

OVERCOMING “FREE RIDER PROBLEM” IN GROUPS PROJECT IN THE  
ORGANIZATION

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## **Term Paper: Overcoming “free rider problem” in groups project in the organization**

### **Introduction**

This term paper intends to explicitly discuss how to overcome the free rider problem in group projects in organizations. To affirm the arguments, the essay utilize existing theories and a case example to explicitly discuss the causes and consequence of free-riding problem in a group projects in the organization. Notably, the free rider problem refers to the tendency for people to not contribute to a collective effort or to consume more than their fair share of a shared resource, because they can still benefit from it without paying for it or contributing to it. This paper will particularly discuss how the free rider problem occurs in group projects where some members of the group do not contribute their fair share of the work, but still benefit from the group's efforts as alluded to by Salamon and Toepler (2015). Furthermore, the discussion on overcoming free rider problem will highlight whether the move is intentional or unintentional free-riding. In addition to recommendation on overcoming the free-riding problem, the paper will highlight how free rider problem led to resentment and decreased motivation among the other members of the group, as well as a subpar or under production of final product (Lollo and O'Rourke, 2020).

### **Theories related to free-rider problem**

There are several theories that can be utilized to identify, analyze and understand the causes and effect the free-rider problem has on a group working toward a common goal in an organization. First is the collective action theory which posits that individuals may not contribute to a collective effort, even if it is in their self-interest to do so, because they may not believe that others will also contribute. This can lead to the free-rider problem, as individuals may not see the incentive to contribute if they believe that others will not do the same (Aklin and Mildenberger,

2020). Second, the social capital theory argues that social networks and trust within a group can affect the ability of individuals to cooperate and contribute to a collective effort. When social capital is low, individuals may not trust others in the group, and may be less likely to contribute to a collective effort, leading to the free-rider problem (Rayamajhee and Bohara, 2021).

Third, social identity theory contends that individuals may identify with a group and feel a sense of belonging, which can motivate them to contribute to a collective effort. When social identity is low, individuals may not identify with the group, and may not feel motivated to contribute, leading to the free-rider problem. Finally, self-interest theory suggests that individuals will act in their own self-interest, in order to maximize their own utility or benefit. This can manifest in the form of free-riding, where some members of the group do not contribute their fair share of the work, but still benefit from the group's efforts (Charness and Chen, 2020).

### **A case example of free rider problem in an organization**

One example of a free rider problem in a group project within an organization is a company that produces a product that requires research and development. In this company, several teams are formed to work on different aspects of the product. The teams are responsible for developing new features, improving the design and performance, and testing the product. However, one of the teams, the testing team, is not contributing their fair share of the work and is not meeting the deadlines. The other teams, who are working hard to meet the deadlines and to improve the product, are frustrated with the testing team and are starting to resent them. This is because the testing team is not meeting their responsibilities, but they will still benefit from the final product if it is successful. In this case, one team is not contributing their fair share of the work, but still benefiting from the efforts of the other teams.

### **Causes of free rider problem in a group project**

The free rider problem in a group project in an organization can be caused by several factors that hinders the group from achieving their initial objective. First, when roles and responsibilities are not clearly defined, individuals may not understand their role in the project and may not feel responsible for their contributions. Thus, members of the group tend to be free riders unknowingly. Second, lack of incentives may make an individual not to see any reason to contribute in a group project. When individuals do not see any benefits or rewards for their contributions, they may not be motivated to participate in the project (Rasure, 2020).

Additionally, social loafing contributes to free rider problem. This is where a member of a group feel that their individual efforts will not make a significant impact on the group's success, and therefore, they may not put forth their best efforts. Also, when there is no system in place to hold individuals accountable for their contributions, they may not feel responsible for the success of the project thus leading to free riding. Lack of trust have also been associated to free riding. When team members do not trust each other, they may not be willing to collaborate or share information (Yong and Choy, 2021).

### **Effects of free rider problem**

The free rider problem in a group project in an organization can have several negative effects, both in terms of the project's success and the overall functioning of the organization. First, the free rider problem can lead to a tragedy of the commons, where a shared resource is overused and eventually depleted due to individuals not contributing their fair share of the work. Secondly there will be a decreased productivity since individuals who are not contributing their fair share of the work will not be as motivated to complete their tasks. Also, the group project in

an organization may also stall due to decreased motivation among the other members of the group, as they may resent the individuals who are not contributing their fair share of the work. In line with this, the free rider problem can lead to decreased group cohesion, as individuals may not trust or work well with the members who are not contributing their fair share of the work (Rasure, 2020).

