

Sticks, not carrots, may work best to boost employees' health (Update)

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(HealthDay)—Financial penalties work better than cash rewards for

motivating employees to meet physical activity goals in a workplace wellness program, a new study reports.

Employees met a daily walking distance goal more often when every missed day meant money removed from a set monthly reward, as opposed to earning a cash incentive each day they met the goal, researchers reported.

The results showed that a psychological concept called "loss aversion" is a stronger motivator than straightforward financial rewards in helping employees adopt healthy behaviors, said lead study author Dr. Mitesh Patel. He is an assistant professor of medicine and health care management at the University of Pennsylvania in Philadelphia.

"We know that people tend to be irrational, but in predictable ways," Patel said. "They tend to respond more to losses than gains. This is the way our brains are wired."

The study was released online Feb. 15 in the *Annals of Internal Medicine*.

In the study, Patel and his colleagues set up a 13-week wellness program for 281 overweight or obese employees. The study volunteers were randomly placed into one of four groups.

Two groups received cash incentives for meeting a daily 7,000-step walking goal, but the incentives were framed in opposite ways, Patel said.

The straight incentive group was told that they could earn \$1.40 every day they met the walking goal, up to a monthly total of \$42.

On the other hand, the penalty group had \$42 deposited up front each

month in a "virtual account," Patel said. Every day they didn't meet the goal, \$1.40 would be removed.

"It was the same amount of money, but dramatically different outcomes," Patel said.

The third group's incentive was based on a lottery system, by which they were eligible to win \$5 or \$50 for each day they met the same goal. The fourth group (the "control" group) received no reward at all — they were just provided a pedometer and received feedback on how well they were doing, the researchers said.

Employees in the group with no incentives met the walking goal 30 percent of the time, the investigators found.

The straight reward and lottery reward programs produced results similar to each other, with employees meeting the walking goal about 35 percent of the time, the study showed.

But those employees who might lose money already assigned to them wound up meeting the walking goal 45 percent of the time—about 50 percent more often than the no-incentive group, the findings showed.

The findings fit with what we know about human behavior, said Soeren Mattke, managing director of the RAND Corporation's Health Advisory Services.

"It's fairly well known from economic theory that a loss of equal value has more effect on people than a gain," said Mattke, who also has researched incentive design for wellness programs. "If I give you \$10, it has less of an effect on you than if I threaten to take \$10 away."

However, it can be very tricky to implement an incentive program that

threatens to take money away from workers, Mattke added.

"From an employee-relations perspective, penalties have a bad aftertaste," he said. "It's much easier to tell people, 'We'll give you \$10 extra if you join the wellness program.' That tends to come across a lot differently than, 'Unless you join the program, we will dock your pay.' "

Mind games already play a large role in many wellness programs, because the rewards employees can earn come out of their own pockets when they pay their health insurance contribution, Mattke said.

"Employers first raise the contribution and then say, 'If you join, you can get the money back,' " he said. "Really, there's no money on the table here, but it's portrayed as a reward. It tends to go down easier if you do it that way."

While this study focused on physical activity, Patel said other studies also have indicated that loss aversion could help motivate employees to quit smoking and lose weight.

"I do think there is an opportunity to apply this to other scenarios," he said.

The new findings indicate that some sort of reward needs to be part of the package, given how poorly the people in the control group did, Patel said.

"There's a presumption that tracking your activity will help you change your behavior. But tracking itself may not work unless it's combined with some sort of financial incentive," Patel said. "The control arm didn't do that well."

More information: *Annals of Internal Medicine*,

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