

Non-Training Intervention Report

Motivational Reward Systems

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Organizations are increasingly acknowledging the critical role of employee motivation and engagement in enhancing performance and meeting strategic objectives in today's competitive business setting. Motivational reward systems, a type of non-training intervention, are a vital tool for encouraging a driven and ambitious workforce. Motivational reward systems are non-training interventions because they aim to improve engagement, performance, and relationships without providing formal training or skill development. They are significant because they have surfaced to target the interpersonal and emotional aspects of working in an organization, and they seek to create a more engaged, collaborative, and progressive workplace culture rather than focusing entirely on knowledge allocation or the attainment of abilities. Motivational reward systems are unlike traditional training programs that are strictly skill-driven. Instead, they encourage incentives, respect, and credit where credit is due to empower employees and stimulate positive behavior that enhances the organization. This non-training intervention is often used when the root cause of an issue isn't a lack of knowledge or skills but instead reasons such as engagement, motivation, or the overall structure of an organization needing to be more worker-centric. Motivational reward systems vary broadly in their purpose and delivery, accommodating different employee and administrative preferences and organizational cultures. This report explores the principal aspects of motivational reward systems, including their variations, appropriate contexts for implementation, essential functions and features, evolution, and insights from research on their advantages, disadvantages, trends, and issues.

The history of motivational reward systems has evolved through various theories and practices, reflecting changing views on employee motivation and organizational management. "We begin with the speculations of early pioneers in motivation about instinctual mechanisms, and then turn to theories of motivation based in: physiological drives; external reinforcements; cognitive mechanisms; and core psychological needs." (Ryan, R., Bradshaw, E., & Deci, E., 2019, p. 2). Some key developments include: "Darwin. Perhaps a good beginning for this history of the science of human motivation is Darwin's (1872) speculations concerning emotions and motivations to act. Darwin argued that humans have evolved emotional reactions that lead to or energize actions that have been adaptive." (Ryan, R., Bradshaw, E., & Deci, E., 2019, p. 2). In addition, Early Foundations- Scientific Management (Early 1900s): Frederick Taylor emphasized efficiency and productivity with piece-rate pay, laying the groundwork for performance-based rewards, Hawthorne Studies (1920s): These studies highlighted the impact of social factors and employee morale on productivity, shifting focus from purely financial incentives to psychological and social motivators. Development of Theories-Maslow's Hierarchy of Needs (1943): Maslow proposed that motivation is driven by a hierarchy of needs, emphasizing the importance of fulfilling higher-level needs like esteem and belonging. Herzberg's Two-Factor Theory (1959): Herzberg distinguished between hygiene factors that prevent dissatisfaction and motivators that drive satisfaction, highlighting the role of intrinsic rewards like recognition. Emergence of Modern Practices- Behavioral Psychology (1960s-1970s): B.F. Skinner's reinforcement theory supported the idea that positive reinforcement effectively shapes workplace behavior.

On a side note, it is stated in *A History of Human Motivation Theories* that; "Ironically, the focus of motivation studies today is perhaps directly opposite to the one B.F. Skinner had so long ago warned against. Whereas Skinner cautioned against the search for inner causes and

inner mechanisms as a distraction from identifying the “antecedent causes in the environment” (1953 p.30) — the science of motivation is now intensely occupied with the “black box” of human motivation, both at the psychological and neurological levels. Researchers want to know the mechanisms, both experiential and molecular, through which actions are selected and regulated.” (Ryan, R., Bradshaw, E., & Deci, E., 2019, p. 20). To continue, Total Quality Management (1980s): TQM introduced recognition systems that emphasized teamwork and collaboration over individual performance. Current Trends- Recognition and Engagement (1990s-Present): Organizations began adopting comprehensive recognition programs that include both financial and non-financial rewards, acknowledging the importance of a positive workplace culture. Technology and Flexibility (2000s-Present): Advances in technology facilitated new recognition methods, like online peer recognition platforms, while flexible reward systems catering to individual preferences became more common. Overall, the evolution of motivational reward systems reflects a deeper understanding of employee motivation, moving from early performance-based pay to holistic approaches that include recognition, development opportunities, and a focus on well-being. Organizations continue to adapt their strategies to meet the needs of a diverse workforce.

