



# Form 1: Proposal for a new field of technical activity

Circulation date: Click here to enter text. Closing date for voting: Click here to enter text.	Reference number (to be given by Central Secretariat)
Proposer: ANSI (USA)	<b>ISO/TS/P</b> Click here to enter text.

A proposal for a new field of technical activity shall be submitted to the Central Secretariat, which will assign it a reference number and process the proposal in accordance with the [ISO/IEC Directives \(part 1, subclause 1.5\)](#). The proposer may be a member body of ISO, a technical committee, subcommittee or project committee, the Technical Management Board or a General Assembly committee, the Secretary-General, a body responsible for managing a certification system operating under the auspices of ISO, or another international organization with national body membership. Guidelines for proposing and justifying a new field of technical activity are given in the [ISO/IEC Directives \(part 1, Annex C\)](#).

**The proposal** (to be completed by the proposer)

<b>Title of the proposed new committee (The title shall indicate clearly yet concisely the new field of technical activity which the proposal is intended to cover.)</b>  Incentives, Rewards, and Recognition
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**Scope statement of the proposed new committee (The scope shall precisely define the limits of the field of activity. Scopes shall not repeat general aims and principles governing the work of the organization but shall indicate the specific area concerned.)**

Standardization in the field of incentives, rewards, and recognition will include classification, terminology and nomenclature, management practices and metrics that comprise the development, delivery, assessment and control of third-party acknowledgement and motivation solutions. Covered subjects would include products and services from third party companies that develop incentives, rewards, and recognition program development, program management, training, measurement and analytics, supply chain management, financial management and other related functions where organizational management applies defined methods to acknowledge or motivate employee performance and productivity or to increase customer acquisition, satisfaction, retention and loyalty. Incentives, reward, and recognition systems for performance improvements in sales, safety, engagement, retention and other business functional environments are also within scope. Intrinsic incentives, rewards, and recognition, non-material and those unique to the organizational or national cultures are also in scope (i.e. verbal appreciation, physical acknowledgement between parties, gifts of local cultural significance, corporate gifting, rewards points, traditional achievement and service awards, certificates and trophies.) Out of scope are the normal compensation and benefits programs that organizations provide to remunerate employees for expected performance from client organizations, e.g. cash compensation, health benefits, etc.

**Proposed initial programme of work (The proposed programme of work shall correspond to and clearly reflect the aims of the standardization activities and shall, therefore, show the relationship between the subject proposed. Each item on the programme of work shall be defined by both the subject aspect(s) to be standardized (for products, for example, the items would be the types of products, characteristics, other requirements, data to be supplied, test methods, etc.). Supplementary justification may be combined with particular items in the programme of work. The proposed programme of work shall also suggest priorities and target dates.**

The proposed program of work for the standardization of incentive, reward, and recognition processes and metrics:

- 1) Primary management standards
  - a. Terminology or Vocabulary
  - b. A standard that describes and defines a classification system.
  - c. Standards that define effective third party incentives and recognition program management
    - i. Strategy and Development (identification of objectives, executive sponsorship, products and services, management involvement, and tie to corporate goals)
    - ii. Cost and productivity management (e.g. eligibility requirements, materials management, equity, delivery of services, vendor negotiations, communications management, use of technology)
    - iii. Financial management (e.g. budgeting, cost accounting, valuation, return on investment or return on objective, training, acknowledgement delivery)
    - iv. Other (Needs assessment, travel related issues, communications methods, telework based, philanthropy based, worker engagement, piecework based)
- 2) Metrics and Analytics
- 3) Supporting standards
  - a. Supply Chain management (with consideration of ISO/PC 277 Sustainable procurement)
  - b. Risk management (In liaison with ISO/TC 262 Risk management)
  - c. Asset management (In liaison with ISO/TC 251 Asset management)
  - d. Tenure focused standards
  - e. Safety incentive aspects (In liaison with ISO/TC 283 Occupational health and safety management systems)
  - f. Sales incentive travel aspects (In liaison with ISO/TC 222 Tourism and related services)
  - g. Human Resource factors (In liaison with ISO/TC 260 Human resource management)
  - h. Healthcare Incentive Systems (in liaison with ISO/TC 304 Healthcare organization management)
  - i. Performance (In liaison with ISO/TC 312 Service excellence)
  - j. Quality aspects (in liaison with ISO/TC 176 Quality management and quality assurance)

