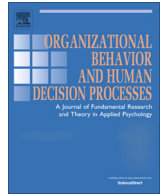




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Group rewards, group composition and information sharing: A motivated information processing perspective

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ABSTRACT

Invoking the Motivated Information Processing in Groups (MIP-G) model, we argue that group performance-based pay plays a dual role in stimulating both epistemic and prosocial motivation. We experimentally examine the effects of group incentives on information sharing both directly and as a substitute for personality-based epistemic and prosocial motivators. Results support a relationship between group performance-based pay and increased dispersed information sharing. The interaction effects of pay conditions and group composition provide additional support for a dual role for group-based pay. For groups low in openness-to-experience, pay based on group-performance enhances dispersed information-sharing. For groups low in agreeableness, a group pay-for-performance condition leads to more time in discussion which leads to greater sharing of dispersed information. Finally, through effects on discussion time and information sharing, group performance-based rewards increase task performance. By explicating the role of group rewards on information sharing, our study contributes to the MIP-G and decision-making literatures.

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1. Introduction

Groups play an important role in decision-making in many contexts and settings (Brodbeck, Kerschreiter, Mojzisch, & Schulz-Hardt, 2007; Hollenbeck et al., 1995; Kozlowski & Bell, 2003). Because groups have more resources to bring to bear on a problem or a task (Nijstad & De Dreu, 2012), tasks are often assigned to groups, as opposed to individuals. Group decision-making offers a potential advantage as a mechanism for bringing together and combining disparate knowledge, ideas and opinions into novel insights, new knowledge or superior solutions. Unfortunately, research findings consistently suggest that groups often fall short of their potential because they fail to integrate and leverage the knowledge of their constituent members (Brodbeck et al., 2007; Hollingshead, Jacobsohn, & Beck, 2007; Stasser & Titus, 1985, 2003; Wittenbaum & Bowman, 2004).

Conceiving groups as information processors, De Dreu and colleagues (De Dreu, Nijstad, & van Knippenberg, 2008; Nijstad & De

Dreu, 2012) developed the Motivated Information Processing in Groups (MIP-G) model to help delineate and understand the manner in which groups access and integrate information and knowledge in the pursuit of task performance. While this, and other work, has contributed to the group decision-making literature, much remains unknown about how group composition and contextual factors affect group information-sharing and decision-making processes. Our study builds upon, extends and contributes a number of key additions to the existing literature. First, we discuss and empirically explore the role of group performance-based rewards in affecting information sharing motivations, (i.e., epistemic and social motivation) and, in turn, the sharing of dispersed, critical information. We focus on group-based performance rewards because it is a widely used management practice that may also have the potential to play a dual role in stimulating both epistemic and prosocial motivation. Importantly, as we outline below, mechanisms promoting epistemic motivation and prosocial motivation can promote effective information processing and task performance. Second, we explore the relationship between situation- and person-based antecedents of motivated information-processing. More specifically, we examine how the interaction of group performance-based pay and group personality composition affects information sharing. In this paper we develop

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arguments and examine whether our situational motivator (group-based rewards) can substitute for person-based motivators (personality characteristics). In particular, if group-based pay serves a dual motivating role, then it should be able to offset and substitute for person-based group compositional elements suggesting lower levels of either epistemic or prosocial motivation. Third, we test whether time-on-task (in this case, discussion time) mediates the relationship between information-sharing motivation and the sharing of dispersed information. Finally, we test the extent to which the above relationships mediate the effect of group rewards on task performance. We explore these questions utilizing an experimental methodology employing a complex, hidden profile task wherein task performance depends on individuals within groups effectively sharing and combining dispersed, critical information.

2. Theory and hypotheses

2.1. Information asymmetry and group decision-making

Group decision-making is a complicated phenomenon. Knowledge and information reside at the individual level and these individuals must share what they know. When an individual does share information, it must attract peers' attention; other group members must notice the unique and relevant nature of the information and incorporate it into the decision-making process. If this occurs, then the potential exists for information to emerge to the group level and be integrated with other information to inform and shape decision-making and outcomes (Kozlowski & Klein, 2000). Researchers interested in information sharing and group decision-making have spent the larger part of three decades examining this process (Stasser & Titus, 2003). Project teams and decision-making bodies typically have both common knowledge (shared) and specialized knowledge (unshared or dispersed). It is often the case that the specialized, dispersed knowledge is particularly critical. Research findings over the years have been consistently discouraging. Teams or committees often fail to mention or discuss unshared knowledge and instead tend to focus attention and discussion on commonly held or shared knowledge, thereby failing to achieve the potential benefit of group decision-making (Mesmer-Magnus & DeChurch, 2009; Stasser & Titus, 1985).

