



The
Commons
Stack

**The Commons Stack
Praise System:
A Case Study of the
Token Engineering
Commons
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This Commons Stack Case Study is part of a larger effort by the Commons Stack project to provide detailed analysis and reports on lessons learned from deploying the Commons Stack design pattern to individual Commons deployments.

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Summary

- The praise system has evolved through its use in [Giveth](#) and the [Commons Stack](#), but will be examined in detail in this case study for its implementation in the [Token Engineering Commons](#)
- “Praise” is dished out to anyone contributing to Token Engineering Commons (TEC) community via messages in Telegram or Discord which are collected in a spreadsheet via custom-built bots.
- On a bi-weekly basis, praise is quantified relative to other contributions by a rotating group of community members, which increases the TEC Impact Hours of anyone who receives praise.
- Increasing your Impact Hours makes you eligible for a higher share of the funds allocated after a successful TEC [Hatch](#), the initialization phase of the TEC in which the community pools its resources to bootstrap the commons. The rate of allocation from the collected funds to the members who earned Impact Hours for building the TEC depends on the total amount of money raised.

What's the Purpose of the Praise System?

The praise system is a kind of “manual [SourceCred](#)”, a way for community participants to recognize and be recognized for the various contributions and work done in the TEC community. The praise system was adapted & modified from Giveth and the Commons Stack, where it had been used previously as a way for recognizing & rewarding contributions in a decentralized, open source community.

To acknowledge people's contribution to the TEC and track work done, the TEC uses a custom built praise bot. Anyone who requests dishing powers in the TEC can “dish praise” to community members to acknowledge their work and input, which are then transformed into [TE Commons Impact Hours](#) in a bi-weekly “praise quantification” meeting. All contributions can be dished praise in this manner, even if they are inherently qualitative. They can range from coming to a working group meeting, retweeting a TEC tweet to spread the word, helping in preparing a document to working on test deployments.

Practicing the Praise System relates to monitoring among the [8 principles of a sustainable common resource management](#) of Elinor Ostrom, a Nobel Prize laureate in economics who is renowned for her work in analyzing the commons. While Ostrom sees monitoring as a check against expropriating behaviors within a community, what makes the Praise System unique is it's a positive monitoring, as if someone calls 911 to

say “this person is awesome”, and their reputation increases because of it.

Praise is, first of all, a social recognition of the value of contributions made to these projects. However, it is also a monitoring & tracking system of labor inputs, so that these contributions can be valued economically when funds become available. TEC Impact Hours will acquire monetary value after a successful [TEC Hatch](#), and their value (assumed to be in the \$10-\$200 per Impact Hour range) is determined by the funds raised with the launch of the Hatch. The more funds that are raised, the higher the Impact Hour Rate gets. Additionally, the more funds that are raised, the larger the portion of tokens are paid back to Impact Hour earners. These two properties mean that the people earning Impact Hours are incentivised to collect more funds. A third variable to consider is the total number of impact hours contributed. As the total Impact Hours increases, so does the total amount of funding that needs to be sent to the Hatch to get the same Impact Hour Rate.

How the Praise System Works

Praise is dished on telegram or Discord in TEC groups and verbally in TEC Weekly Syncs. At the beginning of each Weekly Sync call, there is ~20 minutes allocated for the people to praise each other, without needing to have the dishing powers as in the Telegram group.

Bi-weekly, a few people (starting with a few team members, but [has expanded since](#)) gather to quantify the qualitative contributions (praise amount & contributed hours) listed on the spreadsheet as people dish praise. They subjectively reward points to each item praised based on time and relative impact on the project. These praise quantifiers used to get the same as the median person rewarded, but this was felt unfair by the community and an update to the incentive for praise quantifiers was [proposed and approved](#). The quantification process is transparent and can be tracked by anyone in the [spreadsheet](#).

We post the leaderboard in every [TEC blog post](#). It is something to be proud of for our community members. They don't have to see how those are quantified, but they see the result.

Recap of How the Praise Process Works

1. Praise is dished in Telegram or Discord with programmed commands
2. Praise is tracked in a spreadsheet populated by bots
3. Praise is quantified into TEC Impact Hours by a small rotating committee on a monthly basis
4. TEC Impact Hours are paid out on a successful TEC Hatch Raise

Praise System Evolution

Initially there was a 4-tiered weighting structure that categorized contributions made relative to their direct impact on the advancement of the TEC roadmap. As a result, the praises dished within the Token Engineering (TE) community that was tangentially related to TE Commons' launch preparation and the ones that didn't help TEC at all constituted the lowest tiers.

The praise system evolved over time, and there were some structural changes made:

- **We got rid of the tiered structure because it was too much work** and unnecessary since different types of contributions were already being covered by the subjective process of quantification.
- **Those taking on the praise quantifier role were receiving really small impact hours**, which was also discouraging new people from taking up this task. We changed the rules so new people could come in and quantify. Now, every praise that someone gets while being quantifier counts as the average impact hour per praise.
- **The praise quantification was opened to a larger group** as other people started to get involved and understand the overall process, which was crucial to expand community buy-in for a praise quantifier given the subjective nature of praise quantification.