There are several other terms to refer to motivational reward systems. Some of these include; incentive programs, which are structured initiatives designed to motivate individuals or groups to achieve specific goals or improve performance. These programs typically offer rewards or benefits in exchange for meeting certain criteria or milestones (Financial Incentives, Non-Financial Incentives, Employee Benefits, Sales Incentives, and Wellness Programs). Recognition and reward systems are programs or strategies used by organizations to acknowledge and celebrate the achievements, contributions, and efforts of individuals or teams. They aim to motivate employees, enhance job satisfaction, and foster a positive work environment. Employee appreciation initiatives are programs or activities designed to show employees that their hard work, dedication, and contributions are valued. They help foster a positive work environment, boost morale, and enhance employee engagement. Engagement programs are structured initiatives designed to enhance employee involvement, motivation, and commitment to their work and the organization. They aim to create a positive workplace culture, improve job satisfaction, and boost overall performance. Performance reward systems are structured frameworks that provide incentives or rewards to employees based on their performance and contributions to the organization. They are designed to motivate individuals to achieve specific goals, improve productivity, and enhance overall organizational performance. And finally, employee reward strategies are systematic approaches that organizations use to recognize and incentivize employees for their performance, contributions, and behaviors. They aim to enhance motivation, improve job satisfaction, and align employee goals with organizational objectives. These terms highlight different aspects of how these systems function to motivate and engage employees without focusing specifically on training.

As noted earlier, the non-intervention, motivational reward systems typically address issues related to motivation and engagement in various settings, such as workplaces, behavioral interventions, or educational environments. These systems enhance integral motivation by providing rewards or incentives that encourage desired behaviors without direct intervention. Critical problems they address include: individuals may lack the motivation to participate or perform, leading to decreased productivity or learning outcomes in educational or work settings;

helping individuals adopt healthier habits or improved performance by encouraging positive behavioral changes; assisting individuals in reaching work or personal goals by providing structured incentives; helping to maintain motivation, and reducing the likelihood of burnout or disengagement by implementing progress rewards. Overall, non-intervention motivational reward systems aim to create an environment where individuals feel motivated to engage and succeed, creating an environment where people feel comfortable and driven to complete tasks independently. “A few studies, however, have identified conditions under which goal setting (that is, setting a specific, challenging goal) does not boost productivity (Shapira, 1989; Wood, Mento, & Locke, 1987). For example, Hollenbeck and Klein (1987) found that goal setting did not improve performance when individuals failed to adopt the goal. Similarly, goal setting did not increase productivity for certain complex tasks (Earley, Connolly, & Ekegren, 1989). In these cases, difficult goals may discourage experimentation and ultimately curtail productivity.” (Schweitzer, M. E., Ordóñez, L., & Douma, B., 2004, p. 422). This interesting differing perspective is brought up in the text, *GOAL SETTING AS A MOTIVATOR OF UNETHICAL BEHAVIOR*, which sheds light on some of the disadvantages of goal setting. This will be elaborated on further in this essay.

On the other hand, the advantages of motivational reward systems include professional development opportunities, such as access to educational conferences, training sessions, or workshops, which serve as a reward and incentivize employees to strive for loftier goals. By offering these opportunities, organizations acknowledge employees' past successes and demonstrate a commitment to their ongoing growth and accomplishments. These initiatives motivate employees to deepen their experience, strengthen their knowledge, stay current, and develop new skills, which can lead to loyalty and improved job gratification. Employees' aspirations are higher because they are encouraged to grow and advance within the organization. Furthermore, these opportunities encourage employees to picture a well-defined path for advancement within the organization, nurturing a sense of purpose and ambition. When employees feel supported in their growth, their engagement, productivity, and performance really improve. They're more likely to feel valued. This whole approach recognizes everyone's contributions and sets them up for future success, which is a win-win for both the employees and the organization in the long run. When companies help employees grow and learn new skills, they create a team that is good at their jobs and excited to work toward larger goals. This helps the company succeed, reach its uppermost ideas, and contribute to the overall vision of the organization. In *A History of Human Motivation Theories*, McDougall's Instinct theory (1923), it is stated that; “He defined motivation specifically as the psychological impetus that gives rise to action, and argued that motivation could be both measured and manipulated in scientific studies. He was a strong advocate of the idea that behaviours were goal oriented, even if individuals did not always consciously know the aim of a drive, a position that brought him into conflict with behaviourists.” (Ryan, R., Bradshaw, E., & Deci, E., 2019, p. 3).

Some organizations implement systems that allow employees to recognize and reward their peers, bringing appreciation and camaraderie to an employee's experience. This can increase and improve morale and team interactions/engagement. This approach helps build appreciation and respect among coworkers. When employees can acknowledge each other's contributions, it creates a sense of community where everyone's achievements, big or small, are celebrated. This kind of peer recognition strengthens relationships and makes the work environment more supportive. As a result, employees feel valued not just by management but by

their colleagues as well. Plus, when recognition comes from peers, it helps break down barriers, making the workplace more collaborative and inclusive and this approach can create cohesion within a team by encouraging employees to appreciate their colleagues' diverse strengths and skills. When people feel acknowledged for the good things they do, they are more likely to engage with their work and contribute to the success of the team. Additionally, peer recognition often leads to improved morale because employees perceive their workplace as valuing teamwork, collaboration, and effort. When people feel that their peers notice and celebrate their contributions, it can boost overall job satisfaction, increase motivation, and reduce turnover rates. Ultimately, this kind of culture of appreciation helps organizations build a more positive, productive, and harmonious work environment where employees are motivated to work together toward common goals. For example,