**Indication(s) of the preferred type or types of deliverable(s) to be produced under the proposal (This may be combined with the "Proposed initial programme of work" if more convenient.)**

Eighty five percent of worker incentive and rewards products and services and purchased and delivered by the operational, executive, sales, and manufacturing functions an organization. These activities are now managed by units across most organization. Preferred deliverables from this work would include ISO standards and technical specifications on the effective development, deployment and assessment of incentive, reward, and recognition programs that are developed by third party companies and purchased by a client organization. Some questions which could be the foundation of NWIPs that this technical area is considering include:

- What materials are best for developing gift cards?
- What should be done with unused credit on gift cards that are held by third parties?
- What types of merchandise do employees value most?
- Is the "trophy" value of an award or reward significant in the minds of the recipients?
- How do recipients differentiate between promotional merchandise and gift cards when valuing the reward?
- What is promotional merchandise?
- Do recipients prefer a selection of product options from a catalogue of selected branded merchandise?
- Do award recipients prefer an experimental reward, such as travel, recreational or event options or even educational programs?

**A listing of relevant existing documents at the international, regional and national levels. (Any known relevant document (such as standards and regulations) shall be listed, regardless of their source and should be accompanied by an indication of their significance.)**

There are currently no known international, regional, and national documents that address the effective use of incentive, reward, and recognition systems.

- RPI Seven Standards: [https://www.recognition.org/page/best\\_practice?](https://www.recognition.org/page/best_practice?)
- Incentives, Motivation, and Workplace Performance: Research and Best Practices: <http://theirf.org/research/incentives-motivation-and-workplace-performance-research-and-best-practices/147/>

IMA Guidelines for Developing Incentive Programs:

[https://www.incentivemarketing.org/IMA/Resources/IncentiveAndRecognitionProgramBasics/How\\_to\\_Develop\\_an\\_Incentive\\_Program/IMA/Resources/How\\_to\\_Develop\\_an\\_Incentive\\_Program.aspx?hkey=d6691df6-3392-4d23-a4cf-3d4f19c8a4d4](https://www.incentivemarketing.org/IMA/Resources/IncentiveAndRecognitionProgramBasics/How_to_Develop_an_Incentive_Program/IMA/Resources/How_to_Develop_an_Incentive_Program.aspx?hkey=d6691df6-3392-4d23-a4cf-3d4f19c8a4d4)

The World Health Organization has published “Guidelines: incentives and recognition for health professionals (2008)” which describes some of the different approaches taken and presents characteristics shared by effective incentive schemes. The paper also suggests some approaches to their development and implementation. It can be accessed at:

[http://www.who.int/workforcealliance/knowledge/publications/alliance/Incentives\\_and\\_recognition\\_Guidelines%20ENG%20low.pdf](http://www.who.int/workforcealliance/knowledge/publications/alliance/Incentives_and_recognition_Guidelines%20ENG%20low.pdf)

The following industry studies represent the research on this technical area that has been conducted in the United States.

- A Study of the Incentive Merchandise and Travel Marketplace December 2000
- Incentive Federation Study June 2003
- Incentive Federation Study May 2005
- Incentive Merchandise and Travel Marketplace Study August 2007
- Incentive Market Study October 2013 (ATTACHED)
- Incentive Marketplace Estimate Research Study 2015-2016 White Paper (ATTACHED):