### **How to overcome free rider problem in an organization**

#### **Tracking progress and holding each individual accountable**

By regularly monitoring and reporting on the progress of the project, individuals will be held accountable for their contributions and will be more likely to contribute their fair share of the work. Tracking progress can be done through regular check-ins, progress reports, and status updates. Progress tracking can be used to identify team members who are not meeting their responsibilities and to provide them with the necessary support and guidance to improve their performance (Ark, 2020). It can also be used to measure the performance of the project and to make adjustments to the project plan if necessary. Organization management can hold individual accountable by establishing clear expectations and outcomes, providing regular performance evaluation, holding regular team building programs and using performance metrics (Rasure, 2020). This will ensure that everyone is contributing their fair share of the work and that the project is moving forward as planned.

#### **Establishing clear roles and responsibilities**

When individuals understand their role and responsibilities within the group, they are more likely to take ownership of their tasks and to contribute their fair share of the work. Each team member should have a clear understanding of what is expected of them and what tasks they

will be responsible for. The team members should be informed of their roles and responsibilities and the organization should explain how their roles fit into the overall project goals. Also, members should be assigned tasks that align with their skills and abilities, and that take into account their availability and workload. Thus, the organization should regularly review the roles and responsibilities of team members, and adjust them as necessary to ensure that the project is moving forward as planned. Concisely, when clear roles and responsibilities are in place, team members will have a clear understanding of their role in the project, and will be more likely to contribute their fair share of the work hence mitigating the free rider problem (Team Asana, 2022).

### **Providing incentives**

Incentives can help increase motivation and encourage individuals to contribute their fair share of the work. To provide incentives, the organization can link rewards to performance, create a sense of ownership by allowing team members to have a say in how the project is run and by giving them a stake in the success of the project, and offer tangible rewards such as gift cards, time off, or other forms of recognition for team members who go above and beyond their responsibilities (Team Asana, 2022). Additionally, the organization can provide opportunities for career advancement to team members who have made significant contributions to the project. By providing incentives, the organization can encourage team members to work harder thus overcoming the free rider problem (Davis, 2018).

### **Building trust**

When team members trust and collaborate with one another, they are more likely to contribute their fair share of the work. To build trust and collaboration, the organization can

encourage open communication, foster a culture of collaboration and as well provide opportunities for team building. Building trust may also involve recognizing and rewarding teamwork to show team members that their contributions to the team's success are valued. Thus, building trust and collaboration can help create a sense of teamwork and shared purpose among team members, which can help increase participation and settle the free rider problem (Davis, 2018).

### **Encourage participation**

When individuals feel like their contributions are valued, they are more likely to contribute their fair share of the work. To encourage participation, the organization can provide opportunities for team members to give input on project decisions and goals to create a sense of ownership and increase participation. Also, recognizing and rewarding contributions made by team members, can help increase participation by showing team members that their contributions are valued. Concisely, by encouraging participation, the organization can create a sense of ownership and engagement among team members, which can help increase participation and solve the free rider problem (Luo et al., 2021).

### **Communicating effectively**

Communicating effectively is an important step in coping with the free rider problem in a group project in an organization. Clear and open communication can help ensure that everyone is on the same page and that everyone understands their role in the project. The organization can establish clear channels of communication, such as regular meetings, email, or an internal messaging system, to ensure that everyone is informed of project updates and progress. Thus, effective communication can help ensure that everyone understands their role in the project and

that everyone is informed of project progress, thus increasing participation and overcoming the free rider problem (Boulu-Reshef et al., 2020).

### **Conclusion**

The free rider problem in a group project in an organization occurs when individuals do not contribute their fair share of the work. The causes of the free rider problem in a group project in an organization include a lack of clear roles and responsibilities, a lack of incentives, poor communication, a lack of accountability, and a lack of trust and collaboration. The effect on a group project in an organization will be lack of productivity, delays, increased costs and dissatisfaction among team members. To overcome the free rider problem in a group project in an organization, the organization can establish clear roles and responsibilities, provide incentives, communicate effectively, hold individuals accountable, build trust and collaboration, and encourage participation. Lastly, tracking progress, recognizing and rewarding teamwork, and providing opportunities for team building can be effective in solving the free rider problem.



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