



## INCENTIVES, PEER PRESSURE, AND BEHAVIOR PERSISTENCE

SUSANNA GALLANI, Harvard Business School

### The seminar

Organizations often introduce temporary incentive programs with a view of establishing long lasting behaviors. Monetary payoffs are awarded upon achievement of team goals, which measure the success of the initiative. In this study, the Author explores whether and how organizational behavior modifications introduced via temporary incentive programs persist beyond the incentive period. In many cases, achieving team goals requires the cooperation of members of the organization external to the team and not eligible to receive the monetary award. The Author compares the persistence of behavior modifications between subjects rewarded with a monetary award with subjects that are exposed uniquely to peer pressure. Using hand hygiene performance data from a California hospital, it is found that monetary incentives are associated with higher likelihood and greater magnitude of performance improvements during the incentive period but are relatively short lived, while implicit incentives facilitate a longer persistence of the organizational behavior modification.

### The speaker

Susanna Gallani is an assistant professor of business administration in the Accounting and Management unit at Harvard Business School. She teaches the Financial Reporting and Control course in the MBA required curriculum, and in focused executive education programs. In her research, Professor Gallani focuses on issues related to the design and effectiveness of incentives. In recent work, she has studied the role of professional networks as sources of learning and normative pressure in the context of CEO compensation design in public firms based in the United States. Currently she is exploring the drivers and effectiveness of performance measurement systems linked to compensation contracts. Professor Gallani holds a Ph.D. in accounting from Michigan State University, and a Master in Business Administration from Central Michigan University. Her undergraduate degree in Business Economics is from the University of Trieste, Italy. Before pursuing her doctorate, Professor Gallani was a senior manager at Honeywell, where she was involved in business transformation initiatives.

Wednesday, 10 May 2017 10.30 - 12.30

Room Cammarata, Rectorate, Main Building (first floor), Piazzale Europa 1,  
Università di Trieste

There are a limited number of places available. Thus, participants are kindly requested to register in advance by sending an email to [andrea.tracogna@deams.units.it](mailto:andrea.tracogna@deams.units.it)