



Management control through verbal rewards – a systematic review and research agenda

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Abstract

This article reviews empirical research on the impact of verbal rewards on workplace performance and proposes a research agenda for future studies. A theoretical model is developed and examined through a systematic literature review encompassing 22 empirical studies on the relationships between verbal rewards, motivation, direction, and performance in organizational settings. The findings from the review are consistent with the theoretical model in several respects: verbal rewards have a positive effect on performance in most of the studies; the attributes of verbal rewards influence their associations with performance; direction mediates the relationship between verbal rewards and performance; and work complexity moderates the relationship between controlling verbal rewards and autonomous motivation. However, the findings are inconsistent with the model's assumption that the relationship between verbal rewards and controlled motivation weakens in high-complexity work contexts, and overall, the theoretical model requires further testing in additional empirical studies. The article concludes with theoretical implications, implications for management control systems, practical implications, and a research agenda for future studies.

Keywords Management control · Verbal rewards · Performance · Motivation · Direction · Systematic review

1 Introduction

Management controls foster coordinated, goal-directed, and motivated behavior within organizations. This is accomplished through various control tools, one of which is the reward system (Bonner & Sprinkle, 2002; Merchant & Van der Stede,

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2023). Prior management control research has extensively examined monetary rewards, emphasizing their role in guiding employee behavior and enhancing effort. Theoretical and empirical advancements in this area have been synthesized in literature reviews by Bonner and Sprinkle (2002) and Luft (2016). Non-monetary rewards have received comparatively less attention in management control research (Kunz & Linder, 2012). These rewards represent a heterogeneous category encompassing a wide range of reward types, for instance, tangible (non-cash) rewards such as thank-you cards, token gifts (Presslee et al., 2023), and awarded certificates (Lourenço, 2016, 2020). Other examples are autonomy, development opportunities (Alves & Lourenço, 2023), promotions (Chan, 2018), verbal rewards (Hewett & Conway, 2016; Siverbo, 2023), and public applause (Wang, 2017). The heterogeneous nature of non-monetary rewards makes it appropriate to focus on distinct and well-defined subcategories when aiming to synthesize existing knowledge in a meaningful way.

One of the specific types of non-monetary rewards that warrants further scholarly attention is verbal rewards. In this paper, verbal rewards are defined as positive oral or written appraisals transmitted from one individual or group to another, conveying a value judgment about performance (cf. Hewett & Conway, 2016; Siverbo, 2023). The paper explores how verbal rewards function as a form of control, with particular emphasis on their use within hierarchical relationships; specifically, when delivered from superiors to subordinates, such as in a situation where a researcher, having published an article in a scientific journal, meets with their department head and is told, “I’m impressed that you managed to get acceptance for the paper you’ve been working on”.

Verbal rewards offer several advantages compared to traditional monetary incentives in organizations. They can be implemented at workplaces that cannot provide monetary rewards, and they represent a cost-effective form of reward (Mariotti, 1997; Stajkovic & Luthans, 2001; Merchant & Van der Stede, 2023). They can be delivered in a more flexible manner than most other monetary and non-monetary rewards (Mariotti, 1997; Stajkovic & Luthans, 2001; Kluger & DeNisi, 1996; Long & Shields, 2010; Hewett & Conway, 2016) and administered in a timely fashion, enhancing their control effect on the recipient (Ilgen et al., 1979; Merchant & Van der Stede, 2023). Furthermore, verbal rewards are a highly valued form of recognition, ranking high when employees prioritize their reward preferences (Mann & Dvorak, 2016; White, 2017). Given how common verbal rewards are in workplaces (Long & Shields, 2010; Mann & Dvorak, 2016), how deeply embedded they are in management practices, and how influential they are on employee performance (Kluger & DeNisi, 1996; Stajkovic & Luthans, 2001; Long & Shields, 2010; Hewett & Conway, 2016; Bareket-Bojmel et al., 2017), it is surprising that the accumulated knowledge about verbal rewards in organizational settings has received little attention in management control research.

The literature reviews on verbal rewards that do exist are not based on studies of workplace settings but rather on laboratory experiments where participants are rewarded for trivial tasks, such as sorting a deck of cards, finding hidden names in cartoon faces, making paper cubes, or playing video games (e.g., Deci et al., 1999; Henderlong & Lepper, 2002). These experiments typically involve students or children, representing populations that differ significantly from employees in organiza-

tional contexts. As a result, the findings from these reviews have clear limitations in terms of ecological validity and generalizability to workplace settings (Kunz & Linder, 2012). The individual studies that have examined verbal rewards and performance in workplaces are scattered across various disciplines, including Organizational Behavior, Management, Psychology, and Marketing, which has hindered the development of a consolidated body of scientific knowledge on how verbal rewards impact workplace performance, particularly from a management control perspective. This lack of knowledge is problematic, not least because there are reasons to assume that verbal rewards do not always have positive effects in organizations and that their impact depends on how they are delivered and the context in which they occur (Baumeister et al., 1990; Deci et al., 1999; Hewett & Conway, 2016). Given the emphasis on internal rather than external validity in previous reviews, and the fragmented state of knowledge regarding verbal rewards in workplace settings, existing research on verbal rewards should be synthesized and critically examined. Accordingly, this article reviews empirical studies on the impact of verbal rewards on workplace performance from a management control perspective and proposes a research agenda to guide future investigations.

We develop a theoretical model proposing that the effects of verbal rewards depend on the delivery style and attributes of the verbal rewards, on which mechanisms they activate and on if they are provided in low or high work complexity contexts. The model is examined through a systematic literature review encompassing 22 empirical studies on the relationships between verbal rewards, motivation, direction, and performance in organizational settings. The findings from the review are consistent with the theoretical model in several respects: verbal rewards have a positive effect on performance in most of the studies; the attributes of verbal rewards influence their associations with performance; direction mediates the relationship between verbal rewards and performance; and work complexity moderates the relationship between controlling verbal rewards and autonomous motivation. However, the findings are inconsistent with the model's assumption that the relationship between verbal rewards and controlled motivation weakens in high-complexity work contexts, and overall, the theoretical model requires further testing in additional empirical studies. The article concludes with theoretical implications, implications for management control systems (MCS), and practical implications. A research agenda is proposed, focusing on unresolved questions regarding which types of verbal rewards are most effective, the mechanisms through which they operate, the durability of effects, the conditions that strengthen or weaken the effects, and how different types of rewards interact within the broader reward system.

The remainder of the article is organized as follows: the next section introduces the theoretical framework, including definitions and a theoretical model of how verbal rewards influence performance at workplaces. This is followed by a description of the methodology used for the systematic literature review. The results of the review are then presented, followed by a concluding discussion and a proposed research agenda.

2 Theoretical framework

The section begins by defining the core concepts and offering some commentary on how the concept of verbal rewards, as defined in this article, relates to closely associated terms. This is followed by the development of a theoretical framework explaining how verbal rewards influence performance, in which the core concepts are related to one another. Given that verbal rewards can affect performance in various ways, the framework is limited to the mechanisms (i.e., mediators) that are most commonly associated with rewards in management control research: direction and motivation (Bonner & Sprinkle, 2002; Merchant & Van der Stede, 2023).

2.1 Definitions

The main concepts in the article are verbal rewards and performance. As mentioned in the introduction, verbal rewards are defined as positive oral or written appraisals transmitted from one individual or group to another, conveying a value judgment about performance. Because the article focuses on verbal rewards as controls in hierarchical relationships, the positive appraisals of subordinate employees by superiors are central. As illustrated in Fig. 1, there are different types of rewards. Verbal rewards are non-monetary rewards that belong to the broader category of recognition. Recognition can take various forms, including praise, attention, and demonstrated interest from supervisors (Stajkovic & Luthans, 2001; Peterson & Luthans, 2006). Other non-monetary rewards include tangible items such as thank-you cards, token gifts, and awards (Lourenço, 2016, 2020; Presslee et al., 2023), as well as developmental and structural rewards such as development opportunities, autonomy, and promotions (Lourenço, 2016, 2020; Peterson & Luthans, 2006; Kelly et al., 2017; Presslee et al., 2023; Newman et al., 2024). Consistent with how the concept of praise has been used in some previous studies, it is considered synonymous with verbal rewards (see, for example, Farson, 1963; Earley, 1986; Rice et al., 2009; Lin, 2017).

In some previous studies, the concept of verbal rewards has been used synonymously with positive feedback, and it is a common lay assumption that the two are interchangeable. Therefore, it is essential to clarify how these related concepts are understood in this article. Broadly speaking, the distinction lies in the fact that infor-

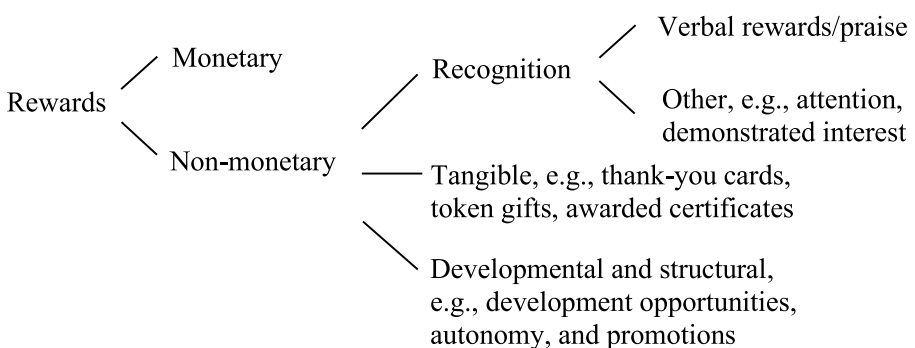


Fig. 1 Different types of rewards

mation about positive performance and rewards for positive performance are two different things. In this context, positive feedback refers to quantitative or qualitative information that employees receive regarding positive past performance (Stajkovic & Luthans, 2001; Peterson & Luthans, 2006). Positive feedback occurs when employees are informed that they have either achieved or approached a desired outcome (outcome feedback), or that they have performed a task correctly or in a more appropriate or effective manner (process feedback) (Kluger & DeNisi, 1996; Stajkovic & Luthans, 2001; Peterson & Luthans, 2006). Such information may be conveyed through various accounting reports, performance measurement systems, or directly by supervisors.

The distinction from verbal rewards lies in the fact that verbal rewards consist of a value judgment communicated by a superior, often, but not necessarily, based on positive feedback. It is not the feedback itself that constitutes the reward, but rather the expression of appreciation or approval. While verbal rewards and positive feedback are often delivered simultaneously, this is not always the case. In some instances, the employee may already be aware of their performance, and the supervisor's verbal reward adds no new information but the value judgement. For example, in academia, a researcher may receive positive feedback from an information system indicating that the criteria for promotion have been met. Later, the department head may offer a verbal reward such as "well done" or "I'm impressed by how quickly you achieved this", based on their own assessment. If the researcher had taken a long time to meet the criteria, the department head might choose not to offer any verbal reward. While this conceptual distinction has not always been made explicit in prior research, it has been incorporated into the design of some studies (see, e.g., Crowell et al., 1988; Stajkovic & Luthans, 2001; Crowell et al., 2011; Lourenço, 2016; Andersen et al., 2018).

Since there is no total clarity about the meaning assigned to different concepts in previous studies, it is necessary to examine how they have been operationalized in each individual study to determine whether they refer to verbal rewards as defined in this article. None of these concepts can be taken at face value. How this issue has been addressed in the search process of the systematic literature review is described in the methodology section.

Performance is defined as the execution or accomplishment of tasks, activities, or functions with a certain level of effectiveness and efficiency. It encompasses both achieved results and positive behavior, meaning behavior in accordance with the rules and procedures of the work unit (see, for example, Jaworski & Kohli, 1991).