Much of the research on information-sharing in the context of group decision-making has employed "hidden profile" experimental tasks. Hidden profiles are decision-making tasks designed specifically so that a preferred solution exists. That solution, however, is typically camouflaged so that individual participants will favor a sub-optimal choice prior to the group discussion. Hidden profiles are achieved through the manner in which task-related facts are distributed to group members. A majority of the facts relating to the experimental decision task are distributed to everyone; hence they are referred to as "common" or "shared" facts. Other unique facts are distributed to individual group members and are referred to as "dispersed" or "unshared" facts. It is only by pooling and integrating these unique facts through active discussion can the group arrive at optimal outcomes (Stasser & Titus, 1985). Research has consistently shown, however, that group members in hidden profile tasks tend to favor and discuss the facts that are held in common by all. By comparison, dispersed information is less frequently mentioned and tends to enter the group discussion relatively late (Larson, Foster-Fishman, & Keys, 1994). Furthermore, when an individual does mention something different or unique, peers have a tendency to disregard or discount that information (Lu, Yuan, & McLeod, 2012; Mesmer-Magnus & DeChurch, 2009; Wittenbaum & Bowman, 2004). This bias towards commonly held information has been consistently observed in a

multitude of research studies (Stasser, Taylor, & Hanna, 1989; Stasser & Titus, 1985, 1987; Wittenbaum, Hubbell, & Zuckerman, 1999). The inability of groups to leverage uniquely held critical information has been examined at length, and many theoretical explanations have emerged to make sense of this disturbing phenomenon.

In order to categorize, organize, and synthesize theoretical and empirical information, Brodbeck et al. (2007) developed an informational asymmetries model which suggests that group decision outcomes are a function of the interaction of (1) information distribution among group members prior to group decision-making and (2) the manner in which this information is processed during group discussions and decision-making. They propose that only under certain conditions can group decision-making be superior to individual decision-making. Distribution of information is only part of the puzzle. For groups hoping to capitalize on the unique knowledge of its members, the primary focus is on the quality of information processing. In other words, not only do groups need to access dispersed or specialized information they also need to effectively process that information once it is brought into the group discussion space. It is only when group members have unique knowledge sets and effectively share this knowledge can the benefits of group decision-making be realized. For optimal group outcomes, organizational conditions must be conducive to discouraging a bias towards discussing common information and instead encourage the elicitation and discussion of unique information – making sure that it is heard, repeated, considered, and incorporated into the group process (Brodbeck et al., 2007).

2.2. Motivated information processing in groups

While Brodbeck et al. focus on group-level information asymmetries, De Dreu and colleagues emphasize the role of motivational properties in group decision-making effectiveness. De Dreu et al. developed the Motivated Information Processing in Groups (MIP-G) model which is premised on the central notion that effective group information processing can be influenced by two different types of motivation, epistemic and social (De Dreu et al., 2008; Nijstad & De Dreu, 2012). Epistemic motivation is defined as an individual's "willingness to expend effort to achieve a thorough, rich and accurate understanding of the world, including the group task or decision problem at hand" (De Dreu et al., 2008, p. 23). Social motivation, in contrast, refers to an individual's preference for the way outcomes are distributed, ranging from pro-self, an interest in one's own outcomes, to prosocial – an interest in fairness and collective outcomes. In terms of information processing, these two forms of motivation serve different functions (De Dreu et al., 2008). While prosocial motivation leads to a desire to process and assimilate information to achieve collective outcomes, epistemic motivation leads to deep and systematic information search and processing. Both forms of motivation can stem from either dispositional or situational antecedents (De Dreu et al., 2008; Nijstad & De Dreu, 2012). Prosocial motivation can be induced through situation-based norms and cues such as group-level goals, collective norms and climate, anticipated future interaction, or it can arise from individual traits such as agreeableness, disposition to trust, and value orientation. Situational cues such as process accountability, reduced time pressure/decision urgency, and preference diversity may increase epistemic motivation, as will traits such as openness to experience and need for cognition.

2.3. Group performance-based pay: Dual motivational role

While most researchers agree that incentives can increase effort and productivity, there is less agreement about the effects of performance-based pay on knowledge work, creativity and work

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