Recognizing Great Effort

by Sophia

1. Rewards and Recognition

What are rewards and recognition? These may be targeted toward acknowledging any of the following: particular results achieved, exceptional performance, handling a difficult situation well, presenting a strong idea or design or an alternative, exceptional execution of normal work responsibilities, and a consistent attitude or approach.

There are two types of rewards and recognition: monetary and non-monetary. Monetary rewards and recognition include raises, gift cards, other cash equivalents, and bonuses. Non-monetary rewards can come in two different forms: tangible and intangible.

Monetary	Non-Monetary
Raises Gift cards Other cash equivalents Bonuses	Gifts Perks Words of praise Increased/desired responsibilities Promotion/title change Increased involvement/independence Training/education Flexible hours/time off

Tangible rewards and recognition are things such as gifts and perks. Gifts can be things such as pens, watches, tickets, trips, etc. Perks can be things such as the use of a company car or the executive lounge.

The intangible recognition and rewards that come in the form of non-monetary rewards would be words of praise, increased responsibilities, more desired responsibilities, a promotion or title change, increased involvement and influence in the company and on the team, increased trust and autonomy, opportunities for training or education, flexible hours or possibly time off.

⊘ **DID YOU KNOW**

Non-monetary rewards are often just as effective and are frequently more effective than monetary rewards. It's important to note that verbal praise is much more effective when it's timely. Right after the achievement is noticed, that's when verbal praise is going to be most effective and contextual.

IN CONTEXT

Say that someone was on vacation. There was a big project that came down. You stepped up to the plate and handled the project. It was a lot of work, but it was worth it. That's when the words of praise should come. That's when it's going to be most effective. The context will be there. You'll know exactly what this person is talking about, and it will feel good to receive those words of praise.

Different individuals find different rewards motivating. Ideally, rewards should be chosen to align with what will have the greatest impact on the individual's performance and morale.

2. Formal and Informal

How do we present rewards and recognition? There are two ways: formal and informal.

Formal rewards and recognition are generally part of a program or a plan. It's a bigger deal. The amount and the nature of the reward and measurement or conditions associated with earning the recognition will be communicated beforehand. No surprises here.

Most often, these awards are communicated to a team of individuals performing similar roles. Sometimes these rewards are competitive, so only the top individuals are rewarded. That's not always the case. There may be situations where anyone who reached the communicated standard would be rewarded, or it is only achievable by a group as a collective unit.

⚑ **HINT**

Competitive rewards systems may have a negative effect on teamwork.
Informal rewards and recognition would not be communicated beforehand. This is more spontaneous. They may be part of an internal plan that management has in place.

⤳ EXAMPLE There was someone who worked pretty hard, and management brought cupcakes to a meeting to acknowledge that person's extra effort.

This type of reward and recognition may be offered in the moment of achievement. More commonly, it'll be given after some period of reflection on the part of supervisors and management. These rewards and recognition may be announced to the group when given privately.

Formal	Informal
Program Prior communication Possibly competitive	Spontaneous, but possibly planned May be private

An organization may have a rewards and recognition program that could incorporate either or both of these kinds of rewards.

The results shown above are positive:

- improved self-esteem
- quality of work increases
- positive atmosphere across the team
- increased commitment.

Along with these results are the side effects of activities and attitudes that are seen as desirable. Individuals or groups are motivated to continue the recognized activities and attitudes. This positive atmosphere becomes contagious. Individuals, groups, and teams are inspired as a whole to emulate these desired activities.
And since these rewards and recognition reinforce behaviors, they should be given for activities that directly align with team goals, which are never far from mind. It can be useful to get smaller rewards for smaller achievements. The weight of the achievement should be rewarded appropriately.

⤳ EXAMPLE You'll have moderate rewards for moderate achievements, rather than only offering large rewards. Rewarding people along the way to a larger achievement is an opportunity to reinforce behavior that's aligned to team goals.

It's generally better to reserve significant recognition for performance that is above and beyond expectations. Giving rewards and recognition too frequently, for achievements that are too small, or for standard or baseline levels of performance, risks the rewards losing meaning, and this may even decrease motivation.

On the flip side, when employees are *not* rewarded or recognized, we see that high-performing employees may develop the perception that working harder is not beneficial. They may become less motivated. Low-performing employees may see no reason to improve their performance. Employees will not be as invested in team or organizational goals, since they've not been reinforced through reward.

📋 SUMMARY

Rewards and recognition can be **formal and informal**. Under this, types of rewards are further broken down into monetary/non-monetary and tangible/intangible. Formal recognition is usually planned prior

to the event. Informal recognition is more spontaneous. Rewards and recognition lead to higher self-esteem and higher commitment, and the positive atmosphere becomes contagious.

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