' contributions toward team goals) and information exchange (i.e., sharing of task-related information among team members) (Rousseau, Aubé, & Savoie, 2006). In other words, the performance management system should include a good combination of both "me" and "we" measures.

There are three guidelines regarding how to implement this first recommendation. First, it is necessary that performance measures assess three

Table 1. Research-based recommendations and implementation guidelines for designing and implementing performance management systems that include individual and team considerations

Recommendations	Implementation Guidelines
1. Use measures of individual and team performance	<ul style="list-style-type: none"> ● Develop performance measures to assess (a) individual-level task performance, (b) individual-level contextual performance, and (c) team performance. ● Ensure that individual performance measures are aligned with the goals of the team and the organization, and that team performance measures are aligned with the goals of the organization. ● Refine and improve individual and team performance measures on an ongoing basis.
2. Use measures of processes and outcomes	<ul style="list-style-type: none"> ● Emphasize outcome measures for work and service teams. ● Emphasize process measures for project teams. ● Emphasize process measures for network teams.
3. Develop performance measures using input from inside and outside the team	<ul style="list-style-type: none"> ● Managers should provide team members with broad strategic goals, which team members should then use as a guide to develop specific performance measures. ● Managers should provide support to enable team members to develop specific performance measures for accurate and reliable evaluations. ● Teams should assume a proactive role in developing their own performance measures by generating indicators of individual task, individual contextual, and team performance; agreeing on what performance measures to use; and seeking additional support and resources from the manager for problems that the team would not be able to address effectively on its own. ● Teams should offer advice to other teams regarding how to develop performance measures.
4. Gather performance information using sources from inside and outside the team	<ul style="list-style-type: none"> ● Require that teams take charge of monitoring their own performance and environment—a task that includes team members evaluating each other's individual task and contextual performance. ● Managers should provide support for each team's self-monitoring efforts. ● Use a team member's functional manager to rate team members' function-specific outcomes and processes in situations when team members lack knowledge regarding each other's function or specialty. ● Involve other teams' members who can evaluate the focal team (if they have firsthand experience with the focal team's performance) or help the team monitor its performance and environment.
5. Foster team learning and development	<ul style="list-style-type: none"> ● Managers should review team performance through a team performance appraisal meeting and also review individual performance through individual performance appraisal meetings. ● Require that managers provide developmental feedback and do so in a way that unambiguously frames the discussion as developmental and not evaluative. ● Managers should create both team- and individual-level developmental plans.
6. Reward both individual and team performance	<ul style="list-style-type: none"> ● Use managerial ratings or objective performance indicators as the basis for making reward decisions, whereas ratings by peers—such as team members or members from other teams—should mainly be used for developmental purposes. ● Emphasize team rewards for tasks involving high levels of interdependence among team members, but individual rewards for tasks involving low levels of interdependence. ● Use the purpose of the task (i.e., speed vs. accuracy) to guide the decision of how to distribute rewards for teams with moderate levels of interdependence; team rewards should be emphasized for teams with an accuracy purpose, whereas individual rewards should be emphasized for teams with a speed purpose.

types of performance: individual-level task performance, individual-level contextual performance, and team performance as a whole. *Individual-level task performance* refers to the specific activities required by an individual's job, such as the quality and quantity of the code written by a programmer (Aguinis, 2013). Such measures are necessary to ensure that each team member is engaging in behaviors leading to the accomplishments of the team's purposes and goals. *Individual-level contextual performance* refers to specific activities that contribute to team performance, such as team members cooperating with each other (Aguinis, 2013). Measuring individual-level contextual performance is necessary to ensure positive within-team functioning (Hackman, 1990). Also, it is necessary to measure both task performance and contextual performance because they do not necessarily go hand in hand (Aguinis, 2013). For example, a team member can be highly proficient at her task (e.g., outstanding programmer), but an underperformer regarding contextual performance (e.g., create ongoing conflict with team members). In other words, a team member can be an excellent performer when working individually, but a substandard performer when working with others. Finally, measures of team performance can involve the overall effectiveness, efficiency, and learning and growth of the team (Aguinis, 2013).

The second implementation guideline is to ensure that individual performance measures are aligned with the goals of the team and the organization, and that team measures are aligned with the goals of the organization. A fundamental requirement of a good performance management system is that there should be an alignment between the performance of individuals with the strategic goals of the organization (Aguinis, 2013; Aguinis et al., 2011). Thus, when a performance management system includes a team component, there is an added level of complexity that must be considered, requiring an alignment between the individual performance measures and the goals of the team, as well as an alignment between the team performance measures and the goals of the organization. This is to ensure that the employees engage in behaviors that are beneficial to the team as well as the organization.

