INADEQUATE REWARD AND RECOGNITION

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WHAT IS INADEQUATE REWARD AND RECOGNITION

Recognition and reward refers to the acknowledgement provided to workers resulting in increased feelings of confidence, pride, and being valued for work contributions. Recognition and reward from supervisors, managers and co-workers can involve encouragement, gratitude, compliments, and other gestures of appreciation. Recognition and reward can be considered hazardous when it is low or disingenuous.

When there is an imbalance between the effort a worker puts in and recognition or reward they receive (formal and informal), this can create a psychosocial risk.

EXAMPLES OF INADEQUATE REWARD AND RECOGNITION

- when mechanisms and practices for regular performance discussions, performance planning and goal setting don't exist
- Insufficient feedback or recognition; providing recognition or acknowledgement that isn't genuine
- inequitable reward and recognition practices; unfair, inequitable or biased distribution of recognition and rewards
- rewarding and recognising individuals that have not contributed to a particular outcome, including taking credit for the work of others.
- receiving unfair negative feedback
- limited or no opportunities for development
- not recognising the skills a worker possesses or utilise

IMPACTS OF INADEQUATE REWARD AND RECOGNITION

The impacts of inadequate reward and recognition on both workers and organisations is numerous. Some impacts to consider are:

ON WORKERS

Low morale, increased job dissatisfaction: When employees feel undervalued and unappreciated, it can lead to a decrease in morale. If you notice a lack of enthusiasm, decreased productivity, or a negative atmosphere among employees, it may indicate inadequate reward and recognition practices.

Decline in overall performance: When employees feel their efforts are not adequately rewarded and recognized, it can impact their motivation and performance. A decline in individual or team performance, missed deadlines, increased errors, or a decrease in overall productivity can be signs of inadequate reward and recognition.

Reduced motivation: When employees do not feel appreciated for their contributions, their motivation and engagement levels can suffer. They may become less enthusiastic about their work, show a lack of commitment, and become disengaged from their tasks and responsibilities.

Lower performance: Feeling unappreciated can directly impact an employee's productivity and performance. When employees don't feel valued, they may be less motivated to put in their best effort, leading to a decline in the quality and quantity of their work output.

Increased stress and burnout: The feeling of being unappreciated can contribute to increased stress levels among employees. It can lead to feelings of frustration, resentment, and a sense of being taken for granted. Over time, this can contribute to burnout and have negative effects on both mental and physical well-being.

ON ORGANISATIONS

High employee absenteeism and turnover: If employees feel their efforts are not recognised or rewarded appropriately, they may seek opportunities elsewhere, including time off to seek new opportunities. A constant influx of new employees can disrupt team dynamics and negatively impact productivity.

Lack of employee engagement: Engaged employees are motivated and committed to their work. Inadequate reward and recognition can lead to a decline in employee engagement levels. If you notice a lack of enthusiasm, disinterest, or decreased participation in company initiatives, it may indicate that employees feel their efforts go unnoticed or unrewarded.

Lack of innovation and creativity: When employees feel undervalued, they may be less inclined to contribute new ideas or take risks. Inadequate reward and recognition practices can stifle innovation and creativity within the workforce, as employees may hesitate to invest their time and energy in proposing or implementing innovative solutions.

Absence of discretionary effort: Discretionary effort refers to the additional effort that employees willingly put into their work beyond the basic requirements. When employees feel adequately rewarded and recognised, they are more likely to go the extra mile. If you observe a lack of initiative, minimal contribution beyond the job description, or a lack of creativity and innovation, it may suggest inadequate reward and recognition practices.

Increased complaints and conflicts: In an environment with inadequate reward and recognition, employees may become frustrated and express their dissatisfaction through complaints or conflicts. Unresolved conflicts,

frequent grievances, or a rise in negative feedback can be indicators that employees feel undervalued and unrewarded.

Lack of employee loyalty: Inadequate reward and recognition practices can erode employee loyalty. If employees do not feel valued, they may become less committed to the organisation and more likely to consider alternative job opportunities. Decreased loyalty can lead to a lack of trust, reduced teamwork, and difficulties in retaining talented employees.

Negative workplace culture: Employees may feel resentful, unappreciated and undervalued, leading to increased conflicts, decreased teamwork and collaboration, and a generally unhealthy work environment. Employees may become less inclined to support each other, share knowledge, or collaborate on projects when they feel their efforts are not acknowledged or rewarded.

RISK MANAGEMENT

Risk Management involves identifying potential risks, assessing their likelihood and impact, and developing strategies to mitigate or control them. It is a proactive process that seeks to prevent risks from occurring or minimise their impact if they do occur.

No person should be injured in their workplace, including psychological injury. To meet their duties to ensure health and safety, employers must identify and eliminate or minimise psychosocial risks so far as is reasonably practicable. How long (duration), how often (frequency) and how significantly (severity) workers are exposed to psychosocial hazards impacts the level of risks. Hazards interacting or combining with each other may also impact this. Further guidance on the risk management process is available in the Code of Practice: *How to manage work health and safety risks.* For more information on the risk management process for psychosocial hazards, please view *Section 2 of the Model Code of Practice.*

Mind Your Head advocates for *prevention* – that is, identifying risk, implementing or changing systems to prevent worker harm or injury *before it occurs.*

Examples of Risk Management Strategies for Inadequate Recognition and Reward include:

- **Risk identification:** Identify and recognize the potential risks associated with inadequate reward and recognition. This involves understanding the impact it can have on employees, team dynamics, and overall organisational performance.