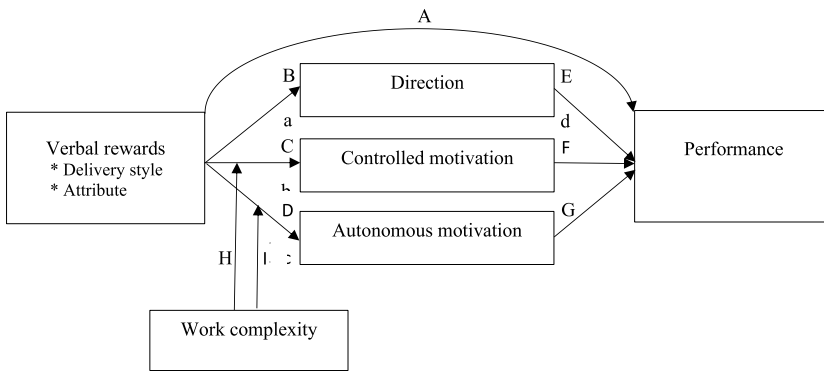
Both direction and motivation are included in this study as core concepts. This is because they are central to management control research and serve as key explanations for how and why controls influence performance (Merchant & Van der Stede, 2023). Direction is defined as an employee's understanding of what the organization expects from them, thereby enabling them to effectively contribute to the achievement of organizational objectives (Merchant & Van der Stede, 2023).

In the definition of motivation, a critical distinction is made between controlled motivation and autonomous motivation (Gagné & Deci, 2005; Deci et al., 2017). Controlled motivation refers to the effort exerted by individuals driven by external pressures or incentives, such as the desire to obtain a reward, avoid punishment, dem-

onstrate competence, enhance self-image, or reduce feelings of anxiety or shame. Employees who are primarily driven by controlled motivation may exert considerable effort, but their engagement is not rooted in the inherent value or interest in the tasks themselves. Rather, it is directed toward achieving an outcome that is extrinsic to the work, such as receiving verbal rewards. Autonomous motivation, by contrast, arises from an individual’s intrinsic interest in or personal valuing of the task at hand. Employees who are autonomously motivated engage in work because they find it meaningful, important, interesting, exciting, or enjoyable.

2.2 Verbal rewards and direction

Figure 2 summarizes the theoretical framework. As noted, the effect of verbal rewards on performance is expected to be mediated by other variables, and identifying these



Explanations of mediating and moderation effects (VR=Verbal rewards):

Link	Relevant theories	Explanation	Expected effect
B x E	Management control theory and goal setting theory.	VR provide direction.	Positive
C x F	Reinforcement theory.	VR are reinforcers.	Positive
	Agency theory and expectancy theory.	VR are incentives.	Positive
	‘License to relax.’	VR reduce effort.	Negative
D x G	Self-determination theory and attribution theory.	Informational VR increase perceived competence, which enhances autonomous motivation; especially if VR are skill/output-based.	Positive
	Self-determination theory and attribution theory.	Controlling VR reduce perceived autonomy, which undermines autonomous motivation. Effort-based VR (especially) reduce perceived competence, which undermines autonomous motivation.	Negative
H	Self-determination theory, management control theory, expectancy theory	Lower expectations and value of VR	Negative moderation
I	Self-determination theory	More autonomy and autonomous motivation to undermine	Negative moderation

Fig. 2 Theoretical model

mediators is essential for developing a well-specified theory (Luft, 2016). This does not imply that research examining the direct effects of verbal rewards on performance (see arrow A, Fig. 2) is unimportant; rather, it underscores the need to explain why such effects occur (Hayes, 2017).

In management control research, a fundamental premise is that organizational effectiveness and performance require that employees possess a clear sense of direction, that is, an understanding of what is expected of them (Locke & Latham, 2002; Merchant & Van der Stede, 2023) (see arrow E, Fig. 2). Consequently, a key purpose of management control tools is to provide direction to employees, with various forms of rewards serving as examples of such tools (Merchant & Van der Stede, 2023; Bonner & Sprinkle, 2002). This reasoning is supported by goal-setting theory, which posits that rewards can reinforce the directive function of goals within organizations (Locke & Latham, 2002, 2013). By linking rewards to specific goals, organizations clarify priorities and guide employee attention and behavior accordingly.

Verbal rewards contribute to direction by attracting employees' attention and by informing and reminding them of organizational priorities, particularly in situations involving multiple goals (Merchant & Van der Stede, 2023). Thus, verbal rewards carry informational value that supports direction (Stajkovic & Luthans, 2001; Merchant & Van der Stede, 2023) (see arrow B, Fig. 2). Practically speaking, it is easy to see that when an employee receives verbal rewards from a supervisor for a particular achievement, they understand that the supervisor wishes to see more of that behavior, an implicit but clear signal of direction.

In summary, and more formally expressed, the reasoning implies that the effect of verbal rewards on performance is mediated by direction, which can be represented as $B \times E$ in Fig. 2.

2.3 Verbal rewards and controlled motivation

The relationship between verbal rewards and controlled motivation is of particular interest, as controlled motivation is an antecedent to performance (Bonner & Sprinkle, 2002; Gagné & Deci, 2005) (see arrow F, Fig. 2). To the extent that verbal rewards influence controlled motivation, they are therefore also likely to affect performance.

There are two explanations for why verbal rewards may increase employees' controlled motivation (see arrow C, Fig. 2). The first stems from reinforcement theory and centers on the idea that verbal rewards reinforce positive behavior and desirable outcomes (ex post), as behaviors that lead to positive consequences are more likely to be repeated (Skinner, 1966; Ilgen et al., 1979). Individuals who receive verbal rewards recognize that they have accomplished something valued, and they may expect tangible rewards if the behavior is repeated (Bandura, 1986; Stajkovic & Luthans, 2001). This implies that the effect of verbal rewards on controlled motivation occurs after the rewards have been delivered.

The second explanation is linked to economic theory, such as agency theory (Eisenhardt, 1989), and rests on the idea that verbal rewards serve as a form of reward that individuals are willing to modify their behavior to obtain, provided they perceive the value of verbal rewards to be higher than the cost of changing their behavior, such as exerting more effort (Ilgen et al., 1979; Stajkovic & Luthans, 2001; Hewett

& Conway, 2016). The opportunity to receive verbal rewards serves as an incentive that individuals consider in advance (*ex ante*) when determining how much effort they are willing to exert.

Expectancy theory (Lawler & Suttle, 1973; Ronen & Livingstone, 1975) offers an extension to the explanation by specifying when rewards generate controlled motivation. First, they must have positive valence for employees, which they may possess for various reasons. They may be attractive because individuals have learned that they are followed by other positive consequences at a later stage (Bandura, 1986; Stajkovic & Luthans, 2001; Peterson & Luthans, 2006). They may be intrinsically attractive, leading to pride and an enhanced reputation (Festinger, 1954; Webster et al., 2003), especially if provided publicly (Kosfeld & Neckermann, 2011; Lourenço, 2016), or they may create well-being in the recipient by influencing the brain's reward center (Spreckelmeyer et al., 2009; Albrecht et al., 2014). Second, employees must expect they can perform at a level that warrants verbal rewards, that their efforts will be noticed, and that this recognition will lead to receiving the expected rewards.

What challenges the two explanations above and supports the notion that verbal rewards may reduce employees' controlled motivation is the idea that such rewards signal to recipients that they have already met or even exceeded expectations. This may suggest that continued high effort is no longer necessary (Ilgen et al., 1979; Baumeister et al., 1990). In this sense, even if unintended, verbal rewards may be perceived as a 'license to relax' (Jaworski & Kohli, 1991). For this to occur, recipients must perceive that verbal rewards are not sufficiently attractive to justify maintaining their previous level of effort.

Taken together, this reasoning suggests that verbal rewards can both reinforce and incentivize controlled motivation. For them to function as incentives rather than as signals of overperformance, employees must find them attractive, expect that they can perform well enough to earn them, and believe that their supervisors will recognize their performance and provide verbal rewards accordingly. Formally expressed, the relationship between verbal rewards and performance is mediated by controlled motivation, which is represented as $C \times F$ in Fig. 2.

2.4 Verbal rewards and autonomous motivation

The extent to which verbal rewards influence autonomous motivation is an important area of inquiry, as autonomous motivation is considered an antecedent to performance in organizational settings (see arrow G, Fig. 2). In addition to its positive impact on long-term performance, particularly in workplaces that require creativity, cognitive flexibility, and deep information processing, it also contributes to workplace health and well-being (Gagné & Deci, 2005; Deci et al., 2017). To the extent that verbal rewards affect employees' autonomous motivation, it is therefore reasonable to assume that this influence will carry over to their performance.

The most established theory explaining how verbal rewards affect autonomous motivation is Self-Determination Theory (SDT) (Gagné & Deci, 2005; Deci et al., 2017). SDT explains why verbal rewards can both enhance and undermine recipients' autonomous motivation (see arrow D, Fig. 2). The theory posits that the degree to which employees are autonomously motivated depends on how much they have

internalized their work tasks, that is, the extent to which they have embraced the values, attitudes, and regulations underlying those tasks. A crucial factor in this internalization process is individuals' perceived competence in handling the tasks. Therefore, to the extent that verbal rewards enhance employees' sense of competence, they can foster autonomous motivation and, in turn, lead to improved performance.

According to Deci et al. (1999), the likelihood of this occurring increases when the delivery style is informational, that is, when verbal rewards are provided in a manner that highlights the interesting or challenging aspects of the task and offers clear information about what has been accomplished. Deci et al.'s description of informational verbal rewards suggests that they adopt a broader definition of verbal rewards than the one used in the present study. Their definition also encompasses other forms of recognition and positive feedback. However, this does not preclude the possibility that verbal rewards, as defined here, can enhance employees' sense of competence. Receiving confirmation from a supervisor that one's work has been positively evaluated is likely to make many employees feel more competent (Farson, 1963).

The explanation for when verbal rewards influence employees' perceived competence can be further specified using attribution theory (Heider, 1958; Kelley, 1967, 1973). This theory suggests that individuals actively seek causes for their successes and failures by attributing these events to specific factors. These attributions shape how they interpret their experiences and what they learn, which in turn affects future motivation and behavior. The impact of verbal rewards thus depends on the attributions employees make when receiving them, which is partly determined by the explicit attributes communicated with the reward (Henderlong & Lepper, 2002). Of particular interest here is that employees who receive verbal rewards where the explicit attribute is skill, that is, when a manager explicitly states that the reward is due to the recipient's abilities, will attribute the reward to their competence (Koestner et al., 1987; Henderlong & Lepper, 2002). A similar effect may occur when verbal rewards are given with explicit reference to output, at least in contexts where strong output cannot be achieved without skill (Siverbo, 2023). Based on SDT and attribution theory, the overall explanation for why verbal rewards strengthen employees' autonomous motivation is that they increase perceived competence; especially when the verbal rewards include explicit attributions to skill or output.

SDT also predicts that verbal rewards can undermine employees' autonomous motivation, which in turn has a negative impact on their performance. This is because autonomous motivation requires a certain degree of autonomy in task execution, and verbal rewards can undermine this sense of autonomy, especially when the delivery style is controlling (Deci et al., 1999). What distinguishes controlling verbal rewards is that they "make people feel pressured to think, feel, or behave in particular ways", thereby restricting their freedom to act differently in the future (Deci et al., 2017, p. 32). This can occur when employees perceive verbal rewards as contingent on good performance and begin engaging in specific behaviors primarily to obtain such rewards, which means that they are controlled motivated rather than autonomously motivated (Deci et al., 1999; Hewett & Conway, 2016). As a result, their focus shifts from the task itself to the reward, which undermines autonomous motivation (Deci et al., 2001). Controlling verbal rewards may also be perceived as an attempt to reinforce and direct employees' behavior, for example, through statements such as

“Excellent, you should keep up the good work” (Deci et al., 1999, p. 629). This creates pressure to maintain high performance and shifts the underlying motivation from “I want to” to “I have to”, thereby reducing employees’ sense of autonomy (Deci & Ryan, 1985).

The undermining of autonomous motivation occurs because the negative effect of controlling verbal rewards on perceived autonomy outweighs the positive effect of verbal rewards increasing perceived competence (Deci et al., 1999; Henderlong & Lepper, 2002). However, it is not certain that undermining autonomous motivation leads to poorer performance. As mentioned, controlling verbal rewards may simultaneously increase controlled motivation, which, when considered together, may result in a positive net effect on performance (Gagné & Deci, 2005).

The prediction of an undermining effect of controlling verbal rewards can be further qualified by attribution theory. The explanation is that verbal rewards can have a paradoxical effect on the recipient’s perceived competence, making them feel less competent (Meyer, 1992). The reason is that recipients make unexpected attributions. They may have been socialized into a belief that verbal rewards are something given for effort, not skill. When individuals receive verbal rewards, they attribute them to effort rather than skill, which may be detrimental to their perceived competence because the more competent you are, the less effort you need to put into a task (Meyer, 1992). Since a sense of competence deficiency is disadvantageous for autonomous motivation, the paradoxical effect, in line with SDT, is that verbal rewards can result in poorer performance. The risk of paradoxical effects is particularly high when verbal rewards are given with explicit reference to the employee’s effort, known as effort-based verbal rewards (Koestner et al., 1987; Henderlong & Lepper, 2002).