The third implementation guideline is that individual and team performance measures should be refined and improved on an ongoing basis (Meyer, 1994; Scott & Einstein, 2001). That is, it will be necessary to add or delete performance indicators as the team matures (Meyer, 1994). For example, an organization may learn that its performance management system fosters contextual performance

among team members but discourages contextual performance among teams to the detriment of department or firm-wide performance (Scott & Einstein, 2001). By also developing and using measures that assess inter-team contextual performance, the organization may ameliorate this undesirable situation.

Recommendation #2: Use measures of processes and outcomes

The second recommendation is to use measures of both processes and outcomes, yet emphasize one or the other depending on the type of team (Meyer, 1994; Salas et al., 2006). *Process measures* focus on the behaviors that employees and teams display when they do their work. Process measures are important because they help diagnose how specific outcomes are obtained and provide valuable information to determine how performance can be improved. Although process measures can be used for individual task or team performance, they are particularly useful for assessing individual contextual performance. Examples of measures of processes are ratings of the degree to which an employee follows regulatory guidelines, refuses to adopt changes in policies, and considers team members' opinions when seeking solutions.

Outcome measures focus on what is produced (e.g., sales, number of accounts acquired, number of errors) and are often quantifiable. Outcome measures are important because they indicate the extent to which certain goals have been achieved. They are also helpful when making administration decisions (e.g., allocating rewards) because they can be used to compare performance across individuals or teams. Our three implementation guidelines discussed next address whether to emphasize outcome or process measures, depending on the type of teams with which the measures will be used: work or service teams, project teams, and network teams.

First, work or service teams tend to have more long-term membership and are involved in routine tasks such as manufacturing a car. For these teams, outcome measures should be emphasized because the tasks are commonly standardized, short-term, and repeated, making outcomes more easily and objectively evaluated (Scott & Einstein, 2001). In addition, in such teams, there is a commonly strong link between effort and performance.

Second, project teams often involve members from different functional areas, are assembled for a specific purpose, and are expected to disband as soon as specific tasks have been completed. For these teams, it is beneficial to emphasize process

measures at various stages of a project (Scott & Einstein, 2001). This is necessary because the short-term nature of the team makes it difficult to assess outcomes (i.e., the team is disbanded with the completion of a short-term project). In addition, process measures allow for the gathering of developmental information, so that self-corrections by teams themselves can be made before the project is over and the project team is dissolved (Meyer, 1994). The importance of process measures for project teams does not make it unnecessary to use outcome measures, which should also be employed to assess the overall performance of the team once the project is complete.

Third, network teams are dynamic in their membership make-up and tasks, include members who are not constrained by time or space, and are not limited by organizational boundaries. These teams are commonly virtual in nature, and face-to-face meetings are rare. The composition of network teams can change rapidly and suddenly based on environmental and technical conditions (Scott & Einstein, 2001). Such unstable membership makes measures of outcomes difficult to use because there is not a clear link between a particular outcome (positive or negative) and a particular team make-up. Thus, process measures should be emphasized in network teams.

Recommendation #3: Develop performance measures using input from inside and outside the team

The third recommendation is to rely on a variety of sources—both from inside and outside of the team—to develop performance measures (Scott & Einstein, 2001). Such sources include the team's manager, fellow members of the employee's team, and members of other teams. This recommendation is important to maintain a proper balance between the manager retaining authority and empowering team members.

We offer four guidelines regarding how to implement this third recommendation. First, to develop performance measures regarding processes and outcomes, managers must provide team members with broad strategic goals, which team members—not managers—should then use as a guide to develop more specific performance measures (Meyer, 1994). By allowing team members to decide the specific performance measures for themselves, they will experience greater ownership and accountability for team performance. Further, specific measures developed by team members will more accurately reflect their work environment because team members, compared to managers, tend to have more fine-grained and nuanced knowledge of their job

roles (Morgeson & Dierdorff, 2011). Meanwhile, by retaining authority over broad strategic goals, managers can ensure that the measures developed by teams are aligned with the strategic goals of the organization (Meyer, 1994).

Second, managers should provide support to better enable team members to develop specific performance measures for accurate and reliable evaluations (Hackman, 1998; Meyer, 1994). Such support can take various forms, including: (1) systematizing the process that teams use to create performance measures; (2) compiling performance measures that have been most effective in the past or in other teams to create a catalog of measures which team members can choose from or use to create new measures; (3) using meetings and Q&A sessions to make sure that all team members understand the performance measures in the same way; and, in general, (4) making sure that the performance measures developed by team members are consistent with our previous recommendations (i.e., they assess individual and team performance, as well as processes and outcomes) (Meyer, 1994).

Third, team members should assume a proactive role in developing performance measures (Meyer, 1994). Proactive participation by team members includes generating indicators of individual task, individual contextual, and team performance; agreeing on what performance measures to use; and seeking additional support and resources from the manager for problems that the team would not be able to address effectively on its own.

