



AwardEmployees

... with the award they would choose for themselves.

The Power of Choice

AwardEmployee.com Meets the Science Behind Incentives

This is a copy of an article that was co-authored by AwardEmployees.com and Joshua Klapow, PhD, and Associate Professor in the Department of Health Care Organization at University of Alabama at Birmingham School of Public Health. Dr. Klapow is also the Chief Strategy Officer and Chief Behavioral Scientist for ChipRewards Inc., a consumer health incentive company. This article first appeared in Incentive Magazine Online and is a part of a series of award industry discussion topics from our years of experience and then from the view of a behavioral scientist.

AwardEmployees.com: How Important is Choice in an Incentive Program?

Should choice be a prime consideration in determining the type of award system to use in an incentive and recognition program? And if so, who should define “Choice” the sponsoring company or the participant?

Science behind Incentives

This is quite straight forward from a scientific perspective. If awards/incentives are being given to drive behavior then the awards/incentives must be deemed meaningful by the individual whose behavior we are seeking to influence. There is simply no other way around this. If an individual perceives the reward/incentive as reinforcing, then it will have an influence on their behavior (if and only if it is delivered with the right schedule of frequency and intensity- but that’s another question). Any time an individual can not decide for him/herself what is meaningful, then there is a chance that the predetermined award/incentive will not be seen as meaningful by that individual. Without a doubt the most powerful method for coming up with incentives/awards that are meaningful for any given individual is to let the individual choose. Every time we as the developers of incentive/award programs choose the reinforcers we run the risk of “choosing” wrong. And as I mentioned if we choose wrong our program will not work.

AwardEmployees.com: Can There be Too Much Choice?

I’ve seen articles where the subject of choice is discussed with a conclusion that too much choice can be de-motivational. Articles have gone on to say that people are becoming increasingly unhappy with too much choice. I find these conclusions to be extremely interesting especially with regard to what I’ve experienced in programs I’ve implemented, which is just the opposite. I find it interesting when statement of writers are taken out of context and then used to support conclusions that they make. It’s always hard to measure whether some choice, more choice, or unlimited choice actually produces the best results, because I’ve never seen a time when a client actually used various degrees of choice and then measured the results by group. In your opinion, from the various award systems that you see in the industry do you feel there can be such a thing as too much choice?

Science behind Incentives

Let’s go back to the scientific underpinnings of this question. Individuals can become overwhelmed by too many options, but not within the context of “prizes” or “rewards”. Offering a universe of choices when it comes to rewards simply allows the program developers to hedge their bets in finding what an

individual may deem as meaningful. We must remember that meaningfulness is not a static concept. What is meaningful to me now may not be tomorrow or next week. What is meaningful to you now may be meaningful to me now but not in a month. Our needs, wants and desires change over time and with circumstance. So while we may offer someone a million choices, they may only find 100 as meaningful. We must get away from the notion that “we” know best. While we may be forced to limit our options of rewards and incentives because of costs or logistics, we need to keep in mind that whenever we limit reward options we increase the chance that what we are offering may not be perceived as meaningful. And when it is not, behavior will not be modified.

AwardEmployees.com: Customized Awards

Over the past few years, many companies in the industry have tried to develop award systems that are specifically designed for the demographic they are attempting to motivate. Upon closer inspection it would seem that most of these systems are merely a rehash of traditional merchandise or travel awards formatted to appear as if they are specially designed for a group. In my experience, unless you have a complete knowledge of the demographics, diversity and cultural makeup of the group, trying to devise specific awards to meet the needs would be virtually impossible. I stopped long ago trying to figure out the exact make up of items that would motivate folks. . How important is it to try to match the award to the participants in the program? Or would the client be better off just having a system that has unlimited choice in the first place and not bother with it?

Science behind Incentives

If you read my previous response- you will see you have answered your own question! If we have the ability to match the demographic *as well as* the individual perceptions and current social circumstances of any individual with the awards we are giving then our programs should have an impact. However, matching award systems based on age, gender, and socioeconomic status alone is not going to necessarily be enough to “get it right”. Again—remember- that two people of the same age, gender, race and economic status may have two very different ideas of what is meaningful. So it goes back to the fundamental notion that when awards are predetermined we risk getting it wrong.

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