In summary, SDT and attribution theory show that the impact of verbal rewards on employees’ autonomous motivation (arrow D, Fig. 2) can be both positive and negative depending on how they affect perceived competence and autonomy. The influence they have on autonomous motivation is then carried over to employees’ performance. This means, formally expressed, that the effect of verbal rewards on performance is mediated by autonomous motivation, which can be represented as $D \times G$ in Fig. 2.

2.5 Work complexity as moderator

According to SDT (Gagné & Deci, 2005), management control research on rewards (Bonner & Sprinkle, 2002) and expectancy theory (Lawler & Suttle, 1973; Ronen & Livingstone, 1975), work complexity affects the impact of verbal rewards on motivation and performance in two distinct ways. First, by weakening the effect of verbal rewards on employees’ controlled motivation (cf. Bonner & Sprinkle, 2002) (see arrow H, Fig. 2). One reason for this is that work complexity influences employees’ expectations that their efforts will lead to outcomes recognized by their supervisors through verbal rewards. Work complexity makes it more difficult for managers to give predictable and genuine verbal rewards. Another reason is that the value of verbal rewards tends to be lower for professional employees.

Second, work complexity is expected to amplify the undermining effect of verbal rewards on employees’ autonomous motivation (see arrow I, Fig. 2). Professional

employees working with complex tasks are often highly autonomously motivated, meaning there is a substantial degree of autonomous motivation that can be diminished (Stajkovic & Luthans, 2001; Bonner & Sprinkle, 2002; Weibel et al., 2010; Hewett & Conway, 2016). Additionally, as professionals, they may be particularly sensitive to control mechanisms that restrict their autonomy, which can occur if the delivery style of verbal rewards is controlling (Gagné & Deci, 2005; see also Bozeman, 1993).

Taken together, these factors suggest that verbal rewards may have different effects on motivation and performance depending on work complexity. In other words, the effect of verbal rewards on motivation (controlled and autonomous) and performance is moderated by work complexity.

In summary, Fig. 2 illustrates how the effect of verbal rewards on performance is mediated by direction, controlled motivation, and autonomous motivation and how the mediation of controlled and autonomous motivation is moderated by work complexity. The impact of verbal rewards is assumed to depend on the extent to which they are provided in a controlling delivery style and their attributes. The framework requires empirical testing and refinement through studies on verbal rewards in hierarchical workplace relationships. The key question is which relationships in the framework are empirically supported, which are refuted, and which remain untested, making them particularly relevant for future research. Although the framework is developed for verbal rewards from a management control perspective, and the sections concerning attributes and delivery styles are quite specific to verbal rewards, the framework is largely applicable to all types of rewards in hierarchical relationships within organizations. It should be noted, however, that monetary rewards carry a greater risk of undermining autonomous motivation (Deci et al., 1999).

3 Method

To fulfill the aim of the article, a systematic literature review with narrative analysis was conducted.

3.1 Literature search

The work began with a scoping study aimed at providing insight into the area and identifying keywords (Tranfield et al., 2003). It resulted in several insights and keywords related to verbal rewards, performance, motivation, and direction (see row 1 and 2, Table 1). It also revealed that much research on verbal rewards and performance is general or pertains to contexts other than workplaces, primarily education. Therefore, additional keywords related to workplaces were introduced as inclusion criteria (see row 3, Table 1).

The systematic literature search was conducted in March 2025 using the Web of Science database. Web of Science covers multiple disciplines, which was essential given that verbal rewards in the workplace have been studied across various fields. The database primarily indexes peer-reviewed, high-quality journals, making it suitable for systematic literature reviews, where it is common practice to exclude arti-

Table 1 Search terms

1	Inclusion (AND)	“verbal reward*” OR “social recognition” OR praise OR “social reward*” OR “non-financial reward*” OR “non-financial incentive*” OR “nonfinancial reward*” OR “nonfinancial incentive*” OR “positive feedback” OR “supervisory feedback”
2	Inclusion (AND)	performance OR outcome* OR behavior OR motivation OR direction OR “role clarity” OR “role ambiguity” OR complacency OR Self-satisfaction OR Contentment OR Smugness OR Self-approval
3	Inclusion (AND)	workplace* OR “work environment*” OR organization* OR compan* OR manage* OR business*

cles published in low-quality journals (Tranfield et al., 2003). The inclusion criteria required that publications be within the research areas of Business Economics, Psychology, or Sociology and be written in English. No restrictions were placed on publication year or document type, except that editorial materials, retracted publications, letters, news items, data papers, database reviews, items about individuals, meeting abstracts, and notes were excluded.

The search yielded 1,296 results. The review of the results was conducted in three stages. In the first stage, titles were examined. A total of 1,074 publications were excluded, and 222 were retained. Common reasons for exclusion included the publication clearly addressing a different topic ($n=708$), not being related to workplaces ($n=272$), not focusing on the effects of verbal rewards linked to performance, motivation, or direction ($n=70$), and other reasons¹ ($n=24$). If the information in the title was insufficient for exclusion, the publication was moved to stage 2.

In the second stage, abstracts were reviewed, resulting in the exclusion of 139 publications, leaving 83. Common reasons for exclusion included the publication not addressing verbal rewards as defined in this article ($n=48$), not discussing the effects of verbal rewards linked to performance, motivation, or direction ($n=44$), not being related to workplaces ($n=19$), and other reasons² ($n=28$). If the abstract was missing or the information was insufficient, the publication was moved to stage 3.

In this last step, articles were analyzed in their entirety. This led to the exclusion of 61 publications and the retention of 22. The predominant reason for exclusion in stage 3 was that the studies focused on other types of recognition, positive feedback, or unrelated topics rather than verbal rewards ($n=45$). Other reasons for exclusion were that the articles were based on laboratory experiments ($n=8$), did not address the effects of verbal rewards ($n=5$), or were inaccessible ($n=3$). Basic information about the 22 retained publications is presented in Tables 2, 3 and 4

Although the literature search process was designed, as far as possible, to capture only publications addressing verbal rewards as defined in this article, the absence of an established definition of verbal rewards, and the practical difficulty of clearly distinguishing them from positive feedback, meant that full construct consistency may not have been maintained across all included studies.

¹Other reasons: Not verbal rewards in hierarchical relationships (13); Verbal rewards are dependent variable (5); Not verbal rewards as defined in this article (5); Lab experiment (1).

²Other reasons: Clearly addressing a different topic (10); Not verbal rewards in hierarchical relationships (7); Lab experiment (8); Verbal rewards are dependent variable (3).

Table 2 Verbal rewards and performance in field experiments

Id	Author(s)	Year	Title	Journal	Relationships	Effect, Cohen's d	Size ^a n=	Study context	Complexity	Participants	Controlling
1A	Earley, study A	1986	Trust, perceived importance of praise and criticism, and work performance: An examination of feedback in the United States and England	Journal of Management	Output-based verbal rewards→Administrative performance (US case) Output-based verbal rewards→Administrative performance (England case)	7.07 3.51	L L	Manufacturing	Low	Manager trainees	Unclear
2	Peterson & Luthans	2006	The impact of financial and non-financial incentives on business-unit outcomes over time	Journal of Applied Psychology	Output-based verbal rewards→Gross profits Output-based verbal rewards→ Drive-through time Output-based verbal rewards→ Staff turnover	0.87 ^b -0.60 ^b -0.26 ^b	L M S	Restaurants	Low	Employees	Controlling
3	Crowell, Hantula & McArthur	2011	From Job Analysis to Performance Management: A Synergistic Rapprochement to Organizational Effectiveness	Journal of Organizational Behavior Management	Output-based verbal rewards→ Customer satisfaction	No effect	N	Private service sector	Low	Employees	Unclear

Table 2 (continued)

Id	Author(s)	Year	Title	Journal	Relationships	Effect, Cohen's d	Size ^a n=	Study context	Complexity	Participants	Controlling
4	Handgraaf, de Juede & Appelt	2013	Public praise vs. private pay: Effects of rewards on energy conservation in the workplace	Ecological Economics	Output-based verbal rewards (public)→ Energy savings Output-based verbal rewards (private)→ Energy savings	1.08 ^b 0.80 ^b	L L	Consultancy industry	Low	Employees	Unclear
5	Crowell, Anderson, Abel & Sergio	1988	Task clarification, performance feedback, and social praise: Procedures for improving the customer service of bank tellers	Journal of Applied Behavior Analysis	Behavior-based verbal rewards→ Behavioral performance (Phase 1) Behavior-based verbal rewards→ Behavioral performance (Phase 2)	2.34 1.18	L L	Bank service	Low	Bank tellers	Controlling
6	Waldersee & Luthans	1994	The Impact of Positive and Constructive Feedback on Customer Service Performance	Journal of Organizational Behavior	Behavior-based verbal rewards→ Overall performance	No effect	N 111	Restaurants	Low	Employees	Unclear

Table 2 (continued)

Id	Author(s)	Year	Title	Journal	Relationships	Effect, Cohen's d	Size ^a n=	Study context	Complexity	Participants	Controlling
7	Stajkovic & Luthans	2001	Differential effects of incentive motivators on work performance	Academy of Management Journal	Behavior-based verbal rewards → Work productivity	0.34	S 182	Financial services	Low	Employees	Controlling
8	Luthans, Rhee, Luthans & Avey	2008	Impact of behavioral performance management in a Korean application	Leadership & Organization Development Journal	Behavior-based verbal rewards → Overall performance Behavior-based verbal rewards → Service quality Behavior-based verbal rewards → Service quantity	0.34	S 133	IT services	Low	Employees	Controlling
9	Rice, Austin & Gravina	2009	Increasing customer service behaviors using manager-delivered task clarification and social praise	Journal of Applied Behavior Analysis	Behavior-based verbal rewards → Correct greetings Behavior-based verbal rewards → Correct closings	4.09 ^c	L 17	Grocery store	Low	Workers	Unclear

Table 2 (continued)

Id	Author(s)	Year	Title	Journal	Relationships	Effect, Size ^a	n=	Study context	Complexity	Participants	Controlling
10	Wiesman	2006	The Effects of Performance Feedback and Social Reinforcement on Up Selling at Fast Food Restaurants	Journal of Organizational Behavior Management	Output- and behavior-based verbal rewards→ Positive behavior (Restaurant 1) Output- and behavior-based verbal rewards→ Positive behavior (Restaurant 2)	1.45 0.84	L L	30 30	Low Low	Employees Employees	Unclear Unclear
11	Loewy & Bailey	2007	The Effects of Graphic Feedback, Goal Setting, and Manager Praise on Customer Service Behaviors	Journal of Organizational Behavior Management	Output- and behavior-based verbal rewards→ Greeting, Eye contact, Smiling	No effect	N	300	Low	Employees	Unclear
12	Bareket-Bojmel, Hochman & Ariely	2017	It's (not) all about the Jacks: Testing different types of short-term bonuses in the field	Journal of Management	Output- and behavior (effort) based verbal rewards→ Productivity	6.6% ^d	n.a	156	Low	Employees	Unclear

^aCohen's d: S > 0.2, M > 0.5, L > 0.8, N = No/negligible effect; ^bReported effect is not solely due to the verbal rewards but also positive feedback; ^cThe effect also includes the influence of task clarification; ^dCohen's d could not be calculated

Table 3 Verbal rewards and performance in survey research

Id	Author(s)	Year	Title	Journal	Relationships	Association, Std. Beta coeff.	Size ^a n=	Study context	Com- plexity	Participants	Controlling
13	Jaworski & Kohli	1991	Supervisory Feedback: Journal of Alternative Types and Marketing Their Impact on Sales-Research people's Performance and Satisfaction	Journal of Marketing Research	Output-based verbal rewards → Output performance (Total association) Output-based verbal rewards → Output performance (Direct association) Output-based verbal rewards → Output role clarity → Output performance Behavior-based verbal rewards → Output performance Behavior-based verbal rewards → Output performance (Total association) Behavior-based verbal rewards → Behavioral performance → Output performance Behavior-based verbal rewards → Behavioral role clarity → Behavioral performance → Output performance	0.24 0.20 0.23 × 0.16 = 0.04 0.11 0.21 × 0.46 = 0.097 0.15 × 0.26 × 0.46 = 0.018	S S S	150 241	Low Low	Salespersons Salespersons	Unclear Unclear
14	Chakrabarty, Oubre & Brown	2008	The impact of supervisory adaptive selling and supervisory feedback on salesperson performance	Industrial Marketing Management	Output-based verbal rewards → Output performance Behavior-based verbal rewards × Supervisor Adaptive Selling → Output performance	0.26 0.26	S	241	Low	Industrial sales	Salespersons Unclear