“Reinforcement theory states that behavior can be reinforced by basic stimulus-response linkages. As such, having been rewarded for desired behavior or output makes the occurrence of the behavior more likely in the future. Variations in the size and the timing of the reward account for the size of the motivating effect. Expectancy theory states that not only past experiences but also the expected rewards are important motivators. Certain rewards are more motivating than others. Specifically, rewards which are attainable and valued because they are instrumental to attractive outcomes are further motivating than those that are less so.” (MacLeod, Norman, 2021, p.1-2).

Monetary rewards also motivate employees to achieve better results. Financial incentives such as raises, bonuses, and profit-sharing plans are inspiring and desirable, leaving workers feeling a sense of respect and achievement to have received such awards. These reward employee loyalty by giving people the option to buy shares in the company. The employee can then sell the shares on the open market and receive a reward based on the price difference. For instance, “The work of a person in an organization or company is not only in the form of wages or salaries, but also rewards intended to meet various needs with various types and forms, for this purpose, management is expected to be able to apply an efficient reward. A reward designed by a company must be able to motivate the performance of its employees so that achievement is at a high level. but also rewards or rewards intended to meet various needs with various types and forms. For this purpose, management is expected to be able to apply an efficient reward.” (Martín, S., & Uribe, M., 2021, p. 54). In addition, allowing employees to choose their working hours or work remotely can help them maintain a better work-life balance. Social awards like recognition and praise can greatly impact employee performance. Recognition programs, such as "Employee of the Month" awards, additional vacation days, and public acknowledgment in team meetings, fall under this category. These rewards can be particularly impactful, fulfilling employees' psychological needs for recognition and belonging;

“According to Nawawi (2009, p.319), "reward is an effort to foster a feeling of being accepted (recognized) in the work environment, which touches on aspects of compensation and aspects of the relationship between workers with one another". Managers evaluate individual performance results both formally and informally. Because giving rewards and motivation is a driving force within a person that will direct the behavior and work performance

of that person, which will play an important role in the success of the company, both output and input from the company, both in terms of quality and quantity.” (Martinr, S., & Uribe, M., 2021, p. 54).

Organizations that carefully plan when to roll out motivational reward systems are much more effective. For those looking to foster recognition and appreciation, these systems can really reinforce positive behaviors and create a supportive work environment. Effective reward systems can boost employee satisfaction and help keep turnover rates low, especially in a competitive job market. By acknowledging employees’ contributions, organizations can build loyalty and dedication within their teams and if a company wants to improve performance in areas like sales or customer service, targeted reward systems can encourage the right behaviors. During times of change, these reward systems can also ease anxiety and motivate employees to embrace new initiatives. Employers that choose to acknowledge people's efforts during transitions can be a special way to produce resilience and adaptability. In studies conducted in the text, *GOAL SETTING AS A MOTIVATOR OF UNETHICAL BEHAVIOR*, “Our results are consistent with Bandura’s (1991) social cognitive theory, which suggests that people receive psychological rewards for attaining goals. Like Lewicki (1983), we assumed that people balance the costs and benefits of engaging in unethical behavior. We conceptualized these costs and benefits to include both psychological costs (such as negative self-perceptions) and psychological benefits (such as the psychological reward of claiming goal achievement).” (Schweitzer, M. E., Ordóñez, L., & Douma, B., 2004, p. 429). This is somewhat of a different perspective on rewards when associating them with unethical behavior.

Motivational reward systems do several important things that make them quite effective. They provide recognition and rewards that help create a culture of appreciation in organizations. This boosts morale and fosters a supportive atmosphere, encouraging collaboration and strengthening team members' relationships. By linking rewards to specific actions or outcomes, organizations can encourage employees to engage in behaviors that align with business objectives. This creates a clear connection between performance and recognition. Reward systems often include metrics for evaluating employee performance. This allows organizations to track progress and locate areas for improvement while ensuring that rewards are based on objective criteria. A well-structured reward system can increase employee involvement and enthusiasm for their work. Engaged employees are more likely to take initiative and contribute to team success. An effective motivational reward system's features include clarity in the reward criteria, timely recognition, alignment with organizational values, as well as transparency in how rewards are earned, fosters trust, and ensures that employees understand what is expected of them.