Fourth, teams should offer advice to other teams regarding how to develop performance measures (Aguinis, 2013). Members of other teams can be an excellent source for such advice based on their diverse experience in developing previous performance measures. Because of this, members of other teams can give advice to each member of the focal team regarding how to generate, propose, and then explain performance measures to one's fellow team members. A team may also benefit from other teams' advice on how to tell the difference between when it is appropriate to seek additional support or resources from the manager for certain problems and when it is not. These kinds of tips are not specific to a task, function, or specialty, thereby making them useful for a wide variety of teams.

Recommendation #4: Gather performance information using sources from inside and outside the team

The fourth recommendation is to use a variety of sources when gathering performance information. Such sources, similar to the development of performance measures, include the team's manager,

fellow members of one's team, and members of other teams. Using all of these sources ensures a proper balance between the manager maintaining authority and empowering team members.

We offer four guidelines regarding how to implement this fourth recommendation. First, a team should take charge of monitoring its own performance and environment (Rousseau et al., 2006). A team monitoring its own performance entails regularly checking its progress toward the attainment of its goals, and also what needs to be done. Further, it involves team members evaluating each other's individual task and contextual performance. Team members are a good source for evaluating each other's individual performance because they are more familiar with the day-to-day behaviors of their respective co-workers. In addition, team member evaluations lead to higher levels of workload sharing, cooperation, and performance, largely because such evaluations discourage social loafing (Erez, LePine, & Elms, 2002). A team monitoring its environment consists of checking the resources that the team has at its disposal (e.g., human capital, equipment, knowledge), as well as environmental conditions (e.g., organizational changes, market requirements). By monitoring both its performance and its environment, a team can strategize and implement superior actions in the future and thereby achieve superior team performance, especially if the team operates in a dynamic environment.

The second implementation guideline is that managers should provide support for each team's self-monitoring efforts (London & Sessa, 2007; Meyer, 1994). It is not enough for managers to tell teams to take the lead on monitoring their own performance and environment. For example, managers can provide team coaching (i.e., providing help to team members on how to effectively coordinate and use collective resources to accomplish the team's goals). This approach can be highly effective when its content (i.e., focus on motivating effort, focus on task strategies, and focus on taking stock of the knowledge and skills learned) matches the team's need at the time (i.e., beginning when motivation is needed, middle period when task strategies are needed, and near end of a task or project when reflection of past performance is needed, respectively) (London & Sessa, 2007).

The third implementation guideline is that, for teams in which fellow team members lack knowledge regarding each other's function or specialty, it is important to use the team's functional manager to rate the member's function-specific outcomes and processes (Scott & Einstein, 2001). This is because unfamiliarity with a team member's function or

specialty makes fellow team members inappropriate sources for performance evaluation. However, note that this does not mean fellow team members should not be used as sources of performance information. Instead, fellow team members are most appropriate for assessing a team member's individual outcomes and processes regarding teamwork behaviors that are not specific to a function (Scott & Einstein, 2001; Rousseau et al., 2006).

Fourth, involve members from other teams when gathering performance information (Aguinis, 2013). This can take the form of members of other teams directly evaluating the performance of the focal team, as long as the members of the other teams have firsthand experience with the focal team's performance (e.g., the teams collaborated with each other for a considerable period of time or portion of tasks). Another way of involving members from other teams is to encourage them to use their past experience to help a team with its self-monitoring efforts. For example, other teams may provide useful advice on the type of performance indicators and environmental conditions to pay particular attention to during a certain period of time or stage of the focal team. Other teams may also help translate performance and environment-related data into a coherent set of summary points regarding the current state of the team. Finally, members of other teams may share useful ways of monitoring the performance and environment of one's own team (e.g., use of a software program that is suitable for helping a team in its monitoring efforts) (Meyer, 1994).

Recommendation #5: Foster team learning and development

The fifth recommendation is to foster team learning and development (Aguinis, 2013; Meyer, 1994). This is an important issue because a fundamental goal of any performance management system is to provide information that can be used to implement corrective actions and learn new knowledge and skills that will lead to future performance improvements. Learning and development should focus on both individual- and team-level performance.

We discuss three guidelines regarding how to implement this fifth recommendation. First, managers should review individual and team performance through performance appraisal meetings. Performance appraisal meetings between the manager and team members occur on a regular basis (e.g., semi-annually, annually), with the manager providing performance feedback. Two meetings are needed for each team member (Aguinis, 2013): one in which the manager discusses team performance

with the group as a whole, and the other in which the manager reviews individual performance separately with each person to ensure privacy (Aguinis, Gottfredson, & Joo, 2012). For each of these meetings, evaluations from the manager, other team members, or other teams can and should be used as sources of input (as discussed in our previous recommendations).

