

Reward & Recognition Planning

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Published: 23/12/2021

Version: V1.0

Presented to: edison365

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| Version | Date | Author | Comments |
| Draft | 01/01/2021 | Jack Selman | Initial Draft |
| V1.0 | 23/12/2021 | Robert Toon | Updated branding |
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**Version History**

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# Purpose

The purpose of this document is to support the customers of edison365 in planning the launch and adoption of their new tools.

# Reward & Recognition Planning

## Why recognition and rewards are important

Corporate change is driven by any number of dynamic and complex variables, from enterprise strategy and growth plans, to prevailing market conditions, economical, social and environmental developments, and technological advancement. Whilst the focus is often on the outcomes, the journey and the process, it is important to remember that changes are planned, managed, executed and adopted by people. People are a vital asset to all instances of change and should remain a focal point for all work associated with change.

This presents an interesting challenge to those responsible for implementation and reinforcing a change; a new way of working, new software or new tools. The human brain is wired for habit. We are physiologically programmed to revert to our old habits. When reinforcement is not in place, we see employees using work-arounds or relying on their old spreadsheets instead of the new software.

To reinforce change, we need to monitor whether the change is being sustained or not:

* Who is logging in, following workflows, and using the new software successfully?
* Where are individuals recognizing new efficiencies in their work?

With this information, the first step is to celebrate and recognize where the change has taken hold.

If some employees are reverting to work-arounds or old processes, follow-up is needed to understand where their barriers are:

* Do they need more training or coaching?
* Are they missing any of the ADKAR elements?

Reinforcement confirms that they are expected to continue working in the new way, and provides a structure for this. Recognition and reward are forms of positive reinforcement that provide a mechanism for teaching and instilling “good” types of behaviour. The introduction of a pleasant or desirable stimulus following a behaviour reinforces the behaviour, making it more likely that the behaviour will reoccur.

## Strategy and Culture

### Summary

Strategy and culture must converge through your proposed changes. These are two elements that can be leveraged by business leaders to enable positive, lasting change.

#### Strategy

* Strategy is a collection of choices / options often determined by the c-suite executives
* Sets a path for valuable and competitive positioning that delivers value
* Offers a formal logic for organizations goals and orients people around them

#### Culture

* Culture is the social order of an organization
* Expressed goals through values and beliefs, and guides activities through shared assumptions and group norms
* Defines what is encouraged, discouraged, accepted or rejected within an organization

### Nurturing the right culture

To successfully execute the strategy, you need a culture in place that both reflects and supports the strategic vision, mission etc. Whilst the strategy is set at the top of the organization, the culture is nurtured from the roots of an organization.

Developing a culture in support of innovation and portfolio management should cover reinforcement of those behaviors and attitudes that drive successful outcomes for the strategy.

Failing to reward or recognize is failing to maximize your employee value. Not all people are the same; motivations differ. Rewards do not have to be financial. In many cases recognition is as, or more important than a reward.

### Hierarchy of Needs

Maslow's hierarchy of needs is a motivational theory in psychology comprising a five-tier model of human needs, often depicted as hierarchical levels within a pyramid. From the bottom of the hierarchy upwards, the needs are: physiological (food and clothing), safety (job security), love and belonging needs (friendship), esteem, and self-actualization.

When cultivating a culture of recognition within your organisation, this model is an important tool in understanding motivation, behaviour, and how to develop these with your teams in support of your strategy.

Needs lower down in the hierarchy must be satisfied before individuals can attend to needs higher up

This five-stage model can be split into deficiency needs and growth needs. The first four levels are often referred to as deficiency needs, and the top level is known as growth or being needs.

Deficiency needs arise due to deprivation and motivate people when they are unmet. Also, the motivation to fulfil such needs will become stronger the longer they are denied. For example, the longer a person goes without food, the hungrier they will become.

When a deficit need has been “more or less” satisfied it will go away, and our activities become habitually directed towards meeting the next set of needs that we have yet to satisfy. These then become our salient needs. However, growth needs continue to be felt and may even become stronger once they have been engaged.

Growth needs do not stem from a lack of something, but rather from a desire to grow as a person. Once these growth needs have been reasonably satisfied, one may be able to reach the highest level; self-actualization.

Every person is capable and has the desire to move up the hierarchy toward a level of self-actualization. Unfortunately, progress is often disrupted by a failure to meet lower level needs. Life experiences may cause an individual to fluctuate between levels of the hierarchy.