Motivational reward systems should be recommended in various situations where organizations aim to enhance employee performance, engagement, and satisfaction. Here are key scenarios where these systems can be particularly beneficial: when an organization is facing low productivity or performance issues, implementing a motivational reward system can encourage employees to meet or exceed expectations. In situations where specific goals need to be achieved, such as sales targets, project deadlines, or quality improvements, reward systems can incentivize employees to focus on these objectives. If employee engagement surveys indicate low morale or lack of motivation, introducing a reward system can help improve overall

workplace satisfaction and commitment. When turnover is high, motivational rewards can enhance retention by making employees feel valued and recognized for their contributions. During periods of organizational change, such as mergers or shifts in strategy, reward systems can help reinforce new behaviors and align employees with the company's vision and values. When rolling out new initiatives or programs (e.g., quality improvement or customer service enhancements), motivational rewards can encourage participation and buy-in. To foster teamwork and collaboration, especially in environments where singular work is common, reward systems can incentivize group achievements and collective efforts. In organizations aiming to promote continuous learning and development, offering rewards for completing training or acquiring new skills can motivate employees to pursue growth. When individuals or teams go above and beyond their regular responsibilities, a motivational reward system can recognize and celebrate these exceptional efforts. Overall, motivational reward systems should be recommended when organizations want to drive performance, boost engagement, enhance retention, or cultivate a positive workplace culture.

Research on motivational reward systems indicates a range of advantages and disadvantages that organizations may want to consider because they can foster a culture of appreciation, leading to increased employee loyalty and a positive organization. Recognition is a simple way for organizations to demonstrate their investment and commitment to their employees because well-structured reward systems can significantly enhance employee motivation and performance, leading to improved productivity and goal achievement. For instance, there is a positive correlation between reward systems and employee performance outcomes; "Non-monetary reward systems involve acknowledging employees' efforts through means other than financial compensation. These systems enable organizations to frequently recognize their employees and play a significant role in elevating employee morale and reinforcing positive contributions. Two key components of non-monetary reward systems are verbal and written praise and tokens of appreciation." (inspirus, 2024, p.1). Recognition through rewards has been linked to higher job satisfaction, as employees feel valued and acknowledged for their contributions. Employees who receive recognition are more likely to report higher levels of job satisfaction.

Unfortunately, reward systems can also create perceptions of favoritism or unfairness, leading to dissatisfaction among employees and research has shown that these inequities can negatively impact morale and trust within teams and organizations. Employees may focus on rewards rather than the work itself if companies rely too much on extrinsic motivators. These may undermine intrinsic motivation. This phenomenon is discussed in Deci and Ryan's Self-Determination Theory, which emphasizes the importance of intrinsic motivation for long-term engagement. (O'Hara, D., 2017, p.1). Reward systems that prioritize immediate results may inadvertently encourage behaviors that are detrimental in the long term, such as cutting corners or neglecting quality. Research in the *Academy of Management Journal* indicates that focusing on short-term rewards can lead to unethical employee behavior; "We found that people with unmet goals were more likely to engage in unethical behavior than people attempting to do their best. This relationship held for goals both with and without economic incentives. We also found that the relationship between goal setting and unethical behavior was particularly strong when people fell just short of reaching their goals." (Schweitzer, M. E., Ordóñez, L., & Douma, B., 2004, p. 422).

Recent trends in motivational reward systems indicate a shift towards more personalized and meaningful recognition. Organizations are starting to see how important it is to tailor rewards to fit individual preferences and values. For example, some companies are rolling out flexible reward systems that allow employees to choose their own rewards based on what motivates them. This kind of customization can make reward systems more effective and help employees feel more ownership over their work. Fairness and inclusivity are challenges that still exist, and as organizations diversify their workforces, it is crucial to create reward systems that resonate with people from different cultures and backgrounds. The introduction of remote work has made adaptations necessary in how recognition and rewards are delivered, with a focus on virtual recognition methods. In the article, *Why Recognizing and Rewarding Your Remote Workforce Matters*, these concepts are addressed; “How do you make your employees feel seen and appreciated in this scenario, even when miles apart? Recognizing remote employees: why it’s important is a crucial question every leader must address. Employees are the most critical asset of any organization, and those who receive authentic rewards and recognition are 5x more likely to agree that they see a path to growth in their organization.” (Gratifi, 2024, p.1). Organizations must be proactive in addressing these challenges to ensure that their motivational reward systems remain effective and equitable.

In summary, motivational reward systems are a powerful non-training intervention that can significantly influence employee motivation, engagement, and overall organizational performance. Organizations can create a philosophy of appreciation that fosters growth and satisfaction by varying in structure, prescribing them in the right contexts, and understanding their key functions and features. As discussed, there are many complexities to the issue of motivational reward systems and multiple perspectives. While research highlights both advantages and disadvantages, the ongoing evolution of these systems presents opportunities for organizations to adapt and thrive in a competitive environment. By addressing trends and potential issues, organizations can ensure that their motivational reward systems remain effective, equitable, and aligned with their strategic goals, ultimately leading to a more motivated and engaged workforce.

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