Second, we recommend that managers provide developmental feedback and do so in a way that unambiguously frames the discussion as developmental and not evaluative (Aguinis, 2013). The reason is that it is often difficult for employees to focus on how they can perform better in the future based on the developmental feedback received when they also perceive they are being evaluated. This difficulty is particularly relevant in the presence of a negative evaluation and if such evaluation is closely tied to rewards. To address this challenge, after providing the feedback, managers can follow up with the formulation of a developmental plan and also check on any progress that has been made in following the developmental plan (Aguinis et al., 2012).

Third, in addition to providing developmental feedback, managers should create developmental plans for both the team and its individual members. Developmental plans specify courses of action to be taken, as well as resources and support needed, to improve performance in the next performance evaluation cycle (Aguinis, 2013). Developmental plans should specifically include: (1) learning goals (i.e., what the team member and the team should learn, and how); (2) performance goals (i.e., what the team member and the team should do better in the future, and how); and (3) avoidance goals (i.e., what the team member and the team should avoid, and how). Developmental plans should also include a completion date for each learning or performance goal so that the manager can motivate and follow up with the team member and team appropriately.

Recommendation #6: Reward both individual and team performance

The sixth recommendation is that rewards—monetary and nonmonetary—be provided for both individual and team performance (DeMatteo, Eby, & Sundstrom, 1998). The reasoning behind this recommendation is that the two types of rewards improve team performance via two different mechanisms: improvement in team members' individual performance (i.e., reduced social loafing) and improvement in desirable teamwork behaviors such as coordination and information exchange (Aguinis, Joo, & Gottfredson, 2013; Pearsall et al., 2010).

We offer three guidelines regarding how to implement this sixth recommendation. First, only managerial ratings or objective performance indicators should serve as the basis for making reward decisions, whereas ratings by peers—such as team members or members from other teams—should mainly be used for developmental purposes (Scott & Einstein, 2001). The reason for this is that managers, compared to peers, tend to be more trustworthy sources of performance information used for evaluative purposes (Dierdorff & Wilson, 2003; Morgeson & Dierdorff, 2011). Specifically, there is a stronger degree of reliability (i.e., agreement) among managers on evaluative performance ratings, compared to the reliability among team members' evaluations (Dierdorff & Wilson, 2003). Further, managers are less motivated to emphasize certain performance measures for personal gains, compared to peers who are more likely to stress the importance of measures that favor themselves (Morgeson & Dierdorff, 2011). Indeed, peers are often unwilling to differentiate among members for fear of damaging relationships, especially when reward decisions are tied to the evaluations (Erez et al., 2002).

Second, team rewards should be emphasized for tasks involving high levels of interdependence among team members, while individual rewards should be emphasized for tasks involving low levels of interdependence. For high interdependence tasks, heavily rewarding team performance promotes teamwork behaviors that are strongly needed for effective performance in tasks involving high levels of interdependence among team members (Pearsall et al., 2010; Quigley, Tesluk, Locke, & Bartol, 2007). For tasks involving low levels of interdependence, an emphasis on rewarding individual performance reduces social loafing and thus maximizes individual productivity needed for effective performance in tasks involving low levels of interdependence (Pearsall et al., 2010).

As a third implementation guideline, for tasks involving moderate levels of interdependence among team members, use the purpose of the task (i.e., speed vs. accuracy) to guide the decision of how to distribute rewards. Specifically, for moderate interdependence tasks where speed (i.e., efficiency) is emphasized, we suggest that individual rewards be emphasized. The reason is that individual rewards promote individual effort toward aspects of tasks that are strongly within the control of an individual, and one such aspect of tasks is speed (i.e., efficiency) (Beersma et al., 2003). For moderate interdependence tasks where accuracy (i.e., quality) is emphasized, we recommend that the emphasis be placed on

team rewards. The reason is that team rewards encourage teamwork behaviors such as coordination and information exchange that are needed to ensure accuracy (Beersma et al., 2003).

4. Conclusion

As evidenced by the 1980 U.S. hockey team's "Miracle on Ice," the use of teams can result in great performance and success. In many situations, however, teams are a source of great disappointment—just ask the 2004 U.S. Olympic basketball team. Frequently, the difference between team success and team failure lies in the extent to which an organization implements a well-designed performance management system that considers not only the performance of individuals, but also performance at the team level. Our best-practice recommendations and implementation guidelines will help organizations design and implement performance management systems that maximize individual and team performance as well as the alignment among individual, team, and organizational goals. Such alignment will help organizations turn teams into a source of inimitable and sustainable competitive human capital advantage.

Editor's Note

This is the last column by our Contributing Editor, Professor Herman Aguinis, and his co-authors Ryan Gottfredson and Harry Joo. Their work on **Human Performance** has been a highlight of every issue for which they wrote. All of us were enlightened and entertained by their in-depth work. My grateful and heartfelt thanks to the three of you.

—Marc Dollinger, Editor

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