

Bulletin www.incentivefederation.org

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[**IRF’s New Study Explores How Behavioral Economics Can Be Applied To IRR Programs**](http://pubs.ppai.org/2017/05/irf-releases-study-on-applying-behavioral-economics-to-incentive-programs/) **and Employee Performance**

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| **Who does the Incentive Federation represent?**The Incentive Federation is the only organization whose membership and leadership includes all of the industry’s national trade associations, as well as individual companies. It is under The Incentive Federation umbrella that the collective interests of the Incentive Marketing Association (IMA), the Promotional Products Association International (PPAI), The Incentive Research Foundation (IRF), and Society for Incentive Travel Excellence (SITE) are discussed, nurtured and advanced. |
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| **IFI Mission Statement****The Incentive Federation is dedicated to promote, protect and research the incentive field, encompassing recognition, promotional products and related**  **promotions.** |

promotions.

The Incentive Research Foundation (IRF) has released its analysis on how behavioral economics can be applied to the incentive, rewards and recognition (IRR) field in the report, “Using Behavioral Economics Insights in Incentives, Rewards, and Recognition: A Nudge Guide.” Behavioral economics combines traditional economics, social psychology, neuroscience and other disciplines to identify the motivations behind people’s actions.

Offering practical takeaways to apply immediately in incentives, rewards, and recognition (IRR) programs, the IRF’s report highlights proven behavioral economics approaches that make sense of—and capitalize upon—the powerful role of emotions in employee performance.

“Behavioral economics gets to the heart of why people make specific choices, and it can be an effective resource in designing IRR programs that motivate employees’ best performance,” says Melissa Van Dyke, IRF President. “By understanding the role of emotion in motivation as explained in [the report] IRR professionals can use this knowledge of human drives to make work more satisfying, enjoyable and rewarding.”

The IRF’s interest in behavioral economics stems from the practice’s utility as a tool in helping employers understand what actually motivates employees, why some incentives are more effective than others and how they can strategically apply these principles to their own businesses.

Top recommendations from the study are:

* Nudges (subtle incentive tools/practices) make the reward system user-friendly and maximize its emotional impact. Emotionally compelling rewards hit the mind harder, are remembered longer, produce quantifiably better results from employees and most influence the internal brand.
* Move beyond programs that rely solely on monetary rewards. Large rewards, in particular, experience-type programs involving travel, tend to generate warm memories and appeal to more than two-thirds of survey respondents over the cash equivalents.
* Reward a top-performing team as opposed to using a system in which team members compete against each other for a single reward. Cooperative incentives are more effective and valuable than competitive incentives.
* Emotionally meaningful incentive benefits extend beyond just improving employee productivity. High-performing employees turn into brand ambassadors who extol the company’s virtues to current and potential customers, vendors and media.

To download the full study or the white paper, “How to Effectively Harness Behavioral Economics to Drive Employee Performance and Engagement,” [click here.](http://theirf.org/research/how-to-effectively-harness-behavioral-economics-to-drive-employee-performance-and-engagement/2072/)

**New Federation Members**

The Incentive Federation welcomes the following new members who have joined in 2017.

**Advertising Specialty Institute** - Rita Ugianskis-Fishman

**Castelli North America** – Fran Ford

**Citizen Watch Company of America** – Richard Low

**Fujifilm North America** – Joe Hafenscher

**Great Lakes Incentive Group** – Mark Oldenburg

**Indigo Watch Company** – Dean Resnekov

**Point Recognition** – Tim Geary

**2017 Board of Directors**

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**Questions, Concerns, Requests**

Please contact the Federation if you have any questions or learn of any issues you believe the Federation should be aware of. Since the Federation’s founding in 1984, its effectiveness in representing and protecting the industry with one voice has only been made possible through the financial support and active participation of industry organizations and companies.

Contact: Steve Slagle, IFI Managing Director, at steves3309@gmail.com or 864-710-6739.