#### Physiological needs

These are biological requirements for human survival, e.g. air, food, drink, shelter, clothing, warmth, sleep. If these needs are not satisfied the human body cannot function optimally. Physiological needs are the most important as all the other needs become secondary until these needs are met.

#### Safety needs

Once an individual’s physiological needs are satisfied, the needs for security and safety become salient. People want to experience order, predictability and control in their lives. These needs can be fulfilled by the family and society (e.g. police, schools, business and medical care).

For example, emotional security, financial security (e.g. employment, social welfare), law and order, freedom from fear, social stability, property, health, and wellbeing (e.g. safety against accidents and injury).

According to this model, financial security contributes to safety needs – which is low down in the hierarchy. As such, exercise caution when leveraging any mechanisms for reward that involves financial renumeration. The effectiveness of money as a motivator is high for some, but for many it will not be.

#### Love and belongingness needs

After physiological and safety needs have been fulfilled, the third level of human needs is social and involves feelings of belongingness. The need for interpersonal relationships motivates behaviour.

Examples include friendship, intimacy, trust, and acceptance, receiving and giving affection and love. Affiliating, being part of a group (family, friends, work).

Consider how an organization can instil a sense of belongingness as part of positive behaviour reinforcement. Trust in an individual, or a group of individuals, and trust in their ability to represent your mission as “champions” or “emissaries” may contribute to the satisfaction of these needs.

#### Esteem needs

The fourth level in Maslow’s hierarchy - which Maslow classified into two categories: esteem for oneself (dignity, achievement, mastery, independence) and the desire for reputation or respect from others (e.g., status, prestige).

Recognition of an individual in an open, visible forum will contribute to the satisfaction of this need and will help in increasing the individual’s esteem for oneself, as well as their perception of reputation and respect from peers and leaders.

#### Self-actualization needs

This is the highest level in Maslow's hierarchy, and refers to the realization of a person's potential, self-fulfilment, seeking personal growth and peak experiences. Maslow describes this level as the desire to accomplish everything that one can, to become the most that one can be. Individuals may perceive or focus on this need particularly. An example would include progress along a chosen career path. Recognition of an individual can also support the satisfaction of this need, enabling them to realize their full potential whilst increasing personal and professional credibility, esteem, respect and status.

### Penetration and saturation

Recognition and reward also plays a key part in the establishment of large, comprehensive networks in support of change.

Consider how the influence of your team over time. Influence can help stimulate and reinforce meaningful change. Throughout this journey you will be asking, reminding, prompting, and encouraging new or improved ways of working for your organization. To keep momentum and to retain influence positive reinforcement may be used to periodically demonstrate commitment, credibility, and interest in the work – and how your teams are supporting change. Recognition and reward should be frequent and visible, though not too frequent as to dilute it’s value or importance.

Time

Reach

Every time you recognise or reward an individual for their efforts, you increase their overall perception and positivity towards the change. This reinforcement is strongest within the individual, but the effects will permeate through individual networks to colleagues and peers. Whilst the effect is weaker here, a frequent approach will ensure that this reinforcement is consistent, with a long-lasting impact spread across the organization. Individuals will be inclined to involve friends and allies with the ongoing change, driving them to change on your behalf.

Over time, your organization will become more and more saturated in examples of positive behaviours, helping to instil a culture of collaboration and support for change. The reach, impact and level of ripple through the organization will increase over time as this new way of working becomes the new business as usual.

Check

Act

Plan

Do

Review

Recognise

Reward

Culture

Check

Act

Plan

Do

Review

Recognise

Reward

Check

Act

Plan

Do

Review

Recognise

Reward

Your direction, intention and requirements should be set within your strategy. This strategy will highlight the desired outcomes from the change you are executing, at both the organization and the individual level.

From those needs, you can identify the desired state and compare that to your current state, allow you to chart a plan to take to from where you are today, to where you need to be.

Through a cyclical approach to continuous improvement that involves frequent, visible instances of recognition and reward, you can penetrate deeper into the business to exert influence further afield and with greater impact. Over time, this will allow you to drive increasing levels of engagement, higher throughput and quality, as well as developing a network of strong, vocal supporters that embody the ideal values of an agent of change.

This is underpinned by cultural expectations about how to behave, which is reinforced through recognition and reward, further incentivising your team to continue to engage at an increasing rate.

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| What behavioural or cultural outputs are required? |  |
| How will employees be recognized? |  |
| How will employees be rewarded? |  |
| How will this be managed? |  |

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