

Project Rewards and Recognition – Fair or Adding Risks?

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Reward and recognition for project resources who deliver successful projects is generally accepted as good practice in the workplace (indeed, rewarding staff for successful performance against agreed criteria is commonplace in today's organizations). Regardless of an organization's general structure (be it projectized, functional, matrix-based etc), successful project completions are rightly celebrated. At project closing, the project team should take the opportunity to celebrate their accomplishments, with the project manager and/or upper level of stakeholders using this event as an opportunity to recognize particularly strong performances from individuals on the team. Celebrating project success, when it is merited, is a worthy process; however, the manner or magnitude in which you celebrate project success has the potential to cause problems elsewhere within your organization if it is not handled in a measured way.

Let's consider a couple of scenarios: the dynamics of the "functional organization", and those of the "projectized organization".

In a functional organization, when resources are assigned to a project team, the people made available for selection will depend on which qualified resources can be pulled away from their functional role for the prescribed time duration estimated for them to complete their part in the project. If the project is of a high priority, "A Performers" may be allocated from functional work (or perhaps other projects). Do these people get replaced in their functional role? If not, those who have to fill-in and undertake their functional tasks may cause discontent in the functional group, which may lower morale and cause performance issues. The potential for disquiet outside the project will be magnified if the project team celebrates their project on closing and no thanks were made about the coverage of the functional work others shouldered in their absence. You will suffer more of the same risks should the same small group of resources continually be selected for projects (akin to placing all your eggs in the one proverbial basket). In the extreme, people who are not given opportunities may seek other internal or external opportunities, and your organization may fail to build a strong "bench" of resources who have the ability to work on a variety of projects (which leads to succession planning problems). Be sensitive to such risks through appropriate communications and an understanding of how the tasks of projects and ongoing functional teams are equally important in your organization.

Now let's look at the "projectized organization", where project work is the primary priority. Does such an organization consistently staff its high-profile projects with the same star performers or does it mix reward and opportunity appropriately? Do your high-profile projects consistently get far more recognition and larger rewards than so-called lesser priority projects? If the answer to this question is yes, then many of the risks discussed in the functional organization are present here also. People who are not given opportunities to work on your high-profile projects may feel

“passed over”, and may begin to look for external opportunities. At the same time, maybe your star performers feel over-worked, stressed, and in need of recharging their batteries. In the projectized type of structure you need to be careful to provide the right opportunities to your teams; manage succession planning appropriately, giving opportunities to up-and-coming people and “stretch targets” for your team members all round.

So, how do you balance project reward and recognition on project completion regardless of the organization structure? Plain and simple, there is no standard method for reward and recognition that spans all projects in all organizations. The process you use for project resource selection will have a direct correlation on the perceived fairness of your project and the reward and recognition system used. There are a few actions you can take as a Project Manager (and with your senior management) to ensure a project reward and recognition system is just and appropriate.

A few pointers we suggest are as follows:

1. Make sure the reward given for project staff is appropriate for the contribution made, and make sure reward measures are clearly laid out at the start of the project, and communicated to all involved.
2. Ensure lesser experienced staff that needs coaching before they are fully productive are given appropriate opportunities to work on all projects (whilst not leaving them, or the organization, exposed). These resources can serve as “shadow” or back-up resources to those accountable for the project deliverables. The “shadow” resources will serve two purposes: 1) broaden your bench, allow some tasks to be delegated to the shadow 2) begin to make an equitable reward process. The shadow resources should be considered in the project’s reward and recognition structure based not only on their contributions, but also on their knowledge, growth and performance during the project.
3. Ensure only desired behaviors are rewarded. Individuals that may get the assigned tasks completed, but do so through over-time, non-conforming manners or other behaviors not consistent with your organization should not receive individual recognition.
4. Always ensure that any recognition is given in a timely manner and communicated properly to the appropriate management levels.
5. Consider the project celebration in the context of the overall organization and the overall contribution of people who may not be directly on the project but indirectly have played their part.

In conclusion, reward and recognition systems for projects are difficult to get right. First make the project selection equitable, consider the overall impact of people on the project and on its periphery, and ensure the reward and recognition process is set appropriately.