Table 3 (continued)

Id	Author(s)	Year	Title	Journal	Relationships	Association, Std. Beta coeff.	Size ^a n=	Study context	Com- plexity	Participants	Controlling
15	Lin	2017	Praise sales personnel for talent or effort? Person versus process-ness & focused feedback, goal orientation and performance	Journal of Business & Industrial Marketing	Skill-based verbal rewards → Outcome-based performance (Total association (bivariate correlation)) Skill-based verbal rewards → Performance-prove goal orientation → Outcome-based performance Effort-based verbal rewards → Outcome based performance (Total association (bivariate correlation)) Effort-based verbal rewards → Learning goal orientation → Behavior-based performance → Outcome based performance	0.29 0.32 × 0.30 = 0.1 0.09 0.2 × 0.22 × 0.52 = 0.02	S N	Private sector (cross-sectional)	Low	Salespeople	Unclear

Table 3 (continued)

Id	Author(s)	Year	Title	Journal	Relationships	Association, Std. Beta coeff.	Size ^a n=	Study context	Com- plexity	Participants	Controlling
16	Su & Xiao	2022	Supervisor positive feedback and employee performance: Promotion focus as a mediator	Social Behavior and Personality: An international journal,	Output- and behavior-based verbal rewards→ In-role performance (Total association) Output- and behavior-based verbal rewards→ In-role performance Output- and behavior-based verbal rewards→ Promotion focus→ In-role performance Output- and behavior-based verbal rewards→ Extra-role performance (Total association) Output- and behavior-based verbal rewards→ Extra-role performance Output- and behavior-based verbal rewards→ Promotion focus→ Extra-role performance	0.40 0.35 $0.22 \times 0.24 = 0.05$ 0.25 0.11 $0.22 \times 0.47 = 0.14$	M 473	Manufacturing	Low	Employees	Unclear

Table 3 (continued)

Id	Author(s)	Year	Title	Journal	Relationships	Association, Std. Beta coeff.	Size ^a n=	Study context	Com- plexity	Participants	Controlling
17	Su & Jiang	2023	Positive feedback, feedback seeking and performance; Feedback orientation as a moderator	Social Behavior and Personality: An international journal	Output- and behavior-based verbal rewards → Performance (Total effect) Output- and behavior-based verbal rewards → Performance	0.36 0.23	M 368	Manu- facturing	Low	Employees	Unclear
18	Earley, Do- brostel- ska	1986 2019	Trust, perceived importance of praise and criticism, and work performance: An examination of feedback in the United States and England Feedback-seeking culture moderates the relationship between positive feedback and task performance	Journal of Management Current Psychology	Unspecified verbal rewards (frequency) → Overall performance Unspecified verbal rewards → Task performance Unspecified verbal rewards × Feedback-seeking culture → Task performance	0.42 0.30 0.04	M 289	Manu- facturing Cross- sectional	Low Variable	Employees	Unclear Unclear

^aCohen's d : $S > 0.1$, $M > 0.3$, $L > 0.5$, $N = \text{No/negligible association}$

Table 4 Verbal rewards and motivation in survey research

Id	Author(s)	Year	Title	Journal	Relationships	Association, Std. Beta coeff.	Size ^a	n=	Study context	Complexity	Participants	Controlling
19	Hewett & Conway	2016	The undermining effect revisited: The salience of everyday verbal rewards and self-determined motivation	Journal of Organizational Behavior	Verbal reward salience→ Introjected motivation (controlled motivation) Verbal reward salience→ External motivation (controlled motivation) Verbal reward salience × Task complexity→ External motivation (controlled motivation) Verbal reward salience × Task complexity→ External motivation (controlled motivation) Verbal reward salience × Task complexity→ Intrinsic motivation (autonomous motivation) Verbal reward salience × Task complexity→ Identified motivation (autonomous motivation)	0.13 0.23 0.13 -0.17 -0.13	S S	58	Diversified public company	Variable	Employees	Controlling

Table 4 (continued)

Id	Author(s)	Year	Title	Journal	Relationships	Association, Std. Beta coeff.	Size ^a n=	Study context	Complexity	Participants	Controlling
20	Siverbo	2023	Verbal rewards and public managers' autonomous motivation	Financial Accountability & Management	Skill/output-based verbal rewards → Autonomous motivation (Total association) Skill/output-based verbal rewards → Autonomous motivation (Direct association) Skill/output-based verbal rewards → Autonomous motivation	0.25 0.15 $0.32 \times 0.33 = 0.10$	S S	Public sector	High	Managers	Controlling/ unclear (see append.)
					Performance-contingent verbal rewards → Basic needs satisfaction → Autonomous motivation Verbal reward frequency → Autonomous motivation	$-0.18 \times 0.33 = -0.06$ -0.12	N S				

3.2 Narrative analysis and coding

The 22 articles were not suitable for meta-analysis due to insufficient homogeneity in the research designs, the verbal rewards under study, and the dependent variables, a common challenge in management studies (Tranfield et al., 2003; Bryman & Bell, 2011; Snyder, 2019). The dataset included both field experiments and survey studies, various types of verbal rewards (delivery style, attributes), and different dimensions of performance (output, behavior). In some studies, only motivation or a similar concept served as the dependent variable. Therefore, a qualitative narrative analysis of the articles was conducted, as presented in textual form (Tranfield et al., 2003; Denscombe, 2014). Narrative analysis is appropriate when the studied phenomenon has been conceptualized in various ways, multiple themes are of interest, and there is a desire to create a research agenda (Snyder, 2019).

The narrative analysis was supported by the classification of the included publications in three respects during a coding process (see Tables 2, 3 and 4). The coding was carried out by two researchers independently, after which discrepancies in assessments were discussed in a subsequent meeting until consensus was reached. Two classifications concerned attributes and delivery style of the verbal rewards, and one concerned the context. The coding of each individual study is presented in Appendix 1.

First, the studies were classified based on which attributes the verbal rewards had in the study. They were coded as output-based, behavior-based (sometimes further specified as skill-based or effort-based), and output *and* behavior-based. Output-based refers to verbal rewards that are given with an explicit attribution related to the outcome of the recipient's behavior (i.e., the output). Behavior-based refers to verbal rewards that are attributed to the recipient's observed behavior. For this coding, information in the included studies was mostly complete. However, in two studies, other attributes were used, and two studies lacked clear descriptions of attributes and were therefore coded as unspecified. This coding is important because the attributes may carry different valences and exert varying influences on the recipient's autonomous motivation by affecting perceived competence in distinct ways.

Second, the verbal rewards were coded in terms of whether they were given with a controlling delivery style. This coding encountered challenges, particularly in the survey studies, where this was difficult to determine. However, in some cases (four field experiments and two survey studies), it was possible to determine that the verbal rewards were controlling. As a result, six studies were coded as controlling.

Third, the studies were coded as either low or high work complexity. Although the studies cover a range of contexts, only one study was coded as high work complexity. In one study, the sample included variation in work complexity, while in another, work complexity was measured as a continuous variable and used in a moderation analysis.

The classification of effect sizes or strength of associations was done in the categories of small, medium, and large. For the field experiments, Cohen's *d* was used, where 0.2 = small, 0.5 = medium, and 0.8 = large. For the survey studies, the standardized beta coefficient was used, where 0.1 = small, 0.3 = medium, and 0.5 = large.

The presentation of results begins with the twelve field experiments, as these studies offer stronger internal validity and provide a solid basis for drawing causal conclusions, albeit with clear limitations in external validity. This is followed by the findings from the eleven survey studies, which are stronger in terms of generalizability and allow for testing more complex models, though they cannot establish causality. First, the seven studies where performance is the dependent variable are presented, followed by four studies where motivation is the dependent variable. The results are further structured based on the attributes of verbal rewards. The decision to use attributes as the organizing principle was because they were the most reliably coded aspect of verbal rewards. The studies that were most similar with respect to the verbal reward attribute are described together. Any mixed findings are commented on, and results that deviate from theoretical assumptions and dominant findings are discussed. Summaries with narrative analysis and reflections are provided after each of the three subsections.

4 Results

4.1 Descriptive information

Descriptive information about the publications is presented in Tables 2, 3 and 4. The first empirical study on verbal rewards was published in 1986. Between 1986 and March 2025, an average of 0.55 studies per year were published. Eleven articles are based on field experiments, ten on surveys, and one on a combination of both methods. The average number of participants in the field experiments is 137, while the survey studies have an average of 270 respondents. In all but two cases, the participants or respondents were first-line employees. Tables 2, 3 and 4 presents effect sizes and associations between different types of verbal rewards and different dependent variables. When applicable, mediation and moderation results are reported. Seven studies tested theoretical models with mediating variables, while three incorporated moderators.

4.2 Effects of verbal rewards on performance in field experiments

The predominant finding in the 12 field experiments is that verbal rewards positively affect performance in workplace settings (see Table 2). The effect of various types of verbal rewards on different dimensions of performance was tested 21 times. Cohen's d could be calculated for 20 of these effects to estimate effect size. Based on Cohen's d thresholds, 11 effects were large, 1 was medium, 5 were small, and 3 were negligible. In the study where Cohen's d could not be calculated, a productivity increase of 6.6% was reported. No field experiment showed a negative effect.

The following presentation first examines the four field experiments investigating the effects of output-based verbal rewards, followed by the five experiments on behavior-based verbal rewards, and finally, the three experiments that studied combinations of output- and behavior-based verbal rewards.

4.2.1 Output-based verbal rewards

In three of the field experiments, output-based verbal rewards had a large effect on various dimensions of performance. First, in a field experiment conducted by Earley (1986, Study A) at a multinational company operating in England and the USA, a group of managerial trainees performed better after receiving verbal rewards for their output while completing administrative tasks. The study found that the experimental group significantly outperformed the control group, whose members did not receive verbal rewards.

Second, Peterson and Luthans (2006) conducted an experiment in 21 fast-food restaurants employing low-wage workers with high turnover rates. In six of the restaurants, employees were given positive feedback and controlling output-based verbal rewards, both individually and collectively, over a nine-month period. The verbal rewards were based on performance indicators, such as drive-through time, and were delivered using a controlling delivery style, as they conveyed an implicit message to maintain the current level of performance and were contingent on good unit performance. The results showed that the verbal rewards, combined with positive feedback, led to improvements in profitability, customer service, and staff turnover at the unit (restaurant) level. Performance increased steadily throughout the nine-month duration of the field experiment. However, it is important to note that it was not possible to determine how much of the observed effects were due to the feedback and how much were caused by the verbal rewards.

Third, Handgraaf et al. (2013) investigated whether output-based verbal rewards could encourage employees to conserve energy. Over a three-week period, employees in two experimental groups received feedback on how much energy they had saved, followed by either private or public written verbal rewards (in the form of a “great”) if their performance was strong. Both groups, but especially those who received public verbal rewards, took greater responsibility for energy conservation compared to the control group. These differences persisted eight weeks after the verbal rewards were discontinued. However, the field experiment had the same limitation as Peterson and Luthans (2006) study, in that the control group did not receive feedback. This means that the individual effects of feedback and verbal rewards could not be disentangled in the experiment.

In contrast, Crowell et al. (2011) found no evidence that output-based verbal rewards for service technicians improved customer satisfaction. The study examined whether verbal rewards delivered through weekly phone calls to household appliance repair technicians influenced their behavior, resulting in a higher percentage of satisfied customers. However, customer satisfaction did not significantly increase when managers introduced verbal rewards, nor did it decline when the rewards were discontinued. It is difficult to determine with certainty why the verbal rewards did not produce the intended effect, and Crowell et al. (2011) did not discuss possible reasons. One speculation is that the value of the verbal rewards was diminished by the fact that they were delivered via telephone. Naturally, it was also challenging for the researchers to assess the emphasis with which supervisors delivered the verbal rewards during the weekly calls, and whether they actually did so consistently.

