APPLYING BEHAVIORAL INSIGHTS AT THE WORKPLACE

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OVERVIEW

Introduction

How BI can be used

Examples/ Case Studies

Things to consider
WHAT IS BEHAVIOURAL INSIGHTS?

Behavioural insights are empirical findings about human decision-making and behaviour that can be used to make public policy more effective.
QUESTIONS TO ASK YOURSELF

1. Do you a specific behaviour you want to change (Choices and Actions)?
2. Can you measure the behaviour change?
3. Do you have a touchpoint with your target population?
4. Can you experiment? (use a control group, randomize, pilot study, etc)
BI BRINGS TOGETHER MANY FIELDS
PRE AND POST TESTING

Pre-test | Intervention/Treatment | Post-test

COMPARISON TEST
RANDOMIZED CONTROLLED TRIAL (RCT)
## AREAS WHERE BI CAN BE USED

<table>
<thead>
<tr>
<th>Employees</th>
<th>Customers</th>
<th>Society</th>
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</thead>
<tbody>
<tr>
<td>• Boosting employee happiness</td>
<td>• Increasing loyalty</td>
<td>• Improving health outcomes</td>
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<tr>
<td>• Increasing productivity</td>
<td>• Improving the customer experience</td>
<td>• Reducing unethical behavior</td>
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<tr>
<td>• Increasing collaboration between divisions or teams</td>
<td>• Boosting customer satisfaction</td>
<td>• Reducing food waste</td>
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<td>• Encouraging learning behavior</td>
<td></td>
<td>• Helping people to make better financial</td>
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<td>decisions</td>
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Vries, Reinhard & Gorter, 2018
COMMONLY USED NUDGES

Social Norms

We look at the behavior of others to assess which behavior is accepted. As a result, telling people how most others are behaving makes them more likely to behave the same way.

Setting the right default

We like to go with the flow and often choose pre-set options. Changing the default option can lead to more people choosing that option while not limiting their choice.

Visualise Progress

Feeling that we are making progress can help us stay motivated. Visualize the progress people have already made, for example by presenting a progress bar or ticking off checkboxes.
COMMONLY USED NUDGES – CONTINUED...

- Gamification
  When it's fun to behave in a certain way, we are more likely to do so. Make it fun to perform the desired behavior by adding gaming mechanisms or creating an actual game.

- Making it easy
  Seemingly small barriers, like turning a page or one additional website click, can stop us from taking action. Make it easier for people to behave the desired way by removing friction and simplifying as much as possible.

- Pre-commitment
  Simply saying that you’re going to do something, especially if shared with others, makes you more likely to actually do it. Writing a plan and setting goals can help people follow through on their intention to change their behavior.
Encouraging Employees To Reflect on Their Individual Skills and Competencies.

Self-expression =
- Activates intrinsic motivation
- Enabling employees to bring their full selves to work
- Increasing satisfaction and happiness.
- Self-expression exercise led to 50% better retention.
Give Workers Control Over How They Work.

- Improves work life balance and general health
- Productivity gains
- Greater work satisfaction
- Lower job attrition

However flexible working is an area that must be treated with care when trying to foster greater wellbeing.

- For instance, some research suggests that longer stretches of working from home can result in employees feeling socially isolated.
Promoting a Sense of Belonging

- Buffer negative life events
- Increase workplace satisfaction
- Sense of control
- More positive attitudes towards fellow colleagues
Encouraging Expressions of Gratitude

- Boost sense of social worth
- Motivate to engage in further prosocial behaviours (helping others).
CASE STUDIES
HOW CAN YOU NUDGE YOUR EMPLOYEES TO EXPERIENCE MORE PURPOSE?

- A brief conversation with a customer who had benefited from an employee’s work was more motivating than an inspirational speech from the organization’s leader (Grantt & Hoffman, 2011).

- One field study conducted in a cafeteria investigated this idea further by creating transparency between employees and customers. They used an iPad and videoconference construction so that cooks and the diners could see each other (Buell, Kim & Tsay, 2015).
  - The results showed that customer ratings increased by 22.2% compared to the control group. In addition, both customer and employee satisfaction was significantly increased.

“When the customers can see the work, they appreciate it, and it makes me want to improve.”
HOW TO IMPROVE SUCCESSFUL RETURN TO WORK AFTER LONG TERM ABSENCE DUE TO MENTAL STRESS?

- Aspects that help employees to return to work faster:
  - Focus on the future instead of the past
  - Share personalized success stories
  - Help employees to write goal-oriented plans.

- Consistently used positively framed language in all forms of communication, rather than focusing on sickness

- Patients who followed a work-focused therapy in which this concept was applied, returned to work on average 65 days earlier than the control group, who followed a more traditional type of therapy (Lagerveld et al. 2012)
THINGS TO CONSIDER

R  Research: Problem definition, scoping, research, partnership
I  Innovate: Creative workshops, feasibility scoping, prototyping
D  Develop: Field testing, data collection
E  Evaluate: Data analysis, reporting, scaling recommendations
COGNITIVE SYSTEMS

SYSTEM 1: FAST & AUTOMATIC

Emotional, relying on instincts and mental shortcuts, effortless

- Speaking in a mother tongue
- Daily commute on autopilot
- Linked to amygdala

SYSTEM 2: SLOW & REFLECTIVE

Rational, relying on logic, effortful, self-aware, evaluative

- Learning a foreign language
- Planning an unfamiliar trip
- Linked to prefrontal cortex
System 1
“Thinking Fast”
(Affective & subliminal)

Heuristics
(Mental Shortcuts)

System 2
“Thinking Slow”
(Deliberative & conscious)

Biases
(Systematic Errors)
IKEA EFFECT

People value an object more if they partially created it
BIAS: HYPERBOLIC DISCOUNTING

- People tend to be short-sighted, or myopic.
- We prefer smaller, immediate rewards to larger, delayed ones.
- We avoid small, immediate costs even when that means delaying larger costs to the future.

- Friction costs vs. program uptake.

Hyperbolic Discounting

Discount Factor

Time

Michael Buttazzoni (Policy Advisor)
THE PLAN

1. Training needs have to be identified
2. Training has to be prioritised over other activities
3. Training has to be sourced and set up
4. Employees need to be encouraged to take part in training

Booth, 2017
Identifying Training as a Need

Make underlying skills gaps – and their performance implications - more visible to managers

Provide benchmarks to those who are below them
Prioritising Training

Think about the messenger

Provide realistic and relatable information on return on investment

Increase the sense of ownership that employers have in training

Make use of mental accounting
Sourcing and Setting Up Training

- Address collaboration and time constraints rather than cost
- Reduce hassle factors
- Reduce choice overload
Encouraging Employees To Take Part

- Use Role Models
- Frame Training Positively
- Build Trust
- Remove Frictions in Delivery
- Chunking
- Invest in Face to Face Interactions
Key Psychological Insights Contributing To Behavioural Change (Foster, 2017)

1. Rewards can motivate and backfire
2. There is more to work motivation than monetary rewards and incentives
3. Goal setting is an important motivational tool.
4. Performance management requires good feedback, which necessitates good data
5. Not every performance problem is a motivational problem
6. A positive work cycle can be strategically created by aligning individual and organisational goals
7. Data drives better decisions at work. Data science can help.
8. Collective impact requires effective partnerships and communication across organisations
9. Small wins are important
10. Not all organisational problems are behavioural
REFERENCES