

# White Paper

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## Paying it Forward vs. Rewarding Reputation: Mechanisms of Generalized Reciprocity

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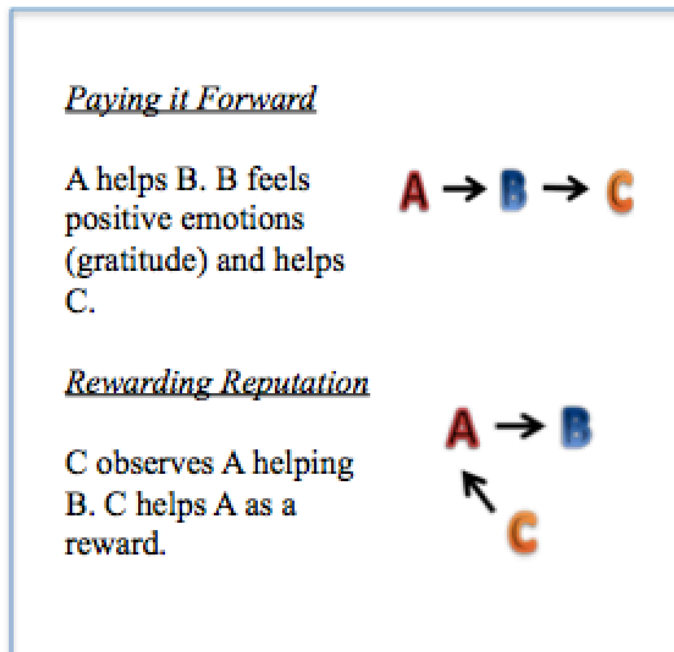
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# When Hollywood Got It Right: How a Movie Could Change Your Work Environment

In the movie *Pay it Forward*, the main character, Trevor, comes up with a plan to change the world. His plan is based on paying a good deed forward to three others. Each time you help someone other than the person who helped you, you engage in “paying it forward.” While the goal of his plan was to change the world, creating the opportunity for similar practices in your workplace can positively change your work environment.

In a recent study, Wayne Baker and Nathaniel Bulkley examined two types of reciprocity to understand how help is spread and sustained in the workplace. The first type of reciprocity they examined is when one employee (Person A) helps another (Person B). This makes Person B feel positive emotions and propels them to help a different employee (Person C). This is called “paying it forward,” and is characterized by the attitude “I help you and you help someone else.” The second type of reciprocity is when Person C observes Person A helping Person B, and then Person C helps Person A as a reward for their helpful behavior. This is called “rewarding reputation” and is characterized by the attitude “help those who have helped others.” This type of



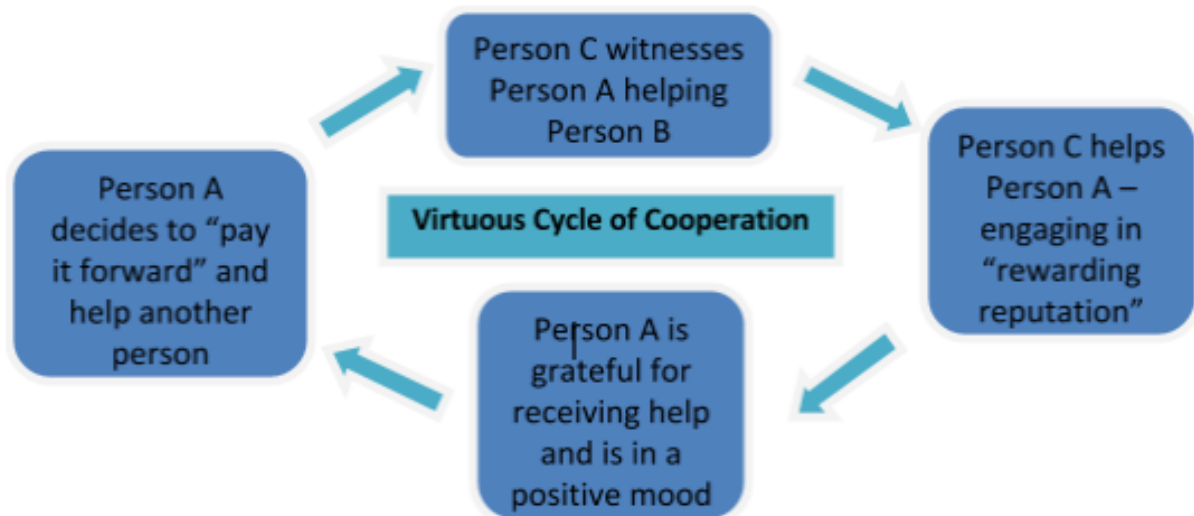
reciprocity can be more strategic, because Person A could help B strategically in front of Person C in an attempt to build his or her reputation or Person C could decide not to help an individual who he or she feels does not help others as a type of punishment. The overall goal of the study was to examine the impact of reciprocity beyond the initial act of helping (Person A helping Person B) in an organization.