4.2.2 Behavior-based verbal rewards

Among the five experiments examining the effects of behavior-based verbal rewards, two demonstrated large effects. First, in a field experiment with bank personnel, Crowell et al. (1988) found that customer-oriented behavior among service staff improved significantly when they received controlling behavior-based verbal rewards. Since managers emphasized that they expected the same or even better behavior in the future when delivering the verbal rewards, the rewards were considered controlling. The experiment was conducted in two phases, each consisting of a period with feedback alone and a period with both feedback and verbal rewards. This design made it possible to determine that the verbal rewards had a substantial independent effect on behavior in both phases, beyond the improvements generated by feedback alone, and that customer-oriented behavior deteriorated again when the verbal rewards were discontinued.

Second, in a similar experiment, Rice et al. (2009) investigated how behavior-based verbal rewards combined with task clarification influenced customer service behavior in a grocery store. The study found that this combination significantly improved employees' behavior regarding greetings and closings and the behavior persisted even after verbal rewards were removed. However, it was not possible to determine the magnitude of the individual effects of task clarification and verbal rewards.

Additionally, two experiments showed smaller but still significant effects of behavior-based verbal rewards. In the financial services sector, Stajkovic and Luthans (2001) examined the impact of controlling behavior-based verbal rewards from managers, given for adherence to specific work instructions. The verbal rewards were controlling because they contained an implicit message to maintain the current level of performance. The results demonstrated a significant increase in productivity compared to baseline. Similarly, Luthans et al. (2008) conducted an experiment with employees at a Korean broadband and data communication company. The results showed that employees who received controlling behavior-based verbal rewards performed both quantitatively and qualitatively better than those in the control group. The verbal rewards were controlling because they conveyed an implicit message to maintain the current level of performance.

Contrary to these findings, one field experiment found no significant positive effects of behavior-based verbal rewards on performance. Waldersee and Luthans (1994) examined restaurant employees who received written verbal rewards based on correct behavior. The study found no improvement in the experimental group's behavior. However, the control group's behavior improved over time, possibly because they were aware of being observed. Since the experimental group did not experience a similar positive effect, the authors suggested that the verbal rewards may have had a counteracting effect, supporting the idea that verbal rewards can sometimes be detrimental to performance. They argued that their results opened up more complex explanations for the effects of verbal rewards than simply viewing them as reinforcers or incentives. They noted that the group receiving verbal rewards expressed greater dissatisfaction with their supervisors, which combined with the

written and standardized way the rewards were delivered, may help explain the absence of positive effects.

4.2.3 Output- and behavior-based verbal rewards

Finally, three field experiments examined the effects of verbal rewards that incorporated references to both output *and* behavior. First, in a field experiment by Wiesman (2006), output- *and* behavior-based verbal rewards were given to restaurant staff when they achieved an upselling goal. Staff received verbal rewards when the number of upsizing requests increased or remained at or above 80%, and when managers observed them demonstrating correct behavior, that is, asking customers if they wanted to upsize their orders. The verbal rewards had substantial effects, as employees proactively offered customers the option to upsize their orders.

Second, Bareket-Bojmel et al. (2017) conducted an experiment with high-performing employees in a computer chip manufacturing setting. Employees in the experimental group received written output- *and* behavior-based verbal rewards in the form of a message containing both commendation and gratitude for their work the previous day. These employees improved their productivity by 6.6% compared to baseline. When the verbal rewards were withdrawn, productivity returned to baseline levels.

Third, and differing from the other two, an experiment by Loewy and Bailey (2007) found that output- *and* behavior-based verbal rewards did not influence the customer orientation of store personnel in a home improvement store. In this study, written output-based verbal rewards were given collectively when performance goals were met, with the word “awesome” displayed on a performance report visible to all staff. Oral behavior-based verbal rewards were provided individually, as managers verbally acknowledged employees who demonstrated recommended customer service behaviors. The researchers suggested that the lack of effect could be due to infrequent behavior-based verbal rewards or the possibility that not all deserving employees received them.

4.2.4 Controlling delivery style

As mentioned, the effects of controlling verbal rewards were examined in four field experiments (Peterson & Luthans, 2006; Crowell et al., 1988; Stajkovic & Luthans, 2001; Luthans et al., 2008). In all these cases, the effects were positive, ranging from small to large. Thus, there is no evidence to suggest that controlling verbal rewards undermine employees’ autonomous motivation to such an extent that the overall effect on performance becomes negative. Moreover, the effects of controlling verbal rewards do not appear to differ significantly from those of verbal rewards in the other field experiments. However, no field experiments have systematically compared controlling and non-controlling verbal rewards, leaving it unclear which delivery style has the strongest effect on performance.

4.2.5 Reflections

The first reflection is that the field experiments demonstrate that verbal rewards generally have a positive impact on behavior and outcomes. This is an important finding and a strong argument for the use of verbal rewards in the workplace. At the same time, it is important to note that three studies did not find a positive effect. The reasons are unclear, but it should be noted that in the first study, the verbal rewards were delivered by phone; in the second, they were written and standardized in a way that created dissatisfaction with the supervisor; and in the third study, they were both written, based on collective performance, and verbal, but delivered in an unsystematic manner. However, it is unlikely that the explanation lies solely in the ineffective delivery of the verbal rewards, and it should be noted that written verbal rewards in other studies did not prevent positive effects. It cannot be ruled out that the explanation lies in variations across the experiments regarding how verbal rewards were implemented in practice (variations that are not fully transparent) or in other difficulties related to delineating verbal rewards, which is connected to the following point.

A second reflection is that effect sizes tend to be large when the interventions in the field experiments include not only verbal rewards but also positive feedback or task clarification. It is reasonable to expect stronger effects when interventions involve multiple influencing factors, but it is difficult to determine the extent to which verbal rewards specifically contribute to the observed effects. What supports the idea that verbal rewards contribute to the effects is that other studies, where the effect of verbal rewards is isolated, show that they do have an effect.

A third reflection is that the field experiments provide limited insights into the importance of attributes and delivery style of the verbal rewards. Regardless of whether verbal rewards are output-based, behavior-based, or a combination of both, they can have large effects on performance, or no effect at all. Furthermore, no definitive conclusions can be drawn regarding controlling verbal rewards, as the field experiments were not explicitly designed to compare different delivery styles. Additionally, the field experiments were not designed to uncover the mechanisms through which verbal rewards influence performance. This means they do not clarify to what extent the effects are mediated by direction and motivation.

A final reflection is that all field experiments examined verbal rewards in low-complexity contexts.

4.3 Associations between verbal rewards and performance in survey studies

The seven survey studies that examined the relationship between verbal rewards and various dimensions of performance included ten associations (see Table 3). Based on thresholds for the standardized beta coefficient, four associations were medium, five were small, and one was negligible. First, three studies that compared verbal rewards with different attributes are presented, followed by two studies that combined output- and behavior-based verbal rewards in their operationalizations, and finally, two studies in which verbal rewards were not operationalized with clear attributes but were unspecific.

4.3.1 Comparison of verbal rewards with different attributes

In the first study investigating different verbal rewards attributes, Jaworski and Kohli (1991) examined associations between output-based and behavior-based verbal rewards and performance. Based on a survey of car salespeople, they found that output-based verbal rewards had stronger association with performance than behavior-based, although both associations were small. The link between output-based verbal rewards and performance was partly mediated by salespersons' output role clarity and the link between behavior-based verbal rewards and performance was mediated by salespersons' behavioral role clarity. Compared to behavior-based verbal rewards, the total association between output-based verbal rewards and sales performance was more than twice as large. In another study, Chakrabarty et al. (2008) studied output-based and behavior-based verbal rewards among industrial sales professionals. They observed a small size association between output-based verbal rewards and salespersons' self-evaluated performance, while no significant direct link between behavior-based verbal rewards and performance was found. However, the link between behavior-based verbal rewards and performance was positively moderated by supervisory adaptive selling. When superiors displayed an adaptive selling pattern, that is, had a flexible selling approach, behavior-based verbal rewards were associated with performance.

In yet another study on verbal rewards with different attributes, Lin (2017) examined the associations between skill-based and effort-based verbal rewards and the performance of salespeople. The study found that although the relationship between skill-based verbal rewards and performance was small in magnitude, it was significantly stronger than the corresponding relationship for effort-based verbal rewards. Furthermore, the relationship between skill-based verbal rewards and performance was mediated by employees' performance-prove goal orientation, that is, their motivation to outperform their colleagues. One possible interpretation is that employees who receive skill-based verbal rewards develop greater confidence in their abilities, which in turn motivates them to demonstrate their competence by performing better than others. In contrast, the relationship between effort-based verbal rewards and performance was only marginally mediated by employees' learning goal orientation, that is, their willingness to acquire new knowledge.

4.3.2 Output- and behavior-based verbal rewards

In one of the two studies that operationalized verbal rewards as both output- and behavior-based, Su and Xiao (2022) examined employees in two Chinese manufacturing companies. They found a medium-sized association between verbal rewards and employees' in-role performance (performance in their regular job tasks) and a small association with extra-role performance (self-initiated tasks that benefit the employer). Both associations were partially mediated by employees' promotion focus, which reflected their inclination to achieve high performance at work. In the second study, Su and Jiang (2023) investigated the relationship between output- and behavior-based verbal rewards and job performance among Chinese employees in two manufacturing companies. In this study, employees reported the extent to which

their managers provided verbal rewards, while their managers assessed the employees' job performance. The results revealed a medium-sized association between output- and behavior-based verbal rewards and job performance. Additionally, this relationship was partially mediated by feedback-seeking behavior and moderated by feedback orientation. Feedback-seeking behavior refers to employees actively and proactively soliciting feedback from their managers. The findings suggest that verbal rewards do not primarily provide direction but rather generate a demand for direction, possibly because employees seek to be rewarded again. This was particularly pronounced among individuals with a strong feedback orientation, a personality trait that makes them more inclined to accept and act upon feedback from others within the organization.

4.3.3 Unspecified verbal rewards

Two studies explored the relationship between verbal rewards, where attributes were not specified, and performance. In the first study, Earley (1986, Study B) examined employees in various positions at a multinational company (as previously mentioned). He found a medium-sized positive association between the frequency of verbal rewards, which could have encompassed any attribute, and employee performance as assessed by their immediate managers. In the second study, Evans and Dobrosielska (2021) conducted a convenience sample survey with respondents from various industries. Their findings revealed a medium-sized positive association between verbal rewards, where the measurement items were not fully disclosed, and self-rated task performance, particularly among employees working in a feedback-seeking culture. This culture, fostered by managers, is known to encourage active feedback exchange in the workplace.

4.3.4 Reflections

Although survey studies cannot establish causality, most were consistent with the theoretical model suggesting that verbal rewards enhance workplace performance. Moreover, it is reassuring that field experiments, which have stronger internal validity, generally yielded similar results (cf. Luft, 2016). Additionally, survey studies contributed valuable insights into the importance of verbal reward attribute. When verbal rewards with different attributes were compared within the same study, the findings indicated that output-based verbal rewards were more strongly associated with performance than behavior-based verbal rewards and that skill-based verbal rewards exhibited a stronger link to performance than effort-based rewards. However, survey studies provided no insight into the significance of whether verbal rewards were delivered with a controlling delivery style.

Compared to the field experiments, the survey studies provide clearer indications of potential mechanisms that may be associated with verbal rewards and performance. However, relatively few survey studies incorporated mediators that could be explicitly linked to direction, controlled motivation, or autonomous motivation. The most notable exception was Jaworski and Kohli (1991) inclusion of role clarity, which serves as a reasonable proxy for direction. Furthermore, no survey studies

have been conducted in high work complexity contexts, nor have they included work complexity as a moderating factor. However, other moderators have been examined, particularly those related to characteristics of workplace culture or employees receiving verbal rewards.

4.4 Associations between verbal rewards and motivation in survey studies

The four survey studies that examined the relationship between verbal rewards and different dimensions of motivation included seven associations (see Table 4). Of these, five associations were small, and two were negligible. Notably, two of the associations were negative, which aligns with theories predicting the undermining effects of verbal rewards.