**A statement from the proposer as to how the proposed work may relate to or impact on existing work, especially existing ISO and IEC deliverables. (The proposer should explain how the work differs from apparently similar work, or explain how duplication and conflict will be minimized. If seemingly similar or related work is already in the scope of other committees of the organization or in other organizations, the proposed scope shall distinguish between the proposed work and the other work. The proposer shall indicate whether his or her proposal could be dealt with by widening the scope of an existing committee or by establishing a new committee.)**

Based on a review of existing ISO and IEC standards, technical specifications, and other related documents, there are no existing work projects that address the technical aspects involved in these standards. However, incentive, reward, and recognition system standards can support the implementation of any standards that deal with employee services. Linking the technology of employee and sales motivation to the practice standards in service, safety, human resources, project management, and financial services will result in more effective adoptions of these standards. We consider the incentive and recognition standards to be essential “enablers” of the service standard movement currently underway within ISO.

**A listing of relevant countries where the subject of the proposal is important to their national commercial interests.**

Developed countries with large, mobile workforces will initially have the greatest near term interest in this standard. Since the goals of their employers will be to retain and improve their current workforce performance. U.S., Canada, UK, France, Germany and several large economies in the Asia/Pacific region (APAC) are immediate picks. However, developing countries will require approaches to reduce the drain of talent to developing countries. Effective incentive and recognition management offer employers in these regions a method to keep talent. Although most international incentive organizations are headquartered in the US (IMA, PPAI, SITE, RPI and the IRF), they have extensive international membership, chapters, and customers.

**A listing of relevant external international organizations or internal parties (other ISO and/or IEC committees) to be engaged as liaisons in the development of the deliverable(s). (In order to avoid conflict with, or duplication of efforts of, other bodies, it is important to indicate all points of possible conflict or overlap. The result of any communication with other interested bodies shall also be included.)**

International Labour Organization (ILO)

United Nations (UN)

European Union (EU)

World Health Organization (WHO)

Embankment Project for Inclusive Capitalism (EPIC)

All Multilateral Organizations that are interested in retaining talent and improving performance

The new Technical Committee will actively seek opportunities to coordinate and liaison with all of the internal parties below. The new TC's scope prohibits standards development in compensation and benefits. Therefore, the new standards will be complementary, mutually reinforcing documents. The TC will have an opportunity to normatively reference standards from committees with existing relevant contents: human resources, risk management, and quality management for example.

ISO/IEC Technical Committees:

ISO/TC 176 Quality management and quality assurance

ISO/TC 222 Tourism and related services

ISO/TC 251 Asset management

ISO/TC 260 Human resource management

ISO/TC 262 Risk management

ISO/PC 277 Sustainable procurement

ISO/TC 283 Occupational health and safety management systems

ISO/TC 304 Healthcare organization management

ISO/TC 312 Service excellence

**A simple and concise statement identifying and describing relevant affected stakeholder categories (including small and medium sized enterprises) and how they will each benefit from or be impacted by the proposed deliverable(s).**

Employees will benefit by being consistently and effectively motivated to perform beyond the expectations on their role through thoughtful application of incentive and recognition technology and systems aligned with the corporate mission.

Employers will benefit by higher productivity, reduced turnover, reduced grievances, improved employee engagement and innovation, higher discretionary effort, increased sales, and lower employee costs through wiser incentives and recognition use. They will also have access to best in practice third party approaches to incentive and reward employees.

Organizational leaders can establish a link between the strategy of their organizations and the individual performance using incentives and recognition standards. They will also be equipped to measure the performance of these incentive and recognition systems in an apples-to-apples fashion.

Organizational owners will see and advocate for third party incentive and recognition solutions that clearly drive improved organizational outcomes, which benefits both employees and shareholders.

Organizations that provide incentive, reward and recognition programs, materials, and systems will enjoy a reduction in their services and manufacturing expenses (or these costs will at least be more predictable) as consistency and economies of scale emerge in the field.

Insurance companies will benefit from lower incidents of accidents since employees will be incentivized properly to avoid safety issues in the workplace resulting in a healthier organization.

Developing countries can implement proven and effective technology to maintain talent within their borders, if not encourage talent outside their communities.

