Principles of Reward & Recognition Programs

Whitepaper: Dr Stewart Hase & Simon Phin

Preview

This report is the result of an analysis of the scientific literature concerning the psychology of reward in general and safety in particular. Only research evidence has been considered as opposed to unsubstantiated theory or what is considered 'common sense'. Research about the impact of reward on human behaviour has been central to the study of psychology for a long time and continues to be researched and understood.

Research into reward and safety has less of a history and there is considerable anecdotal rather than good research evidence about how safety behaviour is shaped. What evidence is out there has been included in this report.

Some Essential Psychological Principles

"Every act you have ever performed since the day you were born was performed because you wanted something." - *Dale Carnegie*

Extensive psychological research supports Carnegie's bold assertion; that is; reward is the most powerful reinforcer of behaviour that we know. Not receiving a reward can also be a powerful motivator. Punishment has been shown to not reinforce behaviour at all.

Rewards need to be intermittent and variable. The best example of this is poker machines, which reward every now and then and in different amounts. They are powerfully addictive for this reason. We have certain receptors in our brains that release an opiate-like substance when there is anticipation of reward, and when the reward is obtained. So, we do whatever it takes to obtain the reward again and again.

Rewards (of whatever kind) need to be delivered as close as possible to the demonstration of the behaviour for them to be effective. See again poker machines or most other forms of gambling for that matter as a good example of how this works. If no reward occurs over a period of time then the behaviour ceases and the person seeks other ways of feeling fulfilled.

People need to be rewarded when their behaviour approximates a desired target. When children learn a sport or a language, for example, they do so in steps rather than achieving perfection immediately. When they are rewarded for approximating the target behaviour (each step) they are more likely to be motivated to do better and work harder towards what is ultimately desired. Feedback needs to be as immediate as possible.

Thus, when the target behaviour is too complex people give up quickly and become helpless. The KISS principle is indeed accurate.

People quickly become habituated to information such as advertising or safety messages: that is, they become used to them and the messages eventually are ignored and can even be counterproductive. Thus, safety messages and rewards need to change frequently in style and content.

When workers are satisfied with their general working conditions such as salary, position and environment then external rewards become more effective. If an employee is unhappy with their conditions then external rewards are less effective. This has some important implications for shift work and the general environment on an oilrig: they need to be optimal for external reward and recognition systems to work well.

One large study of workers on offshore rigs found that management commitment, job satisfaction, and the value of production vs. safety had an effect on safety behaviour. Moreover, working environment affected all of these factors: the more positive the better for safety behaviour.

'Satisfied workers are also more likely to respond to rewards such as positive comments from their supervisor, acceptance by their team, and being satisfied with what they are doing'.

Groups (teams) are significantly important when it comes to reward and recognition. Humans are motivated by team membership and will work hard for recognition within and, of their 'in-group'. Hence, reward systems based on teams (3 to 10 people) are effective.

Workers are greatly affected by their supervisor's behaviour. They consistently rate managers highly who show empathy, genuine interest in what they do, listen, communicate well and respond to concerns. These attributes are seen as more important than technical ability. Therefore, recognition of achievement, positive relationships, good communication and positive responses are very powerful in day-to-day reinforcement of safe behaviour. The psychological reasons for this phenomenon are complex and I'd be pleased to explain them if required orally rather than in writing.

There is some strong research to suggest that the OIM is critical in developing a safety culture. Extensive experience and a strong directive personality lead to OIMs overestimating their commitment to and ability in developing a safety culture. OIMs need to be more inclusive and reflective when it comes to safety.

The importance of supervisor behaviour (at every level) cannot be overemphasised in developing and maintaining a safety culture. Thus, supervisors need to constantly reinforce positive safe behaviour on a daily basis. As a result recognition is a part of routine rather than an audit or some other 'one-off' experience.

Personality is critical in safety behaviour

Certain personality types will:

1) Find it difficult to respond appropriately to their staff when in supervisory positions

2) Are risk sensitive or risk taking; are not open to experience; are excessively introverted

3) Are not conscientious and are not achievement oriented.

Reward systems will have differential effects based on these characteristics. Thus, supervisors need to be specifically trained and evaluated in using appropriate reward/recognition skills.