Hewett and Conway (2016) conducted a study using a survey/diary methodology to investigate the association between salient verbal rewards and employee motivation. Salient verbal rewards were defined as verbal rewards that functioned as an incentive, meaning they were conspicuous and anticipated by employees when a task was performed well. As such, they represent what is classified as controlling verbal rewards in this article. The results indicated a small positive association between salient verbal rewards and employees' controlled motivation, supporting the idea that verbal rewards can serve as an incentive in workplace settings. Notably, among employees working on complex tasks, a significant negative association between salient verbal rewards and autonomous motivation was observed. This finding is consistent with the theoretical argument that controlling verbal rewards may be associated with reduced autonomous motivation in contexts characterized by high work complexity. However, the findings contradicted the notion of a weaker association with controlled motivation in high-complexity contexts.

In a survey study by Siverbo (2023), the association between different types of verbal rewards and autonomous motivation of public sector managers was examined. The study was conducted in a high-complexity context, given the challenges associated with managing in a political, multi-goal environment, often with responsibility for leading strong professional groups. The findings indicated that the relationship between verbal rewards and managers' autonomous motivation varied depending on the type of verbal reward. First, skill/output-based verbal rewards exhibited a small positive association with autonomous motivation. Second, performance-contingent verbal rewards, a controlling form of verbal rewards, had a statistically significant but negligible negative association with autonomous motivation. Third, verbal reward frequency had a small negative association with autonomous motivation. This was explained by the fact that in certain situations, frequent verbal rewards can be perceived as irritating or annoying, leading recipients to feel patronized by their superiors. This study is particularly noteworthy as it is consistent with the theoretical notion that the undermining of autonomous motivation in high-complexity work contexts depends on the specific nature of verbal rewards.

Two additional survey studies did not address motivation directly but rather organizational citizenship behavior; a concept closely related to autonomous motivation (Gagné & Deci, 2005; Deci et al., 2017). First, Haider et al. (2019) examined bank employees in the financial services sector. In a survey, employees reported the extent

to which they received output- *and* behavior-based verbal rewards for demonstrating good results and behavior. In a separate survey, their managers assessed the extent to which each employee engaged in organizational citizenship behavior, that is, discretionary behavior beneficial to the company beyond formal job duties. The results indicated a positive association between verbal rewards and organizational citizenship behavior, with organization-based self-esteem acting as a partial mediator. Organization-based self-esteem captures the extent to which employees feel appreciated, competent, and valued in their work environment. However, despite being statistically significant, the association was negligible in strength.

Second, Zhao et al. (2022) studied employees in the hotel industry. Their survey found that output- *and* behavior-based verbal rewards had a small positive association with organizational citizenship behavior. This relationship was fully mediated by psychological ownership, a state in which employees perceive the organization's tasks as their own. Furthermore, the link between psychological ownership and organizational citizenship behavior was partially mediated by affective commitment, which reflects employees' emotional attachment to organizational values and goals, fostering loyalty and dedication to their work. Both mediators (psychological ownership and affective commitment) and organizational citizenship behavior are conceptually closely related to autonomous motivation.

4.4.1 Reflections

The survey studies focusing on motivation provide valuable insights, even though they do not directly address the ultimate impact on performance. These studies reveal negative associations between controlling and frequent verbal rewards and recipients' autonomous motivation, when recipients work on complex tasks. In low complexity contexts, however, the associations between verbal rewards and both controlled motivation and autonomous motivation (in two cases represented by organizational citizenship behavior) were positive. Thus, the survey findings align with theoretical perspectives suggesting that the attribute of verbal rewards plays a crucial role in determining their effects and that controlling verbal rewards may undermine autonomous motivation in high work complexity contexts.

5 Concluding discussion

First, this section discusses the review findings on workplace verbal rewards in relation to the theoretical model. Next, it examines theoretical implications, implications for MCS, practical implications, and limitations. The section concludes with a proposed research agenda.

5.1 Empirical support for the theoretical model

A key premise for the discussion is that not all components of the theoretical model have yet been subjected to sufficient empirical testing. This underscores the importance of distinguishing between what has been empirically confirmed, what has been

A: 1A, 2, 4, 5, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 1B, 18 (not 3, 6, 11)

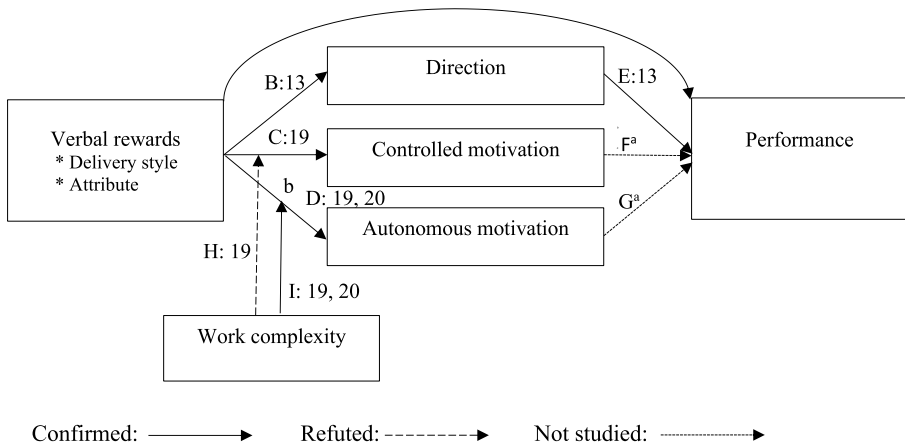


Fig. 3 Empirical results. Comment: see Tables 1, 2, 3 and 4 for study identification. ^a the relationship has been examined, but not within the framework of a mediation study where verbal rewards serve as the independent variable

refuted, and what remains theoretical assumptions awaiting future investigation. This is illustrated in Fig. 3.

A clear finding from the review is that verbal rewards have a positive effect on, or association with, performance in most of the included studies (see A, Fig. 3). It is also evident that the attributes of verbal rewards influence the strength of these associations. Specifically, the relationships were stronger for output-based rewards than for behavior-based ones, and stronger for skill-based rewards than for effort-based. Nevertheless, the finding that the attribute and delivery style of verbal rewards matter does not imply that they are decisive in determining whether positive or negative effects will occur, as positive effects or associations were observed regardless of the specific attributes of the verbal rewards or the delivery style. The review provides a solid empirical foundation for the claim that verbal rewards often have positive effects on performance, although it should be emphasized that not all studies support this conclusion.

The effect of verbal rewards on performance was expected to be mediated by direction (B x E), controlled motivation (C x F) and autonomous motivation (D x G), which are well-established mechanisms in management control research (Bonner & Sprinkle, 2002; Merchant & Van der Stede, 2023). The review confirms that the relationship between verbal rewards and performance is mediated by direction (B x E), using role clarity as a proxy (13: Jaworski & Kohli, 1991).

However, the review cannot confirm a mediating role of controlled motivation (C x F), as no study has included the relationship between controlled motivation and performance (F). The closest examples are Lin (2017) and Su and Xiao (2022), who investigated promotion focus and performance orientation as mediators. Although these constructs are conceptually related to controlled motivation, the studies cannot be considered formal tests of mediation via controlled motivation. There are also indications of mediation in two field experiments, where employee performance

fluctuated both upward and downward following the introduction and subsequent withdrawal of verbal rewards (Crowell et al., 1988; Bareket-Bojmel et al., 2017). However, these experiments likewise do not constitute formal tests of mediation through controlled motivation. The review does, however, offer some support for a positive association between verbal rewards and controlled motivation (C) (19: Hewett & Conway, 2016). The assumption that the relationship between controlling verbal rewards and controlled motivation is negatively moderated by work complexity (H), however, is refuted; making it the only assumption in the theoretical model that is empirically rejected (19: Hewett & Conway, 2016).

The review cannot confirm the mediating role of autonomous motivation ($D \times G$), as no study has included the relationship between autonomous motivation and performance (G). Nevertheless, the review identified both positive and negative associations between verbal rewards and autonomous motivation (D) (19: Hewett & Conway, 2016; Siverbo, 2023), as well as with closely related constructs (Haider et al., 2019; Zhao et al., 2022). While these findings offer valuable insights, they do not substitute for formal mediation tests that examine how autonomous motivation, in turn, influences performance. The prediction that work complexity moderates the effect of verbal rewards on autonomous motivation (I) received some support in the review, particularly controlling and frequent verbal rewards (19: Hewett & Conway, 2016; 20: Siverbo, 2023).

All in all, the review confirms that verbal rewards often have a positive effect on performance, that the attributes of verbal rewards influence their associations with performance, that direction mediates the relationship between verbal rewards and performance, and that work complexity moderates the relationship between controlling verbal rewards and autonomous motivation. The review presents contradictory evidence regarding the assumption that the relationship between verbal rewards and controlled motivation weakens under conditions of high work complexity. However, aside from the overarching conclusion that verbal rewards generally have a positive effect on performance, these findings are primarily based on survey studies, raising questions about the extent to which the observed relationships can be considered causal. It should also be noted that not all studies have operationalized verbal rewards in an unambiguous way. Finally, although the overall impression is that verbal rewards remain understudied, it is particularly noteworthy that there are no mediation studies where the relationship between controlled and autonomous motivation on the one hand, and performance on the other are included.

5.2 Theoretical implications

The review provides four theoretical implications. First, it offers substantial support for several elaborations within SDT (Gagné & Deci, 2005; Deci et al., 2017) and broadens the application of this framework to verbal rewards in workplace contexts. The findings indicate that verbal rewards may be associated with both the enhancement and the undermining of autonomous motivation, with the latter tending to occur when such rewards are delivered in a controlling manner in contexts of high work complexity. In relation to previous systematic reviews of verbal rewards based on laboratory experiments, the present review aligns with the conclusion by Deci et al.

(1999, 2001) regarding the existence of an undermining effect, and contrasts with the claim by Cameron and Pierce (1994) and Eisenberger and Cameron (1996) that verbal rewards have a universally positive effect on autonomous motivation.

Second, it provides empirical results consistent with the idea that verbal rewards with specific and explicit attributes (i.e., output- and skill-based) have stronger effects on motivation and performance. This is in line with attribution theory (Heider, 1958; Kelley, 1967, 1973) and its specific developments concerning verbal rewards (e.g., Koestner et al., 1987; Siverbo, 2023). It is also consistent with the findings in Henderlong and Lepper (2002) systematic review of the effects of verbal rewards on children's autonomous motivation. Third, the review supports a core assumption of management control theory (Merchant & Van der Stede, 2023) and goal-setting theory (Locke & Latham, 2002, 2013) that rewards reinforce performance by providing direction, thereby reducing uncertainty for employees. Finally, the absence of findings suggesting that verbal rewards reduce controlled motivation by functioning as a "license to relax" (Jaworski & Kohli, 1991) or that they undermine autonomous motivation through paradoxical effects (Meyer, 1992) weakens the theoretical perspectives that predict such negative outcomes.

5.3 Implications for management control systems

According to Merchant and Van der Stede (2023), management control refers to all systems and devices that encourage employees to act in accordance with organizational objectives and strategies. More specifically, they identify verbal rewards (using the concept of praise) as a management control tool, describing them as a form of non-monetary reward that can enhance performance by directing and motivating employees. The present review, which is the first synthesis of existing research on verbal rewards in workplace settings, confirms that verbal rewards function as an effective management control tool, but the confirmation is based only to a limited extent on studies published in accounting and control journals. Instead, it largely draws on field experiments and survey studies conducted in other disciplines. Although these studies were not explicitly designed to contribute to MCS research, they nonetheless proved relevant for advancing knowledge about verbal rewards; a specific non-monetary reward, easily implemented in MCS. They demonstrate that verbal rewards play a role in MCS, like other non-monetary rewards (e.g., Kunz & Linder, 2012; Lourenço, 2016, 2020; Wang, 2017; Chan, 2018; Alves & Lourenço, 2023; Presslee et al., 2023; Newman et al., 2024).

The review also shows that verbal rewards have a role in both results control and action control (see Merchant & Van der Stede, 2023). The review includes studies demonstrating that verbal rewards incentivize and reinforce desired individual and organizational results, as well as studies showing that they elicit prescribed behaviors and actions from employees. This indicates that verbal rewards are flexible in the sense that they can be used both for a more autonomous and less intrusive form of results control, and for a more micromanaging and directive form of action control.

Finally, in many organizations, both formal and informal controls are considered necessary for establishing effective MCS (Otley, 1999; Pitkänen & Lukka, 2011). The present review provides evidence that verbal rewards represent a form of infor-

mal control that is associated with positive outcomes in employee performance. As such, they may be one of several informal controls worth considering, particularly in contexts where the limitations of formal controls are especially pronounced and there is a need for more timely, specific, and discretionary informal mechanisms (cf. Wick, 2021).