Incentive, reward, and recognition providers will enjoy the benefits of sharing effective management practices that will drive poorly performing organizations in this field to improve their quality of products and services or leave the industry.

Society in general will be benefited by workers who perform at their best through active and equitable levels of encouragement.

**An expression of commitment from the proposer to provide the committee secretariat if the proposal succeeds.**

The Incentives Federation Inc. (IFI) is prepared to assume the functions of secretariat of the ISO committee if formed and it is ANSI's intention to designate IFI to serve in that role. The Chairperson of IFI and its Board fully commits to provide the material support and staff necessary to develop of these ISO standards. At minimum, this staff will have an organizational leader with primary responsibility for the administration of this effort with a direct reporting relationship to the Chairperson. IFI also commits to sending a staff member to all required training and meetings that will sufficiently prepare them to accomplish these duties. IFI will also participate in standards support activities that further the interest of standards development in general.



**Purpose and justification for the proposal. (The purpose and justification for the creation of a new technical committee shall be made clear and the need for standardization in this field shall be justified. Clause C.4.13.3 of Annex C of the ISO/IEC Directives, Part 1 contains a menu of suggestions or ideas for possible documentation to support and purpose and justification of proposals. Proposers should consider these suggestions, but they are not limited to them, nor are they required to comply strictly with them. What is most important is that proposers develop and provide purpose and justification information that is most relevant to their proposals and that makes a substantial business case for the market relevance and the need for their proposals. Thorough, well-developed and robust purpose and justification documentation will lead to more informed consideration of proposals and ultimately their possible success in the ISO IEC system.)**

Below are seven justifications that provide compelling support for the start of this new technical area.

Justification 1: 86% of businesses in the U.S. alone now use non-compensation incentives, rewards and recognition in some manner to motivate their employees or sales channel. With little to no national or international standards guiding them, results from these programs can vary widely. As additional research shows a direct link to increased business results through properly deployed targeted engagement programs using incentives, rewards and recognition failure to employ standards from the outset leaves organizations and nation-states at a risk for suboptimal performance.

Justification 2: Research shows there is a stark difference between how high performing organizations design their programs versus average or poor performing businesses, showing strong connection to potential industry gain from standards. Establishment of standards for incentives, rewards, and recognition allows organizations and nations to realize these gains at a faster pace than without their existence.

Justification 3: The U.S. spends conservatively over \$90 Billion a year on non-cash incentives and recognition with no ability to offer economies of scale or cost efficiencies through guidelines with significant dollars spent on implementation of departmental or organization-wide programs. The establishment of incentive, reward, and recognition administrative standards will reduce the cost of implementing and managing these programs by providing seasoned metrics and established practices.

Justification 4: There is no way currently to identify "good" third party programs or providers in the market, nor any current, consistent way to measure the outcomes of IRR Programs. Without the establishment of these standards, organizations and nations are at risk for poor performing programs and organizations to multiply.

Justification 5: Reward and Incentives are included in many other standards with little to no direction on how to do so cost effectively or with impact. The increase in these recommendations of these elements with no guidance from ISO on standards for implementation exacerbates the risks discussed above.

Justification 6: Legal entities and corporate organizations seek guidance from corporate organizations and industry representatives who may have different perspectives on important issues. Without a unifying model to determine effective practice in motivating employee performance, the legal risks of harms that affect organizations and employees goes unchecked.

Justification 7: Many multi-national organizations expand stateside incentive, rewards, and recognition programs across departments and organizations in other nation-states without a common understanding of the pitfalls of doing so without best practices.

According to the Industrial Time Study Institute, "an incentive is intended to motivate a person or people **to put forth increased effort**. (emphasis added) Incentive systems are plans that link employee compensation to some measure of company success." <sup>i</sup>

Signature of the proposer

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*Further information to assist with understanding the requirements for the items above can be found in the [Directives, Part 1, Annex C](#).*

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<sup>i</sup> Accessed from <https://industrialtimestudy.com/incentive/> on 6 June 2019