Baker and Bulkley studied “paying it forward” and “rewarding reputation” by utilizing an online system inspired by the Reciprocity Ring™, a structured process for giving and getting help.

They recruited working adults enrolled in a part-time evening MBA program at a large university in the United States. These adults were experienced workers involved in a wide range of work environments including professional, technical, and managerial occupations.

Through their study, Baker and Bulkley discovered three key findings about “paying it forward” and “rewarding reputation” in the workplace:

- i. The more help an employee receives, the more help they offer to others in the organization.
- ii. While employees do tend to engage in “rewarding reputation” in the short-term, they tend to engage in “paying it forward” in the long-term. Not only does “paying it forward” as a mechanism last longer, but its impact strengthens over time.
- iii. While “paying it forward” is more impactful over time than “rewarding reciprocity,” the two forms of reciprocity serve to positively reinforce one another in the workplace, creating virtuous cycles of cooperation. In this cycle, when “rewarding reputation” increases helping behavior in the short-term, individuals who receive help are more likely to feel grateful in the long term, thus increasing the likelihood that they will “pay it forward” and help other employees.



## Application: What Practices Promote Cultures of Helping and Reciprocity?

While cultures of employee-to-employee helping are beneficial, as they promote both positive mood and prosocial behavior over time, these kinds of cultures are not emergent. They are created, cultivated, and encouraged through organizational practices. Here are some powerful practices that can be added to your organization to promote a culture of helping and reciprocity.

- i. **Encourage reciprocity:** Encouraging reciprocity among employees is important. Often, helping another employee is seen as work that is outside of an employee's job description and role, but creating a work culture where reciprocity and cooperation are integrated into the workplace can elevate a work environment. You can shift your work culture to one that encourages reciprocity by:
  - **Establishing a local culture where asking for and offering help is not only allowed but encouraged.** Product design firm IDEO makes reciprocity a visible and accepted norm by having frequent brainstorming meetings, where employees share roadblocks and brainstorm solutions with one another.
  - **Using technology to create spaces in which individuals can engage in reciprocity.** Revolutionize your workplace with the Reciprocity Ring <sup>TM</sup>, or create your own online communities, like ConocoPhillips, which uses an online forwarding system to forward requests to knowledgeable colleagues.
- ii. **Heighten Gratitude:** When individuals are grateful, they have heightened moods and more positive emotions. This enables and makes them more likely to help other employees. You can shift your work culture to one that creates and sustains feelings of gratitude by:
  - **Creating systems where employees can express their gratitude for one another.** Google offers a peer-to-peer bonus system, in which employees can give their peers a bonus for a job well done—employees who receive a bonus are given additional funds to pay forward to a third employee who they would like to reward.
  - **Choosing as a company to express gratitude to employees who help others.** Southwest Airlines celebrates helpful employees by offering them an “agent of the month” award. While this can be done with an award, it can also be done in a company newsletter or email.

\*This white paper was written by Kaitlin Keane based on “Paying it Forward vs. Rewarding Reputation: Mechanisms of Generalized Reciprocity.”

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