5.4 Practical implications

The review yields three practical implications for how managers might consider using verbal rewards in the workplace. First, verbal rewards clearly have a legitimate place within the repertoire of managerial controls available to influence employees and stimulate improved performance. With few exceptions, most types of verbal rewards have demonstrated positive effects on performance across the studied contexts.

Second, managers should, whenever possible, provide output-based and skill-based verbal rewards, although offering behavior-based or unspecific verbal rewards is not problematic, only less influential. Third, controlling and frequent verbal rewards should potentially be avoided, albeit only in high work complexity contexts where it is a priority not to undermine autonomous motivation. Overall, managers overseeing employees engaged in complex work tasks may need to exercise caution when using verbal rewards. This is because the positive effects of verbal rewards in such contexts are less well established, and there is reason to believe that the effects may be weaker or, in some cases, even negative.

5.5 Limitations

The conclusions drawn from this systematic review are subject to several limitations. First, they are influenced by the relatively limited volume of research on verbal rewards and workplace performance. However, while 22 articles may appear modest, this number is not far from the 31 studies included in the influential review by Deci et al. (1999), which focused on verbal rewards and autonomous motivation in laboratory experiments. Second, most of the articles included in this review originate outside the accounting literature. Although all studies were conducted in workplace settings, this may limit the extent to which their findings are directly applicable to a review intended for management control scholars.

Third, our conclusions are based on findings from field experiments and cross-sectional survey studies and are therefore subject to the standard limitations associated with each research design; limited generalizability for field experiments and weak internal validity for survey research. Nevertheless, the combination of experimental and survey studies can be considered a strength, as the causal claims supported by the field experiments lend credibility to the more generalizable findings from the survey data. Furthermore, the survey studies enabled empirical testing of more complex relationships, such as mediation and moderation effects. Fourth, despite a rigorous search strategy and a systematic inclusion/exclusion process, it cannot be entirely ruled out that one or more relevant studies were missed or mistakenly excluded. Finally, the conclusions may be affected by publication bias, particularly the file drawer problem,

whereby studies with unexpected or non-significant results are less likely to be published in academic journals.

5.6 Research agenda

Despite the literature review clearly demonstrating strong support for the positive impact of verbal rewards on employee behavior and organizational outcomes, there are compelling reasons to continue researching verbal rewards and to subject the theoretical model to further empirical testing. A research agenda is proposed, focusing on unresolved questions regarding which types of verbal rewards are most effective, the mechanisms through which they operate, the durability of effects, the conditions that strengthen or weaken the effects, and how different types of rewards interact within the broader reward system. A key point of departure for the agenda is that future studies define and operationalize verbal rewards in accordance with the definition proposed in this article, thereby mitigating the problems of construct ambiguity that have been noted in previous research.

The review provides only limited guidance on which types of verbal rewards have the greatest impact on employees. Although certain attributes appear more effective than others, these findings require validation through research designs beyond cross-sectional surveys, preferably through field experiments. The same applies to the potential distinction between controlling and informational verbal rewards. Based on expectancy theory, an intriguing avenue for future research is whether verbal rewards with different attributes have different valences as this could help explain varying effects on performance via controlled motivation. For example, it is possible that the stronger associations observed between output- and skill-based verbal rewards and performance can be attributed to their higher perceived value among employees. It would also be relevant to explore whether controlling verbal rewards are more motivating than informational ones because they create stronger expectations that good performance will be recognized.

Furthermore, there is reason to discuss and more clearly define the concept of controlling verbal rewards. At present, the concept appears to encompass at least three distinct elements. One element concerns the way in which verbal rewards are delivered; specifically, when the recipient is urged to continue performing at a high level in the future, as in “Excellent, you should keep up the good work” (Deci et al., 1999, p. 629). This raises the question of whether such statements per definition are verbal rewards or rather are orders (Andersen et al., 2018). A second element of the definition relates not to the verbal rewards themselves, but to their effects, that is, the extent to which they “make people feel pressured to think, feel, or behave” (Deci et al., 2017, p. 32). It can be questioned whether a concept should be defined based on the effects it produces. A third, and perhaps less problematic, element of the definition is the expectedness and conspicuousness of controlling verbal rewards, in that employees know they are contingent upon some form of performance (Deci et al., 1999; Hewett & Conway, 2016). It may be that this latter element should form the primary basis for defining controlling verbal rewards in future research.

The review identifies a need for research that explores types of verbal rewards beyond their attributes and delivery style. For example, the finding by Handgraaf et

al. (2013) that verbal rewards have stronger effects when delivered publicly rather than privately highlights an important but underexplored area (but see Kosfeld & Neckermann, 2011; Lourenço, 2016). A key question is whether, why, and under what conditions public verbal rewards have a greater impact on performance than private. One argument in favor of this idea is that public rewards may provide clearer direction (Handgraaf et al., 2013) and stronger controlled motivation, as their valence increases when employees receive a visible signal that they stand out in workplace social comparisons (Keltner & Buswell, 1997; Webster et al., 2003; Tracy & Robins, 2004; Handgraaf et al., 2013; Burke, 2022). Public verbal rewards may also enhance autonomous motivation more than private ones, as the recipient knows that not all employees received the same rewards, thereby more strongly influencing perceived competence, which is a key driver of autonomous motivation (cf. Kosfeld & Neckermann, 2011; Lourenço, 2016). However, public verbal rewards are not universally desirable. They may reveal something about the employee that the individual would prefer to keep private (Keltner & Buswell, 1997; Tracy & Robins, 2004). For instance, employees may fear being perceived by colleagues as currying favor with management; something that probably violates informal norms within the workgroup (cf. Ward, 1976; Elwell & Tiberio, 1994). For this reason, some employees may actively avoid receiving public verbal rewards. Another variation in verbal rewards that warrants further exploration is frequency, which in the review was found to be associated with both improved performance and undermined autonomous motivation. Despite the positive correlation with performance, it is not difficult to imagine that overly frequent verbal rewards from managers may quickly shift from being encouraging to becoming routine, meaningless, or even annoying. If that is the case, it would suggest that the value of verbal rewards follows a negatively curvilinear relationship with their frequency. Future research could focus on testing this hypothesis and identifying the frequency thresholds at which verbal rewards begin to have adverse effects.

A well-specified theory presupposes that the mechanisms (mediators) through which the independent variable exerts its effect on the dependent variable are empirically established (Luft, 2016; Hayes, 2017). The review suggests that more research is needed before it can be confirmed that verbal rewards enhance performance by providing direction and motivation. Future studies should test theoretical models in which direction, controlled motivation, and autonomous motivation function as mediators between different types of verbal rewards and performance outcomes. Also, it cannot be ruled out that mechanisms other than direction and motivation, typically emphasized in management control research, may be at play. Therefore, there is a need for more innovative research that conceptualizes and empirically tests alternative explanations for how verbal rewards influence performance (Lian et al., 2012; Van den Broeck et al., 2016). One particularly interesting category of mechanisms involves emotional responses. Several scholars have argued that the effects of verbal rewards vary depending on the emotional reactions they elicit (Weiner, 1985; Henderlong & Lepper, 2002; Choi et al., 2018). For instance, verbal rewards may enhance performance when they evoke pride (Weiner, 1985; Henderlong & Lepper, 2002; Tracy & Robins, 2004), whereas they may have adverse effects if they trigger disappointment or embarrassment (Keltner & Buswell, 1997; Tracy & Robins, 2004), for example when being effort-based or public. Future research could examine the

extent to which emotional responses serve as complementary explanations for how verbal rewards influence employee output and behavior. To advance this research agenda, theoretical models including mediating variables could be evaluated through a series of field experiments or less time- and resource-intensive survey designs.

Furthermore, mediation studies have an important role to play in increasing our understanding of why verbal rewards may, or may not, have long-term effects. For instance, verbal rewards are likely to have more enduring impact when driven by increased direction and autonomous motivation rather than by controlled motivation, which tends to diminish more quickly once the verbal reward is withdrawn. The review provides some insights into this question. Peterson and Luthans (2006) study indicated that output improved continuously during the nine-month intervention period but did not report what happened afterward. Crowell et al. (1988) and Bareket-Bojmel et al. (2017) found that employee performance declined again when verbal rewards were withdrawn. The fluctuations in performance following the introduction and removal of verbal rewards clearly indicate that the impact operates through controlled motivation, and that the effects are no more enduring than the presence of the rewards themselves. In contrast, experiments by Rice et al. (2009) and Handgraaf et al. (2013) showed that the effects of verbal rewards can persist even after the rewards are no longer administered. One possible explanation in these cases is that the verbal rewards either directed employees or enhanced their autonomous motivation, thereby making the effects more durable. Knowledge of what to do and how to do it (direction), as well as perceptions that tasks are meaningful and interesting (autonomous motivation), are likely to remain with employees for some time. However, there is limited knowledge about how long such effects last; over time, the memory of the verbal rewards may fade, and with it, the guidance and autonomous motivation they once provided. Overall, more research is needed on the temporal dynamics of verbal rewards. Key questions include how different verbal rewards influence durability, and which mechanisms (mediators) are activated when effects persist over time.

Another important avenue for future research on verbal rewards concerns their applicability across different types of workplaces. Research on the role of work complexity is still in its infancy. The review reveals positive results for verbal rewards in contexts where employees perform non-complex tasks. However, there is a notable lack of studies conducted in settings characterized by high work complexity. This is concerning, as there is reason to believe that verbal rewards in complex contexts may be less anticipated, possess lower valence, and be more likely to undermine autonomous motivation, ultimately resulting in weaker, or even negative, effects on performance. This heightened risk of performance impairment in complex work environments clearly warrants further investigation. The review also shows that factors beyond work complexity may moderate the relationship between verbal rewards and performance. The review identified factors such as personality (Su & Jiang, 2023) and workplace culture (Evans & Dobrosielska, 2021) as significant moderators. Further theoretical and empirical research is needed to better understand how verbal rewards can be tailored to align with different types of workplaces, personality types and organizational cultures.

Finally, we concur with scholars who emphasize the importance of understanding how the effects of non-monetary rewards are shaped by the presence or absence of

other rewards within the broader reward system. Such insights could help explain inconsistencies in previous findings (Alves & Lourenço, 2023) and provide a more nuanced understanding of which types of rewards act as substitutes and which function as complements (Stajkovic & Luthans, 2001; Lourenço, 2016). For example, if a reward system includes both monetary and non-monetary rewards, such as verbal rewards, it is possible that the monetary rewards fully or partially suppress the effects of non-monetary rewards on controlled motivation (Lourenço, 2016). This may occur because monetary rewards tend to attract more attention and reduce the perceived reputational value of receiving non-monetary rewards, particularly when others assume that an employee's performance was primarily driven by financial incentives (Bellé, 2015). It is also conceivable that monetary rewards weaken the effects of verbal rewards on autonomous motivation. Possible explanations include the controlling nature of monetary rewards, which can make employees feel less self-determined, and the tendency for such rewards to shift employees' focus away from the work itself and toward the extrinsic rewards, thereby undermining their autonomous motivation (Deci et al., 1999).