Some common myths are that: *'people learn more from mistakes than success.'* This is a fallacy and people are more likely to succeed when their successes are rewarded; *'reprimand privately and reward publicly.'* Rewarding publicly can be equally humiliating for some people; *'people vary in the number of times it takes for a behaviour to become a habit; and we can only motivate ourselves and not others.'* Not true: we motivate others all the time in a host of ways.

Specific Safety Research

Major reviews of research over the past 20 years have demonstrated that behaviour-based safety programs are by far the most effective. This is consistent with mainstream psychology research that now emphasises what people do rather than what people say when it comes to understanding motivation.

Behaviour-based programs focus on three components. These are **A**ntecedents to behaviour, the **B**ehaviour itself, and **C**onsequences of behaviour as follows:

Antecedents to behaviour

These are the things that drive or give incentive to behaviour. These include:

SMART safety goals that are transmitted to all. These goals are Specific, Measurable, Achievable, Realistic and Timely.

This compares with many current goals for offshore locations, which meet none of these criteria, such as league tables or the number of day's injury free. These records drive recording near misses, infractions and even injuries. There are recorded incidences of people being vilified for being injured and affecting the 'record'. Rewarding effort is much more powerful in shaping behaviour: hence the importance of targets over open-ended outcomes.

Setting team based targets:

I.   These measures should relate to safety improvement and safety effort

II.   They should number between 3-5

III.   Be achievable in the relatively shorter term

IV.   And, linked to some well-organized reward schedule.

As mentioned above the message needs to be varied regularly to prevent habituation.

Consequences need to be made clear for behaving safely.

The Behaviour Itself

How is the behaviour observed? This might include: STOP cards (or similar), JSAs, AARs, review of JSAs, supervisor audits, leading safety behaviour, behaviour in safety meetings and pre-tours, hazard hunts, supervisor behaviour, reports of near misses, proactive behaviour.

The role of the immediate supervisor is critical here by initiating reward/recognition in whatever way. Supervisors need to be rewarded for their leadership behaviour specifically.

The consequences of behaviour: reward and recognition

'League tables' of oilrigs in terms of days lost due to injury or injury rates themselves are not necessarily positive motivators for safety behaviour despite their intuitive wisdom. (See above for the psychological explanation for their ill effects).

An emphasis needs to be made on behaviour and effort rather than results.

It is more effective to have many winners rather than one winner and lots of losers. Everyone needs to be, potentially, a winner. Thus, rewards should not be expensive but things that are visible such as, stickers hard hats, pens and so on, that have the safety reward clearly visible. Rewards should not be gifts that are hidden from view. Certificates, safety thank you cards, credit points that can be accumulated for an award but are publicly visible are also effective. Consistent with what we know about the psychology of reward these can be affected immediately by the supervisor.

Approximating target behaviour needs to be rewarded rather than just achieving the target completely. This leads to greater motivation to reach the desired goal.

Safety rewards need to be integrated with other areas of performance rather than seen in isolation.

Consistent with setting up antecedents it is important for targets and approximation to their attainment to be visible. Honour roles, progress towards target achievement, and progress with credit points, have been used with great success.

An inventory, log or other means of recording safety achievements needs to be maintained. This list can be made public. The successful administration of safety records and awards is important and often reflects management commitment. Dedicated champions for safety need to be resourced.

Organisational Culture

There is evidence that organisations that have embraced a learning culture are more likely to develop a safety culture:

"Organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to learn together" *(Senge)*.

Learning organisations:

- Are adaptive to their external environment
- Continually enhance their capability to change/adapt
- Develop collective as well as individual learning
- Use the results of learning to achieve better results.

Conclusion

This review of the research demonstrates that there are scientific principles that need to be considered in developing reward and recognition systems.

The author has a bias towards what is known as Systems Thinking, which has a long history in understanding how effective organisations function compared to the less successful. This approach emphasises, among other things, the need for continuous feedback from all stakeholders, consideration of the changing environment at all times, participative decision-making, and (above all) understanding that any change in a part of the system (organisation) may cause changes throughout the rest of the system.

Following extensive observational and interactive consultancy (HSE) on board offshore drilling rigs in 2010 the author confirms this approach. It is recommended that this approach be considered in the development and implementation of any reward and recognition system.

www.beyondbreak.com