- **Risk assessment:** Assess the likelihood and potential severity of the identified risks. Evaluate the current reward and recognition practices, employee feedback, and industry benchmarks to determine the level of risk exposure.

- **Risk mitigation:** Develop and implement strategies to mitigate the identified risks. This can include the control measures mentioned earlier, such as setting clear expectations, implementing fair systems, providing timely feedback, fostering a culture of appreciation, and training managers.

- **Monitoring and review:** Continuously monitor and review the effectiveness of the implemented risk mitigation strategies. Regularly assess the outcomes, gather feedback from employees, and make adjustments as needed to ensure the reward and recognition practices remain effective and aligned with employee needs.

WAYS TO MANAGE RISKS

Consult workers and HSRs. Establish Health and Safety Committees with at least 50% representation from workers. Encourage feedback, especially on any changes.

Consider how long, how often and how severely workers are exposed to hazards. The longer, more often and worse the low job control, the higher the risk that workers may be harmed.

Utilise surveys and tools to assess psychosocial risks in the workplace, particularly for businesses with over 20 employees.

Establish a system for workers to report their concerns, while ensuring anonymity and treating their concerns with respect and seriousness to encourage reporting.

Observe work and behaviours, such as prolonged work duration, excessive paperwork, or customer frustration, which may indicate low job control.

Review available information, including employee retention, incident reports, complaints, time-off records, injuries, incidents, and workers' compensation to identify potential hazards.

Identify other hazards present and evaluate how they may interact or combine to create new, heightened risks. For instance, low job control could pose a greater risk in workplaces with high job demands if workers are unable to take breaks or switch tasks to manage fatigue. Finally, consider the

duration, frequency, and severity of workers' exposure to hazards, as prolonged and severe exposure to low job control could increase the risk of harm.

CONTROL MEASURES

Control measures are specific actions or procedures that are put in place to manage or mitigate identified risks. They are reactive measures that are implemented after risks have been identified and assessed as part of the risk management process. Control measures are designed to reduce the likelihood or impact of risks, and they can take many forms, including administrative controls, engineering controls, and personal protective equipment.

- **Conduct regular assessments:** Regularly assess the effectiveness of reward and recognition practices within the organization. This can be done through surveys, feedback sessions, or focus groups to gather insights from employees regarding their satisfaction levels, perceived fairness, and suggestions for improvement.

- **Set clear expectations:** Establish clear and transparent criteria for reward and recognition. Clearly communicate the expectations, performance standards, and criteria for eligibility. This ensures employees understand what is required to be recognized and rewarded, reducing the risk of confusion or perceived bias.

- **Implement fair and consistent systems:** Develop fair and consistent systems for reward and recognition that are based on objective criteria. Avoid favouritism or subjective decision-making processes that may lead to perceptions of unfairness. Consider implementing performance-based incentive programs, peer recognition initiatives, or structured nomination processes. Provide timely and specific feedback: Regularly provide employees with timely and constructive feedback on their performance. Recognize their achievements promptly and specifically, highlighting the impact of their contributions. This helps employees understand their value and motivates them to continue excelling.

- **Offer a variety of rewards:** Consider diversifying the types of rewards and recognition offered to employees. Monetary incentives, public recognition, career development opportunities, flexible work arrangements, or additional responsibilities can all be effective means of recognizing and rewarding employees. Tailor the rewards to individual preferences and consider a mix of intrinsic and extrinsic motivators.

- **Foster a culture of appreciation:** Create a culture where appreciation and recognition are encouraged and valued. Promote a positive work environment where colleagues and managers regularly acknowledge and appreciate one another's efforts. Encourage peer-to-peer recognition, team celebrations, and public appreciation channels to reinforce a culture of appreciation.

- **Train managers and supervisors**: Provide training to managers and supervisors on effective reward and recognition practices. Ensure they understand the importance of acknowledging and

appreciating their team members. Equip them with the skills to provide meaningful feedback, identify and recognize exceptional performance, and handle reward-related discussions.

- **Monitor and adjust strategies:** Continuously monitor the effectiveness of the reward and recognition strategies implemented. Gather feedback, track employee satisfaction levels, and measure the impact on key performance indicators. Make adjustments as needed to address any gaps or concerns that arise.

DO	DO NOT
recognise individual and team contributions and achievements	show favouritism to a worker or group of worker; praise some workers or groups while ignoring the achievements of others
ensure recognition and rewards are appropriate and relevant for the worker or team	provide rewards that are disproportionate to the achievement
acknowledge and utilise employees skills	provide no rewards or recognition at all
fully understand the roles of your team members so their impact can be understood and appreciated	be inconsistent with approaches (for example, providing team member awards some months but no others)
	be disingenuous (for example, giving an award to a team member simply because someone had to win it, rather than because they were the best person)