Appendix 1: Operationalization and coding of verbal rewards

Author(s)	Operationalization (manipulation/ measurement)	Coding of attribute	Coding of controlling	Coding of complexity
<i>Field experiments</i>				
Earley, study A	Manipulation: "you are doing very well", "your work is of good quality", "your performance is quite satisfactory" (p.461)	Output-based. It was the quality and quantity (output) of the administrative work performed that was appraised and valued. Behavior was not monitored.	Unclear. Not provided in a controlling delivery style but unclear if perceived as pressuring, and performance contingent (i.e., expected and conspicuous).	Low. Manufacturing

Author(s)	Operationalization (manipulation/ measurement)	Coding of attribute	Coding of controlling	Coding of complexity
Peterson & Luthans	"The managers were trained to administer positive recognition not only to individuals but also to groups and to the entire unit for performing the identified behaviors (e.g., "I noticed that today the drive-through times were really good. That is great since that is what we're really focusing on these days"). This contingent social recognition could be heard most of the time by several employees or even by the whole group because of the close proximity of employees in the unit. Even if the social recognition was directed to an individual, the proximity was such that it was deemed to serve as vicarious reinforcement to others." (p. 159).	Output-based. Drive-through times and similar results are examples of output.	Controlling. The verbal reward conveys an implicit message to maintain the current level of performance. Verbal rewards were contingent on good unit performance.	Low. Restaurants
Crowell, Hantula & McArthur	"The praise intervention included the delivery of praise to those employees who showed weekly improvements in their feedback measures and/or maintained good performance. All praise was given during the weekly phone calls." (p. 234)	Output-based. Improvements in "feedback measures" were appraised and valued.	Unclear. It is unclear whether the verbal rewards were delivered in a controlling manner, perceived as pressuring, and were performance contingent (i.e., expected and conspicuous).	Low. Private service sector
Handgraaf, de Jeude & Appelt	"Participants in the social reward conditions received a grade ranging from 5 to 10 (roughly equivalent to the American A through F grading system) each week. Accompanying the grade was a descriptive comment (e.g., "unfortunate..." for a grade of 5 to "great!" for a grade of 9 or 10)." (p. 89)	Output-based. Employees who successfully saved energy were given the verbal reward "Great".	Unclear. Not provided in a controlling delivery style but unclear if perceived as pressuring, and performance contingent (i.e., expected and conspicuous).	Low (regarding the task of saving energy). Consultancy industry
Crowell, Anderson, Abel & Sergio	"Praise involved acknowledgment of the score, an indication that the performance was good, expression of thanks, and encouragement to continue the performance at or above the current level. Worksheets were also used by the manager in this phase." (p. 69)	Behavior-based. The score reflected the extent to which the employee complied with eleven prescribed behavioral guidelines.	Controlling. The verbal reward conveys a clear message to maintain or improve the current level of performance.	Low. Bank service

Author(s)	Operationalization (manipulation/measurement)	Coding of attribute	Coding of controlling	Coding of complexity
Waldersee & Luthans	Written message: "Since your last evaluation we have noticed the following behaviors have been performed in an especially excellent manner" (p.87): [Followed by 2–4 of their highest scoring behaviors]	Behavior-based. Based on scores reflecting behavior.	Unclear. Not provided in a controlling delivery style but unclear if perceived as pressuring, and performance contingent (i.e., expected and conspicuous).	Low. Restaurants
Stajkovic & Luthans	"In the social recognition intervention group, the trained supervisors administered personal recognition and attention contingent upon observing workers performing the specific behaviors identified in step 1. Supervisors were explicitly instructed that the social recognition and attention was not to be sugary praise or a pat on the back. Rather, the intention was to let the worker know that the supervisor knew that he or she was performing behaviors previously communicated as important to performance. For example, the supervisor said things such as, "When I was walking through your area on my way to the front office this morning, I saw you making a sequence check, that's what we're really concentrating on"." (p. 2001)	Behavior-based. Verbal rewards based on direct observation of behavior.	Controlling. The verbal reward conveys an implicit message to maintain the current level of performance.	Low (simple administrative tasks). Financial services
Luthans, Rhee, Luthans & Avey	"I was monitoring and I noticed that when you're helping customers, the way you talk, and even your tone of voice, was very kind and empathetic. You also provided considerable detailed and accurate information. That's exactly what we expect from our service team and I really appreciate your talent and hard work." (p. 436)	Behavior-based. Verbal rewards based on direct observation of behavior.	Controlling. The verbal reward conveys an implicit message to maintain the current level of performance.	Low (installations). IT services
Rice, Austin & Gravina	"The experimenter trained the manager to recognize a correct greeting or closing and to approach the employee and give social praise following a correct greeting or closing by saying, "Great job on your greeting," or "That was great customer service"." (p. 667)	Behavior-based. Verbal rewards based on direct observation of behavior.	Unclear. Not provided in a controlling delivery style but unclear if perceived as pressuring, and performance contingent (i.e., expected and conspicuous).	Low. Grocery store

Author(s)	Operationalization (manipulation/ measurement)	Coding of attribute	Coding of controlling	Coding of complexity
Wiesman	“Social reinforcement was delivered by the managers of the two of restaurants. Social reinforcement was delivered to the drive-thru ordertakers when the percentage of times up-sizing requests improved or remained at 80% or higher for the week. Also, social reinforcement was imparted at times throughout the various shifts when the managers observed a drive-thru employee up-selling a customer at the appropriate prompt.” (p. 9)	Output- and behavior-based. Output: based on improvements or the target of 80%. Behavior: based on direct observation of prescribed behavior.	Unclear. It is unclear whether the verbal rewards were delivered in a controlling manner, perceived as pressuring, and were performance contingent (i.e., expected and conspicuous).	Low. Restaurants
Loewy & Bailey	“When the feedback was posted and a goal was met, praise was written directly on the posted graph with a line pointing to the data point that was at or over the goal and said: “Awesome (<i>behavior!</i>)” (...) During the second intervention phase managers were responsible for praising individual employees when they observed the targeted customer service behaviors. The managers were asked to observe employees as they walked around in the store as part of their daily duties and verbally praise employees seen engaging in the target behaviors. Praise was not contingent upon the store meeting the goal.” (p. 19)	Output- and behavior-based. Output: based on goal achievement. Behavior: based on observed behavior.	Unclear. It is unclear whether the verbal rewards were delivered in a controlling manner, perceived as pressuring, and were performance contingent (i.e., expected and conspicuous).	Low. Home improvement store
Bareket-Bojmel, Hochman & Ariely	“All employees who received a verbal reward got the same message that was sent from and signed by their senior manager (i.e., “Dear [Name of employee], Thank you for your hard work and great achievements in yesterday’s shift, I appreciate your effort very much”).” (p. 541)	Output- and behavior (effort)-based. Output: emphasis on achievement. Behavior: emphasis on effort.	Unclear. Not provided in a controlling delivery style but unclear if perceived as pressuring, and performance contingent (i.e., expected and conspicuous).	Low. Manufacturing

Author(s)	Operationalization (manipulation/ measurement)	Coding of attribute	Coding of controlling	Coding of complexity
<i>Surveys – performance</i>				
Jaworski & Kohli	<p>Positive output feedback: 5 items</p> <ol style="list-style-type: none"> 1. When my manager thinks my output performance is good, he provides me with positive feedback. 2. My manager lets me know when he thinks I am producing good results. 3. When I sell an impressive number of cars, my manager makes it a point of mentioning it to me. 4. My manager gives me a “pat on the back” when he thinks I made a good gross profit. 5. When my manager is satisfied with my sales output, he comments about it. <p>Positive behavior feedback: 4 items</p> <ol style="list-style-type: none"> 1. My manager makes it a point of telling me when he thinks I manage my time well. 2. My manager commends me when he thinks I’m using the “right” selling techniques. 3. My manager tells me when I deal with customers appropriately. 4. My manager expresses his approval when he sees me going about my job as he expects. 	<p>Output-based. The items capture the concept of output-based verbal rewards, as they reflect how the manager evaluates (e.g., thinks about) the employee’s work results.</p> <p>Behavior-based. The items capture the concept of behavior-based verbal rewards, as they reflect how the manager evaluates (e.g., thinks about) the employee’s behavior.</p>	<p>Unclear. It is unclear whether the verbal rewards were delivered in a controlling manner, perceived as pressuring, and were performance contingent (i.e., expected and conspicuous).</p>	<p>Low. Car dealers</p>
Chakrabarty, Oubre & Brown	Use the scales developed by Jaworski & Kohli (see above)	<p>Output-based; Behavior-based. (see above)</p>	<p>Unclear. (see comment to Jaworski & Kohli above)</p>	<p>Low. Industrial sales</p>

Author(s)	Operationalization (manipulation/ measurement)	Coding of attribute	Coding of controlling	Coding of complexity
Lin	<p>Positive Person-Focused Feedback: 3 items</p> <p>1. My sales manager tells me that the most important ingredient for me to achieve good performance is my selling ability.</p> <p>2. My sales manager tells me that my good performance directly reflects my selling ability.</p> <p>3. When I perform well, my sales manager tells me that it is because of my selling competence.</p> <p>Positive Process-Focused Feedback</p> <p>1. When I perform well, my sales manager tells me that my performance is the direct result of my efforts.</p> <p>2. When I perform well, my sales manager tells me that it is because I have worked hard.</p> <p>3. My sales manager tells me that I can overcome all obstacles on the path to sales success if I work hard enough.</p>	<p>Behavior (skill)-based: The items capture the extent to which the employee receives verbal rewards for demonstrating skill.</p> <p>Behavior (effort)-based: The items capture the extent to which the employee receives verbal rewards for effort.</p>	Unclear. (see comment to Jaworski & Kohli above)	Low. Sale reps in the private sector
Su & Xiao	Use the scales developed by Jaworski & Kohli (see above)	Output- and behavior-based. Combines all nine items	Unclear. (see comment to Jaworski & Kohli above)	Low. Manufacturing
Su & Jiang	Use the scales developed by Jaworski & Kohli (see above)	Output- and behavior-based. Combines all nine items	Unclear. (see comment to Jaworski & Kohli above)	Low. Manufacturing
Earley, study B	<p>1. How often are you told how well/poorly you do your job by your supervisor</p> <p>2. How many times in a week do you typically talk with your supervisor about how well/poorly you do your job.</p>	Unspecified. The items measure the frequency of verbal rewards without specifying attribute.	Unclear. (see comment to Jaworski & Kohli above)	Low. Manufacturing
Evans & Dobrosielska	Four items, but only one disclosed: “When I do a good job at work, my supervisor praises my performance”.	Unspecified. The item is not specified (“good job”)	Unclear. (see comment to Jaworski & Kohli above)	Variable. Convenience sample in various industries

Author(s)	Operationalization (manipulation/ measurement)	Coding of attribute	Coding of controlling	Coding of complexity
<i>Surveys - motivation and similar constructs</i>				
Hewett & Conway	<ol style="list-style-type: none"> 1. I was expecting the performance of the task to lead to the feedback, recognition or reward 2. I expected to receive feedback, recognition or reward in relation to the task 3. I was thinking about the feedback, recognition or reward 4. I was conscious of the feedback, recognition or reward whilst I was performing the task 	Salience. Items capture expectation and conspicuousness of verbal rewards.	Controlling. Expected and conspicuous verbal rewards are typically controlling.	Variable. Diversified public company
Siverbo	<p>When you get praise, what type of accomplishment have you done?</p> <ol style="list-style-type: none"> 1. You have reached a good result (e.g., profit, quality, satisfied customers/clients/patient, production, and sales) 2. You have demonstrated skills in your work <p>How well must you perform to get praise?</p> <ol style="list-style-type: none"> 1. You must reach or exceed your individual targets 2. You must perform better than before 3. You must perform better than your colleagues <p>1. Approximately, how often do you get praise at your workplace? (By praise we mean a positive verdict of your work performance).</p>	Skill/output-based. Items capture skill and output	Unclear. (see comment to Jaworski & Kohli above)	High. Public sector managers
	<ol style="list-style-type: none"> 1. You must reach or exceed your individual targets 2. You must perform better than before 3. You must perform better than your colleagues 	Performance-contingent. Items capture that verbal rewards are contingent on performance	Controlling. Knowing that verbal rewards require high performance makes them controlling	
	<ol style="list-style-type: none"> 1. Approximately, how often do you get praise at your workplace? (By praise we mean a positive verdict of your work performance). 	Unspecific. The item measures the frequency of verbal rewards without specifying attribute.	Unclear. (see comment to Jaworski & Kohli above)	
Haider, de Pablos Heredero & Ahmed	<ol style="list-style-type: none"> 1. My manager lets me know when he thinks I am producing good results 2. My manager tells me when I deal with customers appropriately 3. To what extent your manager and colleagues let you know how well you are doing on your job 	Output- and behavior-based. Items capture both production results and customer oriented behavior.	Unclear. (see comment to Jaworski & Kohli above)	Low. Bank service

Author(s)	Operationalization (manipulation/measurement)	Coding of attribute	Coding of controlling	Coding of complexity
Zhao, Yang, Han & Zhang	My organization ... 1. gives employees positive feedback when they perform well 2. actively shows appreciation of employees who do their jobs better than expected 3. personally compliments employees when they do outstanding work.	Output- and behavior-based. Items capture both output (“outstanding work”) and behavior (“do their jobs better”)	Unclear. (see comment to Jaworski & Kohli above)	Low. Hotel industry

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Declarations

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