Lessons Learned:

Here are some important lessons we learned along the way:

- **Be very careful with designing a tiered rewards structure:** During the design of the incentive rewards metrics, a conflict emerged between the leaders of TE and TEC. When we had a tiered structure, we had in mind rewarding people in proportion to their relevant contributions towards the TEC. So, for the specific purpose of designing this tiered praise system, the TE was not the primary focus but the people involved in the TEC. The tiers were:

Tier 1: 100% Impact Hours to everything related to and impactful for TEC

Tier 2: TEC-related but less impactful tasks receive 25% IH.

Tier 3: TE projects and activities indirectly related to TEC receives 5% IH.

Tier 4: TE projects that aren't related to TEC get nothing.

Although we wanted to make it very clear that our objective was creating the TEC and not building TE, we failed to communicate that structure is different from content. As a result, having TE projects and activities accounted after T3 and T4 created problems.

Some TE leaders also expressed resentment about TE projects receiving 5% of impact hours. We could have done a better job compromising on that. We could have said T3 will receive 15% IH hours, for example. Another way of resolving this issue would be giving them much more verbal importance or in a way that recognizes them as a critical piece.

- **Verbal praise nourishes a gratitude culture:** In the TEC Weekly Sync calls, there used to be an intro question for collecting data and giving everyone a time to speak. Later, the intro part of the calls evolved into the verbal praise, where TEC members dish praise to each other for 15-30 minutes.

At first, Griff was questioning if allocating a third of the call to verbal praise was the best use of the call. After a few calls, however, he realized its value. While also serving as a way to update people about what is happening, verbal praises developed a strong culture of gratitude.

A culture of gratitude through verbal praise has its unexpected side benefits, like building stronger relationships between community members.

At some point, the two prominent leaders of the TE and TEC, Angela and Griff, were having differing opinions on the direction of the TEC's Onboarding Group and Angela disengaged from the project to focus more on the TE Academy, leaving an unsettling feeling with how the TE and TEC were coexisting. However, after Angela joined one thursday call and dished verbal praise to Griff, saying that she admired his work among other things, and Griff reciprocated with praises for her, it greatly helped build a stronger relationship between the two leaders. Having the space for public praise made this possible.

- **Impact Hours are accumulating debt:** Every week we have more and more impact hours (~300) as there are more and more people contributing. With this trend, we are going to end up with a lot of impact hour debt, so much so that half of the money raised could go to impact hours, and that's too high. That also means that our minimum raise has to be higher.

Impact hours are debt for our launch. And we need to see them that way. This also adds pressure to the launch of the Hatch because the more the launch is delayed, the more debt is going to grow.

It needs to be clear to people that there are so many urgencies to launch, and Impact Hour debt is an important one. We need to have a talk about money as a community because there is a tendency in people to get weird about money as it tends to drop people into a scarcity mindset.

- **Make it super simple to dish praise and super easy to allow anyone to do it.**
- **Sanity check is super important for Impact Hour quantification:** It is crucial to be flexible on turning the praise amounts to Impact Hours. If people need to get more praise because they made valuable contributions but failed to receive enough praise for them, quantifiers just give more points to the praise they did get. The subjective approach in going over the results and adjusting them where deemed necessary helps get the quantification closer to reality and decreases the chances of abusing the praise system.
- **Encourage everyone to choose their own best deal of IH/Wage Distribution:** While those who are not paid for their work receive 100% Impact hours, those who are paid for their work receive disproportionately less according to the amount they are paid. A lot of needs and risk preferences play here, and it is preferred to let the members choose for themselves their mode compensation in x% Impact Hours and x% payment. Commons Stack full time team members receive 15% of their Impact Hours.
- **Dishing praise to those who regularly quantify praise is important.** At first, it was a procedure in the praise process

for quantifiers to not earn any praise, given the conflict of interest possible through self-quantification. However, over time this led to the vast under-recognition of significant contributors who were also regularly quantifying praise. Given our community members' tendency for humility and modesty towards their contributions, as well as the transparent nature of the quantification process among many trusted members, this rule was changed so that quantifiers can now receive praise.

Relevant Documents:

Praise Bot Github Repo:

<https://github.com/commons-stack/CommonsStackBot>

Praise Quantification Proposal: <https://docs.google.com/document/d/1tg5vKNwy1hqOxxlihiXDBr7a1JgfRGODpGZBlpao2mU/edit?usp=sharing>

Dishing Praise Culture in the TE Commons: <https://docs.google.com/document/d/1-EcsTmgDP7CehSzZMWvdAQ8as-EKL-KlgwPKM5t9ln4/edit?usp=sharing>

Rewarding Praise Quantifiers Proposal:

<https://docs.google.com/document/d/1DVldX-lWFsffiyq04laktJw7baeUxDBitPC3ilsXux0/edit?usp=sharing>

Acknowledging & Rewarding Contributions to the TE Commons

https://docs.google.com/document/d/1P_W9u5Tk1xTRfP2_c3k7iN4whmb6JGP_LwRou_ZqN4E/edit?usp=sharing

Praise Quantification Update and Proposals

<https://forum.tecommons.org/t/praise-quantification-update-and-proposals/144>

Impact Hour Rewards - Deep Dive

<https://forum.tecommons.org/t/impact-hour-rewards-deep-dive/go>